

1 Stress factors and their impact on regionalism

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This chapter sets the stage for a comparative assessment of the stress factors that have an impact on regionalism in Europe, Latin America, and beyond. It presents an analytical framework with which to investigate commonalities, parallel developments, and diffusion effects among regionalisms around the world. The well-studied multidimensional crisis of the European Union (EU) serves as a point of departure. The EU has struggled to respond to an accumulation of challenges, such as the euro crisis and the tense relationship between Brussels and the countries most affected by it; repeated confrontations among members about how to handle unprecedented levels of immigration; growing electoral support for nationalist parties in many member states; the threat of domestic terrorism; the Russo-Ukraine conflict in the immediate neighborhood; and the British decision to leave the EU. The EU's obvious limitations in coming to grips with recent crises have damaged its reputation as a role model for regional integration worldwide.

Obviously, the specific challenges and their combination are unique to the EU. The same applies to challenges facing regional organizations in Latin America or other regions of the world. Therefore, existing studies of the crisis of regionalism have usually focused on the fate of individual regions. In contrast, the aim of this chapter is to go beyond a specific regional context and come up with an analytical framework that, while inspired by real-world cases, is sufficiently general to compare the potential impact of stress factors on regionalism in different world regions.

The first part of the chapter takes stock of the stress factors facing regionalism. Based on the European experience, it distils factors that also affect other regions and operate transregionally or globally. These include economic and financial crises, conflicts and humanitarian crises, security challenges, domestic political crises, socio-cultural challenges, and regional and global power shifts. Additionally, due to the long-time status of the EU as a model, the crisis of the EU could itself be a stress factor and exert negative repercussions on regional integration and cooperation projects in other parts of the world.

The second part of this chapter outlines the potential impact of stress factors on regionalism. It draws on central assumptions and findings from integration theories regarding the effects of stress and crisis on regional (dis)integration. Analogous to the first part, it starts with the European case and summarizes burgeoning debates about the EU's potential disintegration, and then moves on to present generalizable assumptions. I argue that stress factors do not automatically entail disintegration and fragmentation. Depending on pre-existing characteristics of the affected region, stress factors might be mitigated by elements of resilience that ensure the continuity of regionalism or may even strengthen it.

Stress factors

The EU in crisis: The end of a model?

For more than a decade, the EU has, for a variety of reasons, been trapped in a state of crisis. The 2008 US mortgage crisis and the ensuing 2008–09 global financial crisis triggered a sequence of critical developments in the EU. In late 2009, the newly elected Greek government's announcement that the country's budget deficit was far higher than had

previously been revealed marked the onset of the Eurozone crisis. The nomenclature of the crisis is contested and has mutated over time.¹ While some see this mainly as a crisis of the Eurozone, exposing the flawed architecture of the monetary union, some characterize it as sovereign debt crisis and blame the economically weaker Eurozone members for accumulating excessive deficits in violation of the Maastricht requirements. Yet others emphasize its nature as a banking crisis, pointing to a situation of “structural symbiosis”² between states and banks, where banks are lenders of last resort for states and, at the same time, depend on massive tax-payer financed transfers in times of crisis. The tides of the Eurozone crisis ebbed and flowed over a period of several years, culminating in 2010, 2012, and 2015, at which points the survival of the Eurozone seemed questionable.

There has long been a latent discomfort with the ‘upward shift’ of centers of decision-making in the course of European integration. In the face of the EU’s bureaucratic shape and its seeming lack of democratic accountability, individual citizens felt increasingly powerless and unable to influence the policy agenda. European citizens accepted the delegation of authority to supranational institutions as long as they trusted in their problem-solving capacity. However, once the EU failed to deliver, citizens started to question the delegation of authority to the EU level. In the context of the Eurozone crisis, the most emblematic example was Greece, which received significant international media attention for being the first and most acute case in the sovereign debt crisis. The Greek debt crisis led to repeated confrontations among domestic protesters, the Greek government, and the “Troika”—the decision group formed by the European Commission, the European Central Bank (ECB) and the International Monetary Fund (IMF) in charge of supervising the implementation of austerity measures. These measures were issued as a prerequisite for financial help in the context of the ‘bailouts’ not only of Greece, but also of Cyprus, Ireland, and Portugal.

The way the Eurozone crisis was managed intensified the perception of the EU as undemocratic, elite-driven, and orientated towards the interests of business and finance.³ Crisis governance brought an increase of informal trans-governmentalism (including Germany's informal "EU presidency"), strengthened the Commission and the ECB at the expense of the European Parliament, and intensified divisions between member states, pitting the northern European creditor countries against the southern periphery of debtor countries. Bailout programs were often implemented by technocratic caretaker governments (as in Greece or Italy); and the implementation of those programs continued despite repeated electoral victories of anti-austerity parties who did not accept the measures' legitimacy. Thus, the reforms prescribed by the Troika effectively overrode popular mandates.

The Eurozone crisis had domestic repercussions in many member countries, not restricted to those directly affected by the crisis. The cornerstones of European integration were increasingly called into question by political elites and the wider population. In the course of the Greek crisis, German finance minister Wolfgang Schäuble openly launched the proposal of a Greek exit from the Eurozone, thus suggesting the taking of a step backwards in the integration as a last resort. Furthermore, the Eurozone crisis gave rise to Eurosceptic political parties both on the right (in France, the Netherlands, and Germany, for example) and on the left (such as in Greece and Spain), which openly criticized and questioned the euro and the Europeanization process more generally.

