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# Evaluating Sebastian Rosato's Balance of Power Theory: A Case Study in The Collapse of Europe's Great Experiment

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Less than two years after World War II, Europe was in shambles. The most monumental war in world history had forced countries to consolidate all available resources, form precarious alliances with foreigners, and witness bloodshed in their own backyards. In spite of recent turmoil, a new military adversary emerged on the world stage that left European powers in dismay - the Soviet Union. In a memo written in 1946 from the U.S. Joint Intelligence Committee to Major General Alfred Gruenther: "The USSR [is] the leading military power on the Eurasian landmass.... None of these countries [are] capable singly of waging a successful defensive war against the USSR."<sup>67</sup> The formidable USSR had both the strongest economy in Europe, and a military advantage over Britain and France of 6.4:1 and 8.8:1 respectively.<sup>68</sup> No individual nation could impede the Soviet's westward expansion, so neighboring European countries sought collaboration to counter the USSR threat. Winston Churchill, a luminary of the previous decade, called for a "United Europe", declaring that "if the people of Europe resolve to come together and work together for mutual advantage, they still have it in their power to sweep away the horrors and miseries which surround them."<sup>69</sup> As a result, the European Coal and Steel Community (later tailored into the European Union<sup>70</sup>) was then formed to balance its collective capability against the budding titan.

The inception of the European Union follows the framework of Sebastian Rosato's Balance of Power Theory. While many balance of power theories exist, this essay will focus on the variant that Rosato has applied to the E.U. Sebastian Rosato, an Associate Professor of Political Science at Notre Dame, argues that "Europe's shift from sovereign state system to

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<sup>67</sup> Kesaris, P., N. Quist, and United States Joint Chiefs of Staff. *Records of the Joint Chiefs of Staff: The Soviet Union*. pt. 2. (University Publications of America).

<sup>68</sup> Metrics represent material capability as defined by demographic, industrial, and military indicators - "Correlates of War," National Material Capabilities, The Correlates of War Project, 1816-2001, <http://www.correlatesofwar.org>; and Brian Mitchell, *International Historical Statistics: Europe, 1750-1993*.

<sup>69</sup> Winston Churchill, *Never Give In! The Best of Winston Churchill's Speeches*. Winston S. Churchill (New York: Hyperion, 2003), 437-38.

<sup>70</sup> Referenced throughout the essay as E.U.

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supranational community" was for the sole purpose of centralizing power against Soviet dominance in the region.<sup>71</sup> And without a threat of power comparable to the magnitude of the Soviet Union during the Cold War, member countries within the European Union wouldn't have integrated into a supranational force. In the post-Cold War Era, Rosato is doubtful of the E.U.'s future: "Simply put, the European Community's best days are long gone and there is worse to come."<sup>72</sup> Therefore in years following the collapse of the Soviet Union, Rosato predicts that the E.U. is destined for deliberate fragmentation. In practice, temporary economic prosperity from E.U. commerce has delayed its collapse, but recent stagnation in growth indicates a vindication of Rosato's presumption. Balance of Power Theory cannot operate in isolation, but in conjunction with stalled macroeconomic growth, E.U. disintegration is inevitable. This discourse will affirm Rosato's central claim by synthesizing the principles of Balance of Power Theory as they are evidenced in historical origins of the E.U., projecting the observable implications we would expect from integrations of the E.U. following the Cold War Era, and comparing Rosato's expectations to recent cases in post-war E.U. history. These three explicit components will act as guiding logic to test the validity of Rosato's assessment and may be extrapolated to provide insights into the future of the E.U.

Balance of Power Theory rests upon the widely acknowledged framework of the anarchical system. Under the anarchical system, there is no overarching international authority capable of setting governing laws or rules that dictate state behavior.<sup>73</sup> States cannot know the intentions of other players within the system and therefore are subject to fear of malevolent action. Power, as defined by Rosato, refers to "material resources and organizational effectiveness, which together determine a state's ability to deter or defend against potential rivals".<sup>74</sup> Professor Jack Levy classifies a "great power" as having the "relative self-sufficiency with respect to military security".<sup>75</sup> Member states in the aftermath of WWII lacked power relative to the indomitable USSR and were thus relegated as "minor powers". With the European continent in ruins, structural instability left their armies and economies vulnerable to external threats. Individual nations once glorified for the success of previous empires were now worried that their neighbor would decide to repeat Germany's transgressions.

European leaders knew that westward expansion of the Soviet Union was imminent. Amidst the veil of war with the Third Reich, the USSR was able to usurp almost all of Eastern

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<sup>71</sup> Sebastian Rosato, *Europe United: Power Politics and the Making of the European Community*, Ithaca: Cornell University Press, 2010, 9.

