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EUSA REVIEW

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From the Chair

THIS IS THE FIRST EUSA review published under the guidance of Amie Kreppel, member of the executive committee. Amie has taken over the responsibility for editing the EUSA reviews from Craig Parsons. From spring 2007 to summer 2009 Craig edited eight EUSA reviews. This was a demanding task which Craig mastered in an impressive way with excellent results. In accomplishing this he relied on the cooperation of a large number of different authors/EUSA members who made highly interesting contributions on important political, legal and economic developments in the European Union and worldwide. Important support was given by Joe Figliulo, the executive director of EUSA.

In the name of the entire executive committee – and I am sure all EUSA members - I would like to thank Craig for having accomplished such a great job over the last two years. Thanks, of course, also to Amie who accepted to follow in Craig's steps and take on the task. Editing the review is a formidable task. Based on the outcome of an informal survey of EUSA members attending the Los Angeles conference as to the desirable frequency of reviews per year, the executive committee decided to reduce the number of issues from four to three issues per year...still a formidable task.

We wish Amie all the best for her work. As the present issue shows we may be confident that the new editor will sustain the tradition of high quality contributions to the review EUSA readers have grown accustomed to.

Adrienne Héritier
Florence, 9.10.2009

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THE 2009 EUROPEAN PARLIAMENT ELECTIONS

The 2009 European Parliament Elections:
A Disaster for Social Democrats

Simon Hix

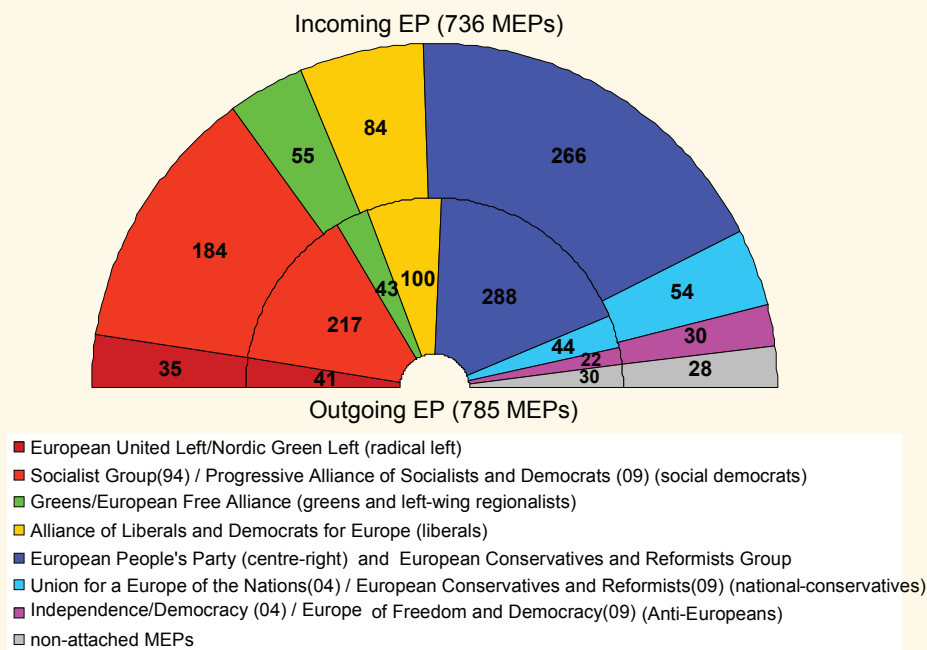
THE DAY AFTER the European Parliament elections, on 8 June, most newspapers led with the story of ‘the rise of the extreme right’. Gert Wilder’s Party for Freedom came second in the Netherlands, picking up 4 seats. The British National Party won 2 seats: the first seats they had won in a national election. A new anti-gypsy party, Jobbik, won 3 seats in Hungary, and the Danish People’s Party won 15 percent of the vote and 2 MEPs. The other big story was a new Euro-sceptic group in the European Parliament – the European Conservatives and Reformists – led by the British Conservatives and Czech Civic Democrats, who broke away from the European People’s Party (EPP) to join a rag-tag band of populists, libertarians, and social conservatives from Poland, Belgium, Hungary, Latvia, Lithuania, and Holland. A few commentators also noticed that the Greens had done well, boosted by Dany Cohn-Bendit’s “European Greens” coalition, which won 16 percent and 14 seats in France, and the German Greens, who won 14 seats there too.

As the dust began to settle, however, the focus turned to the dismal performance of social democrats throughout the continent. The British Labour Party and

French Socialists posted record lows, of 16 and 17 percent, respectively. The German SPD slumped to 21 percent. In Italy the new Democratic Party, formed by ex-communists and left-wing Christian Democrats, were beaten by almost 10 percent by Berlusconi’s new People of Freedom party. Social democratic parties came third in Finland, the Netherlands, Poland and Ireland, fourth in Flanders, fifth in Estonia, and were well beaten by centre-right parties in Austria, Bulgaria, the Czech Republic, Hungary, Lithuania, Luxembourg, Portugal, Slovenia, and Spain. Socialists topped the polls in Sweden, Denmark, Greece, Wallonia, Latvia, Malta, Romania, and Slovakia. But these successes counted for little against the huge losses for the centre-left in the other EU member states.

As a result, the main centre-left group in the new European Parliament – now called the Progressive Alliance of Socialists and Democrats, to appease the Christian Democratic wing of the new Italian party – only has 184 seats, compared to 266 for the EPP (figure 1). Not only is this a significant gap between the two largest parties, but as a share of the seats (25 percent) this is the smallest representation of socialists in the European Parliament since the first elections in 1979. And, if one counts the period when the European Parliament was composed of delegates from national parliaments, the 2009-14 Parliament has the smallest socialist group in over 50 years (Hix, Kreppel and Noury 2003).

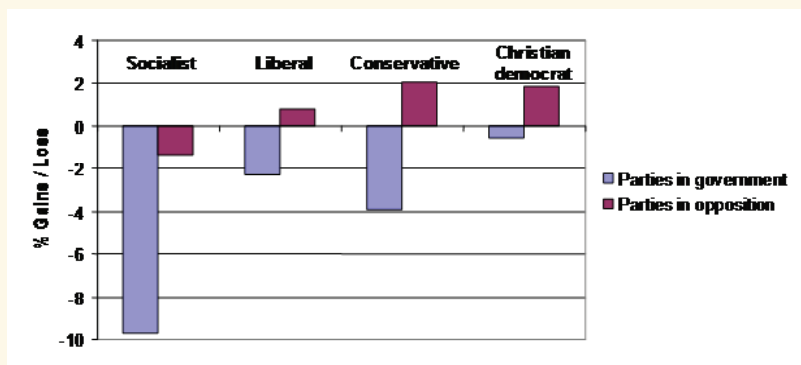
Figure 1. Composition of the Outgoing and Incoming European Parliament in June 2009



What explains the collapse of the centre-left and the victory of the centre-right in 2009? The standard political science model of European Parliament elections is the 'second-order national elections' model; whereby these are mid-term contests in the national election cycle, and so tend to produce gains for small opposition parties and losses for governing parties and large opposition parties (see Reif and Schmitt 1980 after the first elections, and Hix and Marsh 2007 on all the elections up to 2004). This model explains quite a lot of what happened in June 2009. Most governing parties lost support compared to their performance in the previous national election – most spectacularly in Britain – and small opposition parties on both the right (the extreme right and anti-Europeans) and the left (the greens and the radical left) did well. Indeed, a model of the 2009 elections by myself and Michael Marsh, based on a simple second-order national elections model, correctly predicted 90 percent of the MEPs won by national parties and 98 percent of the seat-shares of the European political groups (see www.Predict09.eu). So, not bad!