At the same time, the EU was facing severe external and domestic security challenges. The Ukraine crisis escalated in 2014, when Russia invaded Crimea and armed conflict broke out between Russian-supported separatists and the Ukrainian army in the eastern regions of the country. The EU faced the challenge of finding a common response to a violent conflict in a partner country and to the aggressive foreign policy of Russia, its largest and most powerful neighbor state.⁴ Furthermore, in many countries of North Africa and the Middle East, the

2011 pro-democratic uprisings of the Arab Spring led to political instability, insurgencies, and armed conflict. Consequently, Europe saw unprecedented growth in the number of persons seeking to flee those conflict zones and take refuge in Europe. According to Europol, there were over one million irregular border crossings into the EU in 2015, almost five times more than there were in 2014.⁵ Most of those migrants, a significant part of them from Syria, were asylum-seekers in search of international protection. This steep increase in immigration added to the already high level of refugee flows from Afghanistan, Iraq, and other conflict countries, as well as economic migration from Africa due to poverty, inequality, and corrupt and authoritarian regimes in the countries of origin.⁶

The so-called “migration crisis” jeopardized the Schengen Area of passport-free travel, which became highly contested in the face of confirmed suspicions that Islamist terrorists were taking advantage of unsecured European borders. In several EU countries, individuals or groups supported or inspired by Al-Qaeda, the Islamic State, or other militant Islamist groups committed terrorist attacks. Not only has the frequency of terrorist attacks increased over time, but the transnational nature of terrorism has become obvious, as terrorists and their supporters repeatedly crossed borders, hid, and were caught in European countries other than the scene of the terrorist acts. Thus, the large number of irregular migrants from Muslim countries arriving in Europe became both a domestic and a transnational security challenge, and debates on the national and the European level began to link terrorism to immigration, leading to the securitization of migration.

Fueled initially by the Eurozone crisis and subsequently by a surge in nationalist and xenophobic resentment in the face of the ‘wave of refugees,’ right-wing populist parties scored significant electoral successes, even in historically pro-European member states.⁷ Germany saw the emergence of the Alternative for Germany (AfD), which was founded in 2013 as a Eurosceptic party and increasingly adopted a xenophobic and anti-immigration

discourse following Angela Merkel's decision to open Germany's borders to refugees in 2015. The 2017 general elections resulted in the AfD's entry into the federal parliament, with 12.6 percent of the vote—the first extreme right-wing party to win seats since 1953. In 2016, the Eurosceptic Freedom Party of Austria (FPÖ) only narrowly failed to win the country's presidential elections and subsequently increased its share in the parliamentary elections to 26 percent and entered into a coalition government with the conservative Austrian People's Party (ÖVP). In France, although Marine Le Pen's presidential bid failed, support for the Front National in the 2017 presidential and parliamentary elections was higher than ever before. Parliamentary elections in Italy in the spring of 2018 saw unprecedented success for Eurosceptic parties: together, the Five Star Movement and the League won well over 50 percent of the popular vote and formed a coalition government.

Several Eastern European countries saw the accession of national-conservative and Eurosceptic parties to power. Reforms adopted by Victor Orbán's Fidesz government coalition in Hungary (in office since 2010) and the Law and Justice (PiS) party in Poland (in office since late 2015) undermined checks and balances by attacking and curbing judicial independence, and curtailed political rights and civil liberties by imposing restrictions on the media, non-governmental organizations, and academic freedom. In this way, they questioned the fundamental norms upon which the EU is founded: respect for human dignity, freedom, democracy, equality, the rule of law, and respect for human rights, including minority rights.⁸ The difficulty of holding those countries accountable for their violations of the rule of law has itself turned into a challenge that European institutions are currently struggling with.⁹ Meanwhile, in what can be called a crisis of cohesion, separatist and secessionist movements reinforced their claims in regions of several member states, including Scotland, Catalonia, Flanders and Wallonia, and some regions of Italy. The rise of (sub-national) regionalism,

separatism, and secessionism can be interpreted as yet another countertrend against both Europeanization and globalization.

While the EU was busy grappling with those challenges, another contestation developed over Britain's EU membership, following Prime Minister David Cameron's decision to schedule a referendum over the issue in June 2016. The Brexit campaign and the result of the referendum tie in with the broader trend of a fortification of nationalist, isolationist, anti-immigrant, and populist forces and discourses. The referendum produced a narrow 52 percent majority in favor of a British withdrawal from the EU, which was originally scheduled to happen by March 2019. The outcome of the Brexit referendum was a political earthquake that immensely affected the self-perception of the EU and called into question the continuation of the integration process. It is the first time that a country opted to exit the EU; hence, it signified an actual regression in the integration process. Even if, in the further course of events, a second referendum should be held and Brexit ultimately does not happen, the 2016 referendum rocked basic assumptions about European integration—namely, that it is a unidirectional process toward further integration; and that EU membership is a desirable goal, which would make exits from the EU unthinkable.

Additionally, Brexit affected the external perception of the EU. For a long time, the EU was a key point of reference for regional integration initiatives around the world.¹⁰ Due to its historical foundation following the Holocaust and the destructions of World War II, the European Communities turned out to be an exemplary project, leading Europe from war and dictatorship to peace and democracy. European integration buttressed the idea of a mutual reinforcement between economic integration, democracy, the building of multilateral institutions, and peace.¹¹ Furthermore, in the course of its trajectory from the European Coal and Steel Community of 1952 and the European Atomic Energy Community and the European Economic Community, both founded in 1958, to the Maastricht Treaty of 1992,

cooperation between European states expanded far beyond the initial economic mandate. With this stepwise ‘spill-over’ of integration to adjacent policy fields and the construction of supranational institutions, the EU was at the forefront of expanding the scope and level of integration. Moreover, the EU actively supported regional organizations in Africa, Asia, and Latin America and promoted the European version of regionalism in those regions.¹² Brexit has fundamentally shaken the position of the EU as a model.

The EU has been facing up to these multiple challenges against the background of an increasingly adverse international environment. Russia, Turkey, and the United States are three longstanding partners that are now ruled by leaders who are actively trying to destabilize the EU. In particular, the election of Donald Trump to the US presidency in November 2016 further reinforced the crisis in Europe. Trump questioned basic premises about Europe’s place in the world and its external relations that had been taken for granted for decades, such as the transatlantic partnership and the principled endorsement of European integration by the US administration. He called transatlantic security cooperation (NATO) “obsolete”, buried the Transatlantic Trade and Investment Partnership (TTIP) and undermined trade relations by imposing retaliatory tariffs on imports from EU countries. Trump seemingly does not understand the rationale of supranational integration and has repeatedly endorsed Brexit. He is ideologically close to the populist, nationalist, and authoritarian discourses that challenge European values, and is fond of strong leaders such as Putin, Erdogan, and Orbán, all of whom are antagonists to European integration.

