Structure, Agency and Intersubjectivity: Re-capturing the EMU Policy-Process in a Constructivist Realist Framework.

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Abstract

After a period of neglect toward ideational explanations, it is now considered a truism that the study of ideas should be incorporated into our analysis. However, and despite the fact that this rise in interest indicates a state of good health for integration theory, the debate seems to be evolving around polemics between ‘ontological extremists’ and ‘methodological opportunists’. This state of affairs I find unsatisfactory, and in this paper I try to cast an alternative by outlining a constructivist realist approach that is combining insights from constructivism and critical realist scholarship of the morphogenetic tradition. It is argued that, in spite claims to the contrary, the two are not mutually exclusive, and that a combination of them can provide the basis for discussing the role of ideas in a non-conflationary structure and agency problematic. In forging this alliance, the paper re-captures the EMU policy process as a socio-cultural cycle that has unfolded in three distinct, yet interrelated, phases –social structuring, social interaction and social elaboration- where at each phase different discourses with differing degrees of power were at work.
Introduction

After a period of neglect, if not hostility, toward ideational explanations we are now faced with a burgeoning literature on the role of ideas. As Jacobsen (1995: 283) notes, it now seems obligatory for every work in international and European political economy to consider the ‘power of ideas’ hypothesis – even if only then to dismiss it. Indeed, even Moravcsik (2001: 185), the most materialist student of European integration, now concedes that ‘[s]urely few domains are more promising than the study of ideas in the process of European integration’.

At the same time, and despite the fact that this rise in interest indicates a state of good health for integration theory, the debate seems to be evolving around polemics between ‘ontological extremists’ and ‘methodological opportunists’, with the former engaging exclusively in a re-conceptualisation of social reality, presumably under the assumption that our social ontologies can provide ready-make solutions to all of our questions, and the latter suggesting an eclectic pragmatism which, in its attempt to have the best of all worlds, slides via instrumentalism into a marriage of inconsistent premises\(^1\) (Archer, 1995: 5).

This paper takes issue with the above pseudo-dilemma, and associated theoretical morass, through a re-examination of the EMU policy-process. Its principal contention is twofold. First, that we cannot escape the morass of the current state in the examination of the role of ideas without recognising the connection between ontology, methodology and practical social theory and ensuring consistency between them (Archer, 1995). Second, that the EMU policy-process should be re-captured as a socio-cultural cycle that took off in the early 70s and unfolded in three phases – social structuring; social interaction and social elaboration (Archer, 1995) – until firmly institutionalised in the Maastricht Treaty.

\(^1\) By way of apology for the rather provocative divide of ‘ontological extremists’ versus ‘methodological opportunists’, it needs to be clarified that the authors whose work will be discussed do not fit neatly in this schematic pole. That said, the polemics that the divide implies are real and very much with us.
The argument is developed in two main parts. In the first part, after briefly outlining the utility, as well as the associated dangers, of meta-theoretical engagement, I review the inherent deficiencies of the rationalist-inspired reading of ideas, associated mainly with the neoliberal agenda. Then, I examine the constructivist challenge to this approach and find it, despite its multiple insights and clear advancement, wanting. I conclude the first part by outlining the underlying rationale and main assumptions of a constructivist realist approach. In the second part, I move down the ladder of abstraction in order to illustrate the utility of this approach through a re-examination of the EMU policy-process.

PART I.

Is Meta-Theory the Problem or the Solution?

Despite the fact that the constructivist language of mutual constitution is, as will be argued later, rather inappropriate for capturing the stratified nature of the EMU policy process, nonetheless the argument owes significant debts to the constructivist turn. It is then only appropriate to begin with a brief point on the main accusation raised against this scholarship.


‘[despite the deployment of a] panoply of arguments drawn from ontology, social theory, epistemology, and philosophy of science…(185), [yet] …constructivists…have contributed far less to our empirical and theoretical understanding of European integration than their meta-theoretical assertions might suggest (177). Perhaps, then, an opposite view is worth considering, namely that meta-theory is not the solution but the problem’ (185-6, emphasis original).

There is indeed an air of scholasticism surrounding the debate on constructivism and Moravcsik seems to be expressing a healthy scepticism about the usefulness of meta-theoretical engagement. However, in the face of such an attack it is important to clarify a couple of things by arguing with and against Moravcsik. I will argue with Moravcsik that constructivism cannot remain unapologetically a mere antagonist of rationalist-inspired theories at the ontological level. Engaging exclusively in a re-conceptualisation of social reality runs the risk of descending into an ontological...
extremism of the ‘you’d better believe it’ type. If the promise of the constructivist turn is to be fulfilled, then it has to move down the ladder of abstraction to address and systematically examine issues like how to clearly define ideational variables, the need to examine the socio-political and economic context that lends power to a specific set of ideas instead of another during a particular historical setting, and how to analyse the role of the ideational entrepreneurs and diffusion mechanisms at work.

