

Introduction

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The **European Union** (EU) represents the most successful and complex form of regional economic and political integration among sovereign member states. Starting in 1952, as the small and limited European Coal and Steel Community (ECSC) of Belgium, France, Germany, Italy, Luxembourg, and the Netherlands, it moved forward with two parallel policies of deepening of integration and enlargement to become a complex union of 28 member states. Through the Copenhagen criteria, the EU is open to any European country that is stable, has a free market, supports liberal democracy, respects the rule of law, implements and enforces human rights, and accepts all obligations provided by previously agreed law. Throughout its history, the EU has followed a continuing, though irregular, course of integration, allowing different levels of integration among its members. Of the 28 members, 19 nations have adopted the euro and the majority of the remaining ones are expected to do likewise. The result is a two-track economic union where the larger and more integrated Economic and Monetary Union (EMU or Eurozone) coexists with the smaller and less incorporated non-Eurozone EU.

Going beyond nation-state sovereignty, members developed an integration path that is strictly economic in nature, yet also incorporates varying levels of political integration. Each integrative step brought institutional changes that comprise the principles of intergovernmentalism and supranationalism. As with the level of integration, enlargement of the EU has also not been smooth and has had some reversals. Switzerland and Norway applied for membership but did not join owing to opposition from voters. Morocco applied, and was rejected as it is not a European country. Francisco Franco's Spain was also not accepted into the fold at its first application because it was not a functioning democracy. Turkey's membership application and subsequent accession talks have gone on for many years and are now stalled. Denmark and Sweden have not moved to adopt the euro even though new Eastern European members seem set to do so. Outright dissolution also took place. Greenland and the Netherlands Antilles dropped their respective EU membership when they achieved self-rule from their home countries. The result of the British referendum on EU membership (Brexit) will lead to the first large devolution of the EU even though, notably, it will not reduce the membership size of the Eurozone. Generally, members of the EMU have been more firmly committed to the EU than their non-Eurozone counterparts.

In sum, the EU has gone very far, farther than most. The question for integration scholars is, how did a set of warring countries merge their destinies, especially in light of widespread

skepticism? What conditions provided the fertile environment for such a project to flourish? In addition, can these conditions help us predict how the EU will continue on its path? Or will the seemingly interconnected challenges currently in play lead to retrenchment or perhaps disillusionment? This book sets out to answer these questions by first developing a theory of integration using a power transition perspective. Although power transition's long legacy has been in explaining conflict, we will show how its ideas can also explain cooperation as deep as regional integration. In addition, we will add to the perspective's explanatory power by including societal values and political trust. We continue our introduction by providing a short outline of the major events that moved the European integration agenda forward. We then briefly describe the EU's current existential crisis. We finish the chapter by introducing our theoretical explanation.

The EU through time

What we now call the European Union grew out of the ashes of World War II. The level of death and destruction during the battles between opposing ideological forces had never before been recorded in human history. Famine and disease existed in large stretches of continental ruin. It is estimated that 39 million Europeans lost their lives and many of those who survived carried their wounds $A + B = 2AB$ into old age.¹ On top of the trauma that war produces, the world witnessed how some members of our species can attempt to systematically annihilate other members, thereby introducing the term "crimes against humanity" into our vernacular. In an attempt to produce a working system of peace,² the political elite started Europe down the path of integration.

Under a reality of what seemed like new battle lines being drawn between the US and the Soviet Union, a French businessman, Jean Monnet, and the French Foreign Minister, Robert Schuman, began steps to forge a new level of cooperation centered on French and German reconciliation. The first step was the uniting of their coal and steel productions under a single supranational authority. The Schuman Declaration would soon produce the ECSC among the original six member states. The new regional organization included institutions that would evolve into the current EU institutions: the High Authority would develop into the European Commission, the Common Assembly is the predecessor of the European Parliament, the Special Council of Ministers would become the Council of the European Union, and the Court of Justice would later be the Court of Justice of the European Union.

In just five short years after the founding of the ECSC, the six decided to take a step further and began the creation of a common market through the signing and ratification of the Treaty of Rome, which created the European Economic Community (EEC). Ultimately, the common market would allow the free movement of people, goods, services, and investment. The goal was to create a single market where individuals can seek out and take advantage of economic opportunities without being barred due to national citizenship. At the

start of this process, the treaty required the member states to establish a customs union. The resulting common tariff policy on all products and services external to Europe began ahead of schedule in 1968.