The EU had certainly experienced crises before. Frequently cited cases include the contestations around the European Defence Community (EDC) (1950–54), where the French National Assembly’s rejection of the EDC treaty impeded progress in the direction of Western European defense integration; and the “empty chair crisis” (1965–66), where French president Charles de Gaulle refused to attend the European Council’s meetings. More recent cases

include a number of economic and financial crises, as well as a series of treaty ratification crises, most seriously the national referenda against the Constitutional Treaty in France and the Netherlands in 2005.¹³

The contemporary crisis is distinct from those earlier situations in several respects.¹⁴ Its prime characteristic is its multidimensional character: numerous stress factors have played a role, so the crisis comprises several dimensions. A second characteristic is the “wicked nature” of those crisis dimensions: The various issues are connected to each other, and there is frequently ‘reverse spillover,’ in the sense that an attempt to mitigate a particular dimension of the crisis either negatively affects the solution of other crisis dimensions or causes new stress in additional issue areas.¹⁵ A third characteristic is its longevity or duration, given that it is the most protracted crisis that the EU has ever confronted. This may also make it the most intractable crisis that the EU has had to manage, with a potentially stronger disintegrative impact than any previous crises.¹⁶

This is connected to a fourth characteristic: the high costs of inaction. Doing nothing or failing to resolve the crisis further increases the danger of disintegration. A fifth characteristic is the fact that the crisis and its management are no longer confined to the level of political elites, but accompanied by mass politicization that finds its expression in anti-European political movements, protests, and referenda.¹⁷ As a sixth characteristic, one could highlight that crisis mitigation has become more complicated. The fundamental structural traits of the EU as a multinational polity have led to increasing Eurosceptic dissatisfaction. EU enlargements—particularly the post-communist wave of accession that almost doubled the number of member states—turned out to be a centrifugal force, as the diversity of national interests grew with each enlargement. Consequently, the traditional French-German tandem that was able to shape the agenda for a long time has given way to an unpredictable “variable

leadership geometry,” and the traditional Community method of supra-national decision-making has become less effective, resulting in increasingly suboptimal policy outcomes.¹⁸

A taxonomy of stress factors

Crisis is the word we have come to associate with the EU in the past decade, and it is impossible to escape the use of the omnipresent term. However, the term is not clearly defined. For example, there is no consensus regarding whether what is going on is one multidimensional crisis or several crises; what exactly marked the onset of the crisis; and what would signal its end. This book does not claim to resolve these contestations, as it does not have ‘crisis’ as its main focus. Rather, our aim is to identify the origins and causes of crisis. We introduce the concept of stress factors to denote challenges that, taken individually, present a policy problem, but do not automatically trigger a crisis of regionalism. However, when stress factors become more severe, remain on the political agenda over an extended period of time, or when several stress factors accumulate and mutually reinforce each other, their presence increases the vulnerability of regional organizations and can propel a crisis.

To build our taxonomy of stress factors, we draw on integration theories that distinguish between exogenous and endogenous origins and causes of crisis.¹⁹ Intergovernmentalism sees crises as a result of factors that are exogenous to the integration process. Within this paradigm, crises can be internationally or domestically induced. On one hand, security threats and economic challenges in the wider international environment of the regional organization are conducive to crisis. The main dimensions of the EU crisis (with the exception of Brexit) fit into this category: the financial, migration, and Ukraine crisis originated from outside the EU. On the other hand, crises may be caused by domestic change in member states, such as

elections, referenda, and economic shifts. The rise of populist-nationalist parties, the (re-) appearance of secessionist movements, and the Brexit referendum are all cases in point.²⁰

In contrast to intergovernmentalism, neo-functionalism and post-functionalism assume that crises are produced by the very functioning of the integration process. They are endogenous phenomena rooted in EU politics, policies, and procedures. According to the neo-functional approach, while spillovers for a long time created a demand for further integration, crises may be triggered by unintended effects and dysfunctions of integration at the regional level. The Eurozone crisis serves as an example, as it turned into an integration crisis only because of the inherent flaws of the Economic and Monetary Union (EMU); in particular, the existence of a monetary union without a fiscal union.

Post-functionalism emphasizes the role of politicization and mass politics on the domestic level. With European integration reaching core areas of state sovereignty, the integration-friendly “permissive consensus” among citizens and political parties gave way to concerns about losses of national identity and social welfare. Consequently, the post-functional approach expects the emergence of a “constraining dissensus”—a mobilization of Eurosceptic citizens and the empowerment of Eurosceptic parties—that hampers further steps toward integration.²¹

In accordance with integration theories, the editors of this volume use the distinction between exogenous and endogenous factors in an analytical rather than a geographical sense. Thus, it relates to the question of whether a factor is exogenous or endogenous to the process of regional integration as such. Our understanding is that stress factors are those that are exogenous in an analytical sense—that is, exogenous to the integration process—while their geographical origin can be global, regional, or domestic. In contrast, the factors endogenous to the integration process are what we call region characteristics. While stress factors appear as short-term changes and might therefore be rather volatile, region characteristics are mostly

structural and institutional constraints; that is, more long-term features of the respective region. Region characteristics might reinforce stress factors, but also counterbalance and mitigate them.

The stress factors identified for the case of the EU crisis are placed into a broader perspective below. The bulk of the stress factors affecting the EU are also faced by other world regions, either equally or in a similar manner. Some of them have spread transnationally and some are part of wider global phenomena. The remainder of this section condenses the stress factors into a taxonomy that is applicable to regional organizations in other parts of the world. It also attempts to locate them with respect to their geographical origin. In reality it is, admittedly, difficult to strictly separate global, regional, and domestic stress factors. However, those distinctions still make sense analytically, to show how the different levels are intertwined, interacting, and reinforcing each other.