At the same time though, I want to argue against Moravcsik’s vision of an ‘ultimate empirical court within which contenting ontological claims might be adjudicated’ (Hay, 1999\(^2\)), and where ‘[o]nly if one’s own [ontological] claim can be proven wrong are we able to conclude that it has been proven right’ (Moravcsik, 2001: 186). However, constructivism, as well as rationalism, as social ontologies cannot be falsified, for they simply make no necessary empirical claims (Hay, 1999: 7). This is not a plea for anti-empiricism, neither ‘shield[ing] empirical conjectures from empirical testing’ (Moravcsik, 2001: 186), but rather pointing out the impossibility of adopting ‘the standpoint of a second-order observer of [ontology’s] first-order accounts. Such standpoint …, is simply not suited to assessing the correctness of first-order accounts. It allows one to unearth their origins and to see their effects, but it lacks the criteria for judging their validity’ (Schmidt, V. H., 2001: 137).

Essentially, then, the argument comes down to the simple point that meta-theory is neither the problem nor the solution, and that although an exclusive engagement with ontological standpoints is problematic, the alternative to meta-theoretical engagement is not mid-range, substantive explanation, but bad meta-theoretical engagement, as ‘ontiology lies at the beginning of any enquiry’ (Cox 1992/1996: 144). But ontological exertions, important as they are, do not suffice, as ‘[t]he practical analyst of society needs to know not only what social reality is, but also how to begin to explain it…[In that sense], methodology, broadly conceived of as an explanatory programme, is the necessary link between social ontology and practical theory.’ (Archer, 1995: 5, emphasis original). This is exactly one of the purposes of this paper, i.e. to provide a methodology for studying the role of ideas in a non-conflationary structure and agency problematic; the springboard of which (methodology) is analytical dualism,

\(^{2}\) To avoid confusion, Hay is also against this vision.
which is eminently possible by virtue of the intrinsically stratified nature of reality. (Archer, 1995: esp. ch. 6; Willmott, 1997).

The Neoliberal Agenda and the New Ideational Orthodoxy.

One of the responses that the recent challenge to the prevailing rationalist orthodoxy has seen, was an ideational turn within the ‘mainstream’ of the neoliberal agenda. However, although this turn has done a great service in redirecting our attention to neglected ideational factors, it has at the same time done a considerable disservice to the development of a genuine ideational research programme (Gofas, 2001). In this section, I want to argue that this disservice is due to three main reasons – the retaining of the rationalist bias of keeping ideas and interests separated; the deployment of a methodology that does exactly the same; and the focus on the individual, rather than structural, properties of ideas

The Goldstein-Keohane (1993) volume offers probably the most systematic and thoughtful statement of a rationalist inspired treatment of how ideas influence foreign policy. However, despite their stated aim to challenge rationalism (Ibid.: 6), their approach is firmly anchored to it. Suffice to quote their analytical departure point, where the ‘null hypothesis [is]: that variation in policy across countries, or over time, is entirely accounted for by changes in factors other than ideas’ (Ibid.: 6, emphasis original). In effect, ideas are brought into the analysis only when and if an interest-based explanation is insufficient, reducing them into a deus ex machina variable that either ‘mops up’ residual variance or deals with discomfort deficiencies of existing research programmes.

Considering the firm anchoring of this agenda to a rationalist framework, small wonder why the associated proposed methodology of counterfactual argumentation does nothing more than retaining the separation of ideas and interests. For instance, Goldstein (1993) utilised a deductive counterfactual method to determine the degree to which ideas rather than interests affected US trade policies historically. She begun

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3 What follows is far from a systematic examination of the inherent limitations of the rationalist-inspired reading of ideas. For a more detailed discussion, see inter allia, Gofas, 2001, esp. pp. 5-12; and Laffey and Weldes, 1997.
by deducing the policies actors would pursue if they simply followed their exogenously given interests, as derived from structural imperatives. Then she compared actual policy outcomes against this deduced counterfactual and argued that the difference, if any, between the counterfactual prediction and real policy outcome was attributable to the degree to which ideas rather than interests were determinant. However, deducing the interests of actors from structural imperatives can be misleading, as the crucial question is why actors interpreted a structural imperative the way they did (Campbell, 2000). In Adler’s (1997: 332) words this line of thinking is:

‘…like looking at the contents of a room through a tiny window. For what is at stake here is actually the construction, by collective beliefs about [trade policies, of USA’s identity], and the explanation of the role of social actors,…in constructing these identities in the first place. The interesting question is whether and how [economic beliefs]…are becoming not only regulative injections designed to overcome the collective action problems associated with interdependent choice, but also constitutive, a direct reflection of the actors’ identity and self-understanding’.

The third and final problem with the neoliberal agenda is the focus on the individual, i.e., the ideas that people hold in their heads, rather than structural properties of ideas. In doing so, they omit the social context of ideas and neglect the fact that ideas exist as collective knowledge structures that are connected to, but are irreducible to, the actors who draw upon them.

