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Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations

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ABSTRACT

The divergent outcomes in respect of political integration of the several crises that the EU has confronted during the last decade present a challenge for most ‘grand theories’ of European integration. There has been more political disintegration than some of the historically most influential, ‘optimistic’ theories would have anticipated, but less than more recently-developed and more ‘pessimistic’ theories, notably postfunctionalism, would have expected. Compared with these contrasting theories, a hegemonic-stability-theoretical approach to the EU’s crises provides a more convincing explanation of recent patterns of political integration and disintegration.

KEYWORDS Crisis; hegemonic stability theory; liberal intergovernmentalism; neo-functionalism; political disintegration; postfunctionalism

Introduction

Prevailing theories of European political integration have often been stumped by real-world integration trends. As it was in the past, so it is also today. During the last decade, the EU (European Union) has had to grapple with four almost simultaneous crises: over the Eurozone, Ukraine, refugees and the Schengen Area, and ‘Brexit’. The divergent (provisional) outcomes of these crises are once again hard to square with the ‘grand theories’ of European integration. This applies not only to the fundamentally ‘optimistic’ theories of integration that dominated the scholarly debate about this topic for most of the last few decades, but also to the principal competing, ‘pessimistic’ theoretical perspective on integration, that of postfunctionalism. Specific real-world developments are, of course, typically the product of the interplay of multiple variables, contingent as well as structural, that no single grand theory can fully explain. However, such theories ought to provide a reasonably accurate account of the overall direction in which a process is heading.

I argue in this paper that neither ‘optimistic’ (neo-functionalism and liberal-intergovernmentalist,) nor ‘pessimistic’ (postfunctionalist) theories provide as

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good an account of trends in European political (dis)integration during the last decade of crisis as a rival approach. I begin the paper by defining the concept of political (dis)integration and briefly describing cross-issue-area variations in (dis)integration trends in the EU during the recent crises. Second, I argue that the long-prevalent, 'optimistic' theories of integration cannot account for the observable recent (dis)integration trends. Third, I discuss some contributions to the debate over European integration that pointed to the underlying fragility of the EU well before any of the recent crises erupted. Fourth, I summarize and discuss the main tenets of postfunctionalism, as set out by Hooghe and Marks in their seminal paper (2008) and argue that, while they identified some key emerging trends in EU politics, their interpretation errs on the opposite, 'pessimistic' side. Fifth, I advance a hegemonic-stability-theoretical explanation of recent patterns of (dis)integration that, in my view, better accounts for the variations in this pattern than any of the 'grand' integration theories.

Political integration and disintegration in the four crises

Classic analyses of this topic distinguish between two dimensions of political integration: *level* and *scope* (Lindberg and Scheingold 1970). For Börzel (2005: 220), level refers to the 'locus where the competence for political decisions resides' and scope to the 'procedures according to which political decisions are taken focusing on the involvement of supranational bodies and Council voting rules'. I define political (dis)integration as a process comprising three dimensions. One dimension – which I call *sectoral integration* – is comparable to Börzel's notion of level and comprises the expansion or reduction of the range of issue-areas in which the EU exercises policy-making competences and, within specific issue-areas, an expansion or reduction of the scope of existing common policies. Comparable to Börzel's notion of scope, the second dimension, *vertical integration*, comprises the expansion or reduction of the formal (i.e., treaty-based) competences and effective authority of the EU's supranational organs vis-à-vis the EU's intergovernmental organs and/or those of the member states. Such a two-dimensional concept of (dis)integration, however, ignores the issue of the density or geographical coverage of regional organizations. Europe could scarcely be considered a politically highly integrated region if the EU had a vast range of policy competences and very powerful supranational organs, but, for example, only the Benelux states as members. To these dimensions of (dis)integration, similar to Schimelfennig (2016), I therefore add a third dimension, *horizontal integration*, which refers to an expansion or reduction of the number of member states.

The EU has experienced numerous crises since the integration process was launched with the ECSC (European Coal and Steel Community) project in 1950 (Dinan 2017). Prior to 2010, however, no crisis succeeded in reversing

European integration: no issue-area for which the EU had become competent was 'renationalized', no reduction occurred in the powers of the EU's supranational organs vis-à-vis the member states, and no member state ever left after having joined. The EU long proved to be very resilient to crises.