The treaty also established the previously mentioned EU institutions as well as the European Council, which includes the heads of state or government of the member states. Also important to note is the first steps towards a common fiscal arrangement through the Common Agricultural Policy (CAP). The CAP provides subsidies to the farming sector from a common pool of moneys drawn from the member states. It would be possible, under this policy, for a member state to receive more than it contributed and vice versa. Although the funding of the CAP had consumed the majority of all EU expenditures in the past, reforms enacted in 2013, which came or will come into force between 2014 and 2020, will reduce its budgetary impact.³

The 1970s saw a few major events that were critical for the advancement of European integration. The European Parliament (EP) was given more legislative authority and at the end of the decade voters for the first time could directly elect their members of parliament. Another change was the first enlargement of the EEC to include Denmark, Ireland, and the UK. Ironically, this enlargement introduced two member states (Denmark and the UK) that would distance themselves from another critical event: laying down the foundation of the single currency.

In 1972, the original six established the exchange rate mechanism (ERM) or currency snake, which was a commitment to limit their margin of currency fluctuation to 2.25 percent.⁴ The Werner committee report outlined this as the first of many steps towards completing a monetary union by 1980.⁵ However, as a result of economic recession and the breakdown of the Bretton Woods system, many of the six could not maintain their commitments. The fallout settled into a Deutsche mark zone in northwestern Europe, which would later be important for the future of the single currency.

The economic downturns and the problems with the ERM caused some soul searching in the following decade among the EU political elite. In addition to admitting three new members (Greece in 1981 and Spain and Portugal in 1986), they negotiated and ratified the Single European Act (SEA) in 1986. The SEA began a six-year voyage to harmonize national regulations so that the goal of total free trade of goods and services would be achieved by removing these non-tariff barriers. The SEA also gave the European Parliament more legislative powers and the EU more say in developing regional environmental protections.

The start of the 1990s was a new world for Europe. The disintegration of the Soviet Union, fall of the Eastern European communist states, and reunification of Germany transformed what was once a decades-long security threat into an opportunity to truly create a working peace system. However, continental peace would need to wait a few more years until the

violent breakup of Yugoslavia was settled. The trinity of concerns – the economic collapse in the east, massive numbers of refugees escaping war in the Balkans, and the war itself – was the backdrop for a major push to further unite Europe. The EU completed the common market in 1993 and expanded its membership in 1995 (Austria, Finland, and Sweden). The completion of the common market set the stage for the next large step for integration: the 1993 Treaty on European Union (Maastricht).

Maastricht set up steps towards greater economic integration, as well as the hope for a greater single voice in foreign and security affairs and the harmonization of domestic laws. These items were referred to as the three pillars of the EU. The hallmark of the first pillar would be the creation of the single currency, the euro. The groundwork was already laid down by a restart of the monetary snake in 1979, the European Monetary System (EMS). Not wanting to repeat the problems of the older ERM, leaders created an artificial currency called the European Currency Unit (ECU) that all national currencies would fluctuate around by a margin of no more than 2.25 percent, except for Italy which was allowed a 6 percent fluctuation. The newer ERM would not, however, be centered on purely national responsibility like the old one. Since the ECU's value was determined by a basket of member states' national currencies, coordinated interventions in the ECU's value would prevent states from falling out the 2.25 percent rule. The EMS was successfully maintained in the face of major economic problems including economic recessions in the 1980s. Thanks to the strong monetary policies of Germany, the ECU had a strong anchor with the mark, so much so that French President François Mitterrand adopted the *franc fort* policy which strongly aligned his country's currency to the mark.⁶ After more rounds of negotiations associated with the establishment of the European Central Bank, policies regarding individual member states' fiscal responsibilities, and how to progress towards, first, a fixed exchange rate for all currencies, the euro was born, in virtual form, in 1999. It entered into circulation in 2002.