The Constructivist Approach.
Against this background emerged an interest in constructivism, which called into question both the positivist underpinnings of the mainstream in IR and IPE and the inherent deficiencies of the rationalist inspired reading of ideas. This is not the place to discuss this varied scholarship that should be understood as a new arena of contention, rather than a homogenous turn. Nonetheless, and with regard to the previous discussion, most constructivists have long argued that we should eschew thinking in the oppositional terms implied by the polarisation of ideas- versus interest-based approaches, as the question is how the two are related, rather than which of the

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4 With regard to EU studies, an even cursory look at the contributions by Checkel (2001) and Diez (2001) in the Christiansen et al (2001) volume on constructivism would suffice for the point and for revealing the differing degrees of constructedness that various constructivisms are willing to admit.
two is more important. Secondly, constructivists have turned the focus from the individual to the structural properties of ideas; that is from subjectivity to intersubjectivity. As Adler (1997: 327) puts it: ‘intersubjective meanings are not simply the aggregation of the beliefs of individuals…Rather, they exist as collective knowledge…This knowledge persists beyond the lives of individual social actors, embedded in social routines and practices as they are reproduced by interpreters who participate in their production and working’.

However, despite the above insights that constitute a real advancement from the deficiencies of the neoliberal agenda, yet three problems preclude the constructivist approach from delivering its full potential. These are the inconsistency of the middle ground that constructivists claim to occupy; the analytically unworkable and conflationary conceptualisation of the relationship between structure and agency as mutually co-constituted; and a lack of focus on the stratified nature of knowledge structures.

The constructivist claim of occupying the middle ground finds its clearest expression in the work of Wendt (1999; see also Adler, 1997 and Checkel, 1997), who is constantly in the bridge-building business of rationalist and relativist theories of international relations, and clearly positions himself ontologically with the post-positivists and methodologically with the positivists. However, considering the fundamental differences of the two opposing poles that Wendt is trying to bridge, his effort is becoming more of a rhetorical gesture to marriage inconsistent premises, rather than a synthesis.

Secondly, it must thus far have become obvious how important the relationship between structure and agency is for an ideational approach, considering the understanding of ideas as knowledge structures that are above the aggregate of individual beliefs. However, the constructivist (informed by Giddens’s structuration theory) conceptualisation of structure and agency as mutually constitutive is analytically unworkable and leads to what Archer (1995, esp. ch.4) has called
conflationary theorising.⁵ That is because the core notion of structure as the simultaneous medium and outcome of action precludes examination of their interplay (Ibid.).

The third and final reason that prohibits constructivism from delivering its full potential is the lack of focus on the stratified nature of knowledge structures. Ideas do develop structural properties as the constructivists argue, but these are usually of different qualities. As will later become clear, focus on the stratified nature of reality is imperative as different knowledge structures or discourses define different aspects of social reality.

**Towards a Constructivist Realist Approach.**

A constructivist realist approach is committed to a linking of ideas in a non-conflationary discussion of structure and agency. In that sense, it owes equal debts to constructivism and critical realism⁶. However, the approach championed in this paper aims more specifically at combining insights from Giddens’s structuration theory and Archer’s morphogenetic approach⁷. This raises immediately the question over the compatibility of the two, especially as Archer has established a reputation as a critic of Giddens’s theory⁸. Indeed, as Archer (1995: 14) argues:

‘Unfortunately, because both realists and structurationists have both rejected the terms of the old debate…, there has been an over-hasty tendency to assume their mutual convergence and to lump them together as an alternative to the positions taken in the traditional debate. Instead, the crucial point is that we are now confronted by two new competing social ontologies.’

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⁵ Archer (1995) identifies three modes of conflationary theorising: upwards and downwards conflation, associated respectively with the traditional debate of individualism and holism, and central conflation associated with Giddens’s structuration theory.

⁶ Not to be conflated with realism in IR theory. Actually, according to a critical realist position, realism in IR is a mode of anti-realism in the sense that it reduces reality only to what can be empirically observed.

⁷ The reason for which Giddens, who is not immediately identifiable as a constructivist, is chosen as a representative of the constructivist camp is twofold: first, his proposed model of reflexivity certainly captures the spirit of constructivism, and second, constructivists in IR and European studies were certainly quick to jump on the bandwagon of structuration theory.

⁸ Wight (1999: 116) argues that the discussion about the incompatibility of realism and structurationism is simply mistaken, ‘…because they are not about the same kind of thing. Put simply, scientific realism and structuration theory are differing levels of discourse. It is the status of realism as a philosophy of science and not a social ontology that allows all of the agent-structure theorists to claim it as their metatheoretical basis’. That is right, but what is compared here is structuration theory with morphogenetic social theory.
There are two issues in the above quotation that is necessary to confront in order to move on. The first is whether morphogenesis and structuration are ‘two’ different theories, and the second whether they are ‘competing’. Although, I agree with the first part of Archer’s critique, I do not agree with the second. Let me briefly explain why. The reason for which Archer believes that morphogenesis is not only different from, but incompatible with, structuration theory is because the theory’s core notion of structure as the simultaneous medium and outcome of action not only precludes examination of the interplay between structure and agency by collapsing one into the other, leading to what she calls central conflation, but because its very ontology is predicated upon an anthropological anti-realism that denies any ontological status, with emergent properties and causally efficacious powers, to structures. Indeed, according to Archer’s (1995: 97-8) reading, ‘[i]n this consistent ontology of praxis, structural properties exist and have any efficacy only by courtesy of agents’.

