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The Economic Mythology of European Integration

ERIK JONES
SAIS Bologna Center

Abstract

This article examines the economic myths that surround the process of European integration. It argues that while such myths once played an important role in fostering identification and support for the process, they no longer serve that function. Instead, these economic myths have become a focal point for contestation and concern. Europeans will have to develop a new mythology to explain and justify their process of integration as a result.

Introduction

European integration is surrounded by economic myths. They explain how the process started and what drives it forward; they suggest where it is headed, how to measure its success and what may be the cause of its failure. Not all of these myths are consistent with each other, but each plays a useful narrative role. More important, perhaps, the ensemble of economic myths lies at the heart of the European Union's (EU) sense of 'self'. Europeans recognize one another by their acceptance (or rejection) of these economic stories and they work together to bring out the best of the collective identity that such stories imply.

This article explores the limits of Europe's economic mythology. It argues that while mythical simplifications about economic incentives, institutions and processes once nurtured European integration, their usefulness is no longer apparent. Europe has become more complicated and supporters of European integration have become more critical of their economic myths as a result. Nevertheless, simply embracing this new complexity is not the answer. Europeans will need to create new myths about the process of integration if they want this more complicated incarnation of Europe to succeed.

This argument is made in four sections. Section I introduces the role of economic myths in the process of European integration. Section II illustrates six of the myths that can be found in the literature. Section III explains why these myths no longer play a constructive role. Section IV concludes by suggesting how difficult it will be to move beyond them. Europe can no longer rely on economic myths for sustenance; the challenge is to come up with something better.

I. Arguments, Myths and Motives

The term 'myth' has a number of negative connotations suggesting either falsehood or doubtfulness, at least in its colloquial use. For example, most people think about alligators roaming the sewers of New York as urban myths. The implication of the word 'myth' in this context is obvious; although the alligator stories may derive from real events in the past, they are now far removed from the truth. But this is only a very limited use of the term. Myths can be positive as well negative. Even if they do distort our perception of events, they offer a way of looking at the world that somehow makes the truth more meaningful. More importantly, there are types of story or simplification that exist in the social world that we can call 'myths' without abusing the term and that play a vital role in how we interact with one another and with the institutions that structure our politics, society and culture.

In making this claim about the constructive role of myths, I am well outside my comfort zone as a political economist. Most of my writing is about 'arguments'; myths rarely if ever feature. Nevertheless, it is possible to recast my analysis – and, more important for the present argument, that of my predecessors and colleagues – so that myths and myth-making play a more central (if not the central) role. Moreover, this recasting is not simply a linguistic sleight-of-hand. It goes beyond suggesting that arguments can be described as myths to argue that arguments (explanations, models) are myths in the functional sense that they play a vital role in our understanding of, attitudes towards and identification with political and social institutions.

The theoretical basis for this claim builds on four works from the constructivist canon, by Roland Barthes (1972 [1957]), Peter Berger and Thomas Luckmann (1966), Benedict Anderson (1991 [1983]) and John R. Searle

(1995). Taken together, these works forge a link from the simplifications used to understand causal patterns in the real world ('arguments') to the self-sustaining patterns of interaction that structure our political and social life ('institutions'). That said, my goal is limited to showing how such a link could operate. There is a vast debate about the social construction of the European Union (EU) to which this brief subsection of an article could never do justice and so will not attempt.

Barthes (1972, pp. 109–58) develops the notion of myths around four features that analytical arguments share – at least as sketched in the first chapter of King *et al.* (1994). Myths build on existing speech in the same way that arguments build on the existing literature. Myths do not hide the truth and yet they do simplify and so distort our view of the empirical world. Myths tend towards (or to evolve into) regularities or generalizations. And myths lay claim to a 'depoliticized' objectivity that is not free from the constraints of the subjective observer but that nevertheless promises to reveal something enduring about the world as we perceive it.

Most important for Barthes (1972, p. 124), myths reveal (because they are imbued with) the intentions of the myth-maker. Myths do not just come with an agenda, they are the agenda – and that is what sets them apart from normal speech: 'Myth is not defined by the object of its message, but by the way in which it utters this message: there are formal limits to myth, there are no "substantial" ones. Everything, then, can be a myth? Yes, I believe this' (Barthes, 1972, p. 109). Arguments work that way as well, at least if they lay claim to be scientific: 'The content of "science" is primarily the methods and rules, not the subject matter, since we can use these methods to study virtually anything' (King *et al.*, 1994, p. 9).