Economic challenges: Economic stress factors include macroeconomic crisis symptoms, such as economic, financial, monetary, debt, and banking crises. Due to the global interconnectedness of economies and financial markets, crises often spread transregionally. The 1997 Asian financial crisis not only affected countries across Southeast and East Asia, but also contributed to the 1998 Russian financial crisis and the crises of Argentina and Brazil in the late 1990s. The 2008 financial crisis originated in the United States, but had a massive impact in other world regions.

Furthermore, economic crises have had multifaceted social effects within affected countries, such as (youth) unemployment, economic downturn of entire regions, and rising levels of poverty and inequality. Thus, economic crises can worsen the social impact of globalization that already hits hard in normal times due to increasing pressures on the welfare state. Economic crises have also entailed political crises. They have triggered mass protests, intra-elite conflicts, and the forced resignation of governments. In the face of the sovereign

debt crisis, several governments in heavily affected EU countries did not serve their regular term. Latin America and other world regions offer numerous other examples of mass protests and political instability in the face of economic crisis.

Security challenges: Security challenges include conflict, warfare, and ensuing humanitarian crises within the region itself or in the neighborhood. In the case of Europe, the Russian occupation of Crimea and its participation in the conflict in Eastern Ukraine have put the EU's coordination in foreign and security policy to the test, along with its resolve in facing a newly assertive power in their neighborhood. Other regions are similarly affected by conflicts in their neighborhood, interstate conflicts and rivalries, intra-state war and, increasingly, hybrid forms combining features of intra- and inter-state conflict. These scenarios put the conflict and crisis management capacity of regional organizations to the test.

Various transnational (also known as non-traditional or intermestic) security challenges are relevant for practically all world regions. Transnationally operating terrorist networks threaten Europe and North America, Africa, Asia, and the Middle East, while the prime challenges facing Latin America are drug-trafficking and transnational organized crime. Immigration and refugee flows have long been a challenge in various parts of the world. However, recent flows of Muslim migrants to Europe, of people fleeing from the violence of Central American countries to the United States, and from crisis-ridden Venezuela to its neighboring countries are increasingly framed as security threats.

Socio-cultural challenges: Besides a security issue, migration can also be considered as a societal and cultural challenge. The influx of immigrants and refugees potentially engenders contestations regarding identity: It leads to attempts to re-affirm national identities, and incites xenophobic reactions and the articulation of (religious, ethnic, racial, or language-related) stereotypes. Even in states that have essentially been built as immigrant societies (like the United States and Brazil) or that already host many long-time foreign and immigrant

residents, identity-related cleavages are becoming relevant again.²² In the wake of the refugee crisis in Europe, Islamophobia is on the rise, even in societies that are already accustomed to a significant Muslim population. Another variety of reactivating identity claims in the face of globalization and transnationalization are separatism and secessionism, well known to Europe as well as to large parts of Africa, Asia, and the post-Soviet space.

Political challenges: A certain amount of political contestation is a normal feature in democratic regimes. Even in authoritarian regimes, anti-government protests emerge and gain traction in the face of economic stagnation and crisis. However, political contestation turns into political instability when mass mobilization is used as substitute for constitutional procedures for dismissing a government; when it is accompanied by rising levels of polarization that will not easily go away; or when riots, political violence, or political murder take place. Political challenges might also originate with elected governments when they are corrupt, abuse their power, undermine checks and balances, and restrict political and civil rights, contributing to democratic backsliding or even breakdown. Transcending the regional level, recent years have seen a rise of populist, nationalist, and authoritarian leaders who endorse and emulate each other and challenge liberal democracy, even in countries where it seemed consolidated.²³

On the regional level, this finds its expression in the questioning and failure to comply with regional norms on democracy, human rights, and the rule of law that exist not only in the EU, but also in regional organizations in Latin America and Africa. Domestic ideological cleavages and contestations about the meaning of democracy are reflected in coalitions on the regional level. In the face of a dwindling democratic consensus among member states, it is becoming increasingly difficult for regional organizations to take action against states that violate common norms.

Power shifts: Global and regional power shifts have a strong impact on regionalism. For example, the fall of the Berlin Wall and the end of bipolarity opened the door for the eastern expansion of the EU, but also affected regional dynamics elsewhere and contributed to the creation or revitalization of regionalism in different parts of the world. In the past two decades, the international system has transformed towards multipolarity. In addition to the economic and political rise of China, a diverse group of formerly peripheral states such as India and Brazil—but also South Africa, Indonesia and others that are commonly referred to as ‘emerging powers’—have acted with growing assertiveness. Recently, an increasingly proactive and nationalistic Russia has returned to the world stage. Emerging powers have become more influential in international affairs, not only individually, but also as members of multilateral organizations, and as protagonists of Global South groupings such as BRICS (Brazil, Russia, India, China, South Africa), IBSA (India, Brazil, South Africa), or MIST (Mexico, Indonesia, South Korea, Turkey).²⁴

The longstanding predominance of Western powers in world affairs is being challenged not only by a more assertive Global South, but also by their own weaknesses. The multiple crises of the EU have left ugly scratches on the previously successful model for regional integration. The United States is widely perceived to be in decline and has lost the ability to shape the world order after its own interests and image.²⁵ Recently, Trump’s withdrawals from multilateral cooperation have become a major exogenous stress factor.

On the regional level, power shifts have led to struggles for regional leadership and to contestations on how to best protect against external interference by global powers such as the United States and China. This resulted in the reform of old and the foundation of new, often overlapping, regional organizations.

