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Ph.D. Dissertation in Political Science

# EU MEMBER STATE EXIT: UNDERSTANDING EU DISINTEGRATION THROUGH AGGREGATION

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*To Jad and Jad-Michael*

## List of Abbreviations

<b>AFSJ</b>	Area of Freedom, Security, and Justice
<b>CG</b>	Challenger Government
<b>CJEU</b>	Court of Justice of the EU
<b>CPP</b>	Challenger Political Parties
<b>CSDP</b>	Common Security and Defence Policy
<b>DDisIn</b>	Differentiated Disintegration
<b>DIn</b>	Differentiation Integration
<b>DisIn</b>	Disintegration
<b>EASO</b>	European Asylum Support Office
<b>EC</b>	European Commission
<b>ECB</b>	European Central Bank
<b>EMU</b>	European Monetary Union
<b>ESM</b>	European Stability Mechanism
<b>EU</b>	European Union
<b>EU ERM II</b>	EU Exchange Rate Mechanism
<b>EUCFR</b>	EU Charter of Fundamental Rights
<b>EUD</b>	European Union Disintegration
<b>EUDH</b>	European Union Disintegration Hazard
<b>EUMS</b>	EU Member State
<b>EUMSE</b>	EU Member State Exit
<b>EUMSEN</b>	EU Member State Exit Negotiation
<b>EUMSOE</b>	EU Member State Orientation to Exit
<b>Eurojust</b>	EU Judicial Cooperation Agency
<b>Europol</b>	EU Police Cooperation Agency
<b>FDI</b>	Foreign Direct Investment
<b>Frontex</b>	EU Border and Coast Guard Agency
<b>IO</b>	International Organizations
<b>LI</b>	Liberal Intergovernmentalism
<b>LPI</b>	Legatum Prosperity Index
<b>MPP</b>	Mainstream Political Parties
<b>NF</b>	Neofunctionalism
<b>PCA</b>	Principal Component Analysis
<b>PESCO</b>	EU Permanent Structured Co-operation
<b>PF</b>	Post-functionalism
<b>PI</b>	Political Integrators
<b>PP</b>	Political Parties
<b>PRRP</b>	Populist Radical Right Parties
<b>ROI</b>	Return On Investment
<b>SchA</b>	Schengen Agreement
<b>SIS</b>	Schengen Information System
<b>SQ</b>	Status Quo
<b>TEU</b>	Treaty on the EU
<b>TFEU</b>	Treaty on the Functioning of the EU

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# CONCEPTUAL CHAPTER

## INTRODUCING EU MEMBER STATE EXIT

### CHAPTER OUTLINE

- Introduction: The EU Trajectory Between Integration and Disintegration
- The Four Concepts on The EU's Trajectory
- EU Disintegration: The Academic Debate
- The Research Puzzle
- The Adopted Definitions
- The Research Design
- Bibliography

### I. INTRODUCTION: THE EU TRAJECTORY BETWEEN INTEGRATION AND DISINTEGRATION

The European Union (henceforth EU) is a state-of-the-art entity. Initially founded as a conflict-deterrent supranational body, it aims to achieve peace and security by uniting Europeans under a set of shared values. The EU developed into its current state after European states voluntarily filed for membership in the European polity. States join the EU based on a set of clear criteria. These are “democratization, economic reform and modernization, institutional reform, human rights, conformity to the extensive legal, regulatory, and financial stipulations of the *Acquis Communautaire*” (Lenz & Marks, 2016, p. 178).

In recent decades the EU has become a significant player in global politics, as well as in the domestic politics of its member states. The European Union's primary goal is “nothing less but to overcome nationalism and to put in motion a process in which progressive economic integration was paving the way to the long term objective, a political union” (Neyer, 2018, p. 2). The European polity is thus “the emergence of a compact economic, political, and strategic unit in Europe” (Saxe-Fernández, 1994, p. 203).

Originating from the European Coal and Steel Community (1951), the modern-day EU ventured into a task that is challenging at its core. Quoting Webber (Webber, How likely is it

that the European Union will disintegrate? A critical analysis of competing theoretical perspectives, 2014, p. 360):

*“The plethora of regional and pluri- or mini-lateral trade agreements signed across the world over the last decade or so cannot disguise the fact that most regions in the world remain at best only very weakly politically integrated and regional organizations therefore cannot be relied upon to institutionalize and secure peaceful cooperation among their members.”*

Indeed, observing the trajectory of development of the EU leads to the supposition that both the horizontal expansion of the EU's territory through the inclusion of new member states and its vertical expansion to create more institutions that deal with deeper domestic issues are a manifestation of integration of different form (Scheller & Eppler, *European Disintegration – non-existing Phenomenon or a Blind Spot of European Integration Research?*, 2014, p. 8). In recent times the EU has attempted to improve its role in reconciling differences among member states, and so, alongside the emphasis on the economic dimension of integration, the developments of the EU treaties have also emphasized the social dimension (Ferrera, 2017, p. 5). Nevertheless, “the current EU predicament can be interpreted as an acute but blocked juxtaposition between four distinct institutional orders: the market, national sovereignty, democracy and welfare” (Ferrera, 2017, p. 11). Therefore, to best assess integration, it was of the utmost importance to look at sectoral changes (economic, political, social, institutional). In doing so, contemporary disintegrative dynamics were witnessed as taking place simultaneously with integration (Scheller & Eppler, *European Disintegration – non-existing Phenomenon or a Blind Spot of European Integration Research?*, 2014, pp. 8-10) (Eppler, Anders, & Tuntschew, 2016, p. 2) and across various policy areas (Hazakis, 2019, p. 11), affecting even the most robust institution of the EU: the Euro (Laffan, 2019, p. 4).

As the EU moves forward, it faces a growing challenge of keeping the polity unified, as well as keeping it functional (Ferrera, 2017, p. 3). The first facet of this challenge is that the integration process has opposition at its core. Economically speaking, the integration creates both positive and negative externalities. It often leads to further public support for the EU, but it also triggers a challenge to cohesion. Socially speaking, the integration creates a feeling of collective identity on the one hand, but also a challenge to citizens' trust in EU institutions and a struggle among member-states on the other hand (Maher, 2019, p. 18). The second facet of the challenge is the dynamic aspect of EU membership. Membership in the EU is not locked

down. The Treaty of the Functioning of the EU TFEU regulates membership withdrawals. In its article 50 (1)(2)(3) (Lisbon Treaty, 2013), it states:

*“(1) Any Member State may decide to withdraw from the Union per its constitutional requirements*

*(2) The Union shall negotiate and conclude [a withdrawal] agreement with that state.*

*(3) The Treaties shall cease to apply to the state in question ... two years after the notification [of its intention to withdraw], unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period”.*

The provision of unilateral membership withdrawal is vague and can be interpreted differently by legal experts. Therefore, the withdrawal process is very complicated and divisive (Łazowski, 2016, p. 1295), but it is still possible. Consequently, attempting to understand which dynamics govern the development trajectory of the EU and what drives it is a vibrant and promising research area. This theme will be central to this book. Given this, a primary question governing EU studies presents itself: How likely is EU disintegration?

In his comprehensive literature review, Webber analyses several studies that address the likelihood of disintegration and the underlying causes since the signing of the Maastricht treaty in 1992 to the present day. Both pessimistic and optimistic arguments are identified, which defend the likelihood and non-likelihood of the EU's disintegration. Arguments, which predict that disintegration is likely, suggest that the underlying causes for disintegration are the absence of a European identity and the absence of a reliable set of centrally enforced boundaries. They also identify that the Eurozone and the EU's system are areas of weakness for the polity. Those weaknesses can lead to a non-sustainable monetary union, conflicts over resource distribution, the rise of populism, mass protests, and the incapacity of building an EU system (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, pp. 1139-1140).

Conversely, arguments that predict that disintegration is unlikely to suggest that the underlying guarantees for the EU's sustainability are that national alternatives are inefficient to replace the EU, and that diversity governs the EU. They identify that the EU represents the best alternative for advancing interests and that enlargement is an opportunity. They predict that possible developments of the EU are differentiated disintegration, flexible borders, and identities (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, pp. 1139-1140).

The introductory chapter of this book will provide an overview of the major definitions and concepts that lie at the core of this research project. After this, it will frame the general lines of the academic debate on European Union Integration/Disintegration, define the general research question, and present the argument of this book. Lastly, it will reflect on the significance of this project.

## II. THE FOUR CONCEPTS ON THE EU'S TRAJECTORY

The academic debate on the European Union's trajectory revolves around four key concepts: Integration, Differentiation Integration, Differentiated Disintegration, and Disintegration.

The following section presents an overview of the relevant definitions and conceptualizations of these terms and identifies their interplay and juxtaposition.

### 2.1. EU Integration

Integration (In) is a process through which political units acquire the responsibility of shared decision-making and shared problem-solving through a standardized process (Neyer, Rhyming Europe: Integration Theory Meets Comparative History, 2018, p. 5). Integration facilitates the construction of a community by enhancing the feeling of belonging to that community, establishing institutions to govern this community, increasing inter-dependence and exchange, and guaranteeing aspirations of peace among sovereign populations (Deutsch, Burrell, & Kann, 1957). It is considered an arrangement of the market and judicial systems among EU member states, which consequently brings about political Integration (Luhmann, A Multi-Level Approach to European Identity: Does Integration Foster Identity?, 2017, p. 1366).

The European polity has witnessed a continuous process of integration of broadening (sectoral), deepening (vertical), and widening (horizontal) forms (Schramm, European disintegration: a new feature of EU politics, 2019, p. 2) (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, p. 1135). *Deepening* means deeper integration in a policy area by renouncing on state authority simultaneously with the transfer of responsibilities from a national institution to a supranational institution, i.e., the European Union. *Widening* indicates the accession of new member states and is conventionally labeled as enlargement. *Broadening* refers to integration in new policy areas. To date, EU integration has concluded:

“members states sharing a customs union; a single market in which goods, services, people, and capital move freely (known as the “four freedoms”); a common trade policy; a common agricultural policy; and a common currency (the euro), which is used by 19 member states (collectively referred to as the “eurozone”). Twenty-two EU members (and four non-EU countries) participate in the Schengen area of free movement, which allows individuals to travel without passport checks. Also, the EU has taken steps to develop common foreign and security policies and has sought to build common internal security measures” (Archick, 2018, p. 1).

Integration is not a one-dimensional process that touches on intensity alone (Falkner & Plattner, Populist Radical Right Parties and EU Policies: How coherent are their claims?, 2018, p. 2). Rather, it is a multi-dimensional form of development that occurs at different speeds and in different ways concurrently along different economic, political, and social spectrums (Neyer, Rhyming Europe: Integration Theory Meets Comparative History, 2018, p. 2). Firstly, the *economic spectrum* revolves around the intensity of mutual operations and the resulting interdependencies. It involves the transaction of “goods, capital, service, and labor” (Börzel & Risse, A Litmus Test for European Integration Theories: Explaining Crises and Comparing Regionalisms, 2018, p. 6). Secondly, the *political spectrum* relates pre-eminently to those institutions that govern the process of integration. It handles the functionality of these institutions and their ability to govern the various sub-entities correctly. The capability to govern depends on two factors. On the one hand, the first factor is the “issue-area,” or the policy field over which supranational bodies have acquired jurisdiction. There are three categories of issue-areas. High politics touch on matters of core state power and sovereignty, such as foreign, defense, or monetary policies, among others. Low politics touch on matters of domestic, micro, and public policy, such as fisheries or agricultural laws. And lastly, hot politics are issues that are highly material to the public and susceptible to mass politicization like identity and migration. On the other hand, the second factor is the “degree of integration,” or the degree of sovereignty that the member states have ceded to the benefit of the supranational body (Börzel T. , 2013).

Thirdly, the *societal spectrum* touches on the intensity of “European” identity, feelings of belonging to the EU, and the public's support for the reinforcement of EU membership in respective states. Consequently, a valid distinction can be drawn between *systemic integration*, which is the integration of institutions and political bodies into a unified political system, and

*social integration*, which is the integration of a person into a social community (Scheller & Eppler, 2014, p. 11).

## 2.2. EU Differentiated Integration

Differentiated integration is a concept that has extended from the concept of integration. It goes further by distinguishing between the different scales and sub-categories of integration and mirrors the multi-paced integration process. “Differentiation refers to the situation in which a member state receives an exception from EU law, leading to differentiation within the territory of the EU” (Holzinger & Tosun, 2019, p. 644). Differentiation is a core characteristic of the EU (Leruth & Lord, 2015, p. 2) designed to address the differences among EU member states and prevent these differences from deterring further integration. In this connection, the Treaty on the Functioning of the European Union TFEU frames differentiated disintegration in various of its articles. Article 326 of the TFEU states:

*“Any enhanced cooperation shall comply with the Treaties and Union law. Such cooperation shall not undermine the internal market or economic, social and territorial cohesion. It shall not constitute a barrier to or discrimination in trade between Member States, nor shall it distort competition between the”.*

Additionally, Article 334 of the TFEU states:

*“The Council and the Commission shall ensure the consistency of activities undertaken in the context of enhanced cooperation and the consistency of such activities with the policies of the Union, and shall cooperate to that end”.*

Differentiated integration touches on various scales (Holzinger & Schimmelfennig, Differentiated integration in the European Union : Many concepts, sparse theory, few data, 2012, p. 293) (Dyson & Sepos, 2010) (Leruth, Gänzle, & Trondal, Exploring Differentiated Disintegration in a Post-Brexit European Union, 2019, p. 13).–“EU rules and policies are not legally valid in all member states – or not exclusively valid in member states” (Schimmelfennig & Winzen, Grand theories, differentiated integration, 2019, p. 1172).

Differentiated integration is an institutional fact which impacts most EU laws (Leruth & Lord, 2015, p. 7). It represents the concretization of political cleavages within Europe since it allows for countries to either integrate or opt out of particular policy areas. It has simultaneously allowed the embrace of those cleavages, all while unifying among differences. However, it has also facilitated the further expression of cleavages among European states (Bellamy & Kröger, 2019, p. 1). Differentiated integration cannot be strengthening or weakening, but rather the

structure of those institutions which govern differentiated integration and the domestic institutions responsible for implementing differentiated integration, have the largest impact on differentiated integration's effectiveness (Lavenex, Krizic, & IDEA, 2019, p. 16).

### **2.3. EU Differentiated Disintegration**

Differentiated disintegration is path-dependent, being determined by the institutional design that has resulted from EU integration (Leruth, Gänzle, & Trondal, 2019, p. 1013). Similarly to integration and differentiated integration, it is defined as a multi-dimensional process (Vollaard, 2014, p. 9) which materializes in a “selective reduction of a state's adherence to the integrated legal rules, which results in an overall lowering of the level and scope of integration - to the possible extent of the complete withdrawal of such state from EU membership” (Schimmelfennig, Negotiating differentiated disintegration in the European Union, 2019, p. 2).

Two types of differentiated disintegration may be distinguished. Firstly, *External differentiation* is when a member state dismisses its membership but still co-operates with the EU on some policies (Schimmelfennig, Brexit: Differentiated Disintegration in the European Union, 2018, p. 1154). This amounts to *exit + cooperation*. Secondly, *Internal differentiation* is when a member state makes a partial exit from the EU, which touches on some policy fields but not on its membership (Schimmelfennig, Brexit: Differentiated Disintegration in the European Union, 2018, p. 1154). It is *membership + opt-out*. It is thus a selective reduction of integration in level and scope. Although differentiated disintegration is considered as a tool that allows further integration to be possible (Schimmelfennig, Brexit: Differentiated Disintegration in the European Union, 2018, p. 1158), in the case of crises, it carries several risks. These risks must be responded to by “planned differentiated integration,” in which the diverging interests and needs of member states are addressed and contained as a means for sustaining the European polity (Schmidt, 2019, p. 312).

### **2.4. EU Disintegration: A Process and an Outcome**

Disintegration is a highly debated concept.

A first perspective considers disintegration as *an outcome*. Four scenarios or outcomes of disintegration are possible based on the degree and progression by which they might happen. The first is *termination*, which represents the complete collapse of the EU following the signing of a Dissolution Treaty by all member states. In this situation, EU member states decide on dissolution after holding national referendums in which the public votes for this dissolution.



Such an event would thus mark the total rejection of an institution (the EU) by its members (Neyer, *Rhyming Europe: Integration Theory Meets Comparative History*, 2018, p. 5). It represents “the formal renunciation of the Treaties by all member states and the vacating of the offices in Brussels, Strasbourg, and Luxembourg would constitute an indisputable breakdown of the EU” (Kelemen, *Built to Last? The Durability of EU Federalism*, 2007, p. 61). Consequently, it is a collective decision taken among EU member states. The second is *partial withdrawal*, which is the withdrawal of some states from the EU. Partial withdrawals may consolidate the EU, which would still exist as a union among the remaining member states. It is thus a unilateral decision taken by a member state independently. The third is *weakening*, which is constituted by a gradual dissolution from a strong union to a simple forum, following a series of opt-outs or opt-ins, and with the possibility of states turning towards other supranational institutions or the strengthening of their national institutions. The fourth is *dispersion*, represented by a growing asymmetry in membership, which directly and negatively affects the functionality of the polity due to having EU membership *à la carte* (Kelemen, *Built to Last? The Durability of EU Federalism*, 2007, pp. 61-64).

A second perspective considers disintegration as *a process*.

*“European disintegration can be understood as erosion processes promoted by the individual or collective actors within and outside the European multi-level system. It results in the lowering of the legal, economic, territorial, sociocultural and/or legitimating integration level to a status quo ante”* (Scheller & Eppler, 2014, p. 26). *“A polity is considered disintegrating when there is a weakening in boundary control and system-building, a decreasing congruence of boundaries and increasing permeability, as well as when there is a diminishing enforcement of behavioural conformity and loyalty to the polity and fellow actors.”* (Vollaard, 2014, p. 8)

Consequently, disintegration as a process can be envisioned in different ways.

From a compliance outlook, the process of disintegration is one involving non-compliance with the decision and rules taken at the level of a particular institution by the units which form it, namely the EU member states, thus resulting in anarchy (Neyer, *Rhyming Europe: Integration Theory Meets Comparative History*, 2018, p. 6). This process can be delineated by three trajectories: first, *procedural trajectory*, whereby the shared institution does not dissolve but instead loses authority gradually; second, *member state-centred trajectory*, where the member of the institution opts to discontinue its membership; third, *integrated trajectory*,

whereby disintegration impacts on the EU's territory, actors, and policies in their integrity (Neyer, *Rhyming Europe: Integration Theory Meets Comparative History*, 2018, p. 6).

From a problem-solving and cooperation outlook, disintegration is the process according to which factions, irrespective of their nature (state, non-state actors, sub-state actors) and scope (geographical regions), choose to carry on problem-solving procedures individually outside the framework of shared institutions. Disintegration thus undermines shared problem-solving procedures, whereby only a common and politically salient issue motivates units to enlarge the scope of their shared institutions, and they choose to opt for shared problem-solving. Consequently, disintegration is considered congruent with unilateral problem-solving (Neyer, *Rhyming Europe: Integration Theory Meets Comparative History*, 2018, p. 5).

From an exchange and interdependence outlook, disintegration is marked by the decrease in the intensity and character depicting the relation between members, and a consequent decrease in steadiness, linkage, and structural connectivity (Leruth, Gaenzle, & Trondal, 2017, p. 4).

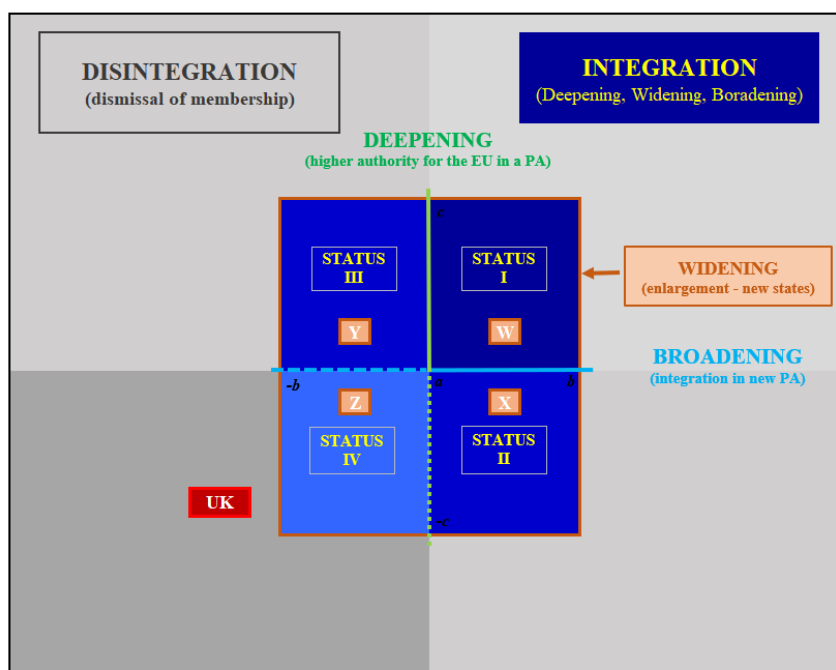
## **2.5. EU Integration vs. EU Disintegration**

Scholars have not agreed to whether integration and disintegration are directly opposed or not. Börzel and Risse have resisted this opposition and instead suggested that integration is opposed to "no-integration, stagnation, or encapsulation" (Börzel & Risse, *A Litmus Test for European Integration Theories: Explaining Crises and Comparing Regionalisms*, 2018, p. 6). From another perspective, integration and disintegration are considered intertwined and take place simultaneously, even though both concepts are juxtaposed. Integration is the ability of the European polity to reconcile between open/closed systems and economic prosperity/social cohesion (Ferrera, 2017, p. 3). In contrast, disintegration is the process by which a polity or a system comes to be divided into smaller constituencies (Eppler, Anders, & Tuntschew, 2016, p. 5). Furthermore, disintegration is the opposite course of "deepening (policy level), widening (territory), broadening (scope)" (Schramm, *European disintegration: a new feature of EU politics*, 2019, p. 2). It can be "permanent v/s temporary," simultaneous with integration, and driven by redistribution(gains) vs. costs (Schramm, *European disintegration: a new feature of EU politics*, 2019, p. 3).

Last but not least, the end-form of the EU or its *finalité* is not clear. Therefore, it can be considered that when the indicators that determine the integration process have reached their highest values, integration is judged to be complete (Eppler, Anders, & Tuntschew, 2016, p. 6) (Ferrera, 2017, p. 6). Conversely, disintegration is reached when those indicators achieve their lowest possible value.

## 2.6. Concepts Mapping: Integration, Differentiated Integration, Differentiated Disintegration, Disintegration

Figure 1 below visualizes the interplay among the various definitions and concepts on the evolution of the EU trajectory.



**Figure 1:** EU Membership Evolution Matrix - Simplified Mapping of Concepts (author's design)

This figure is a mapping tool that overviews the various degrees of integration among member states in the EU. It serves to categorize EU member states based on the outcome of their voluntary conduct, more integration, or less integration. This map captures an instance at a given point in time. It is a visualization of the EU's overall environment. The orange square captures integration in its varying degrees, and the grey square captures disintegration. To clarify:

- *Acquis Communautaire*: point (a) is the starting point of the EU
- Broadening: point (a) to (b) is the trajectory based on which the EU has developed to include new policy areas, with point (a) to (-b) being the reverse trajectory
- Deepening: point (a) to (c) is the trajectory based on which the EU has developed to gain additional authority over an issue area, with point (a) to (-c) being the reversed trajectory
- Widening: the orange square represents the trajectory based on which the EU has enlarged to include 28 Member States until January 31, 2020

- Status I: Integration: the area including states which participate consistently in the integration process. By ceding further authority to the EU, they allow the EU's authority to expand further in a specific policy area, but also to expand further to include new policy areas (ex: state w).
- Status II: Differentiated Integration: the area including states which opt into new policy areas but opt out of ceding additional authority to the EU in a specific policy area in which it has previously opted in (ex: state x).
- Status III: Differentiated Integration: the area including states which opt-in to deepen the authority of the EU in an integration policy area in which it has previously opted in but opt out of integrating into new policy areas (ex: state y).
- Status IV: Differentiated Disintegration: the area including states which refrain from deepening and broadening the EU's authority in new policy areas or experience a status quo in old or new policy areas. In this context, a status quo means that, as the EU moves towards further integration, a member state lags behind. Additionally, this area includes states which decide to opt-out from a policy area in which it was previously integrated (ex: state z). Consequently, the scope of differentiated disintegration adopted in this project is limited to internal differentiation. It differentiates between a non-member state which has bilateral relations with the EU, a previous member state which has disintegrated but kept bilateral relations with the EU (such as the UK), a current member state which is moving backward by preserving a status quo in light of further integration, or a current member state which is refraining from applying previous commitments to the EU, and therefore applies differentiated disintegration.

Therefore, disintegration is the grey box area. It is the area that includes member states which have fully withdrawn from the EU and so are no longer members of the EU, regardless of the bilateral agreements reached after exit negotiations. These bilateral agreements are similar to bilateral agreements among any two sovereign and independent states. Consequently, the grey area into which the UK stepped following the evoking of Article 50 in 2017, is the disintegration area.

To conclude this section, the mapping represents the overall status of the EU. Tracking the trajectory of states allows us to understand the dominant behavior of member states, and thereby to assess whether the EU is heading in the direction of further integration or disintegration. Although this certainly presents an important research area, this book does not deal at length with it. There is an underlying dynamic level, labeled as EU Member State

Orientation to Exit, which is a prerequisite research area and which will be conceptualized in this chapter. However, before doing this, the following section will provide an overview of the literature on EU disintegration.

### III. EU DISINTEGRATION: THE ACADEMIC DEBATE

EU disintegration is a newly emerging and promising academic research area. A primary trigger for the debate on EU disintegration has been the recurrent crises that have marked the EU's contemporary history. Crises, which involve various actors (states and non-state actors), present major drivers for disintegration. Uncertainty, conflicting interests, dependencies, and costs all govern crises (Hazakis, 2019, p. 13).

Scholars have identified the main crises that faced the European Union in contemporary history. These crises touched on areas connected with various issues, each of which had a different outcome on a micro-policy level as well as on a macro-integration-trajectory level. Table 1 below (Webber, European Disintegration? The Politics Of Crisis In The European Union, 2019, p. 1136) cites the identified outcome at a macro-level:

<b>Crisis</b>	<b>Area</b>	<b>Outcome</b>
<b>Eurozone</b>	Monetary and Fiscal	Further Political Integration
<b>Ukraine</b>	Security and Foreign	Status Quo
<b>Schengen</b>	Security and Territorial	Sectoral and Vertical Disintegration
<b>Brexit</b>	All areas	Withdrawal (Horizontal Disintegration)

**Table 1:** Crisis Outcomes in the EU

The diverse outcomes of the crises on the trajectory of the EU have created a research puzzle, and several factors have been identified as influential on crises outcome. The strength of the institution that governs an issue area had an impact on the outcome of the crisis, which affected that issue area. The Euro crisis had various disintegrative pressures due to the bitterness felt by individual member states. Nevertheless, pressures were dissuaded by the European Central

Bank ECB as it is a strong institution (Schramm, 2019, p. 2). Conversely, the Schengen crisis, which also had disintegrative pressure as a result of the perceived threat on security and identity, led to the violation of the Dublin Treaty through the closing of borders by member states and the failure to send migrants back to the country of first entry. Due to the absence of a strong governing supranational institution to tackle the issue, pressures in this issue area did not abate (Schramm, 2019, p. 3). Moreover, crises have resulted in pressures. These pressures led to crisis-linked policy reforms, mainly in monetary policy. However, these reforms were not enough to guarantee the sustainability of the EU (Falkner, 2016, p. 231) and deter further deadlocks.

Given the novelty of the research topic, scholars have not yet defined obvious lines of interpretation. Consequently, this book draws upon two lines of the debate. The first is a line that considers the EU as an entity that is prone to disintegrative dynamics, given its structural design and constituents. The second is a line that considers that EU member states are the trigger of disintegrative dynamics.

### **3.1. The EU as a generator of disintegrative dynamics**

Analyzing the series of crises and their outcomes on the EU's trajectory presents deep insights into the current situation of the EU. Nevertheless, crises are not the only causes behind disintegrative dynamics. They are rather the manifestation of loopholes, weaknesses, and special features proper to the EU as a unified system. The design of institutions, internal processes, and the types of tools available to conduct politics between the EU and member states have all impacted the EU's trajectory even outside of periods of crises.

First, regarding the EU's institutional design, this naturally presents many challenges. The EU is a hybrid model of institutions. It is formed of a supranational level in which EU bodies have acquired authority over the dispensation of sovereignty, on the one hand, and an intergovernmental level where states have acquired authority over the decision of integration in other policy issues, on the other hand (Archick, 2018, p. 1). It is a supranational organization formed by supranational institutions (the council, parliament, and commission) that tackle legal issues, but it is also a series of intergovernmental institutions that tackle political issues (Neyer, *Rhyiming Europe: Integration Theory Meets Comparative History*, 2018, p. 6). It is also a conundrum of different unions: a parliamentary, intergovernmental, economic, community, and monetary union (Fabrini, 2015). Therefore, the EU has no rigid institutional design (Witte, *Anticipating the Institutional Consequences of Expanded Membership of the European Union*,

2002, p. 235). Furthermore, the EU's system is midway between a federal state and a nation-state (Pelinka, 2011, p. 23). Consequently, the federal guarantees for the Union's sustainability do not exist (Jovanović, 2019, p. 391). The EU is a polity that lacks rapidity, elasticity, and essential harmonization (Hazakis, 2019, p. 14).

Second, regarding the tools that are made available by the EU, Holzinger and Tosun discuss the impact of differentiated integration/disintegration, which is available for member states. They distinguish two types of differentiation in the EU and assign respective consequences to the EU's sustainability. On the one hand, *internal differentiation* targets EU member states who wish to opt-out of specific policy areas. The EU has supplied opt-outs, meaning that it allowed many states to refrain from integrating into specific institutions or policy areas. Over-supply of opt-outs hinders EU functionality because it increases the heterogeneity among EU states. Additionally, states that wish to opt-out from a specific policy area but do not have the bargaining power to achieve it, feel discriminated against. Thus, EU membership becomes perceived as non-beneficial, and public encouragement for further integration decreases (Holzinger & Tosun, 2019, p. 655). On the other hand, *external differentiation* targets non-EU member states who decide to adopt EU rules. It is applied to non-members such as Switzerland and the UK after Brexit in a similar manner to bilateral agreements between two states. The EU over-compensates opt-ins from non-member states, meaning, non-EU states that perceived a certain benefit in integrating into specific policy areas or institutions with the EU without being full members, have been granted the benefit, without them needing to commit to the EU or “pay” for the benefit they achieved. Over-compensation leads to struggles regarding resource distribution, which has resulted in adverse effects on public support and EU legitimacy (Holzinger & Tosun, 2019, p. 656). The interplay between over-supply and over-compensation triggers feelings of unfairness. Consequently, the EU faces a rule of law challenge that threatens its legitimacy. The EU's commission, although responsible for the enforcement of the rule of law, has not been able successfully to avoid non-compliance of EU member states with EU laws (Falkner, Fines against member states: An effective new tool in EU infringement proceedings?, 2016, p. 44), despite the range of tools available, which extend from soft tools (such as naming and shaming) to hard tools (such as penalization) (Falkner, Fines against member states: An effective new tool in EU infringement proceedings?, 2016, pp. 47-48).

Third, regarding enlargement, the deepening and broadening of the EU's jurisdiction, as well as the increasing involvement of the EU in core state powers and institutions, has become more complex over time, the territory has become less homogeneous, and the public has become

more influential in EU politics (Genschel & Jachtenfuchs, *More integration, less federation: the European integration of core state powers*, 2016, p. 55). In light of this development, scholars have argued that the EU now needs a "stabilizing hegemon" to prevent disintegration (Webber, *Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations*, 2019, p. 1150). The composition of the EU following the widening process, which currently includes 27 Member States (excluding the UK), has also been considered a challenge in the EU. Enlargement is also a contributing factor to disintegration. It has created constraints for reaching agreements and managing coordination among member states. The integration of new member states brought further expenses and resources that are draining at the decision-making level (Maher, 2019, p. 9). The continuous enlargement of the EU has challenged its decision-making process, tested the ability of the institutions to govern an enlarged EU, and defied its institutional structure (Witte, *Anticipating the Institutional Consequences of Expanded Membership of the European Union*, 2002, p. 235). EU enlargement, which leads to the inclusion of an additional influential heterogeneous set of states and state-actors, sub-state-actors, and non-states (Maher, 2019, p. 9), has been considered as a restraining factor for further integration since an increasing number of states leads to an increasing number of views (Cardwell, 2019, p. 9).

In conclusion, although the EU has the goal to achieve an ever-closer union, nevertheless the polity has endogenous features that challenge this goal. In light of the various crises that have hit the EU, new regulations and the establishment of new institutions have further limited the decision-making power of member states over the affairs of the polity, as well as over their domestic affairs (Scheller & Eppler, 2014, p. 7). Although the EU is a polity that has proper features which make it prone to disintegration, member states also present a challenge to the goal of the EU, irrespective of the polity, as will be proven below.

### **3.2. The EU Member States as generators of disintegrative dynamics**

Aside from the weaknesses which characterize it, the European Union is a contemporary form of an institutional and political arrangement that has resulted from the free determination of states to create it. Member states, thanks to their willingness to cooperate and unite, guarantee the EU's sustainability (Guibernau, *Prospects for a European Identity*, 2011, p. 36). Conversely to Scheller & Eppler, Müller & Maurer believe that the EU presents a nurturing environment for the advancement of member states' interests, especially at a global level through its Common Foreign and Security Policy, it also preserves for the member states their influence on the domestic levels (Müller & Maurer, 2016, p. 3). However, this might backfire whenever



member states are dissatisfied with the outcomes of EU politics. Domestic institutions are bodies that are de facto enforced. Unlike them, supranational institutions rely on member states' preparedness to join, sustain, and reinforce them (Lenz & Marks, *Regional Institutional Design Pooling and Delegation*, 2016, p. 513). Member states, along with non-state actors (Cavlak, 2019, p. 68) and sub-state actors (Lavenex, Krizic, & IDEA, 2019, p. 3), are the primary decision-makers regarding a state's membership status. Consequently, actors' roles and behaviors at different levels and stages of the decision-making process help to determine the trajectory of the integration/disintegration process (Lavenex, Krizic, & IDEA, 2019, p. 7).

On another note, the competitive aspect of the intergovernmental setting of the EU drives states to think only in terms of national interests and to conduct politics based on the calculation of costs and benefits (Ferrera, 2017, p. 11). Despite the institutionalized consensus, the positions of member states are volatile, influenced by many events, and in a constant state of change. These changes in positions can be advanced by co-operating through alliances within the EU or individually through domestic support (Jones & Menon, 2019, p. 161). Consequently, while member states undergo a quest of achieving their interests through the EU, an assemblage of factors lead to struggles among them in relation to the type and content of policies, as well as to the level of decision-making authority and the scope and boundaries of decision-makers (Vesan & Corti, 2019, p. 991).

Moreover, the EU is a "treaty-based organization." Therefore, it needs continuous creation and amendment of treaties to follow its pace. Treaty ratification requires the compromise and consent of EU member states as well as their ability to attain agreements regarding conflicting issues (Wilde & Lord, 2016, p. 146). Additionally, the EU is "a complicated and fast-changing polity" (Tsebelis, 2002, p. 402), being a dynamic institutional model within which intense static and dynamic interdependencies across various sectors lie. This intricacy necessitates a high level of coordination among member states for the EU to function successfully (Maher, 2019, p. 9).

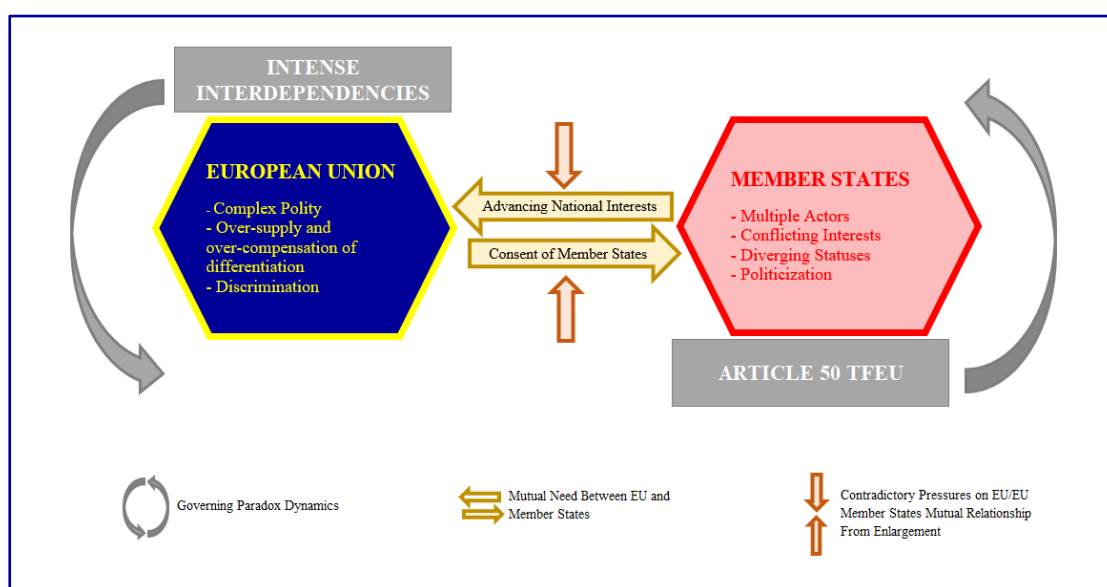
Furthermore, dissatisfaction with policy outcomes has challenged the EU's legitimacy. In particular, Euroscepticism, which is based on considerations that domestic interests and EU interests are not convergent, has intensified intra-state conflicts (Hazakis, 2019, p. 13). These considerations become even more relevant in times of crisis as economic indices and observations, which drive attitudes towards the EU, become especially low and negative. These indices and observations are what drives Euroscepticism (Tosun, Wetzel, & Zapryanova, 2014, p. 206). Consequently, EU member states generate disintegrative dynamics.

### 3.3. The EU and EU Member States, A Paradox of Interdependencies: Mapping the Academic Debate

The EU has witnessed a series of setbacks ranging from the economic crisis of several of its members to the establishment of EU-sceptical movements which advocate the abolition of EU institutions. Nevertheless, the degree of interdependencies among EU member states, as achieved by the continuous process of integration and despite opt-outs, has enhanced the attachment of states with one another to the extent that detachment has become very difficult to accomplish (Łazowski, 2016, p. 1294).

Due to the wide range of definitions, conceptualizations, and predictions of likelihood involved, the academic debate on EU prospects is far from an agreed subject. Figure 2 below is a synopsis of the debate. The literature review concludes that disintegrative dynamics have been presented as either overlapping, simultaneous, or separated. There is no clear distinction between the causes, consequences, and the ways that disintegrative dynamics become manifest.

To recapitulate the literature on disintegration, the EU is a hybrid and complex institutional structure whose enlargement has resulted in increased heterogeneity. The EU pooled EU member states' sovereignty while also preserving their control over the fate of the EU.



**Figure 2:** Mapping of The Literature on The Causes of A State Withdrawal: A Binding Core with a Contradictory Framework

In summary, the EU and the Member States are represented in the literature as separate entities, both of which are very complex and dynamic at their core. A mutual need ties these two entities for both their survival and the advancement of their interests. While the EU needs the consent of the member state to survive, the member states need the EU to advance general national interests like securing peace and prosperity. Although connected by a congruence, the EU and the member state interact within a contradictory framework. On the one hand, Article 50 of the TFEU, which allows member states to withdraw from the union voluntarily, is a contradictory and threatening force that puts the existence of the EU into question. On the other hand, the need of member states to advance their respective national interests, which are at various times inconsistent, diverging, and internal conflict, is countered by the intense interdependencies which tie all of them together through EU institutions. The continuous rounds of enlargement, which, although they have presented many opportunities to fellow member states, have further intensified clashing dynamics, have also carried additional inconsistent needs and interests and increased heterogeneity. Enlargement also intensified interdependencies, which are involuntary and compromise on member states' preferences. . In conclusion, various factors have had an impact on the EU's functioning, integration trajectory, and EU states motivation to hold on to their membership, among those factors are deterioration of the economic, political, social, and institutional situation, a detrimental redistribution of resources and burdens among EU member states, heterogeneity among EU member states, the various crises that triggered public and political parties skepticism, the emergence of challenger governments, and the discrimination that is allowing some states to secure opt-outs or impose opt-outs on other EU states. The following chapters will detail in depth those factors.

#### **IV. THE RESEARCH PUZZLE**

Disintegration is a multi-dimensional process (Eppler, Anders, & Tuntschew, 2016, p. 1) that needs to be understood comprehensively in its integrity (Scheller & Eppler, 2014, p. 2), whether considering that disintegration means the complete breakdown of the EU or a minor process of disintegrative subtleties (Scheller & Eppler, 2014, p. 5). Rittberger and Blauburger state that “we need to expand our conceptual and theoretical toolboxes to better come to grips with the disintegrative dynamics, which have come to bear on the EU in the context of crisis politics” (Rittberger & Blauburger, 2018, p. 438). Schramm also admits that it is necessary to

find and analyze the risk that challenges the process of integration (Schramm, European disintegration: a new feature of EU politics, 2019, p. 4).

The series of crises that the EU has faced have placed on the national agendas of EU member states the question of EU membership. Although the literature on EU disintegration is quickly developing, the literature on EU Member States Disintegration has not been extensively addressed integrally. Therefore, the starting claim is that the EU is an extension of member states and is not a separate entity. Therefore, to understand its trajectory, a deeper understanding of the behavior of EU member states as sovereign and independent entities needs to be developed. Additionally, the EU is a means to an end and not an end itself. It is a means to reconcile member states' interests and optimize their status. The satisfaction of member states is thus the cornerstone of the EU's sustainability and functionality. Consequently, the EU member states' behavior towards its membership constitutes a significant research area.

On another note, disintegration, whether understood as a process or an outcome, is not distinguished from the underlying factors which it manifests. Academics have usually focused on disintegration as a manifestation, but the path leading towards it has not been given adequate attention.

## **V. THE ADOPTED DEFINITIONS**

Disintegration is not a conceptually still phenomenon independent of associated political developments. It is thus fundamental to understand it better and employ it more correctly. Below is an overview of the definitions adopted in this book concerning disintegration.

Starting with the principal unit of analysis of this research project, the EU member states, is defined as a legitimate integrated and entity that represents a sovereign and independent state, as part of the larger entity the European polity. It is an aggregate actor encompassing the sub-concepts of “state,” “government,” “political actors,” and “the public.” It conducts politics within domestic, intergovernmental, and supranational spaces.

The EU Member State Orientation to Exit EUMSOE is a domestic and unilateral process of aggregation of domestic factors that lead a member state to start considering exiting from the

EU. It is thus a meta-phenomenon proper to each member state, which embraces a multi-layered process and outcome of compounded sub-processes and sub-outcomes.

The EU Member State Decision to Exit EUMSDE is a domestic political decision-making process that is based on the veto players constellation of an EU member state and after which an orientation to exit becomes a decision to exit and consequently invoke Article 50 of the TFEU.

The EU Member State Exit Negotiation EUMSEN is an intergovernmental process whereby an EU member state negotiates the terms of its exit from the EU, and which can either hinder or facilitate the exit.

The EU Member State Exit EUMSE is the outcome of a fixed instance whereby a member state withdraws from the EU. EUMSE is thus a unilateral decision, resulting from intergovernmental bargaining with the EU and other EU member states. The United Kingdom is an example of an EU member state exit.

The European Union Weakening is the process by which an increasing differentiation among EU member states reverses the deepening and broadening of the EU. It is thus a dynamic and collective process that results from intergovernmental bargaining among EU states regarding opt-outs and opt-ins. The EU weakening relates directly to differentiated disintegration. Differentiated disintegration is a multi-layered, multi-dimensional, multi-factional, multi-sectoral, multi-actor process by which member states voluntarily limit the authority of the European Union, either through opting out of new policy areas or by halting the deepening of integration in the current policy areas of integration.

The European Union Disintegration Hazard EUDH is the dynamic indicator that measures the likelihood of EU Disintegration. It considers the numbers of EU member states that withdraw from the EU and the narrowing of the authority of the EU, which ultimately weakens it. EUDH is the measure of the risk of EU disintegration that is carried by the EU and the remaining EU member states.

Lastly, the European Union Disintegration EUD is the outcome of a collective decision by member states to dissolve the EU or the result of the unilateral withdrawal of all member states. It is thus an instance which accounts for the complete collapse of the EU. It is a fixed outcome resulting from intergovernmental bargaining. Figure 3 below maps the above definitions.

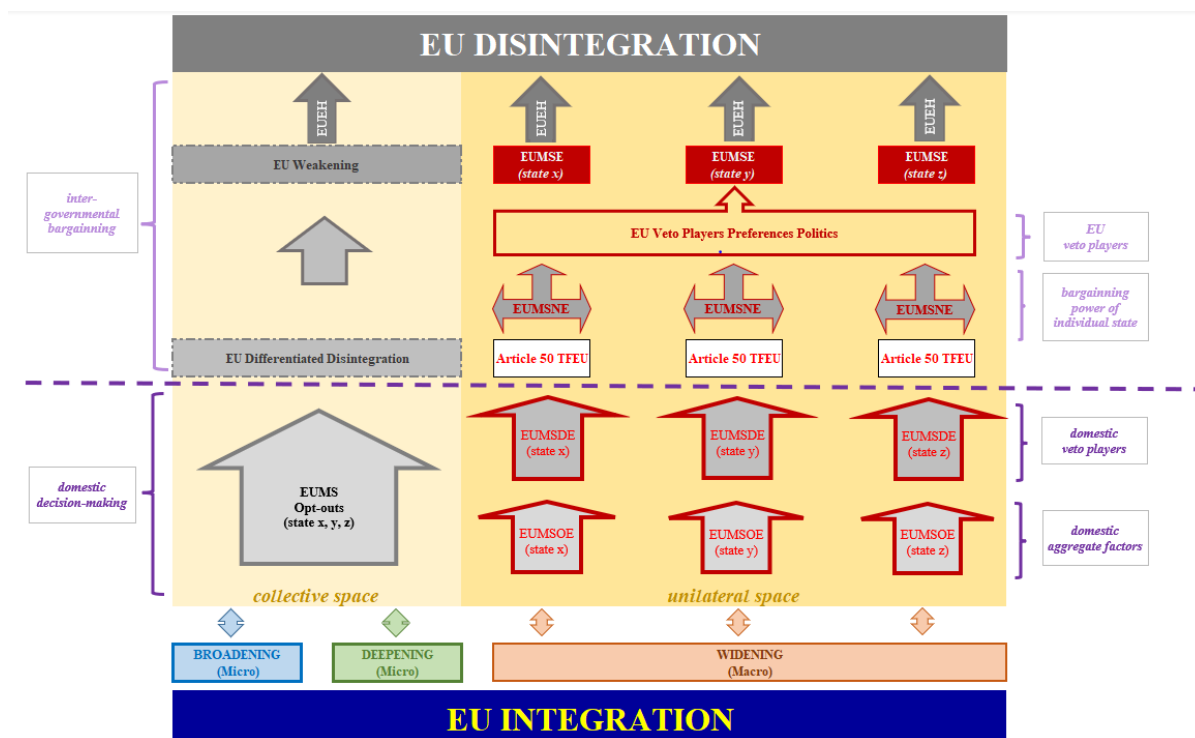


Figure 3: Matrix of EU Disintegration Studies

In conclusion, EU member state exit is a form of political change that involves changes in policies, changes in political systems, and changes in the status of a member state and involves a multi-stage, multi-level process. Therefore, EU integration is the status quo and a decision to exit by a member state is a change in the status quo.

## VI. THE RESEARCH DESIGN

This book's research area of interest is the EU Member State Preference to Exit and how a state reaches it.

Which factors are likely to lead a member state to reach a unilateral preference to exit from the EU?

The book is an inclusive analysis characterized by a precise approach that seemed underdeveloped in EU studies: Integrated and Aggregated. The aim is to provide the most comprehensive theoretical and empirical premises for understanding the newly emerging phenomenon of member states' orientation to exit.