Although, I believe that Archer’s analytical dualism forms a better basis on which to trace out the respective roles played by structure and agency in sequences stretching over time (between structural conditioning [time 1], social interaction and its immediate outcome [times 2 and 3] and structural elaboration [time 4]), and that, on the other, structuration has an in-built tendency to direct one towards the micro and the immediate moment of instantiation, I do not agree, following Stones (2001), with Archer’s point that structuration theory, in its very essence, rules out both the desirability and possibility of paying attention to preconditions and post-dated outcomes, due to the conceptualisation of structures as ‘virtual’.

So, what the issue of the (alleged) incompatibility comes mainly down to, is structures as ‘real’, with *sui generis* emergent properties and causally efficacious powers, versus structures as ‘virtual’, that take their existence only at the very moment of their instantiation by the agents who draw upon them. Here I cannot improve on Stones’s remarks that hit the nail on the head:

‘Whilst there are certainly aspects of structure that are left undeveloped or ill defined, and hence indeterminate, in Giddens’s work, it is only on a highly selective and doggedly unsympathetic reading that one could believe that Giddens means structure to have no ‘pre-existent or causally influential’ role. For, even conceding the point that there is some confusion and lack of clarity over the status of structures as having a ‘virtual’ existence until instantiated in action (including the question of whether material and ideational structures
are ‘virtual’ in the same way), it is still clear that, for an agent to be able to draw on the structures of domination, legitimation and signification (see Giddens, 1984: 29 and *passim*), these structures must either pre-exist the moment in which the agent draws upon them or, at the very least (and to a lesser degree), exist at the moment the agent draws upon them’ (Stones, 2001: 181).

Actually, in order to see this, Stones (2001; 182) continues, ‘one need delve no further than Giddens’s central and oft-repeated distinction between *systems* (which *do* only exist in concrete instances of instantiation) and *structures* (which agents draw upon recursively in order to produce the recurrent social practices that constitute social systems).* So, the reason for which Giddens makes the distinction between structures as virtual and the contingent instantiation of those structures in agent’s practices, is not because he wants to deny any existence to structures. On the contrary, structures *do* exist as *potentials* to be drawn upon, whether or not they are actually drawn upon (ibid.: 183). Now juxtapose this to the dispositional aspect of realism and you realise the compatibility of the two. So, according to Bhaskar (1997), dialectical critical realism involves inter alia both a *dispositional* and a *categorical* realism. What is of importance for this discussion is dispositional realism, which ‘accentuates the ontological, epistemological and logical priority of the possible over the actual…It follows from this analysis not only that powers cannot be reduced to their exercise, but that the domain of the real cannot be reduced to the domain of the actual (as in Humean analysis of laws) and even less to the domain of the empirical (Ibid.: 140). Once, paralleling structures as ‘virtual’ to structures as *potentials* and clarifying that what the ‘real’ signifies in realist social theory is the *possible*, then Archer's point is seriously undermined.

In other words, not only I do not see a necessary antagonism between Giddens’s duality and Archer’s dualism, but actually structurationism’s duality contains an element of dualism as championed in realist social theory (Stones, 2001: 183). Moreover, Archer, by insisting on the incompatibility of the two, not only misses this point but also ‘an opportunity to forge an alliance with an approach that could add a greater complexity and sophistication to realist social theory at several key points’ (Ibid.: 177).
It is in the forging of such an alliance that the approach championed here is trying to push the debate. For although, Archer’s macro-concepts form a systematic basis on which to trace out the respective roles played by structure and agency in sequences stretching over time, her notion of the way that structural conditioning enters into agentic calculations is most often couched in terms of the agents pursuing their vested interests, thus, lacking the reflexivity of Giddens’s duality. On the other, in the same way that morphogenesis can benefit from structurationism’s reflexive agent, the often indeterminate macro-efforts and conflationary premises of structurationism can benefit from morphogenesis.

In effect, the underlying rationale of the constructivist realism championed here, is that constructivism and realism are incompatible and mutually exclusive ‘only as long as both sides are assumed to play naively’ (Beck, 1996: 7). To put it another way, by slightly paraphrasing Stones (2001: 178), the richness of Archer’s approach, together with an appreciation of what I see as the virtues and valuable insights of Giddens’s reflexivity and of the constructivist turn in IR and European studies, make me too loath to accept too easy an antagonism between the two. So the point of constructivist realism is that an ontology that is capable of systematically combining insights of both approaches can provide a better basis for the study of ideas by embedding their role in a non-conflationary structure and agency problematic.