The content of the agenda is where the problem lies. Barthes takes a somewhat Marxist view and regards myths as more naturally the domain of the conservative right, which depends upon their propagation to exert and maintain control (Barthes, 1972, pp. 148–55). Most political economists (and other analysts) would be uncomfortable with any analogy here – even if it were only restricted to the 'conservative' dimension. For example, Arend Lijphart was deeply insulted by the allegation that his promotion of consociational democracy was more an effort to perpetuate the research programme he started than to bring peace and stability to troubled parts of the world (Lustick, 1997; Lijphart, 2002, pp. 15–18).

Nevertheless, this notion of intentionality or, perhaps better, motivation is important even if controversial. For Barthes (1972, pp. 126–7), it is the extra meaning that mythical simplifications entail. Myths matter for what they do, not for what they say. In turn, that meaning resides in the act of communication between the makers of myths and their consumers. Both have to draw the same meaning from the simplified or distorted view of reality for the myth to prevail. Barthes argues that this gives the myth a permanence beyond the historical context within which it is created. In extreme form, the myth operates as a shorthand or ideograph and, over time, the myth may lose any connection with the real world.

This is where the argument moves from Barthes to Berger and Luckmann (1966). It is also where the implications for Europe begin to become more apparent. Berger and Luckmann (1966, pp. 110–46) offer a short chapter on legitimation in their longer analysis of the institutionalization of social relations and cultural norms. In their argument, ‘legitimation is the process of “explaining” and justifying’ (Berger and Luckmann, 1966, p. 111) and so depends as much upon knowledge as upon values. In turn, legitimacy depends upon a positive as well as a normative assessment of the state of the world. People have to accept that this is how the world actually works before they are going to be willing to accept that this is how they as a collective should respond.

Berger and Luckmann (1966) insist that knowledge is prior to value; explanation comes before justification. This insistence brings us closer to the analytic form. If there is an agenda for King *et al.* (1994), it is to foster some better understanding of the world around us (‘social reality’) so that we can make it a better place. Berger and Luckmann’s insistence that knowledge is prior to value also explains how empirical claims can evolve into myths over time. When institutions are constructed to solve actual and pressing problems, both the positive and the normative sides of the process are self-evident. As the institutions continue to operate beyond the moment of crisis, however, this self-evidence dissipates. Consumers of the argument no longer benefit from personal experience with the empirical phenomenon and so depend upon professional analysts or analysis to interpret the historical data.

Barthes’ myths are the building blocks for Berger and Luckmann’s legitimation. Berger and Luckmann (1966, pp. 112–14) explain how the explanation and justification combine at a number of different levels of sophistication ranging from aphorisms to theoretical arguments. Moreover, they show how these different types of analysis combine to resolve questions about the state of the world and about the role of the individual within it. In this sense, legitimation and identity are closely interconnected. Myths (in Barthes’ sense of the term) constitute not only our perception of reality but also our self-perception within it. Hence we not only accept prevailing institutions but also regard them as a natural part of our environment. Of course this point is easier to illustrate with reference to incest taboos than with reference to competition policy. Nevertheless, the force of the argument remains the same in both domains. Consider, for example, Nicholas Jabko's (2006) analysis of how European leaders made strategic use of the notion of the 'market'.

Where Berger and Luckmann (1966, pp. 122–34) depart from Barthes' notion of myths is in their classification of the strength of motivation and the resulting consistency of the overarching legitimating framework. They suggest that mythology should be distinguished from ideology and theology; myth-makers have a weaker motivation and a lower regard for consistency while ideologists are much more rigidly determined and religious proponents give harsh treatment to dissenters or heretics. This distinction reveals the relative fragility of myths as sources of legitimation when confronted with anomalies that they cannot explain or contradictions that give rise to normative (moral, ethical) dilemmas. If, as Barthes suggests, myths may lose their connection to the real world, then their usefulness will depend upon how successfully myth-makers can insulate themselves from popular scrutiny or elite dissent (Berger and Luckmann, 1966, pp. 134–46).

The weakness of the myths described by Berger and Luckmann as opposed to ideologies or religions makes them better analogies for arguments or models of an analytic sort. If myths can break down in the face of empirical anomalies or logical inconsistencies it means they have much the same life cycle as Thomas Kuhn's (1970) scientific paradigms. Myths are no longer so conservative either. Berger and Luckmann (1966) start their argument about myths and legitimation after the moment of institutionalization. This moves the emphasis from ossification of old relations of power to stabilization of new institutional forms; it focuses attention on the consolidation of change. Alan S. Milward's (1984, 1992) work on the links between European integration and post-war reconstruction offers a useful illustration here – all the more so because of his penchant for 'creative exaggeration' (Milward, 1997, p. 152).

