EXCERPTED FROM

The European Union and the Member States
THIRD EDITION

edited by
Eleanor E. Zeff
and Ellen B. Pirro

Copyright © 2015
ISBN: 978-1-62637-256-6 pb

LYNNE RIENNER PUBLISHERS
1800 30th Street, Suite 314
Boulder, CO 80301 USA
telephone 303.444.6684
fax 303.444.0824

This excerpt was downloaded from the
Lynne Rienner Publishers website
www.riennon.com
Contents

Preface ix
Map of the European Union, 2015 xii

1 Introduction
   Eleanor E. Zeff and Ellen B. Pirro 1
2 What Is the European Union?
   John McCormick 17

Part 1 The Original Member States

3 Germany: Architect of Europe
   Carl Lankowski 37
4 France: Adjustment to the Euro-System
   Christian Deubner 57
5 Italy: The Maze of Domestic Concerns
   Federiga Bindi 77
6 Belgium, the Netherlands, and Luxembourg:
   Challenging European Integration
   Karen M. Anderson 97

Part 2 The Second Wave

7 The United Kingdom: Reacting to Crisis
   Janet Mather 111
8 Ireland: Cranky Rebel or Good Soldier?
   Richard B. Finnegan 133
9 Denmark: Its European Dilemma
   Marlene Wind 151

Part 3 The 1980s

10 Greece: Austerity and EU Influence
    Nikolaos Zahariadis 169
Contents

11 Portugal and Spain: The Limits of Convergence
   Sebastián Royo 189

Part 4 The 1990s

12 Austria: Broadly Pro-European
   Zdenek Kudrna 209
13 Sweden: A Non-Euro Member Losing Influence
   Leif Johan Eliasson 225
14 Finland: An End to Domestic Consensus?
   Tapio Raunio 243

Part 5 The 2004 Round

15 Poland: A Skillfull Player
   Artur Gruszczak 259
16 Hungary: Embracing Euro-Skepticism
   Tamas Novak 279
17 The Czech Republic: Finding Its Way
   Eleanor E. Zeff, Ellen B. Pirro, and Kieran Williams 299
18 Slovenia and Slovakia: A Tale of Two States
   Peter Loedel 317
19 Cyprus and Malta: The Impact of Europeanization
   Roderick Pace 335
20 Latvia, Lithuania, and Estonia: Successful Adaptation
   Rene Buhr 357

Part 6 The Newest Member States

21 Romania and Bulgaria: From Laggards to Exceptional Cases
   Natalia Cugleșan and Mihaela Herbel 379
22 Croatia: Challenges After EU Accession
   Vuk Vukovic and Luka Orešković 399
23 The EU and the Member States: Concluding Thoughts
   Eleanor E. Zeff and Ellen B. Pirro 415

List of Acronyms 421
Bibliography 423
The Contributors 453
Index 455
About the Book 471
THE EUROPEAN UNION IS CONSTANTLY CHANGING: UPDATING INSTITUTIONS AND REGULATIONS, EXPANDING WITH NEW MEMBERS, AND OFTEN DEFYING SCHOLARS AS THEY ATTEMPT TO EXPLAIN IT. THE FOCUS OF THIS BOOK IS ON THE RELATIONSHIPS BETWEEN THE EU AND ITS MEMBER STATES, AN ESSENTIAL KEY TO UNDERSTANDING HOW THE EU OPERATES. THIS BOOK IS NOW IN ITS THIRD EDITION AND HAS OBSERVED THE CHANGES TO THE EU AND THE MEMBER STATES FROM 1998 TO 2014. THIS INITIAL CHAPTER REVIEWS THE EVOLUTION OF THE EU AS IT HAS GROWN TOWARD "EVER CLOSER UNION."

Facing Crises
Since its creation, the EU has experienced a number of crises. Current major crises include the aftermath of the 2008 economic crisis in Europe, the potential upheaval caused by the Greek financial difficulties, and the ongoing problems in Ukraine with its implications for Europe’s energy future and relations with Russia. These issues have proven so difficult that some people have gone so far as to question the fundamental viability of the Union. Relationships between the EU and its member states have become topics of great interest, as have the theoretical notions of confederation and federalism to explain recent EU developments.