Tempting though it might be to terminate the discussion at this point, it is necessary to deal with a potential objection, as it might wrongly be deduced from the discussion so far that what is championed here is a resolution of the structure and agency issue. Hollis and Smith (1994: 244) in their critique of Carlsnaes (1992), and in effect of Archer whose work he is drawing upon, argue that morphogenesis cannot resolve the structure and agency problem ‘just by adding a dash of diachronics to prevent curdling [, as t]he concern that a high-level combination of structure and action produces a soggy conflation is not met by treating them as if they took turns in shaping social phenomena’. Although in general agreement, I want to clarify two things. First, neither morphogenesis, nor any other approach (including of course the one outlined here), can actually resolve the structure and agency ‘problem’, for a ‘problem’ it is not. As Hay (1999: 5) notes, the issue is more of a philosophical schema for registering contending ontological claims, rather than a ‘problem’ to
which we can deliver a ‘solution’. Secondly, and maybe most importantly, the notion of time in the morphogenetic approach is not imposed as an external variable (‘a dash of diachronics’); it is not just a methodological device for studying the way in which structure and agency interact in sequences stretching over time, but a significant aspect of reality.

This last remark brings me to a closely related and highly significant point. The introduction of time and the related notion of structures as pre-existent is usually wrongly assumed to entail reification. For example, Hay (1999: 12), invoking King’s (1999) ‘individualist’ critique of Archer, argues that ‘in Realist Social Theory (1995) it [i.e., analytical dualism] acquires the characteristics of a profound philosophical dualism’. This is a misleading picture of morphogenesis that fails to take into account two notions of fundamental importance to Archer’s project, that of emergence and conditioning. According to the first, structures, although pre-existent, do not have self-producing powers analogous to those of a biological system, as they are activity dependent. According to the second, despite their pre-existence, their power is always mediated through agency and is never as overwhelming as to deny agency the possibility to affect outcomes (Parker, 2000: 73). Indeed, as Archer (2000: 465) summarises her anti-dualist ontology in her reply to King (1999):

There is no philosophical dualism because (a) structures are only held to emerge from the activities of people and because (b) structures only exert any effect when mediated through the activities of people. Structures are ever relational emergents and never reified entities existing without social interaction: the converse would be tenets of dualism.

Having clarified the above is now time to sketch out some fairly fundamental ontological assumptions of constructivist realism. Critical realism, the principle of emergence and the central part of ideas in social reality are the ontological points of departure.

According to Patomaki and Wight (2000: 223), one of the distinctive features of critical realism, as opposed to empirical realism (where reality is only what is perceived empirically) or linguistic realism (where reality is only what is spoken), is that ‘…the world is composed not only of events, states of affairs, experiences, impressions, and discourses, but also of underlying structures, powers, and tendencies
that exist, whether or not detected or known through experience and/or discourse’. An important caveat is in order here, even at the risk of being repetitious. The argument does not make claims to a reality ‘out there’ in a more or less positivist notion, but stems from the need to accentuate ‘the ontological, epistemological and logical priority of the possible over the actual’ (Bhaskar, 1997: 140).

The above point speaks directly to and points out the stratified nature of reality, which brings the issue of emergence. The principle of emergence can be boiled down to the simple point that what emerges out of the interaction of two or multiple units possesses properties that are irreducible to its constituent parts. This is important if we recall the previous discussion about the subjectivity of the neoliberal approach and the intersubjectivity of the constructivist. The principle of emergence tells us that although knowledge structures emerge out of interaction of individual ideas, they nonetheless possess properties that are above and irreducible to these ideas.

The last point is that the issues of the material and the ideational and of structure and agency cannot be separated (Hay, 1999). That is simply for two reasons. Firstly, as already outlined, we have to pay attention to the structural properties of ideas, and in that sense conceptualise their relationship with the actors who draw upon them in a structure and agency problematic. Secondly, because ‘between international structures and human volition lies interpretation. Before choices… can be made, circumstances must be assessed and interests identified’ (Adler and Haas, 1992: 367). This interpretation, in turn, depends on prevailing discourses and knowledge structures (not just on the ideas that actors hold, as Adler and Haas have it). In effect, the material and the ideational has to be viewed ‘…as a whole. A whole that is necessary to investigate as an integral system with all its necessary interconnections, not as isolated fragments torn out of context’ (Patomaki and Wight, 2000: 235).

Finally, in studying the interplay between structure and agency, I follow Archer’s (1995) methodological approach of analytical dualism, which is based on two basic propositions:

i) that structure necessarily pre-dates the action(s) leading to its reproduction or transformation;
ii) that structural elaboration necessarily post-dates the action sequences which gave rise to it. (Ibid.: 15).

Having spend more than a few lines in discussing abstract issues of ontological compatibility, incompatibility, and the like, the reader will fairly have been left with a dilemma over whether all that make any difference when it comes to substantive explanation. It is the purpose of the remaining to illustrate the utility of these abstract remarks, by attempting to re-capture the EMU policy process as a socio-cultural cycle that involved three phases (social structuring, social interaction and social elaboration) and where different, but interrelated, discourses were at work in each phase.

PART II.

Bringing Ideas Back In (Yet Once Again).

The main purpose of this part is to argue that the ideational content of EMU is more than the product of policy learning and institutionalised interaction between three mutually constituted actors – national policy makers, the EC and monetary experts - as the constructivist insight about idea diffusion would have it (Gofas, 2001). That is because the ideas that EMU amalgamates i) function at different levels, ii) create emergent structural properties of different qualities and iii) develop at different time-spans (Ibid.). The argument can be schematically presented in the following figure.