Another major step in integration was the establishment of borderless travel through the Schengen Agreement. The agreement went into effect in early 1995 among a subset of countries: Belgium, France, Germany, Luxembourg, the Netherlands, Portugal, and Spain. This allowed for even free movement since people and products no longer had to wait at border checks. The reduction of time saved money and thereby removed yet another non-tariff barrier. The ease of travel also aimed to instill in the younger, more mobile citizenry the idea that they were Europeans, with all the legal rights, benefits, and opportunities integration had to offer. Uncontrolled mobility also symbolized that security was becoming more of a common good that would be regionally guaranteed. By opening up borders, member states trusted that their fellow partners would successfully regulate nefarious activities in their domestic arenas.

The start of the twenty-first century held promise for European integration given the major advancements in the 1990s. Membership expanded in 2004 to include Cyprus, the Czech

Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia. This was the largest expansion in the EU's history and included former security rivals, including states that were once part of the Soviet Union. The EU further expanded in 2007 with the admission of Bulgaria and Romania and then again in 2013 when Croatia joined. However, all was not well. As supranational institutions increased their powers through multiple treaties (many of which are mentioned in this introduction), voices started to speak out against the lack of public accountability. What was assumed by many in the political elite to be a "permissive consensus" among the public was turning into the democratic deficit critique.⁷ In addition, European integrationists felt that Maastricht had not progressed as much as hoped for, especially the second and third pillars.

To remedy these problems, a European Constitutional Convention was created to draft what would later become the Treaty Establishing a Constitution for Europe. The treaty would have produced dramatic changes to the governing supranational institutions and would clearly move the EU into a political union. The final version of the Constitutional Treaty was agreed to in 2004, but could only go into effect if all the member states, using their varying individual constitutional processes, ratified it. While those that chose to ratify the treaty using parliamentary means passed it, the death blow came when first the French and then the Dutch voters rejected it by referendum in 2005. Since the treaty lacked unanimity, the idea of a political union was sidelined.

In the aftermath, the EU completed the negotiations for the Treaty of Lisbon in 2007, which came into force at the end of 2009. Lisbon attempted to salvage some components of the Constitutional Treaty. One was the creation of the High Representative for Foreign Affairs and Security Policy, which would oversee the development of the Common Foreign and Security Policy (CFSP) in partnership with the Council of the EU (formally the Council of Ministers) and the European Council. In addition, the High Representative heads the European Defence Agency and the European External Action Service. This advancement in external affairs gives the EU a legal entity, which allows it to participate in international negotiations and be the sole signature on treaties associated with security. Lisbon provided the EU the legal ability to form a CFSP in an intergovernmental fashion, not a supranational one. In other words, the member states themselves still have an important say in what the CFSP will and will not include, so it is not in the hands of an executive decision-maker. Finally, the treaty includes a common security and defense policy with a mutual defense clause: member states are now required to provide military assistance if another member is under attack.

Lisbon also attempted to address the "democratic deficit." First, the treaty elevates the Charter of Fundamental Rights to the level of the EU treaties and is thus legally binding on all members. Second is the considerable increase in powers of the European Parliament. The EP's legitimacy was transformed as it changed from an entity representing citizens of member states to one representing the citizens of the EU, thereby bypassing the legal

sovereignty of the members. Lisbon also increased the EP's legislative power by adding to the number of policy areas that it can veto, including the EU's budget. EU citizens were also given the right to directly introduce legislation by petitioning the European Commission. A petition requires one million signatures from at least 25 percent of member states before the Commission can consider it.

Finally, Lisbon adopted from the Constitution Treaty the right of a member state to withdraw from the EU. Lisbon's Article 50 details how to exit in five simple clauses. First the member state must declare its desire to leave after following its constitutional requirements in making the decision. It then notifies the European Council which will negotiate the terms of the exit with the member state. The Council will need a qualified majority vote (excluding the vote of the exiting member state) to agree on the terms of departure. However, negotiations must end within two years, otherwise all the member state's existing ties to the EU are null and void. The Council can extend this time period, but only with complete unanimity. After some deliberation regarding Prime Minister Theresa May's legal right to trigger Article 50, the UK's Supreme Court ruled that only the UK Parliament has the right to request an exit, meaning an act of Parliament would need to be written and a formal vote conducted.⁸ In addition, only Parliament would have the right to approve the final outcome of the negotiated exit.