The European Union has been around since 1958 (see Table 1.1), and remains unique among political and international institutions. On one hand, it received the Nobel Peace Prize in 2012 for its success in keeping peace in Europe. On the other hand, in 2008, it experienced economic and financial crises, with significant sovereign debt problems in several member states (Greece, Portugal, Spain, etc.) as well as other Eurozone and financial complications. Currently, it is fighting to recover. Similarly, Ukraine’s attempts...
to move closer to Europe provoked Russia to annex the Crimea and resulted in ongoing fighting in eastern Ukraine and Ukrainian government bailouts. Russian military thrusts in the area, by air and land, and threats to Europe’s supplies of oil and natural gas have put the EU in potential peril. Other foreign affairs crises are also dangers to the EU as a supranational entity as well as several of its individual member states. Today, the ISIS (Islamic State of Iraq and Syria) crisis in the Middle East threatens European nations as diverse as Sweden and Italy. The Muslim inflow into Europe, much of it illegal, has had major effects on most EU member states. Citizens who leave to fight for Islamic jihad may return to terrorize European states and add more impediments to economic growth and states’ abilities to recover from economic and other crises.

### A Bottom-up Approach

How the EU responds to and directs its members sheds light on its operations and future potential. As new states join, the relationships between states change, as do relations between the states and the EU institutions. Some events have strengthened the EU, whereas the recent crises demonstrated weaknesses and led to fears of abandonment of the euro and a restructuring of the EU. Despite crises throughout much of Europe, additional states are still applying to join, and no state has withdrawn, either from the EU or from the Eurozone, once becoming a member. However, Euro-skepticism has increased in many member states and emerged in new ones, and scholars are daring to ask if the EU, and especially the euro, will be viable in the future.

This third edition of the *EU and the Member States* takes a bottom-up approach (as did the previous editions), to explain how the EU functions. Taken together, the three editions constitute an excellent overview of the

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>Britain</td>
<td>Greece</td>
<td>Spain</td>
<td>Austria</td>
<td>Czech Rep.</td>
<td>Romania (2007)</td>
</tr>
<tr>
<td>France</td>
<td>Denmark</td>
<td></td>
<td>Portugal</td>
<td>Finland</td>
<td>Hungary</td>
<td>Bulgaria (2007)</td>
</tr>
<tr>
<td>Germany</td>
<td>Italy</td>
<td></td>
<td></td>
<td>Sweden</td>
<td>Latvia</td>
<td>Croatia (2013)</td>
</tr>
<tr>
<td>Italy</td>
<td>Luxembourg</td>
<td></td>
<td></td>
<td></td>
<td>Lithuania</td>
<td></td>
</tr>
<tr>
<td>Netherlands</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Poland</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Slovakia</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Slovenia</td>
<td></td>
</tr>
</tbody>
</table>
changing relations of the member states and the EU institutions over a more than fifteen-year period. Each volume stands alone and gives a slice of the picture for a particular period of time. This current volume focuses on the period between 2007 and 2014, when Europe has faced a number of crises but has continued to grow and expand its mandates over its members. A major premise is that we cannot understand the EU unless we also know what is happening at the state and regional levels of governance.

Development of a Union of European States

The Early Post–World War II Years

Researchers have long suggested that a united Europe would put an end to centuries of war. Even as early as 1946, Winston Churchill called for a “United States of Europe,” and by the early 1950s, Jean Monnet began to push for the development of greater unity among the states in Europe, reached gradually and achieved incrementally. The implementation of the Marshall Plan encouraged European states to work together for mutual benefits, and the beginning of the Cold War further increased pressures for joint efforts. The old League of Nations and the new United Nations served as models for functional unions as well as examples for problems that arise when individual states work together in international organizations. By the late 1940s, many Europeans were thinking about new methods of integration. Encouraged by US advisers, Europeans established the Organisation for European Economic Co-operation (OEEC) in 1947 to facilitate cooperation among states and meet the prerequisites to receive Marshall aid. In 1948, the Council of Europe opened another attempt at European integration. Decisionmaking in these two organizations remained intergovernmental following a more “unionist” rather than federalist pattern. Monnet and others recognized that relations between Germany and France had to be normalized and cooperative before any meaningful union could develop. By 1958, it became obvious that the OEEC had failed to further unite Europe as had been hoped, but efforts at integration continued with the Organisation for Economic Co-operation and Development (OECD), started in Paris in 1948.

