



EUROPEAN UNION CENTRES OF EXCELLENCE
NEWSLETTER

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The EU and East Asia: Comparing integration models with an eye to NAFTA

Finn Laursen, Dalhousie University

Scholars often say that the European Union (EU) is *sui generis*. There is no other regional organization quite like it. Some aspects of it resemble a federal state, with binding decisions reaching individuals. Other aspects are purely intergovernmental cooperation based on consensus or unanimity. Overall, the EU is not a state. It does not have the monopoly of force that sovereign states are supposed to have. But it is more than a typical international organization like the United Nations, as it has created unique supranational institutions.

Andrew Moravcsik (1998) has characterized the original institutions created by the European Communities (EC) in the 1950s as “pooling and delegation” of sovereignty. Pooling is the term used for the acceptance of Qualified Majority Voting (QMV) in the Council of Ministers. Delegation refers to the autonomous powers given to the Commission, the European Court of Justice (ECJ), and the European Parliament (EP). The Commission has an exclusive right of initiative in many areas and it represents the EU externally in a number of areas, especially trade. The ECJ makes binding decisions. The EP has increasingly become a

co-legislator together with the Council. As a result, a bi-cameral system has emerged. The EP is directly elected by the people in the Member States. Through these institutions, a number of common policies have been developed over the years, starting with trade and agriculture in the 1960s. The creation of a common market (or internal market) with four freedoms: free movement of goods, services, capital, and people, was the main goal from the outset, a goal that has largely been achieved. In parallel with the expansion of the functional policy scope, the EC/EU expanded geographically from six to 27 members. It is therefore fair to say

The lesson from the European experience seems clear: pool and delegate sovereignty if you want credible commitments!

that the so-called Community method has been rather successful. According to Moravcsik (1998), it created “credible commitments.” It helped the EC/EU overcome so-called collective action problems, problems that exist if the actors, in this case states, are tempted to cheat on agreements or face difficult distribution problems.

It should be admitted that the EU has not always been successful. It has used intergovernmental cooperation to try to develop a Common Foreign and Security Policy (CFSP) and more recently a Common Security and Defence Policy (CSDP), with limited success. It invented a so-called Open Method of Coordination (OMC) to help create jobs and a more competitive economy, with limited success. It has also created an Economic and Monetary Union (EMU), without creating credible commitments in the area of fiscal policy, thereby allowing the current debt crisis to develop.

The lesson from the European experience seems clear: pool and delegate sovereignty if you want credible commitments! However, none of the other integration schemes in the world have used something like the EU’s Community method. This raises the question: Are there other ways of getting credible commitments in a regional integration effort? Walter Mattli (1999) has argued that leadership can assist states in overcoming collective action problems. He argues that Germany has been a leader in Europe, partly by being a regional paymaster. He also finds that the United States played such a role when the North American Free Trade Agreement (NAFTA) was created (Mattli 1999). However, in other regions there seems to be a leadership deficit. Brazil could have played such a role in the Common Market of the South (MERCOSUR), and Indonesia could have played such a role in the Association of Southeast Asian Nations (ASEAN), as they represent the biggest states in those two regional settings. Likely this has not resulted due to Brazil’s unilateralist tendency and Indonesia tending to be inward looking due to poverty and other domestic issues.

ASEAN has taken timid steps in the direction of imitating the EU. From 1993 onward the region has worked to create an ASEAN Free Trade Area (AFTA). Since 2003 an ASEAN Economic Community (AEC) has been on the agenda and in 2007 a Charter was adopted giving ASEAN stronger institutions, without, however, taking the big step of real pooling and delegation of sovereignty. The doctrine of not interfering in domestic affairs remains strong.

If we look at the wider East Asia region there is now cooperation between ASEAN and China, Japan, and South Korea (ASEAN Plus Three) as well as regular East Asian summits.

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EU CENTRES OF EXCELLENCE IN CANADA: RECENT NEWS

Centre for European Studies, European Union Centre of Excellence, Carleton University

www.carleton.ca/ces

For a complete list of events hosted by the Centre for European Studies, please refer to www.carleton.ca/ces/category/events/.

- CES hosted its annual **Teachers' Learning Workshop on the European Union** on March 22, 2012. The workshop was addressed to teachers in World Issues, World Business, History, and Geography, as well as others with whom the Centre has cooperated in the past.
- March 7, 2012: **Turkey and Postnational Europe: No easy road to accession**. Speaker: Dr. Feyzi Baban (Trent University).
- March 6, 2012: **2012 Canada-Europe Business Lecture: Corporate Social Responsibility in the EU and Canada: Practices & opportunities**. Speaker: Prof. Dirk Matten (Schulich School of Business, York University).
- February 9, 2012: **The Euro Crisis: How it started and where it might lead**. Speakers: Prof. Patrick Leblond (School of International and Public Affairs, University of Ottawa) and Prof. Achim Hurrelman (Dept. of Political Science, Carleton University). This event was part of the Centre's **Current Event Series** and was produced in cooperation with the *Friedrich Ebert-Stiftung Foundation*. CES collaborated with *Canada-Europe Transatlantic Dialogue* to produce a report based on the presentation and audio podcasts based on interviews with speakers. These can be accessed at <http://canada-europe-dialogue.ca>.
- February 6, 2012: **Public Service Broadcasting and Political Conflict in Italy under Berlusconi**. Speaker: Prof. Massimo Scaglioni (Dept. of Communications, Catholic University of the Sacred Heart, Milan, Italy). Prof. Scaglioni was a Visiting Scholar at Carleton's Centre for European Studies from January 27 to February 7, 2012. As part of the Centre's curricular development initiative, Prof. Scaglioni visited Carleton at the invitation of Prof. Ira Wagman of the School of Journalism and Communications and spoke to Prof. Wagman's class on **Italian Television and Digital Media** in the context of his new course on **European Media Industries**.
- **News from the Canadian EUCE Network Coordinator**: The *ShareSpeaker* program of the EUCE Network facilitated the travel of **Prof. Martin Geiger** (Institute for Geography and Institute for Migration Research and Intercultural Studies, University of Osnabrück and Visiting Scholar at CES at Carleton in Fall 2011) to other Canadian EUCEs, including Dalhousie, Montreal-McGill, Toronto, and York.