In more general terms, Benedict Anderson (1991) shows the significance of this difference in perspective through his analysis of political nationalism. Anderson's (1991, p. 6) self-declared ambition is to contrast a creative view of nation-building as an act of collective imagination with the more austere imposition of an invented nationalism by powerful ruling elites. His ostensible foil is Ernest Gellner, who makes a structuralist argument linking nationalism to modernization and to the organizational requirements of the modern economy. Anderson accepts the structuralist logic, but he insists that there is more to nation-building than competition and self-interest.

The problem that Anderson's nationalists confronted was the contradiction between the reality of linguistic diversity, on the one hand, and the desire for political community, on the other. This problem was made surmountable by changes in technology – which greatly increased the scope and speed of communication. It was only by creating and transmitting the symbols of the nation, however, that elites could begin to foster a sense of national identification. As with Berger and Luckmann (1966), this is clearly a post-revolutionary affair. The nationalists overturn the pre-existing order and assert their control, only then to go about consolidating the nation. Anderson (1991, pp. 204–6) concludes his book with a 'biography of nations' that sketches their existence outside the flow of history once the moment of national creation has passed. Indeed, if time exists for nations, it flows backward – looking ever further into the past for roots that will explain or justify the present. The biography of 'Europe' in many ways mirrors this existence (Gilbert, 2008).

There is a post-modern dimension to Anderson's argument as well. Like Barthes' myths, Anderson's 'imagined communities' face the danger of becoming disconnected from the empirical (and social) world. The challenge is to understand what this disconnection might mean in practical terms. This is where it is useful to bring in John R. Searle (1995). His work promises both to explain the importance of myths for human agency and to show how these myths rest on foundations that extend beyond the social universe and into the physical universe. The starting point lies in the notion of 'we intentions' – which are motivations that cannot be reduced to the individual level. Searle (1995, pp. 23–6) explains how this collective intentionality is constituted through the creation of shared communicative symbols. Both modifiers, 'shared' and 'communicative', are important to the argument. The symbols must be shared explicitly, because they only work if each agent believes that others will respond to them. And they must be communicative insofar as they tell each agent how to act and what to expect.

Fiat money is a good if narrow example of Searle's (1995, p. 26) collective intentionality at work. The paper itself lacks value unless everyone accepts that it will be treated by others as being of worth. The question is how far Searle's argument can be extended upward into higher levels of institutionalized co-operation and downward to redirect or redefine the functioning of the material world. Searle's claim is that while collective intentionality can extend upward into the institutional realm, it can reach only so far down. There is a real, physical universe upon which social reality must rest and institutional facts have a powerful influence but they cannot eliminate the brute facts of the material world. I mention this aspect of Searle's argument because it should make it easier for most political economists to swallow. Economists like John Maynard Keynes (1964 [1936], pp. 383–4) can claim to model the real world without denying that the social influence of their models-as-myths is profound.

If European integration does not have a 'nationalism' it nevertheless does have a collective intentionality. And while this collective intentionality is narrated through myths that originate as models and arguments about the real world, its success lies in the wider propagation of such myths across different actors in the European community writ large (Jabko, 2006). In turn, these myths offer Europe some legitimation. Milward's (1992) *Rescue of the Nation State* is one example but there are countless others. Following the logic of those arguments, both policy-makers and everyday citizens can generate expectations as to what this Europe has to offer. They can set benchmarks and targets to assess its performance as well (Scharpf, 1999). Hence while it is easy to admit that Europe lacks the institutional strength of the nation-state, it is important to note that it is also stronger than any conventional international organization (Menon, 2008).

Whatever its strengths, however, Europe's performance will have to live up to the expectations set by the arguments, models or myths that abound. So long as performance is in line and any inconsistencies can be ignored, Europe should benefit from narrative legitimation in Berger and Luckmann's (1966) sense of the term. Once performance begins to falter, however, this legitimation should run aground. The result will not only be to weaken the sense of European identification at the individual level but also to undermine its function as a collective. Most contemporary analysts of Europe's democratic deficit have ignored this implication. For them, it is enough to assert that the European Union lacks democratic legitimacy, full stop. This analysis of myths pushes that concern for the breakdown of legitimacy somewhat farther along. It is hardly an original concern. Barthes (1972, pp. 156–9) concludes his analysis with a reluctant acceptance of the necessity of myths and a cautionary note about the danger of '[wreaking havoc] in the language of community'.