EU crisis diffusion: Regional integration processes do not happen in isolation from each other. Considering that the EU has influenced and actively promoted regionalism around the

world, it is plausible to think that there might be repercussions of the EU crisis on regionalisms elsewhere, in the shape of a diffusion of disintegrative tendencies, particularly of Brexit, from the EU to other regions. For example, the EU crisis might provide arguments to skeptics who aim to restrict and undermine regionalism. If this was the case, the EU crisis could be considered a stress factor for regionalism in other world regions.

Impact on regionalism

The EU on a path toward disintegration?

The EU has historically been highly resilient. European integration was a story of deepening without rollback. EU organs—the European Commission, the European Parliament, the European Court of Justice (ECJ) and the ECB—expanded with every new European treaty. For more than half a century, the number of member states grew continually and no member withdrew. Furthermore, there have not been any policy areas so far where member states have taken back decision-making competences previously granted to the EU.²⁶

The assumption that integration is a one-way street was deeply ingrained in the EU, as was the commonly held view that decisive steps toward more integration occurred in reaction to crises. Jean Monnet, the intellectual founder of the European Communities, famously stated that he had “always believed that Europe would be built through crisis, and that it would be the sum of their solutions.”²⁷ This found its reflection in the neo-functionalist assumption that crises are accelerating factors for regional cooperation and integration. According to neo-functionalists, disruptive crises in regional integration are rare. Most crises are constructive in nature, in the sense that they have positive effects on regional integration, and some experts

have even claimed that “regional integration processes tend to lose momentum, if they are not ignited by a constructive crisis occasionally.”²⁸ A crisis facing a group of countries may incentivize them to embark on some form of integration process in the first place; in existing regional organizations, external shocks or internal problems may result in progress toward a higher stage of integration.²⁹

Concerns regarding a potential disintegration of the EU started in the course of the accumulation of multiple stress factors, and have picked up speed since the June 2016 British vote to leave. The Brexit referendum was a turning point that jeopardized fundamental notions regarding the European integration process and made an increasing number of researchers reflect on disintegration. Just like in earlier contributions on European integration theory, scholars have defined disintegration as a process comprising several dimensions. The first dimension, which Börzel called “scope” and Webber called “sectoral integration”, denotes the number of integrated policy areas.³⁰ Consequently, (dis)integration refers to the expansion or reduction of the range of issue areas in which the EU exercises policy competences, and the expansion or reduction of common policies within specific issue areas. The second dimension—“level” according to Börzel and “vertical integration” according to Webber—addresses the extent of commitment to joint decision-making.³¹ Accordingly, (dis)integration comprises the expansion or reduction of the formal (that is, treaty-based) competences and effective authority of the EU’s supranational organs vis-à-vis its intergovernmental organs and/or those of the member states. The third dimension, “horizontal integration,” captures the number of members or coverage of the region. Accordingly, (dis)integration refers to the expansion or reduction in the number of member states.³²

The recent EU crisis sequence has shown that while disintegration is possible, it is multifaceted and varies across policy areas. For example, the Ukraine crisis led to the adoption of trade sanctions in line with the existing treaties and hence left the degree of

sectoral integration in foreign and security policy unchanged. The Eurozone crisis ended in increased sectoral integration with the creation of the European Stability Mechanism (ESM), the adoption of more constraining rules for member states' fiscal policies, and the launching of an (incomplete) banking union.³³ On the other hand, the refugee crisis led to limited sectoral disintegration due to the resurrection of border controls in the Schengen Area, the fact that several Central and Eastern European governments defied EU decisions and an ECJ judgment regarding refugee relocation, and the member states' pursuit of divergent policies towards asylum-seekers and other migrants. Moreover, significant (horizontal) disintegration occurred in the form of the United Kingdom's vote for Brexit.

Regarding vertical integration, there has been no uniform trend. The powers of the ECB were clearly strengthened in the Eurozone crisis. In turn, the role of the Commission both in managing the Eurozone and the Ukraine crisis was relatively marginal, and the authority of both the Commission and the ECJ was weakened in the refugee crisis.³⁴ Overall, at least in some policy areas, the evidence points to a resurgence of intergovernmentalism in the EU.

Regional organizations between disintegration and resilience

The categories developed for the study of EU disintegration are a helpful starting point to analyze the decline of regional blocs in other parts of the world. The horizontal dimension is especially straightforward: As long as new member states join an organization, it remains active and dynamic, whereas the exit of members signals decline. While all regional organizations vary regarding the scope of regional tasks, most non-European organizations do not transfer competences and effective authority to a supranational body. To capture disintegrative trends beyond the EU, the sectoral dimension is thus more suitable than the vertical dimension. As the example of the EU suggests, within the same regional organization,

the impact of stress factors can lead to revitalization and institutional innovation in some policy areas and to stagnation and weakening of cooperation in others.

The analysis is complicated by the fact that the objectives stated in the founding treaties of non-European regional organizations are often aspirational and therefore of limited use to assess the scope of integration. For example, it is quite common for these documents to stipulate ‘integration’ as a goal, even though there is no actual intention to proceed beyond the level of intergovernmental cooperation.³⁵ This has led critics to complain that non-European regional blocs are marred by a lack of focus, excessive rhetoric with few accomplishments, and the failure of member states to implement regional agreements.³⁶ Assessing sectoral (dis)integration thus requires to look not only at the *de jure* mandate of an organization in a specific policy area, but also at its *de facto* activities.