<sup>72</sup> "Sebastian Rosato Says Worse Times Ahead for European Union," *College of Arts and Letters: University of Notre Dame*, June 15, 2010.

<sup>73</sup> "Anarchy (International Relations)," *InternationalRelations.org*, last modified November 6, 2016.

<sup>74</sup> Rosato, *Europe United: Power Politics and the Making of the European Community*, 21.

<sup>75</sup> Jack Levy, *Causes of War*, Wiley-Blackwell, 2009.

Europe (Poland, Bulgaria, Romania, and the eastern part of Germany). The Soviets then were able to continue their expansionist policies following World War II, labeled by Churchill in his 1946 highly publicized speech as the spread of the "iron curtain". Having conquered the East, Western Europe was the next most likely candidate. The looming threat prompted swift action on behalf of member states.

Every country in Western Europe shared a common adversary and subsequently a common threat to national security. Individually, none of these nation-states were capable of deterring the Soviet threat, but collectively as James Morrow proclaims, "nations form alliances to increase their security by amassing their capabilities against a common enemy."<sup>76</sup> Concentrating the power of sovereign states into a centralized authority would give Europeans the economic controls needed to accomplish the objective of providing collective security to its member states. Aligning with the Balance of Power Theory, European nation-states living in the anarchical system with a superior adversary of the Soviet Union, had no other option under the pressure of national interests and common intentions than to counterbalance in the manifestation of a political union. Tony Judt in *Postwar: A History of Europe since 1945* echoes a similar viewpoint: "For nations reared within living memory on grandeur and glory, 'Europe' would always be an uncomfortable transition: a compromise, not a choice."<sup>77</sup> Therefore because of systemic fear in the anarchical system, an imminent threat of Soviet westward expansion, and a shared adversary between Western European countries, the European Union was established.

Formation of the European Union involved deliberation over political, militaristic, and economic integration. All three of these components required alignment of supranational and national interests. State actors will support a supranational cause as long as it aligns with their national interest. A state's paramount national interest is security that comes in the form of power in both relative and absolute terms. During Cold War, national interests lined up with supranational interests because of the common threat to security. After the war, although collective security was no longer a necessity, temporary economic prosperity (derived from interstate commerce) kept the E.U. intact. However due to recent macroeconomic decline, national protectionist interests have gained popularity. In the absence of the Soviet Union, we would expect to witness gradual disintegration of the European Union, slowed by transient economic growth. The next section will elaborate on observable implications that can be expected from Balance of Power Theory following the collapse of the Soviet Union.

The European Union, a cooperative instrument of international affairs, was held together by a shared goal. There was a geostrategic reason to pursue integration and preserve their

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<sup>76</sup> James D. Morrow, "Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances," *American Journal of Political Science*, vol. 35, no. 4 (1991), 904.

<sup>77</sup> Tony Judt, *Postwar A History of Europe since 1945*, Penguin Books, 2006.

existing community. Rosato cites successful political integration in the Cold War Era because there was a unique circumstance of the "scale and proximity of the Soviet threat."<sup>78</sup> The E.U. in the 1950's needed a centralized union because their collective power was the only means of deterring the USSR. After the collapse of the Soviet Union in 1991, the absence of that geostrategic necessity led to divergent political agendas. Agendas diverged because an investment of political capital involved surrendering sovereignty in specific areas. These areas of governance were vital to success of the EU, but came at the expense of national strategic interests. Hence, according to Balance of Power Theory, we should see a shift of political disintegration toward a decentralized political union that ensures retained sovereignty of member states.

The divergence of political agendas should come in the context of two components: aversion to unification and economic insecurity. First, reluctance to unify in the EU's early years is a sign of future disinclination. A notorious example of failure to garner collaboration was the inability to ratify the European Defense Community (EDC) project. This was partially due to the incumbent presence of NATO (North Atlantic Treaty Organization), an intergovernmental military alliance composed of Western European countries and the United States. NATO's main purpose was to oppose the Soviet Union militarily in anticipation of a Soviet offensive. The EDC project also proved too ambitious for countries like France who recently regained sovereignty and national identity from the death of Stalin.<sup>79</sup> Member states questioned the obligation of their own militaries in the tragedy of preceding decades. The collective gain from a supranational military alliance, in deference to both the presence of NATO and reluctance to dedicate soldiery, wasn't enough to form a centralized military. Consequently, in the absence of a Soviet opposition, we would expect continued aversion to unification.