The EU's existential crisis

This book will focus on the future of the EU by first examining, in theoretical and empirical terms, how it was able to achieve its high level of integration. We will then use our thoughts and data-driven findings to examine the components of what can be termed the EU's existential crisis. The demise of the EU has been foretold many times. The lack of integration's progress in the 1970s and the grand debates surrounding the creation of the single currency are just two periods when **Pundits** declared that European integration was coming to an end.

Such prognostications have returned under greater threat, and perhaps reasonable worry, of being true. The book will examine the four largest challenges facing the EU. We believe these four can seriously put into question the future existence of the EU because each strikes at the heart of why integration exists and their overlaps have the ability to reinforce each other. First is the financial crisis that began in 2007 and gained steam in 2008. This is perhaps the largest challenge facing the EU. The crisis hit the fiscal commitments of some Eurozone member states without a clear, legal method for how to get their houses back in order. Without such remedies, their insolvency would take the other Eurozone members with them. While some in the EU argue for austerity at the national level, others argue for greater integration through political union. Some sides of the debate, therefore, question the notion of solidarity in both ideational and practical terms.

The second challenge is the internal security situation resulting from the very large influx of political and economic refugees fleeing conflicts in North and Sub-Saharan Africa, Syria,

Iraq, and Afghanistan. Current European refugee policy states that refugees' asylum requests are to be handled by the EU member state they first enter. Given the direction of the migration, the vast bulk of the migrants first set foot in the members of the southern periphery – primarily Greece and Italy, but also Spain – which are also the same members hardest hit by the financial crisis already mentioned. On their best days, these member states would lack the budgetary ability to process refugees in such numbers. With their economic conditions in very poor shape, they do not have the capabilities to deal with the influx. The crisis escalated when the southern members allowed the migrants to continue their journeys further north, which they were able to do with ease given the Schengen Agreement. However, bordering states decided to resurrect controls and thereby go back on their Schengen commitments. The primary challenge with this crisis is what to do with the refugees? How should they be distributed throughout the EU? Should they be sent back? The ongoing debates often center on zero-sum arguments. Once again, the notion of solidarity is in question in both ideational and practical terms.

The third challenge is in regard to external security, especially in light of a more aggressive Russia. Parallel developments in the security arena have reinforced common norms. NATO expanded the security horizon for the EU across the Atlantic. [Figure 1.1](#) shows the overlap between NATO and EU membership in Europe. European security substantially overlaps with economic integration and in extending the defenses of Europe beyond its borders. Austria, Cyprus, Finland, Ireland, and Sweden are the only EU members that do *not* participate in NATO. A smaller and peripheral group including Albania, Iceland, Norway, and Turkey have joined NATO, but are not part of the EU. Only Switzerland, territorial located in the heart of the EU, belongs to neither the EU nor NATO. But for the few still unincorporated Yugoslavia spinout states and the Russian enclave in Kaliningrad, EU nations have a coherent security sphere. NATO is, however, not EU-dominated because the partnership is US-led. This combination has overwhelming economic, demographic, and military superiority over Russia but lacks the single decision point associated with a national leadership. Given the inability to resolve their internal security issues just mentioned, will EU member states be able to band together outside the NATO arrangement in order to provide collective security on their own? Does Lisbon provide a sound enough architecture regarding the needed common policies or will more be necessary?

FIGURE 1.1: European Membership of the EU and NATO Source: <https://conceptdraw.com/a1130c3/preview-European%20membership%20of%20the%20EU%20and%20NATO%20map>.

The final challenge is Brexit. Brexit would be the first time a full member state leaves the EU. As already noted, the EU did lose the membership of some member states' territories such as Greenland. However, it has never lost an entire member state. How the UK leaves the EU will dramatically affect economic conditions as well as the security issues just

mentioned. There is also serious speculation that after Brexit, others will follow, so much so that the Donald Trump presidential transition team officially asked EU officials which states would follow the UK.⁹ The debate before the British referendum vote uncovered a great deal of distain regarding the founding principles of the EU, labor mobility, economic cooperation, supranational development, to name a few. In sum, voters were not convinced that integration was working for them. In addition, the Scottish secessionist movement has used the fact that Scotland overwhelmingly voted to stay in the EU as a potential means to separate from the UK. This internal tension exposes the possibility of similar problems across Europe as more Eurosceptic political parties gain electoral support in France, Italy, and the Netherlands.