Furthermore, outside the EU, it is not always clear whether diagnoses of an increase or decline in regionalism refer to one individual organization or to the regional governance architecture; that is, the entire configuration of relevant regional organizations. In particular, Latin America and Africa are characterized by a patchwork of segmented and overlapping regional organizations. There are divergent views as to whether this proliferation of regional organizations indicates fragmentation, inefficiency, and regional disintegration, or rather signals a ‘variable geometry’ of cooperation that facilitates a dense pattern of regional interactions.³⁷

“Resilience” denotes the counter pole to disintegration. While frequently used in recent years, the concept lacks clear operationalization.³⁸ Regarding individual organizations, there is no consensus as to whether resilience means stability, transformation, or growth. On one hand, if actors turn to regional blocs in times of crisis and use them as crisis management platforms, they are clearly more than “empty shells.” From this perspective, the mere persistence, stability, and activity of regional institutions would be evidence of resilience. On

the other hand, Riggiozzi and Tussie argued that “the idea of resilience stresses resistance to, and/or capacity to recover from, political, economic and social disturbances and setbacks from domestic, regional and international crises. A resilient project will resume functions and growth trajectory after a critical hold-up.”³⁹ In their view, resilience is “a bit more than mere survival.” It is a dynamic attribute associated with a process of continual adjustment of institutionalized rules and procedures. An organization is considered resilient when it is able to adapt to changing circumstances and demands across time.⁴⁰ In that sense, a given regional bloc is resilient if it is able to reactivate and resume its functions after a crisis. An even more demanding criterion for resilience would be the neo-functionalist claim that crises lead to the expansion of integration.

Likewise, there are different interpretations of the meaning of resilience of the regional governance architecture. Rivarola and Briceño suggested that the persistence of the idea of regional integration (despite repeated failed attempts to build regional institutions) signals resilience.⁴¹ In that vein, a fragmentation and layering of regional organizations could be interpreted as sign of resilience, rather than of disintegration.

Stress factors have the potential to either boost or undermine regional cooperation and integration. While it is intuitively plausible to assume that stress factors challenge specific regional organizations and the regional governance architecture as a whole, their impact is mediated by characteristics of the region (see Figure 1.1). By this, I refer to the resources or impediments that help or undermine the ability of a regional organization to cope with stress. They act as a filter through which the impact of stress factors is either attenuated or increased. Stress factors do not have a uniform impact, because they interact with characteristics of the region. Depending on the characteristics of a particular region, similar stress factors may have different effects on regionalism (as illustrated by Figure 1.1).

The characteristics of a region relate to the roles of demand, supply, and identity-related factors in the process of region-building. Interdependencies create a demand for regional cooperation and the creation of institutions. Regions differ in their degree of economic, social and cultural interconnectedness (that is, regionalization), and a high level of regionalization usually buttresses regionalism. In turn, fault lines such as the dissimilarity of political regimes, substantial economic inequalities, a high number of territorial disputes, and the persistence of ethnic conflicts within and across states tend to present strong obstacles for regional cooperation and integration.⁴² Regionalism is conditioned by actual or perceived security challenges within or outside the region that require new forms of governance. While common external threats usually bind a region together, intra-regional conflicts have more ambiguous consequences. In principle, territorial disputes and rivalries tend to be divisive. Yet, regionalism has frequently thrived in auspicious contexts such as in the wake of democratic transitions, since states were eager to take on multilateral security commitments and overcome divisions.⁴³ Likewise, transnational challenges such as migration could prompt regional solutions, but have occasionally also led to nationalist backlash, the closing of borders, and the shut-down of regional cooperation mechanisms.

While the demand side refers to structural conditions (or constraints), the supply side addresses the role of institutions and agency; in particular, the strength and density of pre-existing regional institutions (that is, regionalism) as well as the commitment of political leaders to regionalism. Regional institutions differ regarding their level of institutionalization and their capability to respond to new challenges. Furthermore, much depends on the political will of regional leaders to keep these institutions alive and expand them further. The existence of a benevolent regional leader or hegemon willing to act as paymaster is a crucial supply factor for the foundation and transformation of regional organizations.⁴⁴ Regional powers' sponsorship (or disinterest) can be a game-changer.

Last but not least, identity plays a role: A sense of community or ideational affinity among political elites (as manifested in identity discourses and narratives) may buttress regionalism, even more so if pro-regional discourses and efforts at region-building resonate with citizens' identities and beliefs.⁴⁵ Even in situations of low regionalization and weak regionalism, the belief of key actors in the potential of regionalism as a problem-solving mechanism may stabilize or instigate the creation of new regional cooperation mechanisms in the face of a crisis.

While stress factors are mostly short-term changes, region characteristics are more long-term structural, institutional, as well as agency-related features (although factors related to agency are somewhat more likely to be subject to change). What is clear, however, is that stress factors are closely related to region characteristics and that both types of factors interact with each other. For example, in the face of an economic crisis, if regional organizations dispose of established norms and procedures and if there is regional leadership and/or a firm belief of both elites and citizens that the problem warrants a regional response, it might be possible to weather the crisis, and the process of crisis management might even strengthen regional institutions. In turn, in the absence of one or more of the favorable region characteristics, a similar economic crisis might have disintegrative effects on regionalism.

[*Figure 1.1* Impact of stress factors on regionalism] about here

Conclusion

This chapter has introduced an analytical framework for a comparative assessment of the current fate of regionalism in Europe, Latin America, and beyond. Taking the

multidimensional crisis of the EU as starting point, the first part of the chapter created an inventory of stress factors that have affected regional integration and cooperation around the world. Besides coping with the Eurozone crisis, the EU has faced additional challenges, such as conflicts in its neighborhood, the massive influx of refugees, increasingly frequent terrorist attacks, the electoral success of Eurosceptic parties, the Brexit referendum, and the election of Donald Trump to the US presidency. Other regions have been affected by the same or comparable adverse trends. Framed in general terms, stress factors thus encompass economic and financial crises, security challenges, social and cultural challenges, domestic political challenges, global and regional power shifts, as well as a potential diffusion effect of the EU crisis.

The second part of the chapter reviewed the potential impact of stress factors on regionalism on a continuum between disintegration and resilience. Stress factors do not necessarily entail disintegration, given that they are balanced by region characteristics. While the interaction among stress factors and unfavorable characteristics of the region might generate or reinforce disintegrative trends, more auspicious region characteristics might also act as factors of resilience and even bring about a strengthening of regionalism.

As has been demonstrated, there are commonalities and parallel developments both with respect to the stress factors and with respect to their impact on regionalism around the world. While the prime aim of this chapter is to substantiate the theoretical framework for this collection of articles, it is also meant to incentivize further comparative research on the trajectory of regionalism around the world.