European Union Centre of Excellence, Dalhousie University

www.euce.dal.ca

The EUCE at Dalhousie University continued to feature many exciting events this past winter. These events included:

- March 23, 2012: **Fishing for Self-Determination: European Fisheries and Western Sahara - The case of ocean resources in Africa's last colony**. Speaker: J.J. Smith, a Canadian lawyer, who is principal counsel to the Frente POLISARIO, the national liberation movement of Western Sahara, and juriscounsel to the Saharawi Arab Democratic Republic. This event is cosponsored with the Marine and Environmental Law Institute of the Schulich School of Law.
- December 2, 2011: **Managing Migration at the Rims of Europe**. Speaker: Prof. Martin Geiger (Institute for Geography and Institute for Migration Research and Intercultural Studies, University of Osnabrück). Prof. Geiger's presentation focused on the role of intergovernmental organizations in managing migration in the Eastern and Southeastern 'Neighborhood' of the European Union. It highlighted the crucial importance of international non-EU actors in implementing EU migration policies from countries that will either eventually become EU members and the ones that will not. This event was organized in cooperation with the Metropolis Project.
- Dalhousie University EUCE's Director Finn Laursen published two edited volumes this winter: *The EU's Lisbon Treaty: Institutional Choices and Implementation*. Farnham: Ashgate, February 2012; and *The Making of the Lisbon Treaty: The Role of Member States*. Brussels: P.I.E. Peter Lang, March 2012.



European Union Centre of Excellence, Université de Montréal-McGill University

www.centreurope-montreal.ca

For a complete list of events, please refer to: www.centreurope-montreal.ca/en/events-news/past-events/.

Since the beginning of 2012, the highlights included:

- March 16-17, 2012: **Formation SPECQUE**. Specialized training sessions for the Canadian students who will be part of the 15th edition of the SPECQUE (*Simulation du Parlement européen Canada-Québec-Europe*). This year the event will be held in August, in Montréal.
- February 26, 2012: **Fiscal Stance, Macroeconomic Stability, Growth. Problems in the Euro Area**. Speaker: Leszek Balcerowicz (College of Europe, Former Chairman of the National Bank and Deputy Prime Minister of Poland). The event is part of the EUCE's Series on Europe and the EU.
- February 20, 2012: **Phénomène de formalisation du droit européen**. International seminar organized by Vincent Forray (Université de Montréal-McGill University EUCE). Through the themes of the European contract law and the teaching of European law, this seminar addressed the broader question of the consolidation of law in the European Union.
- February 9, 2012: **Relation Québec-Europe : le point de vue des délégués du Québec**. Round table with Christos Sirros (Agent-General of the Québec Government Office in Brussels) and Marjolaine Ricard (Director of the Québec Government Office in Barcelona). This event was organized in collaboration with the Québec Ministry of International Relations after the launch of its European Strategy.
- February 2-3, 2012: **Gender, Care, Migration - Europe-Canada compared**. International workshop organized by Pascale Dufour (*Centre de recherche sur les politiques et le développement social*, Université de Montréal), Jane Jenson (Immigration and Social Policy Research Group, *Canada-Europe Transatlantic Dialogue* (CETD) and the Canada Research Chair in Citizenship and Governance, Université de Montréal) and Éléonore Lépinard (Université de Montréal-McGill University EUCE). With support from CETD.



EU CENTRES OF EXCELLENCE IN CANADA: RECENT NEWS

Continued: EUCE Université de Montréal-McGill University

Since January 2012, the coordinator of the *Chaire Jean-Monnet en intégration européenne* (UdeM), Catherine Villemer, is the new Executive Director of the UdeM-McGill Centre. From January to April 2012, the EUCE is hosting a Visiting Scholar, Anne Litsbarski, PhD student from the Institute of Energy Economics (EWI), University of Cologne (Germany), working on lobbying strategies of firms in the EU multi-level policy process.