As previously defined, for an EU member state to exit from the EU, it has first to follow a domestic-decision making process that leads to the decision to invoke Article 50 of the TFEU,

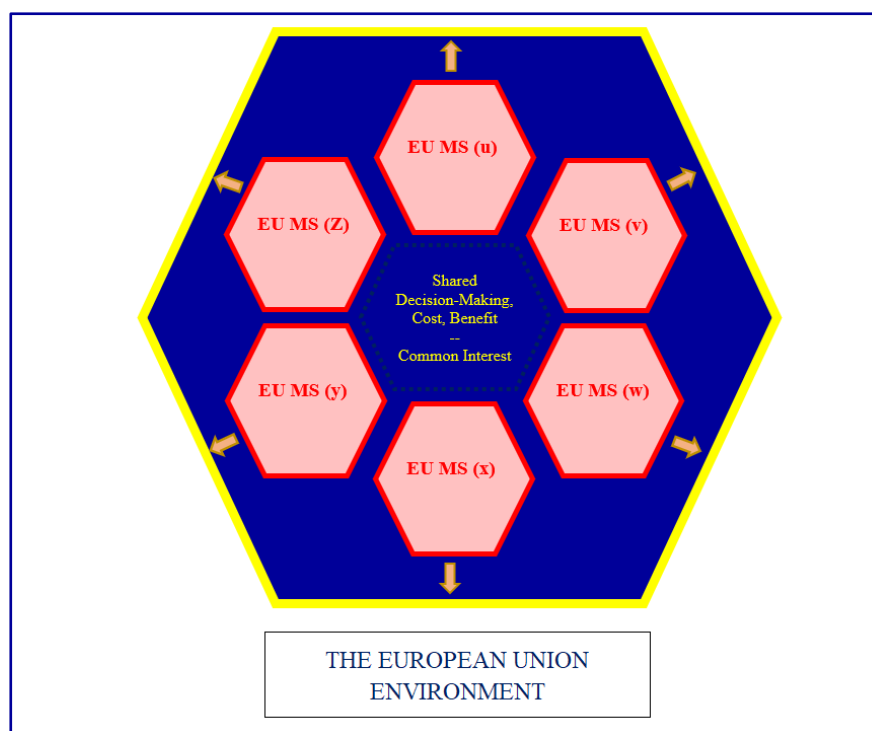
and then it has to undergo an intergovernmental bargaining process to negotiate the terms of its withdrawal. Only then does the member state exit become effective. Therefore, this book distinguishes factors that trigger disintegrative dynamics and lead an EU member state on a path towards a decision to exit. EU member states are considered to be rational actors that simultaneously take constructivist considerations into account.

In reply to the research question, this book argues that, if an EU member state has a high aggregate material loss, a convergence of anti-EU position among its actors, and is not deeply integrated into the EU, then this state is more likely to have an orientation to exit from the EU.

By aggregate material loss, it is meant that policy performance has led to deterioration instead of growth, that redistribution has led to inequitable sharing of burdens, and that tenure of membership and heterogeneity has led to dispersion. By convergence of actors' anti-EU positions, it is meant that simultaneously governments prefer not to comply with EU laws, that political parties promote anti-EU discourse, and that the public is eurosceptic. By shallow integration, it is meant that states are partially integrated into various areas, making it less costly for them to withdraw.

Nevertheless, this research project does not claim that the factors are exclusive. Those factors have been aggregated and compounded based on the EU empirical and theoretical studies and EU politics in practice. However, new factors can be added or current factors can also be omitted with time.

The contribution of this research to the EU disintegration debate is conceptual, normative, and empirical. First, the main purpose of this project is to bring back the state at the core of the EU disintegration studies. In this research project, both entities (EU and EU member states) are described and perceived as complementary entities. The EU is the umbrella entity of member states. The EU's interests and goals are congruent with the EU member states' interests and goals. The EU is thus an extension of member states and not a separate entity as per Figure 4 below, in contrast to Figure 2 section 3.3.:



**Figure 4:** The EU as an Extension of EU Member States

Second, the EU Member State is a dynamic unit of analysis. This research focuses on understanding the EU Member state.

Third, this research approach distinguishes between the overlapping concepts and definitions that exist around disintegration. Consequently, EU Member State Orientation to Exit is a concept that has a significant focus on domestic factors that influence a decision to withdraw and distinguishes between a complimentary domestic arena, the Veto Players politics of EU withdrawal, and an intergovernmental arena, where state bargain their exits, all while building on the principle that EU member states are collectively the fate-holders of the EU.

Fourth, in this research project, claims are tested according to a comprehensive, integrated, and praxis-oriented approach. Although previous research projects on EU disintegration tested some of the factors which will be employed in this research, none have placed these factors within an aggregate concept.

Fifth and lastly, this research project is longitudinal in covering the period from 2008 to 2020. Therefore, the analytical model developed by this project serves to track the past events and preferences of EU member states, but it can also be employed as a forecasting tool to track the propensities of an EU member state's exit.

The following chapter presents an overview of the theory framing this research project.



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# **THEORETICAL CHAPTER**

## **INTEGRATED THEORY OF EU MEMBER STATE DISINTEGRATION:**

### **GRAND THEORIES OF EU INTEGRATION AS COMPLEMENTARY THEORETICAL PREMISES**

#### **CHAPTER OUTLINE**

- Liberal Intergovernmentalism
- Neofunctionalism
- Post functionalism
- Conclusion: Integrated Theory of EU Member State Disintegration
- Bibliography

The EU member state is an actor that enjoys a specificity, which incites a research perspective and a theoretical framework that answers this specificity.

An EU member state exit is a three-stage process; the first is the domestic contextual situation where a constellation of factors redirect a member state orientation towards an exit from the EU rather than a status quo or a deeper integration; the second is a domestic political situation characterized by the convergence of veto players preferences which are EU-sceptic and which leads to setting, on the political agenda, an EU exit, which could lead to a decision to invoke Article 50 of the TFEU; the third is an intergovernmental setting where bargaining power determine the negotiation results, and that is where a member state which has already achieved the two previous processes, negotiates the terms of its withdrawal.

Since a member state's decision to exit seems like an issue of pure domestic politics, it would have been obvious to deduce arguments about domestic politics from theories that are designed for the purpose. However, EU membership as a policy subject is different from other policy subjects and policy-making processes. EU membership is a political orientation that impacts most policy subjects and policy-making processes of member states.

Additionally, although the decision of a member state to withdraw from the EU happens at the domestic level, it is still bounded by the intergovernmental setting and the specificity that EU

membership brings to a state. Thus, sticking to theories of domestic politics while ignoring theories of EU Integration/Disintegration would have been unfortunate. First, it would have impeded the exploration of interesting premises those theories present for understanding the behavior, preference formation, and decision-making paths of a state, as part of a larger group of states with similar statutes – members of the EU. Second, it would have stripped the main unit of analysis from its specificity of being a member of precise intergovernmental and supranational settings; these settings have fundamental implications on the state's domestic politics. Third, the EU Member state is an aggregate actor that operates in a multi-level system and reconciles among multi-level sub-actors, meaning that with EU affairs being more salient and subject to politicization, the EU member state can no longer conduct EU politics alone, neither at the domestic level based on national elite preference nor at the intergovernmental level based on EU elite preferences. Instead, it should now account for the preferences of other actors which engagement in EU politics has been growing, such as the public. Therefore, this entails a theoretical framework that understands how preferences and orientations are formed, namely, which aggregates preferences of sub-actors under one umbrella actor – here the EU member state.

In this regard, the three grand theories of EU integration offer useful insights for understanding disintegrative dynamics. However, none is alone able to explain disintegration (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, p. 1138). Rather, each theory explains part of the puzzle.

Despite scholarly attempts at reversing theories of integration to explain disintegration, the grand theories of EU integration have each specific limitation in accounting for disintegration. In brief, Liberal Intergovernmentalism LI and Neofunctionalism NF are optimistic theories (Webber, 2019, p. 29). Through their emphasis on economic interests and interdependencies, LI and NF claim that integration is irreversible and, therefore, that disintegration is rather unlikely (Webber, How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives, 2014, p. 360). Postfunctionalism PF, through its emphasis on politicization and mobilization, although pessimistic and admitting of the likelihood for disintegration, also has limitations in accounting for the different outcomes of the various crises that the EU has faced, where some lead to further integration and others to opt-outs (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, p. 1149).

The following chapter employs these three theories in a complementary manner and deduces from each, which factors influence the disintegration decision.

Liberal Intergovernmentalism was employed as a starting theoretical base. LI is a rationalist model that accounts for both levels - the domestic and the intergovernmental. LI is state-centered and focuses on material issues. However, the model of domestic policy-making in LI is superficial and presents two major limitations which needed to be complemented by the two other theories of EU Integration. On the one hand, LI does not account for the institutional setting that frames and limits decisions. Therefore, to complement this limitation, Neofunctionalism claims are employed. NF highlights that EU membership is bounded by institutions and that the interdependencies created by the continuous process of EU integration generate a cost that makes the reversing of the integration process expensive. On the other hand, LI considers the state as a sole and center actor and does not study other actors such as political parties and the public, despite their growing influence. With the increasing impact of non-state and sub-state actors, a thorough consideration of domestic politics with a higher focus on government constellations party systems, and public opinions is of fundamental relevance for understanding EU member states' exit decisions. Thus, looking at the public's and voters' flair is also relevant. Additionally, political parties end up forming the government. Hence, looking at government constellations is also related. Therefore, PF claims are employed to compensate for the limitations of LI. PF focuses on the role of non-state actors and considers that identities and non-material issues are influencing politics. It highlights how EU affairs have been politicized and how the public has been recently constraining the elite. Consequently, the theoretical model that is best fit to explain the EU member state disintegration decision is an integrated one in which theories of EU integration are complementary.

This chapter overviews the three grand theories of EU integration, discusses their limitations, and highlights their complementarity in explaining the EU member state's disintegration decision.

## **I. LIBERAL INTERGOVERNMENTALISM LI**

### **1.1. LI Central Claims**

Liberal Intergovernmentalism LI is a rationalist, state-centered theory (Cavlak, 2019, p. 68) (Wiener, Börzel, & Risse, 2019, p. 83). State rationality means that "state action at any given moment is minimally rational, in that it is purposively directed towards the achievement of a set of consistently ordered goals and objectives" (Moravcsik, *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*, 1993, p. 481). In this regard, LI admits that membership in the EU serves the goal of advancing national interests. It is thus unlikely for a state to commit to advancing EU integration if the process does not serve its national interests. In this sense, LI claims that domestic politics is a driver of government action at the international level (Moravcsik, *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*, 1993, p. 481).

On another note, as a theory of state bargaining, LI considers the political economy to be a determining factor behind cooperation or lack thereof in the EU (Hooghe & Marks, 2019, p. 1116). In this sense, a state decides to move forward with integration while being willing to guarantee the minimum needed co-operation that achieves the intended interest of that state (Hooghe & Marks, 2019, p. 1116). Therefore, the question of how integration moves forward in any given area depends on the degree of cooperation needed among states to achieve their interests in that area (Hooghe & Marks, 2019, p. 1116). Consequently, LI examines the European Community as the outcome of strategies practiced by rational governments, who operate based on power and preferences (Moravcsik, *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*, 1993, p. 496) and adds that national pressures and interstate bargaining regulate state preferences (Pelgrom, 2017, p. 80). Consequently, the EU member state would have a preference towards disintegrating from the EU if its membership is requiring it to cooperate and compromise without it delivering on substantial returns.

Moreover, LI claims that the main issue driving state behavior regarding the European Union is the economy (Moravcsik & Schimmelfennig, *Liberal Intergovernmentalism*, 2009, p. 70), or material gains. Therefore, LI is an intergovernmental premise for understanding the disintegration decisions of rational EU member states in their pursuit to meet national interests



and secure material gains. In this sense, it is argued that the EU member state would consider disintegrating from the EU if its membership is not leading to material gains.

LI distinguishes between two levels of decision-making, the domestic and the international:

*“The model of rational state behavior on the basis of domestically-constrained preferences implies that international conflict and co-operation can be modeled as a process that takes place in two successive stages: governments first define a set of interests, then bargain among themselves in an effort to realize those interests.”*

(Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, 1993, p. 481).

LI claims that interstate bargaining concerning integration takes place at the second decision-making level: in this case, the intergovernmental level. The respective bargaining power of each state is determined by their capacity not to reach an agreement while still containing possible losses from disagreement (Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, 1993, p. 497). Therefore, the EU member state would disintegrate if the domestic decision-making process leads to a decision of withdrawal and if the state was able to bargain its exit at the intergovernmental level. LI is a theory that tracks EU member states' positions regarding EU integration along three stages: "forming national preferences, reaching a substantive bargain, and creating regional institutions" (Wiener, Börzel, & Risse, 2019, p. 64). Therefore, integration only moves forward if states perceive a beneficial gain (Bergmann & Niemann, 2015, p. 173) and have the bargaining power to move it forward (Bergmann & Niemann, 2015, p. 174). Consequently, disintegration moves forward if states do not perceive a material gain and have the power to move the integration process backward.

LI assumes that states are the primary actors and decision-makers by their possession of power and legitimacy. They also possess the decision-making and the legal status to govern EU treaties (Wiener, Börzel, & Risse, 2019, p. 65). LI highlights the function of national governments, which is to protect the interest of the nation and its citizens. As Moravcsik and Schimmelfennig describe, the rational actors or “states, define preferences, then bargain the substantive agreement, and finally create (or adjust) institutions to secure those outcomes in the face of future uncertainty” (Moravcsik & Schimmelfennig, Liberal Intergovernmentalism, 2009, p. 69). LI is thus a ground theory for understanding a state's decision-making process regarding its member in the EU (Moravcsik & Schimmelfennig, Liberal

Intergovernmentalism, 2009) and forecasting the consequences of the interactions between society, decision-makers, and states altogether (Moravcsik & Schimmelfennig, Liberal Intergovernmentalism, 2009, p. 68).

Consequently, LI provides a framework for understanding the adjustments that rational states carry out for their membership status in the EU, based on material calculations.

## **1.2. LI Deduced Factors**

The factors that influence the position of an EU state regarding its membership which were deduced from LI claims are detailed below.

First, LI considers governments to be rational actors who possess power and preferences (Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, 1993, p. 481). It argues that, when determining national preferences, governments mainly look at the advantages and disadvantages of economic interdependence (Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, 1993, p. 480). However, it also stresses that state preferences are issue-specific (Moravcsik & Schimmelfennig, Liberal Intergovernmentalism, 2009, p. 70). Therefore, the first factor that is determining a state's position towards EU membership that is deduced from LI is state performance. Performance is considered to be spanning across various types of issues. It thus includes economic performance but also covers other issues that are political, social, and institutional. The member state assesses its domestic situation, namely whether policy performance after becoming an EU member is proving to be triggering progress or deterioration to its development in various issue areas. Therefore, in terms of policy performance, the more the EU member state experiences deterioration, the higher is the likelihood for that state to exit the EU.

Second, LI distinguishes a two-stage decision-making process, which includes the intergovernmental as well as the domestic level. At the intergovernmental level, LI considers that states are rational unitary states who act as single actors and whose acts and decisions are driven by their calculations of advantages and disadvantages of any adopted policy, being encouraged by the purpose of maximizing returns of decisions and minimizing shortfalls (Moravcsik, Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach, 1993, p. 497). The bargaining theory, which LI stresses, asserts that there is a guaranteed gain in states' collaboration and that those gains must be fairly shared between them. The distribution of gains is directly related to the bargaining supremacy

(Moravcsik & Schimmelfennig, *Liberal Intergovernmentalism*, 2009, p. 71), the consequent benefits it can secure, and the satisfaction of a state regarding its membership. Therefore, whenever an EU member state loses its benefits, it is argued that it will question its membership. Additionally, whenever a state does not possess bargaining power to secure its benefits, it will also question its membership. Therefore, a second determining factor of a state's position towards EU membership is the redistribution of benefits and burdens. In terms of redistribution, the member state assesses whether the decisions taken at the intergovernmental level, which determine the return on its investment into the EU, are proving detrimental or beneficial. Therefore, the more the EU member state experiences a detrimental redistribution of benefits and burdens, the higher is the likelihood for that state to exit the EU.

Third, matters of fairness and equity, translated by homogeneity or dispersion among member states, play a role in inciting those states to consider withdrawing from the EU. Liberal Intergovernmentalism explains the complexity of reconciling diverging and conflicting national interests of member states, especially during crisis periods that challenge integration rather than facilitate it (Tosun, Wetzel, & Zapryanova, 2014, p. 199). It is during these critical times that EU member states raise expectations of the role of the EU in achieving fairness and securing homogeneity within the polity. However, some states have handled a larger share of the burden than others, were subsequently more affected, and therefore performed less compared to fellow states (Börzel & Risse, *A Litmus Test for European Integration Theories: Explaining Crises and Comparing Regionalisms*, 2018, p. 10). That is due in part, as LI explains, to the government's action being constrained by foreign alliances (Moravcsik, *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*, 1993, p. 480), and hence, being unable to maneuver resources to their favor. Another element that impacts homogeneity among EU state is their tenure as members. Old states have been accustomed to the polity's requirements and therefore are better able to operate. However, new member states are still adapting to the established *acqui* which poses an additional challenge on their performance. Nevertheless, those states knew in advance that membership in the EU imposes requirements and adaption to the *acqui* that is already in place. For that matter, when analyzing the extent to which they are dispersed from the EU overall mean, the time factor needs to be taken into consideration. Consequently, a third determining factor of an EU member state's position towards the EU is Dispersion in the function of the tenure of the state as a member of the EU. The member state assesses whether EU membership is serving as a tool for it to catch up on the development achieved by other states, in the case of a bad-

performing state, or if EU membership is of any added value in the case of good performing states all while taking into consideration its tenure. The more an EU member state is dispersed from other EU member states, and the older it has been a member of the EU, the higher is its likelihood to file exit the EU.

Fourth, LI has addressed governments' behavior and preferences. LI claims that national interests are based on preferences that are formed liberally in a pluralistic environment (Moravcsik, *Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach*, 1993, p. 480). In his explanation of LI, Pollack labels the preference formation process as the aggregation of interests of government leaders and the preferences of other domestic factions, which translates into a position or preference towards EU integration (Pollack, 2001, p. 225). "States aggregate interests and act rationally to advance their preferences at the EU level, and member states governments rationally select institutions that are designed to maximize their utility (e.g. by allowing for credible commitments)" (Pollack, 2001, p. 233). The term "aggregation" is at the core of the approach of this book in understanding EU Member State Preference to Exit. Consequently, the EU member state would consider withdrawing from the EU if the aggregation of preferences of its various domestic factions consolidates behind a preference to exit. In this regard, LI stresses the process of a "deliberate delegation and pooling of sovereignty", which results from a preference of a state to further integrate and which deters disintegration. It consists of reinforcing domestic institutions, assisting in developing domestic choices, and supporting institutions in complying with EU law (Moravcsik & Schimmelfennig, *Liberal Intergovernmentalism*, 2009, p. 73). Therefore, the commitments of domestic institutions, the advancing of EU integration, and the deterrence of disintegration are complementary. In this sense, LI admits that cooperation among states, their willingness to compromise on their sovereignty, and their decision-making powers are based on their views on national interests. Conversely, LI emphasizes the imposed compromise on sovereignty that results in disintegrative forces and leads member states to consider withdrawing their membership (Scheller & Eppler, 2014, p. 15). A manifestation of those disintegrative forces is non-compliance with EU law. Non-compliance can span across all types of issues, from high politics to low politics; from macro to micro-level issues. The more the government of an EU member state is non-compliant with EU law, the higher the likelihood for that state to exit the EU.

### 1.3. LI Limitations

Although LI offers interesting theoretical premises for understanding EU integration, however, it does possess limitations when it comes to explaining EU disintegration.

LI limits the field of interactions in the EU to two levels, the domestic and the international. However, other levels are also valid, such as EU/State, EU MS/Non-EU MS, Public (non-state actors)/Government (Rosamond, 2000, p. 147). Whenever an EU state withdraws from the EU, it is not only its relationship with the EU that is affected but its relationship with other states and other organizations as well.

Regarding actors, another limitation of LI is that the role of non-state actors is not given the correct importance (Scheller & Eppler, *European Disintegration – non-existing Phenomenon or a Blind Spot of European Integration Research?*, 2014, p. 16). As a matter of fact, with the increasing politicization, non-state actors, political and societal, have gained a growing influence on EU politics. Although LI considers that the challenges to the EU lie in nationalism and sovereignty (Scheller & Eppler, *European Disintegration – non-existing Phenomenon or a Blind Spot of European Integration Research?*, 2014, p. 15), it does not emphasize the growing influence of the public on states' decisions regarding EU integration/disintegration, even though Euro-scepticism has been on the rise and profoundly been influencing EU politics in the last decade (Webber, *How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives*, 2014, p. 341).

Moreover, regarding policy issue-areas, LI assumes that economic conflicts that pressure coalitions, which are centered around economic gains and losses, are the main driver behind a government's decision to further integrate into the EU or not (Marks & Hooghe, 2008, p. 5). This assumption ignores current political developments within the polity (Bache & George, 2006), which are hard to separate from identity-driven politics. LI takes the impact of identities and affiliations “for granted” (Börzel & Risse, *A Litmus Test for European Integration Theories: Explaining Crises and Comparing Regionalisms*, 2018, p. 10). It did not “endogenize identity” and thus fails to account for the member states' conduct during and after the different crises that the EU has faced (Börzel & Risse, *From the Euro to the Schengen Crises: European Integration Theories, Politicization, and Identity Politics*, 2018, p. 102). In this sense, LI stresses that identity is an exogenous variable in integration studies (Börzel & Risse, *From the Euro to the Schengen Crises: European Integration Theories, Politicization, and Identity Politics*, 2018, p. 87).

The section above has assessed the major premises that LI offers for understanding EU member state propensities of exit and concluded with relevant factors that impact an EU member state preference to exit. However, looking at LI alone does not cover all relevant grounds and presents limitations in explaining domestic politics. Therefore, LI needs to be complemented by NF and PF.

## **II. NEOFUNCTIONALISM NF**

### **2.1. NF Central Claims**

NF emphasizes the role of states and non-state actors while highlighting how all actors both inter-state and intra-state are interdependent (Wiener, Börzel, & Risse, 2019, p. 48). NF pays great attention to NGOs and civil activists and considers those as influential actors in the integration process (Wiener, Börzel, & Risse, 2019, p. 60). Neo-functionalism offers claims which were disregarded by other theories of EU integration. It argues that states shall not be studied with a focus on governments alone, but non-state actors shall also be taken into consideration (Cavlak, 2019, p. 68). Societal and political groups for instance aim to preserve their benefits through state institutions. States are a sphere where societal dynamics come into play and where different social groups advance their various interests (Hooghe & Marks, 2019, p. 1114). Similarly, supranational institutions are used as an arena by sub-states and non-state actors to push for their policy interests whenever national obstacles arise (Niemann & Zaun, 2018, p. 16). Therefore, if the supranational institution is better suited to achieve their interests, societal actors will push for further integration (Hooghe & Marks, 2019, p. 1114), and thus supranational institutions will become more robust, and the integration process automatic (Hooghe & Marks, 2019, p. 1115).

Furthermore, NF takes account of pluralists' claims, which consider states' behavior at the international level to be the result of a mixed progression influenced by both domestic and international bureaucracies (Pelgrom, 2017, p. 12). Consequently, the EU member state would consider disintegrating from the EU if its membership is not advancing its national interests and if supranational intuitions constrain, rather than facilitate, meeting a state's intentions.

Additionally, in the cases where national institutions are perceived as insufficient for achieving a specific goal, actors turn to supranational institutions, which lead to integration (Hooghe &

Marks, 2019, p. 1114). However, whenever supranational institutions do not serve the interests of national states, then actors are likely to turn on them.

On another note, NF links institutions and individuals, as well as domestic levels and regional levels, while accounting for a shift in loyalties and values (Luhmann, *A Multi-Level Approach to European Identity: Does Integration Foster Identity?*, 2017, p. 1362).

In addition, the central claim of NF is that economic integration will spill over and consequently lead to political integration (Luhmann, 2017, p. 1367). NF defines the spill-over aspect of integration as a process by which the integration in one issue area leads to the integration in another issue area. NF is centered around the claim that a domino effect of integration from one area to another is an automatic and non-reversible process and that economic integration would lead to political integration (Luhmann, 2017, p. 1367). NF also highlights how institutions can acquire independence and a leading role in the integration process (Wiener, Börzel, & Risse, 2019, p. 48). Although at an earlier stage actors' consent was needed to push for further integration, later, through the spill-over effect, institutions would acquire independence in taking the integration process further. NF thus explains the integration process through the independence of supranational institutions in taking the process forward (Czech & Krakowiak-Drzewiecka, 2019, p. 592).

On a different note, NF accentuates the positive spill-over effect of integration, which serves to decrease the cost of legislating. Interdependencies entrenched among EU member states are not easy to eliminate (Cavlak, 2019, p. 76). Despite political trouble, integration, although hindered, would still move forward (Hodson & Puetter, 2019, p. 1156) especially since an exit of a member state from the EU will entail an increase in costs (Czech & Krakowiak-Drzewiecka, 2019, p. 591). Consequently, NF believes that the only discontinuation of the integration process would carry with it a very high price (Cavlak, 2019, p. 65). In sum, the EU member state would consider withdrawing from the EU if it is less integrated into its institutions and if the costs of disintegration are not high. NF, therefore, refers to the spill-back effect as the reverse process of integration (Eppler, Anders, & Tuntschew, *Europe's Political, Social, and Economic (dis-)integration: Revisiting the Elephant in Times of Crises*, 2016, p. 5).

Accordingly, NF claims are also integrated into the theoretical framework of this book to account for the interdependencies among EU member states, the costs which a withdrawal

could potentially carry, and the role of societal actors and institutions in determining whether disintegration can be executed.

## 2.2. NF Deduced Factors

A determining factor based on NF is the cost of reversing previously established interdependencies. For example, Neo-functionalists predict the spill-over that touched on monetary and fiscal areas. It explains how member states prioritized the conservation of the Euro, allowed the empowerment of supranational authorities, and gave way to further integration among them (Börzel & Risse, *From the Euro to the Schengen Crises: European Integration Theories, Politicization, and Identity Politics*, 2018, p. 89). It claims that integration in an area leads to the effect of further integration in other areas, thus reaching a non-reversible state, which even discontinuing would carry with it a very high price (Cavlak, 2019, p. 65). This irreversible “aspect” implies that a withdrawal carries high costs for the withdrawing state. NF admits that, as the integration process moves forward, the preferences of both state and non-state actors change, depending on the costs and benefits generated from interdependence (Hooghe & Marks, 2019, p. 1115). Therefore, interdependencies influence preferences for further integration, status quo, or disintegration. Hence, framed by Neo-functionalism claims, it is argued that a state can only go further with a decision to withdraw if the costs of the withdrawal, determined by the high interdependencies created by the process of integration, turn out to be manageable.

Interdependencies in various issue areas created among EU member states and EU institutions by the process of integration, entail a cost of disintegration, require complicated decision-making, and are path-dependant, which influence a state's decision to exit or not. “The Schengen free-travel regime ..., the euro, the Social Chapter of the Maastricht Treaty ..., the Charter of Fundamental Rights as well as the Justice and Home Affairs *acquis*” (Schimmelfennig, *Prepublication: Negotiating differentiated disintegration in the European Union*, 2019, p. 6), in addition to other areas of economic and social policies are highly interdependent. The movement of goods and services (trade), Foreign Direct Investment, as well as the movement of people (foreign Europeans residing in a European state), can mirror the extent of interdependencies of an EU member state with other EU states and the EU as a whole.

Consequently, an EU member state calculates the costs that a withdrawal might carry based on its degree of integration in the EU. The argument is the more integrated an EU member state is, the higher is the cost of exiting, and the lower is the likelihood for it to exit the EU.



### **2.3. NF Limitations**

Although NF offers interesting theoretical premises for understanding EU integration, however, it does possess limitations when it comes to explaining EU disintegration.

Similarly, to LI, NF pays little attention to identity and prioritizes economic interests (Jones, 2018, p. 441). Neofunctionalism does not admit that identities have an impact on EU affairs. It claims that these are dealt with nationally and it does not accept that these identities might lead to the reversing of the integration process (Börzel & Risse, *From the Euro to the Schengen Crises: European Integration Theories, Politicization, and Identity Politics*, 2018, p. 102). Additionally, NF disregards the segregation of issues and claims that an unintended spill-over will eventually cause the integration process to move forward. However, the empty chair crisis, which the EU faced during president Charles De Gaulle of France's mandate, contradicts neo-functional claims that integration is a non-reversible process (Scheller & Eppler, 2014, p. 11). Another main setback of NF is that it did not address the end goal of EU integration, or the question of where the spill-over stops (Scheller & Eppler, 2014, p. 12). It merely refers to a spill-back that accounts for a status-quo (Scheller & Eppler, 2014, p. 13).

After having discussed the main claims of LI and NF and highlighted their limitations which revolves mainly around identities and politicization of EU affairs, PF is employed to fill the gap.

## **III. POST-FUNCTIONALISM PF**

### **3.1. PF Central Claims**

PF argues that the identity and distribution of resources determine, especially when politicized, the preferences of actors regarding governance and institutional design. PF shifts the debate from questions around the economy to include identity. PF stresses that public preferences cannot be simplified to mere material calculations (Schmitter, *On the Way to a Post-Functionalist Theory of European Integration*, 2009, p. 212). It claims that identities rather than economics drive the public's opinion (Hooghe & Marks, 2018, p. 506) and considers that understanding how and when identities are mobilized against EU integration is important for comprehending state preferences towards EU integration (Pelgrom, 2017, p. 20). This mobilization is the result of active Euro-Sceptic political parties seeking electoral gains, which PF admits are influential (Pelgrom, 2017, p. 22). Therefore, exclusive identities are mobilized

by competing political parties, and this mobilization leads to conflicts (Hooghe & Marks, 2018, p. 502). One of PF's core arguments is that:

*"the reallocation of authority is constrained by the politicization of exclusive identity in mass politics. This is conditional on the character and salience of an issue, how it is connected to other issues, whether a decision enters mass politics, and the ideologies of the actors who make key decisions"* (Hooghe & Marks, 2018, p. 503).

PF thus highlights how politicization has rendered European affairs more relevant to the public and consequently more exposed to communal discourse and matters of identity (Rauh, 2019, p. 4).

From a different perspective, Post-functionalism has indirectly addressed the impact of integration in areas of state sovereignty among member states. PF admits that the involvement of EU institutions in matters of national sovereignty has led to the politicization of EU affairs and a consequent challenge to EU integration emanating from exclusive identities (Kuhn, 2019, p. 1221). Additionally, PF

*"emphasizes the politicization of exclusive national identities that constrains the process and content of European integration. The improvement of channels of democratic representation and the increasing involvement of EU decision-makers in areas of core state powers have raised the political salience of European integration and have linked it more closely to collective identity. While a mass European identity is possible, its construction is much slower than the European institution building"* (Kuhn, 2019, p. 1221).

PF is centered around non-state actors (Marks & Hooghe, 2008, p. 2). It stresses communal interests in contrast to national interests (Marks & Hooghe, 2008, p. 2) and highlights how European integration has not only led to economic integration but also impacted interactions between various communities and destabilized self-rule and self-determination (Rauh, 2019, p. 4). PF addresses the growing challenges to further integration, emanating from the public, that has initially arisen from the growing authority that the EU achieved through integration (Schimmelfennig & Winzen, Grand theories, differentiated integration, 2019, p. 1173). PF prioritizes national belonging and self-determination over co-operation on a supranational level (Hooghe & Marks, 2018, pp. 501-502). Therefore, "governance and politics are determined not by their functionality but by emotional resonance" (Gruszczak, 2019, p. 35),

which in turn constrains rulers to pursue conflicting functional and political ends (Gruszczak, 2019, p. 35).

Post-functionalism is a theory that presumes that as integration moves forward, the actors that are concerned by the process would change along with it (Schmitter, *On the Way to a Post-Functionalist Theory of European Integration*, 2009, p. 211). It considers national governments as the primary decision-makers of the trajectory of EU integration and rejects the role of supranational institutions. It also highlights the conflicting interests between the EU elite and national governments (Hodson & Puetter, 2019, p. 1154). It emphasizes the effect of the sphere in which a discussion regarding a policy area is made on its outcome (Hooghe & Marks, 2019, p. 1117).

In this sense, PF admits the possibility of European disintegration given that Eurosceptic political actors have been empowered, while pro-European actors have taken a neutral stand, especially on critical issues such as identity and redistribution (Czech & Krakowiak-Drzewiecka, 2019, p. 593). PF has predicted that the Post-Maastricht Treaty period would bring challenges for the integration process and forecasted that EU integration will likely become a core political issue among EU member states (Hodson & Puetter, 2019, p. 1154).

Consequently, PF can account for disintegration as well as the status-quo because it understands EU integration as a paradoxical process where diverging identities and beliefs are brought together, and where institutions are jurisdictionally designed in a way that enhances divides rather than deters them (Hooghe & Marks, 2019, p. 1117). PF also admits that preferences are influenced by domestic actors (Jachtenfuchs, 2002, p. 656). Hence, the EU member state would consider exiting from the EU whenever the public becomes eurosceptic, the political parties adopt a negative discourse towards the EU, and the government fails to comply with EU laws.

PF complements LI and NF because it assumes that the social dimension plays a determining role in the integration process, mainly through the influence of the population (Eppler, Anders, & Tuntschew, 2016, p. 8). PF also assigns a disruptive role to the interplay between identities and the pursuit of economic gains (Hooghe & Marks, 2019, p. 1117).

### **3.2. PF Deduced Factors**

The factors that influence the position of an EU state regarding its members and which were deduced from PF claims are detailed below.

First, the “permissive consensus” that allowed state leaders to decide on the integration statuses of their respective states, independently of the public, no longer exists. It has been replaced by an “unpermissive dissensus,” by involving the public in the decisions about EU integration and other EU-related policies (Webber, *How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives*, 2014, p. 353). PF ideas are integrated to complement the limitations of LI and NF and extend the theoretical scope to account for identity and voters' preferences. Since governments always seek re-election, one of the critical demands that governments are confronted with is the demands of their voters. Voters thus influence EU member states' decision-making. In this regard, the public is identified as influential. Post-functionalism thus maintains that the attitudes of the public and political parties challenge the capabilities of national governments to push their integration agenda (Tosun, Wetzel, & Zapryanova, 2014, p. 200).

Post-functionalism accounts for the increased salience of EU politics among the public and highlights how identities drive this politicization (Schimmelfennig, *Brexit: Differentiated Disintegration in the European Union*, 2018, p. 1159). By focusing on the identity aspect of salient issues, PF explains how disintegration dynamics emanate from the public. It claims that, when integration touches on identity, it becomes politicized (Braun, 2019, p. 9) (Genschel & Jachtenfuchs, *More integration, less federation: the European integration of core state powers*, 2016, p. 52). Accordingly, Euroscepticism increases (Braun, 2019, p. 10), and the electorate in respective member states put pressure of varying intensity on the national government towards less integration or even disintegration. Therefore, identities can challenge integration (Börzel & Risse, *From the Euro to the Schengen Crises: European Integration Theories, Politicization, and Identity Politics*, 2018, p. 87).

PF stresses the role of national governments in determining a state's position regarding further or less integration. Therefore, similarly to LI that is state-centered, PF can account for the orientation to exit of a government that concretizes through non-compliance with EU law. The more the government of an EU state is non-compliant with EU law, the higher the likelihood for that state to exit the EU.

PF has also addressed the role of political parties in generating disintegrative dynamics. Identity-related issues that awaken nationalist feelings are a fertile ground for the right parties to mobilize the public (Grande, Schwarzbözl, & Fatke, 2019, p. 1445). Post-functionalism emphasizes the effect of the public and political parties who try to shift attitudes towards

Euroscepticism. Therefore, the member state considers political parties' preferences towards the EU in determining its position regarding its membership status. PF also stresses the influence of the sphere in which politics is conducted. "Mass politics in elections, referendums, and party primaries open the door to the mobilization of national identity imposing a constraint on integration" (Hooghe & Marks, 2019, p. 1117). Therefore, at the EU level, differentiated paces for integration are witnessed (Braun, 2019, p. 9), depending on the degree of salience of EU issues among the public in respective member states. PF also argues that "efficiency, identity, and distribution" have a large impact on the choice of a jurisdictional design of a state (Marks & Hooghe, 2008, p. 3). Hence, if states believe that EU membership impacts identity, rendering the state less efficient and resulting in detrimental redistribution, then EU member states will question their institutional structure as a part of a larger supranational entity and consider withdrawing. The member state considers public preferences towards the EU in determining its position regarding its membership status. Therefore, the more Eurosceptic is the public in an EU member state, and the more binding public referendums about the EU are in that state, the higher the likelihood for it to exit the EU.

### **3.3. PF Limitations**

Although PF offers interesting theoretical premises for understanding EU integration, however, it does possess limitations when it comes to explaining EU disintegration.

PF reduces debates on integration to mere considerations of identity while disregarding the impact of economics, politics, or institutions (Rauh, 2019, p. 12). PF also ignores that, irrespective of growing politicization and Euroscepticism, interdependencies that have been achieved through EU integration have a high impact on the possible withdrawal scenarios. Additionally, PF does not present a possible scenario for a member state's exit based on material considerations, cost and benefit calculations, or institutional drivers. Some member states might not be as skeptical as others, but could still, due to rational considerations, consider EU membership withdrawal.

Moreover, PF ignores the intergovernmental decision-making level. EU member states are part of a larger supranational entity and are bound by their supranational and intergovernmental commitments. Therefore, the bargaining setting at the intergovernmental level plays a role in the withdrawal process. On the one hand, it triggers disintegrative dynamics whenever the state lacks bargaining power and is unable to secure benefits from its membership. On the other hand, it constrains a state from achieving an exit. Whenever the state lacks bargaining power,

withdrawal becomes costly and subject to conditions imposed by fellow member states and the EU, which are in a stronger position. Consequently, this book distinguishes among two levels of decision-making that lead to the EU Member State Exit. On the one hand, the domestic level is where the member state's decision to file for a withdrawal is taken. The exit process is determined by the various factors which have been identified. At this level, a lack of bargaining power, among other variables, pushes the EU member state to question the benefits of membership. On the other hand, the intergovernmental level is where bargaining power is not a factor influencing the decision of a state to exit the EU, but rather a determining factor of whether the withdrawal happens or not. At the domestic level, weak bargaining power is the trigger for exits whereas, at the intergovernmental level, strong bargaining power is a prerequisite for executing the exit. Accounting for the intergovernmental setting even if the decision of disintegration happens domestically is mandatory for a better understanding of a member state's exit from the EU.

In conclusion, PF cannot present sufficient theoretical premises for understanding EU member state withdrawal decisions or preferences for an exit. However, it presents useful premises on how to include influential non-state actors and their constructed ideals in studying a member state withdrawal process.

#### **IV. CONCLUSION: INTEGRATED THEORY OF EU MEMBER STATE EXIT**

In conclusion, LI, NF, and PF are respectively unable to account for EU disintegration, but in a complementary manner. EU integration is not as strong as LI and NF claim, nor as delicate as PF claims (Webber, Trends in European political (dis)integration. An analysis of postfunctionalist and other explanations, 2019, p. 1149). LI claims that disintegration is unlikely because it cannot compensate for the material benefits offered by cooperation and therefore integration. However, if LI is reversed to predict disintegration, then the disintegrative drive would signify a material loss and a challenge to the state. As for NF, it also claims that disintegration is unlikely since integration is non-reversible. However, if NF were to be reversed to account for disintegration, then the disintegrative drive would signify a decrease or discontinuation of sharing among economies and societies of different member states (Webber, 2019, p. 53), which leads to a higher cost of legislation and a lower cost of

withdrawal. LI understands integration as the result of collaboration and rivalry between EU member states' national governments, whereas NF understands integration as the result of collaboration and rivalry between social actors (Hooghe & Marks, 2019, p. 1115). Additionally, both LI and NF consider international bodies as the concretization of interdependencies (Hooghe & Marks, 2019, p. 1116). Therefore, according to both LI and NF, disintegration is unlikely in light of institutionalized economic interdependencies (Webber, *How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives*, 2014, p. 358).

As for PF, it claims that disintegration is possible. It stresses the unsettling role of the dynamics between conflicting identities and functional burdens (Hooghe & Marks, 2019, p. 1116). In this case, the disintegrative factor would be represented by the increasing salience of EU affairs among the public, paired with the absence of a strong common European identity and transnational European political parties (Webber, 2019, p. 53).

The weaknesses of the grand theories of EU integration are aligned with the weaknesses in the academic trend in analyzing the EU integration and the EU disintegration. The EU and the EU member states are still described as two separate entities which face off against each other, rather than that viewing the EU as an umbrella entity of independent EU member states, each of which has an integration/disintegration trajectory proper to it, and in which the sum of those trajectories determines the strength or weakness of the EU.

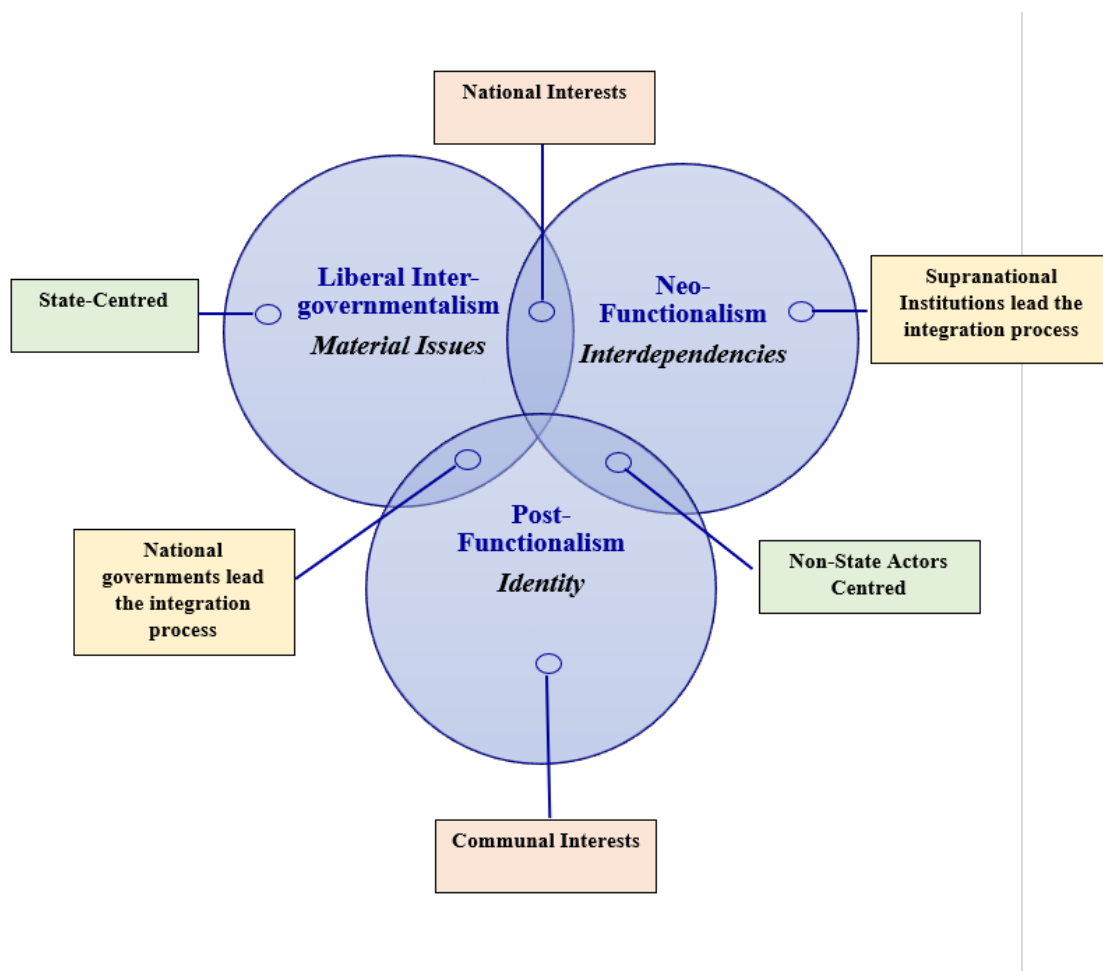
In this regard, the theoretical framework that can explain the European Union member state preference to exit complements the three grand theories of EU integration. In summary, a synthesis of the three grand theories is used. This chapter excluded the commonly perceived rivalry between NF v. LI v. PF, and instead combined the three theories to produce a rich toolkit (Slaughter, 2011, p. 6) for deducing factors that influence EU member states' position towards their membership of the EU. Table 2 below overviews the main features of the theories of EU Integration.

<b>Theory</b>	<b>Liberal Intergovernmentalism</b>	<b>Neofunctionalism</b>	<b>Postfunctionalism</b>
<b>Main Claim</b>	State rationality and centrality and supremacy of material considerations	Spill-over from economic integration to political integration	Communal centrality and supremacy of identity politics
<b>Arena</b>	Two-level arena: domestic and intergovernmental	Domestic and regional levels are linked; Individuals and institutions are linked	Multi-level governance
<b>Primary Actor</b>	National government	Non-state actors and institutions	Communities, non-state actors, public and political parties
<b>Issue</b>	Material issues drive politics	Interdependencies drive politics	Identity politics
<b>Political Goal</b>	Meeting national interests	Meeting national interests	Meeting communal interests
<b>Government Behavior and Preference Formation</b>	Aggregation of interests of government leaders and domestic factions	Influence of domestic and international bureaucracies on government behavior	Aggregation of communal preferences influence government behavior
<b>EU Institution Role</b>	Institutions manage bargaining power but do not have a primary role in the integration process	Institutions can become independent and lead the integration process	Institutions destabilizing self-rule and self-determination but do not have a role in integration, only national governments do.
<b>Deduced sub-factors</b>	<ul style="list-style-type: none"> <li>- Member state integrated performance</li> <li>- Redistribution of benefits and burdens</li> <li>- Dispersion in the function of tenure</li> <li>- Government preference formation</li> </ul>	Degree of integration in the EU	<ul style="list-style-type: none"> <li>- Public skepticism</li> <li>- Political Parties Skepticism</li> <li>- Government preference formation</li> </ul>
<b>EU Member State Disintegrative Factor</b>	Material loss	Low cost of exit	The politicization of EU affairs and increased skepticism

**Table 2:** Synopsis of the Grand Theories of EU Integration



Therefore, to understand how member states decide to invoke article 50 of the TFEU, an integrated theoretical model is best fit to determine the influential factors (Figure 5 below):



**Figure 5:** Integrated Theory of EU Member State Exit

Following the previous introductory conceptual chapter which defined the concept of EU Member State Preference to Exit, this theoretical chapter supported the core claims of the concept by employing insightful premises from the three grand theories of EU integration. Although all three theories do not offer a clear set of premises for understanding disintegration on their own, they served together as a theoretical basis for developing a theoretical understanding of EU member state propensities of withdrawal. It is important to highlight that the factors which were considered as determining for a member state to develop a preference to exit, were deduced based on a recent constellation of variables that proved to have influenced EU politics in the last decade. Therefore, over time, if some old factors which were less fundamental rise to prominence, or some new ones emerge, then the proposed model ought to be amended. However, for the time frame studied in this project (2008-2020), the member state

as an aggregate actor is still the primary decision-maker; material benefits are still a determining factor for a state satisfaction with the EU; public opinion's relevance has increased much more in the last decade than in the period that preceded. Consequently, the factors identified above were classified into three pillars based on their nature and the claims that they serve.

The next chapter on methodology highlights how the factors that influence the EU Member Preference to Exit will be operationalized and empirically tested. The following nine chapters discuss every factor on its own.

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## **METHODOLOGICAL CHAPTER:**

# **A PRAXIS-ORIENTED MACRO-QUANTITATIVE CONTRIBUTION FOR UNDERSTANDING EU MEMBER STATE EXIT**

### **CHAPTER OUTLINE**

- State-Of-The-Art
- The Methodology
- The Time-Frame
- The Limitations
- Bibliography

## **I. STATE-OF-THE-ART**

As mentioned in the previous chapter, this research project addresses a fundamental question in EU disintegration studies: Which factors are likely to lead a member state to take the unilateral decision to exit from the EU?—The argument of this book is as follows: if an EU member state has a high aggregate material loss, a convergence of anti-EU positions among its actors, and is not deeply integrated into the EU, then this state is more likely to have an orientation to exit from the EU.

EU member state orientation to exit is the result of a constellation of factors which were deduced following a literature-grounded method (Falkner, *The EU's current crisis and its policy effects: research design and comparative findings*, 2016, p. 4) and are designed in three pillars.