The Coal and Steel Community and the Treaties of Rome: A Different Kind of Union

The Schuman Declaration of 1950 laid out an innovative plan for Franco-German pooling of coal and steel production managed by a joint high authority. Other states willing to pool their resources for mutual benefits and relinquish state control over this industry could also join. The declaration set the stage for further economic cooperation in other functional areas. By 1952, six states had signed the Treaty of Paris and created the European Coal and Steel Community (ECSC). The treaty stated rules for the six member states—
France, Germany, Italy, the Netherlands, Belgium, and Luxembourg—to follow that changed the way states in Europe interacted. The six states were willing to collaborate and give up sovereignty over decisionmaking for The Coal and Steel Community (this is the proper name of this organization) because they saw that earlier attempts at integration, such as the OEEC, were not effectively bringing Europe together. To promote the public’s well-being and their states’ economic development, they gambled on a different approach to European integration.

In 1958, these nations ratified the Treaty of Rome and joined together to form the European Community (EC), a combination of the ECSC, Euratom, and the European Economic Community, with cooperation emphasized over intergovernmental decisions. Britain declined to join because it still had commonwealth responsibilities and was wary of losing sovereignty. At the time, its relations with France were strained, and cooperation would have been difficult. The original six members had time to learn to work together before any new members joined in 1973. Achieving closer union was not always easy or even assured. Some strain among the original members and between the members and the EC became apparent during the “empty chair crisis” when Charles de Gaulle was absent, and a joint decision was made in the Luxembourg Compromise to return to a mostly unanimous voting system.

Adding New Members and Continuing Efforts to Deepen European Integration

In 1973, in the post–de Gaulle era in France, three new states were finally able to join in the first enlargement. These new member states were the UK, Ireland, and Denmark, often known as the reluctant member states because their relations with the European Union are often strained. The UK remains skeptical of the EU, desiring a looser, less deep union that does not take away its sovereignty and threatening to call a national referendum to withdraw. Denmark voted “no” in its referendum on the 1992 Treaty of European Union (TEU or Maastricht Treaty), and it later voted against joining the Eurozone. Eric Einhorn and Jessica Erfer called Denmark a “hotbed of Euro-skepticism” and a “pragmatic skeptic.” Ireland’s economy was so tied to Britain that its membership was an economic necessity, but entry into the EU has allowed Ireland to shift its balance of trade from the UK to the EU. Neither Denmark nor the UK uses the euro, but Ireland does and was able to draw on EU resources when its banks went into crisis after the recession of 2008.

The second enlargement occurred in 1981 with the entry of Greece. Originally Greece, Portugal, and Spain began negotiations together as the southern tier countries, but agricultural talks between Spain and France proved difficult, so Greece acceded first, with Spain and Portugal admitted in 1986. Membership for Greece was generally positive in the early years, despite the fact that its economy was highly affected, and its industries had
to compete internationally without protection. Spain and Portugal had a harder time acceding to the Union. Both countries had just ended authoritarian governments, and had to prove their democratic credentials, so joining took over ten years. The two countries had to agree to a ten-year waiting period for full entry into the common market. All three new member states were significantly less wealthy than the earlier members, except Ireland, so their incorporation into the EC was stressful and changed the relationships among the member states. The budget faced multiple readjustments, especially in the agricultural sector. With twelve members, unanimous decisions became more difficult to achieve, and it became evident the EC institutions needed reorganization.

In 1986, the member states negotiated and signed the Single European Act (SEA). The act set a January 1, 1993, deadline to better harmonize national production standards and ease decisionmaking by allowing qualified majority voting (OMV). This ruling helped the EC pass more legislation that was beneficial to the member states. The TEU was ratified in 1993, and the EC became the European Union (EU), facilitating freer trade and movement of goods and services when trade barriers between and among states were removed. With the TEU came the new “three-pillar” system, an attempt to clarify the areas of integration among the member states and the EU institutions. Within a few years the Treaty of Amsterdam was signed, opening up more areas of potential cooperation among the member states, such as immigration, visas, refugees, and more judicial issues. After this intense period of rapid integration, some states began to pull back, request “opt outs” for various areas of legislation, or manifest other types of protests. In 2001, Ireland refused to ratify the Treaty of Nice until its policy of neutrality was reconfirmed. These various special considerations and opt outs allowed states to have differing levels of cooperation with the EU institutions and regulations.

In the 1990s, negotiations began for the entry of three more member states, and Austria, Sweden, and Finland gained entry into the EU in 1995, bringing membership to a total of fifteen states. Sweden was a somewhat reluctant candidate as it had very strong environmental protections and other welfare benefits that would have to be lowered to keep their industries competitive with other member states. Austria also had environmental problems and feared its delicate Alpine environment would be endangered because of the increased traffic through the Alps. Finland was very pro-Europe at the time and happy to join, even though changes would be necessary to the executive power distribution between its president and prime minister. Austria and Finland both accepted the euro in 2002, but Sweden did not.