European Union Centre of Excellence, University of Toronto-University of Victoria

www.utoronto.ca/europe/ <http://web.uvic.ca/europe/>

EUCE University of Toronto-University of Victoria offered many exciting events this winter. These events included:



University of Toronto

europa
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university of toronto · university of victoria

- University of Toronto's events included: March 23, 2012: **Between Testimony and Bearing Witness: Sexual and gender based violence and the EU asylum process**. Speaker: Galya Ruffer (Northwestern University); March 16, 2012: **Varieties of Feminism: German gender politics in global perspective**. Speaker: Myra Marx Ferree (Martindale-Bascom Professor of Sociology and Director of the Center for German and European Studies at the University of Wisconsin); March 14, 2012: **Comparative Law in European Supreme Courts: Why is nobody interested in originalism?** Speaker: Michal Bobek (University of Oxford Faculty of Law); and February 27, 2012: **Postracial Europe? Minority activism and the queering of ethnicity**. Speaker: Fatima el-Tayeb (University of California San Diego).
- March 15 and March 20, 2012: Daniela Piana (University of Bologna) gave two presentations: **Cultures of Prosecution in the Regions of Italy: Realizing the right to a fair trial** and **The Europeanization of Prosecution and Courts in Southern Italy: The Council of Europe, local initiative, and organizational cultures?** respectively.
- November 11, 2011: **Religion and Immigrant Integration in European Union Countries**. This conference brought together five junior and mid-career scholars who presented cutting-edge ongoing research on the general topic of religion and immigrant integration in EU countries. Convened by Professors Anna C. Korteweg and Phil Triadafilopolous (Departments of Sociology and Political Science, University of Toronto).

University of Victoria (See: <http://web.uvic.ca/europe/news/pastevents.php> for more information on past events)

- Marina Vespoli is University of Victoria's new Program Coordinator. She is originally from Brazil and is very excited to take on this position and work with a great team! The European Studies Program at the University of Victoria was awarded the title of Jean Monnet Centre of Excellence (See website for more information: <http://web.uvic.ca/europe/jeanmonnet.php>).
- February 2012: University of Victoria sent four undergraduate students to **West Coast Model European Union 2012** to represent Lithuania and France in this year's competition. This event was organized by the University of Washington (Seattle).
- January 27, 2012: The European Studies Program and University of Washington brought Anne Burrill (EU Visiting Fellow from Jackson School, University of Washington) for a lecture titled **Environment Policy in Europe: New directions and challenges**.
- December 6, 2011: **Multi-layered Citizenship in Extended European Orders: Turks acting as European citizens**. Speaker: Dr. Bahar Rumelli. This event was cosponsored by the EUCE and European Studies Program.

European Union Centre of Excellence, York University

www.yorku.ca/euce

EUCE York continues to buzz with activity. Following the many events in the previous newsletter, recent highlights included:



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YORK UNIVERSITY

- March 3, 2012: **Syllabus Design Workshop**, which enabled faculty members and advanced PhD students to introduce or expand EU content into their course syllabi.
- March 2, 2012: Third Annual EUCE Graduate Student Conference. **European Union: Instances of cooperation and discord / Union Européenne : entre coopération et désaccord**.
- March 1-2, 2012: **Transnational Private Regulatory Governance: Regimes, dialogue, constitutionalization**. This conference was organized by EUCE Co-Director Peer Zumbansen.
- February 29, 2012: **Exploring the Comprehensive Economic and Trade Agreement Between Canada and the EU**. A one-day seminar organized together with the European Union Chamber of Commerce in Toronto (EUCOCIT).
- December 2, 2011: **Securitization in Germany and the EU: Legal and policy implications for Canada**. This EUCE York Law Workshop was organized by Dagmar Soennecken, with Karine Côté-Boucher (York), Audrey Macklin (Toronto), Zeynep Kasli (Washington), Chris Anderson (Wilfrid Laurier), Ewen McIntosh (Edinburgh), Anna Korteweg (Toronto), Gül Caliskan (York), Martin Geiger (Osnabrück), Carolyn Armstrong (LSE), Ulrich Best (York), Scott Watson (Victoria), and Can Mutlu (Ottawa).
- November 28, 2011: **Free Movement and Discrimination: The EU in comparative perspective**. This conference was organized by EUCE Co-Director Willem Maas, with Megan Bradley (Saint Paul), Jacqueline Gehring (Allegheny), Michael Johns (Laurentian), Matthew Longo (Yale), Uri Marantz (Hudson Institute), Harris Mylonas (George Washington), Micheline van Riemsdijk (Tennessee-Knoxville), and Anne Staver (Institute for Social Research, Oslo).
- Selected talks and lectures (See: www.yorku.ca/euce): March 21: **The Eurozone Crisis: To what degree are EU institutions and power relations to blame?**, George Ross (UdeMontréal); March 20: **Between Testimony and Bearing Witness: Sexual and gender-based violence and the EU asylum process**, Galya Ruffer (Northwestern); March 15: **The Bologna Process: A European process leading to global convergence**, Chuo-Chun Hsieh and Jeroen Huisman (Bath) and **The EU Innovation Strategy: Challenges for higher education in Europe**, Frans Van Vught and Harry Deboer (Twente); March 6: **Federalism: The European Union's uncommon principle**, Nikos Skoutaris (Maastricht); February 13: **Europe's Borders and Refugee Protection**, Stefan Kok (Legal Commission of Ontario); and February 8: **The Uneven Progress of CSR Practices in Europe: A window for public intervention**, Rosa Fernández (DEU Spain).