However, the EU has not survived the four crises since 2010 as well as it survived earlier ones. First, most notably, for the first time, following the 23 June 2016 UK referendum, it is on the verge of losing a member state. And not just any. If the UK should indeed leave it, the EU would lose its third-most populous member state, its second-biggest economy, and, along with France, the only other member state with nuclear weapons, a significant military power projection capacity, and a permanent seat on the United Nations Security Council. The UK's scheduled withdrawal from the EU is thus a highly significant manifestation of *horizontal disintegration*, irrespective of whether it should prove contagious among other member states. Second, the Schengen/refugee crisis has also provoked limited *sectoral and vertical disintegration*. Policy on political asylum has effectively been re-nationalized, member states hostile to EU decisions to reallocate refugees have defied and undermined the authority of the European Commission and the ECJ (European Court of Justice), and the governments of several member states of the Schengen Area have maintained controls on some of their borders despite the Commission's judgment that these are no longer warranted. The other two crises, in contrast, have had different outcomes in respect of political integration. The Ukraine crisis did not result in any change in the integration status quo. The EU managed to maintain a common front against Russia and adopted and implemented economic sanctions against it using existing treaty provisions. In contrast to the other three crises, the Eurozone crisis has ended, provisionally at least, in *closer* political integration, as manifested, among other things, in the creation of a bailout fund, the ESM (European Stability Mechanism), and the adoption of a (partial) banking union and a new surveillance regime, including a 'Fiscal Compact' and the so-called 'Sixpack' and 'Two-pack' regulations, to discipline member states' fiscal and macro-economic policies.

The four crises have thus had a divergent impact on pre-existing degrees of political integration in the EU: more in the Eurozone crisis, the same in the Ukraine crisis, slightly less overall in the Schengen/refugee crisis and significantly less in the Brexit crisis. To explain this divergent pattern of (dis)integration outcomes represents a formidable challenge for the hitherto most influential theories of European integration.

Integration theories and the four crises

Theoretical debates about European integration have tended to follow real-world trends fairly closely, albeit typically with a (sometimes shorter, sometimes longer) time-lag. When, beginning with the Single European Act in

the late 1970s, European integration found a new lease of life, new theoretical perspectives were developed, or old ones revised, to account for this new trend. Of these, the most prominent were liberal intergovernmentalism (Moravcsik 1993) and transnational exchange theory or what I shall label quasi-neo-functionalism (Stone Sweet and Sandholtz 1997; 1999; Stone Sweet, Sandholtz and Fligstein 2001). These perspectives differed in some important respects, especially in the relative power they attributed to member state governments and supranational organs. However, in practice, they shared a high degree of socio-economic and institutional determinism and, based on this, were fundamentally optimistic as to the future of the EU. Professing a close affinity to traditional neo-functionalism, the exponents of transnational exchange theory saw closer European integration as the more or less inexorable outcome of growing volumes of cross-national exchange that constrain national governments to acquiesce in the transfer of more and more policy competences to the European level. This trend would unleash a self-sustaining dynamic of institutionalization, a process by which 'rules are created, applied, and interpreted by those who live under them' and which would lock member states ever more tightly into the EU (Stone Sweet and Sandholtz 1997: 310). Stone Sweet, Sandholtz and Fligstein (2001: 27–28) were correspondingly confident that neither a major economic nor any other crisis would result in institutionalized cooperation in the EU being 'rolled back' (2001: 27–28).

In theory, liberal intergovernmentalism is less deterministic and more open to the possibility of the EU unraveling. It sees international bargaining as a three-stage process involving the formation of national preferences driven by issue-specific, mostly economic, preferences, inter-state negotiations based on asymmetrical interdependence and the creation of supranational institutions as a means of securing credible commitments from member states (Moravcsik 1993; Saurugger 2014; Schimmelfennig 2018). Nothing in the theory *per se* precludes the possibility of political *disintegration*. However, much like quasi-neo-functionalists, the pioneer liberal-intergovernmentalist theorist, Moravcsik also found that 'increasing trans-border flows of goods, services, factors, or pollutants create international policy externalities' that constrained states to coordinate their policies and promote closer political integration (1993: 485). The primacy of considerations of economic rationality in domestic preference formation is buttressed by the fact that 'social groups with an intense interest in a given policy are more likely to mobilize than those with a weak interest', creating a 'systematic political bias in favour of [typically international-market-oriented] producers vis-à-vis those with more diffuse interests' (Moravcsik 1993: 488; present author's insertion). This is clear in Moravcsik's analysis of both the Eurozone and Brexit crises. In respect of the former, he argued that EU members, because they inhabit 'the world's most economically interdependent continent ... have

no choice but to cooperate' (Moravcsik 2010: 25–28). As for Brexit, given the extent of its interdependence with the other member states, the UK would not leave the EU under 'any circumstances', regardless of the 2016 referendum result. Globalization meant that 'every day more British people rely on the EU to secure and stabilize trade, investment, travel, litigation, national security and political values' (Moravcsik 2016). A vote to leave would rather end in a renegotiation of the UK's existing membership terms.