However, the second-order national elections model does not really explain the poor performance of the social democrats. In previous European Parliament elections particular party families have done well, such as the greens in the 1989 elections (Curdice 1989), and the anti-Europeans in 1994 (Taggart 1998). This time, there seems to have been a negative 'party family' effect for the socialists. As figure 2 illustrates, all the mainstream parties in government lost votes compared to their previous national election performance, but the average loss of support for social democratic parties was much larger than for liberal, conservative or Christian democratic parties. In addition, whereas liberals, conservatives, and Christian democrats in opposition gained votes, socialists in opposition tended to lose votes.

Figure 2. Average Percent of Votes Gained/Lost by Party Family



Was this outcome simply an accumulation of particular national-level factors: such as a collapse in support for parties who have been in power for a long time in some states (which partly explain the results in the UK, Germany, Bulgaria, Hungary, and Portugal), or the failure of social democrats in opposition in others to recover from recent national electoral defeats (as in France or Italy)? But this ad hoc explanation fails to account for the loss of support for social democrats in coalition governments, against the relative success of their centre-right coalition partners (as in Austria, the Netherlands, Belgium, Luxembourg, or Slovenia). Something more seismic seems to have happened.

The one universal factor which has rocked political systems across Europe is the economic crisis. The credit crunch has clearly affected some European countries more than others, with Latvia, Ireland and Spain suffering more rapid declines in output than Germany, France or the UK, for example. Nonetheless, throughout Europe, party leaders have been forced to respond to the crisis, and for several reasons the mainstream parties on the centre-left have found it far more difficult to do this than the parties on the centre-right. It is a historical fact that voters in Europe tend to lean rightwards in times of economic crisis, as they did in the 1930s and the late 1970s. However, it also reflects the fact that in the current crisis most parties on the centre-right have adopted many of the economic mainstays of the centre-left, such as high public spending and Keynesian economic management. As a result, voters cannot tell the difference between the centre-right and centre-left, and centre-right leaders in many countries look younger, fresher and more competent than centre-left leaders.

Perhaps the clearest example of the failure of the centre-left in June 2009 was the inability of the social democrats to come up with an alternative candidate to José Manuel Barroso for the Commission President. Many activists had urged their leaders to put up someone against Barroso before the elections; for example, at the Party of European Socialists (PES) congress



in Madrid in December 2008, many delegates wore t-shirts bearing the slogan: "Who is Your Candidate?". Poul-Rystrup Rasmussen, the President of the PES and former Danish prime minister, was a popular choice. But several key leaders stopped the PES party leaders' summit from backing Rasmussen. José Luis Zapatero and José Socrates, the Spanish and Portuguese premiers, felt an Iberian solidarity with Barroso. Meanwhile, Gordon Brown, the British prime minister, declared that Barroso was 'his man', and anyway wanted to minimise the media interest in an election he was going to lose badly. And, Martin Schultz, the German SPD leader of the Socialist Group in the European Parliament, appeared eager for his group to support Barroso in return for EPP support for his candidacy for Presidency of the European Parliament.

So, despite Barroso's lacklustre performance during the economic crisis and his perceived eagerness to pander to the big member states, the socialists failed to field a candidate for the most important post in EU politics. Had they done so, the election campaign might have had a more European flavour, as the centre-left's candidate would have had to put forward an alternative agenda for Europe, which might have reduced the heavy electoral losses for many social democratic parties.

The June 2009 elections will go down as a defeat for the centre-left and a victory for the centre-right. Whether this is a one-off result, with the centre-left recovering in 2014, or whether this is the beginning of a fundamental shift in European politics, is uncertain. One thing is certain, however, that there will be a lot of soul-searching in social democratic circles in the next five years. This might lead to a genuine contest for the Commission President in 2014, which would be a good thing for the democratic accountability of the EU. Don't hold your breath, though. The social democratic party leaders contrived to avoid this in 2009, and they could easily do so again in 2014.

Simon Hix, London School of Economics and Political Science

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The European Parliament Elections of 2009 and the Fate of Euroscepticism

Paul Taggart

THE 2009 EUROPEAN PARLIAMENT ELECTIONS looked, at first glance, like happy hunting grounds for Eurosceptics. With Lisbon in limbo and many economies in free-fall, this looked like a chance for Eurosceptic citizens and those who wanted to deliver a message to EU-supporting national governments to hammer it home. Even without these factors EP elections have always been good elections for the non-mainstream forces. But the outcome was very different. The elections were an EU-wide achievement but one without much EU content.

Looking at the overall performance of parties taking a Eurosceptic position – ranging from the 'hard' Eurosceptic position of wanting to remove their country from the EU, to 'softer' Euroscepticism with consistently critical positions towards the EU, the average performance of such parties was 27%.¹ In some member states, radical protest parties with Eurosceptical positions did surprisingly well. In Hungary the far right Jobbik surprised many and gained 3 seats in the Parliament. In the UK, the British National Party gained its first members of the European Parliament with 6% of the vote. But in reality Euroscepticism fared extremely poorly in the elections – and Europe fared even worse.

Why did Euroscepticism perform poorly? The first reason that Euroscepticism did so badly is that even in those parties with Eurosceptical positions that did well in the elections, it was rarely their stance on the EU that won them electoral support. In nearly all cases the protest parties were protesting other – either domestic, or more systemic --issues. The British National Party in the UK clearly campaigned on the crisis of domestic politics engendered by the expenses row of members of the national parliament. In Hungary, the far right and hard Eurosceptic Jobbik won 15% of the vote and three seats, but did so in an election where European issues were almost entirely absent. Jobbik drew support for its nationalism rather than its opposition to internationalism.² In the Netherlands, the strong performance of Geert Wilders Freedom Party, coming second with 17% clearly resulted from its anti-



Islam and anti-establishment stance rather than its opposition to the EU.³

Where there were single issue parties taking the EU as their issue, such parties performed poorly. The June List in Sweden lost all three of its MEPs that it had gained in its surprise success during the previous 2004 European Parliament elections.⁴ Even in traditionally Eurosceptic Britain, the United Kingdom Independence Party (UKIP) actually dropped its share of the vote from the previous EP election. Denmark which has Eurosceptical parties that only run in EP elections, the June Movement and the People's Movement Against the EU saw their combined vote drop from 14.3 in the 2004 elections to 9.6 and the June Movement lost its members of the Parliament.⁵

The Eurosceptic 'dog that did not bark' was Libertas. In the wake of the Irish Referendum defeat of the Lisbon Treaty, the mastermind of the 'No' Campaign, Declan Ganley, proposed a European-wide Eurosceptic party and attempted to run Libertas in all twenty-seven member states. In the end, Libertas hardly registered in the elections. It failed to establish itself across all twenty-seven member states and even, in some senses, failed to establish itself as a Eurosceptic force. Ganley had proclaimed his opposition to the Lisbon Treaty, but made it clear that he did not oppose European integration in principle. Where it did present itself for election, the party presented different identities in different national contexts. So, it is questionable whether if it had succeeded it would have represented an entirely Eurosceptic success.

The final reason that we should be very cautious about seeing the EP elections as a success for Euroscepticism lies in the nature of Euroscepticism itself. Comparative work on Euroscepticism that deals with in-depth case studies shows clearly that the nature of Euroscepticism in different national contexts. It is, in fact, so variegated that it can be misleading to talk of a unified phenomenon of Euroscepticism across Europe.⁶ Put more simply, the sources of, the issues taken up by, and the character of Euroscepticism are so different in different member states that we make a false generalization if we try and see an overall trend. This is not only the difference between the new member states of central and Eastern Europe and the other member states, but it is also true between West European member states.

But while Eurosceptics make take little heart from the EP results, supporters of European integration should also have pause for thought. While there may not be a unified Euroscepticism, there was also not a unified European election. It is clear that, in fact, there were twenty-seven national elections. In all of these elections the issue of European integration only re-

ceived a moderate presence in the campaign in six member states (Malta, Finland, Sweden, the Netherlands, Denmark and Poland).⁷ In seven member states, experts judge that the issue of European integration was almost entirely absent. In the rest Europe featured irregularly and as an issue of low salience.