SPOTLIGHT ON: FACULTY AND POSTDOCTORAL SCHOLARS

Daniel V. Preece Carleton University

Daniel V. Preece is a Social Sciences and Humanities Research Council Postdoctoral Fellow in the Department of Political Science at Carleton University. After defending a PhD in Political Science at the University of Alberta in 2008, he joined Carleton University in 2010. His research interests are primarily situated in the fields of comparative public policy and political economy, and he seeks to understand how issues within society are understood as a problem to be governed and how technologies of government are exercised to govern those issues. His first book, *Dismantling Social Europe: The Political Economy of Social Policy in the European Union*, was published in 2009 with FirstForumPress/Lynne Rienner Publishers. His postdoctoral research project draws on theories from political economy and post-structuralism to analyze how government leaders are using the language of fear and security to frame the debate over socio-economic governance during the current global recession.



Anders Hayden Dalhousie University

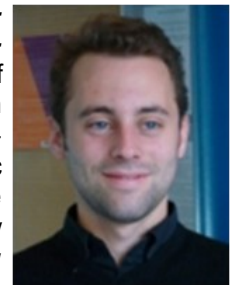
Assistant Professor **Anders Hayden** has joined the Dalhousie EUCE as an Associate doing research on EU environmental policy. Anders joined the Department of Political Science in 2010. He teaches courses in environmental politics, politics of climate change, comparative politics, and political inquiry. He holds a PhD in Sociology (Boston College), a Master's Degree in Environmental Studies (York), and a BA in Political Science (McGill). His primary research interest relates to the social and political responses to climate change, particularly the evolving balance between efforts to promote ecological modernization ("green growth") and sufficiency-based challenges to the endless growth of production and consumption. He is the author of the book *Sharing the Work, Sparing the Planet: Work Time, Consumption, & Ecology*. His articles have appeared in publications including *Politics & Society*, *Local Environment: The International Journal of Justice and Sustainability*, *Just Labour*, *Ecologia Política*, and *Alternatives Journal*. In the past, he has worked with non-governmental organizations involved in issues of human rights, reduction and redistribution of work time, social justice, and international development.



EUCE Université de Montréal-McGill University, in partnership with *Le Centre d'études et de recherches internationales Université de Montréal* (CERIUM), awards Postdoctoral scholarships to recent PhD graduates interested in conducting research at UdeM. The Centre is pleased to welcome Cédric Pellen and David Selby. For more information see: www.centreurope-montreal.ca/en/research/scholarships/postdoctoral/.

Cédric Pellen Université de Montréal- McGill University

Research paper title: *Les institutions européennes saisies par l'élargissement oriental de l'UE. Sociologie de l'investissement du champ institutionnel européen par les représentants polonais.* **Cédric Pellen** is a graduate of the Institut des Sciences Politiques de Bordeaux (France). He is a Research Associate at the Centre Emile Durkheim (Bordeaux). His research interests include: collective action, political parties, and the structure of political competition in post-communist Central Europe. Cédric taught political science and sociology at Sciences Po Bordeaux, the University of Warsaw, the Université Paris Dauphine and at the Université Paris Nord. During his stay as a Postdoctoral Scholar at the Université de Montréal-McGill University EUCE, Cédric is studying the impact of enlargement to the East on the EU's institutions. More specifically, he looks at how Poland's representatives have invested in European institutions after 2004. He simultaneously studies the process of institutionalization in the EU and the process of Europeanization of Polish politics.



David Selby Université de Montréal- McGill University

Research paper title: *A dialectic of post-Enlightenment: Auguste Comte, Joseph de Maistre and the ideological origins of modern radicalism.* **David Selby** earned his Doctorate in Political Science from the University of California San Diego. A specialist in the history of political thought, he also has a truly interdisciplinary training and works at the cross-section of sociology, political science, philosophy, and history. In his thesis, he used a variety of different philosophical and historical tools to bring to light the influence of French Jansenism on the political thought of Alexis de Tocqueville. As a Postdoctoral Scholar at the Université de Montréal-McGill University EUCE, the historical perspective of his project shows how contemporary liberals can respond to radical objections to the language of human rights, and how the rhetorical force and normative power of liberalism is undervalued if we fail to consider it in dialogue with conservative and progressive radicals emerging in the European Union.



EUCE University of Toronto-University of Victoria consortium welcomed two Postdoctoral Scholars this year: Roman Dudka and Donna E. Wood.

Roman Dudka University of Toronto

The University of Toronto EUCE is hosting Postdoctoral Scholar **Roman Dudka**, whose research interests include multilateralism, international organizations, European integration, and intergovernmental cooperation in the post-Soviet space. He received his Doctoral Degree in Public Law from the University of Reims. His PhD dissertation, *L'évolution de la Communauté des Etats indépendants. Etude d'une corrélation entre la réforme organique et l'altération fonctionnelle au sein d'une organisation internationale sui generis*, was published by the ANRT, Lille in 2011. He also holds an MS in International Relations and European Studies from UMLV/IFRI/CNAM (Paris). Roman's current research focuses on the conceptualization, representation, and materialization of common policies and common spaces in the European Union and Eurasia. He is currently working on a manuscript about common foreign and security policy in the post-Lisbon European Union. Roman offered a workshop to University of Toronto's graduate students, entitled **Common Foreign and Security Policy of the Post-Lisbon EU: Introducing new standards of diplomacy**.



