SSOAR

Open Access Repository
www.ssoar.info

Theorizing Precommitment in European Integration: Mending the Constraints of Ulysses

Lavdas, Kostas A.

Veröffentlichungsversion / Published Version
Zeitschriftenartikel / journal article

Empfohlene Zitierung / Suggested Citation:
Lavdas, K. A. (2012). Theorizing Precommitment in European Integration: Mending the Constraints of Ulysses. *European Quarterly of Political Attitudes and Mentalities*, *1*(1), 10-25. https://nbn-resolving.org/urn:nbn:de:0168-ssoar-341840

Nutzungsbedingungen:
Dieser Text wird unter einer CC BY-NC-ND Lizenz (Namensnennung-Nicht-kommerziell-Keine Bearbeitung) zur Verfügung gestellt. Nähere Auskünfte zu den CC-Lizenzen finden Sie hier:
https://creativecommons.org/licenses/by-nc-nd/4.0/deed.de

Terms of use:
This document is made available under a CC BY-NC-ND Licence (Attribution-Non Comercial-NoDerivatives). For more Information see:
https://creativecommons.org/licenses/by-nc-nd/4.0

gesis
Leibniz-Institut
für Sozialwissenschaften

Mitglied der
Leibniz-Gemeinschaft

European Quarterly of Political Attitudes and Mentalities EQPAM
Vol.1, No.1, September 2012

ISSN 2285 – 4916
ISSN-L 2285 - 4916

This work is licensed under a Creative Commons Attribution-NonCommercial-NoDerivs 3.0 Unported License.

Theorizing Precommitment in European Integration:

Mending the Constraints of Ulysses

Kostas A. Lavdas

Submission for ECPAM'2012: June 3rd, 2012 Accepted for ECPAM"2012: July 25th, 2012
Submission of short version for publication in EQPAM: August 28th, 2012[1]

Abstract

The paper engages with the debate on Europe's prospects by using Elster's constraint theory to develop a model of precommitment in a context of diffuse reciprocity as a condition for interactive Europeanization. The current crisis constitutes a juncture in EU development, calling for a reassessment of the established views on Europe's experiment. Europeanization emerges as a critical field for testing integration. The paper suggests a framework for the analysis of Europeanization which rests on two approaches: (a) the evolution of mixed and diffuse reciprocity ('*beyond tit-for-tat*') and (b) the development of precommitment and self-imposed constraints ('*Ulysses and the sirens*'). It is argued that, given enormous challenges for the consolidation of precommitmnent due to a combination of economic strains and political gaps in steering, further evolution of advanced forms of reciprocity in Europe would require new goals, enhanced normative and value contents and increased political and normative scope for the constraints of Ulysses. This reassessment may bring European political traditions such as republicanism back in to the search for appropriate political, analytic, and normative prisms.

Keywords: Europeanization, compliance, constraint theory, precommitment, republicanism, norms

Corresponding Author: Professor Kostas A. Lavdas, Head of Political Science Department
Address: Political Science Dept., University of Crete, Greece
e-mail: lavdas@pol.soc.uoc.gr

Copyright @ 2012 Kostas A. Lavdas
European Quarterly of Political Attitudes and Mentalities - EQPAM, Volume1, No.1, September 2012, pp. 10-25.
ISSN 2285 – 4916
ISSN-L 2285 - 4916

[1] A full version of this paper has been submitted on June 3rd, 2012, with the title: "*Ulysses' Weak Constraints: Europeanization at a Political-Cum-Normative Crossroads*". It has been peer-reviewed and accepted for the *European Conference on Political Attitudes and Mentalities*, ECPAM'2012, and published also in the ECPAM'2012 Proceedings, Voinea C.F. (ed.): "*Political Attitudes and Mentalities. The Historical Heritage of Europe – A Challenge for the Future of Political Analysis*", University of Bucharest-Ars Docendi Press, Bucharest, pp.9-39.

1. Introduction

In *Europe: Journey to an Unknown Destination*, published in 1973, Shonfield surveyed the condition of European integration and famously concluded that Europe's journey was to an 'unknown destination' (Shonfield 1973). Today, despite remarkable advances and formidable challenges in both institutional building and monetary unification, the destination seems equally – if not more – unknown. The present paper engages with the debate on Europe's prospects by using Elster's constraint theory to develop a model of precommitment in diffuse reciprocity as a condition for interactive Europeanization.Today's juncture calls for a reassessment of the established views on Europe's experiment.

This reassessment may bring European political traditions such as republicanism back in to the search for appropriate analytic and normative prisms. Norms of cooperation become crucial in this endeavour: as they search for credible tools to interpret and master a changing Europe in a changing world, actors distil their experience in close and repeated cooperation with a view to enhancing their knowledge of and influence over complex games of advanced hyper-dependence. Europeanization emerges as a critical field for testing integration.

The paper suggests a framework for the analysis of Europeanization which rests on two approaches: (a) the evolution of mixed and diffuse reciprocity ('*beyond tit-for-tat*') and (b) the development of precommitment and self-imposed constraints ('*Ulysses and the sirens*'). Both approaches focus on sets of norms.

The first one tackles norms of reciprocity as they become institutionalized in EU politics and policy and suggests ways to make sense of their significance for the evolution of cooperation. The role of norms of advanced cooperation in EU institutional and political processes can be explicated with the help of a framework proposed by Lepgold and others. The second set of norms concerns self-constraint and precommitment. Drawing from the parable of *Ulysses and the sirens*, this is an approach that helps explore the conditions associated with effective and/or ineffective compliance with EU policies.

The norms that are conducive to enhancing the role of a changed set of Ulysses' constraints may also be crucial in the development of new ways of engaging global interactions. In short, it is argued that, given enormous challenges for the consolidation of precommitmnent due to economic strains and political gaps in steering, further evolution of advanced forms of reciprocity in Europe would require new goals, enhanced normative contents and increased scope for the constraints of Ulysses.

2. Norms and Bounded Rationality

Debating norms requires a consideration of the relations between the rational character of action (the *homo oeconomicus*) on the one hand and the normative character of action on the other. The latter aspect has been the research domain of a norm and culture-based model of action (put forward by Durkheim, Parsons, and others). In fact, however, the distinction need not be that absolute.