Most analysts – myself included – would like to avoid that fate. We study Europe both in order better to understand the nature of its construction and to suggest how it could benefit from improvement. The direction of change, and the thrust of the recommendations, are not always consistent. But the motive of having a persuasive influence on the literature (and perhaps even on policy) remains the same. Moreover, while we may pretend to offer objective insight in depoliticized language, that is no guarantee that our arguments will not assume a significance beyond our control. Indeed, if we are successful in attaining influence, then they will find wide circulation. Once cut from the context of their original research and publication, and placed in the hands of other myth-makers, they will become free floating symbols of what Europe is or can become. It is uncomfortable to view scientific research, social inquiry or academic discourse in this manner and yet it is inevitable that this should happen.

II. Six Illustrations

From this perspective, there are as many potential economic myths surrounding the process of European integration as there are economic arguments about Europe. Consider Bela Balassa's definition of the different degrees of economic integration from free trade area to customs union to common market (Balassa, 1961, p. 2). As a set of conceptual markers, it provides a useful framework; as a description (or interpretation) of how integration has actually taken place, there are very many exceptions to the rule. Nevertheless, it is often regarded as 'natural' for countries to progress from one stage of Balassa's definition of integration to the next. Further economic myths take on more sinister dimensions: Europe is the triumph of neo-liberalism (Cafruny and Ryner, 2003), it is the tyranny of economic elites (Connolly, 1995), it is the high church of central bankism (Luttwak, 1997) and it is bureaucracy run amok (Gillingham, 2006). There is some measure of truth in each of these assertions but a measure of distortion as well. My goal in this subsection is not to get tied up in ideological debate and I do not want to show that the world is more complicated than our conceptual frameworks either. Debunking conspiracy theories is too difficult; showing that models miss details is too easy.[1]

My plan is to take the middle road, and to illustrate some of those myths that I believe reside at Europe's core. In doing so, I draw upon the whole spectrum of possibilities suggested by Berger and Luckmann (1966), from the easy asides of national diplomats and European Commission officials to the strongest or most prominent arguments made in the recent literature. My intention is not to claim that these are 'myths' in the conventional sense of giant alligators lurking in city sewers, but rather to show how even the most important contributions to our understanding of European integration can assume a mythical form in the language of Barthes (1972).

The Myth of Inevitability: It was Always Meant to Be this Way

No serious historian of Europe believes that economic integration was inevitable. On the contrary, most are acutely aware of the many false starts that took place along the way. More to the point, contemporary writers like Nobel Prize-winning economist Gunnar Myrdal (1956, pp. 56–72) went to great pains to show how regional integration conflicted with the more pressing parallel processes of integration taking place within Europe's national welfare states and later historians have argued that the proposal to forge a

[1] Markus Jachtenfuchs did me a great service by pushing me on this point. That is no guarantee, however, that this analysis will live up to his expectations.

common market was intended to gum up and not lubricate negotiations between the various countries involved (Griffiths and Milward, 1986). Nevertheless, every story needs to have a beginning and for Europe that is either Robert Schuman's 1950 declaration of his government's intention to negotiate the formation of European Coal and Steel Community[2] or the 1957 signature of the Treaty of Rome.

The challenge is to explain or justify why that would be so. This challenge can be met in one of three ways: one is to trace back the idea of Europe to the aspirations of great thinkers for the past thousand years with the implication being that it was going to happen somehow and so may as well start through economics (De Rougemont, 1966); a second is to look at different prior attempts at economic integration in order to suggest that they failed because 'economic integration was an idea whose time had not yet come' but, with benefit of hindsight, would soon do so (Dinan, 2004, p. 27); a third is simply to assert that economic integration was inevitable. The final paragraph of the 1985 White Paper on the Completion of the Internal Market leads off with the declaration: 'Just as the Customs Union had to precede Economic Integration, so Economic Integration has to precede European Unity' (Commission, 1985).

There is a valid logic to each of these strategies. De Rougemont (1966) takes a page from Anderson's (1991) biography of nations. Dinan (2004) hopes to contain his (excellent) undergraduate textbook within manageable proportions. And Lord Cockfield presumably wanted to give some rhetorical flourish to the laundry list of reforms required to promote the single market. Whatever the motive, though, the myth of inevitability has become a standard justification to explain the start of European integration. Europe began as an economic organization – because it was always meant to start that way.

The Myth of Exclusivity: Show Me the Money

Yet if Europe started as an economic organization, then there must be some deeper logic behind it and the two most obvious candidates are institutional rationality or economic self-interest. The debate between neo-functionalists and neo-realists reflects the different weights than can be given to these two explanatory factors. Neo-functionalists emphasize institutional rationality (spill-over) and suggest that this reconstitutes economic self-interest (transfer of allegiance, etc.); neo-realists emphasize economic self-interest (distributive bargaining) and suggest that this gives rationality to institutions (through lower transactions costs and binding commitments). Taken to its extreme, the whole trajectory of European integration can be reduced either to a process

[2] 'Declaration of 9 May 1950', available at «http://europa.eu/abc/symbols/9-may/decl_en.htm».

of institutionalization (Stone Sweet *et al.*, 2001) or intergovernmental bargaining between powerful states acting on behalf of domestic economic interest groups (Moravcsik, 1998). Either way, the point is the same: Europe's evolution is a function of economics.