SPOTLIGHT ON: FACULTY AND POSTDOCTORAL SCHOLARS

Continued: EUCE University of Toronto-University of Victoria



Donna E. Wood is a Postdoctoral Fellow in the Department of Political Science at the University of Victoria. She has a Master's Degree in Public Management from the University of Alberta, and completed her PhD at the University of Edinburgh in Scotland in 2008. Donna worked for over twenty-five years for the Province of Alberta and the Government of the Northwest Territories, providing policy advice and directing provincial/territorial income support, social services, apprenticeship, training, and employment programs, including their intergovernmental dimensions. Her postdoctoral research focuses on the governance of employment and training policy in Canada, comparing Canadian approaches with those used in the European Union. She has published on labour market policy in Canada, the United Kingdom, and the European Union, and has recently completed work with the OECD. *Balancing Flexibility with Accountability: Governing Active Labour Market Policy in Post-devolution Canada*, *OECD Canada Country Report* will be forthcoming in the winter of 2012. She also contributed to the final synthesis report *Building Flexibility and Accountability into Local Employment Services* that compared Canadian approaches with Denmark, the Netherlands, and Belgium (Flanders).

Donna E. Wood
University of Victoria

Dagmar Soennecken
York University

Dagmar Soennecken is a member of the EUCE's core faculty team at York University. She obtained her PhD from the University of Toronto in 2009 and has been a faculty member at York's School of Public Policy since 2007. Before joining York, she spent a year at Oxford Refugee Studies Centre as a Visiting Study

Fellow. While conducting her field research, Dagmar also spent two terms at the University of Constance's Centre for European and International Aliens and Asylum Law in Germany. Prior to moving to Canada in 1992, she worked for a German public health insurance body (AOK Düsseldorf). Dagmar's research focuses on comparative politics and public policy in the EU and North America. She is particularly interested in questions concerning law and the courts as well as citizenship and migration. Her latest publication is entitled "Extending Hospitality? History, Courts and the Executive," in *Studies in Law, Politics and Society*, ed. Austin Sarat (Special Issue: *Who belongs? Immigration, Citizenship and the Constitution of Legality*, forthcoming).



COMMENTARY

The Eurozone Crisis: Turning point for European integration?

George Ross, Université de Montréal-McGill University

The EU's past is dotted with serious crises, but the current Eurozone crisis is undoubtedly the worst. After two and a half years of firefighting, unending summitry, policy mistakes, and exhausting debates, we still do not know if and how the troubles will be resolved. In addition, the crisis has revealed flaws in European integration that could challenge the EU's future. What did the crisis look like? Why has the EU had such difficulty confronting it? What are the new mechanisms and institutions emerging from it?

Firestorm of Crisis

The Eurozone crisis followed the American collapse of 2007-2008 and the meltdown of the global financial sector. The EU, following the US-lead, strove to stop collapse through bailouts, stimulus plans, and re-regulating the wild child that the financial sector had become. These measures provided a temporary calm that was shattered after October 2009 when a new Greek government revealed that its predecessor had lied about Greece's deficit and announced that it should be adjusted up to a shocking 12.7%. Greece had been in a difficult position prior to the global crisis, which meant

that bailing out and stimulating the economy had raised its indebtedness while recession reduced government revenues. Bankruptcy was a distinct possibility. The bond markets, smelling default, rapidly pushed up risk premiums on Greek bonds. Had Greece not been in the Economic and Monetary Union (EMU) it might have devalued out of its dilemmas, but EMU made this impossible.

A quick Greek bailout by EMU partners might have spiked bond market guns, but political will was absent, and what followed exposed potentially fatal flaws in EMU.

A quick bailout of Greece by EMU partners might have spiked bond market guns, but political will was absent, and what followed exposed potentially fatal flaws in EMU. The Maastricht Treaty's German-imposed "stability culture," designed to produce economic convergence and prudent budgetary behaviour, had instead produced imprudent divergence. EMU's low interest rates were a windfall that some EMU

members used to pursue economic growth on credit, a strategy which, coupled with often lax bank regulation, left them deeply in debt and often stuck in housing bubbles when the crisis came. Because the EMU treaties forbade direct bailouts and had no emergency provisions, leaders had to devise short-term measures and work fundamental repairs at the same time in inter-governmental ways.

What then occurred exposed the problems of EU intergovernmentalism. It was months before serious proposals emerged. Germany first refused to listen to anything, however helpful, that countered its preconceptions, announcing pugnaciously that the Greeks had caused their own problems and should clean them up themselves. EMU was not legally a "transfer union," Angela Merkel intoned, meaning that help for Greece could only be bilateral and a last resort. France, with heavily exposed banks, advocated quick bailouts plus the EMU "economic government" that Germany had refused at Maastricht in 1991. Little was agreed until May 2010, by which time excitable bond markets were threatening other vulnerable EMU members.

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COMMENTARY (CONTINUED)

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A May 2010 summit finally decided to lend €110 billion to Greece from a new European Financial Stability Facility (EFSF) with the lending capacity of €750 billion from EMU members, the EU budget, and the IMF. In exchange, Greece had to implement severe austerity programs that would choke off growth and make the repayment of debts much more difficult. “Merkozy,” as the Franco-German leadership came to be called, then claimed victory. The bond markets did cool ... for a few days, after which they returned to their agitated state.