One of the reasons why the distinction need not be an absolute one is the role of bounded rationality. Acknowledging that our calculating abilities are fallible invites all sorts of solutions and/or alternatives, including collective endeavours (such as brainstorming), normative approaches, but also irrational escapades. Drawing on Simon's analysis, Fearon suggests that pooling the individuals' limited capabilities through discussion is a means for lessening the impact of bounded rationality (Fearon 1998: 49-50). Other interactions – apart from structured discussion and deliberation – are also possible as a means for addressing the implications of bounded rationality. Normative evolution is also the result of

ISSN 2285 – 4916
ISSN-L 2285 - 4916

collective attempts and failures at overcoming problems which cannot be addressed through rational decision-making.

Learning and expectations make the role of norms so crucial. Of course, tackling norms is not the same as discussing moral issues. Debating values means debating conceptions of the good life, notions of virtue in accordance with which we ought to live. On the other hand, norms define expectations on the various settings of social action. They orient social action towards certain patterns, thereby reducing the complexity of social interaction (as Luhmann would put it), increasing predictability and specifying certain limiting routes out of an apparently endless repertoire of social action and interaction (Henecka 1985: 60-65). We comply with norms for a variety of reasons: since norms refer to a number of areas of human endeavour (technical, aesthetic, economic, and so on), reasons for compliance vary. Because norms are relative to temporal and spatial variation, focusing on norms opens the door for a discussion which eschews the binding dimensions associated with the analysis of values (Rorty 1987: 26-66). The contextual and contingent quality of most political truths renders the search for norms crucial: we focus on the exegesis of patterns with transient force, drawing on a pragmatist approach to normativity in order to moderate the unavoidable role of binding institutions. We may agree on a set of norms even if we do not share the same values.

The role of norms underpinning policy decisions manifests itself most dramatically at the stage of policy implementation. A number of compliance studies suggest that the problem of compliance will loom large in the calculus of those who create a policy (Noll and Weingast 1991: 237-258). Experience with compliance problems and anticipation of particular patterns of deviation will often result in strategies adopted at the stage of policy creation which attempt to prevent deviations at the stage of policy implementation. In short, not only do compliance patterns generate crucial variations affecting the fate of a policy, but the anticipation of compliance deviations (based on past experience or well-informed predictions) will affect the very tenor and direction of policy in the first place. For example, as Noll and Weingast have argued, some general procedures are designed in part to increase the visibility of possible deviations, while a number of measures (staffing, promotion patterns) may be used to mould a particular bureaucratic culture within agencies (Noll and Weingast 1991: 249-250). Hence the so-called 'pre-decision' and 'post-decision' stages of policy are closely linked. And they are equally embedded in a web of norms and expectations, which become increasingly internationalized.

However, arguing that agency plays a critical role in economic and political development is not the same as suggesting that the action that counts is always rational. Bounded rationality apart, the very combination of deliberate action and the intended and unintended consequences of action, some of which become institutionalized, is a force evident in economic development. Several writers in cognitive and social psychology work on the assumption that reason, like ideology, is partially a cultural and historical product. Moreover, the structure of reasoning may vary across individuals, extending 'to the formal quality of the associations people forge and the kinds of objects they can think about' (Rosenberg 1991: 399).

It would appear that the two claims – that agency matters and that agency is not always rational – converge in suggesting that political intervention is at once possible, consequential, and risky. Nor is it the case that rationality can always settle policy dilemmas, once ideology has receded and 'epistemic communities' have a say. Because ideology, like reason, is a process, and because there is an isomorphic relationship between the activity of understanding and that of valuing (Rosenberg 1991: 399), it is the interpenetration of rational calculations and ideological impulses that gives policy norms their particular form and content.

A polity requires a set of accepted norms governing economic as well as political behaviour. For example, we need an acceptable normative basis for distribution. Lacking at least a degree of an agreed

normative basis will mean that decisions on the distribution of resources will be based on an unaccountable bureaucratic rationale (Plant 2002: 263). Secondly, the fact that markets are not self-correcting after all (*vide* the collapse of US specialized credit institutions in 2008) only serves to highlight the need for a pragmatic understanding of the different goals, motivations, and expectations of economic and political actors. In short, agency matters not because it is always rational; it matters because it interprets.

3. Europeanization As A Critical Field

More than any other formation beyond the nation state, the EU has being able to assume properties that increasingly make us think of it as a 'state' (Stoker 2006: 153-154), in the sense that it has become a complex set of institutions affecting our lives and, accordingly, forcing us to think that we need ways of influencing institutions that take decisions for us on the supranational level as well as at national, regional, local and neighbourhood levels.

In other words, it is increasingly becoming evident that the politically relevant terrain for citizens is also to be found on EU level. Furthermore, in its workings the EU has institutionalized a complex learning process of change and adaptation. Both dimensions – the increasing relevance of the EU level for peoples' lives and the enduring learning processes of institutional workings at EU level – testify to the need for an approach that would capture the dynamics of change, in a discontinuous process of establishing a novel institutional matrix.

Even before formal accession to the EU, candidate states undergo processes of Europeanization influenced by conditionality as well as domestic shifts and transformations. The process and outcome of accession politics will depend on (a) the formation of a European strategy and its consolidation within the ruling bloc, (b) the handling of opposition to the basic parameters of the European strategy, (c) the degree of commitment on the part of consensus-makers and consensus-enforcers, and (d) the structural features of the political system (opportunities, veto points etc.). In most cases, the formation and subsequent consolidation of a European strategy involves considering a number of parameters, including the pre-established economic and trading patterns of the state in question, the major geostrategic concerns of the political elites and the perceived interests of business elites.

Real-life, everyday workings of the EU went through an intricate web of EU-states interaction, approached (since the 1990s) with the concept of Europeanization. In this perspective, interactions work in the context of more general Europeanization processes, which concern adaptation, adjustment, impact, interactions and feedback, beginning in anticipation of membership and expanding to more synchronized developments during later stages of full membership (Ladrech 1994; Cram 2001; Featherstone and Radaelli 2003). But in order to grasp the complex implications of Europeanization, we have to take into account not just the obvious, top-down dimension of EU impact (on domestic policies, actors, and institutions) but also the various interactive dimensions. Some of the recent over-conceptualizations of Europeanization have not been able to move beyond a simple top-down framework. Indeed,

> "in order to get a more complete picture of Europeanization, one needs to focus on interactions among the three principal actors – states, supranational (European) institutions, and nonstate actors. If this is done, it will soon be clear that there is no simple logic behind Europeanization that could be modelled on the basis of the top-down adaptation pressure from the EU. This pressure presents only one mechanism of Europeanization among several" (Císař, 2007: 26).