The 2009 European Parliament elections did provide an arena for parties that express Euroscepticism to succeed electorally. But such success was limited in electoral terms and even where Eurosceptic forces gained large shares of the vote they did so on the basis of other electoral issues and on the basis of elections largely dominated by domestic, and not European concerns. The EP elections were no great success for Eurosceptics, but with the persistence of national electoral concerns, they provide no great endorsement for a European-wide agenda of integration either.

Paul Taggart, Sussex European Institute

Notes

1 Author's own calculation based on preliminary information kindly provided by authors of EPERN European Parliament Briefings.

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6 Aleks Szczerbiak and Paul Taggart (eds.). 2008. *Opposing Europe? The Comparative Party Politics of Euroscepticism* 2 volumes, Oxford: Oxford University Press.

7 See footnote 1.



Europe and the Global Financial Crisis¹

Dermot Hodson and Lucia Quaglia

THE GLOBAL FINANCIAL CRISIS, which began in 2007 with the collapse of the US subprime mortgage market and that has yet to run its course, is on a scale that has not been seen since the Great Depression. Worldwide losses from the crisis, measured in terms of write-downs on assets originating in the USA, Europe and Japan, could be as high as US\$4.1 trillion (IMF, 2009, p. 30). This financial turmoil has had a devastating effect on the world economy, with global gross domestic product (GDP) contracting in 2009 for the first time since the Second World War and trade likely to experience its steepest fall since this time (World Bank, 2009, p. 1).

Europe has not escaped the effects of the global financial crisis. The European Central Bank (ECB) expects write-downs of US\$649 billion on securities and loans by euro-area banks alone over the period 2007-10 (ECB, 2009, p. 103). European Union (EU) GDP fell by an estimated 4% in 2009, the bloc's first recession since the early 1990s and its worst performance on record (European Commission, 2009). This downturn has had a dramatic effect on the labour market, with the number of people unemployed in the EU-27 rising by 5.4 million between March 2008 and May 2009 (Eurostat, 2009).

The acute effects of the global financial crisis on the European economy have prompted an unprecedented degree of policy intervention at the EU, euro area and national level. To begin with, in the short and medium term, measures were taken by the European Central Bank (ECB), national central banks and EU governments with a view to unfreezing credit markets, securing bank deposits and re-capitalising the banking sector. The national banking rescue plans were subject to the approval of the European Commission under the rules governing competition policy in the EU, though the European Commission adopted a pragmatic approach to this matter (Quaglia et al. 2009). Central banks in the EU and worldwide engaged in a substantial cut of interest rate during the second half of 2008. A European fiscal stimulus package was agreed in December 2008 and implemented afterward. EU medium term financial assistance was provided to some central and eastern European countries, notably Hungary, Latvia and Romania, in conjunction with loans from the IMF.

Policy measures in the EU aimed at the longer-term have included a regulation on credit rating agencies and a proposed directive on hedge funds managers (to be precise, alternative investment funds managers). The de Larosière report (2009), which was published in March 2009, proposed the creation of European Systemic Risk Council and a European System of Financial Supervision with a view to transforming the so-called level 3 committees of national supervisors into EU authorities. Although it is less ambitious than the Obama administration's plans to assign greater supervisory powers to the Federal Reserve, the de Larosière report (2009) is significant nonetheless. Under an agreement reached at the European Council in June 2009, the chair of the European Systemic Risk Council will be elected by the General Council of the ECB, thus increasing the supranational dimension of EU financial market policy as well as expanding the bank's own area of competence.

Reform proposals in the EU have gone hand in hand with a debate on the overhaul of global economic and financial governance. The G20 has emerged as the international venue of choice for heads of state and government seeking a coordinated approach to bank rescue packages and macroeconomic stimulus packages. At the technical level, the Financial Stability Forum (FSF) (later reformed as the Financial Stability Board, FSB by the G-20) has been at the centre of various networks of regulators, such as the Basel Committee on Banking Supervisors (BCBS), the International Organization of Securities Commissions (IOSCO), the International Associations of Insurance Supervisors (IAIS), the International Monetary Fund (IMF), the World Bank...etc in elaborating the response to the financial crisis.

Notwithstanding its dramatic effects, the global financial crisis represents an extraordinary opportunity for students of European political economy. Firstly it provides a unique natural experiment for understanding the functioning of Economic and Monetary Union (EMU) in a world of intense but incomplete financial integration at the regional and global level. Secondly, it offers a case study into the EU's ability to provide policy coordination at home and leadership abroad in the absence of more centralised modes of decision-making. Thirdly, it allows us to observe the response of both the euro area and Europe's distinct models of capitalism to a colossal common shock.

A forthcoming special issue of the *Journal of Common Market Studies*, edited by Hodson and Quaglia, tackles these and other issues from a variety of disciplinary backgrounds. It brings together economists, political scientists and political economists with the aim of putting the European dimension of the global



financial crisis in its historical and intellectual context. This contribution to the EUSA Political Economy Review, which heavily draws on the introduction of that special issue, summarises the volumes key findings and highlights issues for future research.

European perspectives on the global financial crisis

The origins of the global financial crisis are complex and interconnected (see Brunnermeier et al., 2009, Financial Stability Forum (FSF), 2008, Financial Services Authority (FSA), 2009, Group of Thirty, 2009). The contributors to the special issue emphasise different elements of the story although there is broad agreement that the economic and financial instability witnessed worldwide in 2007 and 2008 originated from a combination of domestic and international policy failures.

The interrelated domestic and international causes of the financial crisis

Louis Pauly locates the roots of the crisis in the unwillingness of national governments to engage in cross-border policy coordination following the collapse of the original Bretton Woods system in the early 1970s. For all the talk of macroeconomic imbalances in international institutions and fora over the last few years, the United States proved unwilling to reduce consumption and increase savings while countervailing measures were equally unpalatable to China, Japan, and other major exporters. A burgeoning current-account deficit in the United States was matched by massive capital inflows, mainly from Asian investors and energy producers keen to hold assets denominated in US dollars. The ground was well prepared for disaster, when deregulatory zeal brought on a credit boom and a widespread mispricing of risk.

Iain Begg suggests that regulatory failures were among the chief causes of the global financial crisis. This failure, he argues, was not restricted to the shadow banking sector but encompassed mainstream and conventionally-regulated financial institutions, which left themselves under-capitalised in their search for more profitable but increasingly risky trading strategies. Banking practices may have added to this problem, Begg suggests, by allowing bonuses to be awarded without exposure to risk or before the true value of net purchases or sales could be measured.

For Jacopo Carmassi, Daniel Gros and Stefano Micossi, financial practices of this sort were a symptom rather than a cause of excessive credit expansion and investments. Reckless bets on asset-price increases, they argue, would not have been possible without domestic policy errors in the monetary do-

main. The pursuit of lax monetary policies following the bursting of the dot-com bubble in 2000, the authors suggest, added fuel to the fire of the credit boom and led a convergence of expectations among investors that asset prices would increase indefinitely. Individuals underestimated the risks from such behaviour not only because of 'irrational exuberance' but because central bankers in the US, and to a lesser extent in Europe, created the misleading impression that monetary policy could 'mop up' in the event of an asset-price correction.

These problems were compounded, Carmassi, Gros and Micossi argue, by shortcomings in the framework for financial regulation and supervision. A puzzling feature of the current crisis is that some European banks were even less well capitalised than their counterparts on Wall Street in spite of the fact that financial regulation was deemed to be stricter in Europe than in the US. Financial sector leverage, the authors show, increased by 70% in the euro area over the period 1999-2007 compared with a figure of 40% of GDP in the US. A possible explanation is that European financial institutions interpreted the Basel Accord's capital rules in a perverse way, treating minimum capital requirements as a de facto ceiling and neglecting broader risk-assessment responsibilities.