The first pillar that determines an EU member state's position towards the EU pertains to material considerations. This pillar is formed by the aggregation of three factors which were analysed each at a respective institutional level; Integrated Performance evaluated at the domestic level, Redistribution evaluated at the intergovernmental level, and Dispersion evaluated at the supranational level. The factors that form Pillar 1 are not necessarily independent. They were deduced based on the claim that a state is a rational actor and that

material consideration is relevant in EU member states withdrawal decisions. However, each factor covers a political arena. Factor 1 focuses on the domestic level and evaluates the performance of the state independently of, and not in comparison to, other EU member states. Factor 2 focuses on the intergovernmental level and evaluates how the willingness and capabilities of EU member states translate, through intergovernmental bargaining, and result in a certain (re)distribution of benefits and burdens. This redistribution might be, directly or indirectly, beneficial or detrimental to a state. Factor 3 focuses on the supranational level and assesses the results of supranational institutions' policy-making on the performance of a state, here in comparison to other EU states and the average of the EU. At this level, the tenure of the state as a member of the EU is taken into account since not all states have been members for the same period, and hence, not all of them have been operating according to EU standards and requirements, for the same period. The first pillar thus is the Aggregate Material Index for each member state. The member state rationally assesses whether EU membership is detrimental or beneficial. The higher is the aggregate material loss of an EU member state, the higher is the likelihood for that state to exit the EU; the higher the aggregate material gain, the lower the likelihood for that state to exit the EU.

The second pillar that determines an EU member state's position towards the EU relates to interdependencies and the role of institutions, and the consequent cost of disintegration. It covers three areas: integration in areas of state sovereignty, trade, and the free movement of people. The movement of goods and services (trade), as well as the movement of people (foreign Europeans residing in a European state), can mirror the extent of interdependencies of an EU member state with other EU states and the EU as a whole. Consequently, an EU member state calculates the costs that a withdrawal might carry based on its degree of integration in the EU.

The third pillar that determines an EU member state's position towards the EU aggregates the preferences of three groups of actors: the governments, the political parties, and the public. The factors I look at in Pillar 3 are not necessarily independent. The public represents voters; voters determine which political party gets to govern, and the government is formed of winning parties' coalitions. However, admitting that EU affairs have been more salient and politicized, the state is no longer considered as the central actor but rather, sub-state actors have gained an increasing influence on political processes. Therefore, each factor focuses on a specific actor. Regarding governments; although those are formed of winning parties' coalition, however, other influential government institutions do influence the course of politics in a state, which is

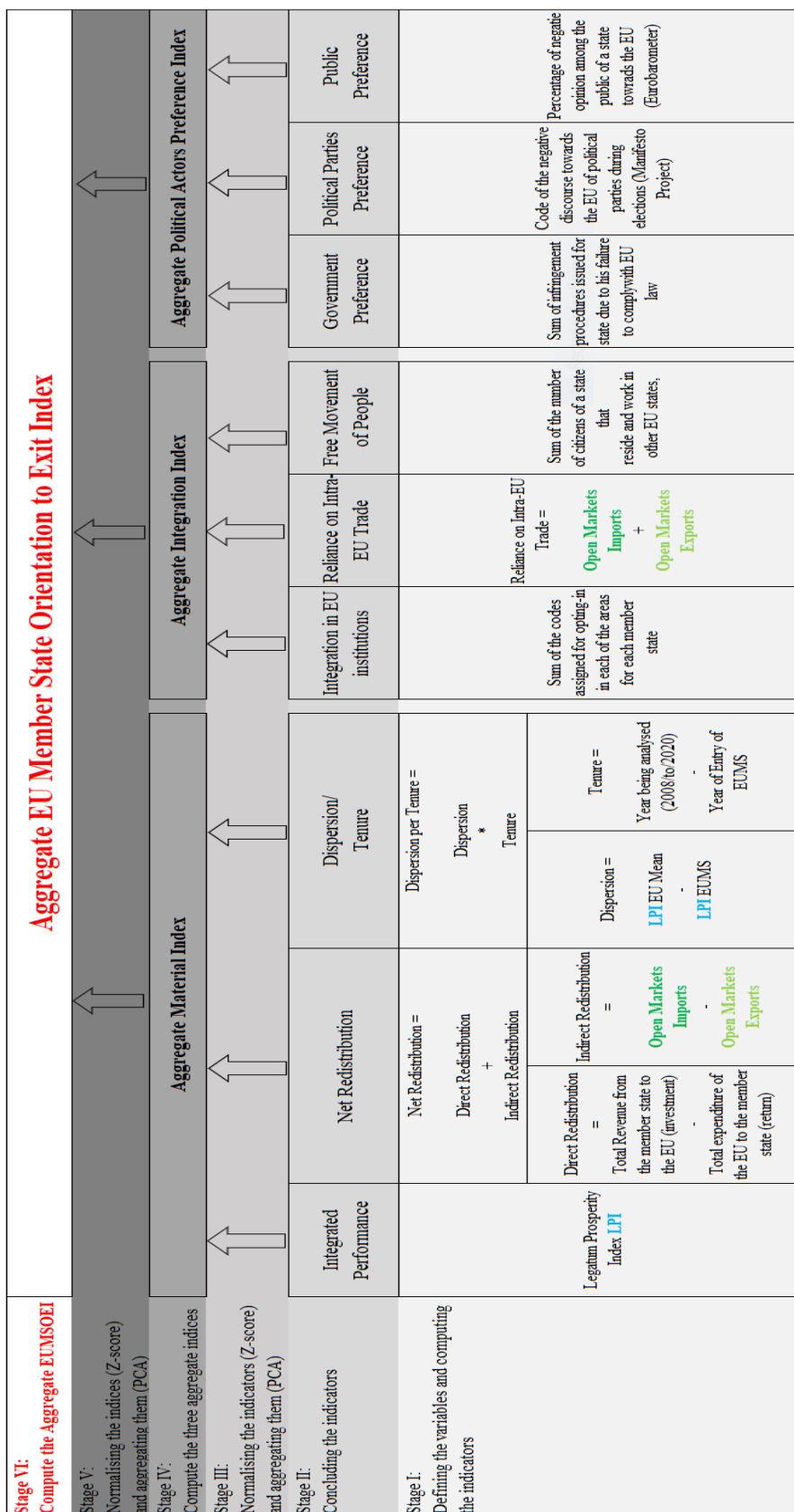
not necessarily formed of elected parties. Although this book does not look into the micro structure of state institutions, however, it assesses the compliance of state with EU laws, usually a decision taken by a government based on the interplay of all government features including structure, and composition among others.

Regarding political parties; although assessing the public is fundamental for understanding political parties' performance, however, the public flair does not exclusively explain political parties' influence and preferences. As the literature on political parties clarifies, challenger parties are newly emerging parties, which are not winning, however, are managing to highly mobilize around EU politics and are influencing conventional parties' stances within a competitive electoral environment. Therefore, assessing all active parties, winning or not, is relevant to understanding the political direction in a state.

Regarding the public; it expresses its opinion in elections, but also, in referenda. Additionally, voting turnouts and public engagement differ between elections and referenda based on the salience of the issue in question. Therefore, focusing on understanding public opinion (rather than voters' opinion) as a stand-alone factor is relevant.

Consequently, whenever the three main influential political actors/decision-makers in an EU state have a converging anti-EU preference, then the likelihood for that state to exit becomes higher.





**Figure 6: Synopsis of The Methodology**

Therefore, the adopted approach in this dissertation is that the accumulation of factors leads to an orientation to exit. It is important to highlight that the factors aggregated lead to an orientation to exit. One factor at a time is not enough. For instance, when looking at material indicators alone, even in cases of deterioration, one cannot assume that a state will have an orientation to exit. However, if the material deterioration has been politicized in addition to other EU-related issues, then the accumulation of factors will likely lead to an orientation to exit. "Linking the fate of metatheoretical orientations to one single causal factor seems unfortunate" (Jachtenfuchs, 2002, pp. 653-654).

## II. THE METHODOLOGY

### 2.1. The Methodological Perspective

This research project adopts a macro, multi-dimensional, multi-actor approach to understanding EU Member State Orientation to Exit EUMSOE. The model presented in this book can not be empirically verified but by benchmarking the score with that of the UK, the only member state to have left the EU during the period studied in this research project. Therefore, two methodological aspects are central to addressing the research question.

In contemporary history, the only case of a state withdrawal is the case of UK. Thus, the value for the UK in 2017 will be considered as the benchmark. 2017 was the year the UK invoked Article 50 of the TFEU disintegration. The assignment of a benchmark serves as a "prediction and forecasting technique which is valuable, in both scientific and practical terms" (Böhmelt & Freyburg, *Forecasting candidate states' compliance with EU accession rules, 2017–2050*, 2018, p. 1669). The closer an indicator-value for a member state is from the benchmark, the higher the likelihood that the member state will decide to exit. Nevertheless, "whether a specific result of integration or disintegration is desirable or not, is a normative question that should not guide conceptual considerations" (Eppler, Anders, & Tuntschew, *Europe's political, social, and economic (dis-)integration: Revisiting the Elephant in times of crises*, 2016, p. 6). Consequently, EUMSOE is "an indicator-based measurement" (Eppler, Anders, & Tuntschew, *Europe's political, social, and economic (dis-)integration: Revisiting the Elephant in times of crises*, 2016, p. 6) of compounded dynamics measured yearly – at year-end.

The end index, EU Member State Exit, is an ascending score. The higher the score the higher the likelihood of a state exit. Therefore, in some instances, and to keep consistency, we inversed some indicators by multiplying them with (-1).

## 2.2. The Normalization and Aggregation

In this research project and the various instances of aggregation, indicators in the data set have different units of analysis. Therefore, before any aggregation, the indicators are normalized. Various methods of normalization could be done. “Standardisation (or z-scores) converts indicators to a common scale with a mean of zero and standard deviation of one. Indicators with extreme values thus have a greater effect on the composite indicator” (OECD, 2008, p. 28). Z-scores is the normalization methodology that was used.

The data sets include the EU-28 placed in alphabetical order, with Austria placed as the first entry, and the UK as the last. The datasets cover the period from 2008 to 2020. Therefore, the first entry is Austria in 2008 and the last entry is the UK in 2020. Therefore, the normalization formula adopted and computed in Excel is the following:

Entry	Formula: Normalization Overall - Variable X (Example Taken: Austria)
1	$(X' \text{Austria, 2008}' - \text{Average}(X' \text{Austria, 2008}' : X' \text{UK, 2020}')) / \text{STDEV.P}(X' \text{Austria, 2008}' : X' \text{UK, 2020}')$
2	$(X' \text{Austria, 2009}' - \text{Average}(X' \text{Austria, 2008}' : X' \text{UK, 2020}')) / \text{STDEV.P}(X' \text{Austria, 2008}' : X' \text{UK, 2020}')$

As for the aggregation, the Principal Component Analysis has been adopted. The objective of this project is to analyze EU member states' orientation to exit the EU in the period from 2008 to 2020 and forecast for the coming thirty years.

A series of indicators are relevant for the analysis. Those used are:

1. Performance of EU state based on the Legatum Prosperity Index LPI, an aggregate indicator of economic, social, political, and institutional policy (*an aggregate indicator of 294 variables*)
2. Net Redistribution of benefits and burdens based on the EU budget redistribution in the function of Trade (*EU states investment in the EU, return on investment in the EU, intra-EU imports, intra-EU exports*)
3. Dispersion of EU state based on the LPI in the function of EU member states tenure (*an aggregate indicator of 294 sub-indicators reused, number of years a state has been an EU member*)

4. Integration in the EU in areas of state sovereignty (*score of opt-ins in five policy areas*)
5. Integration in the EU based on the reliance of a state on trade with the EU (*intra-EU imports and intra-EU exports reused*)
6. Integration in the EU is based on the number of citizens of an EU state that reside in other EU states (*number of people*)
7. Public EU skepticism based on the average of negative answers on the EU to a series of questions taken from the Eurobarometer survey (*percentage*)
8. Political Parties EU skepticism based on the political discourse of parties expressed in their manifestos taken from the Manifesto Project (*score*)
9. Governments EU skepticism is based on governments compliance with EU law calculated according to the number of infringement procedures (*number*)

Therefore, the set of data used in this research project consists of numbers, scores, percentages, aggregate indices, includes repetitive data (such as trade used twice, LPI used twice), and consists of a large number of variables. In similar cases, it is common, as a first idea to render the data readable, to eliminate some of it. This process is labeled as “Feature Elimination” (Brems, 2017). However, by eliminating variables, we might be missing many features that are relevant for the empirical analysis and forecast, and our conclusion.

Another option would be “Feature Extraction” (Brems, 2017). As described by Brems, feature extraction is, in a dataset of ten variables, to “create ten “new” independent variables, where each “new” independent variable is a combination of each of the ten “old” independent variables. However, we create these new independent variables in a specific way and order these new variables by how well they predict our dependent variable” (Brems, 2017). Therefore, “Principal Component Analysis (PCA) is the general name for a technique which uses sophisticated underlying mathematical principles to transform several possibly correlated variables into a smaller number of variables called principal components” (Richardson, 2009, p. 2). It is a method of feature extraction that allows the aggregation of a large number of independent variables into one by the means of “a mathematical algorithm that reduces the dimensionality of the data while retaining most of the variation in the data set” (Ringnér, 2008, p. 303). PCA is thus mostly used to reduce dimensionality.

In the case of this research project, we are analyzing 28 EU Member States, over the period from 2008 to 2020. The number of variables used is nine. There are 364 observations in total. Visualizing nine variables can be quite misleading, especially since the variables used are

interrelated in a way or the other. PCA is a technique that analyzes a data set that contains several interdependent quantitative variables (Abdi & Williams, 2010, p. 433), reduces the dimension (nine), keeps the important data, and thus eliminates noise. Consequently, it allows understanding a large number of variables through only a few variables (the principal component).

✓	Analyzing a large number of data
✓	Using data sets more than once in different contexts
✓	Using different types of data
✓	Aiming at predicting a trend

In this sense, “the goal of principal components analysis (PCA) is to reveal how different variables change in relation to each other and how they are associated” (OECD, 2008, p. 26). PCA permits to recapitulate larger numbers of data sets into a smaller indicator, the Principal Component, and identify trends among the units of analysis. After centering the mean of the data set, the primary Principal Component PC1 is calculated. PC1 usually represents the most variance. The secondary Principal Component PC2 is then calculated. It optimizes the estimation. Sometimes, a third principal component is also computed. After checking how many PC’s are needed to represent the largest variance, the data is weighted accordingly and then aggregated into one single index. In this research project, the R software has been used to compute the PC’s and create the aggregate indices.

The adopted methodological approach might seem to have endogeneity issues. For instance, in the model, the public and the political parties are separated as two different factors, although, to some extent, parties are responsive to voters (the public). However, the separation was needed to better distinguish among the three types of actors: the public, the partisan, and the institutional. As for the endogeneity issue, it was resolved in the Aggregate Actors Preference Index which calculates the correlation among the different players and hence, reconnects voters and parties.

### III. TIME-FRAME

The past decade from 2008 to 2020 can be labeled as a period of crisis for the European Union which has been divided between a period of heightened crisis from October 2008 to May 2013,

and a period of recuperation from November 2013 to November 2017 (Roth, Baake, Jonung, & Nowak-Lehmann, 2019, p. 1263), and the Covid-19 Pandemic in 2020. Consequently, this longitudinal research project covers the period between 2008 and 2020. The choice of this time-frame is not only based upon the fact that it includes two significant challenges that faced on the EU – the Financial Crisis of 2009 and the Migration Crisis that started in 2011 after the Arab Spring led many Arab nationals to flee their countries and reached its high in 2015 – but also because this time frame led to the most recent round of data publications at the time of the data collection. Besides, Croatia is studied in retrospect, given that it only became an EU member state in 2014.

Nevertheless, to have more reliable findings, in addition to the aggregation of the nine normalized indicators (stage I and stage II in Figure 6) by computing the Principal Component, we calculated the Sum and the Average. The results of the three methods are found in Chapter X of this book.

#### **IV. THE LIMITATIONS OF THE RESEARCH PROJECT**

Several limitations have challenged the research project, from availability and accessibility to data set, to time constraints.

The primary challenge of this research project was to find quantitative data for all relevant indicators in the model, and for those indicators to cover the research period (2008-2020), and be available for all EU member states. For that matter, in several chapters, relevant points to the model are discussed in the theoretical and conceptual sections, however, no empirical data was assigned. Nevertheless, it was still important to mention what could influence a state's position regarding its membership as areas of future research.

Additionally, the research project is a Ph.D. project, meaning, it is constrained by a time limit. Therefore, many points that were relevant to the model could not be explored.

On another note, this research project looks at a series of factors, precisely at outcomes, and aggregates them to conclude how their integrated impact affects the position of a member state regarding EU membership. Thus, it does not study in-depth the processes that lead to the outcome. For example, in the chapter on EU-sceptic parties, the question regarding the salience of EU affairs is an important one, however, it is not the subject of the chapter. The chapter takes the outcome, which is the presence of challenger parties, and adds the impact of their skepticism on the overall path to disintegration. Similarly, in the chapter on redistribution, the

details of how the budget redistribution has been assigned is an important one, however, the chapter looks at the outcome which is the result of the process of redistribution, and adds its effect on the overall path to disintegration. Likewise, in the chapter on the cost of disintegration, although some states secured opt-outs because they might have had a higher bargaining power, which could lead to the assumption that those states are in a comfortable position they created, however, this chapter looks at the outcome which is how integrated those states are and add the effect of their degree of integration and the consequent cost of withdrawal to the overall factors which determines the likelihood of a state to exit.

Last but not least, the database used was not complete. From the data set of the Eurobarometer, we chose a series of questions that were recurrent in all states. However, none of those questions were asked in Croatia in 2013. Therefore, we had a missing value for Croatia in 2013. What we did is calculate the average of Croatia 2012 and Croatia 2014, and fill the missing value. In the data set on elections and political parties extracted from the database of the Manifesto Project, the values for Malta 2008-2020 were missing. Therefore, we calculated the mean of the values of EU-27(including the UK excluding Malta) for that same dataset and filled the values for Malta. In the data set on intra-EU trade, the values for UK 2020 were missing. For that matter, we simply replicated the value from 2019 to 2020. It is also relevant to note that Croatia's numbers from 2008 to 2013 are in retrospect.

To conclude, similar to any other academic contribution, the model of the EU member state orientation to exit is not a final model. Consequently, the relevant points discussed but not included empirically in the model are an invitation to other interested scholars to take the model further, or for the author to further develop the model in future research.

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# CHAPTER I:

## INTEGRATED PERFORMANCE OF THE EU MEMBER STATE

### CHAPTER OUTLINE

- Introduction
- Integrated Performance of EU Member State
- Methodology: Legatum Prosperity Index as the Measure For Performance
- Discussion
- Bibliography

### I. INTRODUCTION

States are independent and sovereign umbrella entities, embedding a set of institutions that have a legitimate authority to design, legislate, and execute policies. The ultimate goal of a state is to best serve the interests of its citizens within a well-defined territory and abroad. A definitive standard of a functional and sustainable state is its ability to achieve economic, political, social development towards prosperity through reliable and accountable institutions. Even when a state becomes a member of a larger entity, its ultimate purpose shall remain unchanged. Membership in a larger organization is meant to be aligned with a state's function. It needs to serve as an extension of its capabilities to fulfill its obligations towards its citizens better. An extension of capabilities can be an increase in the returns of a state following its membership or a reduction of the costs generated from the various processes (domestic and foreign) aiming at sustaining development and achieving prosperity which the state was previously subjected to before becoming a member state. The argument in this chapter is, in terms of policy performance, the more the EU member state experiences deterioration, the higher is the likelihood for that state to exit the EU.

The member state undergoes an assessment of its integrated performance within a domestic context. Integrated performance is the resulting overall performance of a state in terms of improving the economy, assuring that politics are aligned with the interests of the state and the

citizens, guaranteeing social well-being in its various aspects (health, education, living standards among others), and committing to executing tasks through transparent and accountable institutions. Integrated deterioration is the worsening of a state's integrated performance in comparison to the previous year.

The chapter herein overviews the role of economic, political, and social performance on EU integration. It highlights the various mechanism employed by the EU to assist member states in development. It then evaluates the integrated performance of EU member states and discusses the results.

## **II. INTEGRATED PERFORMANCE OF EU MEMBER STATES**

Assessment of the economic situation in the EU and among EU member states has dominated most literature on the EU, especially since the introduction of the Euro. Later, as the Euro crisis heightened and impacted the day-to-day lives of citizens, particularly in struggling states, the social criterion became more included in EU studies.

The integrated socio-economic status of a state impacts its attitude towards policies, more precisely in the case studied herein, those policies mandated by the EU. A lack of socio-economic development, or “deterioration” of an EU member state carries with it disintegrative dynamics as it challenges a core goal of the union. Growth, if not achieved, challenges the legitimacy of the EU as a governing body and poses a constraint to its sustainability (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, p. 1100). In the wake of the Schengen crisis and the rise of populist movements, social and political criteria became more prominent in the debate next to the economic criteria, with identity-related matters gaining more focus.

EU integration researchers thus studied economic, political, and social factors. However, not in an integrated and correlated manner. Therefore, studying the economic, political, social situation in an EU member state in their integrity while including the performance of the institutions of a state also as an indicator of development or deterioration, is a new and valuable academic venture.

The performance of EU member states has been affected by specific factors which are proper to the European polity. First, “the coexistence of multiple political tensions between the institutional foundations of national welfare states and the European integration process”

(Vesan & Corti, 2019, p. 990); second, the geographic, capabilities, and economies differences (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, pp. 1090-1091).; third, the pluralist environment of the EU (Carbone, 2008, p. 327), have resulted in a policy incoherence (Carbone, 2008, p. 327), cumulated divides among EU member states, and extended to run along various overlapping lines (Vesan & Corti, 2019, p. 979). This led to the merger of EU affairs with other policy-related affairs (Vesan & Corti, 2019, p. 980) and impacted the growth of member states (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, pp. 1090-1091).

However, EU member states are not witnessing the aspired development and growth. “Instead of facilitating a virtuous circle of higher economic growth, rising living standards, democratic politics, and deepening political integration among EU member states, economic integration has generated some harmful negative externalities that threaten the political cohesion of the bloc” (Maher, 2019, p. 8). Although the reason is still not defined, speculations point out that cohesion policy, application measures, and the scale of interference might be the reason behind this development discrepancy (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, pp. 1090-1091). Other assumptions highlight that, in the case of the EU, politics is sorted; each scheme mirrors different ideals and goals. The diverse political processes require harmony to prevent divergence. However, achieving convergence in policies is challenged in the EU by the horizontal coordination among member states in the absence of a robust coordination system (Carbone, 2008, p. 327). Rosamond argues that economic openness achieved through integration has led to a precarious model that is based on increased development rates proper to well-performing states and absent in developing states (Rosamond, 2016, p. 869).

In his analysis of the possible causes of the Euro crisis and the deterioration of the performance of member states, Stockhammer confirms that the approach adopted by EU leaders to address the crisis has led to two models of growth: a debt-based growth constructed upon “financial bubbles and rising household debts” (Stockhammer, 2016, p. 365), and an export-based growth constructed upon “export surpluses” (Stockhammer, 2016, p. 365).

Additionally, some attribute the failure to sustain growth to the institutional design of the EU. The hybrid nature of the decision-making processes between intergovernmental and supranational levels has impacted the ability to achieve policy coherence (Carbone, 2008, p. 328). “Thus, any fresh look at cohesion policy would be well advised to reconsider a complex

set of potential trade-offs and interrelations: overall growth and efficiency; inter-territorial equity; territorial democracy and governance capacities; and social equity within places” (Farole, Rodriguez-Pose, & Storper, Cohesion Policy in the European Union: Growth, Geography, Institutions, 2011, pp. 1090-1091).

In the wake of the crises, EU member states were affected even more by the lack of growth, and the question of EU member states withdrawing due to deterioration gained a higher relevance on the EU’s agenda. With all states confronted by harmful effects, eurozone members, in which economies are already precarious and non-competitive, were profoundly impacted, especially in light of the mistrust these states carry towards regulators (Falkner, 2016, p. 220). The global statuses of affected EU states were devalued due to the increase in sovereign government debts and a no-growth of GDP (Gerhards, Lengfeld, Ignácz, Kley, & Priem, 2018, p. 6). Economic development inequalities have increased between different regions in Europe, but also between different regions within a state. Similar to the secession movements that were witnessed in Catalonia, or Scotland, and others caused by economic segmentation and congruent with cultural distinctiveness, the phenomenon could be duplicated at an EU level (Creel, Laurent, & Cacheux, 2018, p. 3).

### **III. METHODOLOGY: LEGATUM PROSPERITY INDEX AS THE MEASURE FOR PERFORMANCE**

To evaluate the integrated performance, this chapter refers to the Legatum Prosperity Index LPI (Legatum, 2020). LPI goes further than the conventional macroeconomic dimensions and does not rely on factors of wealth solely to evaluate state performance but moves forward to include social and political aspects of a state. LPI is the only index that includes this large amount of data, 294 indicators, chosen after extensive consultation with experts and academics. The indicators are grouped into 12 pillars of prosperity which are, Safety & Security, Personal Freedom, Governance Pillar, Social Capital, Investment Environment, Enterprise Conditions, Market Access & Infrastructure, Economic Quality, Living Conditions, Health, Education, and Natural Environment, all covering economic, political, social, institutional areas, for a period starting 2007 to 2020. The carefully chosen indicators are retracted from reliable sources, then standardized based on

*“The distance to frontier approach which compares a country's performance in an indicator with the value of the logical best case, as well as that of the logical worst*

*case. As a result, the distance to the frontier score captures a country's relative position. This approach also enables us to compare Index scores over time” (Legatum, 2020) (Legatum, The Legatum Prosperity Index, 2021)*

Moreover, indicators were aggregated into one final score following two steps; the first step is a sum of indicators, which results are the score for domains; the second step is a calculation of the means of the domains, which results are a score for prosperity. This makes the index not only comprehensive and includes all needed data, but also user-friendly and easy to analyze.

LPI is used in this book because it was fundamental to move from the common focus on economic performance to a more integrated approach for understanding performance. LPI includes indicators on innovation which are fundamental for understanding states' performance in a period where knowledge and technological advancement are determining factors (Hall, 2018, p. 8), among other social, political and institutional factors. While economic performance is best analyzed in an extended period, the LPI being comprehensive and accounting for political and social aspects is reliable to use yearly.

*“LPI ascertains that social and institutional dimensions are vital complement for wellbeing in addition to economic dimension which cannot uniquely be relied upon for sustainable prosperity” (Khan & Ahmad, 2017, p. 407).*

This book does not exclude the availability of other interesting and reliable indices that measure performance. The Sustainable Governance Index SGI (BartelsmannStiftung, 2021) is one reference for assessing performance. Unfortunately, the index and the related data accessible to researchers covers only the period starting from 2014. Therefore, this book excludes this index from the data sets analyzed.

As a rational actor, an EU member state starts with the evaluation of its material situation domestically in an integrated manner. Deterioration is one trigger that sends an EU member state on an exit path. This trigger is a quantification of the progress trajectory of an EU member state and influences withdrawal prospects. In this chapter, it is argued that the more the state is experiencing integrated deterioration, the higher the aggregate material losses and the higher is the likelihood for that state to exit the EU.

Progress is analyzed by simply looking at the scores of the LPI per year per EU member state and comparing it from one year to another. Therefore, when the LPI of a given year is less than

the previous year, we witness deterioration, Conversely, when the LPI of a given year is higher than the previous year, we witness growth.

#### IV. DISCUSSION

Table 3 below visualizes the performance trajectory of every EU member state from 2008 to 2020. Every EU member state has a different trajectory. While Cyprus and Hungary are the only States that witnessed a clear deterioration trajectory, others like Austria, Bulgaria, Czechia, Estonia, Finland, Germany, Lithuania, Malta, Portugal, Spain, and the UK had a sustainable growth trajectory instead. It is also noted that some EU states had years of obvious crises. 2010 was difficult for Austria, France, Germany, and Ireland; 2011 was difficult for Belgium, Italy, and the Netherland; 2012 for Croatia and Romania; 2013 for Denmark and Greece; 2014 for Luxemburg, Slovakia, and Sweden; 2015 for Italy. In this sense, one can conclude that the usual “clubs” of states within the EU did not witness deterioration at the same time. Rather, EU states perform independently of one another.

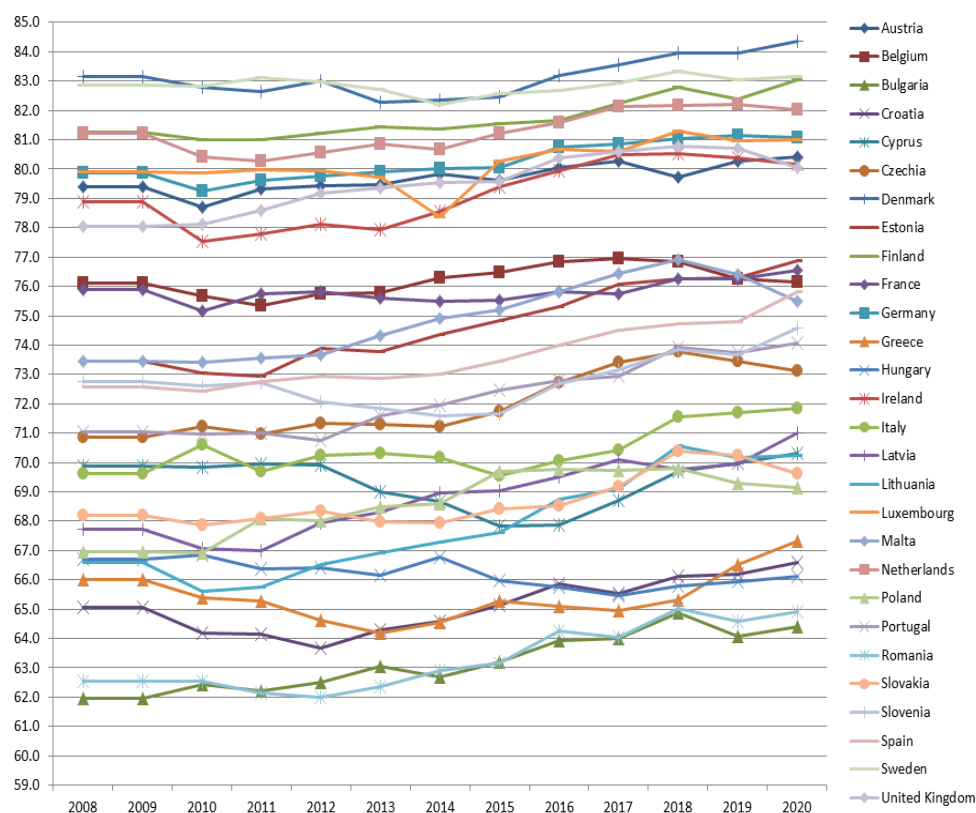


Figure 7: Consolidated EU-28 Integrated Performance (2008-2020)

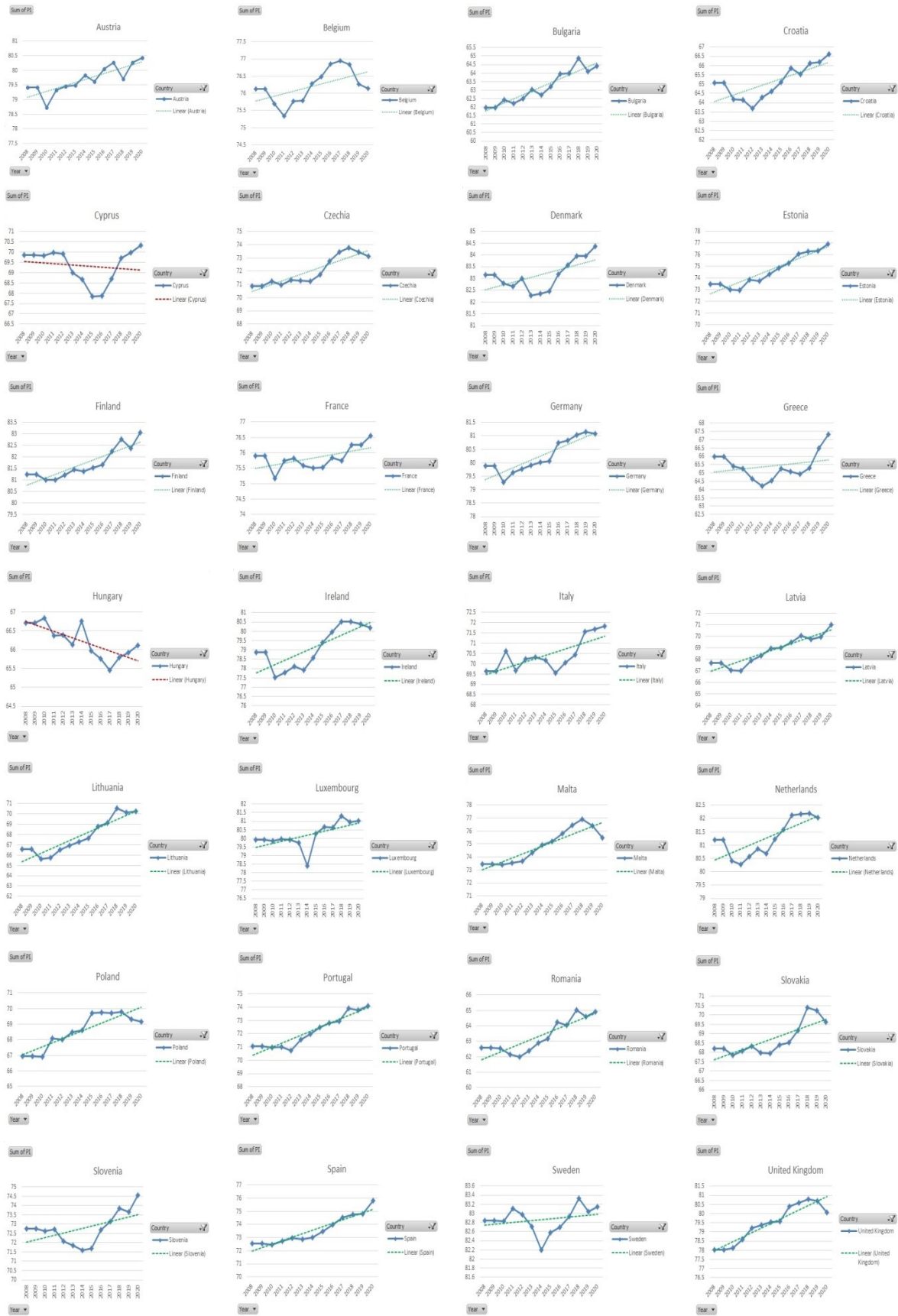


Table 3: EU-28 Integrated Performance (2008-2020)

Admitting that economic indicators do not measure a state's performance alone, this chapter evaluated a state's performance in its integrity, including various issue areas. This allows for a clearer insight into a state situation. On another note, the fact that the UK had an almost sustainable growth trajectory over the last decade and still had withdrawn from the EU refutes claims that economic drivers are the only drivers for EU member states' exit from the EU. The UK is a case that proves that there is an integrated set of factors according to which an EU member state evaluates its prospects of exiting.

This chapter's main argument is that there is a rational context in which a member state assesses at the domestic level whether EU membership is proving detrimental to its own economic, political, and/or social and institutional development. The more the state is experiencing an integrated deterioration, the higher the likelihood for a state to exit the EU. Although deterioration might not only be caused by the challenges brought by EU membership but by other domestic reasons, however, as EU affairs become more salient and politicized, leaders might use the EU as a pretext behind deterioration. Nevertheless, integrated deterioration is only one factor out of several that impact a member state's decision to exit the EU and is only partially responsible for exit propensities. The following chapters will discuss other factors that increase a member state's decision to withdraw from the EU.



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## CHAPTER II:

# REDISTRIBUTION OF BENEFITS AND BURDENS

### CHAPTER OUTLINE

- Introduction
- EU Schemes of Redistribution In Times Of Rest
- EU Schemes Of Redistribution In Times Of Crisis
- Methodology: Evaluating Eu Schemes Of Redistribution
- Discussion
- Bibliography

## I. INTRODUCTION

Redistribution is a primary aspect of integration. “The expansion of redistributive schemes provided the necessary glue for a productive interplay between the mixed economy (economic sphere) and party-based democracy (political sphere)” (Ferrera, The Stein Rokkan Lecture 2016. Mission Impossible? Reconciling economic and social Europe after the euro crisis and Brexit, 2017, p. 13). The distribution of gains is directly related to the states' bargaining supremacy (Moravcsik & Schimmelfennig, Liberal Intergovernmentalism, 2009, p. 71),

However, integration has an embedded redistributive struggle, similar to how disintegration has an endogenous cost (Börzel & Risse, 2018, p. 92). It is thus fundamental for the functionality and the sustainability of the European polity to address redistributive problems and rebalance them (Ferrera, The Stein Rokkan Lecture 2016. Mission Impossible? Reconciling economic and social Europe after the euro crisis and Brexit, 2017, p. 4). That is because whenever an organization is less efficient, it does not operate per democratic practices, and its scope is limited to a few issues that are material to member states, then members are likely to withdraw (Borzyskowski & Vabulas, 2019, p. 349).

Consequently, in the EU, the redistribution must be done as “widely” as possible, all while tailor-making the distribution based on economic development, an approach labeled as “place-sensitive” rather than “place-based” (Iammarino, Rodriguez-Pose, & Storper, Regional inequality in Europe: evidence, theory and policy implications, 2019, p. 290). Member states

in the supranational organization are similar to shareholders in a company; whenever the cost is higher than the return, the risk of withdrawal arises (Borzyskowski & Vabulas, 2019, p. 348). The EU's budget is, in part, made of member states' contributions (Mattila, 2006, p. 37). Therefore, EU member states expect a return that is at least equal to their investment (Mattila, 2006, p. 34). However, the EU's budget is not allocated entirely to return contributions to member states (Mattila, 2006, p. 37). Member states might perceive the EU's redistribution of resources and burden-sharing schemes as inequitable or non-beneficial. Indeed, more controversies around the distributional consequences of integration may lead to cost-benefit-based opinions of the European project (Hobolt & Wratil, 2015, p. 253). Which factors are likely to lead a member state to take the unilateral decision to exit the EU? This chapter argues that the more the EU member state experiences a detrimental redistribution of benefits and burdens, the higher is the likelihood for that state to exit the EU.

Redistribution is an input-output process between the EU and the member state. Precisely, *redistribution of financial benefits and burdens* is defined as a process during which member states' financial contributions to the EU's budget generate the input, and the EU's redistribution of that budget to the benefit of member states in return for their investment generates the output. Financial redistribution is a process agreed upon during regular times within EU institutions in the presence of representatives of member states like any other policy-making process. On the other hand, *redistribution of sovereign benefits and burden* is defined as a top-down process during which the EU demands the member states to take responsibility for a hazardous burden to the benefit of the EU as a collective entity. Sovereign-burden redistribution is an *ad-hoc* process resulting from crises and unpredictable events, which not only causes financial challenges to the EU, but involves other political and sovereign factors; for example, the refugees' allocation challenge witnessed during the Schengen crisis which touched on the sovereignty matters of territory, security, sovereignty, and identity. This area however is not addressed in this book.

The chapter herein tackles the redistribution of the financial benefits and burdens. It starts with an overview of redistribution schemes in the EU in times of rest and then in times of crisis. It then evaluates whether these schemes have been beneficial or detrimental to EU member states and discusses the results.

## II. EU SCHEMES OF REDISTRIBUTION IN TIMES OF REST

Along with the advancing of EU integration, the polity has established several institutions, charters, and policies, to best guarantee a fair and equitable distribution of shared resources. These initiatives revolve around equity and solidarity (Nicoli, 2015, pp. 22-33). Regarding socioeconomic equity; as good-performing states tend to push for further integration, given the gains generated from a more profound union, they commit to compensating bad-performing states (Rodden, *Strength in Numbers? Representation and Redistribution in the European Union*, 2002, p. 170). Therefore, an equitable scheme of distribution touches not only on economic equity but also on social equity and political equity. Social equity is the substantial non-discriminatory supply of socioeconomic resources equally among member states and individuals. When the EU does not guarantee social equity, capacity concerns arise among member states emanating from economic and social heterogeneity. Regarding political equity; it is the non-discriminatory spreading of power and authority guaranteed by the process of equality of voice in decision-making. When political equity is not met, sovereignty concerns arise emanating from political heterogeneity (including cultural) (Bellamy & Kröger, 2019, p. 6). Regarding solidarity; along with burden sharing, solidarity is a core aspect of the European Union. It consists of the inter-member state distribution of resources and responsibility to best optimize collective benefits and reduce collective costs. This optimization, driven by economic aspirations (Mattila, 2006, p. 38) and considered unachievable unilaterally, is a core motive behind EU membership. However, a lack of optimization translated into additional responsibilities and costs towards peer member states, in addition to more substantial unilateral burdens, present risks for the integration process.

On another note, EU membership is possible following a set of prerequisites that potential members need to achieve. Redistribution comes to complement this philosophy. It offers states support for attaining those prerequisites. Nevertheless, with various rounds of enlargement, the EU became a polity of states, each having its performance or development level. Consequently, it established institutions to better assist bad-performing states in catching pace with good-performing states through engaging the latter, which are beneficiaries of enlargement, in the former's development.

First, the principle of cohesion initiated by the EU is a means to deter disintegrative forces emanating from unbalanced distribution within the common borderless market (Rivolin, 2005, p. 95).

Second, the Structural Cohesion Fund SCF is a primary channel also for that same matter of unbalanced distribution (Breuss, Egger, & Pfaffermayr, 2010, p. 470).

*“Cohesion policy has historically been assigned three objectives: equity (essentially equality of economic outcome and opportunity through redistribution), growth (reducing the underutilisation of resources) and legitimacy (promoting and preserving the legitimacy of the EU and its institutions). These create a complex EU policy field with a certain number of objectives that are not necessarily mutually consistent” (Farole, Rodriguez-Pose, & Stroper, 2011, p. 1099). “any fresh look at cohesion policy would be well advised to reconsider a complex set of potential trade-offs and interrelations: overall growth and efficiency; inter-territorial equity; territorial democracy and governance capacities; and social equity within places” (Farole, Rodriguez-Pose, & Stroper, 2011, p. 1091).*

On another note, rounds of enlargement have intensified distributional conflict and rendered some EU states losers (Plümper & Schneider, 2007, p. 584). These distributional conflicts lead to controversial solutions. Old EU member states discriminated against new-joiners, and EU member states who are beneficiaries had to compromise to the benefit of EU member states, which are at a disadvantage (Plümper & Schneider, 2007, p. 569). However,

*“Although the EU budget is redistributive from both the revenue and expenditure side; in other words, poor member states pay a smaller share of the costs and receive a larger share of the expenditure than richer EU members. Yet, when the EU budget’s expenditure side was analysed in more detail, it was found that only the structural funds which are significantly redistributive. Spending on internal policies seemed to operate, in fact, in the opposite way: the richer the member state is, the more it stands to benefit from the internal policies” (Mattila, 2006, p. 48).*

### **III. EU SCHEMES OF REDISTRIBUTION IN TIMES OF CRISIS**

Schemes of redistribution are affected by crises, and by conflicts among political actors. In both cases, redistribution matters are politicized.

Crises expose systems to shocks, which in turn destabilize those systems through targeting controversial political possessions and convictions (Falkner, The EU’s current crisis and its policy effects: research design and comparative findings, 2016, p. 221). Political processes

have influenced the mechanisms of budget design and change, and crises affect political processes.

Additionally, the capacity of legislators to gather in winning alliances is a prerequisite for guaranteeing policy change (Citi, 2015, p. 263). The ideological conviction of veto players also determines the direction of policy change (Citi, 2015, p. 264). In the case of the EU, scholars talk about left-right and pro-EU-anti-EU positioning (Citi, 2015, p. 267). Consequently, it is partisan preferences that drive the budget design in the European polity rather than the influence of regulatory processes for policy design (Citi, 2015, p. 277).

The EU has not been able to develop capabilities to solve redistribution issues in times of crisis while simultaneously avoiding politicization for two reasons.

On the one hand, when redistribution schemes are dealt with under regulatory processes, and the EU pools more decision-making power from the member states, redistributive issues become politicized. The transfer of authority to the supranational level sparks, among the national public, first, feelings of marginalization in decision making and, second, feelings of compromise on national sovereignty. It also challenges the EU's legitimacy (Börzel T. A., *From EU Governance of Crisis to Crisis of EU: Regulatory Failure, Redistributive Conflict, and Euroskeptic Publics*, 2016, p. 6). Therefore, an equitable scheme of cooperation guarantees the right to self-determination (Bellamy & Kröger, 2019, p. 6), self-distinction, right of expression of marginalized communities, and collective decision-making (Bellamy & Kröger, 2019, p. 12). At the core of democracy and just redistributive schemes lies the ability to voice out political opinions and align fairly economic, social, and political demands (Room, 2019, p. 10). On another note, Europeanization of identities is argued to facilitate the design of redistributive policies at a supranational level (Eppler, Anders, & Tuntschew, 2016, p. 17) and achieve distributive justice to states who are the most permeable and least capable of coping with economic and social crisis (Room, 2019, p. 3).

In times of crisis, the EU's economic, security, social, territorial, and democratic shortfalls have to lead to the politicization of redistributive schemes (Ferrera, *The Stein Rokkan Lecture 2016. Mission Impossible? Reconciling economic and social Europe after the euro crisis and Brexit*, 2017, p. 3). The motivation behind strengthening the union or not fully engaging in strengthening the union depended on the distribution schemes and burden-sharing at the EU level, the respective strength of states in terms of resources and permeability to the crisis, the consequent bargaining power, and, the probable cost arising from disintegration (Schramm, 2019, p. 3).

On the other hand and in contrast, addressing the EU's ability to solve disruption, one concludes that the EU, in its supranational layer, does not possess the authority to solve socioeconomic disruption given that "all competencies and resources for redistributive social policies are reserved for member state" (Neyer, *Rhyming Europe: Integration Theory Meets Comparative History*, 2018, p. 23). The EU has thus proved to have limited capabilities in dealing with issues of redistribution (Börzel T. A., *From EU Governance of Crisis to Crisis of EU: Regulatory Failure, Redistributive Conflict, and Euroskeptic Publics*, 2016, p. 11). Therefore, overlapping conflicting lines emerged within the EU post-crisis which are of "functional, normative, and territorial nature" (Vesan & Corti, 2019, p. 979):

*"(1) Market-making versus market correcting priorities of the European (Monetary) Union; (2) National social sovereignty/discretion versus EU law/conditionality; (3) Supporters versus opponents of fiscal stability or cross-national transfers (creditor versus debtor conflict); (4) Intra-EU 'systemic competition' between high-wage/high-welfare EU countries and low-wage/low-welfare EU countries ('old versus new' or 'Western versus Central and Eastern' member states)"* (Vesan & Corti, 2019, p. 979).

The inability of EU institutions to embrace the multi-pace, multi-depth, multi-width integration that individual states desire and require affects perceptions of fairness within the EU (Bellamy & Kröger, 2019, p. 1).

### **3.1. Redistribution During the Euro Crisis**

After the introduction of the common currency, the EU witnessed economic disruption, paired with social disruption, which enlarged the inconsistency between the different groups of the society and between states which have different economic levels.

The EU managed, during the euro crisis, to depoliticized redistribution through regulatory processes. EU member states needed to comply with these new regulations (Börzel & Risse, 2018, p. 89). The Euro crisis has led to the establishment of new institutions that deepened the involvement of the EU in member states' financial, economic, and monetary affairs. These include "the European Financial Stability Facility, the Macroeconomic Imbalance Mechanism, the European Semester, and the Single Supervisory Mechanism." These institutions granted the EU higher regulatory authority over member states' decisions making power over issues of redistribution, despite states' opposition (Börzel & Risse, 2018, p. 88). Moreover, the EU created bodies externally to EU law, granted them the authority to regulate, and placed under their jurisdiction controversial portfolios and issues. The Eurogroup, for example, was

handling the austerity measure during the crisis outside the EU's regulatory framework (Jovanović, 2019, p. 376). Additionally, the possibility for an influential member state to impose an opt-out or opt-in to another weaker member state contributes to social and political inequity and divide EU member states between the states which credit the EU and the states who are liable to the EU (Bellamy & Kröger, 2019, p. 1), an aspect which was intensified during the crises. Furthermore, during the Euro crisis, the bad-performers or the states in crisis were dependants on the good-performers. Bad performers did not have the bargaining power to decide for their national policies and own strategies to overcome the crisis. Given the high cost of disintegration from the EMU and the strength of the ECB, states in crisis submitted to the policies mandating a change in structure, which were eventually designed by stable states (Schramm, 2019, p. 2). Matters of redistribution during the Euro crisis have categorized EU member states as either debtors or creditors. The debtor countries had to cut on spending according to austerity measures, whereas creditor countries had to support debtor countries, according to the philosophy of solidarity. However, in both cases, expectations backlashed and triggered dissatisfaction (Börzel & Risse, 2018, p. 87).