The power transition perspective

To address how the EU will deal with these challenges, we need to ask, what motivates countries to enter into close cooperation and eventually establish “an ever closer union”?¹⁰ There have been numerous theories that address domestic and regional motivations for regional integration.¹¹ After reviewing a few theories in Chapter 2, we come to the conclusion that they do not address the factors that affect states’ motivation to pursue deeper regional integration or the collective unit’s ability to be a major player in the international system while assuring its own stability and security. Using the power transition perspective as a guide, we will analyze empirically the past and future of the process of integration’s. The questions our theory will need to address revolve around the factors that promote European integration and if the EU has these factors at sufficient levels to address its critical challenges.

European integration, as our historical review reveals, has followed the sequential steps laid out by Bela Balassa: free trade area, customs union, common market, and economic union.¹² What is left is the last stage: the establishment of a political union. In an attempt to explain how and why a mere attempt to coordinate coal and steel production in six Western European countries evolved into the current EU, scholars proposed numerous mid-range theories which, when taken independently, cannot account for all the causalities that shaped the EU. Therefore, it is crucial for researchers to combine complementary theories that overcome the levels of analysis problem (i.e., comparative versus systemic theories) and utilize a more realistic framework for analysis. We maintain that power transition theory can be extended to address the cooperation dimension of the conflict–cooperation continuum of international relations.

Our theoretical framework does not incorporate the ideological motivations often used by leaders throughout the EU development. For example, we recognize that since European integration was born from the ashes of war, many have argued that integration is necessary to reduce the likelihood of conflict between member states. The creation of **common norms**

and intuitions entangles potential competitors because of the spread of investments and labor mobility, decreasing nationalistic tendencies. This argument focuses on the “political will” of leaders to supply integration. However, we believe that desiring integration, for whatever reason, and having the appropriate conditions for integration to develop are not the same thing. In other words, political will is necessary, but not a sufficient condition. Another motivation is strategic in nature: by creating a larger community, it is far easier to defend the opportunities since the number of external competitors are reduced. Smaller units cannot be “picked off” without mobilizing the whole and, therefore, only the largest competitors can pose a threat. Again, this is a political motivation that can rationalize the need for integration, but does not offer us a theory as to how integration will occur.

In short, sustained growth and internal and international peace and cooperation are preserved among integrating agents because the community provides a modicum of consistent rules, makes each component dependent on the others, and increases the level of interaction and institutionalizing of norms among participants. If regional integration was simply based on sound rational need, then there would be many more examples of organizations like the EU throughout the world. Yet, while there are many examples of regional integration organizations on every continent, none has achieved the EU’s high level of supranational institution building and successful merging of economies.

We wish to address both the internal and international consequences of integration. Power transition theory provides a useful perspective to address these issues because it examines the optimal conditions for the idea of integration to become a reality. To do so, we examine the dynamics of group cooperation: leadership, values, and trust. States, like individuals, are not self-coordinating actors and can often fall into traps that lead to collective action

problems.¹³ Leadership from a capable state within the region is necessary to establish an ordered hierarchy. However, other states in the region will need to be satisfied with how the regional leader will help supply integration. The other part of the equation, therefore, needs to include state preferences. We argue that such preferences are molded by the levels of values convergence and trust. States that share the same values will find it easier to agree on policies. Trust is needed because we theorize that integration develops when members believe they are treated fairly. Since integration can potentially produce lopsided rewards, member states will need to believe that the process will benefit all before they opt in.

The book’s roadmap

The book first examines how our arguments fit into the wider discourse on regional integration and then continues by explaining our set of generalized hypotheses, reviewing the existential crises facing the EU, and demonstrating the empirical evidence of our claims. We end by using our evidence-based theory to forecast the future of the EU. Chapter 2 begins by outlining previous thoughts regarding European integration, including some of the most often cited claims: economic rationality, neofunctionalism, and neorealism. We will see that the economic explanation gives us sound reasons why European should integrate, but

does not tell us why or how sovereign states would integrate. Neofunctionalism offers some understanding of how states can be integrated, but the central mechanism lacks predictive power. Neorealism does attempt to use structural conditions to explain why states integrate. However, many of the assumptions contradict the explanations it offers and we view its predictive power as less than optimal.