The divergent integration outcomes of the four crises are only partly compatible with these 'optimistic' theoretical perspectives. Certainly, as stressed particularly by liberal intergovernmentalist theory, the strong and reciprocal ties of economic and financial interdependence linking the member states had a strong centripetal effect on the key protagonists in the Eurozone crisis. No clearer confirmation of the significance of these ties can be found than in the ultimate decision of the radical left-wing Syriza government in Greece in 2015 to keep Greece in the Eurozone and accept the draconian conditions for financial aid imposed on it by other member states, led by Germany, and the 'troika' of the ECB (European Central Bank), the IMF (International Monetary Fund) and the European Commission. The prospective consequences of the alternative, namely to abandon the Euro and reintroduce a national currency, simply seemed too negative. By the same token, the main 'creditor' states, led by Germany, viewed the mooted expulsion of Greece from the Eurozone as a step whose consequences were very difficult to calculate and which therefore should be avoided (Webber 2019). However, this is not the only nor necessarily the most plausible explanation of closer Eurozone integration during the crisis (see the section 'A hegemonic-stability-theoretical explanation of European (dis)integration' below).

In any case, however, these theoretical perspectives cannot readily account for the disintegration that has occurred in the Schengen Area and refugee policy or for the British decision to withdraw from the EU. Numerous member states reinstated border controls within the Schengen Area regardless of the economic costs involved. Political or security considerations trumped economic ones where they come into conflict with each other. Although it is arguable that, as the UK belonged neither to the Schengen Area nor to the Eurozone, it was less difficult for it to leave the EU than for almost any other member state, functionalist imperatives spoke strongly against Brexit, which was likely to involve significant economic and financial costs for the UK. Whilst 'optimistic' 'grand theories' held up well to the test of the Eurozone crisis, the outcomes of the Schengen/refugee and Brexit crises revealed that they over-estimate the extent to which political actors are the prisoners of external or 'objective' constraints and under-estimate the autonomy of the political. They did not survive the second half of the EU's decade of crises as well as they had survived the first.

Disintegration theories and their forerunners

The trials and tribulations of the EU after the negotiation of the Maastricht Treaty did not give rise very quickly to new theoretical perspectives on the integration process. Numerous analyses appeared that raised a question mark over the robustness of this process, but almost none was embedded in an explicit analytic or theoretical framework that could be used as a basis for identifying the general conditions under which the integration process might advance, mark time or begin to unravel. One exception to this generalization was the paper by McKay (1999). In this prescient analysis, McKay drew on the political science literature on state intervention in the economies of plural nations or states. He doubted whether, in the absence of a strong common European identity and pan-EU political parties, a single European currency would prove politically sustainable and warned – as did also Dyson and Featherstone (1999: 796 and 801) – that the Euro might generate acute distributional conflicts and mobilize strong populist sentiments and political parties.

Before the defeat of the Constitutional Treaty in referenda in France and the Netherlands in 2005, very few other scholars ventured into the theoretical debate over European (dis)integration. A major contribution was made, however, by Bartolini (2005). Combining Hirschman's micro-level and Rokkan's macro-level analytical frameworks and applying them to the formation of new polities or 'centres', he developed a fairly similar argument to McKay's. For Bartolini, the consolidation of a strong new 'centre' presupposes the development of coinciding economic, coercion and administrative-legal boundaries, 'system building', through which 'enlarged loyalties, identities, and social solidarities' are generated, and 'political structuring', a process through which 'Europarties, interest Eurogroups, and social Euro-movements' displace nationally-organized actors as 'structures of representation' (Bartolini 2005: 386 and 394). He finds that, perhaps unsurprisingly given its remorseless territorial expansion, the EU lacks the mutually-reinforcing boundaries required for it to become a well-entrenched 'centre'. The prospects for 'European-level system building and political structuring' are correspondingly 'uncertain, if not gloomy' (Bartolini 2005: 386). Bartolini's pessimism is graphically expressed in his judgment that 'system building' in the EU could break down in 'phases of mass mobilization and democratization' like in the Ottoman, Habsburg and Russian/Soviet empires (Bartolini 2005: 387). More recently Vollaard (2014: 1155) has built on Bartolini's work, but he finds that, save for the UK, 'full exits from the EU' are improbable because of a 'lack of credible alternatives and a low belief in national efficacy'. Rather than disintegrating completely, irrespective of the strength of Eurosceptic sentiment, the EU is much more likely to become 'a truncated union due to a full British exit and manifold partial exits' (ibid.). For Vollaard,

the EU is thus likely to experience a process of differentiated disintegration (cf. Webber 2017).

In an analysis not too dissimilar to Bartolini's and Vollaard's, Zielonka (2006) argued that the EU's enlargement to include the post-Communist Central and Eastern European states had so increased the diversity among its member states that the EU could never become a state in the 'Westphalian' understanding of this concept. Rather it would develop into a 'neo-medieval' empire, characterized by 'soft borders in flux, cascading socio-economic discrepancies, multiple cultural identities, and a polycentric government' (Zielonka 2006: 167). The EU would not necessarily *disintegrate*, but to survive it would (have to) become more flexible, more differentiated and altogether more loosely integrated.