### **3.2. Redistribution During the Schengen Crisis**

Similar to the Euro crisis, the EU tried to resolve the Schengen crisis through regulatory channels away from public politicization. However, the strategy did not deliver the expected results. EU member states perceived redistributive schemes as inequitable. The refugee crisis has led to the design of redistribution policies, mainly in the quota of refugees that needed to be relocated in respective member states. A conflict over the replacement of refugees among member states arose (Webber, 2019, p. 159). Consequently, members refrained from complying (Börzel & Risse, 2018, p. 90) and responded individually, constricting their borders. Front liners such as Greece were mostly burdened (Börzel & Risse, 2018, p. 91).

22.3 million non-EU citizens are residing in the European Union until January 1<sup>st</sup>, 2018 (Eurostat, 2019, p. 9). EU member states were categorized into two. The States of First Entry, which are the bordering states that had to handle the most substantial burden, and the Continental States, which were less confronted by the direct burden. In both cases, dissatisfaction arose, and controversies regarding border security and welfare capacities of EU member states increased (Börzel & Risse, 2018, p. 87). The Dublin Regulation of 2013 mandated that entry countries have the responsibility to help refugees (Popa, 2016, p. 98). An allocation of responsibility based on the geographic proximity of a country to areas of conflict and its accessibility to migrants made the Dublin Regulation precarious and subjected it to



opposition from member states, mainly entry states. Consequently, in some cases, states chose not to comply. In other cases, states did not have enough capacity and resources to comply. A growing risk of terrorism also faced EU member states. That is how the Dublin Regulation was rendered illegitimate (Popa, 2016, p. 98). Accordingly, the EU redesigned a refugee's redistribution scheme that took into consideration the GDP of countries and other economic factors, their ability to offer social care, and their security personnel resources. The EU also allocated a budget per refugee, and a quota of refugees to host per member state. State signed on the scheme except for Hungary, Slovakia, and Romania. As for the UK, Denmark, and Ireland, they secured an opt-out. The scheme lost legitimacy when signatories failed to implement it (Popa, 2016, p. 100).

Like the dependence weaker states had on more influential states for support during the Euro crisis, the Schengen crisis also intensified interdependencies. Weaker states, which were the most affected, most burdened, and the least capable of managing, were dependant on the influential states' consent for the relocation of refugees and the financing of the border control and administrative operations. A paradox dynamic was governing the process. Stronger states which were least affected were least motivated to attain an EU joint responsibility scheme (Schramm, 2019, p. 2). Unlike the strong ECB in the case of the Euro crisis, there was no supranational institution with enough authority to manage the refugee crisis (Schramm, 2019, p. 2).

Sovereign-burden redistribution schemes in times of crisis have carried challenges and setbacks at EU and state levels. The Dublin System, the Common European Asylum System, and other systems regulating the flow of refugees have proved to fail to distribute the burden among EU member states correctly. The philosophy stating that a refugee stays in and is the responsibility of the state of first entry places an "unfair" (Moraga & Rapoport, 2014, p. 640) burden on member states which are at the EU geographic forefront with areas of conflict (Moraga & Rapoport, 2014, p. 639). Other than the political and social costs (Moraga & Rapoport, 2014, p. 650) which are difficult to quantify, hosting refugees and asylum seekers carry with its costs for "reception, accommodation, administrative procedures, deportation, integration measures, and so on" (Moraga & Rapoport, 2014, p. 646).

The EU faced two major crises. The Euro crisis touched on the redistribution of financial benefits and burdens (EuropeanCommission, EU Expenditure and Revenue , 2020), and the Schengen crisis touched on the redistribution of sovereign benefits and burdens. The outcomes

of these crises on redistribution have driven member states to question their membership in the EU. Since the sovereign benefits and burden are ad hoc challenges that face the EU in times of crisis, this chapter will not cover it due to the inability to access relevant data. It will only look at the established systematic redistribution scheme. However, comparing trends of redistribution schemes in times of rest and times of crisis is an interesting research area.

#### **IV. METHODOLOGY: EVALUATING EU SCHEMES OF REDISTRIBUTION**

A detrimental scheme of redistribution is a scheme after which burdens outweigh benefits, and investments outweigh returns. This section details the quantification method.

Along with the advancing of integration, the EU has established several institutions, charters, and policies, to best guarantee a fair and equitable distribution of shared resources. However, it is essential to distinguish between fair and equitable redistribution evaluated collectively by comparing EU member states among each other, and, beneficial v/s detrimental redistribution evaluated unilaterally at a domestic level for every member state separately. The latter is the subject of this chapter.

Redistribution distinguishes between direct benefits and indirect benefits. The direct benefit is the share that an EU member state invests in the EU budget (investment). The indirect benefit is the return a member state gets from its membership through informal channels or institutions. Previous research has been done aiming at quantifying the benefits of EU membership. However, no study has covered EU-28, nor the time frame that this research project looks at. Therefore, there is a limitation in trying to quantify the benefits of EU membership.

This chapter has tried to compensate for this limitation by looking at the trade numbers of EU states within the EU. To quantify and understand redistribution, the below calculations were effectuated. First, we identified the two relevant indicators (Ix) from the EU budget sheet.

*I1: Total Expenditure of the EU to the Member State in Euro, here labeled as "Return" which determines the direct benefits of EU member states from the EU budget.*

*I2: Total Revenue of the EU from the Member State in Euro, here labeled "Investment" which determines the direct burden an EU member state carries in terms of EU budget.*

Those indicators were employed to calculate Direct Redistribution. In this case, the higher the Direct Redistribution, the higher the burden and the lower the benefit, the lower is the Direct Redistribution the lower the burden and the higher the benefit.

$$\text{Direct Redistribution} = \frac{\text{Total Revenue from the Member State to the EU (Investment)}}{\text{Total Expenditure of the EU to the Member State (Return)}}$$

However, the EU budget is not a fair mirror or redistribution in the EU. Some states benefit indirectly from access to the single market, especially if they are export-led countries. For that matter, and to achieve reliable results, we calculated the benefits that EU states get from trade. Labeling it as Indirect Redistribution, we subtracted Exports with the EU in Euro, from imports in Euro (EU, 2021). It is usually common to calculate trade balance by subtracting imports from exports. However, given that the aggregate index we are constructing is ascending (the higher the index, the higher the likelihood for a state exit), and to remain consistent with other indicators, we wanted indirect redistribution to be higher if the state is benefiting less. If indirect redistribution is negative, it means that the state has a high number of exports and does benefit indirectly from the EU. However, if it is positive, it means that imports are higher than exports and the country does not benefit as much from trade and the single market of the EU.

$$\text{Indirect Redistribution} = \frac{\text{Open Market Imports}}{\text{Open Market Exports}}$$

After calculating Direct Redistribution and Indirect Redistribution, we summed both values to obtain Net Redistribution, a more reliable value of how much EU states benefit or not from the EU. Net Redistribution was then divided by the GDP per Capita.

$$\text{Net Redistribution} = \frac{\text{Direct Redistribution} + \text{Indirect Redistribution}}{\text{GDP per Capita}}$$

Net Redistribution thus represents budget shares weighed by trade numbers.

## V. DISCUSSION

An EU member state perceives a Detrimental Redistribution of Benefits and Burdens DRBB when its benefits are less than its burdens, or when its return on investment is less than its investment. Conversely, an EU member state perceives a Beneficial Redistribution of Benefits and Burdens BRBB when its benefits are higher than its burdens. Tables 4 and Figure 8 below visualize the results of the outcomes of redistribution schemes.

One can notice that EU states are generally subject to an equitable redistribution as compared to one another. However, Germany and the Netherlands seem to be the ones that benefit the most as compared to other states, whereas, France, the UK, and Romania are the ones that benefit the least. However, when looking at the EU states on a case by case basis, the results highlight that over a decade, the EU redistribution scheme targeting EU member states is characterized by inconsistency, making the EU budget a surprise factor rather than a factor for sustainability and compensation of set-backs whenever those happen. The problem lies in the absence of a benchmark representing a beneficial redistribution and one representing a detrimental redistribution. Previous research has considered that the closer an EU member state is to the EU average, the fairer the redistribution, and the farther an EU member state is from the EU average, the less fair is the redistribution (Mattila, 2006, p. 21). However, when looking at each state and considering that decisions regarding EU membership are state-centered, meaning that EU member states assess their situation unilaterally, and not in comparison to other states, one can conclude that redistribution in the EU is a critical factor that could be generating exit drives among EU states.

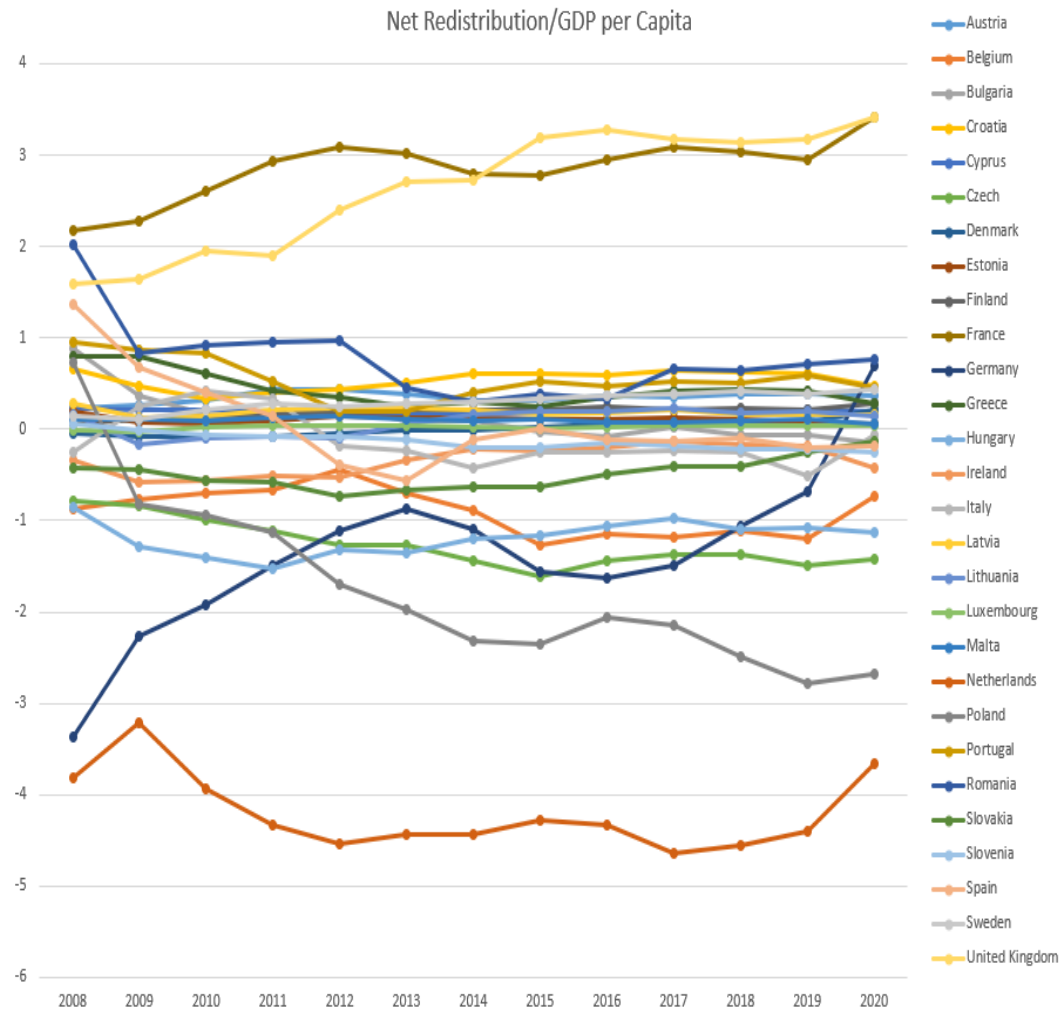


Figure 8: Consolidated EU-28 Net Redistribution per GDP/Capita (2008 to 2020)

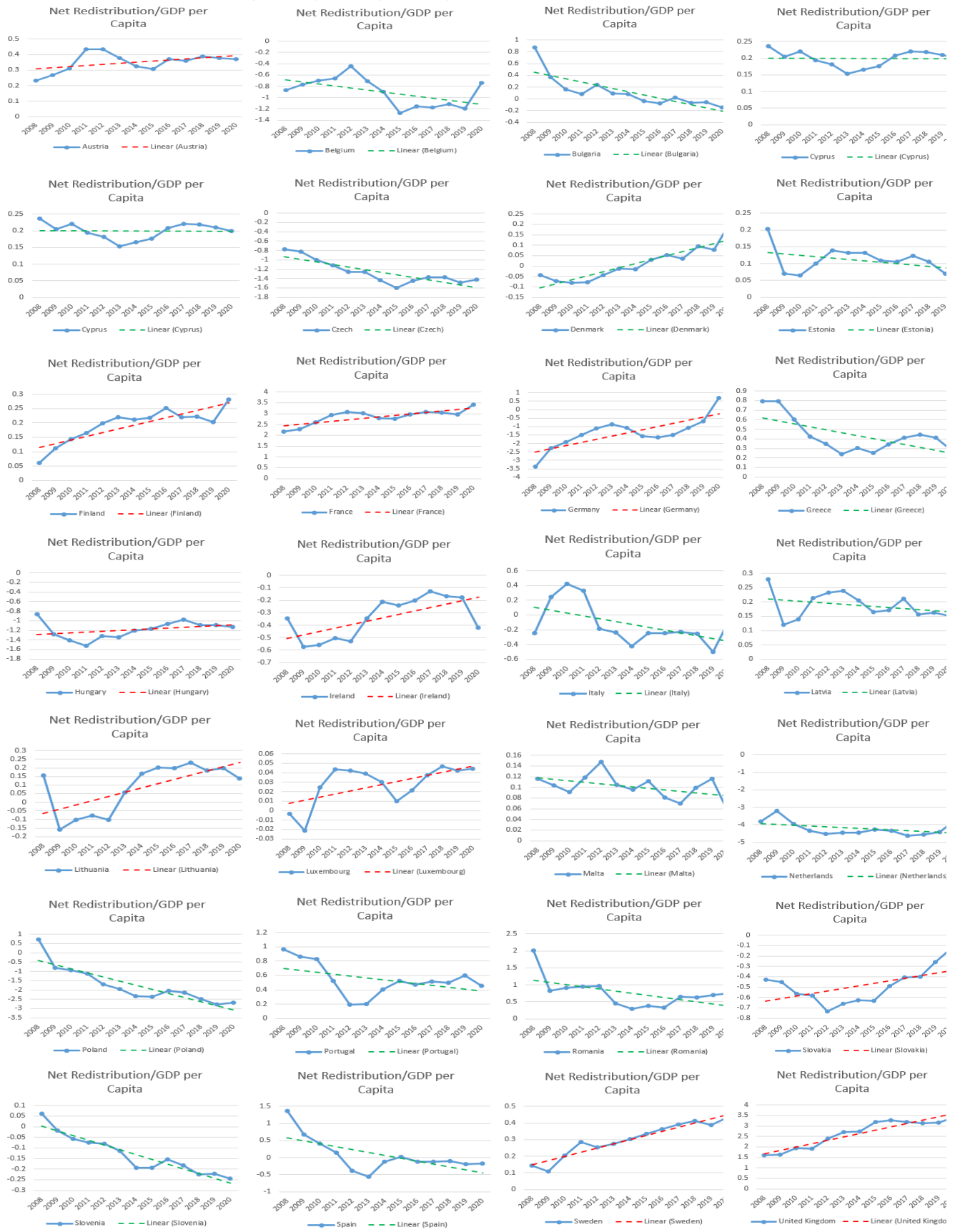


Table 4: EU-28 Net Redistribution per GDP/Capita (2008 to 2020)

It is important to mention that countries like Germany seem to pay much more than they receive from the EU in terms of direct redistribution. However, it does so because it benefits not from the EU directly, but rather from the access to the European open market; a benefit worth compensating for and securing, by contributing to the EU budget.

This chapter's main argument is in a rational context, member states assess whether the decisions taken at the intergovernmental level, which determines their return on investment into the EU, are proving detrimental compared to their investments. The more the state experiences a detrimental redistribution of benefits and burdens, the higher the likelihood for a state to exit the EU. The following chapters discuss other factors that influence a state's decision to exit the EU.

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## CHAPTER III:

### DISPERSION

#### CHAPTER OUTLINE

- Introduction
- Dispersion As An Endogenous Aspects Of The EU
- Dispersion And The Consequent Disintegrative Dynamics
- Methodology Assessment Of Dispersion Among EU Member States
- Discussion
- Bibliography

#### I. INTRODUCTION

A core objective of EU integration is to assist countries in achieving a benchmark performance (Farkas, 2013, p. 1). Therefore, reducing the gap between wealthy and non-wealthy states (Mattila, 2006, p. 34) and overcoming differences among them lie at the core of the EU's future strategy for sustaining the polity (Iammarino, Rodriguez-Pose, & Storper, 2019, p. 274) and is a primary aim behind the integration process (Gräbner, Heimberger, Kapeller, & Schütz, *Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration.*, 2018, p. 2). As conjunction and growth can exist simultaneously (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, p. 1089), integration is thus supposed to result in convergence and development (Borsi & Metiu, 2015, p. 658).

The EU aimed at providing all EU member states with equal development opportunities (Dunnzlaff, Neumann, & Niehues, 2011, p. 124) by establishing various funds and assistance institutions. "The 1992 Maastricht Treaty set an agenda for nominal and real convergence before entering the European Monetary Union" (Borsi & Metiu, 2015, p. 658). Furthermore, the European Pillar of Social Rights of 2015 is an explicit attempt of the EU to encourage social homogeneity among EU member states (Vesan & Corti, 2019, p. 977).

Unfortunately, efforts at guaranteeing homogeneity among member states have been hindered in the EU (Carbone, *Mission Impossible: the European Union and Policy Coherence for*

Development, 2008, p. 323). The integration process has embedded divergence forces despite the efforts to erase discrepancies among member states (Farole, Rodriguez-Pose, & Storper, Cohesion Policy in the European Union: Growth, Geography, Institutions, 2011, p. 1095).

The more an EU member state is dispersed from other EU member states, the higher is the likelihood for that state to exit the EU.

About state performance and based on the scores of the Legatum Prosperity Index, we define Dispersion as the fixed distance between an EU member state (score) and the EU mean (mean of the scores of EU-28).

The chapter tackles the topic of dispersion. It highlights how dispersion triggers disintegration dynamics. It then details the adopted methodology for measuring dispersion among member states, clarifies how it is analyzed in function of the tenure of the state as a member of the EU and, discusses the results.

## **II. DISPERSION AS AN ENDOGENOUS ASPECT OF THE EU**

EU membership modifies the objectives of states, their choices, and their arrangements with other member states, but it does not deter conflicts of interests between them (Sattich & Inderberg, 2018, p. 10). On the one hand, given the varying levels of performance of respective economies and the ability to acquire technological capacities, not all member states have comparable capabilities to react similarly to the new dynamics brought with the membership in a supranational body (Gräbner, Heimberger, Kapeller, & Schütz, Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 1)., On the other hand, rounds of enlargement, which unified states that were initially performing differently (Dunnzlaff, Neumann, & Niehues, 2011, p. 123), have also impacted the way resources are shared in the EU and have intensified unevenness.

Achieving homogeneity and evenness has been a challenge for the EU. Attaining growth has also been difficult. Integration is a form of evolution, yet, it has caused the discrepancy of development paths among member states (Gräbner, Heimberger, Kapeller, & Schütz, Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 1). With integration moving forward, dispersion has increased in pace and strength and created overlapping lines of conflict (Ferrera, The Stein Rokkan

Lecture 2016 Mission Impossible? Reconciling economic and Social Europe after the euro crisis and Brexit, 2017, p. 4). Discrepancies in opportunities are still present among member states despite efforts to achieve equality of opportunity (Carbone, *Mission Impossible: the European Union and Policy Coherence for Development*, 2008, p. 124). Uneven development is a rooted geopolitical aspect of European integration (Bieler, Jordan, & Morton, 2019, p. 806). Consequently, instead of deterring divergence and heterogeneity among member states (Becker, 2017, p. 840), integration has dissolved protection instruments without generating compensation instruments (Becker, 2017, p. 844) and intensified divisions among member states to the detriment of the “peripheral” states. Therefore, an apparent weakness of the EMU that underlies the euro crisis, is that it disregarded the economic and political discrepancies of the various national factions (Bieler, Jordan, & Morton, 2019, p. 805). It treats member states as parts of a larger entity without weighing on their distinction as different factions (Bieler, Jordan, & Morton, 2019, p. 806). Unevenness has thus hindered the capability of the EU to resolve the crisis (Bieler, Jordan, & Morton, 2019, p. 817).

Furthermore, differences among EU states do not only lie at the development level but also at the respective solution for overcoming the crisis. In the Netherlands, for example, fiscal discounts lead to economic recapture. However, in Italy, the same solution did not achieve the same result. On the contrary, cost-cutting had to be replaced with money injection, an opposing solution to the alternative that the EU proposed to adopt. Consequently, skepticism towards the EU rose even among the conventional supporters of the EU (Karremans, 2019, p. 16).

Heterogeneity in the EU has materialized through “club convergence,” which is an assumption that states with similar economic models tend to share common patterns of development and thus create convergence clubs (Borsi & Metiu, 2015, p. 658). Additionally, the starting development level, along with other “structural characteristics such as production, technology, preferences, and government policies” (Borsi & Metiu, 2015, p. 660), contribute to the club segregation. Therefore, the conjunction is only possible among areas that originally enjoy similar structural features (Farole, Rodriguez-Pose, & Storper, *Cohesion Policy in the European Union: Growth, Geography, Institutions*, 2011, p. 1091). Although clubs do form, however, divergence is still the prevailing trend among all clubs (Matousek, Rughoo, Sarantis, & Assaf, 2015, p. 212). Accordingly, the primary segregation of EU member states is done in four clusters (Gräbner, Heimberger, Kapeller, & Schütz, *Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration.*, 2018, p. 4), based on four developmental pathways (Gräbner, Heimberger, Kapeller, & Schütz,

Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 3). However, other grouping options were also identified and adopted.

## **2.1. Economic Division: Export-led and Debt-driven**

EU member states can be divided into two main categories; export-led and debt-driven. This categorization dates from before EU integration started, but is, however, strengthened by the European Monetary Union (Bieler, Jordan, & Morton, 2019, p. 817). Integration has intensified instead of minimized differences (Gräbner, Heimberger, Kapeller, & Schütz, Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 4), and created either “export-led” economies or “debt-led economies” (Gräbner, Heimberger, Kapeller, & Schütz, Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 4). Differences are due to the “rise of inequality, a decrease of aggregate demand, non-price competitiveness, financial deregulation, in addition to institutional factors such as the absence of an adequate political and fiscal governance structure and the lack of directed industrial policies” (Gräbner, Heimberger, Kapeller, & Schütz, Structural Change In Times Of Increasing Openness: Assessing Path Dependency In European Economic Integration., 2018, p. 4).

## **2.2. Economic-Cultural Division: Core and Peripheral**

EU states can also be divided between core states and peripheral states. The former being the good-performing states and the latter, the bad-performing states (Ferrera, The Stein Rokkan Lecture 2016 Mission Impossible? Reconciling economic and Social Europe after the euro crisis and Brexit, 2017, p. 6). This division among core and periphery was the first structural materialization of disintegrative dynamics (Becker, 2017, p. 845).

## **2.3. Monetary and Fiscal Division: Creditors and Debtors; North and South**

Member states can also be divided into two categories based on their financial and monetary statuses within the EU. They are either Creditors or Debtors, with creditors designing policies and debtors stressed to abide and comply (Ferrera, The Stein Rokkan Lecture 2016 Mission Impossible? Reconciling economic and Social Europe after the euro crisis and Brexit, 2017, pp. 6-7). States were also divided between North or North-West and South or South-East (Borsi & Metiu, 2015, p. 657). The regional fiscal divide, mainly between northern and southern countries, can enhance aspirations for disintegration (Karremans, 2019, p. 1).

## 2.4. Tenure as the EU Member States

EU member states are also divided along with their respective tenure as EU member states. Old or New member states are identified, and their tenure of membership has been studied as an intervening variable (Borsi & Metiu, 2015, p. 657) (Tosun, 2014, p. 383).

### III. DISPERSION AND THE CONSEQUENT DISINTEGRATIVE DYNAMICS

The European Union is a heterogenous polity formed of different states (Hale & Koenig-Archibugi, 2016, p. 236). It is assumed that disintegrative dynamics are partially the result of differences and “macroeconomic imbalances” (Scheller & Eppler, 2014, p. 10) among member states. The divergence has touched various aspects of statehood and generated disintegrative subtleties.

A study of previously dissolved monetary and economic unions (ex: the Latin Monetary Union, the Scandinavian Monetary Union, the Austro-Hungarian Economic Union, the Czechoslovakian Economic Union, the Soviet Economic Union, and the Yugoslav Economic Union) proved that all dissolutions had common causes. The causes were; lack of economic homogeneity increased and deviating inflation degrees, the spill-over effect of banking problems from one member state to the other, the absence of political consent to support political decision making in times of crises (Jovanović, 2019, p. 361). Subsequently, the lack of fiscal union could lead to disintegrative dynamics (Kovács, 2018, p. 31).

European Integration is said to be hindered by cultural divergences amongst old member states and new member states (Akaliyski, 2019, p. 389). Divergence touch on various economic, political, social, and structural aspects. Differences among EU member states is not limited to economic divergence, but also touches social and political scopes and lead to their instability (Iammarino, Rodriguez-Pose, & Storper, 2019, p. 274). Other than economic inequalities, the EU lacks capabilities to address insecurities among member states which emanates from the competition and the conflict of interests. A commitment to social and economic justice is necessary to prevent disintegration (Room, 2019, p. 10).

Therefore, the heterogeneity and dispersion caused by the multi-paced integration process lead to disintegrative dynamics among EU member states and along with all aspects of statehood and society.

#### **IV. METHODOLOGY: ASSESSMENT OF DISPERSION AMONG EU MEMBER STATES**

Dispersion is a member state-centered assessment of its integrated performance compared to the performance of other EU member states. It is the distance of that state from the EU mean. Whether the state is performing better or worse than the EU as a whole, it is irrelevant for this indicator. Dispersion is an ascending score calculated based on the values of the Legatum Prosperity Index previously used in chapter 1 of this book. The higher the dispersion, the higher is the score, and the lower the dispersion, the lower is the score. Dispersion is calculated by subtracting the LPI score of the state of a specific year from the mean of the LPI score of the EU of that year:

$$Dispersion = LPI\ EU\ Mean - LPI\ EUMS$$

After calculating the dispersion, the positive values are kept as is, and the negative values are multiplied by (-1) since a distance in this case can not be negative.

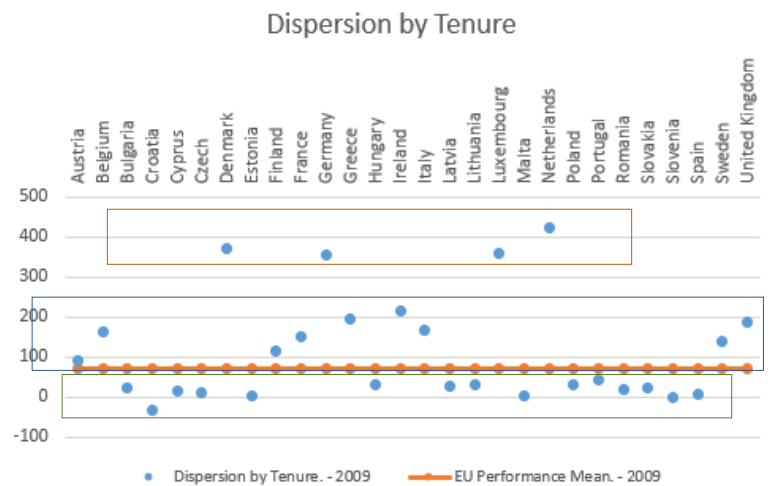
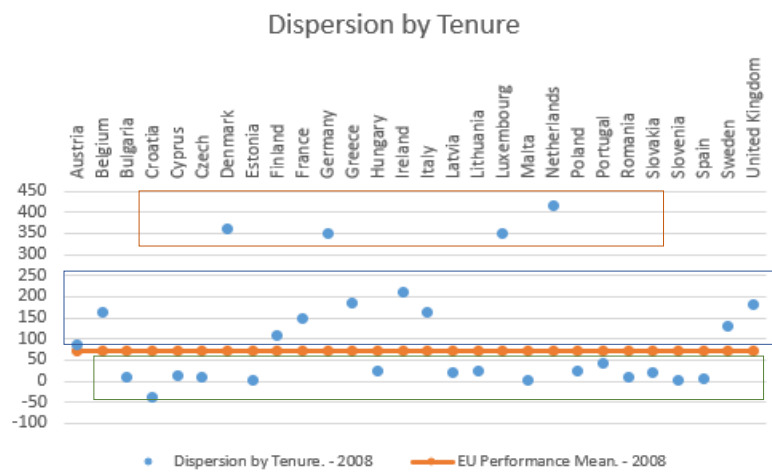
However, dispersion alone is misleading. Recent joiners are supposedly dispersed and are in the process of adapting and developing to reach the performance of old EU states, although this dispersion should not be extreme given the reforms' prerequisites in terms of economic, social, and political issues. For that matter, dispersion is weighed by tenure. The tenure of an EU member state is calculated by subtracting the year of entry to the EU (European Union, 2021) from the year of the research time frame that is being analyzed.

$$Tenure = Year\ Being\ Analysed - Year\ of\ Entry$$

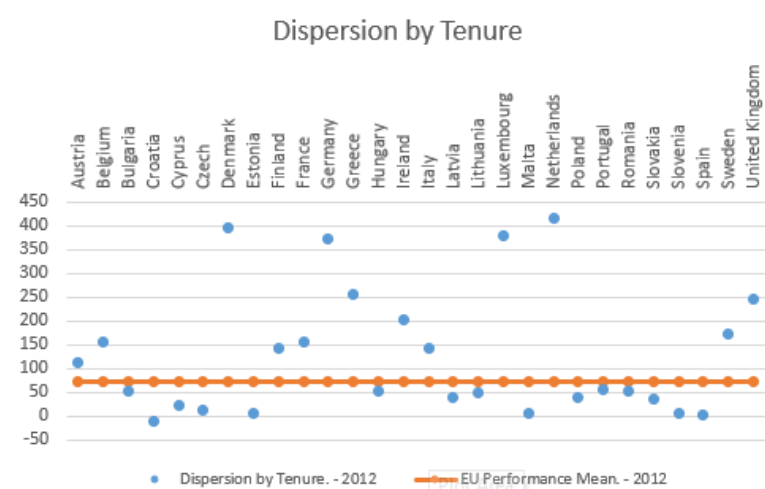
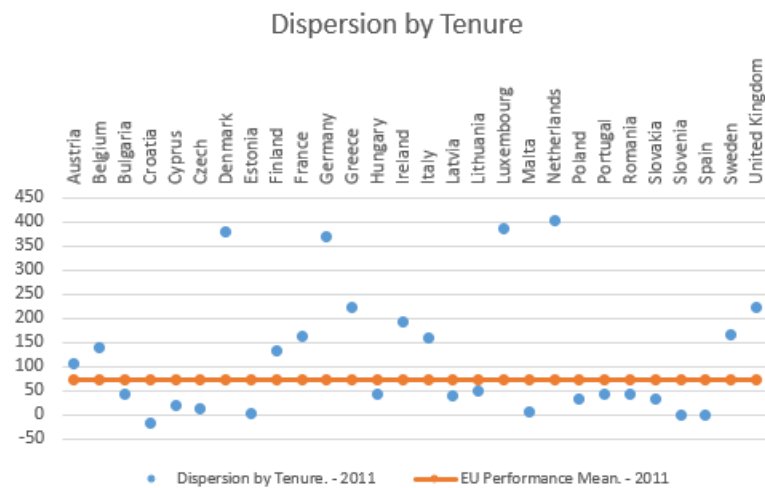
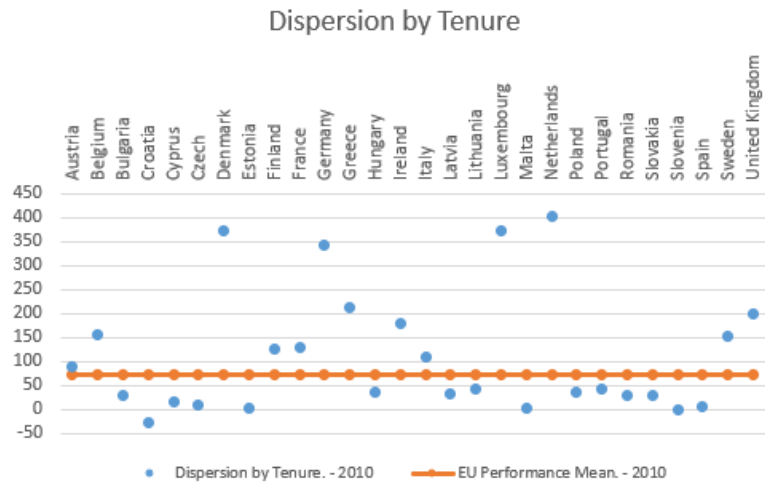
Then, to calculate dispersion per tenure, we simply multiplied dispersion by tenure.

$$Dispersion\ per\ Tenure = Dispersion * Tenure$$

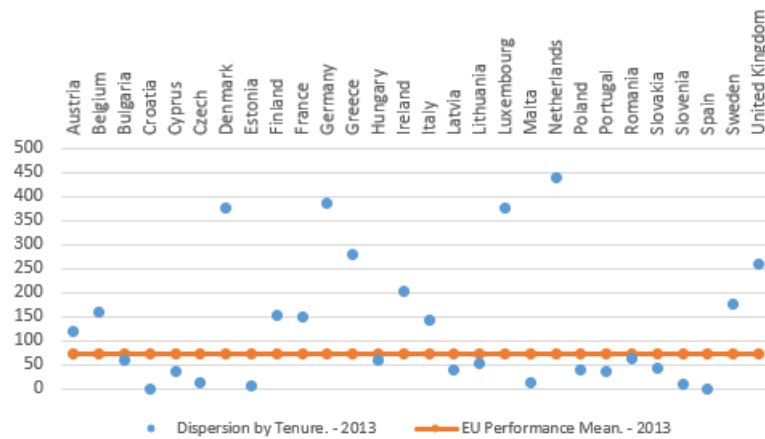
## V. Discussion



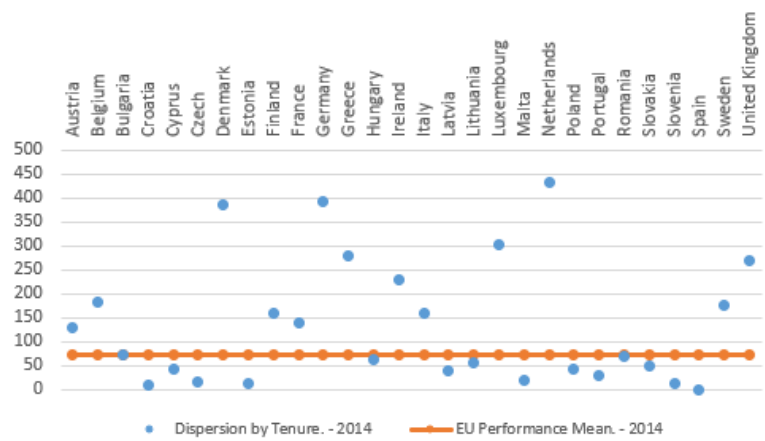




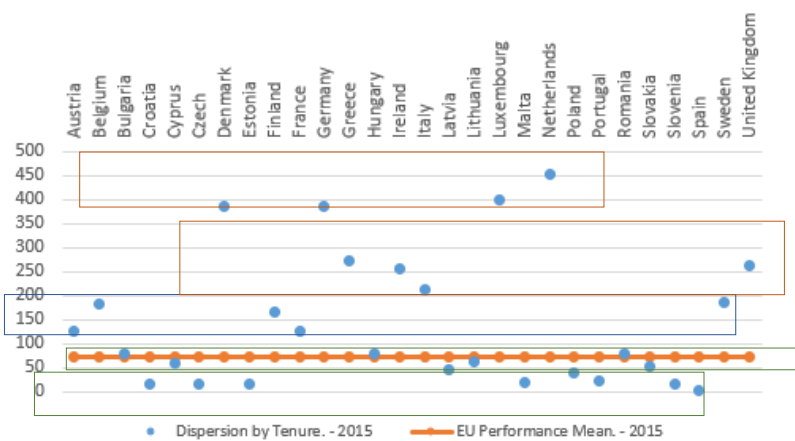
Dispersion by Tenure



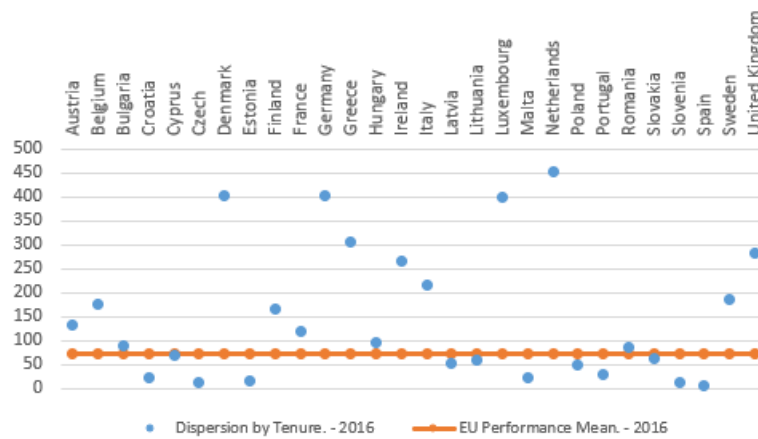
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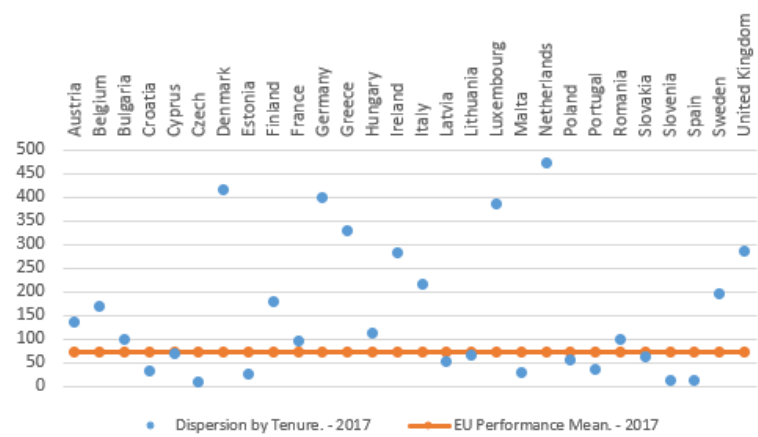
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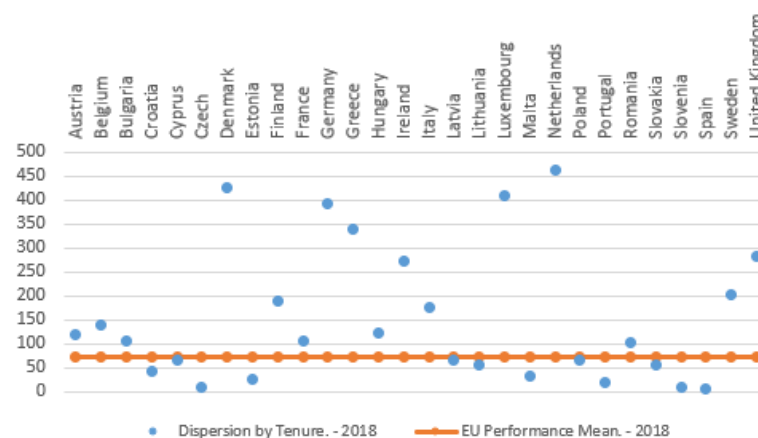
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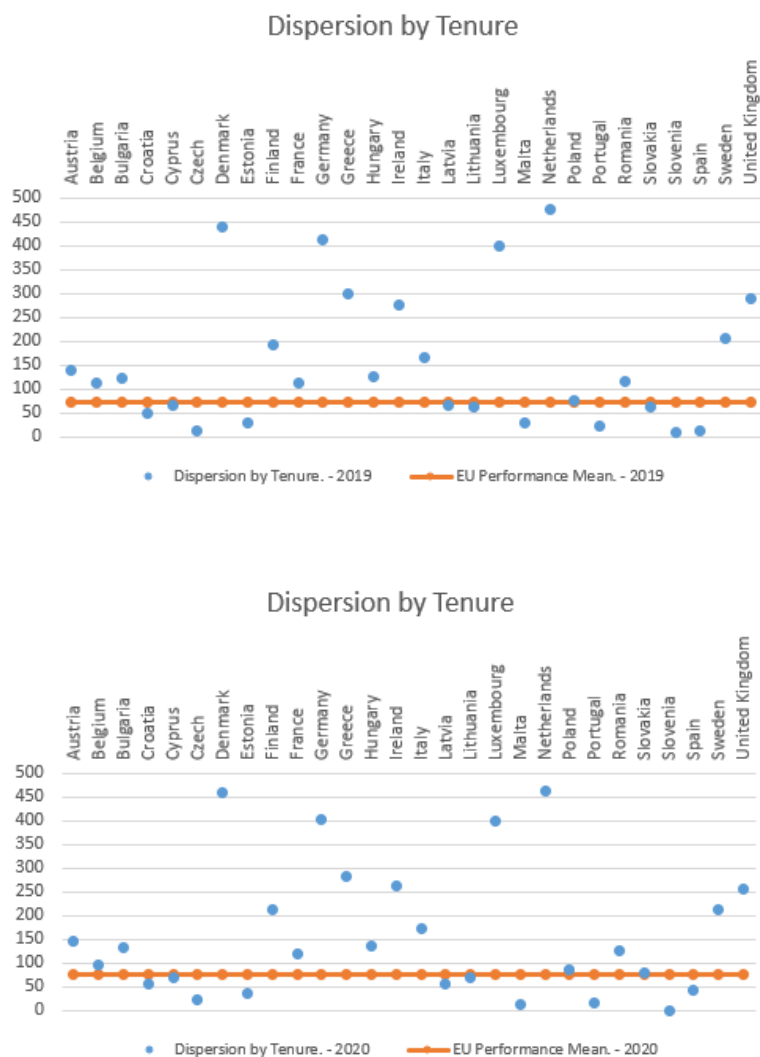


Dispersion by Tenure



Dispersion by Tenure





**Figure 9:** Dispersion/Tenure (2008-2020)

An EU member state becomes skeptical towards its membership in the EU whenever it assesses its performance as compared to other states and concludes that it is either performing far better than others or far worse than others, all while taking into account its tenure, which is the time that state has had to adapt to EU standards and laws. Meaning, a new member state is supposed to be dispersed because it has not had enough time to adapt to the new environment. Yet, this state still expects a degree of homogeneity among its peer member states, especially that all states are subject to the Copenhagen Criteria, preconditions to joining the EU. However, a dispersion of an old state means that it is an outlier and whether it performs far better or far worse than others, the membership benefits become questionable. The graphs below visualize the dispersion within the EU.

Based on a visual reading of the graphs below, it is concluded that the dispersion in the EU is divided into two periods: from 2008 to 2014 and from 2015 to 2020.

In the first period, we notice three main clusters of states

- Cluster 1: Denmark, Germany, Luxemburg, and the Netherlands are a sustained cluster of states that perform better than others and are the most dispersed in the function of their tenure over the complete time frame, from 2008 to 2020. An exception is identified for Luxemburg in 2014 where it took a step forward towards the EU mean, however, the year after, it retook its position among the cluster of states. Well-performers and most dispersed are states that have a high likelihood of exiting the EU.
- Cluster 2: Austria, Belgium, Finland, France, Greece, Ireland, Italy, Sweden, and the UK form a consistent cluster above the EU mean
- Cluster 3: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, and Spain form a consistent cluster that has been performing below the EU mean.

In the second period, the three clusters of states become five:

- Cluster 1: Denmark, Germany, Luxemburg, and the Netherlands still performing above the EU mean.
- Cluster 2: Austria, Belgium, Finland, France form a second cluster that still performs above the EU mean.
- Cluster 3: Greece, Ireland, Italy, Sweden, and the UK form a cluster that performs above the EU mean
- Cluster 4: Bulgaria, Cyprus, Hungary, Portugal, Romania, form a cluster which performance is approximately equal to the EU mean
- Cluster 5: Croatia, Czech Republic, Estonia, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, and Spain form a consistent cluster that has been performing below the EU mean.

It is of relevance to mention that the clustering above is based on a visual reading of the scatter plot and not based on a cluster analysis because in this case, we have a single variable. Additionally, the number or combination of the clusters does not affect the final index. Rather, the value of the Dispersion/Tenure is what directly impacts the final exit index.

It might be argued that the catch-up effect of economic growth and the time needed for new joiners to catch up on good performers were not considered in this chapter. However, dispersion in this chapter is not only calculated based on economic indicators, but rather based on the 294 indicators of the LPI that cover economic, social, political, and institutional indicators. This means that the bad performance on indicators that are not economic and that

relate to critical issues such as security, terrorism... could not be justified by the mere “catch-up effect”. When this factor adds up to the other factors (discussed in further chapters of this book), it can be argued that the likelihood of a member state exit is high.

On another note, it is of relevance to clarify that dispersion here does not only account for the bad performance of a state in comparison to other states but rather accounts for a gap of performance, be it better or worse. In the case of a state that is performing much better than other states, and sees a benefit in being outside of the union since they do perform better than other members then the catch-up effect would also not be valid.

This chapter’s main argument is the more the state is dispersed from other EU member states, the higher is the likelihood for that state to exit the EU. The following chapters will discuss additional factors, which, in their aggregation, increase the likelihood for a member state to exit the EU.

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## CHAPTER IV:

### AGGREGATE MATERIAL INDEX

Aggregate Material Index is the index that compounds the indices on performance, redistribution, and dispersion. It aggregates the rational assessment of an EU member state towards its membership in the EU. This chapter argues that the higher the Aggregate Material Loss of an EU member state, the more likely it is for it to exit the EU.

Aggregate Material Loss is an ascending score. To generate the aggregate index, the three factors that were assessed in the previous chapters were normalized and then aggregated. Using the Principal Component Analysis function in R, the Aggregate Material Index was computed.

Additionally, in the conclusion of the book and for methodology comparison matters, the nine factors (among which are included the three factors that constitute the Aggregate Material Index) were added-up, and also were averaged.

The Aggregate Material Index proves that EU member states have, in the last decade, experienced losses rather than benefits. An interesting observation is for the UK. The peak of the Aggregate Material Loss Index is in 2016, the last round of published data before the UK invoked Article 50 in 2017. This is a confirmation that Aggregate Material Losses do impact the decisions of member states to exit the EU.

This chapter assesses whether EU membership is detrimental or beneficial. Nevertheless, Aggregate Material Loss is only one of several factors that redirects a state's orientation regarding exiting from or remaining in the EU. The following chapters discuss the next stages.