This view has not gone without challenge, particularly where Moravcsik's (1998) work is concerned. A group of historians has attacked the work on methodological grounds, challenging in particular his assertion that French President Charles de Gaulle was motivated predominantly by economic interests. Nevertheless, the ferocity of some of these attacks should not belie the influence of Moravcsik's strong emphasis on economics. On the contrary, Robert Lieshout and his colleagues (Lieshout *et al.*, 2004, pp. 89–90) complain that it is their initial admiration of Moravcsik's 'revisionist "commercial" interpretation of the European integration process' that explains the depth of their later disillusionment and Wolfram Kaiser (2008, p. 303) insists that Moravcsik did a service by pointing out 'the particular weakness of diplomatic historical studies at understanding the economic dimensions of integration' before noting that Moravcsik's methodological 'deficiencies present an insurmountable barrier to cross-fertilization with historians'.

Attacks on Moravcsik and repudiation of the belief that European integration can be explained by economics are not one and the same. On the contrary, the underlying existence of economic motives remains a central myth in the construction of Europe – and one not limited to the neo-Gramscian or protean free-market extremes. It can be seen in the original strategic objective of the Lisbon Strategy and again in former Dutch prime minister Wim Kok's mid-term review. If anything, as Kaiser (2008) suggests, economics has become increasingly important to our understanding of why Europe has evolved as it has. Now the question is to what extent the institutions of Europe continue to serve economic interests. The future of Europe, or so the argument runs, hinges on Europe's ability to answer that question (Alesina and Giavazzi, 2006).

The Myth of Irrelevance: A Certain Idea

Of course it is also possible that economic interests were not the primary focus in the process of integration. There were grand ideals behind Europe's construction as well. More important, perhaps, what we call 'economics' is neither stable nor self-evident. Economic theories change over time. By the same token, self-interest must be calculated and so depends upon the prior existence of measures and models. Here again we see shades of conspiratorial myths. If 'economics' is malleable, then it is also subject to manipulation.

This time, however, the arguments rest on more mainstream sociological and historical concerns – related to ideational institutionalism, entrepreneurship, and the 'great-man' theory of history.

Kathleen McNamara's (1998) analysis of the origins of the single currency made the first foray into this terrain. Her claim is that it was not enough for national actors to negotiate on behalf of their respective self-interests; they had to agree on a framework for understanding those interests and engineering a solution in the first place. Hence monetary integration depended upon an ideational convergence around key concepts relating to the relationship between the market and the state.

Nicholas Jabko (2006) presents a more opportunitistic view. In his analysis, economic concepts are strategically manipulated by elites in order to foster support for their actions. Political actors cannot ignore economics altogether, but they are not imprisoned by Max Weber's 'cage of reason' either. Hence, when the opportunity presents itself, as it did during the 1980s and 1990s, 'imaginative strategic actors can harness the power of this modern rationality into an instrument of open-ended change' (Jabko, 2006, p. 187). His formulation gives greater freedom for entrepreneurship and so places a higher premium on effective European leadership as well.

Craig Parson's (2003) book is the most extreme example of this line of argument, not least because he presents it as a counterpoint to Moravcsik (1998). The basic claim is that the evolution of European integration can be explained as though economics were irrelevant. At critical moments, it was the leadership of strong individuals who imposed their preferences on events. This suggests a top-down view of integration that depends upon the prior existence of guiding principles. It finds echoes in contemporary debates about the importance of having a European vocation or vision – what Joschka Fischer (2000) called 'the finality of European integration'.

The Myth of Irreversibility: No Way Out

Even if we agree that Europe can move forward without strong economic advantages, it is hard to believe that it could move backward without significant economic consequences. Indeed, this point is made repeatedly (and insistently) each time someone suggests that Greece, Spain or Italy might choose to leave the single currency or that the United Kingdom might opt out of the single market. However it started and whatever motivated its progress, the European Union is here, and here to stay.

In many ways, this notion of the 'irreversibility' is built into our understanding of the process of European integration. In the context of the single currency, for example, the definition of a 'monetary union' hinges upon the 'irrevocable' fixing of exchange rates. Hence, when Gordon Brown (2003) points out that any British decision to join the single currency 'is irreversible', he is simply admitting to the definition. Technically, it cannot be a monetary union if membership can be withdrawn.