The Greeks had cooked their books and lived beyond their means. Ireland and Portugal, the next problem cases, were different. Ireland, the “Celtic Tiger,” had thrived on EU membership before using EMU’s low interest rates to stoke a housing bubble. But when the crisis deepened, the Irish government guaranteed private bank deposits, immediately raising the country’s deficit to 32%. EFSF in hand and fears of bond market contagion throughout the Eurozone in mind, EMU leaders forced Ireland to take a big loan in November 2010. Portugal, relatively backward economically, had also borrowed to grow, then to be caught by the global crisis. EMU leaders forced it to tap the ESFS in spring 2011. Neither action calmed the bond markets for more than a few days, however, and by early summer they were threatening Italy and Spain, large economies whose debts were far greater than the EFSF’s bail-out capacity. EMU needed a larger “firewall,” which many hoped the European Central Bank would provide. The bank did what it could within the legal limits that prevented any monetizing of EMU members’ debts.

EMU Reform?

The crisis exposed basic flaws in EMU and the EU. Tough decisions were needed about reform and immediate bailouts that implied sacrifices, new policies, and tough bargaining. Instead of rapid and decisive action on both fronts, however, innumerable summits plus loud, sometimes cheap and ineffective, talk repeatedly led to unsatisfactory deals and an overwhelming impression of intergovernmental dithering. The decisive players were France and Germany, whose sense of urgency grew as the crisis continued. Germany, initially adamant against “transfers” to Greece, eventually understood that the Eurozone itself was at stake and that its members, targeted by bond markets, needed emergency help to save it. Alas, the proposals that followed usually reflected calculations about the lowest possible cost to Germany’s original EMU ideas. The

general impression was that Germany and France were only willing to do enough to buy time, rather than solve underlying problems, and that they repeatedly underestimated how to do so.

The muddling through has nonetheless produced new structures. The draft “Treaty on Stability, Coordination, and Governance in the Economic and Monetary Union” of January 2012, when ratified by 12 Eurozone members, will oblige EMU Member States to make balanced budget commitments, “preferably constitutional.” The Commission and the European Council will monitor their fiscal and budgetary practices and there will be serious sanctions for miscreants. In mid-2012, the temporary EFSF will be replaced by a permanent European Stability Mechanism (ESM) with deeper pockets for blocking bond market contagion. The ECB has in the meantime been implementing €1 trillion in “quantitative easing,” to provide liquidity to banks. A French proposal to issue “Eurobonds” to mutualise debt and risk, blocked by Germany, could also re-emerge in the future. A “six pack” of Commission directives supporting the medium-term reshaping of Eurozone members’ behaviours is already in place. In general, Germany has accepted more change than it originally desired but preserved the basic Maastricht model. The French have long advocated, but it will govern the German-style monetary union which they have never really wanted. In the shorter run, however, EMU remains highly vulnerable.

Even if one hears occasional discussion of a new leap forward towards federalism, nothing can disguise the magnitude of what has happened. It is a huge set-back for European integration. The crisis exposed EMU as originally ill-conceived and demonstrated great shortcomings in intergovernmental EU dealings. The removal of both the Greek and Italian Prime Ministers in fall 2011 for having failed to follow the German-French program has deepened EU legitimacy problems. The impending “economic government” could well do more of this, because its austerity programs allow little space for future growth. Incumbent governments in all of the crisis-troubled countries have been removed, and more of the same may follow. Seen from a distance, the Eurozone crisis looks like warfare between democratically-elected governments and markets in which the markets have repeatedly won key battles. The consequences of this are unforeseeable but pose major challenges for European democracies. We should not exaggerate, however. The EU

stands on firm and deep foundations. It will not disappear, therefore. But it may take some time and intelligent commitment for a new spirit of “ever greater union” to reappear.

Recommended Readings

- European Council on Foreign Relations. 2011. *What Does Germany Think About Europe?* London: ECFR.
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Biography

George Ross is Hillquit Professor Emeritus at Brandeis, Faculty Associate of the Minda de Gunzburg Center for European Studies at Harvard, and *ad personam* Chaire Jean Monnet at the University of Montreal. He has been Chair of the European Union Studies Association, Executive Director of the European Union Center at Harvard University, Chair of the Council for European Studies, and is a founding editor of *French Politics, Culture, and Society*. His most recent books are *Brussels in Crisis: The European Union and its Crises Through the Eyes of the Brussels Elite* (Palgrave-Macmillan, 2011), and *What’s Left of the Left?*, edited with James Cronin and James Shoch (Duke UP, 2011).

GUEST ARTICLE COLLABORATION (CONTINUED)

... Continued from page 1

In this setting one can wonder whether China will be able to play the leadership role that could ensure the objectives of economic integration.

Finally on NAFTA: it is based on a long, detailed treaty. Its contract is relatively complete, while the EU and ASEAN contracts are relatively incomplete (Cooley and Spruyt 2009). NAFTA's rather complete contract may have contributed to its relative success, but in limited areas; and the institution is static compared with some other regional integration schemes. It will take the negotiation of a new treaty to deal with new issues (Laursen 2010).