Second, economic insecurity from a deficient Eurozone structure forecasts a potential collapse under fiscal pressures. This insecurity can be attributed to the evolution of the European Coal and Steel Community, a centralized regulatory body for industrial production in Western Europe.<sup>80</sup> Western Europe in World War II needed to devise an economic community in order to consolidate resources and neutralize Soviet power. Tied to the European ideals of a connected Europe, the Eurozone (an economic region of countries that have adopted the Euro) served to encourage free trade and flow of capital. The Eurozone at its zenith had 4.4% GDP growth per annum with an unemployment rate of 7% in 1988.<sup>81</sup> In recent years however, the single market economy continues to face challenges. Despite a foundation of admirable ideals, "the eurozone

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<sup>78</sup> Rosato, *Europe United: Power Politics and the Making of the European Community*, 245.

<sup>79</sup> William Wallace, "European Foreign Policy since the Cold War: How Ambitious, How Inhibited?" *The British Journal of Politics and International Relations* 19, no. 1 (2017): 77-90.

<sup>80</sup> The European Coal and Steel Community was the first iteration of the European Union.

<sup>81</sup> World Bank national accounts data, and OECD National Accounts data files.

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was not structured to accommodate Europe's economic diversity...the structure of the eurozone...[was] not designed to promote growth, employment and stability."<sup>82</sup> The Euro locked each member state to a fixed exchange rate, delivering one-size-fits-all monetary policy without considering variance in fiscal discipline. As a result, because the structure of the Eurozone isn't apt for withstanding fiscal calamity, we would expect the European Union to collapse under fiscal pressures.

Therefore, it's concluded that divergent political agendas in the absence of a common threat, and in a context of aversion to unification and economic insecurity, will propel the disintegration of the E.U. in post-war era. Three cases of evidence for disintegration that will be discussed in the next section are the Greek government-debt crisis, Brexit, and populist uprisings in Eastern Europe.

The Greek government-debt crisis made international news when Greece declared in 2009 that its budget deficit would be 12.9% of GDP. While global economies were all recovering from the 2008 Financial Crisis, the news caused waves throughout the Eurozone.<sup>83</sup> Although there is a "one-size-fits-all" monetary policy in the E.U., fiscal policy is reserved to the respective countries' discretion. As Rosato claims, "fiscal policy [is a] ...source of friction, pitting members that want to run greater deficits against proponents of tighter fiscal discipline."<sup>84</sup> Stalled macroeconomic growth of the union is driven by the constraint of weak performance from poorer states on the economic prosperity of wealthier counterparts. Since national interests in post-war Europe are no longer aligned with supranational cooperation, states would start to question their obligation to this parasitic union.

One prominent player that decided to give into Euroscepticism was the United Kingdom in 2016. In a country-wide referendum that earned international news coverage, 52% of the U.K. population voted for withdrawal from the E.U. The United Kingdom was one of the three founding actors of the E.U. community, and their attrition signals to the rest of the E.U. that no member is obligated to remain. Experts have projected that the removal of Britain could lead other nations to follow suit. Sweden and Denmark, for example, have both rejected handing over integral powers to the coalition, and right-wing leaders push for a similar referendum.<sup>85</sup> Collective movement toward gradual exodus isn't a positive sign for the future of the European Union.

Many populist movements within Eastern European countries have borne out of

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<sup>82</sup> Joseph Stiglitz, "Joseph Stiglitz: The Problem with Europe Is the Euro." *The Guardian*, August 2016.

<sup>83</sup> The global financial crisis of 2008 was described by the IMF as the worst recession since the Great Depression.

<sup>84</sup> Rosato, *Europe United: Power Politics and the Making of the European Community*, 253.

<sup>85</sup> Rick Noack, "These countries could be next now that Britain has left the E.U.," *The Washington Post*, June 24, 2016.

nationalist interests from migrant influx. These protectionist ideologies have shaped recent elections in Eastern Europe, and significantly hindered cooperative investment in E.U. policy. A massive refugee influx into certain regions of the E.U. have caused indigenous workers to feel their values of nationalism threatened and their jobs at risk. For example, Countries along the Balkan migration route like Germany and Hungary have pushed back against E.U. immigration policy and forced delegated migrants to resettle in Turkey.<sup>86</sup> The European Union doesn't have the authority to enforce settlement of migrants in selected countries. As a result, the supranational E.U. had to reluctantly accept a E.U.-Turkey migration accord to allow these member countries to send back refugees. This drawback shows the weakening legitimacy of the E.U., fueled by ethnocentric attitudes and protectionist ideology.

The Greek government debt-crisis, Brexit, and populist movements in Eastern Europe are all evidence of disintegration of the European Union. Observable implications from Rosato's Balance of Power Theory of divergent political agendas in the context of aversion to unification and economic insecurity have all contributed toward these three cases in E.U. history. However, temporary economic prosperity following the downfall of the Soviet Union is the only factor that cannot be explained by Balance of Power Theory. That is why the gradual emergence of stalled macroeconomic growth from temporary economic prosperity is the cornerstone to slowly dismantling the E.U. Balance of Power Theory is imperfect and requires this second variable in order to operate properly. Alongside the necessity of stalled macroeconomic growth, there are two other stipulations to complete the argument.