Beyond that technical requirement, there is obviously nothing to prevent a country from exiting from the single currency – except, of course, the cost. This is true of the single market as well. The Treaty Establishing the European Community does not have an exit clause and no country (apart from Greenland) has ever chosen to leave either the Community or the Union. Nevertheless, it would still be possible to do so – again, at great cost.

The difficulty with the argument here is that it assumes national politicians respond to a coherent economic rationality. There is reason to believe they do not. The same voices that extol the virtues of the single market are quick to warn against the dangers of protectionism (Alesina and Giavazzi, 2006). The inconsistency is that countries that cannot afford to opt out of the single market nevertheless act in a manner that lowers its attractiveness. If national politicians continue to defect from the single market's rules, they will have little reason to stay in at the end of the day; if they instead choose to embrace the market, they will lose any ability to opt out in the future.

The easiest way to eliminate the inconsistency is to introduce the notion of commitment. Politicians remain attached to the single market because they are committed to do so. Moreover, this logic of commitment applies to the capital market integration that preceded monetary union as well. In that context, politicians were well aware that capital market integration would come at the expense of national policy autonomy. Indeed, the arguments of the day stressed the importance of accepting external constraints or, more prosaically, 'the advantages of tying one's hands' (Giavazzi and Pagano, 1988). In this sense, the myth of irreversibility provides a logic for re-commitment: it explains and justifies why politicians choose to stay in.

The Myth of Interdependence: A Perpetual Peace

There are other myths or arguments that bind countries into the European Union as well. Probably the strongest among these is the belief that economic interdependence is a wellspring for continuing European peace. This argument has a pedigree going back at least to the period between the two world wars. Nevertheless, it has particular post-war resonance. Robert Schuman's 1950 declaration was an important step in the reconciliation of France and Germany, and explicitly so. The Rome Treaty was the second milestone necessary to establish the trend (Willis, 1968).

My intention here is not to denigrate that history and neither is it to deny the importance of the Franco–German relationship. Rather, my focus is on the particular problem that the notion of 'interdependence' represents. Economists like Richard N. Cooper (1968) use the term to describe the situation where any one country's ability to achieve its policy objectives depends upon prior knowledge of how other countries will respond. In that context, Cooper (1968) argues, institutionalized co-operation is necessary to ensure policy effectiveness.

Once co-operation begins in one area, however, it also shapes the possibilities for co-operation elsewhere. The dynamic is not the same as neo-functionalist spillover and it is not strictly the result of the intergovernmental intermediation of economic self-interest either. Instead it is an expression of the convergence of expectations and the promulgation of norms in the context of international regimes (Krasner, 1983). Fast forward to Robert Kagan (2002) writing in the early 21st century and the implications of this argument become clear:

> Europe, because of its unique historical experience of the past half-century – culminating in the past decade with the creation of the European Union – has developed a set of ideals and principles regarding the utility and morality of power different from the ideals and principles of Americans, who have not shared that experience [. . .] The means by which this miracle has been achieved have understandably acquired something of a sacred mystique for Europeans, especially since the end of the Cold War. Diplomacy, negotiations, patience, the forging of economic ties, political engagement, the use of inducements rather than sanctions, the taking of small steps and tempering ambitions for success – these were the tools of Franco–German rapprochement and hence the tools that made European integration possible. (Kagan, 2002)

War may come to Europe, according to this myth of interdependence, but Europeans are unlikely to go to war.

The Myth of Instability: Winners and Losers

Not all economic arguments imply visions of peace and stability. Some – like Martin Feldstein's (1997) essay on the perils of Europe's monetary union – suggest at least the potential for violence. Invariably, these claims centre on the problem of managing distributive conflict. Europe creates losers as well as winners both through the construction of institutions at the European level and through the policies that these institutions pursue. Hence many economists worry that should Europe lack the instruments for managing the unintended consequences of this redistribution, there will be nothing to prevent groups from organizing to combat European policies or to tear European institutions down (Tsoukalis, 2005).

This argument derives in no small measure from the theory of optimum currency areas which is the intellectual bulwark for Europe's economic and monetary union (Jones, 2009a). The basic premise is that the stability of a monetary union is somehow a function of its economic rationality across the different groups, regions or countries that make up the union as a whole. Should economic circumstances arise within which the different components would be better served by having separate currencies, then support for having a common currency would break down. Hence there is a need to shore up the sense of political community – transferring resources from winners to losers until the bad economic situation goes away or until a new consensus in support of the monetary union can be found (De Grauwe, 2006, pp. 720–4).