Insert figure 1 about here.

Global, regional and endogenous regional processes are presented as functioning at different levels, consistent with the approach of analytical dualism and the principle of emergence.

So, first, the macro-level represents the phase of social conditioning, where the knowledge structures developed (through the interaction of the main agents involved at this level) are both enabling and constraining action at the lower levels. At the meso-level actors interpret reality on the basis of the knowledge structures at the
macro. At the same time though, at this level (which represents the phase of social interaction) new (yet of course interrelated) knowledge structures emerge out of the interaction of the agents involved at this phase. Finally, the micro-level represents the final phase of the cycle, which although most restrained of all does still produce its own discourses.

We already showed the importance of analytical dualism, as knowledge structures at the macro-level pre-date action at the meso, and the final phase at the micro-level post-dates actions at the meso-level. But there is an additional reason for which the knowledge structures are presented at different levels, and this reason was to do with the principle of emergence. I argued that the ideas developed at each phase represent emergent structural properties of different qualities. By that I mean that the power of discourses diminishes as we move down the phases of the ideational cycle. In this respect, it is becoming clear that power in this analysis is the ability of actors at higher/previous phases of the cycle to create collective cognitive certainties on the basis of which actors at lower levels or later phases interpret the context at the higher level or previous phase.

But which are the EMU ideas that possess different emergent properties and represent diminishing degrees of power? At the macro-level and during the phase of structural conditioning we can identify knowledge structures associated with what Gill (2001) has called the new constitutionalism. ‘New constitutionalism is the politico-legal dimension of the wider discourse of disciplinary neo-liberalism [,that seeks] to separate economic policies from broad political accountability in order to make governments more responsive to the discipline of market forces, and correspondingly less responsive to popular democratic forces and processes’ (Ibid.: 47). What is important to note about this discourse is that it is involved in a redefinition of principles of political action and accountability, and a redefinition of the ‘appropriate’ relationship between states and markets.

Second, at the meso-level territorial ideas about ‘Europe’ and globalisation as the EU’s external economic environment (neo-liberal restructuring at the macro-level) are the most important and help to construct a particular notion of ‘Europe’/the EU as a valid economic and plausible regulatory space (Rosamond, 1999). Indeed, as
Rosamond (1999) argues, although ‘globalisation’ is not uncontested within European policy circles, and despite the fact that its usage as a signifier of the changing economic environment entered rather recently the European discourse, nevertheless ‘much Commission discourse from the late 1980s was heavily concerned with making a linkage between external economic conditions and the need to give meaning to the European level of action’ (Ibid.: 661).

Finally, at the micro level non-territorial ideas about cause-effect relationships in the macro-economic organisational field are at work. At the last phase of the cycle we see an institutionalisation of the abandonment of the notion that there is a trade-off between inflation and unemployment and, hence, an exploitable Phillips curve. The new belief was that inflation was a monetary phenomenon and that price stability was the foundation for growth. In other words, ‘sound’ policy was now understood as rigid budgetary policies and low inflation.

To sum up the argument so far, the ideational dimension of EMU is more than a mere amalgamation of different sets of ideas. For the purposes of the argument, we can consider the neo-liberal ideas of global restructuring and the territorial ideas about ‘Europe’ as the appropriate arena for the management of the region’s political economy and for the construction of a public sphere, as creating a first web of intersubjective meanings that defines the boundaries of the politically acceptable, while the non-territorial ideas about cause-effect relationships in the macro-economy create a second web of intersubjective meanings that defines the technically feasible. The point that I am trying to make is not just that the ideational dimension of EMU is the outcome of the interaction, a mere amalgamation, between these two webs of intersubjective meanings. By creating the realm of the politically acceptable, the first web of intersubjective meanings limits the possibilities of action in Europe and, in effect, ‘selects’ the non-territorial ideas that will find their way to policy-making.

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9 As Radaelli (1999b: 83, nt.37) notes, it is indeed interesting to point out that 'the Phillips curve stems from a long-term analysis of wages and prices, but is not well grounded in an economic theory or model. It is more a statistical correlation than an economic explanation and it is surprising to observe for how long it has been believed by policy makers'.

10 I borrow the distinction of the EMU policy process between political acceptability and technical feasibility from Radaelli (1999b: 79-80). Purely schematic though this distinction is, I nevertheless consider it analytically useful. However, I do not employ it in order to limit the ideational dimension of EMU to the technically feasible, as he does. They are both ideationally informed, albeit from different sets of ideas.
However, although ideas develop emergent structural properties that are irreducible to the aggregate of individual beliefs or to the actors who draw upon them, nonetheless ideas/knowledge-structures need individuals/actors. As this suggests, ‘an analysis which confines itself exclusively to discourses…is overtly structural, giving insufficient attention to the active and frequently creative role of agents in the formulation of ideas which may become sedimented as discourses’ (Hay and Rosamond, 2000: 21). In effect, this inevitably demands an examination of the main actors involved at each phase.