During earlier phases of Europeanization, both dimensions – impact and interaction – were so closely intertwined with economic modernization that the distinction became blurred in several national

ISSN 2285 – 4916
ISSN-L 2285 - 4916

contexts. The second and more complex aspect – interaction – refers to feedback but also, crucially, to the introduction of preexisting national patterns or policy solutions to the European instrumentarium[2].

The extent to which preexisting national arrangements result in a mismatch or misfit with the ones adopted by the EU is a key facet of research into the actual effects of Europeanization (Börzel & Risse 2000). In fact, analyzing Europeanization leads us to confront several distinct but interrelated areas, such as institutional compliance, changing domestic opportunity structures, and the transformation of norms and beliefs.

We may tackle match/ fit in two areas.[3] Firstly, we address the fit (or misfit) between domestic arrangements and EU arrangements. Obviously, in contexts where misfit is particularly pronounced, Europeanization is of more importance. But we may also want to address the fit (or misfit) between domestic reforms and EU regulatory objectives. In this context, EU-induced changes may have triggered reform by tipping the scales in favor of one policy coalition against another without necessarily leading to reform along the lines suggested by EU policy (Europeanization as stimulus for domestic change irrespective of EU objectives).

4. Models of reciprocity

In this context, a pledge can become the starting point for reciprocal exchanges between the parties concerned. Yet the crucial link is interpretation: in order to enter into a relationship of reciprocity, we need to read a pledge as a sign of good behaviour. This becomes even more significant when we consider the different types of reciprocal exchange.

Notions of reciprocity—returning good behaviour for good behaviour and bad for bad—are considered crucial for stabilizing cooperation by making non-cooperative behaviour unprofitable. Two basic patterns have been well recognized: specific reciprocity and diffuse reciprocity (see Keohane 1986). Specific reciprocity occurs when exchanges are seen as comparable in value and occur in strict sequence. In other words, in specific reciprocity, both actors in a relationship insist that the value of their concessions must be equivalent and that each must be made highly conditional on the other. The polar opposite pattern (diffuse reciprocity) is one in which the actors consider both the value and timing of individual concessions to be irrelevant. As Lepgold and others have suggested, there is evidence of stable, cooperative interaction in which exchanges fit neither of these patterns. In these situations, the pattern of interaction on *either* the timing or the value of the exchange—though *not both*—is deliberately left 'unbalanced', yet both parties remain satisfied. As Lepgold and Shambaugh argue, 'unless observers are able to recognize these mixed types of reciprocated exchange patterns, they are likely to make faulty attributions about other actors' behaviour and to misunderstand the causal factors that produce the behaviour' (Lepgold and Shambaugh 2002: 230).

With this approach we can identify four distinct patterns of reciprocity in terms of the two dimensions of social exchange on which reciprocity is based: contingency and equivalence. Contingency refers to the sequence and timing of an action taken by one actor in response to an action taken by another. A highly contingent action is one which is only taken in response to an action by another, and is taken quickly thereafter. A less contingent action may take place after a longer period of time or even in advance of an action taken by another. Equivalence refers to a comparison of the perceived values of

[2] A typical case is the aspect of EC/EU competition policy that concerns cartelization and dominant firm position: regulatory experience and relevant instruments were in fact 'imported' from Germany, the *Kartellamt* in Berlin having played a key role as a model since the 1960s.

[3] See, *inter alia*, Mendrinou (1996); Lavdas (1997); Börzel & Risse (2000); Manners (2001).

goods given and received. Theories of social exchange suggest that the value of any particular good is issue-, context-, and actor-specific and is not inherent to the good itself.

This line of argument indicates that the goods or actions exchanged need not be of objectively equal value to be considered equivalent and that the trade of two identical goods may not be considered an equivalent exchange. Rather than being a function of some objective value of the goods themselves, equivalence depends on how the exchange is subjectively evaluated. Equivalence becomes imprecise when the rate of exchange is either not specified or is inconsequential for the purposes of that particular exchange (Lepgold and Shambaugh 2002: 229-252).

In terms of its application to EC/EU politics, this framework follows the developmental transformations of the dominant patterns of interactions. After the Marshall Plan averted the spread of communism over the shattered European democracies following World War II, the institutionalization of ever expanding areas of European cooperation became the dominant project in Europe. It is worth noting that strategic action – initially by the US, at a later stage by France and other European states – became the critical variable determining the early phase.

Later developments manifest the crucial role of an intense and widespread institutionalization of intra-EC/EU interactions. Today, the EU utilizes and cultivates two sets of norms: one, stemming from previous experience in international organization; a second one, which is the result of decades of intense interstate as well as transnational cooperation and institutional fusion in post-war Europe. The first set comprises of norms associated with the avoidance of violent conflict, the prevalence of positive-sum games, and the role of epistemic communities. The second set has given us norms associated with the development of a multilevel conception of citizenship and a complex model of governance predicated on post-national notions of authority and accountability (Lavdas & Chryssochoou 2011).

In dealing with EU politics, we can focus on the expectations of reciprocal exchange in terms of contingency (immediate /less immediate) and equivalence (precise /imprecise). While the analysis in Lepgold and Shambaugh (2002) does not touch on EU issues, we can utilize their approach in order to explicate the ways in which EU-specific ways of dealing with reciprocity may be useful in a broader perspective. In EU politics, at difficult and/or early points in cooperation, both actors demand strict contingency and precise equivalence from the other. As the horizon of cooperation expands, other modalities gain in weight, linked to diffuse and mixed models of reciprocity (see indicative examples in Table 1). The main hypothesis is that the concepts used (such as subsidiarity, codecision, and so on) depend on how actors interpret (and then respond to) others' policy moves and policy concessions.

Specific reciprocity (Robert Axelrod's 'tit-for-tat' games) after the late 1940s can explain the absence of violent conflict in European international relations. Yet the institutionalization processes associated with the EC/EU can only be explained with reference to a combination of (a) strategic action aimed at expanding cooperation, (b) the prevalence of diffuse and mixed reciprocity games, and (c) an encouraging international environment. Not all games are linked to diffuse reciprocity; some correspond to the mixed types suggested by Lepgold and Shambaugh. Indeed, games linked to *partially* unbalanced relationships constitute much that is worthy of careful examination when it comes to EU politics.

ISSN 2285 – 4916
ISSN-L 2285 - 4916

CONTINGENCY

EQUIVALENCE

	Immediate	*Less immediate*
Precise	Specific reciprocity: narrow exchange in strict sequence (mostly in Council of Ministers)	Mixed:narrow, longer-term exchange (inter-member states deals, interest group-Commission interactions)
Imprecise	Mixed:broad exchange in strict sequence (certain policy areas, in Council of Ministers)	Diffuse reciprocity: broad, longer-term exchange (European Council, certain policy areas in Council of Ministers)

Table 1.