Developments in the Twenty-First Century: New Members, the Lisbon Treaty, the Euro, and Crises

The great EU expansion occurred in 2004 with eight former Soviet states: the Czech Republic, Hungary, Slovakia, Slovenia, Latvia, Lithuania, Estonia,
nia, and Poland joined along with Malta and Cyprus. Up to the last moment, it had been unclear whether Cyprus could accede into the EU because it is a divided island, with the majority of territory in Greek Cypriot hands and some of the island under Turkish Cypriot control. Greece pushed hard for its entry, and it met the other requirements of democratic governance (in the Greek part) and a capitalist economy.

The addition of the postcommunist and island member states, all with different backgrounds from the earlier members, changed the dynamics of relations among the EU member states and between the EU and the states. These changing relations demonstrated a need for restructuring to streamline and democratize as well as harmonize relations among the member states. The European Council and the heads of government agreed to a new constitutional treaty by the end of 2004, but it was impossible to get the required unanimous agreement from the member states. France and the Netherlands feared the treaty would further erode their sovereignty, and both states voted in referenda against ratification in 2005. Bulgaria and Romania joined the EU in 2007 and a revised “reform treaty” began its rounds, modifying the aims of closer union, but proposing reforms to streamline the EU’s operations and the relations among the states. These reforms included eliminating the three-pillar system, strengthening the European Parliament to improve its democratic image, and establishing a presidency and a more unified structure to represent it internationally.

The Lisbon Treaty faced considerable controversy before ratification. The Czech Republic worried about the effect the treaty would have on its relations with Germany and was allowed to opt out. The Irish voted “no” in 2008, and the French had only a “petit oui” vote. Despite continuing opposition, all the states ultimately ratified the treaty, and it went into force in 2009. Although the EU sought closer integration, the individual member states were still able to keep a lot of sovereignty. The Lisbon Treaty made several major changes to the EU, namely, giving the European Parliament more power and creating an EU presidency and a new department for foreign affairs, all with the idea of increasing EU integration, streamlining its decisionmaking and the relations among its member states, and creating more integrative “European” policies.

By 2002, the euro as a currency became official, even though only twelve of the fifteen member states joined the Eurozone at that time, and accession negotiations were ongoing with several states and especially intense with the ten candidate states about to join the EU in 2004. Eighteen of the current twenty-eight member states, most recently Latvia, had adopted the euro as their currency by 2015. Between 2008 and 2015, a number of financial crises led to government changes and riots in Greece, Ireland, Portugal, Spain, and other EU member states that called into question the viability of the euro as well as the relations of several EU member states. The profound worldwide economic slowdown, which began in 2007, led to recession
throughout the EU, with some countries experiencing deeper problems than others. A slow, very gradual recovery began around 2012 and continued into 2013. However, for a variety of reasons, at the end of 2014, some EU member states had once more slipped into recession.

The ongoing and serious problem of unemployment in the EU increased, for persons aged fifteen to sixty-four, in most of the member states (except Germany) and peaked in 2008, according to a EU Labor Force survey. This decrease, of 1.7 percentage points, during the global financial crisis was halted in 2011 when there was a small increase in the EU-27 employment rate, to 64.3 percent.

Economic and euro crises in Greece, Portugal, and Ireland not only caused changes to sitting governments but also led to economic restructuring and considerable downsizing in many of the member states. While the EU sought to reform its banking and finance structure in light of the global financial crisis, in other areas the Union continued to grow and develop. The EU has worked with the states of the former Yugoslavia to stabilize their situations. Similarly, the first foreign secretary, Lady Catherine Ashton, chaired the Iranian nuclear talks and the Syrian peace talks, and EU leaders have been instrumental as mediators in a number of potential and actual conflict situations, notably Georgia and Ukraine. In 2012, the EU received the Nobel Peace Prize for its record of promoting peace in Europe for over sixty years. Croatia entered the EU in 2013, and there are other states still hoping to enter, notably Serbia, Bosnia and Herzegovina, Montenegro, and Kosovo. It appears that the EU has the potential to continue integrating Europe.