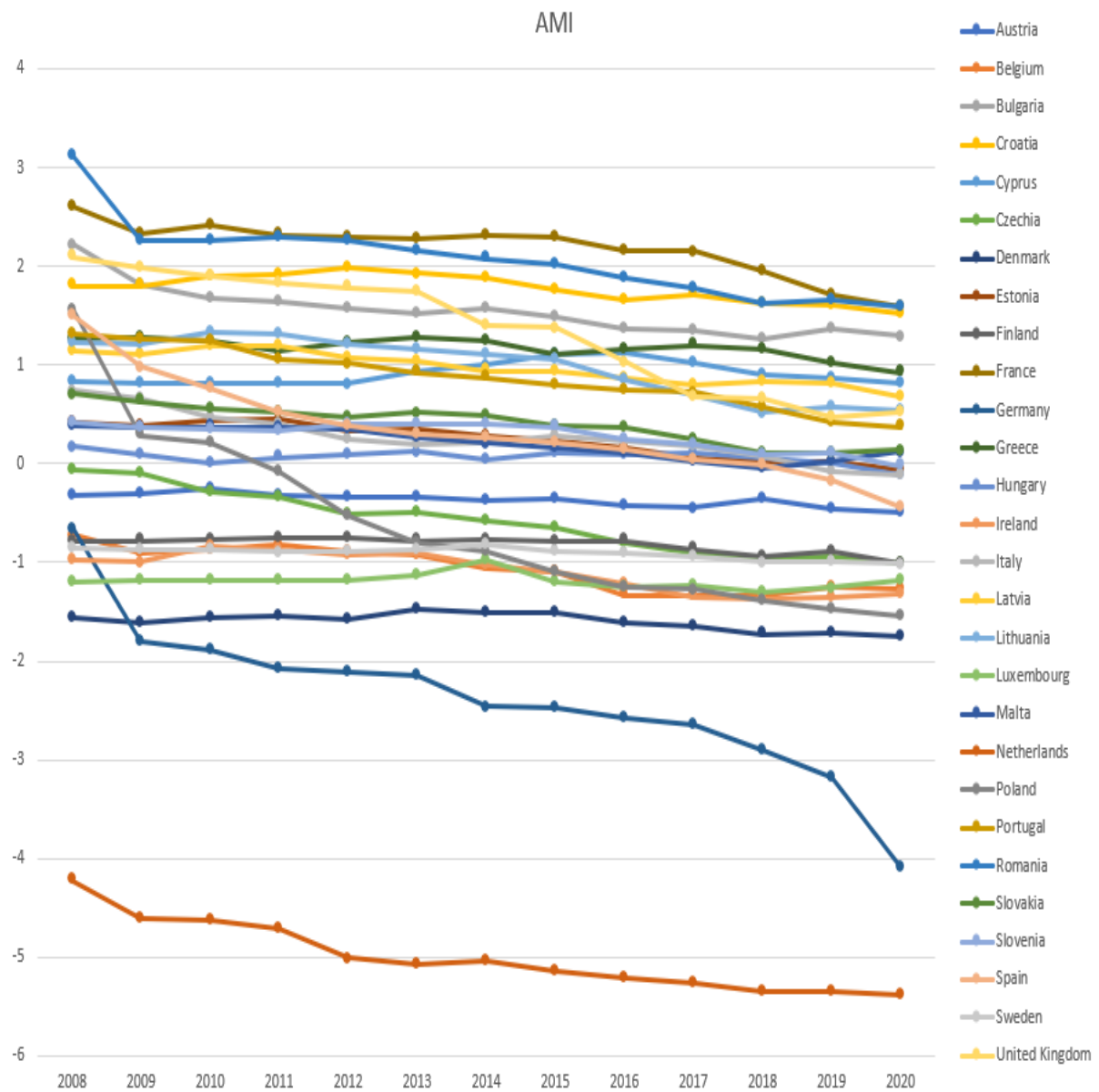


Figure 10: Consolidated EU-28 Aggregate Material Index (2008-2020)



**Table 5:** EU-28 Aggregate Material Index (2008-2020)

## CHAPTER V:

### DEPTH OF INTEGRATION IN THE EU

#### CHAPTER OUTLINE

- Introduction
- EU Integration
- Crises Post-Integration And Consequent Disintegrative Dynamics
- Methodology
- Discussion
- Bibliography

#### I. INTRODUCTION

States have historically perceived membership in International Organisations IO's (supranational, regional, intergovernmental...) as beneficial. Although IO's do attract states for the various benefits, they offer; however they are still prone to dissolve. The general mapping of states withdrawals from IO's has shown that despite the economic and political cost invested by states in adjusting to the new environments post-accession to IO's, yet the number of withdrawals is not minimal (Borzyskowski & Vabulas, 2019, p. 340). The focus area of this chapter is on membership in the European Union, mainly, the extent to which a state is integrated into the EU by focusing on its integration in areas of state sovereignty, its trade ties with other EU members, and the stock of people it has in other EU member states. Since the latter two have been discussed and considered as obvious goals of EU integration (access to the free market and the free movement of people), this chapter will discuss the former, integration in areas of state sovereignty, since this aspect of EU integration has caused some controversies among member states and considered to be a threat.

First, a sovereign state is a legitimate authority that has the power to govern its territory, its people, and its resources to best guarantee national security, assure equality among its citizens, and achieve prosperity.

Second, areas of state sovereignty are issues that are highly relatable to every nation-state and include "coercive force, public finance, and public administration" (Genschel & Jachtenfuchs,

2016, p. 42). They thus touch on “high politics” affairs such as monetary, fiscal, territorial, security, defense, and foreign affairs. A state is sovereign whenever it has the power to “coerce, coin money, raise taxes, issue debt, implement and enforce laws” (Genschel & Jachtenfuchs, 2016, p. 43) within a well-delimited territory. The existence of the “state” is paired with its ability to control those sets of powers. When the control is not present, the state is no longer existing (Genschel & Jachtenfuchs, 2016, p. 43).

Third, integration in areas of state sovereignty is the voluntary or the involuntary choice of EU member states to pool their authority in areas of core state powers, which are proper to the nation-state, and place them at the EU level. These areas, as mentioned above, include issues of monetary, fiscal, security, defense, and foreign affairs (Genschel & Jachtenfuchs, 2016, p. 42).

Although the recent crises have made of EU integration has become a controversial issue that created aspiration for withdrawals even at the social level, however, the actual execution of the withdrawal might have a detrimental impact on a state (Gastinger, 2019, p. 4). It carries with it a high cost in light of the governing interdependencies reached following the long process of integration (Schimmelfennig, 2020, p. 24).

The argument is the more integrated an EU member state is integrated into areas of state sovereignty, the higher its revenue from trading with the EU, and the higher the number of citizens residing in other EU states, the higher is the cost of exiting, and the lower is the likelihood for it to exit the EU. Therefore, rational calculations of possible disintegration costs are based on its degree of integration and are quite determining whether a member state can practically handle the costs of exiting or not.

This chapter overviews the debate on EU member state integration and outlines the major areas that the integration process touched on. It then discusses the major crises that the EU faced, highlights how the crises generated disintegrative dynamics. Later, it details the methodology adopted to quantify the cost of exiting the EU. Lastly, it discusses the findings.

## **II. EU INTEGRATION**

The broadening, widening, and deepening of the EU triggered questions around EU membership and contributed to an institutional schism among member states (Schimmelfennig & Winzen, Grand theories, differentiated integration, 2019, p. 1172). The expansion of the

EU's authority is materialized by the shifting of decision-making centers in areas of state sovereignty from national to supranational (Genschel & Jachtenfuchs, 2016, p. 42). At the outset, the expansion of the EU mandate was not paired with the improvement of the capabilities needed to meet the new responsibilities. The EU still lacks formal police or army body proper to it. The EU has a limited number of administrative personnel and is unable to increase its budget by issuing taxes and debts (Genschel & Jachtenfuchs, 2016, pp. 43-44). However, when taking a closer look at how the expansion of EU authority translated at the level of institutions, the EU created new bodies to channel its mandate better. It has also increased the number of personnel that runs and constitute its bodies (Genschel & Jachtenfuchs, 2016, pp. 44-45). Below is a non-exclusive list of the main areas that integration affected.

The economic and monetary union EMU; 1988 marked the first serious attempt at establishing the Economic and Monetary Union, an umbrella project based on a core pillar: the introduction of the common currency, the Euro, in 1999 (Economic and Monetary Union (EMU), 2020). A state needs to meet a set of binding economic and legal prerequisites before it can join the EMU (Which countries use the Euro?, 2020).

The Schengen Agreement; It is "an agreement between some EU Member States and some neighboring non-Member States to gradually remove controls at their common borders and introduce freedom of movement for all nationals of the signatory Member States, other EU Member States or third countries" (Schengen Agreement, 2020). Originally an intergovernmental initiative among seven states, the agreement is now part of the set of rules under which the EU operates (Schengen Agreement, 2020).

The Area of Freedom, Security, and Justice AFSJ; It became valid after the signing of the Lisbon Treaty on December 1st, 2009.

*"It was created to ensure the free movement of persons and to offer a high level of protection to citizens. It covers policy areas that range from the management of the European Union's external borders to judicial co-operation in civil and criminal matters and police co-operation. It also includes asylum and immigration policies and the fight against crime (terrorism, organised crime, cybercrime, sexual exploitation of children, trafficking in human beings, illegal drugs among others)" (Justice, freedom and security, 2020).*

The EU Charter of Fundamental Rights EUCFR; It is a legally binding charter that became effective after the signing of the Lisbon Treaty on December 1st, 2009.

*“The European Charter of Fundamental Rights encompasses the ideals underpinning the EU: the universal values of human dignity, freedom, equality and solidarity, which have created an area of freedom, security and justice for people based on the principles of democracy and the rule of law” (European Charter of Fundamental Rights, 2020).*

Common Security and Defence Policy CSDP; Framed by the Treaty of the EU TEU, signatory member states are committed to the continuous development of a Common Security and Defence Policy CSDP to meet the security, defense, and foreign affairs needs resulting from the changing global environment (Common security and defence policy, 2020). Participation in the CSDP is not legally binding. An EU member state can still keep its decision-making power over its Defence and Security Policy. The decision regarding the development of the CSDP is taken unanimously (UK–EU future relationship: defence and security co-operation, 2020).

140		Eurozone	Schengen Agreement	AFSJ	EUCFR	CSDP	Total Opt-out/MS
1	Austria	E	S	AFSJ	EUCFR	CSDP	0
2	Belgium	E	S	AFSJ	EUCFR	CSDP	0
3	Bulgaria			AFSJ	EUCFR	CSDP	2
4	Croatia			AFSJ	EUCFR	CSDP	2
5	Cyprus	E		AFSJ	EUCFR	CSDP	1
6	Czech Republic		S	AFSJ	EUCFR	CSDP	1
7	Denmark		S		EUCFR		3
8	Estonia	E	S	AFSJ	EUCFR	CSDP	0
9	Finland	E	S	AFSJ	EUCFR	CSDP	0
10	France	E	S	AFSJ	EUCFR	CSDP	0
11	Germany	E	S	AFSJ	EUCFR	CSDP	0
12	Greece	E	S	AFSJ	EUCFR	CSDP	0
13	Hungary		S	AFSJ	EUCFR	CSDP	1
14	Italy	E	S	AFSJ	EUCFR	CSDP	0
15	Ireland	E			EUCFR	CSDP	2
16	Latvia	E	S	AFSJ	EUCFR	CSDP	0
17	Lithuania	E	S	AFSJ	EUCFR	CSDP	0
18	Luxembourg	E	S	AFSJ	EUCFR	CSDP	0
19	Malta	E	S	AFSJ	EUCFR	CSDP	0
20	Netherlands	E	S	AFSJ	EUCFR	CSDP	0
21	Poland		S	AFSJ		CSDP	2
22	Portugal	E	S	AFSJ	EUCFR	CSDP	0
23	Romania			AFSJ	EUCFR	CSDP	2
24	Slovakia	E	S	AFSJ	EUCFR	CSDP	0
25	Slovenia	E	S	AFSJ	EUCFR	CSDP	0
26	Spain	E	S	AFSJ	EUCFR	CSDP	0
27	Sweden		S	AFSJ	EUCFR	CSDP	1
28	United Kingdom					CSDP	4
Total opt-outs/Issue		9	6	3	2	1	21

**Table 6:** EU-28 Opt-ins and Opt-outs in Areas of State Sovereignty (2008-2020<sup>1</sup>)

From 2008 to 2020, no changes in opt-ins/opt-outs took place for member states except for Croatia as a late joiner and the UK as the withdrawing state. For empirical analysis purposes and a better understanding of the path that leads to Brexit, the UK remains among the units of examination. Table 6 below overviews EU member state integration in areas of state sovereignty.

Trade and People; *“The single market, sometimes also called internal market, is one of the cornerstones of the European Union (EU). It refers to the free movement of people, goods, services and capital within the EU, the so-called ‘four freedoms’ laid down in the Treaty of Rome. This has been achieved by eliminating barriers and simplifying existing rules so that everyone in the EU can profit from a direct access to all other Member States”.*

<sup>1</sup> The table includes the UK although in 2020 it had completely withdrawn from the EU



Therefore, Intra-EU Trade, which refers to the openness of a state is a primary indicator of its integration in the EU (EuropeanCommission, 2021). Additionally, the Free Movement of People, a principle of the TFEU, is also an indicator of integrations since it provides EU nationals with the right to work, reside, and gain access to social benefits in other EU states (EuropeanCommission, Employment, Social Affairs and Inclusion, 2021).

### **III. CRISES POST-INTEGRATION AND CONSEQUENT DISINTEGRATIVE DYNAMICS**

The expansion of the EU's authority in areas of core states power brought with it embedded challenges and lead to the shattering of administrations, territory, and political authority of the EU (Genschel & Jachtenfuchs, 2016, p. 42). The EU witnessed three phenomena.

On the one hand, the propagation of its institutions; the more the EU deepens its mandate, the more it creates new institutions and the more its decision-making and exercise of power is segregated (Genschel & Jachtenfuchs, 2016, p. 47). Those new institutions operate according to either EU law or international law (Genschel & Jachtenfuchs, 2016, pp. 47-48).

On the other hand, the segregation of its political agenda; the involvement of the EU in areas of national sovereignty intensified the politicization of EU affairs where Eurosceptics built upon national feelings of self-identification and opposed the involvement of the EU in areas they believe are strictly the responsibility of the national authority. The political segregation thus translated into a sharper division between opponents and EU proponents (Genschel & Jachtenfuchs, 2016, p. 50).

Scholars argue that irrespective of the acquired authority and capabilities, the EU does not have direct interference in state sovereignty. Instead, it uses its authority to regulate the common space among member states in areas of national sovereignty. The goal of the mandate expansion is to coordinate decision-making centers rather than centralize them (Genschel & Jachtenfuchs, 2016, p. 46). At first, further integration in areas of state sovereignty proved to be a confirmation that the extent to which the policy field is related to state sovereignty does not constrain governments' (Rosamond, 2000). Most members moved on with the integration trajectory. Nevertheless, some decided to opt-out from the early stages. The choice of a state to either transmit powers in areas of national sovereignty or either refrain from doing so for

identity and sovereignty consideration is labeled constitutional differentiation (Bellamy & Kröger, 2019, p. 12).

### **3.1. The Eurozone Crisis: Issues of Monetary & Fiscal Sovereignty**

The exemplary step towards EU integration in areas of national sovereignty was the establishment of the Eurozone. The Maastricht treaty of 1992 mandates EU member states to introduce the Euro as their national currency. To date, nineteen EU states are members of the Eurozone. Although perceived as a promising project presenting significant benefits to its members, however, Eurozone skeptics economics experts think that regardless of its adoption by nineteen member states, the Eurozone is not an 'optimal currency' and they never bet on its sustainability (Börzel & Risse, 2018, p. 98).

The Eurozone faced a shaking crisis between 2010 and 2015. In the wake of the crisis, the political elite in Europe has admitted the seriousness of the challenges facing the Eurozone and, paired a failure to overcome the crisis with an existential threat to the European polity (Laffan, 2019, p. 4). New institutions were established, such as the Permanent European Emergency Fund and the European Stability Mechanism (ESM). The EU's commission designed the Fiscal Compact and the ESM by issuing intergovernmental decrees in particular legal processes that resulted in the undermining of possible domestic disagreement and obstruction (Börzel & Risse, 2018, p. 90). The EU has also gained the authority to issue bonds and offer support to low-performing economies. The EU has thus guaranteed itself a direct say and decision-making power in member states on national budgets (Ferrera, 2017, p. 6). Additionally, the EU put legal frameworks in place which mandated further involvement of the EU, and the empowerment of its institutions, in financial matters of member states (Börzel & Risse, 2018, p. 89).

The Euro crisis has thus resulted in the establishment of the Banking Union. Therefore, the crisis led to further integration (Börzel & Risse, 2018, p. 84). The response of the European politicians to the eurozone crisis included supplementary intervention in fiscal, monetary, and economic matters of national states. The Euro crisis has subsequently triggered further solidification of the EU's role and institutions and increased its fiscal auditing authority over member states.

Despite claims that the strength of the ECB lies at the core of the further integration in monetary and fiscal policies among member states, however, it was EMU members who decided to move forward with integration (Börzel & Risse, 2018, p. 93). The goal was to alleviate the costs that the collapse of the single currency would carry and to preserve what

they consider as a core symbol of European integration (Börzel & Risse, 2018, p. 98). These states probably perceived that the EU carries with it numerous gains for the members. These include a broader market for labor, goods and services exchange, less risk in exchange rates, which impacts positively trade operations, monetary stability, and higher impact on the global scale (Jovanović, 2019, p. 364).

However, how the EU addressed the crisis did not satisfy all member states and the eurozone crisis resulted in further integration, but, without the consent of all member states.

How likely is it that a member state will decide to withdraw? Integration in fiscal and monetary policy carried with it various and substantial costs such as compromising on sovereignty and paying the costs of the adoption and introduction of a new currency. (Jovanović, 2019, p. 364). Consequently, the collapse of the single currency holds massive setbacks on all member states, whether they are export-driven or debt-driven. It could lead weaker economies to default, and larger exporting economies to recession resulting from an overvaluation of their currency and the consequent decrease in exports (Börzel & Risse, 2018, p. 92). Leaving the common market would cost member states possible losses, which are due to a decrease in exports of goods and services to the EU in Euro (Oliver, 2015, p. 1). “The termination scenario rests instead on a sort of impossibility theorem (capitalism and welfare democracy cannot be reconciled at the EU level) from which only two conclusions can follow: either deterministic doomsday or the implausible resurrection of the pre-Maastricht (or even pre-Single European Act) conditions of national sovereignty” (Ferrera, 2017, p. 19).

In conclusion, due to the cost carried with the withdrawal process, member states that have adopted the Euro are less likely to consider disintegration.

### **3.2. The Schengen Crisis: Issue of Security & Territorial Sovereignty**

The Schengen Agreement, which was signed in 1985 and took effect in 1995, established the Schengen Area. It abolishes borders among signatory member states allowing for the free movement of goods, services and labour, and travelers. Twenty-two EU member states are members of the Schengen area. Similarly, to the Eurozone, the Schengen area is an example of integration in the issue of national sovereignty. By eliminating borders, it compromises member states' territorial sovereignty and spills over security, foreign affairs, and nationality. Identities are an integral part of the Schengen project. Its territorial integration aspect coincides with identity rivalries (Börzel & Risse, 2018, p. 99).

As of 2011, the Schengen area and agreement faced an existential crisis labeled as the refugee crisis or migration crisis. In a borderless area, concerns of security and territorial sovereignty come to challenge the founding philosophy of the Schengen Agreement. Security in the Schengen area has been challenged by the wave of migrants that reached Europe in 2011 and kept increasing exponentially. The refugee crisis has highlighted the precariousness of the Schengen Area and the regulations governing asylum demands (Dublin Regulation), which resulted in member states disregarding commitments and regulations such as the Common European Asylum System (CEAS), and acting unilaterally (Laffan, 2019, p. 5). In an attempt to contain the crisis, the EU renewed its commitment to reaching a standard policy in regards to migration and placed the success of the agreement among member states at the core of their commitment to solidarity (Laffan, 2019, p. 7). It also attempted to increase its authority by mobilizing supranational bodies and other pro-integration interest groups to lobby for the new scope and boundaries (Niemann & Zaun, 2018, p. 14). The EU established institutions to facilitate the governing of the Schengen area. These include the Schengen Information System SIS. The EU also designed treaties and institutions to help cope with the newly emerging migration wave. These include the Dublin III Regulation in 2013 that mandates that a refugee will remain in the first country he/she reaches (Popa, 2016, p. 97). However, due to a lack of experience and resources, the Dublin Regulation proved not useful and resulted in member states overcoming its framework. Consequently, the EU allocated bodies such as The European Asylum Support Office (EASO), EU Border Agency (Frontex, 2016), EU Police Cooperation Agency (Europol), and EU Judicial Cooperation Agency (Eurojust) to support bordering EU member states, which are exposed to the highest flux of migrants (Popa, 2016, p. 99).

The EU expanded its mandate in areas of territorial, security, and foreign affairs, however, did not achieve a consensus of member states and created opposing reactions among them. While some welcomed the growing EU authority, others did not. Generally speaking, member state tends to be hesitant when a question of transfer of powers to a supranational institution in areas of state sovereignty, such as open borders, is on the agenda (Niemann & Zaun, 2018, p. 14). Analyzed from a political perspective rather than an economic one, a crisis such as the migration issue directly target identities. Consequently, it has resulted in deep divisions within the EU concerning responses to the migration influx. Unlike the Euro Crisis, the Schengen Crisis led to further differentiation (disintegration) (Börzel & Risse, 2018, p. 84) despite the costs that might incur should the Schengen area be abolished and border monitoring re-established (Börzel & Risse, 2018, p. 84). Furthermore, based on values of solidarity and

collective accountability, a quota of refugees and the respective budget was assigned to each member state. Refugee quotas have also triggered tension between member states and the EU and resulted in non-compliance from various member states who perceived quotas as unfair and presenting a threat to identity.

The migration crisis has been highly politicized and triggered a response from EU politicians. Borders are what determine territorial sovereignty. With the creation of Frontex (EU Border and Coast Guard Agency), member states have been faced with a dilemma between additional pooling of sovereignty in matters of border control, or retaining their sovereignty and suffering increasing pressure from illegal immigration unilaterally (Laffan, 2019, p. 10).

Even though at high risk, the collapse of the Schengen area holds high costs on all member states (Niemann & Zaun, 2018, p. 14). First, an economic cost; the economic burden “in terms of trade, commuting, tourism, and border controls could be as high as €63 billion” (Börzel & Risse, 2018, p. 92). The economic cost could reach €5 to €18 billion annually, including the cost of new employees to manage borders (Popa, 2016, p. 101). Additionally, a decrease in the number of tourists will also be witnessed (Popa, 2016, p. 97). Second, a political cost; other than material costs, moral costs will weigh in as the abolishing of the Schengen area hits the idea of a unified European community and the statement and would target the aspirations for a single European strategy for tackling migration, a top demand of EU citizens (Börzel & Risse, 2018, p. 92). Therefore, the cost that a country must pay if it decides to withdraw has got a deterrent effect concerning disintegration. Dissolving a union polity is much more complicated than establishing it (Schramm, 2019, p. 3). The integration of core state powers involved distributional struggles as well as pressure from the public, given how highly politicized EU affairs have become. Therefore, EU member states aim to achieve further integration while attempting to exclude burden-sharing commitments, especially, for example, in the case of refugee allocations. However, this combination is hard to achieve (Niemann & Zaun, 2018, p. 13) and may thus trigger preferences toward the disintegration or status quo.

Nevertheless, disintegration is not a matter of preference. It is instead a matter of bargaining power and costs. Consequently, agreements achieved at the level of international, regional, supranational, or other types of organization are costly and complicated to renegotiate (Walter, 2018, p. 23). The cost of disintegration for the UK is much less than for other member states (Webber, 2019, p. 210).

## **IV. METHODOLOGY: EU MEMBER STATE WITHDRAWAL AND COST OF EXIT FROM THE EU**

The EU faced two major crises that touched explicitly on areas of state sovereignty. Consequently, member states questioned their membership in the EU.

The probability of a withdrawal from the EU is a quantitative indicator that is determined by the cost of a state's exit and is measured based on the depth of integration of a state in the EU. Therefore, the more integrated a state is, the higher the cost, the lower is the probability for that state to exit. Conversely, the less integrated a state is, the lower the cost, the higher is the probability to exit.

The depth of integration (opt-in/opt-out) of an EU member state is assessed based on its membership in the five institutions that govern areas of state sovereignty (the Eurozone; Schengen Area; the Area of Freedom, Security, and Justice; the European Union Charter of Fundamental Rights; the Common Security and Defence Policy), in addition to its trade activities intra-EU, and the number of citizens of that state that reside in other EU states.

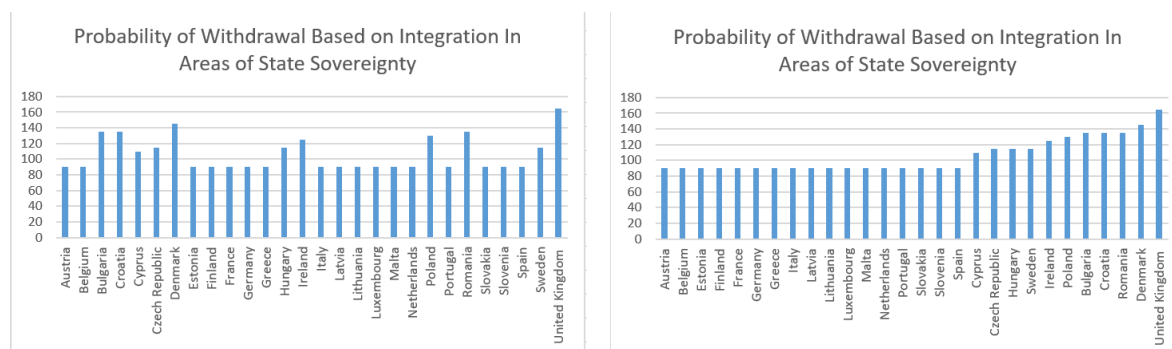
### **4.1. Integration In Areas of State Sovereignty**

To design the coding system of the depth of integration in areas of state sovereignty, we take as a starting premise the coding method of Gastinger. In his coding scheme, he looks at what he labels as "economic adjustment cost" the cost of a state exiting from the Eurozone. He assigns a 50% propensity of exit for the state that is not a member of the Eurozone claiming that a 100% would imbalance the code and would give Eurozone membership a heavier weight than what it has (Gastinger, 2019, p. 6). It is of relevance to highlight that in our empirical study, we look at the status of states at the end of the year that is being studied. Therefore we look at members or non-members of certain institutions and not at potential members. Thus, we assign a 50 to the non-members of the Eurozone. For the members of the Eurozone, we divide the code in half and assign 25. We do not assign a Zero to members of the Eurozone, because as with the 100, it will outweigh the coding scheme and will give the Eurozone membership an overestimated deterrent effect of EU member states exit. Exiting from the eurozone is commonly considered as the costliest among withdrawals from EU institutions. However, no specific study has estimated the exact cost of withdrawal from each institution. Therefore, the coding scheme herein is subject to limitations. For that matter, we decided not to enlarge the difference between the Eurozone code and the code of the other institutions. Thus, for the Schengen area, we substrated 10 from the Eurozone code since exiting from the

Eurozone is more costly than exiting from the Schengen Area, and assign 40 to a non-member of the Schengen area and divide 40 in half to assign 20 to members of the Schengen area. For the Common Security and Defence Policy CSDP, the EU Charter of Fundamental Rights EUCFR, and the Area of Freedom, Security, and Justice AFSJ, which are the least costly to withdraw from, we again subtracted 10 from the Schengen Area code and assigned 30 to non-members of those areas, and the half of it, 15, to the members. The logic behind the coding methodology is the following; The EU Member State Exit Index is an ascending score; ie. The higher the score, the higher the likelihood for an exit. In this sense, being a member of an institution makes it more costly to exit, and thus, less likely to exit. Therefore, lower scores are assigned to members, and higher scores are assigned to non-members. A higher score means, a lower cost of exiting and thus a higher likelihood of exiting.

EU Institution	Code for opt-ins	Code for opt-outs
<b>EMU</b>	25	50
<b>SchA</b>	20	40
<b>AFSJ</b>	15	30
<b>EUCFR</b>	15	30
<b>CSDP</b>	15	30

**Table 7:** Assigned Code For The Possibility Of Withdrawal In The Case Of Opt-In Or Opt-Outs In Respective Institutions Of Areas Of State Sovereignty



**Figure 11:** Probability of withdrawal per EU Member State Based on its Integration In Areas of State Sovereignty (in alphabetical order (left) and ascending order (right))

<b>EUMS</b>	<b>EMU</b>	<b>Schengen</b>	<b>AFSJ</b>	<b>EUCFR</b>	<b>CSDP</b>	<b>Withdrawal From Areas of State Sovereignty</b>
<b>Austria</b>	25	20	15	15	15	<b>90</b>
<b>Belgium</b>	25	20	15	15	15	<b>90</b>
<b>Estonia</b>	25	20	15	15	15	<b>90</b>
<b>Finland</b>	25	20	15	15	15	<b>90</b>
<b>France</b>	25	20	15	15	15	<b>90</b>
<b>Germany</b>	25	20	15	15	15	<b>90</b>
<b>Greece</b>	25	20	15	15	15	<b>90</b>
<b>Italy</b>	25	20	15	15	15	<b>90</b>
<b>Latvia</b>	25	20	15	15	15	<b>90</b>
<b>Lithuania</b>	25	20	15	15	15	<b>90</b>
<b>Luxembourg</b>	25	20	15	15	15	<b>90</b>
<b>Malta</b>	25	20	15	15	15	<b>90</b>
<b>Netherlands</b>	25	20	15	15	15	<b>90</b>
<b>Portugal</b>	25	20	15	15	15	<b>90</b>
<b>Slovakia</b>	25	20	15	15	15	<b>90</b>
<b>Slovenia</b>	25	20	15	15	15	<b>90</b>
<b>Spain</b>	25	20	15	15	15	<b>90</b>
<b>Cyprus</b>	25	<b>40</b>	15	15	15	<b>110</b>
<b>Ireland</b>	25	<b>40</b>	<b>30</b>	15	15	<b>125</b>
<b>Czech Republic</b>	<b>50</b>	20	15	15	15	<b>115</b>
<b>Hungary</b>	<b>50</b>	20	15	15	15	<b>115</b>
<b>Sweden</b>	<b>50</b>	20	15	15	15	<b>115</b>
<b>Poland</b>	<b>50</b>	20	15	<b>30</b>	15	<b>130</b>
<b>Denmark</b>	<b>50</b>	20	<b>30</b>	15	<b>30</b>	<b>145</b>
<b>Bulgaria</b>	<b>50</b>	<b>40</b>	15	15	15	<b>135</b>
<b>Croatia</b>	<b>50</b>	<b>40</b>	15	15	15	<b>135</b>
<b>Romania</b>	<b>50</b>	<b>40</b>	15	15	15	<b>135</b>
<b>United Kingdom</b>	<b>50</b>	<b>40</b>	<b>30</b>	<b>30</b>	15	<b>165</b>

**Table 8:** Code For The Possibility Of Withdrawal Per EUMS (in alphabetical and ascending order)



As per the results above, a cluster of 17 states have a similar degree of integration in areas of state sovereignty and have the lowest probability of withdrawing from the EU with a score of 90. The second cluster of states has a score between 100 and 115 those are Cyprus, Czech Republic, Hungary, Sweden. Those states have a medium probability among others to withdraw. Ireland, Poland, Bulgaria, Croatia, and Romania are the third cluster that scored between 125 and 135. Lastly, Denmark and the UK have scored the highest with 145 and 165 respectively.

As the EU's authority further expanded into areas of state sovereignty, the UK and Denmark were opted-out from most institutions (Burk & Leuffen, 2019, p. 1399). UK and Denmark were the two first and clear cases of differentiated integration (Schimmelfennig, *Negotiating differentiated disintegration in the European Union*, 2019, p. 6). Consequently, claims that differentiated integration deters EU Member state Exit has been proved wrong with the UK, the member state that secured most opt-outs, becoming the first withdrawal case.

However, all while being the least prone to suffer from the costs of disintegration, the UK still faced a very complicated withdrawal process. Indeed, membership withdrawal is a complex process that does not only touch on the relationship between the EU and the withdrawing state, but also with third parties with whom the EU has established bilateral relations. It even affects citizens of the withdrawing state residing in other member states (Łazowski, 2016, pp. 1298-1300). That is where the mandatory need for negotiated exits lie (Łazowski, 2016, p. 1300), and the consequent difficulty of the actual withdrawal in light of conflicting interests and aspirations. Consequently, a withdrawal gets even more complicated the more a member state is integrated into areas of state sovereignty.

The depth of integration shows that seventeen out of twenty-eight member states are far from exiting at this stage because they are deeply integrated into areas of state sovereignty. These are Austria, Belgium, Estonia, Finland, France, Germany, Greece, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, Spain. They all are integrated into all five areas covering the issue of state sovereignty. One could argue that the countries around which discussion of probable withdrawal has been on the rise, like Italy, Greece, and Spain, have not exited because the cost that their exit will carry will be challenging to handle. Cyprus, Ireland, Czech Republic, Hungary, Sweden, Poland, and Denmark carry a cost of disintegration, but it is not as heavy as for the 17 states cited above. Additionally, Denmark is

an exception to the remaining EU-27 member states because it has secured a voluntary opt-out from most institutions. Bulgaria, Croatia, and Romania are the recent EU joiners. They have a similar degree of integration in areas of state sovereignty; thus, a similar cost to bear should they decide to file for withdrawal, one that is not very high.

## 4.2. Intra-EU Trade

Trade with other EU member states is also another form of integration that entails a cost whenever a state decides to withdraw from the EU. For that matter, when quantifying the depth of a state's integration into the EU, Imports and Exports in EUR (Eurostat, Intra and Extra-EU trade by Member State and by product group, 2021) are considered relevant measures of what a state could lose if it withdraws.

To quantify the reliance on trade, we summed Imports and Exports. We considered that a state relies on the revenue generated from exports with other EU states but also needs the products and services it imports. In the case of an exit, both the revenue generated from exports will decrease and the costs relating to imports will increase.

$$\textit{Reliance on Intra-EU Trade} = \textit{Imports} + \textit{Exports}$$

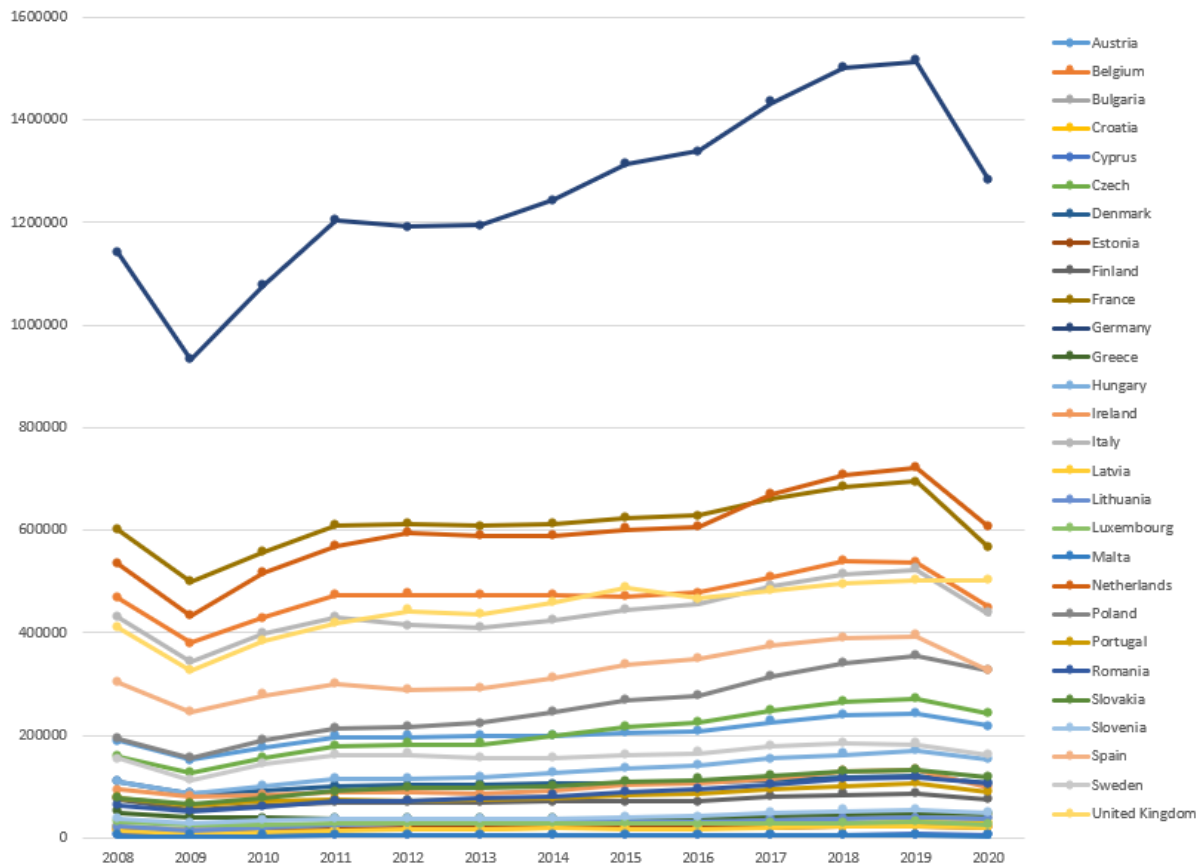
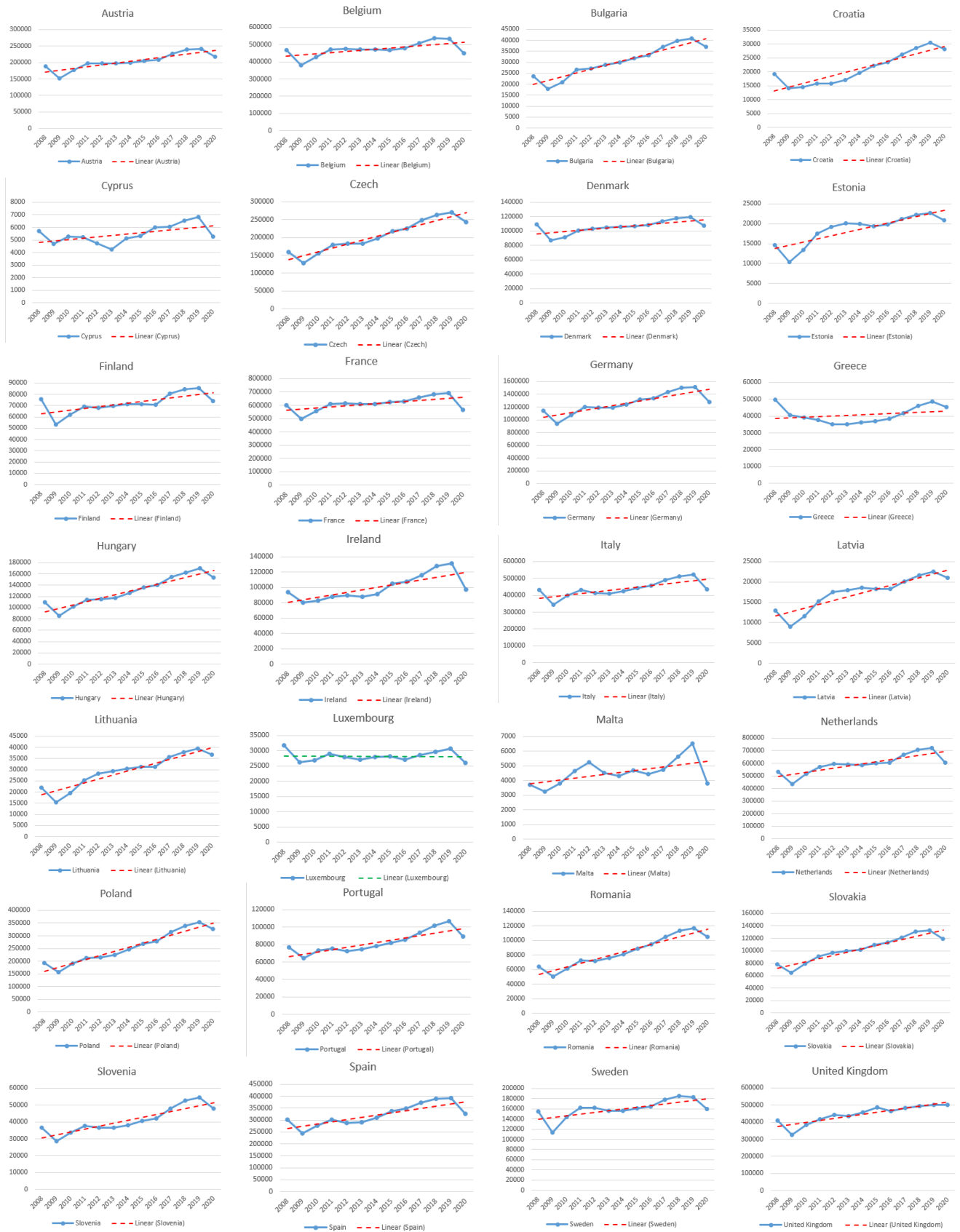


Figure 12: Consolidated EU-28 Reliance on Intra-EU Trade (2008-2020)

The findings show that Germany is by far the most beneficial state and henceforth the most reliant on intra-EU trade. It is followed by France, the Netherlands, Belgium, the UK, and Italy. Malty, Luxembourg, Slovakia, are among the least reliant and thus least beneficial from intra-EU trade.



**Table 9: EU-28 Reliance on Intra-EU Trade (2008-2020)**

To keep the scoring method of the sub-indicators, we inversed the values of the Reliance on Intra-EU Trade by multiplying it with (-1) before normalizing and aggregating it with the other sub-indicators.

### **4.3. The stock of EU states citizens residing in other EU states**

A member state withdrawal from the EU means that its citizens that benefited from the free movement of people within the EU and work or reside in another state will need to relocate and handle ad hoc constraints that arise from an exit. Therefore, a third cost that a state needs to consider before deciding to withdraw from the EU is the cost of the free movement of people (data taken from Eurostat). Consequently, the higher the number of citizens of a state that reside and work in other EU states, the lower is the probability for that state to exit the EU.

Looking at the numbers of citizens of an EU state residing in another EU state (Eurostat, Product Data Set: Population on 1 January by age group, sex and citizenship, 2021), we notice that the country with the most people in other EU states is Romania, followed by Poland, Italy, Portugal, Germany, UK, and France. The country with the least people in other EU states is Malta. One can argue that being a member of the Schengen Area contributes to facilitating the exodus from a state to another, however, in the analysis herein, we do not attempt to understand why or how people move, but rather how the exchange of people affects a decision of a state to withdraw. While looking at each state as a standalone unit, we conclude that Austria, Denmark, and the UK, are the states that have a decreasing number of citizens residing in other EU states over time.

Therefore, countries with high numbers of people in other EU states have a higher political but also economic cost to pay if a decision to exit is taken.

It would have also been interesting to discuss the number of foreign EU citizens in a state. However, at this stage, we are discussing the domestic orientation to exist of a state. The number of foreign EU citizens would influence a state's exit when it negotiates its exit at the intergovernmental level. That is when other states/EU might negotiate against the state's exit because it will influence the freedom of movements of EU citizens who already reside and are settled in that state.

Similar to Reliance on Intra-EU, we inversed the values of the stock of EU states' citizens residing in other EU states by multiplying it with (-1) before normalizing and aggregating it with the other sub-indicators.

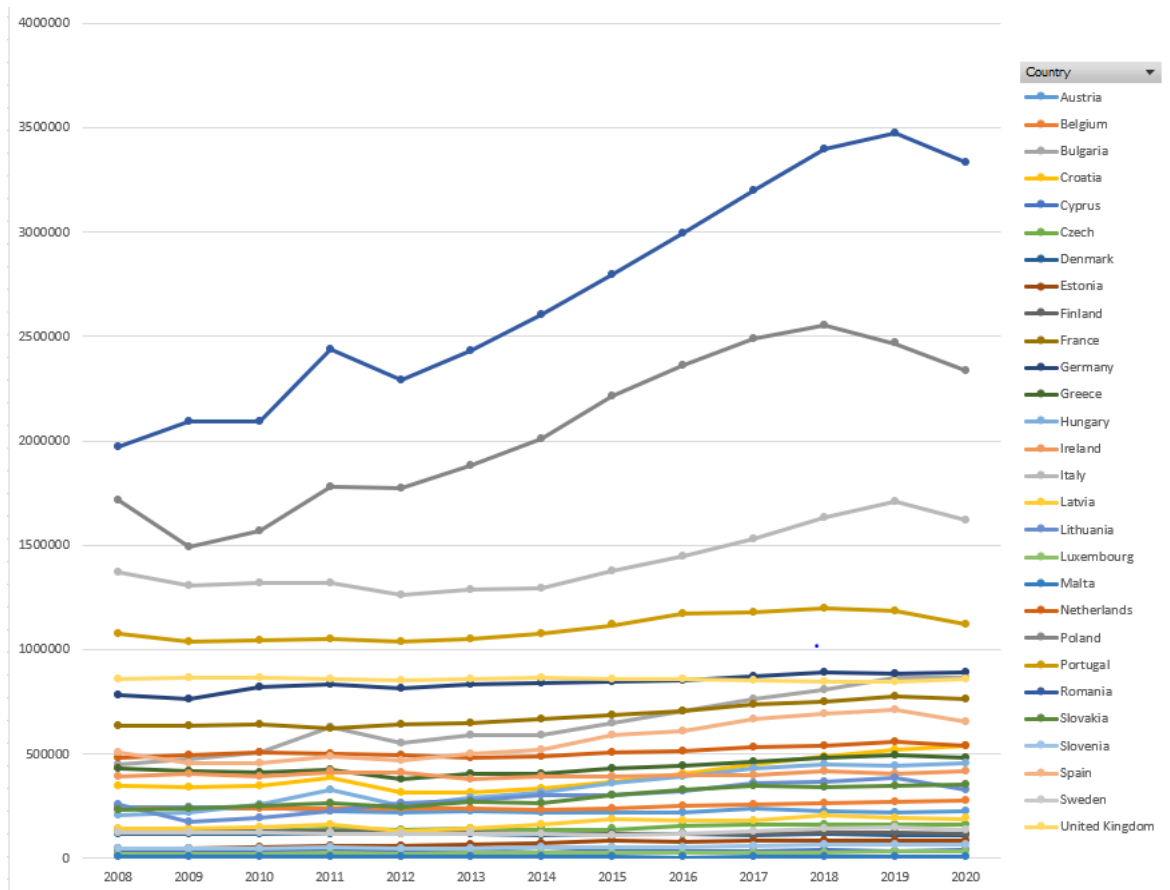
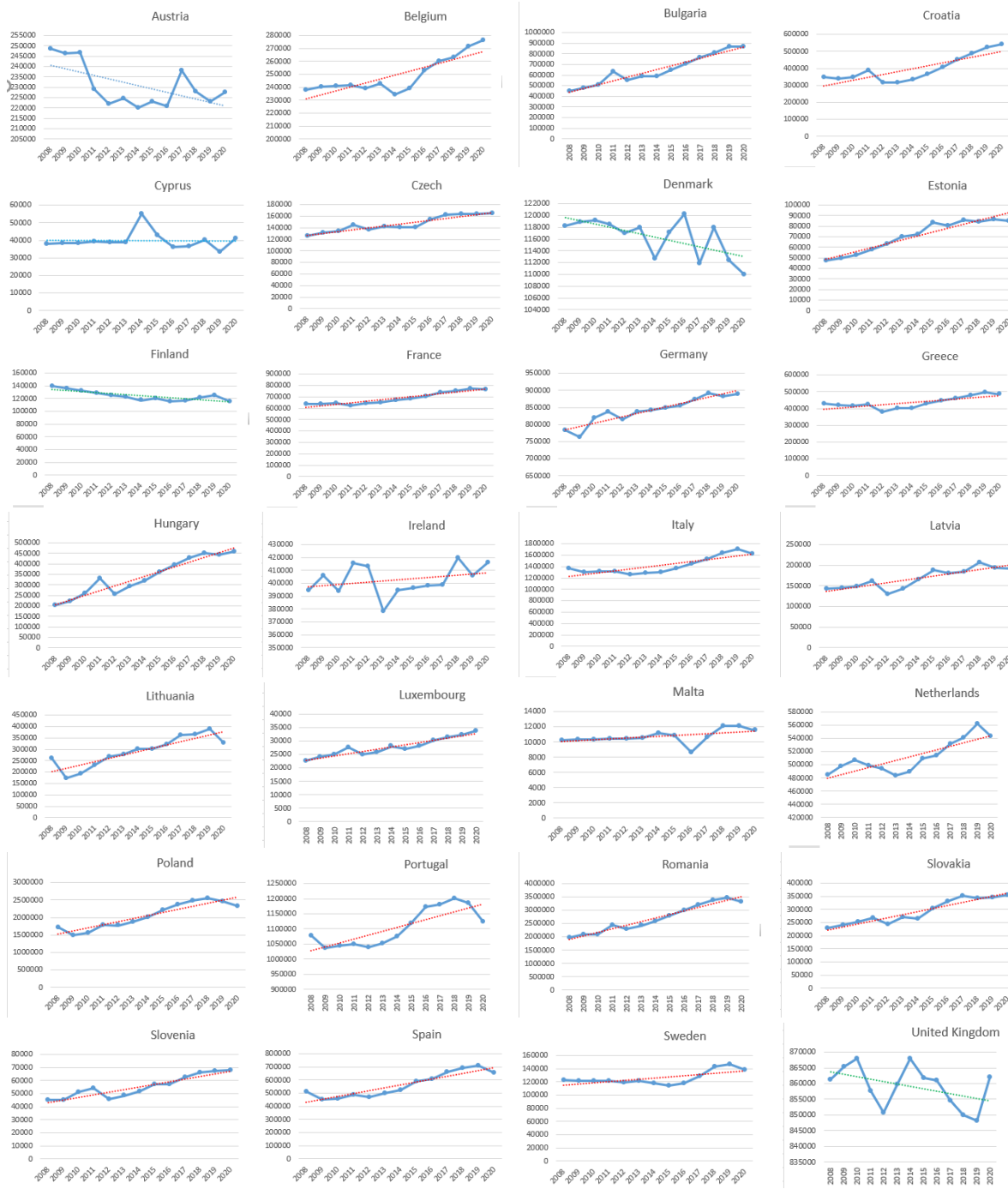


Figure 13: The stock of Citizens of an EU member state residing in another EU state (2008-2020)



**Table 10:** The stock of Citizens of an EU member state residing in another EU state (2008-2020)

## V. DISCUSSION

The general mapping of states withdrawals from International Organisations IO's has shown that despite the economic and political cost invested by states in adjusting to the new environment post-accession, yet, the number of withdrawals is not minimal (Borzyskowski & Vabulas, 2019, p. 340).