EU actors' expectations in four strategic contexts (adapted with modifications from Lepgold and Shambaugh 2002).

Focusing on the types of reciprocity can help explain the different ways in which political theory establishes the relationship between the domestic and the international. In the Westphalian era the clear distinction predominates, whereby the traditions of justice and the good life are considered to be relevant at the domestic level of analysis. The international level can at best accommodate specific reciprocity. The emergence of new normative queries in international political theory testifies to the transitory nature of some of the premises of the Westphalian era: 'the increasing salience of the international is clearly one of the reasons why conventional political theory has been called in question in recent years, and the borders of (international) political theory are one of the most important sites of change in the way in which we understand our world' (Brown 2000: 205).

Yet this is a process, uncertain and undecided, in which shifting modes of reciprocity may encourage or discourage further cooperation. Kant thought that republican polities would enter into a treaty of perpetual peace. In fact, a republican peace would be a process rather than an end-state: conditioned by norms of reciprocity and challenged by shifts in their operation. In this process, the stability of reciprocity norms will decide the next steps. Indeed, it is not accurate that *all* democracies refrain from fighting amongst themselves. It has been demonstrated that emerging democracies with unstable political institutions often associate themselves with both domestic and international violence and conflict (Mansfield and Snyder 2005).

5. The Political Economy of Precommitment

The evolution of cooperation and the strengthening of mixed and even diffuse reciprocity may lead to an advanced stage of EU politics. The problem is that the level of implementation, in particular, is vulnerable to more complex factors and, as a result, is even more prone to resorting to outcomes that gets us back to the fragile politics of specific reciprocity. In view of the combined significance of policy formation and policy implementation in Europeanization, we need a framework for the analysis of the interactions

involved that does justice to the complex implications of compliance, non-compliance and enforcement in European policy and politics. In view of this, and adopting a longer-term perspective, we can approach Europeanization as an exercise in commitment, precommitment, and self-restraint.

Let us consider the parable of *Ulysses and the Sirens* (see Elster 1979, Elster 2000). In Elster's reading, 'to bind oneself is to carry out a certain decision at time t1 in order to increase the probability that one will carry out another decision at time t2' (Elster 1979: 39). The actor asks in advance to be constrained, because (a) he knows that he (or she) may be unable to resist the temptation to stray from the chosen course of action in a future moment and (b) his precommitment to the chosen course of action is so paramount that he needs to forego his freedom in the immediate future in order to safeguard the attainment of the future goal. In other words, the actor knows that his own response to a set of stimuli will be such that he himself would not have approved it before his actual exposition to the stimuli in question and – which however can only be a prediction – after the effects of the stimuli will be over.[4]

The political economy of precommitment focuses on the ways in which the political systems of member states address the need to adopt the binding force necessary for them to stick to agreed-upon EU commitments. If this is a process leading to strategic choices concerning self-restraint of the state-Ulysses on the basis of a certain precommitment, how do we conceptualize the constraints themselves and what accounts for their strength and their effectiveness? The stimuli, to be sure, may be pressures from organized interests, transnational lobbies, domestic priorities, and a host of other factors. As for the constraints, we may need to turn to Elster's (2000) 'constraint theory' as an approach to the potential rationality possesses to overcome the implications of time. Reasons for precommitment may vary, but they certainly include the desire to overcome passion and the desire to prevent preference change. Devices for precommitment may also vary, but they certainly include eliminating options, imposing costs, and creating delays (Elster 2000: 5-7).

On the face of it, Europeanization processes would entail the strengthening of the constraints of Ulysses. In fact, however, the strength and quality of the constraints will depend on a number of parameters, including not just pressure group effectiveness but also the normative underpinnings of compliance. The development of compliance and enforcement regimes post-Maastricht brought EU policy implementation and EU law application to the forefront of EU politics (Mendrinou 1996). The relative diminution of the range and scope for strategic non-compliance and the implications for policy-decision at EU level (i.e., acknowledging that so-called 'post-decision' politics could no longer compensate for losses during decision-making negotiations) led to an uneasy coexistence between EU commitments and domestic concerns in a number of policy areas for a number of member states, France and Germany included. Coming on top of an already uneasy coexistence, the implications of the crisis which first erupted in 2008 led to a genuine juncture for EU politics.

[4] For Ainslie (1992), there are in fact hundreds of possibly conflicting goals influencing preferences and decision-making, with time horizons which range from seconds to years. Hence it is possible to have more complex combinations, such as an alliance between a short-term and a long-term commitment against a medium-term commitment.

ISSN 2285 – 4916
ISSN-L 2285 - 4916

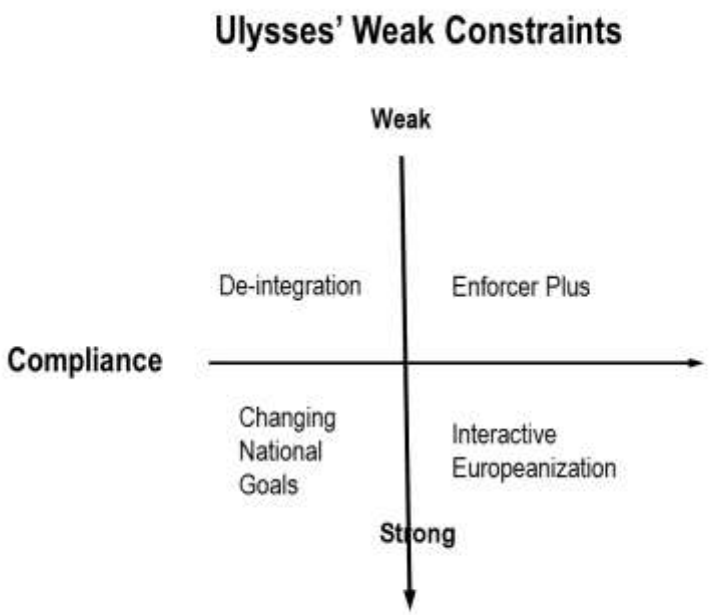

Figure 1.
Ulysses' Constraints and Compliance

On the one hand, there was no adequate enforcer within the EU: enforcement regimes since Maastricht, through Amsterdam and the failed Constitutional Treaty to Nice and Lisbon, have remained meek in practice. On the other hand, the constraints of Ulysses become questionable as regards their strength but also the sincerity and the commitment behind their adoption. Casting doubt on Ulysses' constraints may be a result of economic and political developments (as in the period which the 2008 crisis introduced) and/or of deeper, latent ambivalence concerning the European journey and the state's role in it. Doubt involves uncertainty, distrust, or lack of confidence in the alleged nature of an act, an arrangement, a decision or a motive. Casting doubt on the constraints means sidetracking the whole project which involves the political economy of precommitment.