In conclusion, arguably there are different ways of creating credible commitments in regional integration organizations. But if the purpose is a dynamic process towards deeper integration, the most secure strategy is pooling and delegation of sovereignty. This, however, is difficult if there is a high degree of asymmetry between the Member States. If, for instance, EU-style weighted voting were to be introduced in MERCOSUR, Brazil would be able to domi-

nate. The near equal size in terms of population between (West) Germany, France, and Italy makes it easier to include weighted voting in the supranational institutions that were created by the original European Communities in the 1950s.

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Biography

Finn Laursen received his PhD from the University of Pennsylvania in 1980. He now holds a Canada Research Chair (Tier 1) of EU Studies at Dalhousie University, Halifax. In 2008, he has also received an *ad personam* Jean Monnet Chair and he directs the EU Centre of Excellence at Dalhousie. Previously he has been a Professor at the European Institute of Public Administration, Maastricht, 1988-1995, and Professor of International Politics at the University of Southern Denmark, Odense, 1999-2006. Recent edited books include: *Comparative Regional Integration* (Ashgate, 2010); *The EU and Federalism* (Ashgate, 2011); *The Making of the Lisbon Treaty: The Role of Member States* (P.I.E Peter Lang, 2012); and *The EU's Lisbon Treaty: Institutional Choices and Implementation* (Ashgate, 2012). Three edited books are forthcoming: *The EU and the Political Economy of Transatlantic Relations*; *The EU, Security and Transatlantic Relations* (both P.I.E. Peter Lang); and *Designing the European Union: From Paris to Lisbon* (Palgrave Macmillan).

Will East Asians Move Towards the Pooling and Delegation of Sovereignty to Create "Credible Commitments" to Overcome Collective Action Problem in Regional Cooperation?

A Response to Finn Laursen's Article: *The EU and East Asia: Comparing integration models with an eye to NAFTA*
Yeo Lay Hwee, EU Centre in Singapore

Professor Laursen's article expresses a strong belief that one of the key lessons from European integration experience is that "credible commitments" to overcome collective action problems can only be achieved through the pooling and delegation of sovereignty to supranational institutions. The current sovereign debt crisis has confirmed this observation as the EU has failed to create credible commitments, that is the failure to pool and delegate sovereignty in the area of fiscal policy.

However, the lesson that Asians would more likely take away from the debt crisis in the Eurozone now is that of an even more cautious approach towards deeper integration. Formal institutionalization of cooperation is not the only way forward, as institutional politics can be just as paralyzing. Indeed, it is more important to ensure the right balance of politics and policy for regional cooperation to succeed.

There is certainly more regional coordination and collective attempts to shield East Asia from currency and liquidity crises through the multilateralization of the Chiang Mai Initiative (CMIM), the creation of a regional economic surveillance unit known as the ASEAN Plus

Three Macroeconomic Research Office (AMRO), and initiatives such as the Asian Bond Market, but there is no appetite for integration EU-style. East Asian and even ASEAN regionalism will remain firmly intergovernmental. This, however, does not preclude searching for a more innovative network-style regionalism to address the many intra- but also trans-regional challenges. The truth is that while intra-regional trade and investments are rising rapidly in East Asia, many East Asian economies are also globally integrated. Hence, the East Asian region will continue to have many overlapping dialogue forums including ASEAN, ASEAN Plus Three, East Asia Summit to APEC, and the Trans-Pacific Partnership (TPP).

Biography

Dr. Yeo Lay Hwee is Director of the European Union Centre in Singapore, Senior Research Fellow at the Singapore Institute of International Affairs (SIIA) and Adjunct Research Fellow at the S Rajaratnam School of International Studies (RSIS). Both RSIS and SIIA are ranked among the top 15 think tanks in Asia.

An international relations expert, Dr. Lay Hwee's research interests revolve around comparative regionalism; Asia-Europe relations in general, and more specifically, the Asia-Europe Meeting (ASEM) process and relations between the EU and ASEAN. She follows closely developments within the EU and East Asia and the impact these developments have on regional and global governance. Some of her recent publications include "Institutional Regionalism versus Networked Regionalism: Europe and Asia Compared," *International Politics* (2010), 47, 324-337; "From AFTA to ASEAN Economic Community – Is ASEAN moving towards an EU-style economic integration?" in *Comparative Regional Integration: Europe and Beyond* (2010), edited by Finn Laursen. Surrey, England: Ashgate Publishing Limited; and "Where is ASEM heading: Towards a Networked Approach to Global Governance?" in *Panorama Insights into Asian and European Affairs* (2011).

UPCOMING EVENTS

European Community Studies Association-Canada (ECSA-C) Ninth Biennial Conference: April 26-28, 2012, Ottawa.

Europe in an Age of Austerity: Integration, disintegration, or stagnation?

Public registration: April 15, 2012, www.canada-europe-dialogue.ca. On April 26, 2012, students will be able to participate in the **Young Researchers Network Professional Development Day (ECSA-C YRN)**. Two lectures are free and open to the public: **Indifference, Skepticism, Identities – Citizen (Non)Attitudes on Europe after Six Decades of Integration**, by Sophie Duchesne, on April 26, 2012, 5:30 pm-7:00 pm and **Roundtable: Europe in an Age of Austerity** on April 27, 2012, 3:00 pm-4:30 pm. Contact: ecsac2012@carleton.ca.