The ad hoc coordination at the EU level and the legitimacy challenge

Despite the rather 'thin' institutional framework for crisis management and resolution in the EU, the member states have showed a surprising capacity for ad-hoc policy coordination in the midst of the global financial crisis. Perhaps the most significant development, Pauly argues, has been the 'quiet development' of emergency fiscal burden sharing mechanisms within the EU in the form of reduced profits flowing from central banks back to national treasuries, through the balance sheets of multilateral financial institutions, and through regional payments facilities. Thus, although the European Recovery Plan fell short as a form of ex-ante burden sharing, solidarity between EU member states was not entirely absent.

Another surprising feature of the EU's response to the financial crisis has been the degree of ad-hoc cooperation between the UK and euro-area members. The highpoint of this cooperation was Prime Minister Gordon Brown's attendance of the emergency summit of euro-area heads of state and government in October 2009 to discuss the UK banking rescue plan. The summit endorsed Brown's ideas and it provided a template for similar efforts in other EU member states. For Lucia Quaglia, the EU's efforts at coordination in this area are an archetypal example of Europeanization in



action. Although national interests and priorities were at the forefront in policy makers' mind in responding to the crisis, the EU facilitated 'learning' (or policy transfer) between member states in their efforts to tackle weaknesses in national banking systems.

Even if the EU helped to avert financial disaster in Europe, the crisis, Erik Jones suggests, has taken its toll on EMU's legitimacy. The ECB has responded in a sure-footed manner to the financial crisis thus far, he notes, but less than half of EU citizens express trust in the institution. Similarly, the crisis may have convinced authorities in Iceland that the country's future lies in the EU and euro area, but only 39 percent of EU citizens believe that the euro has mitigated the negative effects of the crisis. This loss of support for the single currency may be temporary, Jones suggests, but it is symptomatic of EMU's legitimacy deficit. In this respect, the financial crisis has confirmed that the ECB has limited options available for enhancing the perceived benefits of the euro during a period of heightened uncertainty over the economic outlook.

The similarities and differences of national responses to the crisis

Despite some common problems experienced by all financial systems worldwide, the turmoil affected various countries to a different extent and in different way in that the effects of the crisis were filtered by domestic economic and political institutions. Hence, besides some shared lines of action, the national responses to the turmoil varied even across Europe. Iain Hardie and David Howarth consider the impact of the crisis on the bank-based models of France and Germany. A striking feature of the recent turmoil, they note, is that German banks, which have traditionally been seen as more conservative and regulated than their French counterparts, have incurred significantly greater losses. This is due, the authors argue, to the fact that the German banking sector has experienced a more dramatic process of financialisation in recent years as commercial and regional banks have sought to increase profitability by increasing risk taking through practices such as derivative trading. Ironically, such practices increased the vulnerability of German banks to the global financial crisis as evidenced, for example, by the exposure of Landesbank to the US subprime market via asset back commercial paper (ABCP) conduits. The German government's response to the financial crisis may slow down the process of financialisation but it is unlikely to reverse it, raising questions about the fate of the country's bank-based model and the role of 'patient' capital in its particular variety of capitalism.

Dermot Hodson and Deborah Mabbett ask how economic and financial decision-making in the Unit-

ed Kingdom (UK) has been affected by the crisis. UK economic policy over the last decade, they argue, has been underpinned by a New-Keynesian inspired paradigm that prioritised the pursuit of price stability, delegated operational responsibility for counter-cyclical monetary policy to the Bank of England and allowed limited scope for fiscal activism. This paradigm had limited regard for the linkages between macro-economic policy and financial stability, as reflected in the government's decision to share responsibility for financial crisis management between the Treasury, Bank of England and Financial Services Authority. The UK's New Keynesian paradigm is under severe strain as a result of the financial crisis. Its credibility has been challenged, inter alia, by the failure of monetary policy to prevent a housing bubble from occurring and by the failure of traditional monetary policies to make amends after it burst. In spite of these and other strains, however, there is little sign of a radical reordering of the goals, instruments and institutions of UK economic policy of the kind that heralded the demise of Keynesianism and the rise of monetarism in the late 1970s.

David Mayes explores the response of Nordic countries to the global financial crisis. He finds little evidence that the financial crisis experienced by Denmark, Finland, Norway and Sweden during the late 1980s and early 1990s left Nordic countries less vulnerable to the effects of the recent financial turmoil than other member states. One reason for this fact is that the current crisis has a different character than those of the late 1980s and 1990s. The increasingly cross-border character of banking in Nordic countries, for example, made it more difficult for national authorities to mimic the financial rescue packages employed twenty years ago. More significant still was the fact that past crises did not pave the way for a radically new approach to financial regulation and supervision in the Nordic countries. In Sweden, for example, attempts to overhaul rules on bank intervention were not yet finalised at the onset of the global financial crisis, making it difficult for national authorities to deal with distressed banks. One reason for the slow pace of reform, Mayes speculates, is that the comparative success of crisis management during the Nordic financial crisis of the late 1980s and early 1990s bred complacency about the need to boost crisis avoidance policies.

Looking ahead: the debate over regulatory reforms

The Nordic experience shows that significant reform is not inevitable after a severe financial crisis. Hodson and Mabbett arrive at a similar conclusion in their analysis of recent reform proposals in the UK. For all the talk of revising or scrapping the UK's tri-



partite system of financial crisis management, neither the government nor the main opposition party seem willing to contemplate a radical overhaul of the aims and institutions of UK economic policy. The reason, the authors suggest, is that the political constituency for imposing counter-cyclical capital requirements is simply not there. Nor are politicians willing to consider measures that would put the City of London at a competitive disadvantage no matter how much the UK may have suffered during the global crisis from its dependence on financial services.

Carmassi, Gros and Micossi, in contrast, argue that reform in Europe might go too far in response to the global financial crisis. They warn, in particular, of a regulatory backlash by EU policy-makers against forms of financial innovation such as securitisation, derivatives and hedge funds. Such measures, they argue, could both hinder financial markets from promoting growth and investment in the EU and distract from the more important task of enhancing the linkages between monetary policy and macro-prudential supervision. To this end, the authors advocate, inter alia, the imposition of stricter capital requirements based a definition of total assets that cannot easily be circumvented.

Begg critically evaluates the proposals for overhauling the EU's system of financial supervision set out in de Larosière report in April 2009. Plans to create a European Systemic Risk Council led by the ECB, he suggests, are a step in the right direction towards a quasi-federal system of financial supervision. However, it remains to be seen how national regulators that exist separately from national central banks would be represented on such a body. He also welcomes plans to create a European System of Financial Regulators but remains puzzled as to why such a body would not be given responsibility for overseeing financial entities with substantial cross-border activity. A more fundamental weakness in the de Larosière report, Begg argues, is the failure to address the fiscal underpinnings of EU financial supervision. With an EU tax an unlikely prospect, significant doubts exist about the credibility of EU supervision and the arrangements for burden sharing in the event that a systemic crisis occurs.

Conclusion

The EU and its member states are, it would appear, slowly recovering from the global financial crisis and so is the global economy. Several jurisdictions, including the EU, have engaged to a different extent and with different degrees of success in the revision of the existing framework for financial services regulation and supervision. The EU, under the advocacy of some member states, has also pushed for stricter and more

extensive regulation of several financial activities in international fora, first and foremost the G-20. The global financial crisis seems to have somewhat increased the international regulatory power of the EU in the international arena, where in the past the USA tended to play a predominant role. Indeed, the crisis has been seen by many in the EU – rightly or wrongly – as a failure of the Anglo-Saxon model of financial capitalism and 'light touch' regulation. Whether the 'right' lessons from the crisis have been learnt by the EU remains to be seen. The crisis has, however, already provided an opportunity to discuss and revisit some key debates in European political economy, highlighting some of the fundamental weaknesses and unexpected sources of resilience in European economic governance.