One might argue that it is difficult today to be confident of the role of mixed and diffuse reciprocity and of the EU's future in general. Indeed, today we are witnessing 'politics in hard times', once again: domestic and transnational coalitions that shift, interests that interact with increased intensity, interest politics that matter across the board (Gourevitch 1996), while deliberative politics lack in both substance and bite. The international financial crisis of 2008-2009, a crisis that took a nasty turn within the EU in 2009-2010, led to a re-opening of discussions over key issues and dilemmas on the eurozone and economic governance. In this context, the introduction of the International Monetary Fund (IMF) first to the EU and later on to the eurozone is of crucial significance. Not for the sums of money it brought to the debtor countries (the EU contribution was much larger anyway) but mainly for its role as an enforcer (see Figure 1).

Indeed, the involvement of the IMF in successive EU rescue packages signified a new phase for international enforcement regimes and, at the same time, a novel experience for the EU and the eurozone. In the latter, the crisis manifested the inadequacy of its provisions –marked by the absence of institutionalized support mechanisms for members in difficulty– and led to the realization of the urgency attached to the need for new institutions and institutionalized practices. At the same time, it remains to be seen whether involving the IMF amounts to a 'European rescue of the Washington Consensus' (Lütz and Kranke 2010). As Lütz and Kranke (2010) argue, the IMF's shift away from the 'Washington Consensus' (its traditional role) was met with resistance from the EU, where it concerned Central, Eastern and Southern European countries. Lacking in experience, the EU tried to use IMF mechanisms ignoring the Fund's own reservations regarding the mixed record of previous, blanket-type packages. The situation of hard-hit Hungary, Romania, and Latvia propelled unprecedented co-operation between the IMF and the EU, in which the latter has actively promoted orthodox measures in return for loans. The case of Latvia is paradigmatic of the profound disagreements between an austerity-demanding EU and a much more circumspect IMF. A Nordic lenders coalition, led by Sweden, was instrumental in the Latvian austerity package. The coalition remained undivided even when political authorities in Riga, while ruling out devaluation as an option and refusing any intention to break the peg with the euro, began to question the logic of the program in light of its severe day-to-day consequences for the country (Lütz and Kranke 2010: 24).

Equally plausible, however, would be a scenario in which the current crisis, rather than simply reinvigorating the 'Washington Consensus', gradually leads to the formation of a new 'EU Consensus' (Lavdas and Chryssochoou 2011). As the IMF moved into the eurozone in 2010 to tackle Greece's debt crisis, the implications may cut both ways: the need to deal with problems in the once-safe eurozone may complete the picture of the EU's rescue of the 'traditional' role of the IMF; alternatively, the IMF may prove to be a temporary addendum on the road to a new regime in Europe. In other words, we may end up with a new European arrangement, which will move away from the IMF and the rather obsolete Washington Consensus. In the latter scenario, its incidental and provisional role in the EU means that the IMF fulfills its recently affirmed determination to focus on international financial stability as a prime objective; while the EU and the European Central Bank clear the table on the road for a new 'EU Consensus' on the politico-economic division of labor.

A new arrangement is at any rate necessary. On the one hand, the crisis has shaken badly the fundamentals of the 'Maastricht compromise'; on the other, not so long ago, Europe witnessed a clash of different views of the relations between governments and markets (Coates 2000). A clash between a *dirigiste* attitude (heavy government intervention in market activities) more common in southern Europe and parts of continental and northern Europe, and an Anglo-American, more laissez-faire attitude, which takes free markets as well-functioning without much need for centralized policy intervention. The problem was that, to quote Alesina and Perotti (2004: 28), 'when the dirigiste attitude was kept in check, the result was not only policy inaction, but also the production of verbose rhetoric of social engineering'.

After the mid-1980s, economic liberalization and Europeanization became the twin processes reshaping the political economy of European nations. The processes of Europeanization reached a critical turning point when interest politics and the structural power of key domestic actors contributed to limited reform capacity (Featherstone and Papadimitriou 2008). Perversely, against this background, with the adoption of the euro, the ability of weaker eurozone members to borrow was drastically improved. Relatively cheap credit became a possibility in every corner of the eurozone. A result of this, combined with the effects of the 2008 international financial crisis and inadequate political leadership, was the intensification of borrowing in an attempt to counter the early symptoms of crisis. In the current juncture, it

ISSN 2285 – 4916
ISSN-L 2285 - 4916

may well be that a new 'EU Consensus' will eventually open the door for a more coherent European approach to European political economy and economic governance, irrespective of the structure of membership which is a distinct but obviously connected and crucial issue.

6. EU Polity-Building: A Dual Focus

Even before the current conundrum, the EU projected an enigmatic image. Fabbrini (2007) suggested that the US and the EU are becoming two different species of the same political genus, i.e., 'compound democracy'. A compound polity is a union of states and their citizens and ii fits well political systems 'that have the features of both an interstate (confederal, intergovernmental) and a supra-state (federal, supranational) organization' (Fabbrini 2007: 3). The political project – common to both the EU and the US – has been to create a political union among states and their citizens. According to Fabbrini, the fundamental puzzle of compound democracies is that in order to maintain their 'compoundness', they need to diffuse power, but such diffusion of power, at its turn, hinders decisions and diminishes effectiveness. Unlike authors who suggest that the EU and the US grow apart in terms of their domestic politics (Kopstein and Steinmo 2008), Fabbrini argues that structural systemic similarities become more and more important.

The emergence of new normative queries in international political theory testifies to the transitory nature of some of the basic Westphalian premises. In addition, the search for new concepts is perhaps symptomatic of a deeper anxiety over the nature of the prevalent interactions in EU politics. This has become more acute in view of the relative exhaustion of some of the great theoretical traditions at a time when the EU itself is in such a crisis that has been compelled to ask for an external enforcer. In this context, the impasse faced by the purest versions of both liberal and communitarian approaches led to renewed interest in a more ancient yet surprisingly relevant framework of thought, analysis, and sensibility. Indeed, faced with the achievements as well as the shortcomings of liberal thought, neo-republican theory aims to reinvigorate a rich trans-Atlantic tradition of political sensibility. The republican tradition has been renewed by thinkers of the calibre of Philip Pettit (1997) and Quentin Skinner (1998).