In a rational context, a member state calculates the costs that a withdrawal might carry based on its degree of integration. The less integrated the state is, the higher the likelihood for a state to exit.

Figure 14 and Table 11 below show the results of the depth of integration of states in the EU. The EU Member State Integration Index was computed after normalizing and aggregating, (as explained in the methodology chapter of the book), the values of the score of the integration in areas of state sovereignty, the reliance on intra-EU trade, and the stock of people of a state residing in other EU states. The results show that the UK, Romania, Denmark, Poland, Bulgaria, and Croatia are the least integrated into the EU, and thus would bear a lower cost of exit in comparison to other states, mainly Germany, Belgium, and the Netherlands who are the most integrated and thus would bear the highest cost of exiting among other EU states.

It is important to note that the three factors that were used to estimate the depth of integration of a state and forecast the consequent cost it would bear if it decides to exit are not exclusive. Other factors could be added such as Foreign Direct Investment. However, due to limitations in time and access to data, those three factors only were used.



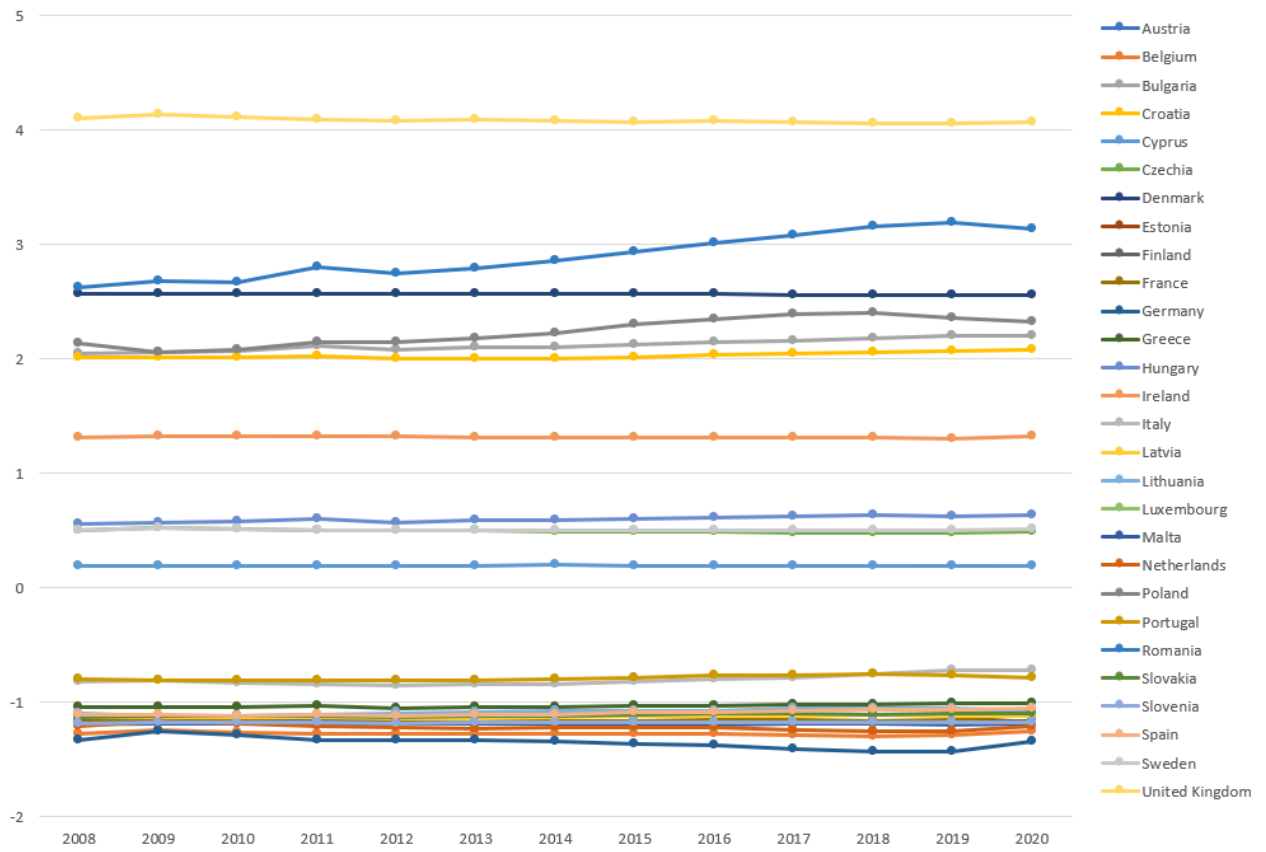


Figure 14: Consolidated EU-28 Depth of Integration (2008-2020)

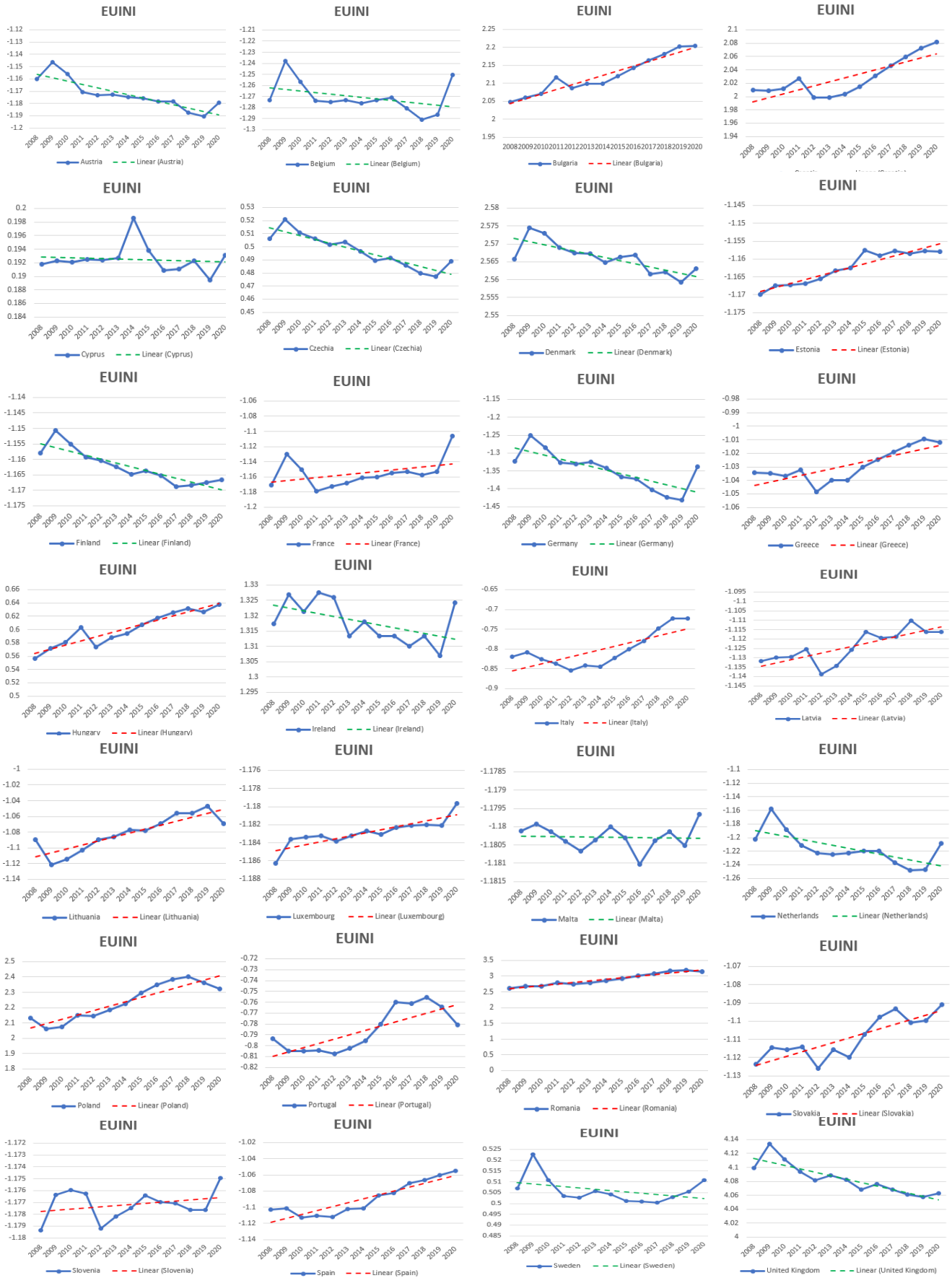


Table 11: EU-28 Depth of Integration (2008-2020)

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## CHAPTER VI:

### GOVERNMENT NON-COMPLIANCE WITH EU LAW

#### CHAPTER OUTLINE

- Introduction
- Non-Compliance In Times Of Rest
- Non-Compliance In Times Of Crisis
- EU Non-Compliance Preventive Mechanisms
- Methodology: Quantifying EU Member States Non-Compliance
- Discussion
- Bibliography

#### I. INTRODUCTION

Governments are run by political elites who, through their positions as decision-makers within the legal authority of a country, can manage outcomes through their decisions (Bruycker, 2017, p. 605). The government is the central transmission belt of national party preferences into the EU's policy-making system (Falkner & Plattner, *Populist Radical Right Parties and EU Policies: How coherent are their claims?*, 2018, p. 3). When faced with public skepticism, governments of EU member states become constrained between fulfilling their duties and commitments to the supranational unity on the one hand and simultaneously satisfy the voters on the other hand (Jovanović, 2019, p. 361). Therefore, considering growing public Euroscepticism and challenger parties, Challenger Governments CG(s) have emerged. CG(s) promote themselves as protectors of national sovereignty from the continuous involvement of the EU in domestic affairs (Hodson & Puetter, 2019, p. 1163). Although CG(s) have not proliferated withdrawal intentions (Hodson & Puetter, 2019, p. 1163), they, however, negatively evaluate the EU and grow their skepticism towards the European polity while they are in power (Hodson & Puetter, 2019, p. 1162). Consequently, their CG activism can go from negative discourse and reach non-compliance with EU law.

The argument in this chapter is the more recurrent a member state's non-compliance with EU law is, the higher is its likelihood to have an orientation to exit.

A member state's decision to exit is mirrored by a government's position towards the EU. This chapter considers that a compliant government with EU laws prefers Integration. Instead, a government that is non-compliant with EU law prefers exiting.

Non-compliance with EU law is a government behavior based on which a member state decides not to comply with laws mandated by the EU to which it has previously committed. Under Article 258 of the Treaty on the Functioning of the European Union TFEU, the European Commission can initiate infringement proceedings when member states fail to comply with EU laws. The European Commission measures non-compliance of states by tracking the number of infringement procedures it issues that target a member state, following its breach of an EU law or its failure to comply.

Standardizing domestic law based on supranational legal frameworks is an integral part of European Union membership (Corcaci, 2017, 487). Consequently, the non-compliance of member states with EU laws has been considered as a manifestation of disintegrative trends (Bevacqua, 2019, p. 96) (Schramm, 2019, p. 3).

This chapter herein overviews the academic debate on governments' non-compliance with EU law and its influence on EU integration/disintegration. It then details the methodology adopted to quantify non-compliance. Lastly, it discusses the findings.

## **II. NON-COMPLIANCE IN TIMES OF REST**

Membership in a supranational body comes with a prerequisite; the conformity to rules and standards mandated by that body. The EU comes in no exception. Member states' compliance with EU laws is a fundamental aspect of EU integration and directly impacts the proper functioning of the EU. However, compliance with EU law has been a challenge, and non-compliance generates disintegrative dynamics.

Starting with a fixed definition of compliance, it is "the conformity of one actor's behavior with a specific rule, which does not account for the complex political processes that are essential to interactions between different actors and levels of governance"(Corcaci, 2017, p.492). However, compliance is an overarching concept that embeds a political process of overlapping dynamics (Corcaci, 2017, p.492). The process involves four phases; "transposition, administrative implementation, practical application, and enforcement" (Corcaci, 2017, p.493). The second phase, implementation, is characterized by specificity per member state. "Member state implementers remain formally independent. Implementation is not merely the

execution of delegated tasks but involves independent decision-making" (Heidbreder, 2017, p. 1369). Consequently, different implementation strategies are adopted by different EU member states, which manifest in varying degrees of compliance with EU laws. The final phase, enforcement, includes the infringement procedures issued by the European Commission as a means to deter non-compliance and enforce EU laws (Corcaci, 2017, p.494).

Four constellations of preferences have been identified among political actors regarding EU integration and the laws the membership mandates. First, the permissive consensus; it is characterized by the support of the public and interest groups for EU integration. Second, a sectoral confrontation; it is the result of the support of the public but the opposition of interest groups. Third, the constraining dissensus; it is the result of the opposition of the public and the support of interest groups towards Integration. Fourth is the general opposition; it is the result of the resistance of both the public and interest groups towards Integration (Genschel & Jachtenfuchs, More integration, less federation: the European integration of core state powers, 2016, p. 53). The interplay between the positions of the public and the interest groups regarding EU membership determines the preferences of national authorities regarding integration or disintegration. Therefore, the dynamics of co-governance between the state and other factors are volatile and can go from cooperation to competition (Tosun, Koos, & Shore, 2016, p. 3).

When the EU legal framework imposes limitations, member states seek to avoid legal commitments in order to design a better environment (Sattich & Inderberg, 2018, p. 10) and serve their domestic interests (Sattich & Inderberg, 2018, p. 2).

Moreover, based on the power approach, the institutional capacity to implement and enforce determines states commitment to complying with EU laws (Imburgia, 2019, p. 17), and the power it has to do so (Börzel & Sedelmeier, Larger and more law abiding? The impact of enlargement on compliance in the European Union, 2017, p. 199). Therefore, non-compliance can be due to a lack of capability of the institutions to comply where "smaller or ineffective bureaucracies lack the resources or capability to comply, to provide the information necessary to reduce compliance uncertainty or to co-ordinate and enforce compliance" (Mendez & Bachtler, 2017, p. 572). Additionally, the capabilities of institutions in terms of human resources and experience plays a significant role in the ability of a member state to comply (Dimitrova & Steunenberg, 2017, p. 1228). The categories of states are, namely, the "world of law observance," the "world of domestic politics," and the "world of transposition neglect".

*"In the world of law observance, abiding by EU rules is usually the dominant goal in both the administrative and the political systems. The same is only true for the*



*administrative system when it comes to the world of domestic politics. There, the process can easily be blocked or diverted during the phase of political contestation. In the world of transposition neglect, by contrast, not even the administration acts in a dutiful way when it comes to the implementation of EU Directives. Therefore, the political process is typically not even started when it should be" (Falkner, Hartlapp, & Treib, 2007).*

On another note, scholars argue that compliance, which includes proper implementation, is achieved through the alignment of "politics and bureaucracy," which means that agreement and cooperation among "policy-makers and bureaucrats" is a prerequisite for effective compliance (Dimitrova & Steunenberg, 2017, p. 1211). Thus, the lack of alignment will consequently increase the risk of non-compliance.

Furthermore, non-compliance involves national political and administrative actors (Dimitrova & Steunenberg, 2017, p. 1214). EU member states are the primary decision-makers as to EU law enforcement and implementation (Falkner, Fines against member states: An effective new tool in EU infringement proceedings?, 2016, p. 37). States, in their legitimate representation, are the principal actors deciding on the integration status of their countries (Schimmelfennig, Brexit: Differentiated Disintegration in the European Union, 2018) (Vollaard, 2014). Since national governments are the primary decision-makers regarding the member state trajectory of integration, the integration process is rendered precarious and needing their support of EU member states. National governments thus decide of the country's membership status, directly deals with European institutions, take decisions regarding European affairs, and control the enforcement of EU policies (Ares, Ceka, & Kriesi, 2017, pp. 1096-1097).

From an EU regulatory governance perspective, member states are categorized according to their legal pledge to EU policies; "Full commitment, partial commitment (largely committed with exceptions of few opt-outs), punctual commitment (largely opted out with few exceptions of commitment), and no commitment" (Lavenex, Krizic, & Euidea, 2019, p. 6). The extent of commitment can be described as either "harmonization" of laws, which is the substitution of national laws by those of the EU; or "approximation" of laws, which is the rapprochement of national law to EU law; or "awareness" of laws, which is the sharing of information and practices for awareness and inspiration purposes without amending national laws (Lavenex, Krizic, & Euidea, 2019, p. 6).

From there, the national strategy and power of the state do impact its orientation towards integration/disintegration in the EU (Schimmelfennig, *Brexit: Differentiated Disintegration in the European Union*, 2018, p. 1155). EU member states are categorized into three different groups based on their own domestic flair: EU member seeking further integration, those seeking stagnation, those seeking differentiated disintegration (Schimmelfennig, *Brexit: Differentiated Disintegration in the European Union*, 2018, p. 1158). Therefore, the commitment-compliance gap is due to growing opposition to EU integration among European nationals (Börzel T. A., *From EU Governance of Crisis to Crisis of EU: Regulatory Failure, Redistributive Conflict, and Euroskeptic Publics*, 2016, pp. 5-6). This gap is a fundamental cause behind the EU's governance impotence (Börzel T. A., *From EU Governance of Crisis to Crisis of EU: Regulatory Failure, Redistributive Conflict, and Euroskeptic Publics*, 2016, pp. 5-6).

Thus, one can conclude that the Eastern Enlargement happened not after full consent but after "imposed consent," which created dissatisfaction among various EU member states. Non-compliance could also be due to the absence of conditionality at the time of ascension (Börzel & Sedelmeier, *Larger and more law abiding? The impact of enlargement on compliance in the European Union*, 2017, p. 210).

Lastly, from a legitimacy approach, one could also assign it to the simple lack of legitimacy of the EU among member states, which leads to a lack of willingness to comply (Börzel & Sedelmeier, *Larger and more law abiding? The impact of enlargement on compliance in the European Union*, 2017, p. 199)

### **III. NON-COMPLIANCE IN TIMES OF CRISIS**

EU affairs have been highly politicized at the domestic level, impacting EU legitimacy (Schmidt, 2019, p. 312). Some states have refrained from implementing decisions taken at the EU level, which has caused a regulatory shortfall in the EU.

Following the Lisbon Treaty, parliaments, who previously had limited legislative power at the supranational level, were granted an increased authority, which has deterred perceptions that integration leads to loss of national authority (Auel & Hönig, 2014, p. 1184). However, crisis management at the intergovernmental level decreased the authority of parliaments by limiting

their participation (Auel & Hönig, 2014, p. 1184). Therefore, by creating treaties outside the legal framework of the EU, the elite gained further authority, national parliaments roles were undermined, and EU affairs became perceived as foreign affairs (Auel & Hönig, 2014, p. 1186). Additionally, the Euro Crisis and the Migration Crisis were politicized, which exacerbated nationalism (Börzel T. A., *From EU Governance of Crisis to Crisis of EU: Regulatory Failure, Redistributive Conflict, and Euroskeptic Publics*, 2016, p. 5).

Nevertheless, as the Euro crisis unfolded, strict measures were taken within an intergovernmental framework (Auel & Hönig, 2014, p. 1184), giving national governments a primary role (Ares, Ceka, & Kriesi, 2017, p. 1098). Decision-makers at the EU level were thus able to depoliticize the euro crisis (Börzel & Risse, 2018, pp. 98-99). Conversely, during the immigration crisis, the European Union has adopted a supranational approach to solving the refugee crisis by creating new bodies such as the EU Border and Coast Guard Agency (EBCG) to replace FRONTEX. Due to the dissatisfaction of member states following their marginalization from crisis management, non-compliance with the EU laws became a fact, and unilateral solutions were put in place at the state level (Börzel & Risse, 2018, p. 91). Attempts at depoliticizing the refugee crisis failed (Börzel & Risse, 2018, pp. 99-101).

#### **IV. EU NON-COMPLIANCE PREVENTIVE MECHANISMS**

The EU recognizes the present risk of member states' non-compliance with EU laws and admits the hazard it carries to the polity's sustainability. In a press release addressing EU law application, the European Commission EC stated that "member states compliance with EU law: not yet good enough" (EUCommission, European Commission Press Corner, 2016), stressed on the importance of proper EU law enforcement, and highlighted that infringement proceedings had witnessed an increase due to the failure of member states to apply the law (EUCommission, 2016).

The EU categorizes cases of non-compliance; there are "non- or late notification of the transposition of EU directives, the legal non-conformity of national implementation measures implementing an EU directive, the incorrect application of national implementation measures (NIM), and the violation of treaty provisions, regulations, and decisions" (Börzel & Knoll, 2012, p. 17). However, the EU seems to have limited power as to law enforcement (Falkner, *Fines against member states: An effective new tool in EU infringement proceedings?*, 2016, p. 45). Therefore, preventive mechanisms were designed. An indirect deterrence lies within

differentiated integration. Differentiated integration has been used as a response to public skepticism, which constrains states to comply with EU law. It allows governments to overcome barriers imposed by public dissensus and move forward with the integration process (Schramm, 2019, p. 3). Differentiated integration is a conciliation between pro-EU and EU opponents (Svendsen & Adler-Nissen, 2019, p. 1422).

In terms of direct enforcement of laws, two-approaches have been adopted; "strong supervision and weak supervision" of the European Commission in monitoring the proper compliance with EU Laws. The decision to adopt one or the other is based on the EC's capacity to monitor (Dimitrova & Steunenber, 2017, p. 1215).

Additionally, to best track non-compliance in EU member states, the EC launched investigations. However, states consider the EC investigations as an interference in internal matters, which has limited the effectiveness of those investigations. Therefore, the EC "is short of adequate resources to establish the quality of transposition and application of EU rules" (Falkner, A causal loop? The Commission's new enforcement approach in the context of non-compliance with EU law even after CJEU judgments, 2018, p. 774).

Nevertheless, whenever non-compliance is identified, the Treaty on the EU assigns to the EC, the responsibility to ensure law enforcement (Article 17 TEU). Therefore, it shall submit non-compliance cases before the Court of Justice of the EU CJEU (Article 258 TFEU) when needed. The CJEU will, in turn, issue infringements proceedings (Falkner, A causal loop? The Commission's new enforcement approach in the context of non-compliance with EU law even after CJEU judgments, 2018, p. 770). Analyzing EU institutions, scholars have discussed the legal procedures within the polity, arguing that the extension of the European Court of Justice ECJ may have incited national courts and litigants to counter EU expansion and seek to enhance the national legal institutions. They acknowledged that this might not only hinder the EU enlargement process but might lead to the disintegration of the EU (Alter, 2000, p. 490).

## **V. METHODOLOGY: QUANTIFYING EU MEMBER STATES NON-COMPLIANCE**

This chapter relies on infringement data to track compliance patterns among EU member states (Imburgia, 2019, p. 17). It is a reliable measure of compliance trends given that it has been initiated by the European Commission, an institution that considers itself as the Guardian Of the EU rule of law (Imburgia, 2019, p. 20).

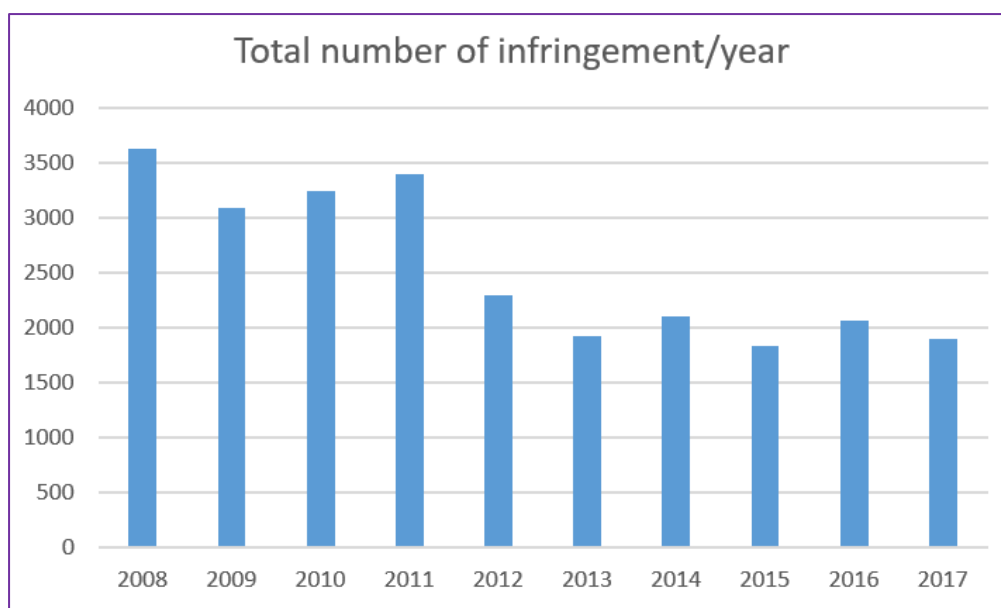
The question of EU integration as such is not a straightforward question that is constantly on the agenda of EU member states. Therefore, indicators quantifying the government preference towards the EU were needed. Non-compliance seemed a proper indicator because other than its substantial relevance, it is also the result of coalition formation and political processes that result in a decision either to comply or not. Although governments usually prefer the status quo and shy away from big policy changes (Zohlnhöfer, 2009, p. 102), however, as seen in the UK, after the conservative government presented the exit opportunity to the public, it won again in the next elections.

Government Non-Compliance is an ascending score. Government Non-Compliance in this project is equal to the Number of Infringement Proceedings issued by the EC (European Commission, European Commission At Work, 2021). A high value means that the government is a skeptic and has an anti-EU preference; however, a low value means that the government has a pro-EU preference.

## **VI. DISCUSSION**

Compliance with EU law has improved among all member states except for Croatia, the last state to have joined the EU, which has an increasing trend of non-compliance. Italy and Greece have been the states which comply the least. Estonia, Lithuania, Slovenia, Denmark, and the Netherlands are among the states which comply the most. The UK, the only state to have disintegrated, has also had a decreasing trend of non-compliance.

It can be argued that some states are unable to comply with EU laws because they do not have the administrative capacity to do so. The state with the highest non-compliance rate is Italy. It is possible that Italy does not possess the administrative capacity to comply. However, Italy is a founding member of the EU, meaning that after almost 60 years of membership, Italy should have acquired all needed capabilities to comply making its trend of non-compliance a rather voluntary choice. Italy can be pro-EU with a take-don't give attitude.



**Figure 15:** Total Number of Infringement Proceedings per Year

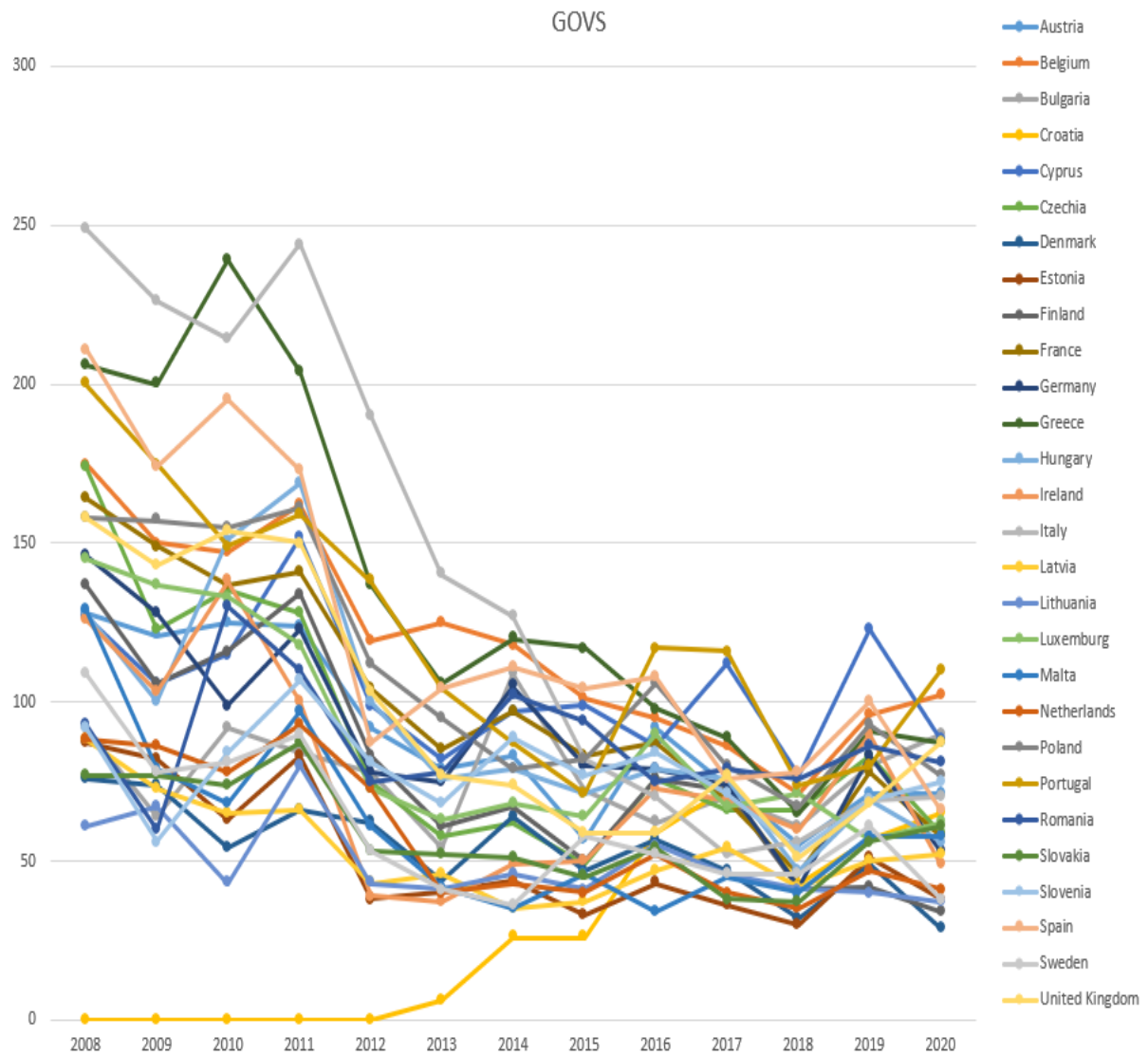
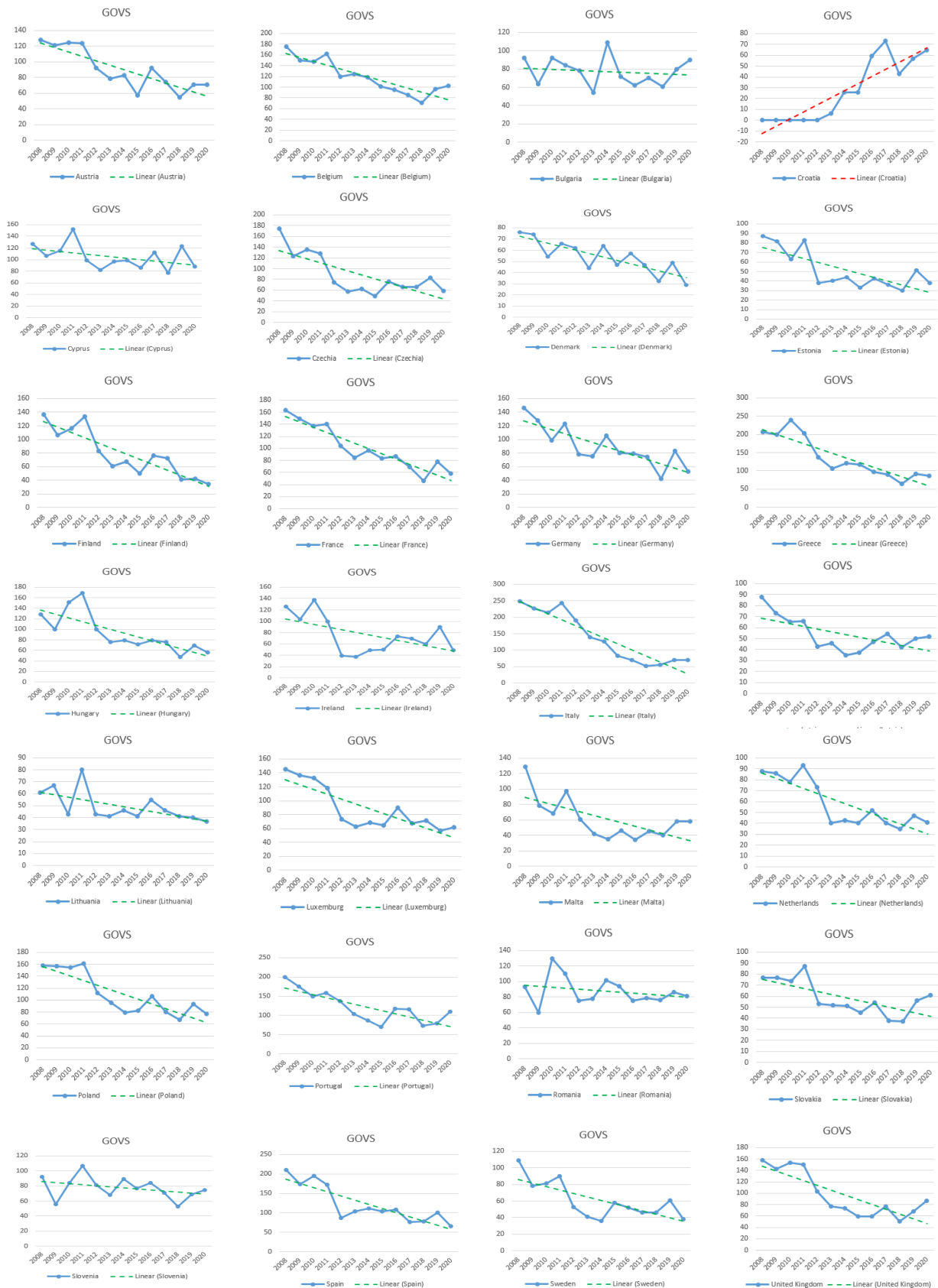
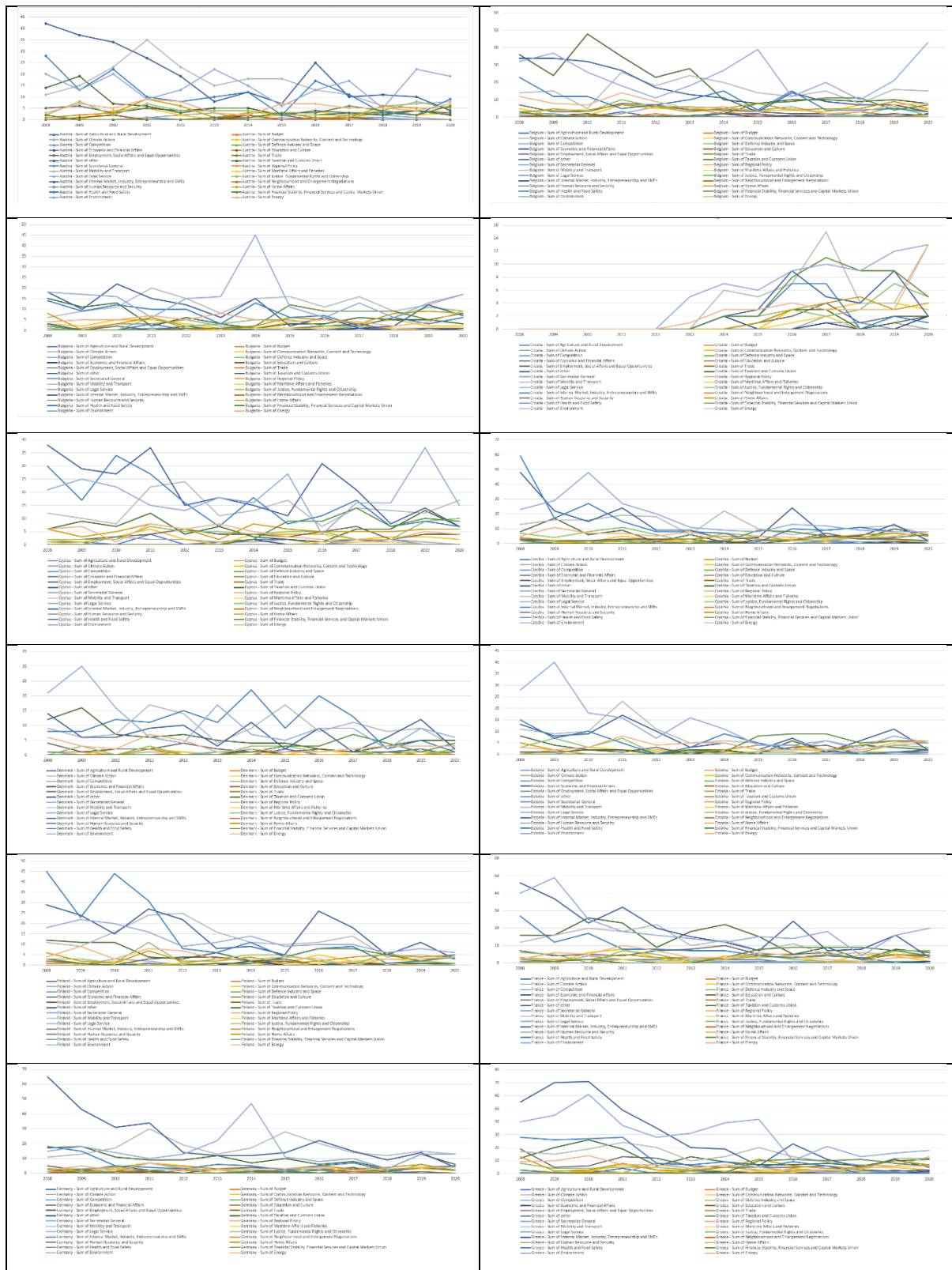


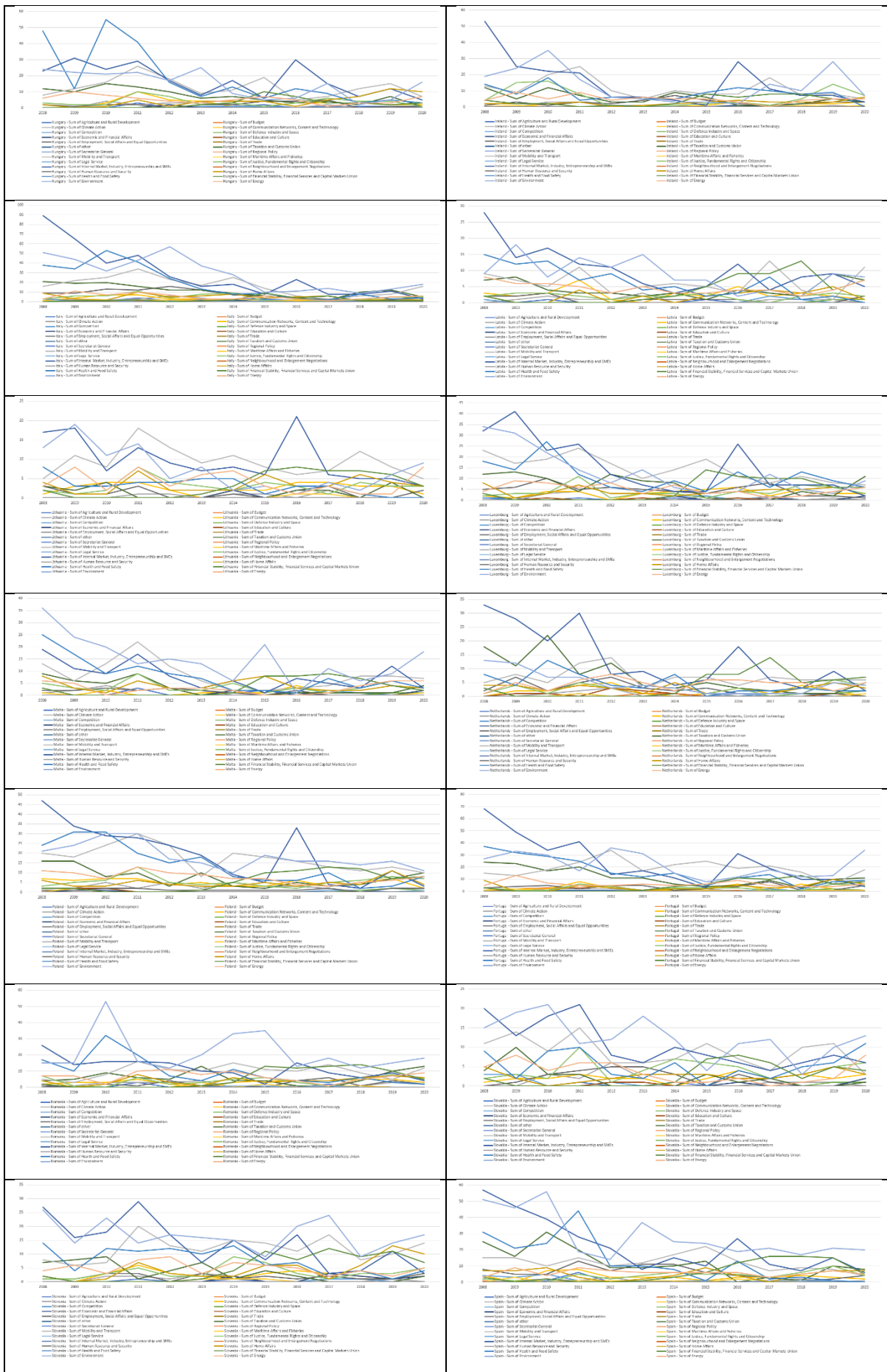
Figure 16: Consolidated EU-28 Infringement Proceedings (2008-2020)

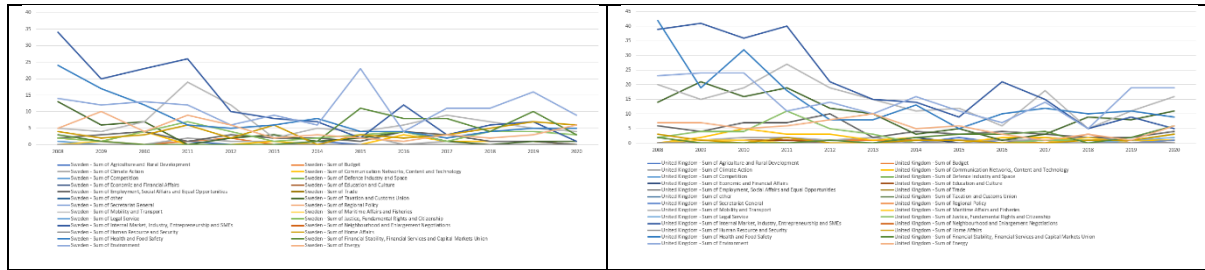


**Table 12.1:** EU-28 Total Number of Infringement Proceedings (2008-2020)









**Table 12.2:** EU-28 Number of Infringement Proceedings Per Issue Area (2008-2020)

This chapter has tracked the degree of compliance of EU member states. It argued that the more a government is non-compliant with EU law, the higher the likelihood for a state to exit. Non-compliance along with the other factors that mirror how domestic political actors perceive the EU influences a state orientation and decision to exit or remain.

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## CHAPTER VII :

### POLITICAL PARTIES EUROSCEPTICISM

#### CHAPTER OUTLINE

- Introduction
- Political Parties Influence On EU Affairs
- Political Integrators: An overview
- Methodology: Tracking Political Parties Euroscepticism
- Discussion
- Bibliography

#### I. INTRODUCTION

"Political parties are expressions of already formed, densely organized and socially closed groups" (Hooghe & Marks, 2018, p. 110) who aim to meet voters' preferences (Hooghe & Marks, 2018, p. 126). Political parties act within a party system, which is the materialization of conflicts among social groups (Hooghe & Marks, 2018, p. 111). Therefore, policies directly relating to EU integration are influenced by the preferences of parties and their electorates towards the EU.

Political parties are not the sole actors engaged in political processes. Next to them, lobbyists from the corporate world perform political advocacy, with firms spending large budgets to lobby government institutions (Lewis, 2016, p. 6). There is a form of co-governance between the state and other actors (business actors, lobbyists among others) with an interdependent influence on one another's agenda, whether about domestic politics or the relationship with a supranational body (Tosun, Koos, & Shore, 2016, p. 8). Actors in European Union member states are no different.

The trajectory of European integration depends on the engagement of several actors, among them political parties. Europe has witnessed the growing success of right-wing parties in the past decade, which has also influenced the positions of mainstream parties and redirected their agenda right-ward (Akkerman, 2012, p. 62).

Member states have constructivists' consideration when assessing EU membership. Political parties' preferences towards the EU influence a state orientation. Political parties' Euroscepticism is a governing dynamic trend of opinion at the domestic level of an EU member state that is characterized by anti-EU feelings and opposition towards a member state's membership of the EU. This Euroscepticism is mainly mirrored in parties' political discourse especially in times of campaigns. The higher the level of Political Parties Euroscepticism in a member state, the higher is its likelihood to have an orientation to exit.

A Political Party is a cluster of individuals forming a structured entity that seeks to attain and exercise political authority and directly influence political processes, through legitimate government institutions. Political parties are an extension of the public, and their activity is based on meeting their public's/voters preferences. Political parties' strength or weakness comes from the people and is thus in the hands of the voters. Their influence is quantified by votes. The larger the share of voters supporting a party, the more influencer that party is.

A Political Integrator is a cluster of sub-groups forming a non-structured movement that seeks to indirectly influence political processes taking place within legitimate government institutions, through channels that are external to those institutions. Political integrators are an extension of a specific group of people. They seek to maneuver resources and invest them to meet the restrained groups' interests. Their strength or weakness emanates mostly from their financial wealth, and their investment is the societies they are part of, and the states that govern them. Their influence is quantified by the number of financial contributions to the state or other influential political actors. The higher is the financial contribution of political integrators, the more influential they are and the more they can advance their agenda.

This chapter herein overviews the academic debate on Political Parties and their influence on EU integration/disintegration. It then details the methodology adopted to analyze the trends of those groups. Lastly, it discusses the findings. The chapter will not tackle political integrators due to the time limitation of the research project and the lack of data but including, in later research, the impact of political integrators is highly relevant.



## II. POLITICAL PARTIES INFLUENCE ON EU AFFAIRS

Party Systems in Europe have witnessed enhanced volatility and growing instability, along with a trend towards the entry of new political parties and the exit of old ones (Chiaramonte & Emanuele, 2015, p. 384). In general, parties with an anti-EU or Eurosceptic stance are labeled as nationalists, right-winged, populists, radical, among others. This chapter adopts the label for Eurosceptic Parties presented by Falkner and Plattner "Populist Radical Right Parties PRRP" (Falkner & Plattner, Populist Radical Right Parties and EU Policies: How coherent are their claims?, 2018) (Falkner & Plattner, EU Policies and Populist Radical Right Parties' Programmatic Claims: Foreign Policy, Anti-discrimination and the Single Market, 2020).