Postfunctionalism: a theory implying European *disintegration*

Bartolini and McKay both identified a key factor that could prove a highly destabilizing force in EU politics: the danger of intense distributional conflict developing in a political system in which the central authorities wielded significant and growing policy-making powers, but national identities remained far stronger than any common pan-regional identity. However, McKay's concerns were narrower and Bartolini's wider than the EU. There was no articulated theory of EU *disintegration* that challenged the domination of the 'optimistic' theories of integration until Hooghe and Marks published their paper in 2008.

As the label they gave it indicates, Hooghe's and Marks' postfunctionalist approach is radically different to quasi-neo-functionalist and liberal- intergovernmentalist integration theories. The latter three approaches all exhibit (in varying combinations) a high degree of socio-economic and institutional determinism. Dominated by elites, economic and political, EU politics is primarily about the abolition of obstacles to cross-border exchange and managing the externalities of this process. For Hooghe and Marks, in contrast, politics has primacy. The governments of member states are not helpless in the face of supranational organs and institutions or transnational business or other interests. EU politics is – increasingly – shaped by public opinion, elections, political parties, party competition and, not least, referenda. Their post-functional approach comprises the following main tenets:

- There is a disjunction between the (broader) 'functional need for human cooperation' and the (narrower) 'territorial scope of community'.
- This disjunction has grown in the EU because of the extension of the EU's powers, especially since the Maastricht Treaty.
- This growing disjunction has provoked the growing (mass) politicization of EU issues and European integration.

- In step with this politicization process, political mobilization occurs increasingly around issues of *identity* (as opposed to distribution), leading to the emergence of new political cleavage on a nationalist-internationalist or closed–open axis that runs orthogonally to the traditional left-right distributional cleavage.
- Domestic politics has become an increasingly powerful constraint on the EU preferences and strategies of member states' governments, restricting their scope to make reciprocal concessions and creating a 'constraining dis-sensus' that makes conflict-resolution in the EU harder.
- Mass politicization and the growth of identity politics are likely to create 'downward pressure on the level and scope of integration' (Hooghe and Marks 2008: 21).

Developments during the crises of the last decade confirm several of these propositions to a greater or lesser extent. The crises have indeed made EU issues politically more salient in the member states and opinion on these issues has become more highly polarized (Grande and Kriesi 2016). The most comprehensive empirical analysis of politicization trends (in several member states, up to 2012) concludes that there has been an overall pattern of 'punctuated politicization', whereby a 'significant but limited number of singular events' have produced 'high levels of conflict for shorter periods of time' (Grande and Kriesi 2016: 283). Thus, although this process has not been uniform across time and space, overall, as these authors write, quoting Schmitter: 'Something like politicization' has taken place (Grande and Kriesi 2016: 283 and 299). Arguably, events since the cut-off date of their analysis – the conflict over the third Greek bailout, the Schengen/refugee crisis, and the Brexit referendum – strengthened and accelerated this trend, which may, however, have weakened as, since roughly 2016, most of the crises subsided in their intensity.

Developments during the last decade also confirm the proposition that political conflict is being structured increasingly by issues of identity. Like no other previous event or issue, the Schengen/refugee crisis crystallized and mobilized widespread identity-based fears and emotions in EU member states. By spring 2015, 'immigration' had become one of the two most important issues for more EU citizens than any other. By autumn 2015 the percentage had risen from 38 to 58, more than twice the percentage for the next-most-frequently cited issue, terrorism (European Commission 2015a, 2015b). Public disapproval of the EU's handling of the refugee crisis was massive (Pew Research Center 2016). The combination of the high salience of the issue and the high level of popular dissatisfaction with the management of the crisis created fertile political ground for the growth of both new and pre-existing anti-EU, anti-refugee and/or anti-Muslim political movements. By winter 2015–16 such parties were the largest in terms of polled

public support in Austria, France, Hungary, the Netherlands, Poland and the UK. They were also growing fast in Germany, Italy and Sweden (Webber 2017: 346–350). Opinion polls and election results in member states ranging from Austria to Italy and France suggested that the traditional left-right distributional cleavage was indeed being superseded, even rapidly, by a nationalist-internationalist one based on identity.

What makes postfunctionalism a theory of *disintegration*, however, is the last tenet: mass politicization and the ‘constraining dissensus’ it fosters will create ‘*downward pressure on the level and scope of integration*’ (my italics). Hooghe’s and Marks’ did not venture to predict that political disintegration will actually occur, only that there would be mounting *pressure* in this direction, depending on the extent that ‘exclusive identity infuses preferences and ... European issues are politicized’ (21). They do not subsequently explore in great depth why this mounting pressure might not culminate in a trend towards disintegration. However, they recognize that political leaders might try to ‘work around’ the growing constraints facing them, by *inter alia* avoiding referenda, widening the scope for ‘opt-outs’ and differentiated integration, and shifting decision-making powers to ‘non-majoritarian regulatory agencies’, such as, presumably, the ECB (Hooghe and Marks 2008: 22).