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Note

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Making the European Union Relevant to all Students

Alexander Caviedes

THERE IS LITTLE MORE GRATIFYING than receiving a communication from a former student recounting how what they learned in your class is being confirmed now that they have the opportunity to visit Europe. However, many students never visit Europe, much less ever leave the US. Much has been written about simulations and how they make the EU concrete to students (Kaunert 2009). However, this piece asks the question of how to make learning about the EU relevant and valuable for all students? It does so by exploring a trio of important strategies, one that allows students to enter into the subject matter quickly, a second that attracts their attention, and a third that provides them with general knowledge that will stay with them.

Using Theory to teach about European Diversity

The ideal student of the EU would have some familiarity with Europe and perhaps even European politics, but a EU politics course is not always linked to a 'European Politics' prerequisite. While students stand to learn a fair share about countries such as France and the UK as the course progresses, for students who know little about any European country, it is important to grant them a sense of European diversity from the outset. Rather than exploring individual countries and their characteristics, it is worth recognizing that EU politics often revolves around competing attitudes about political economy and social policy. One can prepare students for the cleavages that will recur throughout the course by introducing them to differences in varieties of capitalism or the worlds of welfare.

While the predominant framework for comparing European political economies is Hall and Soskice's 'varieties of capitalism,' the differences between coordinated and liberal market economies rest upon fairly advanced understandings and somewhat abstract concepts of political economy. Undergraduates may find it easier to read Michel Albert's *Capitalism vs. Capitalism* (1993), which highlights the differences within Europe on a variety of different issues ranging from income equality, to regulation, to sources of finance (banks vs. brokers). This lends itself nicely to dividing the class into different discussion groups, each focusing on a separate issue, which must present that issue to the rest of the class together with an assessment as to which type (Rhenish vs. Anglo-Saxon) prevails in



the one country they know best: the US.

One particular facet of diversity that Albert touches upon is explored more deeply in Esping-Andersen's 1990 classic on the welfare state. As Lahodynksy observes (2007), US students appear increasingly critical of the limited nature of social transfers in the US. The Three Worlds of Welfare Capitalism features charts and indicators on welfare programs from which students can be asked to identify three different groupings of social expenditure, within which the US is also situated for purposes of comparison. While the worlds of welfare are less recurrent than varieties of capitalism within later discussions of the nature of the single market, they still serve as a powerful lesson as to the diversity that exists in Europe, as well as the most common types of country groupings (for instance, the high taxation/high social spending Scandinavians).

For students who are often unsure about their ability to contribute to class discussion due to insufficient specific knowledge about European countries, a quick primer in the types of European economies can lend confidence as well as familiarity when these issues resurface later in the course.

Making the EU relevant to American students

Some students are naturally drawn to new experiences and unfamiliar locales, but for many whose experience and interest is limited to the US, generating interest in the EU first involves convincing them that the EU is relevant to the US and their own personal welfare. To further students' confidence in their ability to understand, the US can serve as an implicit or even explicit reference point for comparison (as mentioned above in the case of welfare systems, where students often feel sobered to see so many other countries affording more generous benefits). Any discussion of EU institutions is best begun with the question of what the different branches of government are in the US, and what functions they serve. For most students, this is an opportunity to ground themselves in what they know before exploring institutions that have unfamiliar names and somewhat confusing competences, from an American perspective.

In deciding which EU policy areas are most relevant to American students, one may want to consider which are implicated most by transatlantic relations. Among EU textbooks, McCormick's *The European Union: politics and policies*, is written explicitly with the US undergraduate in mind. While it covers fewer policy areas than other texts, the ones it does focus on are indicative of those which are easiest to link to potential points of contention between the US and EU: agricultural policy, external trade, and foreign and security policy. Similar to Lahodynksy's findings (2007),

my students are amazed at the perceived 'audacity' of the Commission to impose fines or meddle in the affairs of American multinationals such as Microsoft or Boeing in the name of fostering competition.

While it can be challenging to get students to appreciate the extra-territorial implications of EU policy in realms such as trade, students possess some familiarity with US foreign policy, so this is one area in which students can be expected to wield examples from the US to compare with EU tactics and policies. Unlike the discussion of competition or trade policy, which would benefit from scaffolding so that students first understand US policy in these areas, American undergraduates not only know about US foreign policy, but have usually developed their own opinions on the subject. Especially for students who are somewhat critical of US policy, the study of the EU provides them not only with a critique but a concrete, albeit underdeveloped, alternative.

If the comparison of some EU policies (such as security) to those of nation-states sometimes leaves the students with an impression of relative impotence, one area where students can gain respect for the EU is in its environmental policy. In particular, a direct comparison of the carbon emissions reduction obligations of, and actual reductions achieved by, the EU or its member states to those of the U.S. or Canada should leave students curious. Since the debate over climate control in the U.S. centers on the high costs of reducing emissions under the successor to the Kyoto Protocol, how have fellow industrialized countries like the UK, Germany, France, and Sweden been able to meet their pledged emissions targets? Thanks to its homogeneous membership, the EU provides an example of how more technologically advanced and industrialized countries can partner with developing or transitioning countries that are able to exchange their surplus carbon credits (since they emit less carbon) for the technology to produce their energy with diminished environmental impact. Clearly, this is the direction that the U.S. will have to follow with regard to China and India if any advances are to be made in the direction of a truly global regime, so the EU provides a ready-made blueprint.

The EU may not have a very established system of welfare policies when compared to those of the individual member states, but focus on social policy still provides a relevant moment of comparison and contrast if one can bring in the health policy, unemployment insurance, or maternity leave provisions of some individual member states. The *United States of Europe* (Reid 2005), a wonderfully accessible view of Europe from the perspective of an American journalist, is full of explicit and implicit comparisons to the U.S. A par-



ticularly eye opening chapter is that on the European social model that leaves students questioning whether universal health care really is beyond the U.S.'s ability, why students pay so much to attend college, and how a society that is so focused on family values offers so little in terms of maternity leave or child-care. Even if EU policies cannot be as directly implicated by such a discussion, it performs the equally relevant task of delineating what is meant by the term: 'European social model,' and why this element of identity still differentiates Europe from the U.S.

Teaching the EU as an Economy

American students often suffer from the belief that all economies function like that of the United States. For example, American (mis-)use of the word 'liberal,' to describe those who the rest of the world labels as 'socialist' or 'social democratic,' invites confusion when students are confronted with the word liberal to describe the economic model of the US (Cox 1993, 70). As a trading bloc rather than a country, the EU may be viewed as *sui generis*, yet it still represents an economy that can be paralleled with national models. Disaggregating the various elements necessary to constitute a market - through the study of the process of how they are/were constructed and regulated in the case of the EEC - is quite an eye-opener to students that too often assume that a market functions automatically.

By discussing the regulatory framework necessary to create a single currency or maintain agricultural policy, students quickly appreciate the amount of government intervention involved in overseeing the economy. Exposing the politics behind the implementation of competition policy, or in conducting international trade, awakens students to the reality that in these areas US policy often lies quite a distance from the free-trading ideal that it projects.

While the structure of American undergraduate education may gift classrooms with a greater diversity of understanding and academic preparation, this can also mean that many of our students have modest groundings in politics and none in economics. For this reason, it is helpful to think of an EU politics course as something of a general course in political economy from which the students may emerge not simply with an understanding of how the EU functions (which they may forget after a short time for lack of continued exposure), but with an ability to recognize the key components of political economy and the tools available for governments to influence the economy. More than ever, students are confronted with the debate over the proper role of government with regard to the economy. A course in EU politics that devotes attention to the

foundations of political economy can provide students with the tools to evaluate their own government's performance – an essential civic skill that they should retain even after individual facts concerning the EU itself begin to fade with time.