### 2.1. Parties Ideologies

Understanding ideologies is integral for understanding political parties. Under "right," the first ideological branch embeds a juxtaposition between radical and extreme. The former is a reformist approach that seeks to amend the economic and political system while preserving democracy (Golder, 2016, p. 478). The latter perceives inequality as a natural feature of a system and opposes state interventionism (Golder, 2016, p. 479). The second ideological branch embeds a juxtaposition between populism and pluralism. The former is an exclusionary approach that benefits a specific stratum of the society based on identity criteria (Golder, 2016, p. 480). The latter is an inclusionary approach that seeks to find concessions to accommodate the various factions within a specific group (Golder, 2016, p. 479). The third ideological branch is nationalism, which revolves around the equivalence of the state and the nation (Golder, 2016, p. 480). The fourth ideological branch is fascism, the least popular within European states (Golder, 2016, p. 481) and the most extreme.

### 2.2. Parties Categories

Political parties in Europe are categorized into two broad categories.

On the one hand, Mainstream Political Parties MPP are those who adopt a moderate political stance and usually occupy a large share of the political arena (Grande, Schwarzbözl, & Fatke, 2019, p. 1452). They have been politically active. A recently emerging challenge weakening the MPP's is the recurrent exposure to the crisis. Given that these parties are in power and have the highest exposure, they are held responsible for the turmoil. Additionally, MPP's are internally divided (Hooghe & Marks, 2018, p. 116) and are constrained by reputational motives (Rohrschneider & Whitefield, 2015, p. 140), compelling them to act within a limited scope and preventing them from being responsive to emerging popular trends. In states where

the public is witnessing an increasing Euroskepticism, MPPs would be hesitant to shift their position of support for integration, which might cost them shares of the electorate

On the other hand, Challenger Political Parties CPP are those who have not yet entered the legitimate political structure of a state. CPP(s) are characterized by extreme positions, which, compared to other parties, go beyond the usual ideological scope (Grande, Schwarzbözl, & Fatke, 2019, p. 1452). The commitments to respective governments do not control these parties. Their strength lies in the fact that they are not held responsible for crisis and turmoil by the public, given that they are in opposition (Hobolt & Tilley, 2016, p. 972). Those CPP, which are positioned at the extreme right, tend to be characterized by respective internal solidarity, a clear expression of positions regarding controversial issues, and have rendered important issues more salient (Hooghe & Marks, 2018, p. 111). Therefore, in states where the public is witnessing an increasing Euroskepticism, CPP(s) would be able to respond to the public's trend and consequently increase their stakes.

Indeed, the majority of PRRP's are Eurosceptic and seek to halt integration (Falkner & Plattner, EU Policies and Populist Radical Right Parties' Programmatic Claims: Foreign Policy, Anti-discrimination and the Single Market, 2020, p. 12). However, given the difficulty of those parties to reach a unanimous decision, their impact on EU integration will be incremental and limited (Hodson & Puetter, 2019, p. 1166). Additionally, the impact of parties is constrained by EU membership (Obinger, Schmitt, & Zohlnhöfer, 2014, p. 1314). Nevertheless, "Eurosceptic position adopted by most challenger parties has put pressure on national governments and made it more difficult to reach agreement on political issues" (Hobolt & Tilley, 2016, p. 985). These parties constrain national governments and hinder their attempts to implement policies and fulfill their commitments towards the EU (Eppler, Anders, & Tuntschew, 2016, p. 18).

An additional category of political parties is the "independence-seeking political parties" (Boylan & Turkina, 2019, p. 1310). With their agenda, these political parties seek EU support through direct interaction with the European institutions outside the domestic institutions' framework. With some exceptions which are influenced by economic and political factors (Boylan & Turkina, 2019, p. 1310). However, in general, those parties support the EU irrespective of the concrete results they achieve through it and its integration trajectory (Boylan & Turkina, 2019, p. 1327).

### 2.3. Parties, Voters, and Governments

EU integration has become an increasingly salient topic (Akkerman, 2012, p. 59). The process of political parties' influence on the EU's trajectory involves three stages: politicization, mobilization, and populism.

First politicization; parties and their supporters have a two-side interaction; a demand-side which is voter-focused, and a supply-side, both needed for the proper functioning of a party system and hence political processes. (Golder, 2016, p. 482). Therefore, when the public is Eurosceptic and demands more distancing and less integration from the EU, political parties shall supply this preference to sustain their position as political actors. Thus, voter based disintegration is "the process in which a member state of an international institution attempts to unilaterally change the terms of or withdraw from an existing international institution based on a strong popular mandate, such as a referendum vote or a successful candidate's key election promise" (Walter, 2019, p. 3). Voters-based disintegration is the politicization of the question of a state membership in an international or supranational institution. It is also highly likely to transcend borders and create domino effects from one state to another because it highlights the costs and benefits of decisions to integrate or disintegrate in a simulation-like process (Walter, 2019, p. 5). When a country benefits from disintegration, the likelihood that voters of other member states see those benefits and prefer to duplicate the experience of the withdrawing state (Walter, 2019, p. 30). Voter-based disintegration needs a prerequisite to materialize, and that is politicization. Political parties are the major players in the politicization of European integration. They filter the understanding of the policies taken at the EU level and their consequent result at the domestic level (Ares, Ceka, & Kriesi, 2017, p. 1111). The "higher or lower trust among the Member of Parliament's towards the institutions depends on the particular configuration of political parties in each country, namely the record of the attitudes of particular parties towards the EU in general" (Nezi, Sotiropoulos, & Toka, 2009, p. 1018). Therefore, the degree of politicization of EU affairs influences public support. Consequently, the more skeptical the political parties, the more negative is the effect of politicization on European integration (Ares, Ceka, & Kriesi, 2017, p. 1098). Politicization is high when a broader category of factors is involved and where opinions are highly divergent (Ares, Ceka, & Kriesi, 2017, p. 1097). There is a distinction between politicization that is government-centered and politicization that is political parties centered (Ares, Ceka, & Kriesi, 2017, p. 1097).

Second, mobilization; while politicization includes party but also public engagement in a debate over an issue, mobilization involves only a party's activity regarding a specific issue. Four indicators evaluate mobilization and are applicable to EU-issues (Senninger & Wagner, 2015, p. 1337).

First, how much the EU as an issue is discussed by a party (Senninger & Wagner, 2015, p. 1337).

Second, who among party members is engaged in this discussion, specifically whether members of the European Parliament are engaged in this discussion (Senninger & Wagner, 2015, p. 1338). For a party to choose to mobilize over EU issues depends on whether it is a governing party or an opposing party to the governing authority (Senninger & Wagner, 2015, p. 1337). It also depends on a party's ideological position and the consequent strategies it chooses to adopt when dealing with EU-related issues (Senninger & Wagner, 2015, p. 1337). More precisely, an issue-based motive is a drive for the political party to mobilize around EU affairs out of convictions that it will acquire a larger share of the electorate and consequently enter the governing arena (Senninger & Wagner, 2015, p. 1339). Conversely, a party that is already taking part in the government will address EU affairs because its commitments constrain it to implement EU policies (Senninger & Wagner, 2015, p. 1340). Therefore, two forms of mobilization over EU issues are identified: full mobilization where EU-issues are at the core of the electoral campaign, or partial mobilization where the party allocates a minor share of its campaign to EU-related issues (Senninger & Wagner, 2015, p. 1337) Third, which sub-issues of the EU are included in this discussion; these are the general lines of debate – pro or anti-EU, the EU policies, and the EU as an external actor (Senninger & Wagner, 2015, p. 1338). Fourth, how the discussion is framed – “cultural, economic” (Senninger & Wagner, 2015, p. 1338) or social.

Third, populism, although portrayed as a harmful phenomenon, however, some scholars argue that populism has pushed salient and relevant issues to the public on the political agenda (Salgado & Stavrakakis, 2019, p. 5). Additionally, populism and crisis do not necessarily correlate (Salgado & Stavrakakis, 2019, pp. 2-3). In the EU precisely, right-wing populism and left-wing populism have both proved to be opposing to the current EU trajectory with the refusal of the loss of national sovereignty as a common denominator (Salgado & Stavrakakis, 2019, p. 5).

## 2.4. Political Parties in the EU Member States and EU Crises

As the EU struggles with the euro and immigration crisis, the public has held mainstream parties accountable for the non-satisfactory measures taken at the EU level and imposed at the national level. Therefore, the party system lost its stability. The prevailing parties lost about 12% of the usual voter's support from 2008 to 2016 (Hobolt & Tilley, 2016, p. 985). The crisis that the EU has faced has generated a popular counter-reaction towards EU integration. This counter-reaction has created a deep division that transcends nation-states in Europe (Hooghe & Marks, 2018, p. 109). Consequently, opposition emerged targeting economic, political, and social domestic dynamics on the one hand, and external dynamics that intrude in the national arena through the free movement of labor and goods, and immigration, on the other hand (Hooghe & Marks, 2018, p. 110).

### 2.4.1. The Euro Crisis

The response of the European Union to the euro crisis, mainly the austerity measures, were profoundly felt by the public. Consequently, a social disturbance within EU member states emerged (Salgado & Stavrakakis, 2019, p. 1). With the new political environment, prevailing parties MPP found themselves constrained by their established brands, reputation, and history (Salgado & Stavrakakis, 2019, p. 1). Conversely, the new reality presented an opportunity for CPP's who were able to address the new grievances of the people, reshape, and polarize the political debate (Salgado & Stavrakakis, 2019, p. 1). The conventional right/left political division and the traditional institutions no longer satisfied the resentful public (Salgado & Stavrakakis, 2019, p. 2). Therefore, the financial crisis has resulted in instability in the party system in Europe. CPP(s) have increased their share of the electorate to the detriment of MPP(s) (Hernandez & Kriesi, 2016, p. 203). Electoral volatility in light of the recession has given populist parties electoral opportunities to explore while the public held mainstream parties accountable for the economic turmoil (Hernandez & Kriesi, 2016, p. 221). Citizens who were directly impacted by the economic turmoil shifted their support towards challenger parties as they held mainstream parties accountable for the crisis and chose to punish them (Hobolt & Tilley, 2016, pp. 972-973), a behavior labeled as sanctioning and selection (Hobolt & Tilley, 2016, p. 976).

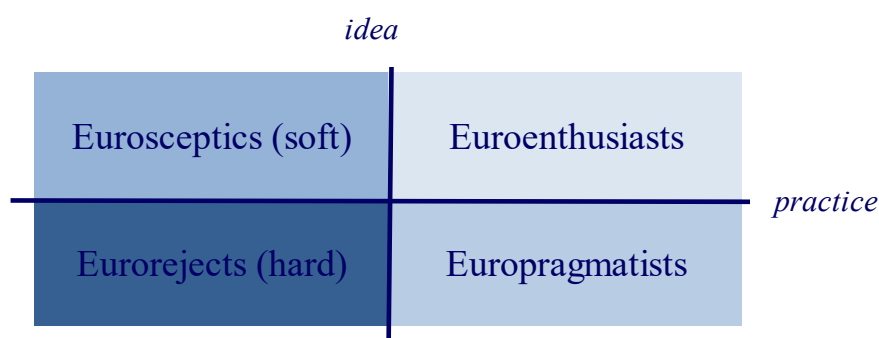
### 2.4.2. Immigration Crisis

Similar to the euro crisis, the response of the EU to the immigration crisis, mainly the enhancement of constraining obligations of the asylum policy, has intensified controversies at the national level and created domestic resilience (Grande, Schwarzbözl, & Fatke, 2019, p.

1444). Immigration is an issue that acquired a large share of the political debate, and its salience has been on the rise (Akkerman, 2012, p. 59) (Grande, Schwarzbözl, & Fatke, 2019, p. 1459). Concerns about culture, security, and the economy have risen among conservatives, which has given an upsurge to anti-immigration sentiments. Consequently, increased support for anti-immigration parties was witnessed (Dennison & Geddes, 2019, p. 108). However, the core reason behind the rise of anti-immigration parties is not the rise of anti-immigration sentiments but rather the rise of the salience of immigration as an issue (Dennison & Geddes, 2019, p. 115). Immigration grew in salience as a political issue because of an increase in the percentage of immigrants in a country, a growing influence of rightist parties in governments, and the coalition motives among them, paired with the need to form alliances, for winner parties to govern (Green-Pedersen & Otjes, 2017, p. 424). Some studies showed that socio-economic factors do not directly impact the dynamics of the politicization of immigration (Grande, Schwarzbözl, & Fatke, 2019, p. 1459).

## 2.5. Political Parties in the EU Member States and Euroscepticism

With the reinforcement of mass politics, the political orientation of political parties has affected the course of politics at the EU level. The surge of Euroscepticism in the wake of the Euro crisis and austerity measures had not reached calls for disintegration (Bortun, 2018, p. 2). However, *Plan B for Europe* initiative has marked the emergence of movements calling for non-compliance and even exit from the EU (Bortun, 2018, p. 2). However, Euroscepticism comes in varying degrees. Figure 10 (Bortun, 2018, p. 5) below overview the different categories of Eurosceptic Parties which were identified based on their position regarding EU integration as an idea and as a practice:



**Figure 17:** Categorization of EU parties positioning towards EU integration as an idea or a practice

Euro-rejects are parties that reject the European project and call for exits. The Euro-sceptics are parties that reject the idea of integration but favor collaboration. They call for restoring the state's sovereignty. Euro-pragmatists reject the idea of a single European state favor integration, mainly in economic areas. Euro-enthusiast favors deeper and wider integration and calls for the expansion of the EU's authority on member states.

### **III. METHODOLOGY: TRACKING POLITICAL PARTIES EUROSCEPTICISM**

Political Parties PP Euroscepticism is coded as an ascending score, meaning the higher the Political Parties PP Euroscepticism, the higher is the score, and the lower the Political Parties PP Euroscepticism, the lower is the score. To best understand the preferences of political parties regarding EU integration, reference was made to the Manifesto Project (Volgens, 2020), a reliable source for evaluating political parties' stances (Falkner & Plattner, 2018, p. 6) (Ares, Ceka, & Kriesi, 2017, pp. 1099-1100). Manifestos are typically only published before elections. That is why the data set for the entire time frame (2008-2020) was lacking data for years when elections were not held in member states. Manifestos are not documenting fixed positions or preferences. They are the result of dynamic and volatile positions. Therefore, even outside the elections period, political parties' preferences are of relevance. To fill in the data for a given year when the elections were not held, the mean of two values is calculated; the value of the previous elections, and the value of the succeeding elections. Therefore, for every given year with no assigned data, the mean of the values of the previous and succeeding elections was assigned. However, in some cases, the first election for a given member state starts a year or two after 2008, the first year of the time frame studied. In this case, the value of the first election of the time frame is copied to the previous years leading to the elections. Similarly, for some states, the last round of elections takes place a year or two before the last year of the time frame. In this case, the value of the last elections is copied to the succeeding years when no elections were held until the last year of the time frame. Malta is the only country that is not included in the data set. Therefore, we calculate the mean of the complete data set and assigned it to Malta for the entire time frame. Luxembourg and Poland are also special cases. Only one round of elections was coded; therefore, the same value has been given to all the years (2008-2020).

To quantify the influence of the negative political discourse, we identified the codes of the negative mentions of the EU (per110). Then, we calculated the percentage of absolute seats gained by a party out of the total seats of the parliament. We labeled it as the percentage of representation (perrep). Then, we multiplied the perrep by the code assigned to the negative discourse on the EU. Lastly, we summed the values of all parties per election to get a single value per year for every EU member state. Therefore, for every round of elections, the negative stance about the EU was weighted by the percentage of seats gained by the party, which determines how influential the skepticism of a party on EU politics domestically. Weighting the stance regarding the EU with the representation weight of a party helps assign a more accurate coefficient to the impact of each party on the overall decision regarding EU membership.

#### **IV. DISCUSSION**

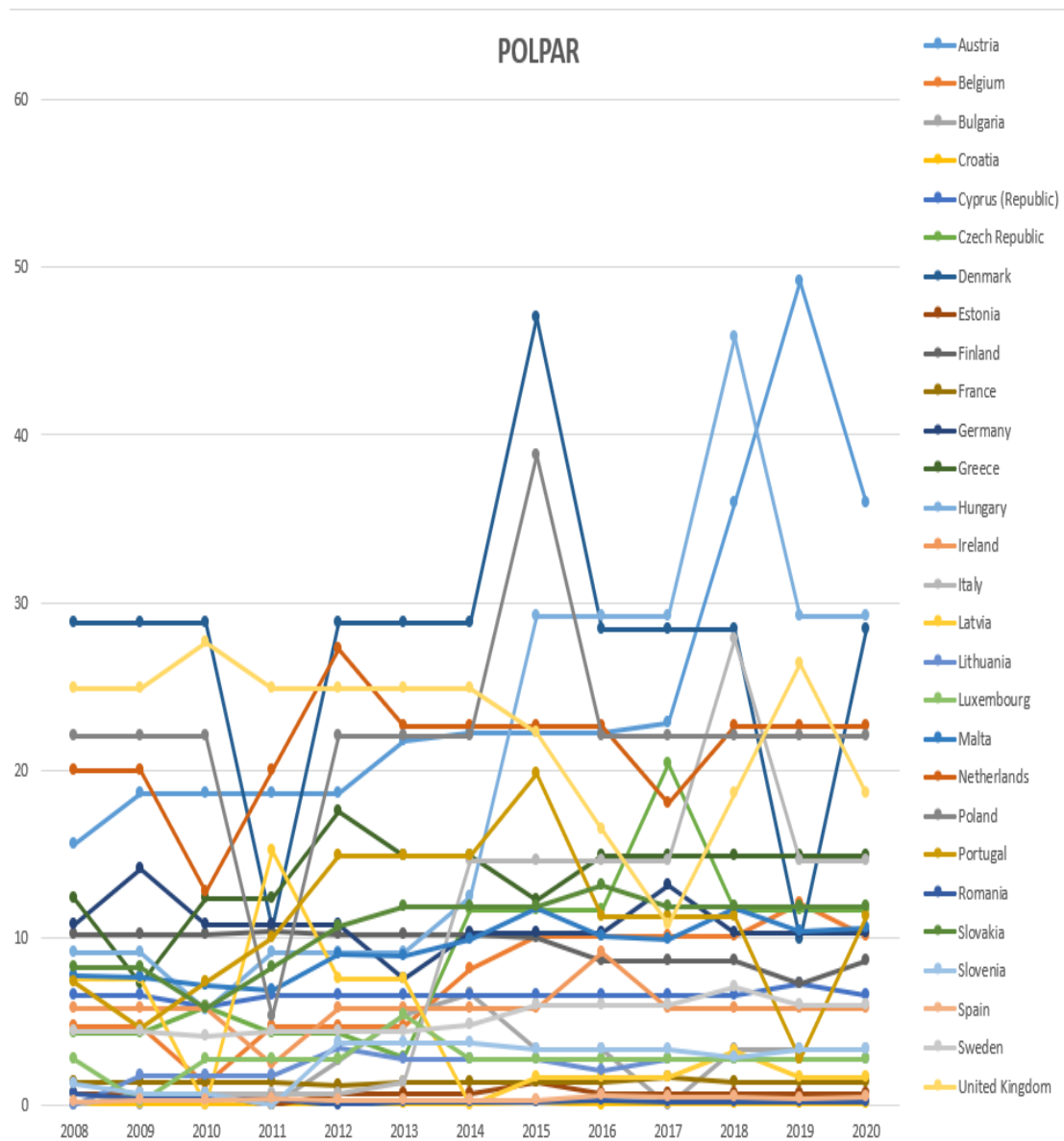
The evaluation of Political Parties Euroscepticism shows that most states saw an increase in anti-EU discourse among political parties. Bulgaria, Germany, and Latvia have a somewhat stable trend despite a peak of Euroscepticism for the three states in 2014. Finland and Sweden have a slightly decreasing trend in Euroscepticism among their political parties with Finland hitting its lowest in 2015, and Sweden in 2016. Portugal too saw a decrease but rather incremental. Interestingly, the UK, the only state to have disintegrated, is not the state with the highest rate of Political Parties Euroscepticism. However, it saw its peak in 2015, the year that preceded the exit referendum. Austria, Denmark, and Hungary have witnessed the highest Political Parties Euroscepticism among EU member states from 2008 to 2020.

This chapter has analyzed trends of Political Parties Euroscepticism in the last decade in the EU-28. In a constructivist context, a member state gives considerations to political parties' preferences towards the EU whenever determining its orientation towards exiting or remaining. The more skeptical the political parties are, the higher the likelihood for a state to file for exit the EU.

It is of relevance to highlight that the methodology of this chapter entails a limitation. Non-winning parties, which are the parties that did not secure representation in parliaments, were not taken into account, since the number of seats they gained was 0. However, it is important to quantify the influence of non-winning parties. Those are the newly emerging challenger



parties which even if they have not secured parliamentary seats, challenge the mainstream parties who are witnessing their popularity's decline. Therefore, mainstream parties reconsider their positions and seek higher convergence with challenger parties to reconcile between the newly emerging voters trends, and their conventional political positions (Zohlnhöfer, 2009, p. 102).



**Figure 18:** Consolidated EU-28 Political Parties Euroscepticism (2008-2020)

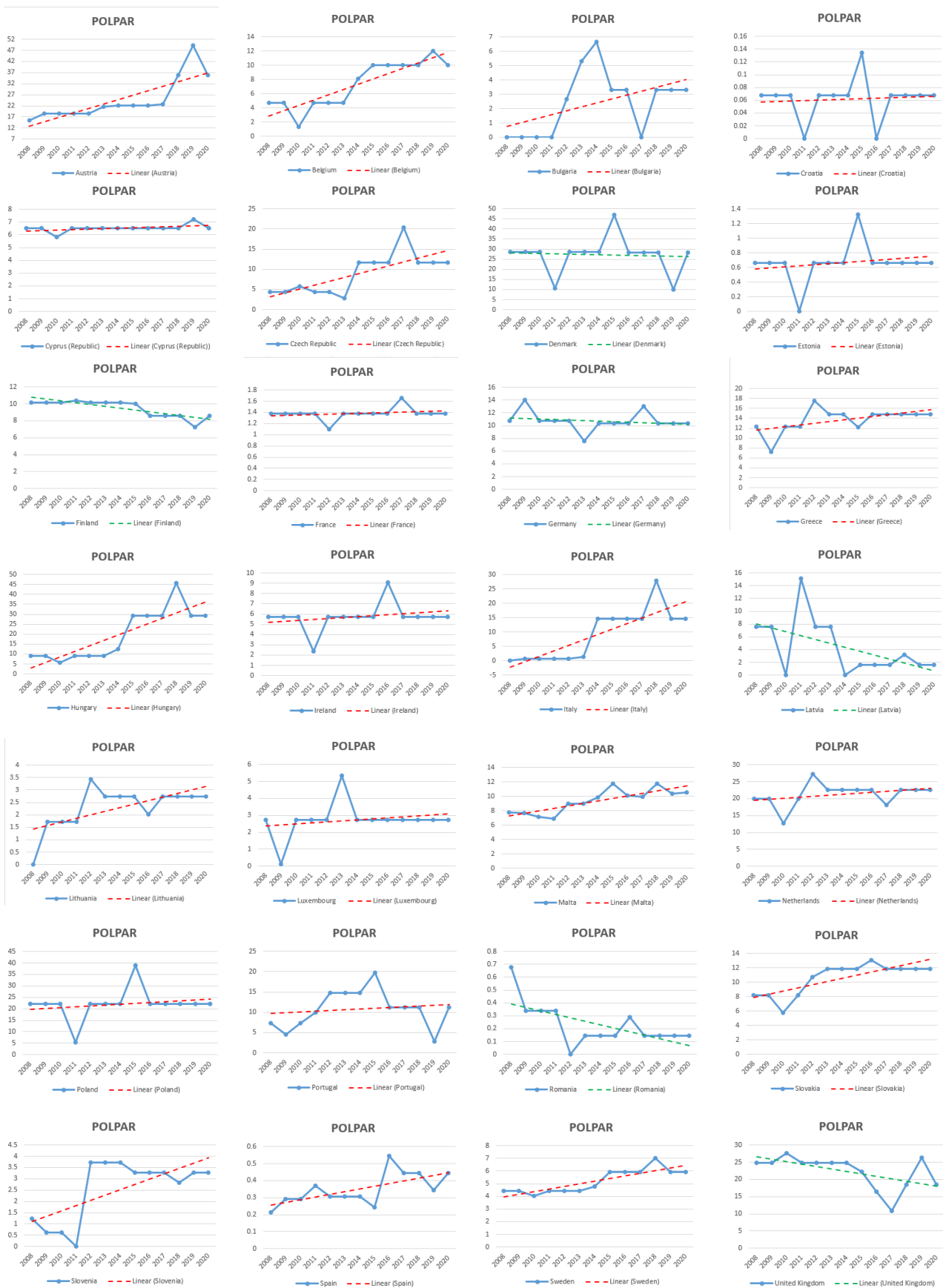


Table 13: EU-28 Political Parties Euroscepticism (2008-2020)

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## CHAPTER VIII:

# PUBLIC EUROSKEPTICISM

### CHAPTER OUTLINE

- Introduction
- Public Opinion As A Dynamic And Influential Aspect ON EU Affairs
- Methodology: Tracking Public Euroscepticism
- Discussion
- Bibliography

## I. INTRODUCTION

European Integration has become a salient and conflict-ridden issue to citizens in EU member states (Luhmann, *A Multi-Level Approach to European Identity: Does Integration Foster Identity*, 2017, p. 1361) (Wilde & Lord, 2016, p. 145) (Hobolt & Wratil, 2015, p. 251) and now depends more on public consensus to move forward (Hobolt & Wratil, 2015, p. 251). Salience is "the degree to which a person is passionately concerned about and personally invested in an attitude" (Dennison & Geddes, 2019, p. 111). National governments have become more constrained by public flair regarding European politics (Ares, Ceka, & Kriesi, 2016, p. 1091). The satisfaction of the people is what guarantees the legitimacy and sustainability of the EU (Thomassen & Baeck, 2008, p. 19); even the most robust institutions, the European Monetary Union EMU relies upon public support (Roth, Baake, Jonung, & Nowak-Lehmann, 2019, p. 1263). However, "socio-cultural and legitimating foundations of European integration are changing, such as approval ratings for EU membership, attitudes towards the EU, common identities, solidarity, mission statements, narratives, and ideas of finality" (Scheller & Eppler, 2014, p. 7). Three components characterize the recent growing influence of the public on EU affairs; a shift of political centers from the elite level to the public level, an increasing Euroscepticism, and a concretization of domestic divisions in the political landscape of the EU (Genschel & Jachtenfuchs, *More integration, less federation: the European integration of core state powers*, 2016, p. 42).

This chapter argues that the more Eurosceptic is the public in an EU member state, and the more binding public referendums about the EU are in that state, the higher the likelihood for it to exit the EU.

Member states, when assessing their membership and deciding on its status, include constructivists' considerations of public opinion towards the EU. Therefore, a member state's decision to exit is influenced by public Euroscepticism. Euroscepticism is a governing dynamic trend of opinion at the domestic level of an EU member state that is characterized by anti-EU feelings and opposition towards a member state's membership of the EU. Public Euroscepticism is the governing dynamic trend of public opinion at the domestic level characterized by anti-EU feelings and opposition towards the EU membership. The salience and politicization of EU affairs are increasing. Additionally, the influence of the public on member states EU political agendas is growing.

The first proper manifestation of Eurosceptic public opinion that led to an EU member state's exit was the referendum that led to the UK's exit from the EU. 10 Downing Street underrated the level of skepticism among the British. Britain's public believed that the status quo in economic development, immigration threats, and uncertainty was due to the UK's membership in the EU. Therefore, when the opportunity presented itself, the public attained a membership withdrawal (Borzyskowski & Vabulas, 2019, p. 344). Therefore, public skepticism carries disintegrative dynamics.

This chapter herein overviews the topic of Euroscepticism. It then details the methodology adopted to quantify the trends in public opinion and discusses the findings.

## **II. PUBLIC OPINION AS A DYNAMIC AND INFLUENTIAL FACTOR ON EU AFFAIRS**

For the EU to operate properly, it needs to secure public support. Scholars argue that satisfaction towards national institutions results in satisfaction towards the EU institutions and vice versa (Ares, Ceka, & Kriesi, 2016, p. 1092). Similarly, dissatisfaction with EU institutions could lead to dissatisfaction with national governments (Ares, Ceka, & Kriesi, 2016, p. 1093). In this context, there are two types of support for institutions; On the one hand, Diffuse Support is granted by the public to an institution when it perceives it as legitimate. Therefore, diffuse support is not influenced by the outcome generated by this institution. On the other hand,

Specific Support for an institution is granted by the public depending on the outcome generated by the institution. Therefore, it is influenced by the outcome (Ares, Ceka, & Kriesi, 2016, p. 1093). In the case of the EU, whether it is diffuse support or specific support, the type of support granted by the public to national institutions leads to a similar position towards EU institutions (Ares, Ceka, & Kriesi, 2016, p. 1094).. A sense of common purpose is a prerequisite for cooperation, problem-sharing, and solution generation. A sense of common purpose emanates from the public, which, in turn, generates legitimacy and consequently allows for EU institutions to exercise their authority.

However, public engagement involves politicization, which might challenge public support, satisfaction, and a sense of common purpose and contribute to the weakening of the union of European states (Schimmelfennig, *Brexit: Differentiated Disintegration in the European Union*, 2018, p. 1155). Three components define politicization; the increasing relevance of EU politics to the national public of member states, the ascending divisions regarding EU politics, and the enlarging of the mobilization grounds and players within the national public of member states (Börzel & Risse, 2018, p. 85). Politicization also implies an increasing engagement and responsiveness to the challenges imposed by political actors on public preferences (Wilde & Lord, 2016, p. 148). It could emerge as a result of divisions, temporary alliances, or political system structures (Wilde & Lord, 2016, p. 148). Politicization occurs following three mechanisms "salience (the conflict's visibility); actor expansion (its scope); and actor polarization (its intensity)" (Ares, Ceka, & Kriesi, 2016, p. 1097). Politicization materializes by the increasing impact of conflict inside a system, following three trajectories of conflict; first, the public considers EU affairs as a foreign issue that only neighboring countries are impacted by (Wilde & Lord, 2016, p. 150). The second trajectory is one where the public considers EU affairs and institutions as opposing issues to the national ones. The public, thus, clearly distinguishes between domestic and supranational affairs (Wilde & Lord, 2016, p. 151). The third is a well-defined conflict over EU integration or a specific policy generated by the EU, which intensifies public debate and polarization (Wilde & Lord, 2016, p. 152).

In this sense, identity has proved to be an influential factor in the politicization of EU affairs. Integration and identity have mutual but conflicting interdependencies. Integration affects identities by moving the "centers for belonging" from a level to another (Braun, 2019, p. 12). Therefore, EU integration carries a challenge to established identities, heritage, and socio-economic practices (Virkkunen, 2001, p. 149). However, identity is a determining factor for the proper course of European institutions and intra-European cooperation. The absence of



collective identity has led, during times of crisis, to conflicts of redistribution of responsibilities and burdens, instead of strengthening solidarity (Ferrera, 2017, p. 3). However, national identities are characterized by emotionally driven nationalism. Identity in Europe differs in degree from one member state to another and from one period to another (Luhmann, A Multi-Level Approach to European Identity: Does Integration Foster Identity, 2017, p. 1374). National identities diverge from EU identity. EU identity is "non-emotional, ... relying on the shared consciousness of belonging to an economic and political space defined by capitalism, social welfare, liberal democracy, respect for human rights, freedom and the rule of law of prosperity and progress" (Guibernau, Prospects for a European Identity, 2011, p. 40). Therefore, The EU is sensitive to domestic populism, especially in the absence of collective identity (Webber, How likely is it that the European Union will disintegrate? A critical analysis of competing theoretical perspectives, 2012, p. 359). Nevertheless,

*"identity is causally important to the extent that an issue has (a) opaque economic implications and (b) transparent communal implications that are (c) debated in public forums by (d) mass organizations rather than specialized interest groups. A brake on European integration has been imposed not because people have changed their minds, but because, on a range of vital issues, legitimate decision making has shifted from an insulated elite to mass politics; Even if preferences have not changed much, the game has" (Hooghe & Marks, 2008, p. 13).*

Identity is indeed highly influential in triggering politicization, however, "ideological concerns and linkage to other concerns such as geopolitics, are likely to play a stronger role when economic interests are weak, and cause-effect relations are uncertain" (Moravcsik & Schimmelfennig, Liberal Intergovernmentalism, 2009, p. 85). Moreover, public policy, treaties ramifications, and policy externalities directly impact the public, which makes their economic and social day-to-day lives volatile (Luhmann, A Multi-Level Approach to European Identity: Does Integration Foster Identity, 2017, p. 1361). Europeans have heterogeneous and polarized policy preferences, which are simultaneously crosscutting (Hale & Koenig-Archibugi, 2016, p. 225).

Furthermore, public opinion is highly volatile, depending on the issue discussed. Recently, the division of issues has diverged from the standard high/low politics division. Therefore, the new notion of hot politics has been introduced, which touches on matters of justice, disorder,

displacement, the illegitimacy of political leaders, and pluralism and distinctiveness within the EU (Room, 2019, p. 1). These hot topics are highly salient to the public.

First, in matters of core state powers; integration in core state powers leads to increased politicization, fragmentation, and division, rather than leading to unity (Genschel & Jachtenfuchs, More integration, less federation: the European integration of core state powers, 2016, p. 50). The issue of integration in core state powers intensifies conflicts between pro-EU citizens and their opponents because it infers state-building rather than simple regulatory integration. It insinuates the ownership of the member state by the EU. (Genschel & Jachtenfuchs, More integration, less federation: the European integration of core state powers, 2016, p. 49).

Second, in matters of economic development, typically, the public holds national institutions responsible for the economic status of their country (Ares, Ceka, & Kriesi, 2016, p. 1095). However, as EU and national affairs gradually overlap (Ares, Ceka, & Kriesi, 2016, p. 1096), national and EU levels become tightly related. The salience of EU affairs increased among citizens, and policies that touch on development have also become increasingly salient to a broader category of actors (Carbone, 2008, p. 327). The public started to hold the EU responsible for economic status (Ares, Ceka, & Kriesi, 2016, p. 1110). Therefore, the economic status of the polity influences public support towards the EU. In times of prosperity, support increases, and in times of turmoil, support decreases (Roth, Baake, Jonung, & Nowak-Lehmann, 2019, p. 1262). Consequently, the public perceived that, in times of crisis, the EU has compromised on social and economic justice by imposing hard measures. This perception has directly impacted the public support for EU institutions (Room, 2019, p. 5). For example, a citizen's economic status became highly influential on its position towards integration or disintegration; a citizen which earns a high income and has left economic conviction, tends to support exchange among EU states, and consequently supports EU integration (Kleider & Stoeckel, 2019, p. 4). Citizens on the opposite side of the political spectrum and with a different economic status tend to have opposing opinions towards the EU. Additionally, politicization also reached issues of redistribution. There has been a growing awareness at the domestic level regarding the "transfer of resources" within the EU. Masses at the national level mainly oppose such transfers (Kleider & Stoeckel, 2019, p. 23). Therefore, the opposition of opinions is not only based on the individual economic statuses, but also the state of origin. Citizens of good-performing states tend less to oppose the transfer of resources among EU member states, than citizens of poor-performing states (Kleider & Stoeckel, 2019, p. 23).

Third, in matters of political development, Brexit has proved that political issues are also salient to the public influence their positions towards their country's membership in the EU. For example, border security has been highly discussed during Brexit national debates (Cavlak, 2019, p. 74) although European defense generates support rather than opposition among the European public (Genschel & Jachtenfuchs, *More integration, less federation: the European integration of core state powers*, 2016, p. 52).

Fourth, in matters of social development, social integration has been highly correlated with identity, the ability to overcome transnational borders and attain a European identity (Eppler, Anders, & Tuntschew, 2016, p. 14). While integration has moved forward at a quicker pace politically and economically, social integration has lagged (Eppler, Anders, & Tuntschew, 2016, p. 17) and the number of people identifying as Europeans is still low (Eppler, Anders, & Tuntschew, 2016, p. 18). Additionally, affiliations to the nation-states are still much higher than the affiliations to the EU (Genschel & Jachtenfuchs, *More integration, less federation: the European integration of core state powers*, 2016, p. 49). Therefore, Eurosceptics have described the EU as a polity suffering from a "social deficit," an aspect that negatively impacts public support for the European project (Ferrera, 2017, pp. 18-19).

Finally, the public is not only influential in its respective governments' position towards the EU but also on solidarity among Europeans in other member states and the trajectory of EU integration, specifically in terms of enlargement. Regarding solidarity, the issue at stake determines the publics' position. In a conducted survey in thirteen EU countries, it has been concluded that in issues touching on fiscal, welfare, and territorial policies, Europeans tend to support solidarity. However, regarding the refugee's management, solidarity is low (Gerhards, Lengfeld, Ignácz, Kley, & Priem, 2018, p. 29). On another note, non-economic factors such as identity, culture, and social values (Elgün & Tillman, 2007, p. 398) determine public attitude in EU member states towards enlargement.

Public Opinion is thus an influential factor in EU affairs and has come to direct the European polity's trajectory. Therefore, Public Euroscepticism became a significant challenge for EU integration. Euroscepticism is a phenomenon that emerged with the idea of a European polity integrating sovereign European states (Vasilopoulou, 2013, p. 158). Although studies have shown that only 5% of withdrawals from international organizations are due to national public opposition for membership or support for withdrawal (Borzyskowski & Vabulas, 2019, p. 345), however, after Brexit, primary consideration has been given to mass-based disintegration which is governed by Euroscepticism.

Mass-based disintegration is thus the disintegrative dynamic emanating from the public that challenges the integration of member states, which are witnessing skepticism of their respective publics towards the EU. It carries with it a risk of contagion because it can export the disintegrative trend to other countries (Walter, 2018, p. 1). It consequently exacerbates "contamination" and undermines international collaboration (Walter, 2018, p. 3). This claim is even more valid when disintegrative dynamics emanating from the mass are legitimized by a referendum that gained high coverage in the media (Walter, 2018, p. 2).

In times of crisis, mass-based disintegration increases. During the euro crisis, the economic measures that were applied generated skepticism among the public, which consequently transcended economic convictions and reached cultural convictions. Similarly, during the refugee crisis, the EU imposed refugee quotas on member states, which exacerbated Euroscepticism. Therefore, opinions towards the European polity are deemed not only influenced by economic statuses but also by socio-cultural statuses (Kleider & Stoeckel, 2019, p. 4). Consequently, intensified feelings of nationalism among the European public in member states have exacerbated the crisis in Europe (Franssen, 2019, p. 1).

However, a public flair alone does not suffice to create a disintegrative dynamic. It needs to be channeled to influence domestic politics. We have addressed in the previous chapter others and parties' influence. In this chapter, we consider that the most direct way to concretize public fair regarding the EU is through a referendum on the EU.

With the increased influence of the masses on politics, the public has now become an influential player through referenda.

Three factors influence referenda outcomes. First, which institution activates the referendum, second, which institution sets the question, and third, which type of question is asked (simple or complex) (Hug & Tsebelis, 2002, p. 466). In particular, if a state is bicameral or unicameral, presidential or semi-presidential, this influences the likelihood of holding referendums (Prosser, 2016, p. 192) and consequently influences the possibility of achieving EU member state exit. Some constitutions of EU member states mandate the holding of referendums. Therefore, in those states, the likelihood of holding referendums is very likely (Prosser, 2016, p. 192).

First, regarding who activates the referendum, the referendum can be required. A required referendum renders the support of the public a prerequisite to policy change (Hug & Tsebelis, 2002, p. 479) and thus decreases the prospects of policy change (Hug & Tsebelis, 2002, p. 490). Referenda can also be triggered by either a veto player or a non-veto player (Hug &

Tsebelis, 2002, p. 494). Second, on the question of who sets the question, both veto players and non-veto players can set the question (Hug & Tsebelis, 2002, p. 494).

Hug and Tsebelis argue that if the same actor is responsible for activating the referendum and setting the question, then the veto power of other actors fades, and the number of veto players, in turn, diminishes (Hug & Tsebelis, 2002, p. 466). Additionally, they argue that the more the responsibility of setting the agenda is divided among players, the more the policies which are adopted after the referendum mirror voters' preferences (Hug & Tsebelis, 2002, p. 494). Moreover, referenda can also be used by non-veto players (such as parliament minorities) to safeguard the status quo (Hug & Tsebelis, 2002, p. 485). Therefore, "depending on the precise institutional provisions, a referendum may increase or decrease policy stability" (Hug & Tsebelis, 2002, p. 491).

EU member states hold referenda for three reasons: pressure from Eurosceptics when elections are close to the treaty ratification date, when the constitution mandates the holding of a referendum; and when veto players are active institutional actors (Prosser, 2016, p. 182). These three factors are intertwined (Prosser, 2016, p. 184). In democracies, as in the case of all EU member states, the government is always constrained by public opinion. European Union member states have historically held referenda whenever the ratification of intergovernmental treaties is on the agenda. Brexit, however, is a referendum of treaty dissolution.

Two factors increase the likelihood of holding a referendum. First, there could be an electoral drive following which a government decides to hold a referendum to contain opposition from the electorate and consequently guarantee success in the next elections. Second, there could be an institutional drive following which a government decides to hold a referendum to limit veto players' influence (Prosser, 2016, p. 184). "EU referendums ... are often held precisely because of the circumstances that make it difficult to rally support in favor of European integration" (Prosser, 2016, p. 197). Moreover, "whether or not they are held, referendums look likely to continue to play an important and turbulent role in European integration" (Prosser, 2016, p. 198).

Therefore referenda render the public a decision-maker in either preserving the status quo SQ (remaining in the EU) or changing the SQ (exiting from the EU). The Brexit case proved that referenda are partially determining a member state's decision to exit. Referenda hinder European Union integration (Schimmelfennig, 2019, p. 1057), and the EU elite usually prefers

to prevent holding them (Jovanović, 2019, p. 379). A referendum is the direct engagement of the public in a critical political and national decision.

### III. METHODOLOGY: TRACKING PUBLIC EUROSCEPTICISM

Euroscepticism is a trend of public opinion where opposition rather than support for the EU prevails. A trend insinuates that Euroscepticism is volatile, dynamic, and highly influenced by the type of issue at hand, the global environment, and the background of the citizens.

A standard reference for studying public opinion in the EU is the Eurobarometer (EU Commission, 2020) (additional references are found in Appendix 5.1. Eurobarometer References). Therefore, the Eurobarometer data was employed to track public opinion towards the EU in EU-28 from 2008 to 2020.

To choose the question that needed to be tracked to analyze public Euroscepticism in EU member states, first, we identified every round of the Eurobarometer EB Survey from 2008 to 2020 that included a question about the EU. Then, we tracked the redundancy of those questions throughout the years. For each question, we counted in how many years it has been asked and how many times (which rounds of EB's) per year. Some questioned were asked once (one EB in one year) as a minimum, and some other questions were repeated several years and several times per year. For that matter, since the time frame studied is from 2008 to 2020 (13 years), we thought that it would be fair to eliminate the questions that were repeated 5 times and below and take into account those that were repeated 6 times and more.

Questions are:

- *Generally speaking, do you think that (OUR COUNTRY)'s membership of the European Union is...?*

*A good thing; Neither/Nor; A Bad Thing*

- *My voice counts in the European Union.*

*Tend to agree; totally agree; tend to disagree; totally disagree*

- *Taking everything into account, would you say that (OUR COUNTRY) has on balance benefited or not from being a member of the European Union?*

*Benefited; Not Benefited*

- *Opinion about the European Monetary Union.*

*For; Against*

- *Have you recently read in the press, seen on the Internet or on television or heard on the radio something about the European Parliament?*

*Yes; No*

- *Would you personally like to see the European Parliament play a more important or less important role than it currently does?*

*More important; Less Important; The same*

- *Have you heard of the European Parliament?*

*Yes; No*

- *Have you heard of The European Commission?*

*Yes; No*

- *Have you heard of the council of the European Union?*

*Yes; No*

- *Have you heard of the council of the European Central Bank?*

*Yes; No*

- *Please tell me if you tend to trust or tend not to trust the European Parliament?*

*Tend to trust; Tend not to trust*

- *In your opinion, do members of the European Parliament sit in the European Parliament according to...?*

*Their nationality; their political affinity; DK*

- *Would you say that the European Parliament's decisions are adopted above all...?*

*According to the interests of the Member States from which the MEPs are coming; According to the political affinities of the MEPs; Both*

For every year, we averaged all the negative answers per EU state to obtain an average value of the negative opinion.

After determining the percentages of negative opinions regarding the EU among the people of EU member states per year, we weighed those percentages by referenda. Three criteria determine the strength of referenda as a channel for public Euroscepticism; one is whether referenda are required, advisory, or are not referred to in states laws and constitutions when it comes to EU issues; second, is whether historically referenda have engaged a large number of voters; three is the frequency of referenda on EU and how many times those were held in a state. Below is the coding adopted to assign a weight to referenda. The codes of the three criteria were added to each other and then multiplied by the percentage of negative opinion among the public per year per member state.

<b>Criteria 1</b>	<b>Code</b>
Required	3
Advisory	2
No referendum	1
Required & Advisory	3

<b>Criteria 2</b>	<b>Code</b>
The turnout of previous referenda: 50% and more	3
Turnout less than 50 %	2

<b>Criteria 3</b>	<b>Code</b>
Number of Referendum/Tenure	Kept the value as-is. Since the minimum value is 0.015 for this criteria, and some states had a 0 value, we replaced the 0 by 0.11 so as not to eliminate the influence of the public.

## **IV. DISCUSSION**

An EU member state's public is labeled as Eurosceptic when it perceives EU membership as non-beneficial and not meeting the state's interests. Consequently, the anti-EU public blames the EU for policy results at the national level and perceives EU membership as conflicting with national interest and non-beneficial.