In retrospect, the four crises could be seen as a kind of ‘perfect storm’ in which postfunctionalism should have been triumphantly validated. When else should political disintegration have won the upper hand in the EU if not in a period in which the EU was asking for substantial volumes of financial aid from member states to ‘bail out’ crisis-stricken Eurozone members and imposing draconian austerity policies on the latter and in which the borders of the Schengen Area were thrown open at short notice to more than a million refugees from predominantly Muslim countries in the Middle East, Western Asia and North Africa and violent Islamists perpetrated several major terrorist attacks on targets in Western Europe? For Schimmelfennig (2014: 322–323), the Eurozone crisis alone should have been the ‘postfunctionalist moment’ in the history of European integration. Never before had EU policy had such a ‘directly attributable, visible and negative effect on the welfare of member state citizens as in the austerity measures imposed on the highly indebted Eurozone countries’. The crisis triggered ‘unprecedented mass protest against a European policy’ and provoked a ‘steep plunge in public support’ for the EU (Schimmelfennig 2014: 322). Yet nonetheless, rather than *disintegrating*, the Eurozone emerged from the crisis politically more closely integrated than it had been before. Schimmelfennig concurred with Hooghe and Marks that European integration was becoming more politicized and that this process had placed the EU under ‘severe stress’, but politicization had ‘not decisively affected the integration outcomes on this most likely occasion’ (2014: 335). He thus concludes that ‘if

governments are able to respond as effectively as under the conditions of extreme politicization at the height of the Euro crisis ... then there is reason to question the explanatory relevance of postfunctionalism as a theory of integration' (2014: 336).

Limited to the Eurozone crisis, Schimmelfennig's critique of postfunctionalism is valid. However, his analysis preceded the occurrence of the three other crises that the EU has traversed in the last decade. With the benefit of hindsight, the Eurozone crisis looks like an outlying or deviant case. The EU did not emerge more closely politically integrated from any of the other crises and in two cases, the Schengen/refugee and Brexit crises, it has suffered different degrees of political disintegration. Hence overall the integration outcomes of the four crises are not so completely at odds with postfunctionalist expectations as an analysis of the Eurozone crisis alone would suggest.

This said, postfunctionalist theory can no better explain the divergent pattern of integration outcomes of the four crises than the competing 'optimistic' theoretical approaches discussed above. Rather it represents a 'mirror image' of the latter, able to account for 'disintegrative' but not for 'integrative' or neutral crisis outcomes. To the extent at least that all four crises involved mass politicization, why did the EU not begin to disintegrate on all fronts rather than just one or two, given the severity of the (cumulative) crises?

One explanation for this puzzle might be that the crises actually involved varying levels of mass politicization. A comprehensive analysis of this question must await the conduct of more detailed research of the kind conducted for the period up to 2012 by Hutter, Grande and Kriesi (2016). It is conceivable, for example, that the Ukraine crisis, which was external, did not generate comparable levels of mass politicization as the other three crises and was therefore less likely to provoke disintegration. But, if mass politicization should be the critical causal variable and the other crises exhibited comparable levels of mass politicization, it is difficult to explain why the integration outcomes, ranging from closer integration to significant disintegration, should be so divergent. Mass politicization may be a *necessary* condition of disintegration. But this is not to say very much, as it is not easy to imagine disintegration occurring over issues that are neither politically very salient nor highly polarizing and in relation to which the governments of the member states are not constrained by strong, contradictory domestic political pressures. The critical question is whether mass politicization is a *sufficient* condition of disintegration – and this appears not to be the case.

Hooghe and Marks, Schimmelfennig and Grande and Kriesi all advance virtually identical explanations as to why, despite politicization, not more political disintegration has occurred in the EU during the four crises: referenda have been avoided, treaties have been negotiated outside the EU, opt-outs from EU agreements have been offered to 'dissident' governments, new tasks have been assigned to technocratic supranational agencies, and, for

Schimmelfennig, in respect of the Eurozone crisis (at the cost of replacing 'difficult' prime ministers in Greece and Italy), governments remained under the control of parties supporting the Euro and further European integration (Schimmelfennig 2014: 333; Hooghe and Marks 2008: 22; Grande and Kriesi 2016: 296–297). The deployment of these tactics to keep the Eurozone and the EU together, however, presupposes the presence of an actor or group of actors committed to this goal and possessing both the capacity and the political will to pursue it. To understand the divergent integration outcomes of the EU's four crises therefore requires an analysis of the decision-making processes by which, during the last decade, these crises were managed and an explanation as to why in some crises the Eurozone or the EU managed to 'keep together', whereas in others it did not.