Theoretical Explanations for the European Union over the Years

Functionalism

As the EU has evolved, so have a series of explanations for its continued existence and successes. The addition of each new member state leads to changes in the relationships among the member states and between the states and the EU institutions. Each new accession necessitates a reevaluation of past theory and the development of new theoretical explanations for European integration.

In its early days, functionalism was the preferred explanation for how Europe would integrate its member states. Indeed, there is evidence that Robert Schuman, credited as the father of the EU, championed the idea that starting small would lead to spillover into other areas and inevitably to European integration. Beginning with the coal and steel industries, cooperation in one functional area would move to other industries, including whole areas of commerce and trade with the ultimate result of spillover into political areas, leading to one Europe. As the European experiment grew, func-
tionalism developed into neofunctionalism. All the variations of functionalism see the nation-state continuing to play a major role in any integrated model. However, the neofunctionalists see the growth of the European Commission as changing the basic nature of the relationship between states and the EU. Member states are inevitably drawn into more common activities, as bureaucrats take the basic common functions and nurture them into growth and development. The ultimate result, say the neofunctionalists, is that it becomes ever easier for member states to assign functions to the EU and give up more of their own sovereignty. The ultimate objective is to spill over from the economic sphere into the political one, but functionalists concede this is a long process.15

Intergovernmentalism
Andrew Moravcsik16 takes the international relations theory of realism and applies it to European integration. His volume, A Choice for Europe, develops the theory of intergovernmentalism, a new approach to the integration of European states. This theoretical approach arrives on the scene after the accession of Great Britain, Denmark, and Ireland. These three countries each have many concerns about joining the EU and losing sovereignty. Their accession was dictated by economic imperative—the need for European trade—rather than a desire to be a part of an integrated Europe. To this day, these states continue to express their reluctance to agree to new EU integrative policies and give up any more sovereignty. Britain is actively seeking renegotiation of its relationship with the EU, and Denmark ranks as one of the highest in Euro-skepticism.

For Moravcsik, nation-states are the most important and central units. He believed that the EU was nothing more than a group of states coming together for rational purposes—the growth of trade and economic development. The success of the single market and high levels of intra-European trade seemed to bear out his theories. The relationship between the EU and its member states should only be what each state chose to do in common, not a supranational unit moving toward complete integration. The goal of the member states was domestic well-being and cooperation in trade, finance, transport, and other economic zones, not a union of states.

Intergovernmentalism in Europe means that the member states develop their goals internally, from decisions taken at the national political level, in policies derived from negotiated outcomes of domestic coalitions. These national leaders take their policy goals to the supranational, the EU level, where they try to achieve as many of them as possible, although they invariably have to compromise. Each nation tries to maximize its gains. Naturally the larger, more advanced nations tend to gain more and the smaller, less developed countries get less. The EU provides payoffs for cooperation, even for the smallest members, with benefits such as structural funds—
money set aside for development. Moravcsik says that in the absence of high levels of trust among the member states, EU institutions were created to be sure all states kept their bargains.\textsuperscript{17}

It was natural that intergovernmentalism would lead to several variations, some of which go beyond its basic premises. A number of these have been widely used in recent decades. One of them, institutionalism, suggests that the creation of one institution after another to handle each new area of growth would lead to a whole that was more than the sum of its parts.\textsuperscript{18} Moravscik’s idea was that institutions would occasionally be created to monitor compliance with agreements among the states. The institutionalists go beyond this in two ways. First, institutions multiplied to handle the new policy areas coming under EU governance. Second, these institutions make regulations, which are binding on the member states. These regulations help keep the states in order and facilitate monitoring the institutions.

Another variation, rational choice, is based on national behaviors in the supranational negotiations, which are considered to be totally self-serving and devoid of common purpose.\textsuperscript{19} For the rational choice theorists, nation-states are calculating, totally rational units, which try to maximize gains in any and every international gathering. Cooperation is minimal and occurs only when it doesn’t cost the state too much and there is something significant to be gained. Rational choice has become very popular because it easily lends itself to the analysis of cause and effect sequences in state behaviors.

\textbf{Multilevel Governance}

Multilevel governance, a newer perspective, emerged from the heavy criticism that intergovernmentalism received.\textsuperscript{20} This theoretical perspective suggests that the EU operates within a series of levels—local, regional, national, and supranational—which interact and produce outcomes with differing impacts at different levels. One major question for research is what level handles what questions? Some suggest that nations no longer handle the tough issues but leave them to the European Union. Others believe that the EU wants to resolve issues at the lowest levels of government in a process known as subsidiarity. There has been a concerted effort by the European Commission to bypass the national level and deal directly with the regions, especially when dealing with development issues and allotting the structural funds, which are intended to help the most backward of regions catch up with the more advanced regions.