Events in recent E.U. politics have affirmed Rosato's presumption, but an important consideration is that this theory is only derived from the European Union and cannot be extrapolated to ulterior cases. Hence, the scholar doesn't allow for any replication of this unique event. Professor Craig Parsons concludes, "the conditions that are supposed to have created it cannot have been present in other places or at other times."<sup>87</sup> The circumstance must consist of: a series of minor powers within a similar geographical location, all unable to deter the adversary on their own merit, in a "perfect storm" of desperation, against an external threat of incredible magnitude. These criterion leave limited room to contest the theory in civil debate.

Sebastian Rosato's Balance of Power Theory is also one of many International Relations models that scholars have applied to explain the origination of the E.U. An alternate model that Rosato mentions to explain interstate cooperation of the E.U. is the community model<sup>88</sup> known as ideational entrepreneurship. In contrast to Rosato's balance of power argument, the ideational

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<sup>86</sup> Helena Smith, Philip Oltermann, "E.U. states begin returning refugees to Greece as German reunions slow," *The Guardian*, August 25, 2017.

<sup>87</sup> Craig Parsons, *A Certain Idea of Europe*, Cornell Studies in Political Economy, Ithaca, NY: Cornell University Press, 2006, 181.

<sup>88</sup> Created by Craig Parsons.

entrepreneurship approach holds that integration cannot solely be understood as an objective response to geopolitical or economic imperatives. European integration was driven because leaders with "pro-community" ideas came into power in France and Germany.<sup>89</sup> Nonetheless, Rosato sees a flaw in this causal logic by citing that there is scant evidence that prominent political figures subscribed to this reasoning.

The European Union is considered by many to be the "most extraordinary experiment in the history of political institutions."<sup>90</sup> In the period of post-WWII Europe, it was revered as the glue that would bring peace and prosperity to the continent. The E.U. was a beacon of hope for European nations that had lost their fortuitous power in previous decades. Sebastian Rosato's Balance of Power Theory successfully explains the formation of this union, and in conjunction with stalled macroeconomic growth following a period of economic prosperity, it's inevitable demise. Anticipating the aforementioned disintegration, scholars believe there are five fundamental challenges that face the E.U.: overexpansion, the collapse of the Soviet Empire (in-line with Rosato's theory), the euro crisis, a deteriorating regional environment, and the persistence of nationalism.<sup>91</sup> All five of these tribulations will not be easy to overcome given the current political climate. According to Rosato, the European Union must either face an adversary comparable to the Soviet Union or be destined to a slow demise. In the dynamic international system, International Relations theorists can never be confident in definitive predictions. We can conclude by Rosato's logic in conjunction with stalled macroeconomic growth, and borne out in evidence by recent E.U. politics, that the European Union will inevitably dismantle. Although the European goal of an "even closer union" is unlikely, this is not to say that the European states will stop cooperating with each other.<sup>92</sup> The E.U. has been successful in linking neighboring nations in the socio-cultural emergence of a common European identity. Even as the E.U.'s power wanes, it will always be remembered as a remarkable political achievement that has fostered the core of European exceptionalism.

In many ways the E.U. has set the standard for a model liberal institution. The idea of a failing E.U. has serious implications for our perspective of global order. If global order is composed of a multiplicity of independent state actors, and liberal institutions made up of these actors aren't surviving over time, then the future of the global order may be an attrition of supranational institutions. Intergovernmental organizations such as the United Nations, World Bank, and World Health Organization all rest upon the same principle of cooperative action to solve dilemmas beyond the capacity of an individual nation. Does this imply that there's an

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<sup>89</sup> Parsons, *Certain*, 25.

<sup>90</sup> Ian Morris, "Why Europe's Great Experiment Is Failing," *Forbes*, January 28, 2016.

<sup>91</sup> Stephen Walt, "Does Europe Have a Future?," *Foreign Policy*, July 16, 2015.

<sup>92</sup> Treaty Establishing the European Economic Community, Mar. 25, 1957, art., 298 U.N.T.S. 11

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overarching decline in interstate cooperation? The rise of protectionist movements challenging incumbent governments may indicate warning signs of this phenomena. Without interstate cooperation as the cornerstone of the international system, global order will cease to operate. A network of distrust between actors in the system will impede any collective action. Collective action amongst nations functions to regulate economies, prevent wars, and aid humanitarian crises. The self-serving mentality of fixating on national interests will dismantle the fabric of global community. Looking forward, we must continue to bridge cultural boundaries through the diaspora of globalization. The global order is comprised of generations capable of igniting political change. One liberal institution doesn't have to determine the future course of global order. The European Union may collapse, but there's still hope in the establishment.

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