A hegemonic-stability-theoretical explanation of European (dis)integration

It may be too much to expect 'grand theories' to predict specific historical outcomes. But they should at least be able to illuminate – to identify and to explain – broad historical trends. Moreover, their explanatory power and utility may be compared by exploring the extent of their 'fit' with observable trends and processes. The problem with both 'optimistic' (broadly functionalist) and 'pessimistic' (postfunctionalist) 'grand theories' is that they can explain why there is either integration or disintegration, but not why, across different issue-areas, these two processes have been unfolding simultaneously. Is there not a 'grand theory' that can explain why there is no unequivocal trend towards *either* integration or disintegration in the EU?

Hegemonic stability theory (HST) may be able to perform this feat.¹ HST draws our attention to the strategies of political elites in the most powerful states in any given international system without making any assumptions or assertions about the nature of the forces, whether 'functional', political or other, that shape their response to crises. As conceived by Kindleberger (1973), HST claims that the dominance of one country is a necessary (although not sufficient) condition of the maintenance of a stable international (in the present context, regional) politico-economic system. A (stabilizing) hegemonic power is not an imperial power, but rather 'first among equals', exercising leadership within a 'community of units *not* under a single authority' (Schroeder 2004: 298–299; original author's emphasis). Hegemonic leadership involves reconciling the interests of the hegemon with those of other states in the system. In Kindleberger's conception (1973: 28), whether a state is a hegemonic power in this sense can be assessed according to whether it meets three fundamental criteria: (1) Does it play a pre-eminent role in setting the rules on which the system is based? (2) Does it bear a disproportionate burden of the costs of maintaining the system, especially in crises?

And (3) Does and can it mobilize (sufficient) support for its strategies to stabilize the system among other ('follower') states?. As is well known, Kindleberger argued that the international economic system collapsed and the Great Depression of the 1930s occurred because the UK was no longer able and the US not yet willing to play the role of an international hegemonic power.

Kindleberger was very sceptical as to whether hegemony was something that more than one state could share. He feared that a duopolistic distribution of power in any system would lead to deadlock. It can be argued, however, that, with their uniquely intensive 'embedded' bilateral relationship, at least up until the last decade, the French and German governments have formed a hegemonic duopoly in the EU that worked in the sense that it promoted ever closer political integration (Krotz and Schild 2013; Pedersen 1998; Webber 1999). That is not to say, of course, that they have 'run' the daily business of the EU. But rather that they have typically exercised a decisive role in 'history-making' decisions that have determined the overall direction that the integration process has taken and in the management of the EU's crises. With one significant exception (see below), the EU's supranational organs were largely side-lined during the four crises. They had neither the legal powers nor the financial resources nor the democratic legitimacy required for them to play a central crisis-management role. Within the bilateral Franco-German relationship, the balance of power has also shifted decisively over time. Whereas, in the early post-World War II decades, France was indisputably 'number one', in more recent decades, especially since the end of the Cold War and German reunification, it has had to cede this position to Germany (Krotz and Maher 2016; Krotz and Schild 2018). As the French finance minister Michel Sapin allegedly told his Greek counterpart in 2015: 'France is not what it used to be' (Varoufakis 2017: 190). By the time the Eurozone crisis struck, Germany, by contrast, thanks to the strength of its economy, its financial resources, and its political stability, had become, in the words of the Polish foreign minister, the EU's 'indispensable nation' (Sikorski 2011). With France increasingly marginalized and the UK having largely marginalized itself, Germany, by default, was the only member state left that could assume this role.

Not only was Germany far more capable than any other member state of playing this role, but it also had very strong motives to do so. It reaped big economic advantages from the Single Market and the Euro. The Eastern enlargement helped to stabilize the countries on its eastern borders. Its integration in the EU had facilitated both its re-entry into the international community after the Second World War and the Holocaust and, when the Cold War ended, German reunification. Above all, European integration solved the 'German Problem' by binding the country so closely to its neighbours, especially to France, that they felt no need to form coalitions to balance German power as they had done in the period after the first German

unification in 1870–71. The promotion of European political integration thus became a *raison d'être* of the Federal Republic and an article of faith of successive generations of (West) German political elites and leaders. Ironically, Germany was called on to play the leading role in a process that had initially been conceived and launched precisely to avert any potential reassertion of German dominance.