The national level is one “analytic stage”\textsuperscript{21} at which the various activities of the EU member states can be analyzed. It is only one of several such stages and by no means the most important. There are multiple different combinations, considering that there are a number of different stages, each with a number of units that can interact with the EU institutions and each other. These interactions become dense networks. Thus, a member state not only in-
teracts with the supranational EU level and other national levels but also with the subnational entities, regions, and even lesser units. The nation-state is still very important in this perspective. The question for the state and the other analytic units is how to distribute and share the authority and responsibilities for governance activities with the EU. States negotiate outcomes with the EU, and accountability is a major issue. The EU does not possess enforcement mechanisms. Nor does it have the power to demand funding or tax its members, leaving member states in a powerful position vis-à-vis the EU institutions. There is the suggestion that competition occurs at the state level, and cooperation happens when the EU gets involved.

Other Theoretical Perspectives
Social constructivism has held sway in contemporary international relations and been applied by several scholars to explain the European Union’s integration. Notably, the work of Thomas Risse, derived from this perspective, focuses on the “Europeanization” of EU citizens and the development of a EU identity. We note that social constructivism takes elements of the prior theories discussed and utilizes them in its discussion. One type of social constructive theorizing is discourse analysis. Discursive theorists such as Vivian Schmidt and Ole Waever use discourse analysis to examine some of the major questions of EU policy. There is a general feeling that discourse analysis is more methodology than theory. Social constructivism today is regarded as more of an approach than a fully developed theory.

Federalism and Feminist Theories
EU theorizing also includes federalism, which referred in the early years of European integration to a kind of “United States of Europe” with power distributed between the European and nation-state levels and institutions, but where the “union” had sovereignty over important areas such as defense, foreign policy, and fiscal and monetary affairs. A federal explanation did not take hold in the early years of the EU, but has recently been used to frame discussions about relations between the EU and its institutions and the member states, as well as to compare the EU with other federal unions.

Finally, there are the feminists, who feel that discussion of the EU needs to take a women’s perspective into account, especially in the development of the EU’s institutions. It is seen as particularly appropriate for the discussion of the EU because of its emphasis on cooperation, a major feminist approach. Yet gender theorists, including feminists, seem to offer more of a perspective and not a fully developed theory for European integration.

Confederalism
What about a confederal model for Europe? John McCormick notes that the European Union is frequently described as a confederation in all but name. A confederal model or a confederation is a “union of states in
which each member state retains some independent control over internal and external affairs. A federation, in contrast, is a union of states in which external affairs are controlled by a unified, central government.”” Both federations and confederations are unions that are based on treaties (foedus = treaty) between states, and “the union established by the foedus or treaty is represented not simply by a single person, but by some form of assembly, congress, diet or council of the states that create the union.”

Many dismiss confederations as too loosely structured to effectively bind states together under a common governance that can solve political problems and meet political demands. Researchers, such as Frederick Lister, who described a confederation as a union of states, found very little written about confederalism, and McCormick cites a lack of confederal models compared with federal models to use for comparison. Yet there have been some forms of confederation in the past; the US confederation was one example, but also the Swiss and Dutch confederations which both lasted for several centuries, demonstrating that confederations can provide solutions to bringing states together, while also offering models for comparison.

Another problem with confederations is that the relationships among the states differ considerably, making them hard to analyze, recognize, or even distinguish from some forms of federations. In addition, the relationship between the member states and the central government, and the distribution of powers among the member states, vary greatly. Confederations may operate like intergovernmental organizations, and even allow states to secede from them. Because there is no set pattern of joint action that confederations follow, comparisons and modeling are more difficult for researchers and other confederations to do. However, the looseness of the model allows wide variations among the members, and provides states greater flexibility to join and cooperate together, an advantage that many European states may find attractive.

Recently, EU specialists have begun to rethink the possibilities of confederalism, especially in relation to the development of the European Union. In his book *Unions of States: The Theory and Practice of Confederation*, Murray Forsyth adopted a historical approach to the study of confederalism and noted from these studies that it offered an opportunity for diverse states to integrate and coexist peacefully. Since peace was a priority for European states and citizens in the 1950s, this form of governance was appealing, especially if achieved with a minimum loss of sovereignty for the member states.