The thrust of this argument is that Europe is in a situation of temporary instability or, perhaps better, disequilibrium. The cost of going backward is prohibitive and yet it cannot stay where it is right now. The conclusion is that Europeans face a choice between moving forward with the process of integration or accepting a costly and debilitating reverse. This would not only make everyone worse off, it might also incite them to conflict.

Putting it All Together

The six illustrations are all compatible if not exactly consistent. It was inevitable that Europe would start with economics both for economic reasons and for other reasons as well. Great leaders put forward grand ideals and pulled increasing numbers of followers behind them. They built institutions that offered great benefits but asked for significant commitments. More than that, they inaugurated a new European political culture, marked by greater co-operation, tolerance, respect for the rule of law and abhorrence of violence. The problem is that their project is unfinished and their progeny are not clear where to take it. Worse, this unfinished creation is unstable as well. The time has come for new leaders with new vision to lead the call to action. The fate of Europe is at stake and the possibility of failure is too awful to contemplate.

This economic mythology of European integration did not emerge fully formed. On the contrary, it came together in a piecemeal fashion and with a number of fits and starts. Most economic actors were reluctant to engage in the original Coal and Steel Community, they only gradually warmed to the common market and they held complex and often contradictory views on the merits of having a single currency (Willis, 1968; Frieden and Jones, 1998). Public opinion, meanwhile, was more likely to be disinterestedly acquiescent than passionately engaged. 'Europe' attracted attention when they held popular referendums and during the early direct elections to the European Parliament, but it was slow to develop as the major issue of the day.

The relaunching of Europe in the 1980s changed all that. European Commission President Jacques Delors famously quipped that you cannot fall in love with a common market and yet public opinion polling data suggests that Europeans did: popular support for European integration was never higher than during the heyday of the 1992 project (Hix, 2008, pp. 52–3). Once that support began to break down and concerns about Europe began to resurface, moreover, European politicians sought for economic arguments to stoke popular enthusiasm. As Italian Prime Minister Lamberto Dini set out at the start of his 1996 European Council presidency speaking before the European Parliament: 'monetary union and the creation of jobs must be seen as an entity so that one has the feeling that Europe means opportunities, income, growth and work' (Jones, 1998, p. 81).

III. A More Complicated Reality

As mythical narratives go, the European one is compelling – even if it does emerge from the dismal science. Nevertheless, it leaves a series of questions unanswered, not least about the nature of popular support. It is one thing to show how economic arguments can develop into myths; it is quite another to anticipate which of these myths will resonate with the voters (or even be heard). This was not a problem so long as European integration was primarily an elite enterprise and the economy was doing well. But it became a major dilemma in the early 1990s when economic performance faltered just as Europe emerged as a subject of popular concern. The failed Danish referendum on the Maastricht Treaty, and the difficult French referendum that followed, were but a foretaste of a long and difficult period that lies ahead.

It is a bit late in the article to open a new line of analysis on the determinants of public opinion – and I already covered that subject elsewhere in the pages of this journal (Jones, 2009b). For the moment, my goal is to show how the economic myths sketched in the previous section have become difficult to sustain as the questions they leave unanswered have become more pressing. The analysis is every bit as gloomy as the previous section was uplifting. This should not be misinterpreted. My point is not to decry the end of European integration but rather to show how the economic myths at the heart of the process can also be turned around. There are strong analytic claims to be made about the need for rational reform. Unmoored from their proper context, these arguments become a new sort of economic myth about how European integration is running aground. To structure the discussion, I borrow from French President Georges Pompidou's framework for re-emerging from the crisis of the late 1960s: completion, deepening, enlargement.

The questions about completion pick up where the story about economic instability left off – with the asymmetric constitution of Europe's economic and monetary union. Economists like Paul De Grauwe (2006) and Loukas Tsoukalis (2005) argue that Europe must complete its monetary union by creating some form of economic government as a counterbalance or interlocutor for the European Central Bank. This economic government must not only offer a stronger co-ordination of fiscal policy but also the means to redistribute income across Europe in the presence of economic shocks. The problem – they both acknowledge – is that there is virtually no political support for this project. National governments do not want to surrender their fiscal policy autonomy and national electorates to do not want to see their tax revenues transferred abroad. Their proposal raises the prospect that Europe may have to move forward in a direction that no one in Europe really wants (Majone, 2005, pp. 187–91).