Good teachers must possess a passion for their subject. Molding good students also requires such enthusiasm, and hopefully this article lends some insight as to how to foster this. Theory enables students to quickly understand what is at stake in debates over European integration, even if they have little knowledge of Europe. Using the U.S. as a contrasting example, or focusing on policies that affect the U.S., should help the course resonate with the interests of American students, especially those with little interest in international affairs. Finally, while one cannot always elicit excitement for the subject matter, by teaching the workings of an economy, particularly a carefully crafted one such as the EU's, will serve students in the long run since they will have the tools to discern and possibly contribute to the workings of their own country's political economy.

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Teaching EU Policies to Engineering Students

Attilio Stajano

THE TURNOUT AT THE European Parliament elections in June 2009 was at 43.1%, the lowest value ever, 9 to 43 percentage points below the turnout in the most recent national political elections in the 27 member states and plummeting to about 20% in Slovakia and Lithuania. Causes of the electorate's indifference include the focusing on local issues of the national political leaders in the EP campaign; the inability of the EU institutions to inform the European citizens on what benefits EU legislation and EU policies can really bring to them; and the inadequacy of national educational programs in preparing youngsters to European citizenship.

I started teaching on research and technology EU policies initially in the U.S., at Georgia Tech (in 1999), and later on in Italy and Belgium; my audience was mainly graduate students in engineering. To my surprise, European students were so unfamiliar with EU principles and values, let alone EU legislation and policies, as the American ones. I decided that I could not teach about EU research and technology policies without first building awareness in the students of their belonging in a community larger than their home country and of the role of the internal market in establishing new rules-of-the-game in business, in trade, and in their future profession in Europe and beyond.

Courses on the EU are usually offered in faculties of Political Science, schools of Law, or departments of Economics. My courses, instead, were conceived, designed, and offered in the Faculty of Engineering to an audience of graduate students in Telecommunications, Computer Science, and Electronics. The courses address the intersection between research policy and industrial policy, covering policies aimed to increasing competitiveness of the European productive system. Since the audience is not familiar with the principles and values that unite European citizens, or with EU institutional structure and policies, the courses include an introduction to the EU foundations, structure and policies, focusing on policies for sustainable development. My students are not expecting and don't need a course on political science. Rather they need to know how the transformations in economy resulting from the belonging of their country in an enlarging EU affect the business environment in which their profession will

develop. For this reason, as opposed to a scholarly approach, my courses have a pragmatic one, combining a bottom-up description of how business reacts to the changing environment with a structured presentation of the relevant policies.

My aim is to make students aware that European citizens belong in the wide European Community, highlighting the evolution of the European society as it is transformed by technology, globalization, interconnections, and by the institutional evolution of the EU. Future European engineers learn how the EU supports competitiveness of domestic companies to achieve sustainable economic growth. They are introduced to the EU business environment, the implications of internal market, competition policy, the Lisbon strategy, and other policies that affect their profession.

EU is presented as a region with high labor costs that cannot compete internationally on the basis of price. Investments in education, lifelong learning, research, and innovation are proved to be necessary for EU member states to face the strong competition within the Triad and with the emerging economies. EU must offer superior products and services so that customers are prepared to pay the extra cost, attracted by the quality edge of EU products. The EU research, innovation, and technology policies, are presented as a contribution to the achievement of greater competitiveness and sustainable growth of the EU economy within the context of a knowledge-based society. It is shown that they also contribute to cohesion and to the implementation of other policies: Competition, Consumer Protection, Employment, Energy, Enlargement, Enterprise, Environment, Information Society, Institutional Affairs, Internal Market, Mobility, Public Health, Regional Policy, and Transport.

I have been involved with the use of technology in teaching since the early 1970s, when e-learning was called 'computers assisted learning' and the most advanced tools in the classroom were typewriter-type terminals. In my teaching I now make extensive use of asynchronous e-learning; along an approach I developed following an inspiring experience at the University of Georgia at Athens, GA, based on the works by Palloff [Palloff et al. 1999, 2001]. My use of e-learning is meant to create a community in which students play an active role interacting with one another and with the lecturer, and contributing to the creation of content, knowledge, know-how, and skills. The learning community is based on the extension of face-to-face lectures with an asynchronous online interaction meant to involve active, intense, regular, and monitored participation by students.

The online asynchronous interaction uses various tools, including forums that induce active participation



and enable the lecturer to monitor the involvement of each individual student. The forums include:

- a forum to post comments and ask for clarification
- a forum addressing the question of the week, a question posted by the lecturer at the beginning of each week, related to the week's subject or to upcoming events in the EU institutions
- a forum to post questions for a regular weekly question time session. Questions are posted before or after the session and receive an extensive answer by the lecturer, later posted on the platform

I use an open-source platform of the University of Louvain-la-Neuve, Belgium, hosted by Dokeos (<http://www.dokeos.com./hosting.php>), a service company in Belgium run by the architect of the e-learning platform, Dr. Thomas De Praetere. The user interface is particularly easy to use and the platform is continuously improved based on the sharing of some of the developments commissioned by users.

The use of the e-learning platform in my courses has been designed to:

- ensure the utmost involvement of each student
- create the conditions for the creation of content and knowledge by the students to complement the role played by the lecturer
- create an online learning community, giving a voice to less extroverted and more reflective students who would not participate in classroom discussions
- continue the classroom discussions through asynchronous online communication
- ensure a strong interaction with and between students
- let students introduce themselves and describe the reasons why they have enrolled and their expectations about the course
- structure asynchronous discussions in several forums on topics suggested both by the lecturer and by the students

Students are encouraged to give answers to other students' questions; the lecturer monitors the forum and intervenes when appropriate to complete—and correct if necessary—the posted answers. Students should be able to rely on timely answers to their questions. In addition to the classroom hours, students are supposed to devote up to 12 hours a week for self study and asynchronous interaction on the e-learning

platform.

The e-learning platform enables to trace students' activity and participation, allowing intervening timely on students that are inactive or not sufficiently involved. It offers also many other tools, including self-assessment tests and a way to document the course progress. Each lecture is documented, with an extensively commented copy of the slides and with home assignments and pointers to recommended reading made available on line.

The lecturer is supposed to spend quite some time on the e-learning platform. My own experience would suggest that, in order to serve 25 students, 4 hours a day are needed on each day of the week (often including time over the week end). Beyond 25 students a tutor for each additional 20 students is needed. Maximum workable class size is 60 (with two tutors). My faculty hired Ph.D. students as tutors on the basis of 20 hours per week contracts.

A very important part of the courses is the development, presentation, and discussion by students of a research paper. Groups of up to four students write and present a research paper on a subject of their choice among those suggested by the lecturer or proposed by the authoring team and approved by the lecturer, within topics addressed in the course. Every student is also the discussant of a paper of another group. Each student should allocate up to 24 hours to this activity. The choice of the research paper subject is finalized within the first three weeks of the course, as soon as students are well familiar with the way the course is structured and conducted. Examples of research paper titles: "EU R&D on Renewable Energies", "Brain Drain", "Should Turkey Become a Full EU Member?", "The Recovery of the Finnish Economy in the Early 1990s".

Through the writing of the research paper students contribute to the educational process by offering original content not included in the lectures and in the textbook. They show their ability to work in group, to seek information independently, to process that information critically, and to defend their argumentations. Furthermore, they develop their written and oral reporting and debating skills.

The research paper is an original extension of the content of the course. It contributes to the course objectives by one or several of these means:

- to present and defend a thesis contrary to one proposed by the lecturer
- to extend a topic covered in the course
- to introduce a relevant topic not covered in the course

The research paper is not a 'cut and paste' of materials downloaded from the web or a survey, but rather the presentation of a thesis and its justification. Its size is strictly contained in 10 pages and does not exceed 3,500



words. The subject of the research paper is explicitly anchored to a lecture or to a section of the textbook. Each student is in charge of studying the paper produced by another group and to animate the discussion with pertinent and challenging questions. In addition, everyone can ask questions at the presentation of any paper.