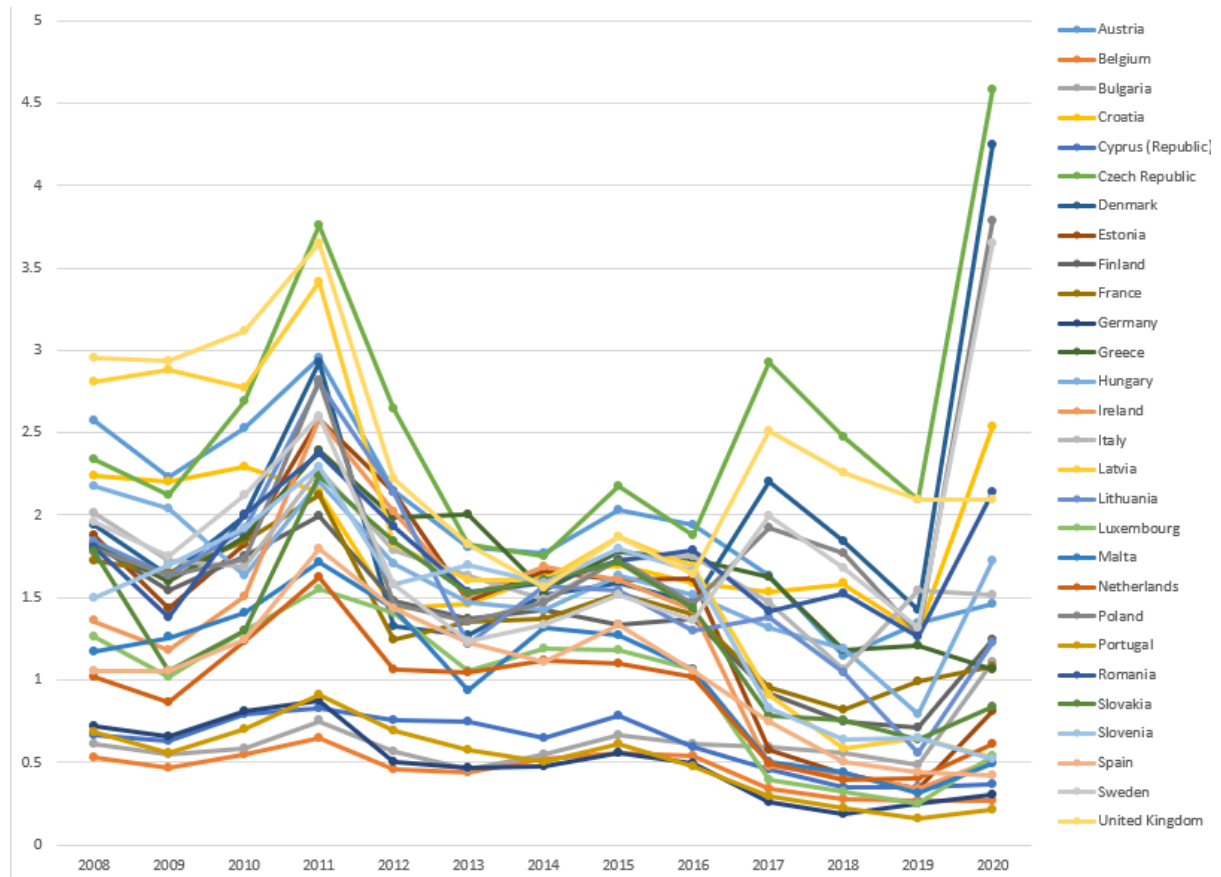
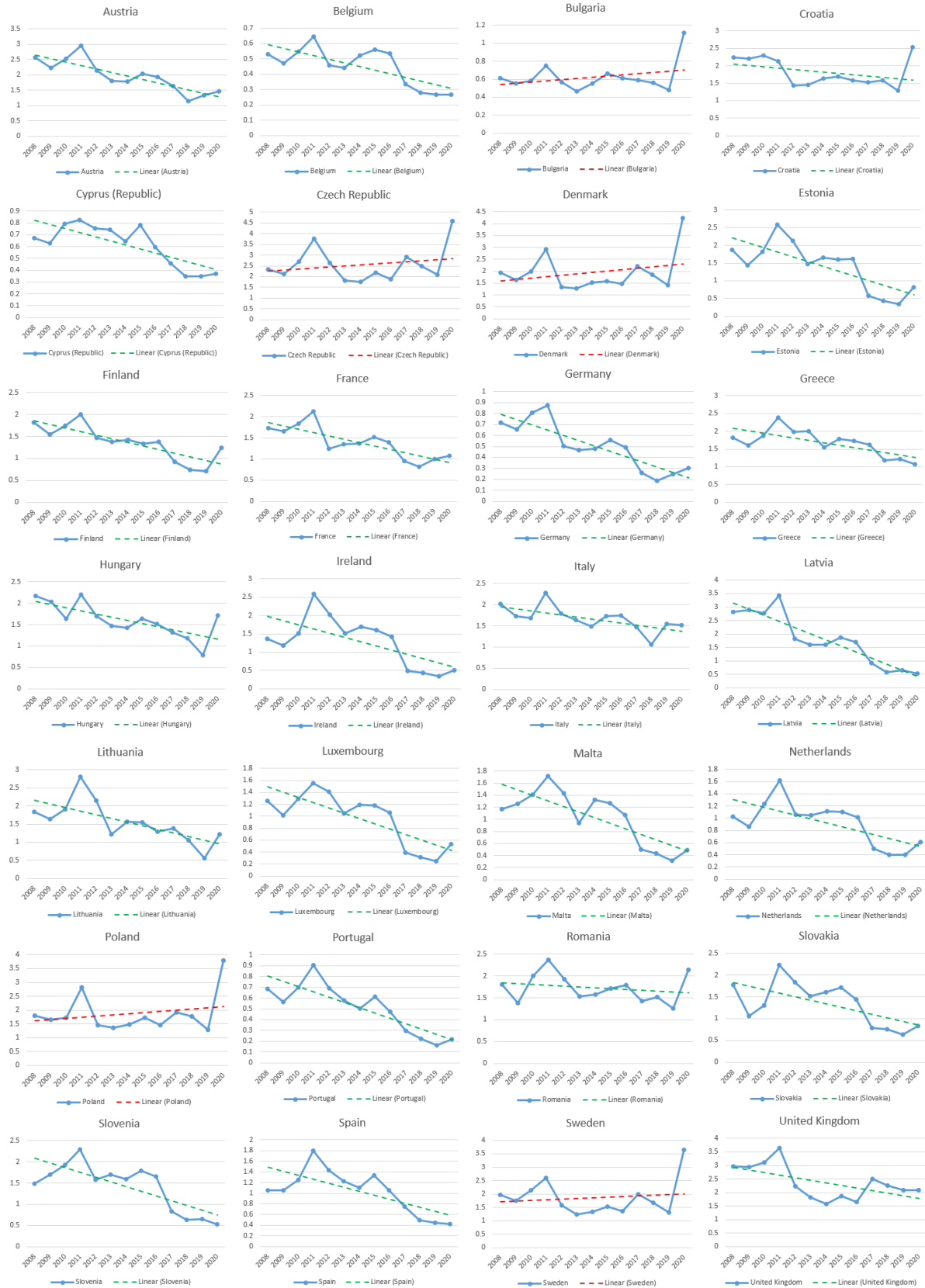


Figure 19: Consolidated EU-28 Public Euroscepticism (2008-2020)



**Table 14:** EU-28 Public Euroscepticism (2008-2020)

Belgium, Bulgaria, Cyprus, Germany, and Portugal have witnessed the lowest rates of EU public skepticism among EU states over the whole time frame of the research project, even during critical years such as 2011 or 2017 when many EU states witnessed a peak of public skepticism. However, Bulgaria is witnessing an increasing rate. The Czech Republic, Denmark, Poland, Sweden, the UK have the highest rates among other EU states but also have increased rates. Other EU states witness a decreasing EU public skepticism. Greece, Hungary, and Spain who are normally portrayed as Euro-skeptic countries given the controversial austerity measures or rule of law issues have decreasing rates when looking closely at the public skepticism numbers.

For future research prospects, it would be of extreme relevance to evaluate, in addition to the level of Euroscepticism, it is also essential to evaluate the volatility of Euroscepticism. For that matter, by analysis, the standard deviation for each EU member state, and the standard deviation at the EU level (Hale & Koenig-Archibugi, 2016, pp. 236-237).

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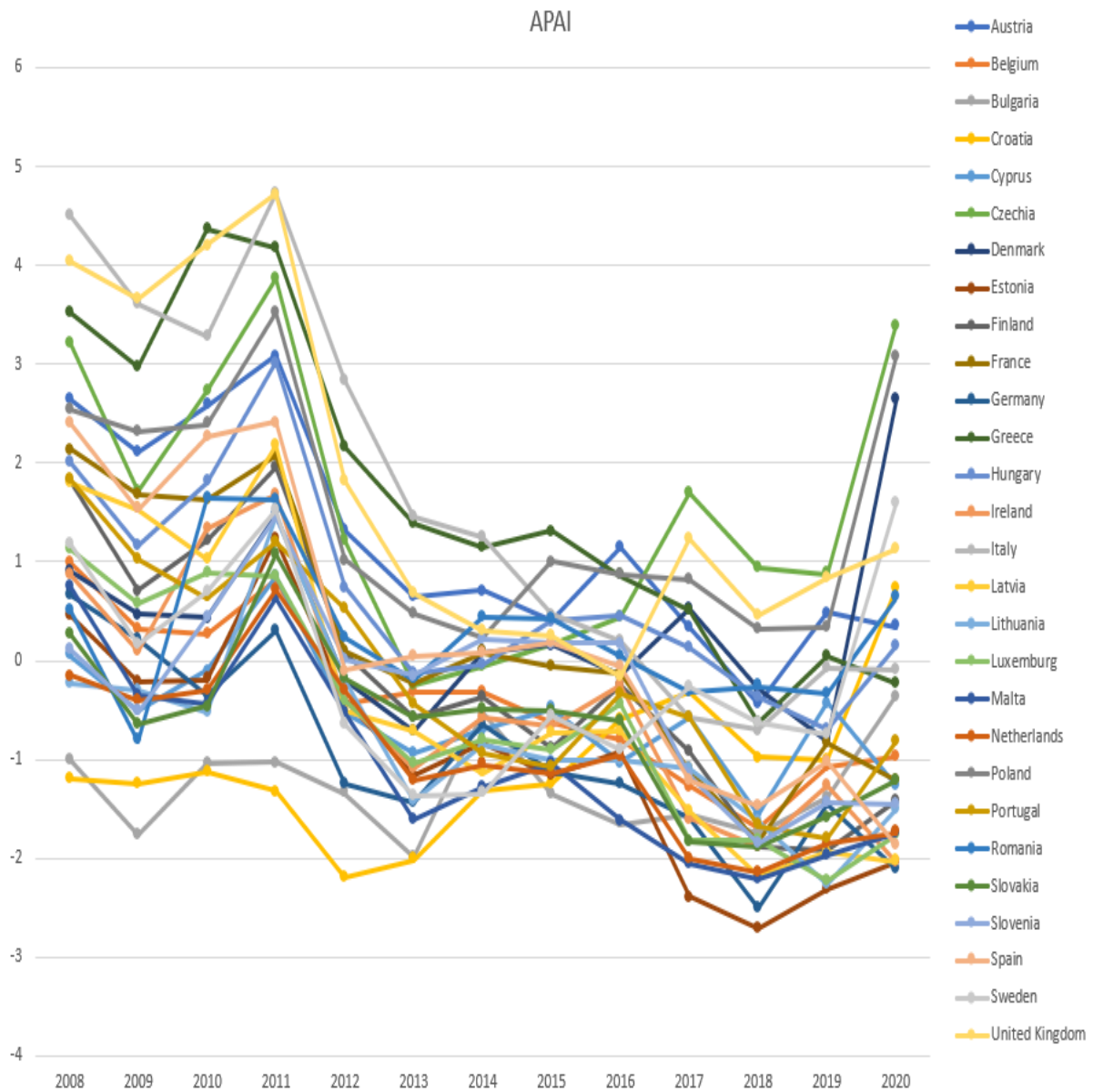
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## CHAPTER IX:

### AGGREGATE DOMESTIC POLITICAL ACTORS INDEX

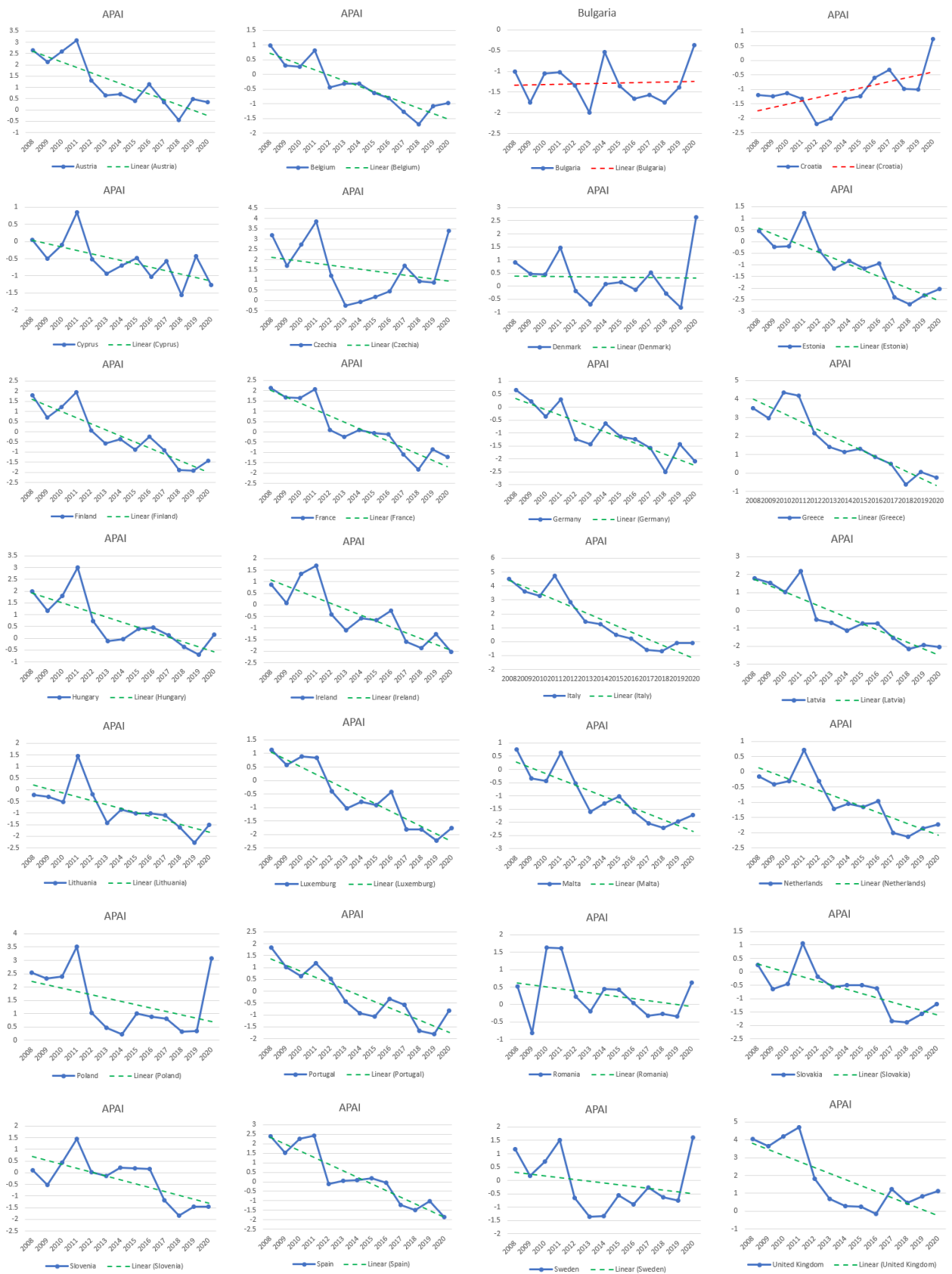
The growing salience of EU affairs among the public and politicization of EU affairs by anti-EU players has shifted the decision-making power from the elite and rendered it a process whereby all stakeholders are involved. Governments have their agendas. Therefore, a decision regarding EU membership is salient to all actors within a state. For that matter, understanding the influence of the preferences of all actors aggregated would give a clearer and more reliable picture of the course of politics.

The UK which is assumed to be among the most skeptical EU states proved that it has witnessed an anti-EU flair from 2008 to 2013, however, from 2013 until it invoked 50 of the Treaty on the EU in March 2017, the skepticism became rather moderated and placed the UK among the fairly anti/pro-EU. The Czech Republic, Poland, Austria, and Denmark have shown an increasing skepticism among their actors aggregated. Greece and Italy have witnessed a decreasing aggregated skepticism showing that there has been heterogeneity of opinions towards the EU between the various actors. Germany and several east European states have witnessed a fairly pro-EU positioning among the various political actors. Germany is the “guardian” of the EU and the new joiners among east European states have thus predictable results of the Aggregate Domestic Political Index ADPAI.



**Figure 20:** Consolidated EU-28 Aggregate Domestic Political Actors Index (2008-2020)





**Table 15:** EU-28 Aggregate Domestic Political Actors Index (2008-2020)

## CHAPTER X:

### EU MEMBER STATE ORIENTATION TO EXIT INDEX

#### CHAPTER OUTLINE

- Introduction
- EU Member State Orientation to Exit Index
- Bibliography

#### I. INTRODUCTION

With the recurrent crises that the EU is facing, disintegrative dynamics are intensifying (Becker, *In the Yugoslav Mirror: The EU Disintegration Crisis*, 2017, p. 849). Therefore, member states feel the urge to reconsider the terms of their membership in the EU (Creel, Laurent, & Cacheux, *Introduction: Once More unto the Breaches*, 2018, p. 2). Some scholars studying EU disintegration have been mainly focused on EU-centred problems such as the weaknesses of the EU model and the EU internal and external environment (Hazakis, *A new analytical framework to explain the troubling EU (dis)integration dynamics*, 2019, p. 21). Others have concluded that the EU and the member states have equal weight in generating disintegrative dynamics. They argued that four structural aspects are impactful and trigger withdrawals. First, the permeability of the EU; second, the incapability of the EU to address structure matters which makes boundaries blurry; third, the inability of the EU to satisfy member states and their respective public; fourth, the failure of the EU to design clear exit options thus encouraging member states to further seek disintegration or lobby for the disintegration of other member states (Vollaard, 2014, pp. 9-12).

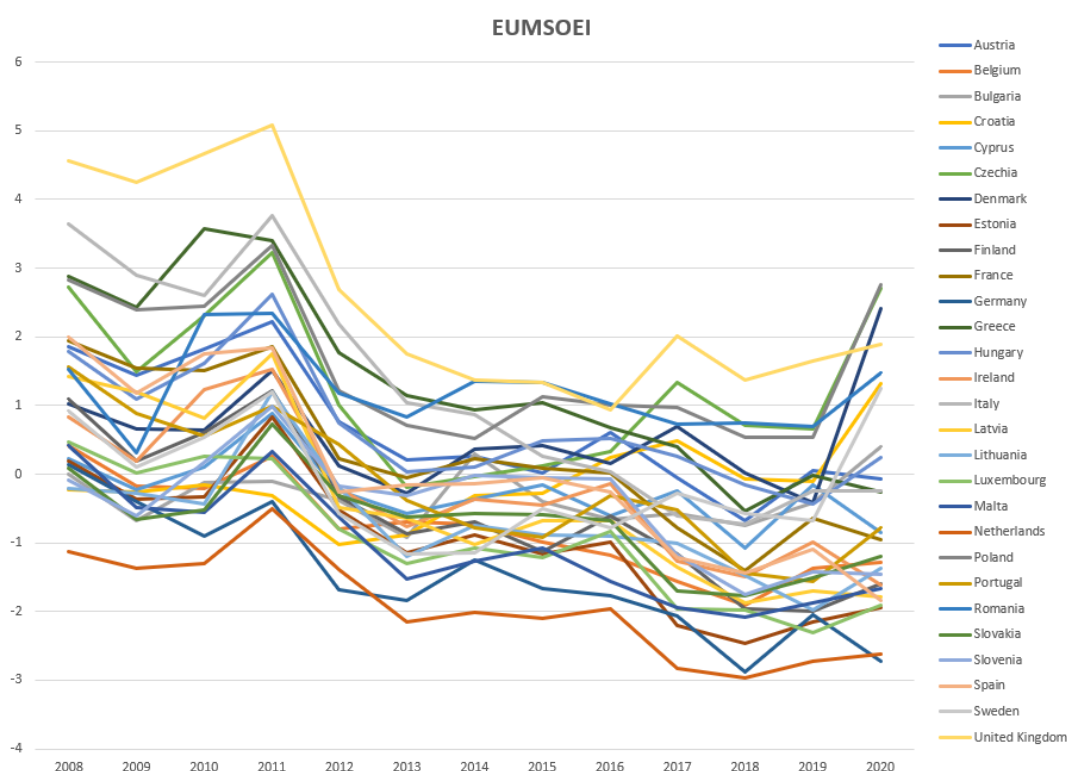
This book has brought the EU Member State to the center of EU integration/disintegration studies. It has proposed an innovative concept for tracking and measuring the probability of a state disintegration from the EU.

It argued that, if an EU member state has a high aggregate material loss, a low degree of integration, and a high aggregate anti-EU preference of political actors, then this state is likely to have an orientation to exit. Nine factors are the compass behind an EU member state

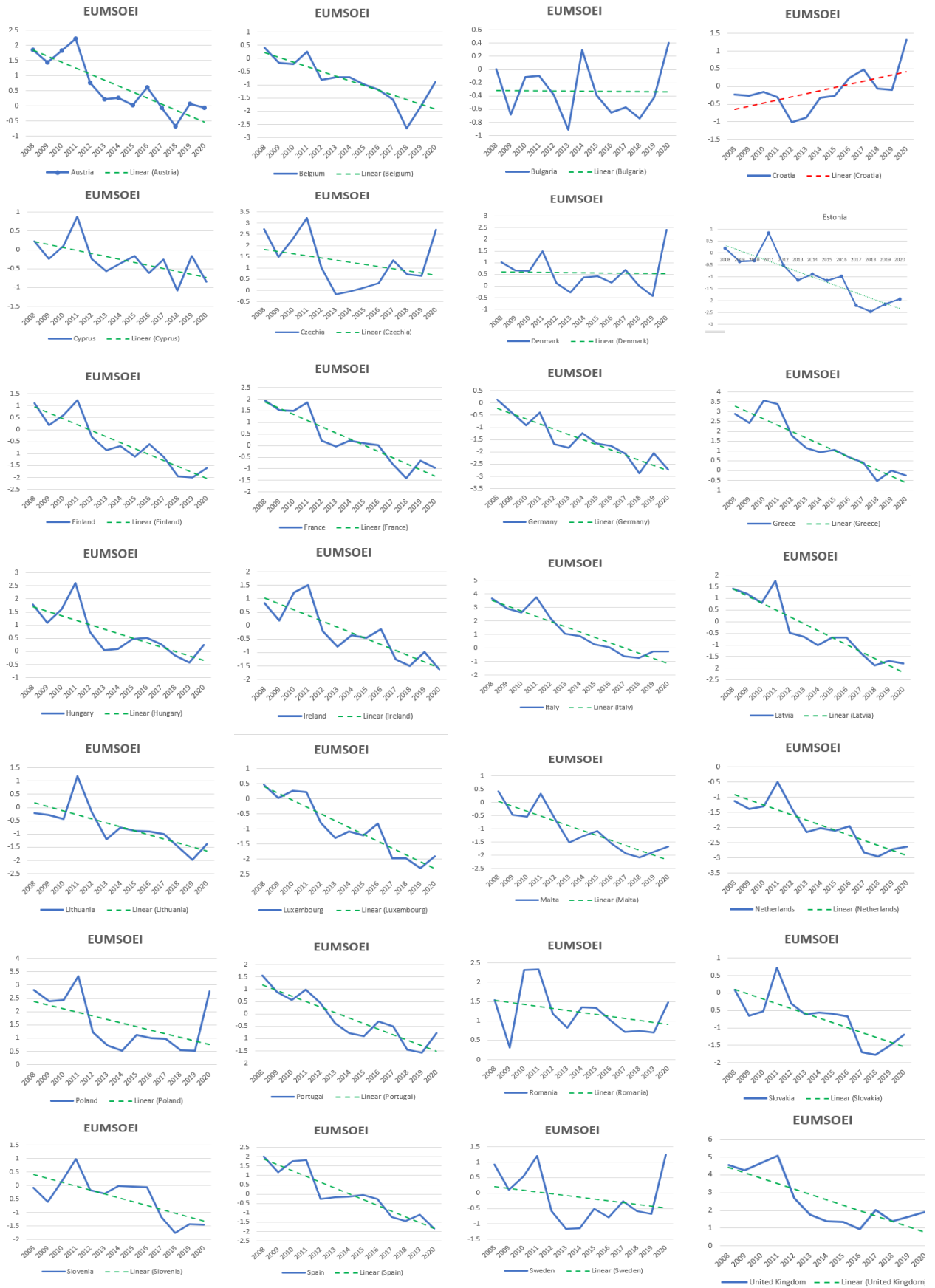
orientation to withdraw: A deteriorating integrated performance, a detrimental redistribution of benefits and burdens, a high dispersion, aggregated causing a high material loss; A low degree of integration in areas of state sovereignty, a low reliance on intra-EU trade, a diminishing number of citizens residing in another EU state, aggregated resulting in a low degree of integration in the EU; A high level of government non-compliance with EU laws, a negative political discourse of political parties, a high degree of public Euroskepticism, aggregated in an anti-EU preference of influential political actors.

## II. EU MEMBER STATE ORIENTATION TO EXIT INDEX

This research project developed EU Member State Orientation to Exit Index EUMSOEI that aims at measuring the likelihood of a member state to exit from the EU. The index has been applied to the year 2008 to 2020. However, it can be used as a “predictions and forecast technique since those are considered valuable in both scientific and practical terms” (Böhmelt & Freyburg, Forecasting candidate states’ compliance with EU accession rules, 2017–2050, 2018, p. 1669).



**Figure 21:** Consolidated EU Member State Orientation to Exit EUMSOEI (2008-2020)



**Table 16:** EU Member State Orientation to Exit EUMSOEI (2008-2020)

The United Kingdom has always had a EUMSOEI that is higher than all other states. Therefore, it was the first state to exit the EU. When comparing the curve of the EUMSOEI with the series of events that lead to Brexit, we notice that: First, in January 2013, Prime Minister Cameron pledges to hold an EU referendum if his party turns victorious in the elections. From 2008 to 2012, the UK had a significantly higher curve than other EU states. The political elite had felt a change in orientation and to be elected, responded to the electorate by allowing it to express its position towards EU membership. Indeed, Cameron was re-elected. The referendum was held in June 2016 and in March 2017 Article 50 of the TFEU was invoked.

23.1.2013	Cameron pledges to hold a referendum on the EU if he wins the next elections (clear influence of Eurosceptics on politics and governments that seek re-election)	<b>EU Member State Orientation to Exit</b>
7.5.2015	Cameron wins the elections	
23.6.2016	Referendum on the EU with 52% votes to leave and 48% to remain	
29.3.2017	UK invokes Article 50 of the TFEU Exit scheduled for 29.3.2019	
From 29.3.2017 to 12.12.2019	UK domestic struggles to reconcile between all veto players behind one Brexit deal. UK/EU extend Brexit deadline until 31.10.2019 and another extension for 31.1.2020	<b>EU Member State Domestic Veto Players Agenda</b>
23.1.2020	UK withdrawal is ratified and became a law	<b>Intergovernmental Bargaining</b>
31.1.2020	BREXIT	<b>EU Veto Players Agenda</b>

**Table 17:** Brexit Timeline (AssociatedPress, 2020)

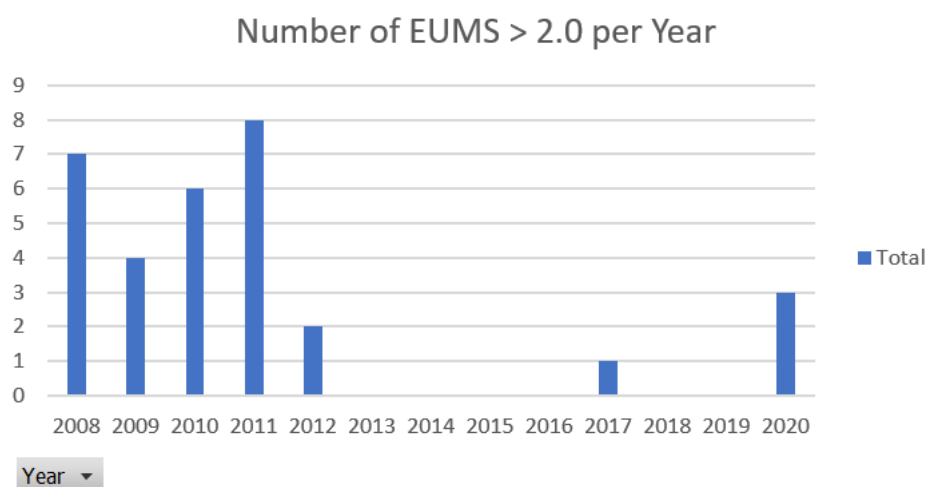
2014-2015-2016 witnessed a lowering of the curve to the extent to which the UK and Romania's curves met at one point. That could be because the UK domestic scene was awaiting the EU referendum. In 2017, the curve went upwards again which could be due to the tension that rose following the unexpected results of the referendum and the domestic political struggles that followed. After the controversies around the exit deals, we saw the curve ascending again in 2018, 2019 to then become steadier as the exit bill becomes a law. The UK example shows us how complicated and controversial an exit from the EU, how many stages, players, and factors it involves.

Therefore, based on the EUMSOEI, we take the value for UK 2017: 2.0 as a benchmark for EUMSOEI. Meaning, that every state that scores 2.0 in the EUMSOEI has a high likelihood of exiting. However, the next determining factor is the domestic veto player's agenda.

The countries that scored a EUMSOEI above 2.0 from 2008 to 2020 are:

<b>Austria</b>	2011					
<b>Czech Republic</b>	2008	2010	2011	2020		
<b>Denmark</b>	2020					
<b>France</b>	2008					
<b>Greece</b>	2008	2009	2010	2011		
<b>Hungary</b>	2011					
<b>Italy</b>	2008	2009	2010	2011	2012	
<b>Poland</b>	2008	2009	2010	2011	2020	
<b>Romania</b>	2010	2011				
<b>Spain</b>	2008					
<b>United Kingdom</b>	2008	2009	2010	2011	2012	2017

The countries that had the highest frequency in reaching the benchmark score are the Czech Republic, Greece, Italy, Poland, and the UK.

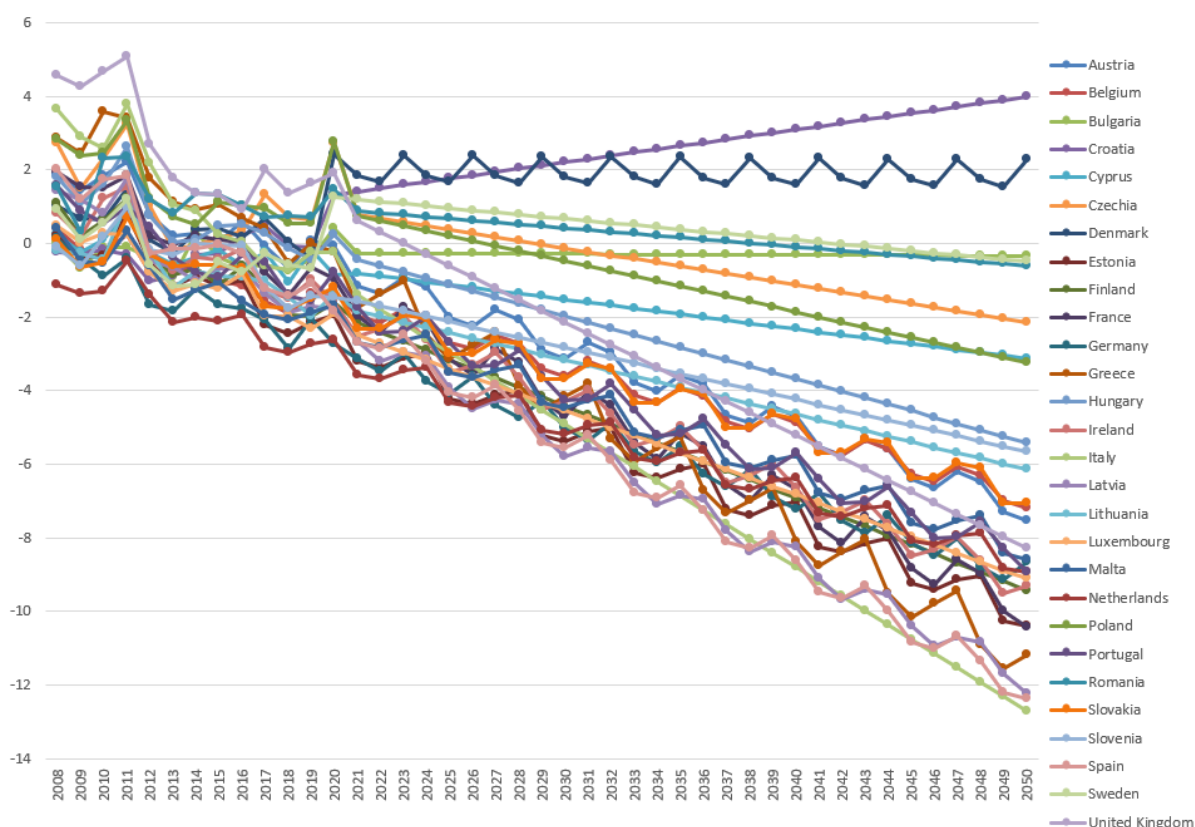


**Figure 22:** EUMS wit EUMSOEI >2.0 (2008-2020)

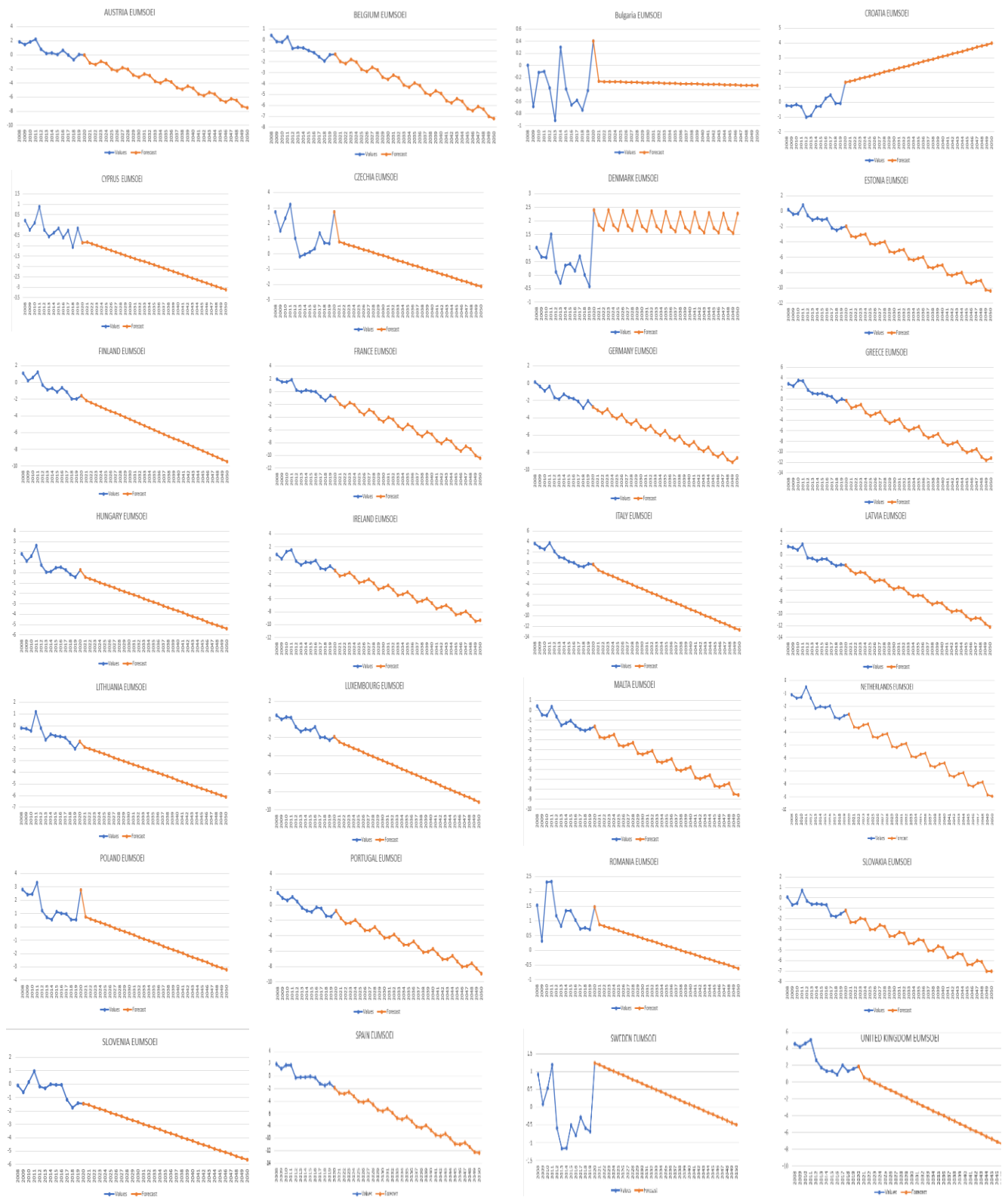
2011 has scored the highest number of states reaching the benchmark score, followed by 2008, then 2010. 2013 to 2019 were more or less better years than the others. However, 2020 has witnessed a reincrease in the score.

States that never reached the benchmark score are Belgium, Bulgaria, Croatia, Cyprus, Estonia, Finland, Germany, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Slovenia, and Sweden.

In conclusion, the EU is witnessing a common trend among the majority of EU member states, that goes towards integration rather than withdrawals. Except for Denmark and Croatia, all states have witnessed a decreasing EUMSOEI. It is of relevance to highlight that Croatia's number was calculated in retrospect since it only joined the EU in 2014. Therefore, the forecast for Croatia might not be as accurate as it should be. Therefore, the only real contender for a membership withdrawal after the UK is Denmark.

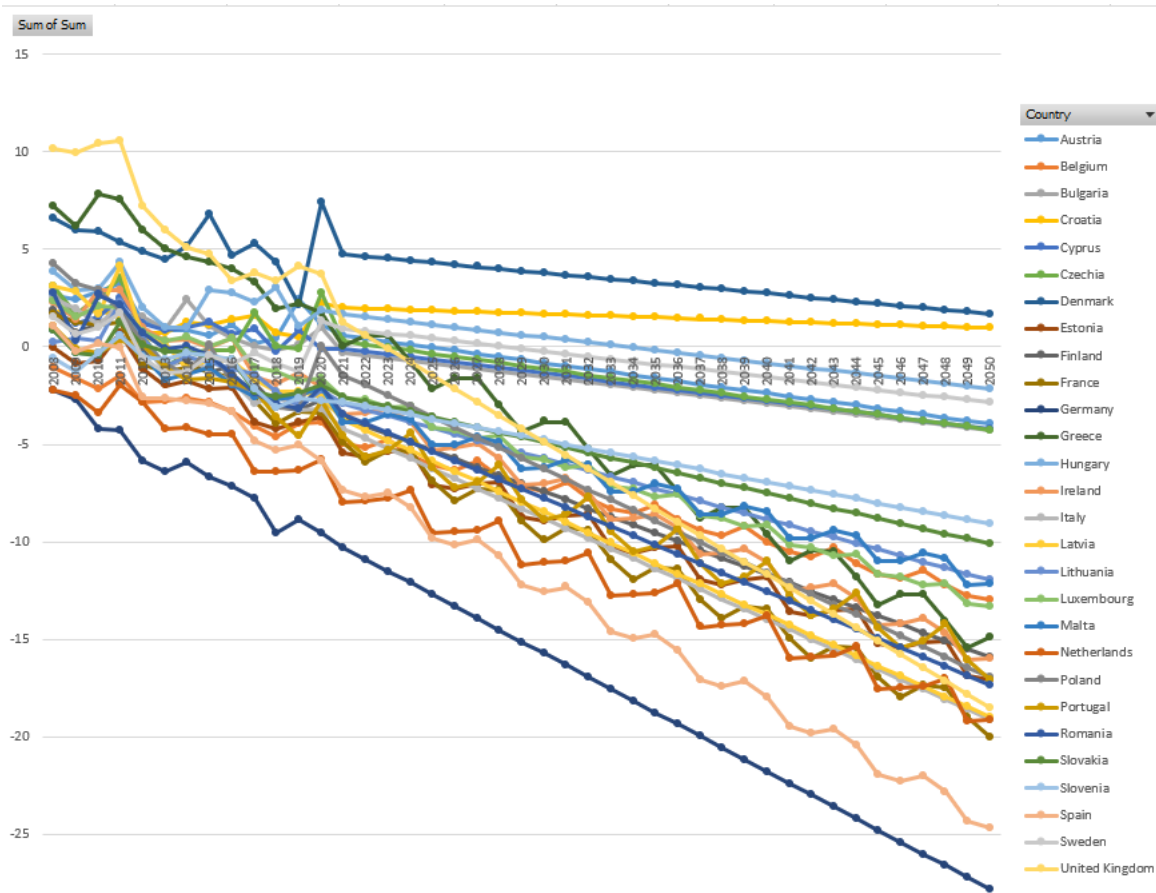


**Figure 23:** Consolidated EU-28 EUMSOEI Forecast based on PCA (2008-2050)



**Table 18: EU-28 EUMSOEI Forecast based on PCA (2008-2050)**

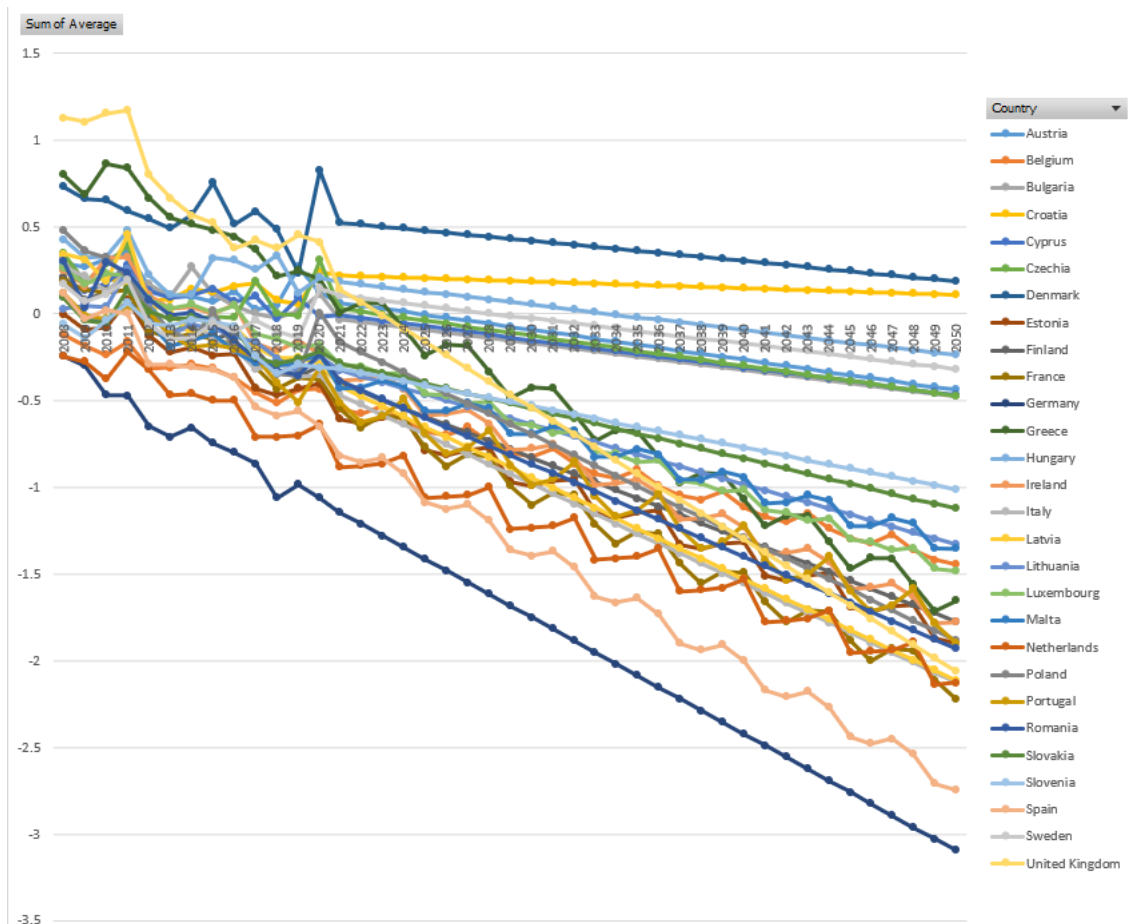




**Figure 24:** Consolidated EU-28 EUMSOEI Forecast based on the Sum of indicators (2008-2050)

If we add up the nine initial normalized indicators instead of aggregating them and computing the Principal Component, the result would look as per Figure 24. Denmark, Croatia, Hungary, Sweden, Austria, and Czechia would score the highest in terms of orientation to exit the EU.

The Netherlands, Germany, and Spain remain the states that have the least likelihood of orientation to exit.



**Figure 25:** Consolidated EU-28 EUMSOEI Forecast based on the Average of indicators (2008-2050)

If we average the nine initial normalized indicators instead of aggregating them and computing the Principal Component, the result would also look similar to the Sum or the PCA. As per Figure 25. Denmark, Croatia, Hungary, Sweden, Austria, and Czechia would score the highest in terms of orientation to exit the EU.

The Netherlands, Germany, and Spain remain the states that have the least likelihood of orientation to exit.

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## **CONCLUDING REMARKS:**

### **EU MEMBER STATE EXIT AS AN INTEGRATED PHENOMENON OF AGGREGATE FACTORS**

In light of the recurrent crises that the EU is facing, and following the withdrawal of the UK from the EU, the topic of EU disintegration and member states' withdrawal have become pressing issues to be analyzed and understood.

This book revolved around EU member states' exit.

First, in its conceptual chapter, this book has meticulously segregated EU Disintegration and EU Member State Exit and presented an EU studies matrix that highlighted the difference between the collective space of the EU, the unilateral space proper to each member state, the domestic political level, and the intergovernmental level. Additionally, it separated between first, the factors triggering withdrawal drives labeled as EU Member State Orientation to Exit Index EUMSOE, second, the domestic veto players politics that determine whether a state calls the Article 50 of the TFEU or not, third, the dynamics and balance of power that govern intergovernmental bargaining, and the EU veto players politics which all influence the outcome of an actual EU Member State Exit of not.

Second, in its theoretical chapter, this book presented an innovative integrated theoretical background that borrowed claims from Liberal Intergovernmentalism, Neofunctionalism, and Postfunctionalism. Previously seen and conflicting theories, this book proved that all three are needed to understand the complete picture of EU member state withdrawals. Although these theories are not theories of domestic politics but rather theories of EU integration/disintegration, this book justified that the unit of analysis, the EU member state, can best be understood in its setting within the EU, therefore, theories of domestic politics alone can not help complete the picture, even while analyzing the domestic scene.

Third, in its methodological chapter, this book explained the tree of sub-indicators, indicators, and indices used in quantifying the factors that trigger the exit orientation. It explains the normalization method (z-score) and the aggregation method (Principal Component) that lead to the development of the EU Member State Orientation to Exit Index EUMSOEI. This book proved that a benchmark score of 2.0 is the threshold for an EU MS Orientation to Exit.

Nine main factors, where each three of them were aggregated in one index, and the three indices aggregates to compute the EUMSOEI served as a road map for this book.

Integrated Performance, Net Redistribution of Benefits and Burdens, and Dispersion in the function of Tenure were aggregated to conclude with the Aggregate Material Index AMI.

Depth of Integration in Areas of State Sovereignty, Reliance on Intra-EU Trade, and the Number of Citizens Residing in the other EU States were aggregated to conclude with EU Member State Integration Index EUMSII.

Government Non-Compliance with EU Laws, Political Parties Anti-EU Discourse, and Public Euroscepticism were aggregated to conclude Aggregate Political Actors Index APAI.

AMI, EUMSII, and APAI were aggregated to conclude with EU Member State Exit Orientation Index EUMSOEI.

However, EUMSOEI does not determine a state exit. The next determining step is the domestic veto players' preferences and agenda. A unified anti-EU stance among all veto players is needed, in addition to a EUMSOEI of 2.0, to invoke Article 50 of the TFEU. Still, another process of intergovernmental bargaining and EU veto players politics determine an EU member state's final withdrawal or not.

The forecast that was made based on the EUMSOEI proved that only two member states have a sustained or an increasing orientation towards withdrawing: Denmark and Croatia. Nevertheless, as explained above, the EUMSOEI alone is not determining the membership outcomes.; but EUMSOEI, Domestic Veto Players, Intergovernmental Bargaining Powers, and EU Veto Players.

Unfortunately, due to time and access to data limitations, this book is limited to the first stage of analysis, which aims to understand how an EU Member State achieves an orientation to exit. The other three stages are important venues that need to be addressed later on to complete the picture of an EU Member State Exit.

Moreover, important factors that are also influential on the membership status of an EU state and the EU polity as a whole were controlled in this research project but offer interesting insight to answer the question. First, we may note that “nations and their political institutions spring... not just from the designs of the peoples who inhabit a particular territory, but also from those of their neighbors and the great powers” (Room, *The re-making of Europe: The*

long view, 2019, p. 3). Consequently, although we may consider that integration/disintegration is a permeable process that takes place in light of a dynamic global environment and is governed by uncertainty (Hazakis, A new analytical framework to explain the troubling EU (dis)integration dynamics, 2019, p. 10), this project controls the effects of the global environment. Second, opt-ins and opt-outs are not always the result of an EU member state's voluntary choice. "Discrimination" towards individual member states takes place, which limits the choice of opt-ins. Although the degree of Integration or Disintegration in EU institutions is considered an indicator of the positive or negative position of a member state towards its membership as well as determining the costs of disintegration, this project does not cover micro-regulatory Integration/Disintegration. Nor does it address whether the voluntary choice of opt-outs or discrimination leading to opt-outs drives the member state's choice of opt-in or opt-out. Thus, the voluntary/involuntary choice of opt-out or opt-in is controlled, and so decision-making processes regarding EU membership at the national level are given sole focus.