Before doing so though, a brief point on one more conclusion that can be drawn from the analysis so far. Social action and agency are social conditions, since we have to emphasise that ideas/discourses not only ‘tell us what we should do; they also nominate who are the key agents in any given social situation’ (Rosamond, 2001: 204). So, agents at the meso- and micro-level become important because there is a widespread intersubjective understanding that indeed they are important (Ibid: 205). Agents at the macro-level become important because of residual intersubjective understandings from previous ideational cycles. ‘Moreover these collective cognitive certainties contribute to the material importance of [these actors]. Onuf observes that structures –or ‘social arrangements’ as he prefers to dub them- are made concrete by actors through the manufacture of congruent institutions’(Ibid.: 205)\textsuperscript{11}.

\textit{Who transfers the EMU ideas?}

The main actors at the macro-level (or in the phase of structural conditioning) are hard to identify, for as Gill (2001: 48) says they ‘are not confined to haute finance…[and] are broad-based, and cut across social classes’. Nonetheless, we can say that a web of triangular relationships between producers of ideas, corporate America and Europe, and Washington and European policy-makers were at work in this initial phase of the EMU ideational cycle.

\textsuperscript{11} The reference to Onuf comes from Onuf (1998).
At the meso-level, we see again three main actors involved: the European Commission (EC), national-policy-makers, and central bankers. Let us examine their role in brief.

The European Commission and Delors.
As Radaelli (1999a: 768-9, emphasis in original) argues, we have to reject “the ‘anthropomorphic’ view of knowledge…[as] knowledge has less to do with specific actors than with the structure in which actors act.” Indeed, as an institutionalist approach would point out the key issue is whether the actors who hold specific ideas are in position to transmit them through institutional channels into influential policy-making arenas. So, an investigation of the role of the Commission should begin with an examination of the structural conditions within which it and, especially its President, found themselves.

Pollack has concluded that one important determinant of supranational autonomy is uncertainty. Hence, ‘the influence of a supranational entrepreneur is greatest when member governments have imperfect information and are uncertain of their own policy preferences and when supranational institutions possess more information and clear preferences; in these circumstances, entrepreneurial institutions may provide focal points around which the uncertain preferences of the member governments can converge.’ (Pollack, 1997: 130).

In this respect, the EMU case provided a lot of fertile ground for an entrepreneurial role on behalf of the Commission because of the high uncertainty surrounding the project. Indeed, as McNamara notes, ‘there is little agreement within the economics profession on a ‘benchmark’ model for analysing the distributional effects of alternative monetary regimes’ (McNamara, 1998: 58, referring to Giovanini).

Having said that, we have to note that the ability of the Commission and Delors to influence the course of events was crucially circumscribed because of various reasons. First, besides the legal limitations on the EC, because it has no competence on monetary issues, and despite the fact that Delors tried to establish an informal cross-national network on EMU to provide him with the necessary intellectual support, ‘the Commission did not possess the depth of financial and monetary expertise
comparable to that to be found in the national central banks and finance ministries’ (Dyson and Featherstone, 1999: 692). Hence, although the first part of Pollack’s hypothesis seems to be at work the second does not, as one could hardly argue that the Commission possessed more information on the EMU issue than the member states.

Second, although Delors ‘had a much wider conception of an EMU based on strong economic-policy co-ordination that incorporated ideas of structural adjustment as well as of fiscal policy’ (ibid.: 697), his ability to cognitively influence the project was constrained by the fact that the EMS had been transformed into a de facto Deutsche-mark zone and by the intellectual ascendancy of the German ideas (Dyson, 1994).

Third, although Delors transformed the Commission’s horizontal organisational architecture into a strictly vertical one, leading to what Dyson and Featherstone (1999: 695-706) call an informal ‘presidentialisation’ of power in the EC, the multicultural character of the Commission could not but undermine its cohesiveness.

However, having rejected the ‘anthropomorphic view of knowledge’, we should caution not to descend to the other extreme, that of an institutional/structural fatalism which ignores the fact that ‘the ability of elites to transport an idea into influential arenas may turn on their ability to package and frame it successfully in the first place’ (Campbell, 1998: 381).

Delors, along with Kohl and Mitterand, was able to build up support for the EMU project by using ‘Europe’ as a ‘cognitive region’ (Rosamond, 1999). This is something more than exploiting a non-functional spillover from the 1992 program and the enthusiasm that it generated (Sandholtz, 1993) or employing the strategy of the ‘politics of monetary sovereignty’ by exhorting European governments to embrace EMU as a compensatory instrument for regaining monetary autonomy (Jabko, 1999). It is the deployment of ideas about ‘Europe’, globalisation, and the single market program as a ‘cultural frame’ through which interests are redefined and, hence, actors get convinced about the general contours of new arrangements (Fligstein and Mara-Drita, 1996; Rosamond, 1999). So, by taking both structural conditions and the agential ability for ideational entrepreneurship into account, we can argue that despite the structural limitations that Delors faced, he contributed to the build up of support
for EMU by using ‘Europe’ as the appropriate arena for the management of the region’s political economy.