Over the years the syllabus of the course (now on line at <http://stajano.deis.unibo.it/LINKS/syl.htm>) evolved into a book [Stajano 2009] whose second edition was published in 2009 by Springer. An appendix and an accompanying website —available at <http://stajano.deis.unibo.it/RQC.htm> — contain ancillary distance-learning material, extended readings, country-specific data, images, figures, tables, and other materials for producing course notes and visuals.

Over the years about 500 students attended 18 editions of this course in classes of various sizes in three different campuses. Students' evaluations were consistently more favorable than the faculty's average on the interest raised, the use of tools, the completeness and availability of documentation, and the availability of the lecturer to tutor them. They also reported a perceived high work load.

In conclusion, I think this course was useful and successful and I am convinced that teaching about the EU should be proposed in European universities also beyond the curricula of political science, law, and economics, adapting the tune to the context and to the interests and needs of the audience. It might be a small contribution to a great cause: increasing in the young EU citizens the feeling of belonging in the European Union and raising their awareness of the impact of EU actions on their lives; and —maybe— increasing in the long term the turnout in EP elections.

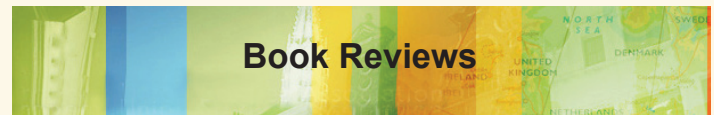
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Simon Hix. *What's Wrong With the European Union & How to Fix It*. Cambridge, UK: Polity Press, 2008.

THERE HAS BEEN A GROWING LITERATURE, after the French and Dutch referenda, in 2005, on EU malaise. A part of that literature has stressed the constitutional origins of the malaise, arguing that the EU will not overcome its difficulties without settling its constitutional foundations. Another part of that literature has suggested that EU difficulties come from political instead of structural sources, i.e. from the nature of the political process. Simon Hix's book squarely belongs to this latter interpretation. The first half, *What's Wrong With the EU*, develops the argument that the EU needs more partisan politics and not another cycle of treaty reform. For Simon Hix, the EU's difficulties are due to the policy gridlock which tends to emerge from the interactions between the three governmental institutions (the Commission, the Council and the Parliament), from the declining level of its popular legitimacy and from the democratically unaccountable character of its decision-making process. Indeed, the EU is considered to be closer to a form of "enlightened despotism" (whatever this means) than to a "genuine" democracy. The EU has already become "less consensual" and "more majoritarian" in institutional terms, due to the reforms introduced since the Single European Act.

What it needs, thus, is a transformation of elite and mass behavioural patterns to correspond to the institutional changes that have already taken place. The EU needs more "open" debate and a "true" competition over the exercise of political authority in order to guarantee its citizens an influence over the EU agenda. In addition, "more" politics entails allowing coalitions to be built across institutions in order to overcome the constraints of the system of checks and balances built into the EU governmental system. Certainly, the EU will never be like a Westminster model of government (where a plurality of voters creates a party majority in the parliament that is able to control the totality of the decision-making process). Rather, the EU should become like the model of government in Germany, the Benelux countries or Scandinavia, where a large, broad coalition is built in support of policy change via an "open" and "vigorous" political debate.

The second part of the book, *How to Fix It* explains brilliantly the many changes that can be made immediately to promote a "limited democratic politics" in the EU, such as requiring trans-European political parties to indicate their candidate for the position of Commis-



sion president during the elections for the European parliament, adopting winner-takes-more rules for allocating institutional roles within the latter, or soliciting more transparency for the deliberation process taking place within the Council of Ministers. In sum, for Simon Hix, the EU needs more political competition at all institutional levels, in order to create cross-institutional partisan coalitions along the lines of the left-right divide. This would help citizens to understand the stakes of the decision-making process taking place in Brussels and thereby increase their participation in the EU political process.

Simon Hix's book is not aimed at an academic audience, but mainly at the larger public. For this reason, the concepts utilized are vague (i.e. "enlightened despotism") and the argument is overloaded with adjectives ("genuine", "open", "true") and adverbs ("more", "less"). Certainly, Hix has demonstrated with previous academic books, and in particular the acclaimed *The Political System of the European Union*, that he knows, the structure and functioning of the EU as few other scholars do. Although he was one of the first scholars to promote a comparative perspective on the EU, here he falls into the trap of so many EU studies: the impressionistic comparison of the EU institutional structure. How can the EU become like Germany, the "Benelux countries" (there are significant differences between Belgium, the Netherlands and Luxembourg) or the Scandinavian countries? The EU is a union of states organized around a separation of powers and checks and balances, whereas the latter countries are fusion-of-power systems and each functions along different democratic logics (Belgium is a consociational/consensual democracy, which is not properly the case in Germany, Scandinavia or the Netherlands). Moreover, Belgium and Germany are two federal systems, whereas Sweden or the Netherlands are not: and this certainly influence the way in which government coalitions are built in the two cases. Models of democracy cannot be defined through adverbs ("more" or "less" consensual or majoritarian), but through the parsimonious identification of institutional features.

Although Simon Hix is aware that the EU cannot be coherently "parliamentarized", he seems to have difficulty in identifying the properties of the democratic process in a non-parliamentary political system. At the end of day, the basic solution for the EU's malaise—even for Hix—resides in a stricter connection between the majority in the European parliament and the partisan composition of the Commission. Indeed, unions of asymmetrical states cannot accommodate similar "political" solutions. Their democratic process can, and should, be politicized, but such politicization will have to take place according to a different logic. Without a precise understanding of the EU's institutional

structures, the reformers' dreams, whether based on a constitutional or a political interpretation of the EU's difficulties, will have a limited future. Probably, it would be advisable that the scholars of the EU investigate more precisely also the institutions and the functioning of the other established democratic systems.

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David Judge and David Earnshaw. *The European Parliament*. Basingstoke: Palgrave Macmillan, 2008.

SINCE DAVID JUDGE AND DAVID EARNSHAW'S *The European Parliament's* first edition was published in 2003, there have been exciting developments in Europe that are of historical significance. With the accession of twelve new member states, the European Union (EU) expanded from 15 to 27 countries comprising a population of almost 500 million people. The internal institutional development of the European Parliament (EP) has paralleled the growth of the Union, and today the EP membership increased to 736 with a subsequent increase in ideological and linguistic diversity.

The breadth and pace of change on the European continent has mandated a revised second edition of the book. Remaining faithful to the basic structure and spirit of the first edition, the central argument of the book is also the same: The European Parliament is not sui generis and should be understood as a legislature that performs various "universal" legislative functions within the EU's broader institutional structure.

The added value of this second edition is the inclusion of the 2004 European Parliament elections following the European Union's (EU) "big bang" eastern enlargement, further EU expansion towards Romania and Bulgaria in 2007, internal organizational and procedural changes within the EP, and the changes to the EP's powers resulting from the Lisbon Treaty. But more importantly, the second edition draws on the recent studies on the EP published in the last two or three years.

After a brief introduction, the book is divided into nine chapters. In the first chapter, Judge and Earnshaw set themselves a rather ambitious task of locating an institution that is widely perceived as sui generis in wider models of legislatures and of the EU's system of governance. And they do so successfully. The second chapter complements the comparative analysis with a rather too long historical review to better understand how the EP's location as a legislature changed across time (66). The following two chapters deal with the broader issues of legitimation, linkage and representation. Chapter 3 discusses why "a simple linear model of parliamentary legitimation" has proved inappropriate in the EU context and points to the multi-



ple “foci of legitimation” (88). Developing further the analysis of linkage, Chapter 4 looks at the “what” and “how” of representation. That is, it considers what is to be represented or the “foci of representation” and how representatives “act on behalf of others” (111).