What is a confederation? Is a confederation just a loose form of federation, and do confederations eventually turn into federal governments? Perhaps, instead, confederations should be studied as distinct forms of governance on their own. We could then consider the possibility that the EU is more of a confederation than a federation, and that its end goal could be
confederation, rather than supposing that the EU should ultimately become a federation. These considerations reveal a different kind of understanding about the EU and its relations with and among its member states.

Various ideas exist about what would allow a confederation to work, and these ideas suggest the necessity for some interest of primary importance to all the members, such as defending against a common enemy or promoting a common cause, such as freer trade or economic growth through interdependent actions. The presence of a common interest is a key for the unity of any confederation, but the success of a confederation, especially one that can accommodate heterogeneity and initiate integration, also depends on the members’ “will to confederate,” tolerance of different views, and desire to cooperate. McCormick’s definition, which takes into account earlier explanations, is that a confederation is “an administrative system in which independent states come together for reasons of security, efficiency, or mutual convenience, retaining the powers that they consider best reserved to themselves, and working together through joint institutions on matters best dealt with together such as foreign, trade and security policy.”38 In a confederal governance model, the citizens relate to the central government via their individual states, rather than directly to the joint government.39 This definition seems to fit the creation and functioning of the European Union and how it relates to its member states.

States must be willing to join such a confederation. They are more likely to do so when they realize they have interests in common with other possible members and that there are considerable benefits to be gained. Such common interests could be defensive needs against a common enemy or economic interdependency. The presence of the common interest, stressed by the authors writing in this volume, is vital for the unity of the confederation. To the extent that confederalism can accommodate heterogeneity in peace and initiate integration, it relies much on the will to confederate, a will shared by all ethnic groups and their politicians. The will to confederate means the attitude of tolerance, the willingness to cooperate, and a desire for peace.

The Views of the Member States
Chapters 1 and 2 ask several questions: what is the relationship of each member state to the EU, and what does the EU do for each state? How has the financial crisis affected each member state, and what are their positions about the ongoing economic problems? How have foreign crises, specifically the problems with Russia, affected the member states and what are the prospects for tackling foreign affairs crises in the future? What is the level of support for the EU in the member state, and how has the growth of Euroskepticism manifested itself? What institutional form will the EU adopt in the future? Will it ever arrive at a full federation, or will it remain as a mul-
tilevel governance or functional institution or evolve into a more formal confederation? Although we may not be able to arrive at concrete answers to these questions, it is important to ask them.

Chapter 3 describes Germany as the pivot on which much of the EU depends. It is seen as the strength of Europe with its massive economy, which has withstood the economic crisis and regained its industrial might. Yet Germany has weaknesses, although not as major as those pointed out in Chapter 4 on France, which has failed to take advantage of reform possibilities and now finds itself in difficulties. Ireland (Chapter 8) has managed to emerge from the fiscal crisis and repaid the EU, but as Richard B. Finnegan points out, it needs to stimulate economic growth. This is unlike Spain and Portugal, which remain on the edges of economic difficulties and poor prospects for growth as seen in Chapter 11. Chapters 9, 13, and 14 indicate that the Scandinavian nations of Denmark, Sweden, and Finland are emerging from the economic slowdown. But they face growing Euro-skepticism and new political parties and interests, as is happening also in Austria. Yet as Chapter 12 indicates, there is currently no serious discussion of a major change of policy toward European integration in Austria, and the country remains committed to the euro and the EU.