This is not the place to rehearse the neo-republican argument. Unlike traditional republicans, neo-republican thinkers do not believe that society has the right to enforce morality. More favourably inclined towards procedural guarantees, neo-republican thought acknowledges the need to keep the debates on norms and values separate, albeit mutually reinforcing. This also acknowledges empirical evidence concerning the diversity and pluralism of political commitments. Indeed, the analysis of contemporary democratic politics 'ought to center on how *varying* citizen motivations affect the nature of popular government' (Scalia 1991: 222).

Arguing from a neo-republican perspective, van Gunsteren (1996) asserts that to be a citizen requires possessing three crucial qualities: autonomy, judgment, and loyalty. Citizens have to be able to form their own preferences, to evaluate government proposals and public policy, and so on. They also need to develop a sense of commitment to their political community. Unlike traditional republican philosophers, neo-republicans do not think that citizens should feel an overwhelming commitment to their country. Modern citizens have multiple loyalties: toward their family, their friends, their colleagues and the associations to which they belong and toward their political community. The latter loyalty may in fact be divided: citizens need not necessarily be committed first and foremost to their nation state; they may also feel loyalty toward their local community or toward the European Union. Despite these provisos, loyalty toward the political community is a commitment that citizens ought to possess. From a liberal point of view it seems paramount that the latter commitment does not defeat autonomy and the institutions that guarantee such autonomy. The same applies to republican freedom (freedom as the absence of

dependence and domination): commitment to the political community should not be allowed to defeat 'freedom as non-domination' (Pettit 1997). The crucial point is that only a political community that guarantees republican freedom is worthy of civic commitment.

A liberal rendering of republican sensitivities will defend civic commitment and civic virtues as general phenomena but will deplore the more determined efforts to mould civic life. Seen from this prism, a *Republic of Europeans* (Bellamy and Castiglione 2000; Lavdas and Chryssochoou 2011) will aim to combine a sense of shared political and policy relevance at the EU level and multiple commitments at various levels, fields and areas of human action and civic activity. There is flexibility in political choice and in civic commitment and a strong emphasis on political skills and political persuasion (Viroli 2002), although there can be no escaping the basic normative requirements of a well-ordered political community. In the emerging, complex and multi-centred Euro-polity, there is a great risk in further diffusing responsibility and encouraging the politics of 'blame avoidance'. It is therefore crucial to realize that accountability (emanating from the Greek conception of *λόγον διδόναι*) becomes a crucial parameter in the republican construction of a Euro-polity.

We have argued that economic and political actors matter, not just at critical junctures but in routine politics as well. Blame avoidance rests on arguments that provide a ready refuge for politicians eager to avoid responsibility (Lewin 2007: 1-2). As Lewin argues, politicians are not prisoners of historical forces: often they can opt for critical choices, choices that may lead to wide-ranging consequences. Political actors can therefore be held accountable for their actions. And we should not be inclined to discount political accountability because of the trade-offs involved in consensus-building and coalition formation: consensual power-sharing arrangements often generate corrupt, collusive political systems (Lewin 2007).

If the intellectual context for the republican revival has been the ongoing debate between liberalism and the various communitarian and socialist critiques, the political context has clearly been the apparent triumph of neoconservatism. Views that explain the near absence of war between democracies by pointing to the structural attributes of democracies (division of powers, elections, and so forth) have been influential in the shaping of the neoconservative agenda of promoting democracy abroad. Fukuyama (2004) suggested that weak, corrupt and incompetent states in various parts of the world pose serious challenges for US international power in a post-9/11 constellation. While the EU's soft power and the international organizations' enforcement capabilities are fraught with problems and cannot deliver on the ground, the US – unlike the EU – has the capacity to actually pursue objectives. Failures in international intervention (Jenkins & Plowden 2006) should in fact emphasize the need to restore 'stateness' abroad with a multitude of instruments and methods, including the projection of soft power: to maintain a stable international system, the 'art of state-building will be a key component of national power, as important as the ability to deploy traditional military force to the maintenance of world order' (Fukuyama 2004: 164).

Europe's position in this has been ambivalent. It can be argued that an incomplete, regional example of 'second-order globalization' (Apel 2000) has been evident in certain aspects of Europe's political, economic, and intellectual development over the last sixty years. The combination of pragmatism and reflection on the substantive challenges facing humans (social problems, environmental degradation, empowerment of disadvantaged groups, and so on) produced a unique late-twentieth-century European mix of efficiency and social responsibility.

Yet it can also be argued that Europe's economic profile and the EU's projection of its 'soft power' on the international level do not necessarily tell the same story. In terms of both economic and democratic performance, today's EU is a mixed bag. Euro-sclerosis has been a predicament only partly offset by the dynamism of economic and monetary union, while many structural problems remain (see Alesina and

ISSN 2285 – 4916
ISSN-L 2285 - 4916

Giavazzi 2006). Schmitter succinctly formulated the question confronting us: 'EMU makes Euro-democracy more necessary, but does it make it easier?' (Schmitter 2006: 269).

Exactly how significant a role the European experiment will play in the future of the market economy is not yet fully discernible. But the debate on different 'models of capitalism' (Coates 2000) has been recast. The political economy of privatization and the shifts in cleavage lines have been reshaping public-private boundaries from Scandinavia to Southern Europe. There is a saying which rings true: 'there's more than one model of capitalism in the EU but certainly less than 27'. Both conformity (within the monetary union) and variation (in areas such as education and training) contribute to the EU's politico-economic profile. At the same time, as the European Security and Defense Policy (ESDP) acquires some *gravitas*, analysts have been quick to ask whether a European strategic culture is emerging. A strategic culture is associated with the formation of goals as well as the choice of means. As an analyst asserts, 'the structural shift from bipolarity to unipolarity caused a notable shift in the European defense industry', encouraging a substantial increase in intra-European codevelopment and coproduction weapons projects (Jones 2008: 79). Elements of an emerging strategic culture in the EU need to be situated in the context of a distinctive political culture of European international relations.