Moving inside the EP, the fifth and sixth chapters examine EP’s internal institutional structures: party groups, committees, and rules of procedure. In the next two chapters, the authors provide a detailed overview of the EP’s relations with other EU institutions. Chapter 7 describes EP’s formal powers whereas Chapter 8 moves beyond these descriptions and analyzes the indirect influence of the EP within the EU. And, the book ends with a discussion on parliamentary democracy at the EU level.

As the European Union looks ahead to the Lisbon Treaty, the revised second edition of the European Parliament represents a welcome addition to the burgeoning literature on democracy, representation, and legitimacy in the European Union. The book also makes a valuable contribution to the contentious debate about the parliamentarization of the EU. Despite dissenting voices and failure scenarios, the authors strongly believe in representative democracy and view the EP as the answer to the EU’s legitimacy and democracy problems.

The strength of the book lies not only in its theoretical and empirical contributions but also in the questions it raises about the future of democracy in the EU. This is certainly an indispensable reference book for anyone engaged in research on the EP, but it will also be useful for those concerned about the constitutional issues facing the European Union. While the concepts might not be accessible to a non-specialist, the book is highly recommended to academics and graduate students of comparative politics.

Gaye Gungor, European University Institute

Interested in serving as a “Guest Editor” for the EUSA Review?

If so send a proposal, including the thematic topic to be addressed, potential forum authors (2-3), as well as a list of 3-4 related recently published books for the book review section, to Amie Kreppel (kreppel@ufl.edu). Please use the phrase “EUSA Review Guest Editor Proposal” as the subject line. Representatives from the various official EUSA interest Sections are especially encouraged to consider guest editorship.

Paul Taggart and Aleks Szczerbiak (eds.). *Opposing Europe? The Comparative Party Politics of Euroscepticism Volume 1: Case Studies and Country Surveys*. Oxford: Oxford University Press, 2008.

Paul Taggart and Aleks Szczerbiak (eds.). *Opposing Europe? The Comparative Party Politics of Euroscepticism Volume 2: Comparative and Theoretical Perspectives*. Oxford: Oxford University Press, 2008.

EUROSKEPTICISM, HOWEVER ONE DEFINES IT, is a relatively recent phenomenon—at least insofar as its ability to register a consequential impact around “Europe,” the bloc of nation states that count themselves as Member States of the European Union (EU). Long considered an outsider perspective of cranks and crackpots, large-scale opposition to European integration has gone mainstream in recent years.

Upon the double demise of what we now refer to as the Lisbon Treaty—first going down for the count at the hands of majorities in France and the Netherlands when known as the Constitutional Treaty, and more recently at the hands of the ornery Irish—fringe candidates have increasingly gotten elected to the European Parliament. Indeed, it has long been tempting to mock European elites for their automatic assumption that the treaty would inevitably become European law (ironically, thanks to the U.S., Europeans now look likely to get Lisbon, for the U.S.-generated financial crisis that wrought Iceland’s financial meltdown seems to have convinced Ireland to cast its lot with continental partners after all).

In the midst of this gallimaufry arrives a timely set of paired volumes by an elite group of European scholars, edited by Paul Taggart and Aleks Szczerbiak. They set for themselves not so much an ambitious explanatory task as a large-scale project of first producing an empirical volume of Euroscepticism studies and then a companion volume comprising analyses of the role political parties play in this phenomenon. In hard cover form, they make for quite a handful not to mention a heavy briefcase.

Taggart and Szczerbiak take aim at filling an important gap in the literature on Euroscepticism, viz. a lack of comparative work on the subject and few volumes that conduct a thorough mapping exercise. They aim to produce a volume that “systematically compares Euroscepticism in different contexts,” as well as one that succeeds in its conceptualization of the phenomenon. The question is not so much whether they succeed in meeting their aims—indeed, they do—rather whether the editors should have aimed higher.

The editors employ a dichotomous approach that differentiates “hard” from “soft” Euroscepticism: the



former defined as “principled opposition to the EU” connoting either opposition to membership or to the entire project of European integration, the latter as “qualified opposition to the EU” connoting either specific policy opposition or being opposed to the current overall trajectory of the EU. Political parties function as the unit of analysis, and the two types of EU opposition are viewed as resting on a continuum with certain parties moving back and forth between them—a framework adopted by the volumes’ contributors.

The case studies are large in number at 18 and all told quite comprehensive, from which several trends are clear: soft Euroskepticism is dominant over instances of its hard counterpart; few traditional or “mainstream” parties fit into either category; and Euroskeptical parties tend to be small in size and peripheral in impact. The overall collage is a diverse one, made of fine texture. Beyond the nuanced conceptualizations of Euroskepticism and the identification of some intriguing trends across the cases, still one wonders whether a more ambitious project may have been warranted.

The difficulty of these volumes lies in their being somewhat devoid of theory and fairly thin on causal arguments. Most of the argumentation involves pursuit of a viable conceptualization, with the contributors collectively aiming for “stimulating further debate and alternative conceptualizations.” However, while “mapping” efforts succeed in serving up myriad thick descriptions of an intrinsically important phenomenon, what causal and theoretical purchase do they provide?

The contributors spar largely about definitions and categorizations, instead of zeroing in on what explains Euroskepticism—casting it as a dependent variable—or what Euroskepticism helps explain—casting it as an independent variable. To their credit, the second volume compensates somewhat for the absence of either in the first, yet even where causal arguments are made the examination of evidence against competing hypotheses is often elusive (as is the measurement of trends over time).

Moreover, with such an array of survey data available one wonders why the majority of studies employ qualitative methodological techniques instead of quantitative ones. The absence of econometric analyses is tangible, in particular categorical analysis using Maximum Likelihood Estimation (MLE). With the exception of Schmitt and van der Eijk, who choose to estimate their data with Ordinary Least Squares (OLS), it is something of a missed opportunity for combining qualitative and quantitative methodologies.

Katz employs statistical techniques that provide for some intriguing illustrations, though full blown re-

gressions might have pushed the conclusions further, and Lees is more theoretical than most, employing Political Opportunity Structure theory (yet finding it wanting). All of these reside in Volume 2, as Volume 1 tends to lack explanatory arguments. Volume 2 gets at causation more impressively, featuring independent variables like institutional structure, strategy, ideology, and interests of party members—the editors settle on a combination of the latter two causes—though the volume gives short shrift to the importance of public opinion in lieu of focusing predominantly on parties.

With Volume 2 being the more analytical of the pair, it is not altogether clear why two volumes are necessary. A single volume may have been more advantageous, beginning with postulating a theory-based argument followed by case studies comprising evidence in confirmation (or not) of the argument. Yet, taking on Katz’s important criticisms, the editors end up refining their hard-soft conceptualization in Volume 2 with a key nuance.

Beyond any doubt, both volumes succeed in pulling together an impressive array of highly regarded scholars. In light of how important the object of their collective study is, one would have enjoyed being a fly on the wall of their presumably spirited discussions of ideas, concepts, classifications, measurement, and the like. Moreover, there is a distinctive richness to the intentionally descriptive studies, for a wealth of intriguing empirical detail comes across in luxuriant fashion in the case study chapters.

Beyond any doubt, the two volumes accomplish what they set out to accomplish. They will help fill the targeted gap in the literature; all against a backdrop of the Lisbon Treaty’s heralded struggles to become law. One is merely left wondering whether the aim could have been higher.

Jeff Stacey, Tulane University

EUSA members interested in reviewing recent EU-related books, please contact the reviews editor:

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2010 EUSA Haas Fund Fellowship Competition

The 2009-2011 EUSA Executive Committee is pleased to announce the 2010 EUSA Haas Fund Fellowship Competition, an annual fellowship for graduate student EU-related dissertation research. Thanks entirely to contributions to our Ernst Haas Memorial Fund for EU Studies, launched in June 2003 to honor the memory of the late scholar Ernst B. Haas (1924-2003) we will offer at least one unrestricted fellowship of \$1,500 to support the dissertation research of any graduate student pursuing an EU-related dissertation topic in the academic year 2010-2011.

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