Eastern Europe was affected less by the economic crisis and more by the Ukrainian problems. The Baltic States are afraid of a resurgent Russia. Yet Latvia has joined the Eurozone, and all three states (Latvia, Lithuania, and Estonia) have made significant economic progress as discussed in Chapter 20. Poland (Chapter 15), the Czech Republic (Chapter 17), and Slovakia (Chapter 18) are emerging from the fiscal slowdown in reasonable shape. Poland is doing exceptionally well and did not experience much of an economic crisis. These three states were, however, affected by decreases in demands from their major trading partner, Germany. With the exception of Poland, there seems to be a rise of Euro-skepticism in these states, and newer right-wing parties have developed, as seen in recent national and European elections. Slovenia and Slovakia are discussed in Chapter 18, and although Slovakia has made somewhat surprising development, Slovenia is doing less well than expected and has experienced more difficulties during the economic crises. All four states have been impacted by the Russian-Ukrainian crisis and fear a cutoff of their energy supplies. In contrast, Chapter 16 demonstrates that Hungary is pursuing a totally different path, one that deviates considerably from the rest of the EU. It is supporting Russia and sees it as an alternative model to the EU. Hungary did not experience the surge of economic well-being the other nations enjoyed in 2004 and is highly Euro-skeptic as a result. The UK (Chapter 7) and Denmark (Chapter 9) are the other more Euro-skeptic nations. Greece continues with its problems (Chapter 10), and the “no” vote in the July 5, 2015, referendum poses challenges to the existing structure of the EU and the credibility
of the euro. Zahariadis suggests that the lack of leadership on both sides is exacerbating the confusion. There is some suggestion in Chapter 5 that Italy has lost its direction and is pursuing prestige power positions in the EU hierarchy over national economic interests. The Benelux countries (Belgium, the Netherlands, and Luxembourg; Chapter 6) remain resolutely pro-European although there has been a noticeable rise in right-wing parties, which support nationalist views and anti-immigration policies. The smaller states of the EU, Malta and Cyprus (Chapter 19), Slovenia, and Croatia (Chapter 22), are struggling with the economic slowdown and depend heavily on Germany. As Chapter 21 points out, Bulgaria and Romania continue as the most corrupt states in Europe and progress is slow, but trust in the EU institutions remains surprisingly high. Their greatest export is their young people, as is Croatia’s, and they continue to emigrate westward in large numbers. Bulgaria in particular is dependent on Russian energy. Each chapter recounts different tales of European progress, and the concluding Chapter 23 recaps the relations between the EU and its member states and revisits the questions of Chapters 1 and 2 concerning which model the EU will follow in the future: federal, multilevel, or confederal. What is notable is that despite the crises, the normal, day-to-day activities of the EU continue, and the benefits of economic linkages are apparent in the greatly increased trade and growth of the EU average income. For many of the 28 member states, the EU remains the best option for future development, despite its problems and the constraints it places on them.

Conclusions: The Book’s Perspective
The European Union is continuously evolving. So are the member states, and thus so are the relations between the EU and the member states and among the member states. Understanding these complex relationships is key to analyzing and explaining the EU’s development. If we consider that confederation is a logical way to describe the state of the EU today, we can look at the nature of the relationship between the EU and its members in a new light, which allows for more explanations about the EU’s development and direction. This volume explores the evolving relations among the 28 member states in the EU. We expect to gain more understanding about the Union as we look at how the states are reacting to the various crises that have recently occurred. A union that can stay together during the bad times and find creative solutions to its problems should become stronger, especially if states become used to working together and helping each other. Indications are that the EU will not disappear, but it could become less effective. Its policymaking ability could decrease. As the EU gets larger, will it federalize, confederalize, or dissolve? In addition to how the member states react to each other and to the EU, we also ask how each member state feels
about its membership and its ideal union. Studying the member states individually and their relationships with the EU should help us better gauge the strength of the Union and its future direction and form.

Notes
4. The League of Nations had required unanimous voting for passing policy, and this requirement crippled the League by making it too hard to make decisions. See Ginsberg (2010). Functional institutions associated with the UN included the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT).
6. Since 2010, under David Cameron’s Conservative and Liberal Democratic Coalition government, Great Britain has been trying to renegotiate its relationship with the EU.
10. See Lisbon Treaty at http://ec.europa.eu/archives/lisbon_treaty/index_en.htm (accessed March 11, 2014), for more information about this volatile period and the reforms the treaty introduced, such as a stronger European Parliament.
11. The euro is the single currency shared by (currently) eighteen of the EU member states, which together make up the euro area. The introduction of the euro in 1999 was a major step in European integration: more than 333 million EU citizens now use it as their currency.
13. Ibid.
17. Ibid.
21. Ibid.
25. Ibid. For more discussion about federalism and the EU, see Fabbrini (2007), Goldstein (2001), and Buonanno and Nugent (2013). See also Majone (2006).
27. For more information on all of these theoretical perspectives, the reader is encouraged to consult one of several excellent reviews of EU theory, such as Wiener and Dietz (2004) and Caporaso (1998).

30. Ibid.


33. Wallace (1982).


35. Germany also had a confederation with a shared Federal Assembly and a common army, which lasted from 1815 to 1866.


39. See McCormick (2013) and the Confederal vs. the Federal Model (Comparing federations and confederations) in Figure 1 p. 28, in Why Europe Matters, New York: NY: Palgrave MacMillan, 2013, p. 28.