It is a political culture that has nurtured a multilevel republican conception of the world, a conception which was already transcending at a theoretical level the inside-outside distinction during the very phase of the historical emergence of that distinction and even before its consolidation. As Deudney (2007) has argued, what can be construed as a republican security theory has its roots in approaches that aimed at the simultaneous avoidance of the extremes of hierarchy and anarchy. There are some pretty demanding requirements, though. On the one hand, domestic republicanism needs to be protected from external threats and domination. On the other hand, however, too strong an international projection of a republican polity's power might be equally risky for domestic institutions. Republican security theory is attentive to the domestic implications of imperial dominance, which usually destroys domestic republican arrangements.

But Deudney's observation is valuable in that the point he wants to make is a more particular one. Beginning in the early eighteenth century, several observers used the analogy between the political patterns of Europe as a whole and particular republican political systems. 'Despite a wide recognition of Westphalia as a turning point, Enlightenment theorists commonly called it a type of ''republic'' rather than the ''Westphalian system''. Calling this new situation a species of ''republic'' conveyed that Europe was not an anarchy and it was not a hierarchy' (Deudney 2007: 139). This is no longer a normative rehearsal of the republican theme. It goes to the heart of contemporary concerns in IR theory. Indeed, according to Deudney, enlightenment republican theory was the first international system theory: 'the Big Bang of international theory' (Deudney 2007: 157). For a number of years, rehearsing international theorizing from Kantian and republican prisms (Onuf 1998) has led to worthwhile normative hypotheses and frameworks of understanding. At a fundamental level, though, republican security theory shares many concerns with Realism, while eschewing its pessimistic worldview. Security problems are real, difficult problems. They will not simply go away as a result of changed perceptions, enlightened socializing processes, or sheer good will. But they can be effectively mastered with the help of appropriate practices and appropriate structures (Deudney 2007: 270-271).

This applies to republican security thought on both sides of the Atlantic. Interestingly, recent over-simplifications in regards to the state of the transatlantic relationship have tended to forget the republican dimension. Indeed, over-simplifications of perceived differences between 'Kantian' Europe and 'Martian' America (Lindberg 2004) have failed to address the implications of what *is* distinctive in Europe's political culture of IR, namely the early and recurring conception of the European states system not in terms of a

Westphalian system but in terms of a republican metaphor. The same, *mutatis mutandis*, applies to a second case of over-simplification, which is almost a mirror-image rendering of the first one. We refer to the litany of publications aiming to elucidate the EU's tentative steps in the direction of security and defense from the empirically unfounded prism of 'balancing against' perceived US hyper-power. Both misunderstandings – considering the EU's economic and normative image (soft power) in terms of a peculiar post-Cold War Kantianism *and* reading the EU's timid attempts at acquiring a minimal security capacity (hard power) in terms of an attempt to balance against US dominance – share a view of Euro-Atlantic relations which remains oblivious to the deep-rooted significance of the shared republican tradition. A tradition that gives priority to conceptions of justice and liberty, without necessarily eschewing the use of force when it comes to defending those same values or a set of norms that guarantee a civilized form of life.

It follows that the attempt to apply republican theory to the emerging EU political system cannot escape a complex, dual focus: a minimal but shared civic content as a prerequisite for precommitment to the EU and the emergent, outward republican properties of the EU polity in the world. Neither rigid hierarchy, nor unpredictable anarchy: the prevalence of diffuse and mixed reciprocity leads to the negotiation of shifting modalities of cooperation. Of course, there is conflict (at the minimum because of scarce resources coupled with the burden of inherited preconceptions). But the debate on Europe's international identity should not be allowed to gloss over the difficult issue of the relations between Europe's internal dynamics and fragmentation and the Union's outward image, action, and soft-power projection. In other words, we need an understanding of the EU as an emerging polity that calls for a prism which is attentive to the interactions between the polity-building and world-inhabiting facets of the emergent entity.

7. Conclusions: Normative Underpinnings for a Modified Constraint Theory

This article has argued that the sustainability of advanced forms of reciprocity at a moment in integration when enforcement regimes acquire central roles, presupposes strong, reliable and effective constraints on the national Ulysses. This, in turn, requires a degree of precommitment that instrumental rationality alone cannot guarantee. Nor is the existence of an external enforcer (the IMF at the current juncture) an adequate and permanent solution. We have reached a crossroads: we cannot develop a theory of precommitment and then work out 'on the side' the issue of its normative dimensions.

Although, admittedly, the conditions that nurture diffuse reciprocity may extend beyond the ones sketched here, the conclusions that can be drawn from our discussion are fairly clear. The strength but also the quality of Ulysses' constraints depend on the normative formations which underpin social action and social preferences. We suggested that casting doubt on Ulysses' constraints may be a result of economic and political developments (as in the period which the 2008 crisis introduced) but also of a deeper, latent ambivalence concerning the European journey, its normative underpinnings, and the states' roles in it. Doubt involves uncertainty, distrust, or lack of confidence in the alleged nature of an act, an arrangement, a decision or a motive. Casting doubt on the constraints means side-tracking the whole project which involves the political economy of precommitment. Constraint theory, on the revised account we are suggesting, can play a critical role in further developing theoretical and empirical analyses of the preconditions for Europeanization.

According to the republican tradition, only a political community that guarantees republican freedom is worthy of civic commitment. And precommitment, we would want to add. Does the EU of today appear to guarantee, or at least encourage, republican freedom? Getting in touch with the rich Euro-Atlantic

ISSN 2285 – 4916
ISSN-L 2285 - 4916

traditions of republicanism may reinvigorate the motivations for commitment and the reasons for precommitment. Of course, discovering republican virtues in a post-national edifice and internalizing those in a way that may strengthen Ulysses' constraints is no easy task. Yet it is not far-fetched to suggest that the current juncture calls for nothing less: the EU will either emerge as a locus of a minimal but shared set of republican commitments or will disintegrate to states or groups of states. Ulysses' constraints weaken without a degree of republican commitment to the European project: they are in doubt at the domestic level and they also appear increasingly untenable when viewed from abroad.