The remainder of Chapter 2 explains, through a power transition perspective, that integration requires a member state to act as a capable leader. Such a state will need to draw from its own economic strength to coordinate other states to form institutions, decision-making procedures, and policies that drive integration forward. However, we believe that the structure of asymmetric power is not enough. Member states need to be satisfied with how things are progressing. We posit that satisfaction has two important ingredients. The first is value convergence. Member states need to have social and political values similar to those of the regional leader. Since the character of integration will be driven by the regional leader's values, then others would need to agree with those values. If values diverge, then member states will not agree on the leader's vision. The second component is trust. We will argue that member states need to believe that the process of integration is working for them, i.e., that outcomes are non-zero sum. Such a belief will instill trust and thereby smooth the way for functioning relationships between member states on one side, and citizens and European institutions on the other.

Chapter 3 details the major challenges facing the EU that will test its ability to continue. One is the ongoing fiscal problems among a subset of Eurozone member states due to the financial crisis, which began in 2007. The crisis caused a ballooning of government deficits in order to maintain the banks' solvency, which in turn caused some members (Portugal, Italy, Greece, and Spain) to fall outside their EMU-required spending limits. Can the EU effectively revisit the EMU architecture or are we witnessing the beginning of the euro's demise? Another challenge is Brexit. Our main focus is on how the departure of major member states will affect other members. All the arguments of the exit campaign seriously challenged the European ideal of solidarity and the notion that economic outcomes benefit all. One criticism in particular, of EU labor mobility, struck at one of the major cornerstones of integration. Can the EU do anything to stem the tide of Euroscepticism if it grows within other member states? A third challenge is the maintenance of the Schengen Agreement within the current refugee and immigrant crisis. The backtracking on commitments (mentioned above) is a challenge to European internal border security. Member states began to lose faith in the common security arrangement that would facilitate the promise of the unimpeded mobility of people and goods. What can the EU do to salvage these commitments and create structures to prevent this crisis in the future? The last challenge is how to address the EU's poor relations with Russia. The annexation of Crimea is only one, albeit the strongest, example of the challenge Russia poses for European security. Does the EU have the ability to further its political integration so it has a true common foreign and

defense policy?

Chapter 4 tests our theoretical claims. We gathered data on our variables starting from 1990 and ending in 2015. We also include forecast values up to 2021 so that we can examine a few future scenarios. We code the actual achievements of European integration and then examine the relationship of each integration stage on our independent variables. The results demonstrate that the various stages of integration do in fact depend on power asymmetry, value convergence, and trust in EU institutions. However, we discover that the explanatory strength of each variable depends on the particular stage.

In Chapter 5, we conduct a detailed analysis of the EU's future. We revisit the challenges discussed in Chapter 3 in light of our empirical findings. We begin by looking at the power transition predicted to occur between China and the US and examine the EU's position in the global hierarchy if it were a unified actor, minus Britain's membership. In doing so, we wish to plot the likelihoods of conflict or cooperation between the EU and Russia. We also demonstrate how a unified EU can help the US if we witness a much stronger China. The last forecast is the likelihood of future integration necessary to meet the challenge of the fiscal issues regarding the euro and internal security.

Notes

¹Iris Kesternich, Bettina Siflinger, James P. Smith, and Joachim K. Winter, "The Effects of World War II on Economic and Health Outcomes across Europe," *Review of Economics and Statistics* 96, no. 1 (2014): 103–118.

²David Mitrany, *A Working Peace System* (Chicago: Quadrangle Books, 1966).

³European Commission, "Overview of CAP Reform 2014–2020," *Agriculture Policy Perspectives Brief*, no. 5 (December 2013).

⁴John McCormick, *Understanding the European Union: A Concise Introduction*, 5th edition (London: Palgrave Macmillan, 2011).

⁵Ibid.

⁶Ibid.

⁷Philippe C. Schmitter, *How to Democratize the European Union ... and Why Bother?* (New York: Rowman and Littlefield, 2000).

⁸Katrin Bennholdjan, "'Brexit' Ruling Reveals Cracks in Britain's Centuries-Old Institutions," *New York Times*, January 24, 2017.

⁹Nikolaj Nielsen, "Trump Team Asked Which EU State is Next to Exit," *EUobserver*, January 13, 2017, <https://euobserver.com/foreign/136536> accessed January 14, 2017.