Whilst Germany was far more likely to be able to provide the EU with stabilizing hegemonic leadership than any other member state and had very strong motives to do, it was, however, a 'hobbled hegemon' that had to grapple with various structural and normative constraints. First, it does not dominate Europe demographically, economically, financially or militarily in the same way that other (actual or putative) regional hegemons, such as the US and China, do theirs. Second, at least when European integration becomes politically contested and polarized, the German political system, which disperses rather than centralizes power, makes it more difficult than otherwise would be the case for the federal government to provide decisive crisis leadership, as it increases the range of political actors whose interests must be accommodated in German European policy. Third, Germany's dominant Ordoliberal economic ideology militated against it following a counter-cyclical fiscal policy during the Eurozone crisis and encouraged it to insist that financial aid to crisis-stricken Eurozone members be provided only under conditions obliging them to follow tough austerity policies. Fourth, assuming the role of the EU's 'leader' required it to shed the traditional 'leadership avoidance reflex' (Paterson 2011) that in the past had persuaded its leaders to perform this role together with – if not preferably behind – France. Moreover, as the four crises unfolded and became politicized in Germany as elsewhere, question marks began to emerge over the willingness of the German public to acquiesce in the costs of this role, whether it involved providing financial aid to southern European states or, after the initial *Willkommenskultur* ('welcome culture') had waned, accepting far more refugees than any other member state.

Not all the (dis)integration outcomes of the four crises can be explained in terms of the role that Germany played in their management. The outlying and hence most puzzling case among the four is the Eurozone crisis. This is the only crisis in which closer political integration was forged – even though the role played in this crisis by Germany, with its very strong insistence on austerity among bailed-out Eurozone members, was far from that of a *stabilizing* hegemonic power (Matthijs and Blyth 2011). In this crisis, the constraints of economic and financial interdependence that the 'optimistic' integration theories emphasize indeed had a strong disciplining effect on Eurozone member states at opposite poles of the distributional conflict. Not only were the costs of exiting the Eurozone too high for the radical Leftist Syriza government in Greece. The – political as much if not more than financial – costs of a collapse

of the Eurozone were also seen by Chancellor Merkel as being so high or at least so hard to calculate that she preferred if possible to avoid this scenario.

There is, however, another, at least equally plausible, explanation of this outcome. By the middle of 2012 the interest rates that some southern European Eurozone members, including Italy and Spain, were having to pay on government bonds brought them to the brink of bankruptcy. It is entirely conceivable that the volumes of financial aid they would have required to avert this scenario would have been so high that, given the intensity of political opposition to such aid, the 'creditor' states led by Germany would have refused to provide it. At this point, however, the ECB president Draghi intervened, defusing the crisis with his pledge to 'do whatever it takes' to prevent the Eurozone from collapsing – an intervention that had a lasting stabilizing effect on bond markets in the Eurozone.

In his study of the Great Depression, writing in 1973, Kindleberger argued that with the US in relative economic decline and no alternative stabilizing hegemonic power on the horizon, it was important to create international institutions with 'real authority and sovereignty' that obviated the need for such a hegemon. He feared, however, that, of all conceivable scenarios, this one was the 'least likely' to materialize. HST does not apply in the Eurozone crisis because and to the extent that, in the ECB, possessed precisely the kind of institution for Europe that Kindleberger had envisaged so that no single state or coalition of states was needed to play such a role. Whilst it may not possess much democratic legitimacy, given its lack of political accountability, the ECB had all the requisite legal powers and (capacity to create) financial resources to intervene decisively in the crisis – and did. In the other crises, though, there was no such autonomous and powerful supra-national actor with comparable powers to intervene and shape the EU's response; so, in these, leadership, if it was to be provided at all, had to come from a member state.

The outcomes of the other three crises in respect of (dis)integration in fact varied closely with the German government's capacity and willingness to provide stabilizing hegemonic leadership. In the Ukraine crisis, Berlin played the role of the ideal-typical hegemonic power in Kindleberger's sense. It kept other member states well informed about its contacts and talks with Russia. It was the main architect of the EU's response to Russia's annexation of Crimea and covert military intervention in south-eastern Ukraine, combining support for Ukraine and the threat and implementation of sanctions with the maintenance of a dialogue and negotiations with Russia. At some cost in terms of its trade with Russia, it led the way in imposing sanctions and assumed in absolute terms by far the biggest and in relative terms a more than proportionate share of the burden of this policy. With this strategy, whose acceptance in the EU was also facilitated by France's participation in

the management of the crisis (Krotz and Maher 2016), Germany succeeded in mobilizing the support of the other member states, many of whom initially had preferred not to impose sanctions on Russia.