The single market suffers from a similar sort of dilemma, but rather than centring on one big institutional deficit it operates through myriad jurisdictional conflicts, implementation failures and what Fritz Scharpf (1999) refers to as joint-decision traps. As a result, the internal market is littered with inefficiencies and inequities that work against both its effective functioning and its perceived legitimacy. Giandomenico Majone (2005) suggests that the only resolution to this dilemma is to accept that the European Union is not going to become 'Europe' but rather a confederation of sorts. This would entail making the whole process more transparent (including the 'finality') and making explicit delegations to independent agencies rather than relying so heavily on the European Commission. Here the question is whether any of the principle European agencies – including the Council of Ministers – or the Member States themselves would ever agree to go down that road. In particular, the heads of state and government seem comfortable maintaining two different conversations, one European and the other national, that allow them to shunt much of the blame for unpopular but necessary measures onto the shoulders of 'Europe' (Menon, 2008, pp. 21–9).

The Lisbon strategy and its attendant 'open method of co-ordination' is the third major point of concern. When the strategy was initially proposed in 2000, the goal was to create the world's most competitive and dynamic knowledge-based economy by 2010. When it was revised in 2005, it was more narrowly focused on growth, employment and the preservation of the European model. The onset of the 2007–08 global financial crisis and the resulting European economic downturn make it relevant to consider how modest the ambitions of the Lisbon strategy can become before it disappears from public consciousness altogether. This is less a criticism of the open method than of how it has been sold. If the goal was to underscore the economic advantages of European integration, the result has been to foster unrealistic expectations (Jones, 2006).

The agenda for deepening integration is no more obvious. Although there is substantial support for the notion of a common foreign and security policy, there is little enthusiasm to pay for the soldiers and equipment that such a policy would require (Jones and van Genugten, 2009). Relations with the North Atlantic Treaty Organization (Nato) and the United States are another source of division and concern. So is the European 'neighbourhood'. And yet if there is no agreement on foreign policy, there is no obvious economic agenda either. Europe has its single market and common currency, no matter how imperfect, and so the question is whether there is any new big economic institution that Europeans actually need. Once we rule out the prospect of a common (or tightly co-ordinated) fiscal policy, there is no other place left to turn except, perhaps, the environment. Even there, however, it has been hard to come up with a vision of Green Europe that does not suffer from the same inequities and inefficiencies that beset the single market and entail a significant economic cost.

These questions press on the economic myths of integration because they suggest that the process has run out of steam. The economic advantages are less than what was promised, they are inequitably distributed, inefficiently administered and difficult to sustain without further and unwanted investment in European institution-building. Nevertheless, it is enlargement that has given rise to the most difficult set of questions. Already in the mid-1990s there were strong voices arguing that the accession of post-communist countries from central and eastern Europe would pose an unacceptable economic cost, whether in terms of increased competition or through the two main channels for redistributive transfers: the common agricultural policy and the regional and structural funds (Judt, 1996). The subsequent progress of the enlargement process has not put those concerns to rest. If anything, the accession of Bulgaria and Romania coupled with the prospect of Turkish membership has had the opposite effect.

Conclusions

The challenge is to come up with a new message. One of the central insights to emerge from the philosophy of science is that people will hold onto a particular viewpoint long after it has been proven to be invalid (Kuhn, 1970). It is both naïve and counterproductive to suggest they would do otherwise (Lakatos, 1970). In the European context, this means that any attempt to take a neutral stand or 'depoliticize' the debate about Europe is likely to spiral out of control. Some voters may hold onto the traditional conception of Europe that has been fostered by the predominant economic myths that surround it and yet others will begin to believe in something altogether different. In the conflict between myths, legitimation will weaken, the language of community will break down and the prospects for collective action will diminish. Indeed, the evidence from the 2005 French referendum campaign suggests that may already be the case (Glencross, 2009).

The only solution is to provide a better framework for explaining and justifying this thing we call 'Europe'. That framework does not have to emerge fully formed and no single individual needs to be responsible for its construction. The only requirements are that it be grounded in the real world, that it attain at least some degree of consistency and that it be responsive to any change in the historical or social context. In the first instance, this means that we should continue to do good research. It also means that academics must accept the obligation to read widely across different disciplines. If we are to pay attention to consistency and to context, then we have to keep an eye on more than just a narrow spot of the terrain. Finally, it means that we should play an active role in the popular discourse. Specifically we need to take greater responsibility for maintaining and updating their arguments and for policing their use outside the confines of academic debate. We cannot stop the creation of economic myths, but we can at least play a role in their development. If our arguments become myths that float freely without respect for empirical validity or historical context, we have no one to blame but ourselves.

Correspondence:
Erik Jones
Johns Hopkins
Bologna Center
via Belmeloro 11
40126 Bologna, Italy.
email ejones@johnshopkins.it

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