**The European Central Bankers.**

Their role should not be restricted to their participation in the so-called Delors’ Committee and the drafting of the EMU blueprint (which after all is at a later phase in the EMU cycle). Rather their role as ideational entrepreneurs and constructors of (the narrower meso-level) economic reality was more important in the aftermath of the economic crisis of the early 1980s (Marcussen, 2000). Taking again both structure and agency into account they were able to promote the monetary orthodoxy of a deflationary zeal for the following reasons. As Marcussen (2000: 57-61; see also Dyson et al, 1998) argues, there were three decisive factors that influenced the power of central bankers: *the liberalisation of financial markets*, which although undermined their power in relation to markets it increased it in relation to their governments which were forced to rely increasingly on them; *European monetary integration*, which limited their room for manoeuvre but enmeshed them more closely to the policy-making process; and *the development of a coherent transnational central bank culture*. On the level of their agential ability to act as ideational entrepreneurs, their power lied -to borrow from Haas’s (1992) definition of an epistemic community- on their recognised expertise and competence in the macro-economic field and their authoritative claim to policy-relevant knowledge within that field.

**National Policy-Makers and the Franco-German Axis.**

When examining the role of national policy-makers, and specifically of the Franco-German axis, under the commonly accepted assumption that it is the motor of European integration, it would suffice for the purposes of this paper to outline that Mitterrand and Kohl chose central bankers as members of the Delors Committee, not only in an attempt to neutralise potential opposition from them that would jeopardise the whole project, but also ‘because they already knew what they would get in turn from such a committee’ (Marcussen, 2000: 121). This implies that an ideational consensus around ‘sound’ money and finances had already been established before establishing the Delors’ Committee, which signifies the launching of the last phase in the EMU cycle.
Space limitations preclude us from examining the actors at the micro-level who, as indicated in the schema, are the Delors’ Committee (see for example Verdun, 1999, who argues in favour of analysing it in terms of an epistemic community at work); AUME (the Association for the Monetary Union of Europe; see for example Sherrington, 2000 who argues that AUME was an interest-group with think-tank capacities); and the European Roundtable of Industrialists (ERT; see the work of van Apeldoorn, 2001).

**By Way of Conclusion: Ideas from the Scylla of ‘Ontological Extremism’ and the Charybdis of ‘Methodological Opportunism’ in Search of the ‘Appropriate’ Paradigmatic Homeland.**

Instead of the conventional summing up of the main arguments developed, the purpose of this concluding section is to briefly reflect further on the ideational turn in international and European studies.

To slightly paraphrase Archer’s previous point about the state of art in the structure and agency debate, there, unfortunately, seems at times to be an over hasty tendency to assume the mutual convergence of the various actually ideational approaches and to lump them together as *one* alternative to the positions of the ‘mainstream’ in IR. Instead the crucial point is that we are now faced with competing approaches, whose development can be captured in terms of three waves.

In the first wave he had an ideational turn within the ‘mainstream’ and the development of a new ideational orthodoxy, due to residual ontological, epistemological and methodological commitments to a soft rationalist framework. During the second wave, ideas were (and to a large extent still are) torn between the Scylla of ‘ontological extremism’ and the Charybdis of ‘methodological opportunism’. This wave can be paralleled with a ‘black hole, [where] the closest you get to it the less light is thrown upon the topic and the less chance you have of surviving the experience’ (Grint, 1995: 162, quoted in Willmott, 2000: 95). During the third wave underway, the challenge posed is to navigate our ideational spaceship away from the ‘black hole’ and bring it firmly back to genuine theory-building and its
‘appropriate’ paradigmatic homeland. For some this homeland can only be reached once we recognise that, although ‘ideas’ served a purpose in developing ontological awareness, we now have to embed them back in some sort of ‘new institutionalism’, whether that is ‘ideational’ (Fieschi and Hay, forthcoming) or ‘discursive’ institutionalism (Schmidt and Radaelli, 2002). The contention of this paper is that the only way of establishing a terrain for understanding the problems and promises of the above three waves is by looking at the general social theories that lay behind. It also argues that the alternative is to be found in a constructivist realism and goes beyond the naïve constructionism and naïve realism that informs much of current ideational scholarship.

References.


Fieschi, C and Hay, C., eds. (forthcoming) Ideational Institutionalism: Perspectives on European Politics


Figure 1: The EMU Policy-Process

T1: Structural Conditioning

Agency1
Web of triangular relationships btw:
Producers of ideas
Corporate world
Policy-makers

Structure1
Global processes of neo-liberal restructuring creating ideas about the appropriate relationship btw states and markets.

T2&3: Social interaction

Agency2
Web of triangular relationships btw:
Central bankers
European Commission
Policy-makers

Structure2
Regional processes that develop territorial ideas about ‘Europe’ as a valid economic and plausible regulatory space

T4: Structural elaboration

Agency3
Web of triangular relationships btw:
Delors’s committee
ERT
AUME

Structure3
Regional/sectoral processes developing non-territorial ideas about cause-effect relationships in the macro-economic organisational field

Note: The figure is a combination of general ones developed in Archer (1995) and Hay (1999), which is then applied to the EMU case.