German strategy in the Schengen/refugee crisis conformed much less to the ideal-type of a stabilizing hegemon. On the one hand, along with the 'front-line' states such as Greece and Italy and a few smaller member states, Germany assumed a disproportionately heavy burden of the influx of refugees. On the other, it managed the crisis in a largely uni- or minilateral style, with little to no consultation or negotiation with other member states before the critical decisions were taken. It played a dominant role in conceiving the accord with Turkey in March 2016, but it is uncertain, even doubtful, whether this accord was decisive for the subsequent sharp fall in the influx of refugees, given that the Austrian government had already orchestrated the closure of the Balkans route. German-led efforts to relocate refugees to ease the pressure on the 'front-line' states and on Germany itself were opposed by numerous member states, especially in Central and Eastern Europe. The latter were not susceptible to threats of a withdrawal or a reduction of EU financial aid that could not easily be implemented at the time and therefore lacked credibility. The opponents of German refugee policy were nowhere near as vulnerable to the threat of material sanctions as the member states that had to be bailed out in the Eurozone crisis.

Of all the four crises, the Brexit crisis – which culminated in the clearest-cut case of disintegration – is the one in which Berlin adopted the lowest profile. Against the expectations and hopes of the Cameron government, it did not play a very active role trying to mobilize support among the 26 other member states for more far-reaching concessions to Cameron than the limited ones contained in the February 2016 agreement between the UK and other EU members. Neither in respect of the process by which this crisis was managed nor in terms of the provisions of this accord did the German government provide stabilizing hegemonic leadership. That it did not may be explained partly at least by its recognition of the limits of its capacity to influence the outcome of the crisis once Cameron had decided to stage a referendum and of the strong resistance not only among other member states to changing the EU treaties, which would have been required to enable the UK to limit immigration from other EU members, but also to this specific British demand among the Central and Eastern European member states. At least as important, however, was Berlin's own conviction that to concede the UK's demands on this issue would threaten the integrity of the Single Market and could lead to the unraveling of the EU, the avoidance of which was the overriding priority of German European policy. In case of doubt, Germany preferred a smaller, but more tightly integrated EU to a wider, more loosely integrated one.

Conclusions

Liberal-intergovernmentalism and quasi-neo-functionalism became the dominant theories of European integration in the two decades preceding the recent crises of the EU. Fundamentally optimistic about the EU's future, they remain very influential today. But these theories cannot easily explain the hitherto divergent outcomes of the EU's recent (and ongoing) crises in respect of political (dis)integration. During the last decade, as political contestation of European integration has escalated, postfunctionalism has challenged their interpretation of this process and questioned whether integration is as irreversible as they suggest. Its exponents acknowledged and took seriously the post-Maastricht growth of mass political opposition to the EU and its potential implications. It was the first genuine, albeit fairly implicit, theory of European *dis*integration, which still today has no peer competitors. In its emphasis on the primacy of the political over the economic, it represented a radical alternative to its 'economistic' competitors.

As a 'grand theory' of integration, however, postfunctionalism shares some of the shortcomings of its 'optimistic' counterparts. Above all and like the latter, it is too blunt to explain the divergent (dis)integration outcomes of the four crises that the EU has faced during the last decade. Like most 'optimistic' theoretical approaches, if for different reasons, postfunctionalism overestimates the extent to which political elites are constrained by extra-governmental political forces and actors and fails to explore systematically the motives, interests and strategies of these elites, especially those from key member states, specifically, in relation to the four crises, the German political elite. Overall European integration is neither as fragile as postfunctionalism implies nor as robust or irreversible as quasi-neo-functionalism or liberal intergovernmentalism would have us believe.

In contrast to these theories of European integration, a more venerable theory from international political economy, HST, can provide a coherent explanation of cross-issue-area variations in (dis)integration trends. The outcomes of the Ukraine, Schengen/refugee and Brexit crises in respect of political (dis)integration varied closely according to the willingness and capacity of Germany, meanwhile the EU's 'indispensable' member state, to play the role of a stabilizing hegemon. That of the Eurozone crisis, the only one in which the EU integrated more closely, did not. Liberal intergovernmentalism and quasi-neo-functionalism would attribute this outcome to the tight bonds of financial interdependence linking Eurozone member states so that 'debtor' and 'creditor' states both believed they would suffer negative economic consequences if the Eurozone collapsed. HST would attribute it to the existence, in the form of the ECB, of a powerful supranational actor that superseded the role of a hegemonic regional state. Within the EU, however, the ECB is, in this regard, singular. HST suggests that, in the absence of comparably powerful

supranational actors in other issue-areas, the EU may need a stabilizing hegemonic state or coalition of states to withstand the centrifugal forces generated by the rising challenge of national-populist movements and potential new crises and to remain as politically integrated as it is today. Germany's uneven performance of this role during the last decade tells us that this task is beyond the means of the EU's most powerful single state alone. For this task Germany needs a strong partner, which, realistically, can only be France. It is not certain, however, that it will find it or that Germany itself will be willing and able to contribute as much to performing this task as during the last decade. In this case, there may in future be more European political *disintegration* than integration.

Note

1. This section draws extensively on Webber (2019).

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