CARLETON UNIVERSITY www.carleton.ca/ces

2012 Canada-Europe Law Lecture. *The Eurozone Crisis and the Limits of Economic Integration*. Speaker: Dr. Alicia Hinarejos (Faculty of Law, University of Cambridge). Date: March 29, 2012, 3:00 pm-4:30 pm. Location: Room 2017, Dunton Tower, Carleton University.

The Scaremongers: Europe's fear of Islam. Speaker: Patrick Bahners. Date: April 25, 2012, 5:00 pm-6:30 pm. Location: Room 2224, River Building, Carleton University. This event is cosponsored with the Goethe Institute who are celebrating the 50th anniversary of their Ottawa branch.

International Conference. *European Integration and Multilevel Citizenship: Dynamics of inclusion and exclusion in European politics and society*. Date: April 26, 2012, 8:30 am-5:00 pm. Location: Senate Room, Sixth Floor, Robertson Hall, Carleton University.

DALHOUSIE UNIVERSITY www.euce.dal.ca

Sixth Annual EUCE Conference: *Widening and Deepening of European Integration: Challenges and strategic choices facing the European Union*. Dates: April 11-13, 2012.

http://euce.dal.ca/CONFERENCES/6th_Annual_Conferenc.php.

More than 25 papers have been accepted for presentation at the conference. A number of these deal with enlargement issues, covering in particular the Western Balkans. A second group of papers focuses on various policy challenges, especially the ongoing Eurozone crisis.

Two books from the **Fifth Conference** (2011) are going through the editing stage: Finn Laursen, ed., *The EU, Security and Transatlantic Relations*. Brussels: P.I.E. Peter Lang (forthcoming); and Finn Laursen, ed., *The EU and the Political Economy of Transatlantic Relations*. Brussels: P.I.E. Peter Lang (forthcoming).

UNIVERSITÉ DE MONTRÉAL-McGILL UNIVERSITY

www.centreurope-montreal.ca/en/events-news/

L'Accord économique et commercial global entre le Canada et l'Union européenne et le juriste canadien et québécois. Date: March 30, 2012, 8:00 am-4:00 pm. International colloquium with Pierre Marc Johnson (Chief Negotiator and Former Premier of Québec); Maurizio Cellini (Head of Economic and Commercial Affairs Section, Delegation of the European Commission in Ottawa); Philippe Musquar (Head of Unit at European Parliament); and many prestigious academics. Sponsors: UdeM-McGill EUCE, Export Québec, Fraser Milner Casgrain LLP (Faculty of Law, Université de Montréal), and Consulate General of Belgium in Montreal.

The Euro Today: Is there a tomorrow? Date: April 17, 2012, 12:00 pm-2:00 pm. Speaker: Benjamin J. Cohen (Louis G. Lancaster Profes-

Continued: EUCE Université de Montréal-McGill University

sor of International Political Economy, University of California). Location: CIRANO, 2020, rue University, bureau 2500, Montréal. In collaboration with the CIRANO (*Centre interuniversitaire de recherche en analyse des organisations*).

EUCE Summer School: *Europe in crises*. Dates: July 2-7, 2012.

Six days of high-level training on the recent 18 month-long crises in Europe led by international experts. Location: Université de Montréal.

UNIVERSITY OF TORONTO-UNIVERSITY OF VICTORIA

University of Toronto www.utoronto.ca/europe/

Sixth Annual European Union Workshop for Secondary School Students. Date: April 4, 2012.

University of Victoria <http://web.uvic.ca/europe/news/upcoming.php>

High School Outreach Symposium. Date: March 29, 2012, 9:00 am-3:00 pm. This event will bring together 100 high school students and a few scholars with the purpose of increasing students' awareness of issues happening in the world and the EU.

Conference: *Security's Impact on Border Policies*.

Dates: March 30-31, 2012. Location: Laurel Point Inn, Victoria, BC.

This workshop is an invitation to reflect on the impact of security policies on other border policies and perceptions.

Prof. Ian Hardie of University of Edinburgh was selected as UVIC's 2012 Visiting Scholar and will be teaching the courses **Topics in Economics** and **Issues in Politics** during summer of 2012. His profile can be found at www.pol.ed.ac.uk/staff_profiles/hardie_ian.

YORK UNIVERSITY www.yorku.ca/euce

Sixty Years of European Governance. Dates: September 13-14, 2012. Organized by EUCE Director Willem Maas.

Gender and the Life Cycle: Comparative gender policies.

Dates: September 21-23, 2012. This event is organized by Heather MacRae and Leah Vosko, and will address gender policies in Canada and the EU. Participants from Canada, the US, and Europe will consider the gender dimension of a variety of policies tracing the life cycle of "average women," including education and vocational training, marriage and divorce, reproductive rights, child and elder care, labour and employment, health and pension policy.

The Future of EU Citizenship. Dates: October 18-19, 2012. This event is organized by EUCE Director Willem Maas, and will bring together leading scholars to consider the future of EU citizenship.

Equality Rights in Europe. Dates: November 15-16, 2012. York's third **EU Law Workshop** investigates the emergence and operation of the EU's equality rights.