Notes

¹ Kenneth Dyson, “Playing for High Stakes: The Eurozone Crisis,” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 54-76; and Mattias Kumm, *What Kind of a Constitutional Crisis is Europe in and What Should Be Done about It?*, WZB Discussion Paper SP IV 2013-801 (Berlin, Germany: Social Science Research Center Berlin, 2013).

² *Ibid.*, p. 10–12.

³ See Christian Schweiger, “The Legitimacy Challenge,” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 188–211.

⁴ Wolfgang Seibel, “The European Union, Ukraine, and the Unstable East,” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 269–293.

⁵ Europol, *Migrant Smuggling in the EU*, Europol Report (The Hague, Netherlands: Europol, 2016), <https://www.europol.europa.eu/publications-documents/migrant-smuggling-in-eu>

⁶ See Ludger Pries, *Refugees, Civil Society and the State. European Experiences and Global Challenges* (Cheltenham, United Kingdom: Edward Elgar, 2018).

⁷ See, for example, Douglas Webber, “Can the EU survive?” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 336–359 (347–351); and Philip Manow, *Die Politische Ökonomie des Populismus* (Berlin, Germany: Suhrkamp, 2018), 55–69.

⁸ See Article 2 of the Treaty of the EU.

⁹ Article 7 of the Treaty of the EU provides for preventive measures and sanction mechanisms in reaction to risks or actual serious breaches of the values referred to in Article 2. For more details, see Chapter 5 by Carlos Closa in this volume.

¹⁰ See for example Ian Manners, “Normative Power Europe: A Contradiction in Terms?” *Journal of Common Market Studies* 40, no. 2 (2002): 235–258; Tanja A. Börzel and Thomas Risse, “From Europeanisation to Diffusion: Introduction,” *West European Politics* 35, no. 1 (2012): 1–19.

¹¹ Bruce Russett and John R. Oneal, *Triangulating Peace. Democracy, Interdependence, and International Organizations* (New York: Norton, 2001), chapter 1.

¹² Tobias Lenz, “Spurred Emulation: The EU and Regional Integration in Mercosur and SADC,” *West European Politics* 35, no. 1 (2012): 155–173; Thomas Diez and Nathalie Tocci, ed., *The EU, Promoting Regional Integration, and Conflict Resolution* (Houndmills: Palgrave Macmillan, 2017).

¹³ For more details, see for example Desmond Dinan, “Crises in EU History,” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 16–32; Douglas Webber, *European Disintegration? The Politics of Crisis in the European Union* (London: Macmillan/Red Globe Press, 2018), chapter 1.

¹⁴ For the following, see Webber, “Can the EU survive?”; and Webber, *European Disintegration? The Politics of Crisis in the European Union*; Desmond Dinan, Neill Nugent and William E. Paterson, “Conclusions: Crisis without end?” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 360–375.

¹⁵ Dinan, Nugent and Paterson, “Conclusions: Crisis without end?”

¹⁶ Webber, *European Disintegration?*, 11.

¹⁷ Webber, “Can the EU survive?”; and Webber, *European Disintegration?*

¹⁸ See Schweiger, “The Legitimacy Challenge,” 199–201.

¹⁹ See Frank Schimmelfennig, “Theorising Crisis in European Integration,” in *The European Union in Crisis*, ed. Desmond Dinan, Neill Nugent and William E. Paterson (London: Palgrave Macmillan, 2017), 316–335; Dinan, “Crises in EU History.”

²⁰ Schimmelfennig, “Theorising Crisis in European Integration,” 319.

²¹ Liesbet Hooghe and Gary Marks, “A Postfunctionalist Theory of European Integration: From Permissive Consensus to Constraining Dissensus,” *British Journal of Political Science* 39, no. 1 (2008): 1–23.

²² See, for example, Francis Fukuyama, *Identity: The Demand for Dignity and the Politics of Resentment* (New York: Farrar, Straus and Giroux, 2018).

²³ Yascha Mounk, *The People vs. Democracy: Why our Freedom is in Danger and How to Save It* (Cambridge, Mass.: Harvard University Press, 2018); Jan-Werner Müller, *What is Populism?* (Philadelphia: University of Pennsylvania Press, 2016); Stefan Rummens, “Populism as a Threat to Liberal Democracy,” in *The Oxford Handbook of Populism*, ed. Cristóbal Rovira Kaltwasser, Paul Taggart, Paulina Ochoa Espejo and Pierre Ostiguy (Oxford: Oxford University Press, 2017), 554–570.

²⁴ Oliver Stuenkel, *Post-Western World. How Emerging Powers are remaking Global Order* (Cambridge: Polity Press, 2016).

²⁵ Amitav Acharya, *The End of American World Order* (Cambridge: Polity Press, 2014).

²⁶ Frank Schimmelfennig, “Europe,” in *The Oxford Handbook of Comparative Regionalism*, ed. Tanja A. Börzel and Thomas Risse (Oxford: Oxford University Press, 2016), 178–201 (189).

²⁷ Jean Monnet, *Memoirs*, first published in 1978 (London: Third Millennium Publishing, 2015), 417.

²⁸ Søren Dosenrode, “Crisis and Regional Integration: A Federalist and Neo-Functionalist Perspective,” in *Regions and Crises. New Challenges for Contemporary Regionalisms*, ed. Lorenzo Fioramonti (Houndmills, Basingstoke: Palgrave Macmillan, 2012), 13–30 (28).

²⁹ Ibid.; and Ernst B. Haas and Philippe Schmitter, “Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America,” *International Organization* 18, no. 4 (1964): 705–737. Other scholars caution that this narrative is overblown and that crises were not the main cause of the deepening of integration. However, it is safe to say that the EU has confronted many crises and thus proved highly resilient. See Dinan, “Crises in EU History”; and Webber, *European Disintegration?*, 9.