References

1. Ainslie, G. 1992. Picoeconomics: *The Strategic Interaction of Successive Emotional States Within the Person*, Cambridge: Cambridge University Press.
2. Apel, K.-O. 2000. *Globalization and the Need for Universal Ethics*. European Journal of Social Theory 3: 137-155.
3. Bellamy, R. and Castiglione, D. 2000. *Democracy, Sovereignty and the Constitution of the European Union: The Republican Alternative to Liberalism*. In Z. Bañkowski and A. Scott (eds) *The European Union and its Order*. Oxford: Blackwell.
4. Börzel, T. A. & Risse, Th. 2000. *When Europe Hits Home: Europeanization and Domestic Change*, European Integration online Papers (EIoP) Vol. 4, No. 15.
5. Brown, C. 2000. The Borders of (International) *Political Theory.* In N. O'Sullivan, (ed.) *Political Theory in Transition*. London: Routledge.
6. Císař, O. 2007. *Between the National and Supranational? Transnational Political Activism, Conflict, and Cooperation in the Integrated Europe*. Contemporary European Studies, 1, 21-36.
7. Coates, D. 2000. *Models of Capitalism: Growth and Stagnation in the Modern Era*. Cambridge: Polity Press.
8. Cram, L. 2001. *Governance to Go: Domestic Actors, Institutions and the Boundaries of the Possible*. Journal of Common Market Studies, 39. 4.
9. Deudney, D. H. 2007. *Bounding Power: Republican Security Theory from the Polis to the Global Village*. Princeton: Princeton University Press.
10. Elster, J. 1979. *Ulysses and the Sirens: Studies in Rationality and Irrationality*, Cambridge: Cambridge University Press.
11. Elster, J. 2000. *Ulysses Unbound: Studies in Rationality, Precommitment, and Constraints*, Cambridge: Cambridge University Press.
12. Fabbrini, S. 2007. *Compound Democracies: Why the United States and Europe are Becoming Similar*. Oxford: Oxford University Press.
13. Fearon, J. D. 1998. *Deliberation as Discussion.* In J. Elster, (ed.), *Deliberative Democracy*. Cambridge: Cambridge University Press.
14. Featherstone, K. and C. Radaelli, (eds.) 2003. *The Politics of Europeanisation*, Oxford, Oxford University Press.
15. Featherstone, K. and Papadimitriou, D. 2008. *The Limits of Europeanization: Reform Capacity and Policy Conflict in Greece*. London: Palgrave Macmillan.
16. Fukuyama, F. 2004. *State Building: Governanace and World Order in the Twentieth-First Century*. London: Profile Books.
17. Gourevitch, P. 1996. *Politics in Hard Times*, Ithaca, NY: Cornell University Press
18. Gunsteren, H. van 1996. *A Theory of Citizenship: Organizing Plurality in Contemporary Democracies.* Boulder, CO: Westview Press.
19. Henecka, H. P. 1985. *Grundkurs Soziologie*. Opladen: UTB.
20. Jenkins, K. & Plowden, W. 2006. *Governance and Nationbuilding: The Failure of International Intervention*. Cheltenham, UK: Edward Elgar.
21. Jones, S. G. 2008. *The Rise of A European Defense. In R. Jervis and L. Kando*, (eds.), *The Future of US Foreign Policy*. New York: The Academy of Political Science.
22. Keohane, R. O. 1986. *Reciprocity in International Relations*. International Organization, 40. 1: 1-27.
23. Kopstein, J. and Steinmo, S. (eds.) 2008. *Growing Apart: America and Europe in the Twenty-First Century*. Cambridge: Cambridge University Press.

24. Ladrech, R. 1994. *Europeanization of Domestic Politics and Institutions: The Case of France*. Journal of Common Market Studies, 32. 1: 69-88.
25. Lavdas, K. A. 1997. *The Europeanization of Greece: Interest Politics and the Crises of Integration*. London: Macmillan.
26. Lavdas, K. A. and Chryssochoou, D. N. 2011. *A Republic of Europeans: Civic Potential in a Liberal Milieu*. Cheltenham, UK: Edward Elgar.
27. Lepgold, J. and Shambaugh, G. H. 2002. *Who Owes Whom, How Much, and When? Understanding Reciprocated Social Exchange in International Politics*. Review of International Studies, 28: 229-252.
28. Lewin, L. 2007. *Democratic Accountability: Why Choice in Politics is both Possible and Necessary*. Cambridge, MA: Harvard University Press.
29. Lindberg, T. (ed.) 2004. *Beyond Paradise and Power: Europe, America, and the Future of a Troubled Partnership*. London/New York: Routledge.
30. Lütz, S. and Kranke, M. 2010. *The European Rescue of the Washington Consensus? EU and IMF Lending to Central and Eastern European Countries*, LSE 'Europe in Question' Discussion Paper Series, 22/2010.
31. Manners, I. 2006. *'Normative Power Europe Reconsidered: Beyond the Crossroads'*, Journal of European Public Policy, 13 (2), 182-99.
32. Mansfield, E. D. and Snyder, J. 2005. *Electing to Fight: Why Emerging Democracies Go to War*. Cambridge, MA: MIT Press.
33. Mendrinou, M. 1996. *Non-compliance and the European Commission's role in integration*. Journal of European Public Policy, 3. 1, 1-22.
34. Noll, R. G. and Weingast, B. R. 1991. *Rational Actor Theory, Social Norms, and Policy Implementation: Applications to Administrative Processes and Bureaucratic Culture*. In K. R. Monroe, ed., The Economic Approach to Politics. New York: Harper Collins.
35. Onuf, N. G. 1998. *The Republican Legacy in International Thought*. Cambridge: Cambridge University Press.
36. Pettit, P. 1997. *Republicanism: A Theory of Freedom and Government*. Oxford: Clarendon Press.
37. Plant, R. 2002. *Social Democracy*. In A. Carter & G. Stokes, eds., Democratic Theory Today. Cambridge: Polity Press, 249-268.
38. Rorty, R. 1987. *Pragmatism and Philosophy*. In K. Baynes et al., eds., After Philosophy: End or Transformation? Cambridge, MA: MIT Press.
39. Rosenberg, S. 1991. *Rationality, Markets, and Political Analysis: A Social Psychological Critique of Neoclassical Political Economy*. In K. R. Monroe, ed., The Economic Approach to Politics. New York: Harper Collins.
40. Scalia, L.J. 1991. *Self-Interest and Democratic Theory*. In K. R. Monroe, ed., The Economic Approach to Politics. New York: Harper Collins.
41. Schmitter, P. C. 2006. *The Political Impact of European Monetary Union upon "Domestic" and "Continental" Democracy*. In R. M. Fishman and A. M. Messina, eds., The Year of the Euro. Notre Dame, IN: University of Notre Dame Press.
42. Shonfield, A. 1973, *Europe: Journey to an Unknown Destination*, Harmondsworth: Penguin.
43. Skinner, Q. 1998. *Liberty before Liberalism*. Cambridge: Cambridge University Press.
44. Stoker, G. 2006. *Why Politics Matters: Making Democracy Work*. London: Palgrave Macmillan.