¹⁰"Ever closer union" is an EU aim and is enshrined in the EU treaties. It is also the title of a book by Desmond Dinan, *Ever Closer Union*, 4th edition (Boulder: Lynne Rienner, 2010).

¹¹For example, see Ernst B. Haas, *The Uniting of Europe: Political, Social, and Economic*

Forces, 1950–1957 (Stanford, CA.: Stanford University Press, 1958); Ernst B. Haas, *Beyond the Nation-State* (Stanford, CA.: Stanford University Press, 1964); Leon N. Lindberg and Stuart A. Scheingold, *Europe's Would-Be Policy: Patterns of Change in the European Community* (Englewood Cliffs, N.J.: Prentice-Hall, 1970), 33–34; Andrew Moravcsik, *The Choice for Europe: Social Purpose and State Power from Messina to Maastricht* (Ithaca, N.Y.: Cornell University Press, 1998); Charles Pentland, *International Theory and European Integration* (London: Faber and Faber, 1973); and Wayne Sandholtz and John Zysman, "1992: Recasting the European Bargain," *World Politics* 42 (October 1989): 95–128.

¹²Bela Balassa, "Towards a Theory of Economic Integration," *Kyklos* 14, no. 1 (1961): 1–14.

¹³Mancur Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups* (Boston, MA: Harvard University Press, 1965).

Corrections

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1	Introduction Deleted by Test - 24/03/2026 2:06pm	—
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8	common norms and intuitions entangles potential competitors because of the spread of investments and labor mobility, decreasing nationalistic tendencies. This argument focuses on the “political will” of leaders to supply integration. However, we believe that desiring integration, for whatever reason, and having the appropriate conditions for integration to develop are not the same thing. In other words, political will is necessary, but not a sufficient condition. Another motivation is strategic in nature: by creating a larger community, it is far easier to defend the opportunities since the number of external competitors are reduced. Smaller units cannot be “picked off” without mobilizing the whole and, therefore, only the largest competitors can pose a threat. Again, this is a political motivation that can rationalize the need for integration, but does not offer us a theory as to how integration will occur. Deleted by Test - 24/03/2026 2:25pm	—
9	The book first examines how our arguments fit into the wider discourse on regional integration and then continues by explaining our set of generalized hypotheses, reviewing the existential crises facing the EU, and demonstrating the empirical evidence of our claims. We end by using our evidence-based theory to forecast the future of the EU. Chapter 2 begins by outlining previous thoughts regarding European integration, including some of the most often cited claims: economic rationality, Deleted by Test - 24/03/2026 2:27pm	—
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15	<p>offers some understanding of how states can be integrated, but the central mechanism lacks predictive power.</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
16	<p>Neorealism</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
17	<p>does attempt to use structural conditions to explain why states integrate. However, many of the assumptions contradict the explanations it offers and we view its predictive power as less than optimal.</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
18	<p>The remainder of Chapter 2 explains, through a power transition perspective, that integration requires a member state to act as a capable leader. Such a state will need to draw from its own economic strength to coordinate other states to form institutions, decision-making procedures, and policies that drive integration forward. However, we believe that the structure of asymmetric power is not enough. Member states need to be satisfied with how things are progressing. We posit that satisfaction has two important ingredients. The first is value convergence. Member states need to have social and political values similar to those of the regional leader. Since the character of integration will be driven by the regional leader's values, then others would need to agree with those values. If values diverge, then member states will not agree on the leader's vision. The second component is trust. We will argue that member states need to believe that the process of integration is working for them, i.e., that outcomes are non-zero sum. Such a belief will</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
19	<p>instill</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
20	<p>trust and thereby smooth the way for functioning relationships between member states on one side, and citizens and European institutions on the other.</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
21	<p>Chapter 3 details the major challenges facing the EU that will test its ability to continue. One is the ongoing fiscal problems among a subset of</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
22	<p>Eurozone</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
23	<p>member states due to the financial crisis, which began in 2007.</p> <p>Deleted by Test - 24/03/2026 2:27pm</p>	—
24	—	<p>Inserted by Test - 24/03/2026 2:27pm</p>

Queries & Replies

#	Query	Author Reply
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No queries found in this chapter.