³⁰ See Tanja A. Börzel, “Mind the gap! European integration between level and scope,” *Journal of European Public Policy* 12, no. 2 (2005): 217–236; and Webber, *European Disintegration?*

³¹ Ibid.

³² Dirk Leuffen, Berthold Rittberger and Frank Schimmelfennig, *Differentiated Integration. Explaining Variation in the European Union* (Houndmills, Basingstoke, United Kingdom: Palgrave Macmillan, 2013); and Webber, *European Disintegration?*

³³ See for example Simon Usherwood and John Pinder, *The European Union: A Very Short Introduction. Fourth edition* (Oxford: Oxford University Press, 2018), chapter 4; and Webber, *European Disintegration?*

³⁴ Webber, *European Disintegration?*

³⁵ This volume adopts the definitions proposed by Börzel and Risse, according to whom “integration” is the set-up of supranational institutions on the regional level and the transfer of authority and sovereignty to them, while “cooperation” refers to the joint exercise of state-based political authority in intergovernmental institutions. See Tanja A. Börzel and Thomas

Risse, “Introduction,” in *The Oxford Handbook of Comparative Regionalism*, ed. Tanja A. Börzel and Thomas Risse (Oxford: Oxford University Press, 2016), 4–15.

³⁶ Christian Arnold, “Empty Promises and Nonincorporation in Mercosur,” *International Interactions* 43, no. 4 (2017): 643–667; also see Chapter 3 by Malamud and Viola in this book.

³⁷ For the first position, see Andrés Malamud, *Overlapping Regionalism, No Integration: the Latin American Experiences*, EUI Working Paper RSCAS 2013/20 (Florence, Italy: European University Institute, 2013); for the second, see Detlef Nolte, *Latin America’s New Regional Architecture: A Cooperative or Segmented Regional Governance Complex?*, EUI Working Paper RSCAS 2014/89 (Florence, Italy: European University Institute, 2014).

³⁸ Mario E. Carranza, “Resilient or Declining? Latin American Regional Economic Blocs in the Postneoliberal Era,” *Latin American Politics and Society* 56, no. 3 (2014): 163–172.

³⁹ Pía Riggirozzi and Diana Tussie, “Postlude,” in *The Rise of Post-hegemonic Regionalism. The Case of Latin America*, ed. Pía Riggirozzi and Diana Tussie (Dordrecht, Netherlands: Springer, 2012), 183–189 (185).

⁴⁰ Ibid.

⁴¹ Andrés Rivarola Puntigliano and José Briceño Ruiz, ed., *Resilience of Regionalism in Latin America and the Caribbean: Development and Autonomy* (Houndmills, Basingstoke, United Kingdom: Palgrave Macmillan, 2013).

⁴² Thomas J. Volgy, Paul Bezerra, Jacob Cramer and J. Patrick Rhamey Jr., “The Case for Comparative Regional Analysis in International Politics,” *International Studies Review* 19, no. 3 (2017): 452–480.

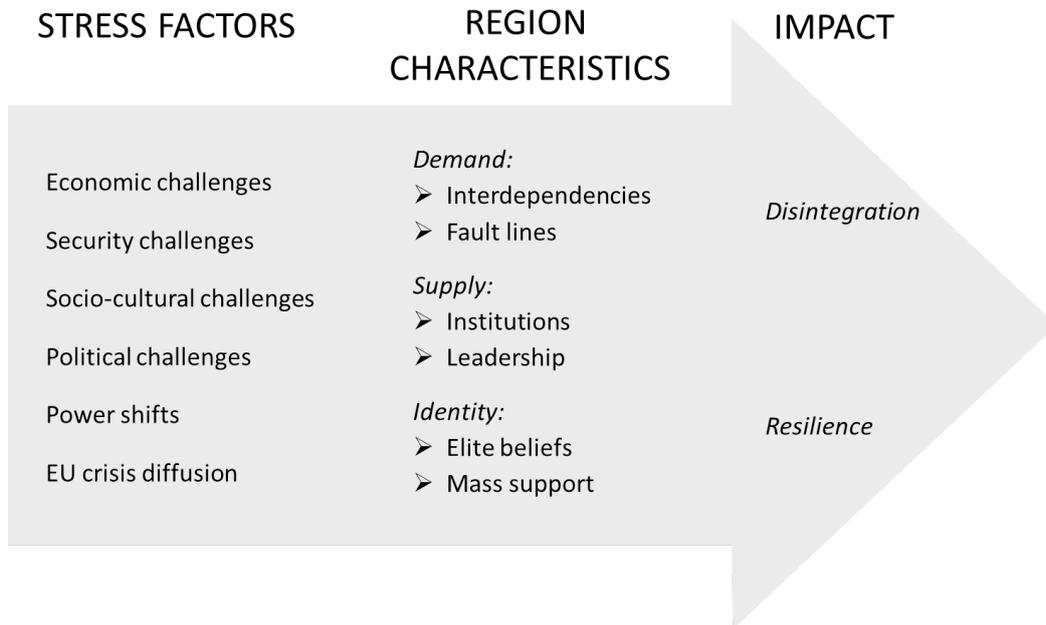
⁴³ Brigitte Weiffen, Matthias Dembinski, Andreas Hasenclever, Katja Freistein and Makiko Yamauchi, “Democracy, Regional Security Institutions, and Rivalry Mitigation: Evidence from Europe, South America, and Asia,” *Security Studies* 20, no. 3 (2011): 378–415; and

Isabella Alcañiz, “Democratization and Multilateral Security,” *World Politics* 64, no. 2 (2012): 306–340.

⁴⁴ See Walter Mattli, *The Logic of Regional Integration: Europe and Beyond* (New York: Cambridge University Press, 1999).

⁴⁵ See Jeffrey T. Checkel, “Regional Identities and Communities,” in *The Oxford Handbook of Comparative Regionalism*, ed. Tanja A. Börzel and Thomas Risse (Oxford: Oxford University Press, 2016), 559–578.

Figure 1.1 Impact of stress factors on regionalism



Source: Author's elaboration