

Towards Neoliberal Imperialism? Discussing the Implications of the New European Governance Emerging from the Fiscal Crisis and Administrative Reforms for the Identity of the EU

Illimar Ploom
Tallinn University of Technology, Estonia

ABSTRACT

This paper is based on an article by Edoardo Ongaro published in the same issue of *Administrative Culture* and discusses the implications of the new model of governance emerging from the fiscal crisis and administrative reforms. In particular, it addresses the questions relating to the identity of the European Union in the context of the cuts of public budgets that the ECB and the Troika have requested from certain euro-zone countries. Following Ongaro, these interventions will be treated through the theoretical frameworks that policy transfer, Europeanisation, supranational governance and global institutionalism offer. As a further alternative, neoliberal imperialism will be brought in. The paper argues that embedded within the logic of the interventionist measures there are two features which deserve attention. The first concerns the coercive form that does not bring to mind the "normal" one characteristic to the EU legal system but with its peculiar bargaining logic rather reminds of the international setting. The second touches the content of the measures which is not "constructive", as the EU narrative would presume, but considerably "destructive". Thus paradoxically, while the motives behind the measures could still be supposed to follow broadly the neofunctionalist path, their implementation and outcome point instead towards the model of neoliberal imperialism.

Key Words: European Governance; Administrative Reforms; Austerity Measures; Identity of the European Union; Neoliberal Imperialism

1. Introduction¹

The article by Edoardo Ongaro published in the same issue of *Administrative Culture* brings together a complex set of issues. Departing from the intriguing developments in the field of administrative reforms in certain euro-zone countries,

¹ Next to Edoardo Ongaro, whose ideas form the crux of the discussion of this paper, I would also like to thank Tiina Randma-Liiv, Riin Savi, Kaide Tammel and Viljar Veebel for their comments and suggestions. Nevertheless, the responsibility for the text with its mistakes and incoherencies lies solely with the author.

it provides appealing insights into the possibilities of conceptualising the apparently new model of European governance that responses to the fiscal crisis have brought about. Among the range of topics it considers, the widest and probably the most crucial one addresses the sustainability of the European polity under these new circumstances. Can the identity of the European Union (EU) tolerate the peculiarly coercive logic of the new model of governance and the contents that it puts forward? Having thus phrased the main question and defined its focus, the present paper is the first attempt to pursue an aspect of the research agenda pleaded in Ongaro.

It must be admitted that though the present discussion is drawing on the developments in the field of administrative reform, as long as it concentrates on the wider meaning and effects of such developments for the general identity of the EU, it will necessarily lay aside the vicissitudes of the administrative reforms as such. It will treat them as adjacent phenomena based on the need to cut public budgets following the ideology and measures of austerity.

At the centre of the argument of this paper there subsist two interrelated facets of the European identity. First, it is assumed that the EU and its predecessor the European Community have been evolving around the value of equal partnership of nations uncharacteristic to ordinary international relations. This equality of the positions of the member states finds perhaps strongest expression through pronounced voluntarism that is the primary mode of integration and therefore a main attribute of decision-making in the EU. Therefore, in the discussion below, where equality and voluntarism become more salient, as it is with Europeanisation and neofunctionalism, they should be viewed in combination. The second facet assumed to characterise the EU and being tightly entangled with the first one is a “constructive” logic of the integration. The aim of the European consociation can be found in the principle whereby its decisions are always to build up the European polity, not to tear it down. And this is done inclusively, as the fundamental equality presumes, i.e. not at the expense of single members.

The structure of the paper is based on the sequential logic used in Ongaro with only slight changes to it. Policy transfer acquires a pivotal position in bringing attention to the coerciveness of the austerity measures, which on closer inspection turns out to be untypical for the EU. But thereby, although indirectly, policy transfer also leads to discovering the aspect of “destructiveness”, which is claimed to characterise the measures. Based on these two qualities of the interventions, it will thereafter be argued that neither Europeanisation nor neofunctionalism as theoretical frameworks tolerate the measures. While neofunctionalism, when compared to Europeanisation, is a more comprehensive theory and thereby, due also to its historical dimension, it offers a better understanding of the interventions, both presume the EU to allow much stronger equality to the member states and the quality of voluntarism accompanying it. Likewise, they presume a “constructive” approach to integration. At this point, however, neoliberal imperialism comes to help, as it proves able to accommodate these novel features with considerable ease. Hence, it will be argued, the situation in which the interventions appear to have put certain euro-zone countries brings to mind that of the developing countries towards the developed ones in the considerably unequal association of the two kinds in bilateral free-trade regimes.

As will be seen, in the argument the different theoretical frameworks, due to their variance as tools, each allow to distinguish different aspects of the outlined qualities of the interventions.

2. Looking for a perfect fit

In his article Ongaro takes under closer scrutiny some recent developments in the euro-zone where there have occurred direct and unprecedented interventions either from the so-called Troika – which, next to the European Central Bank (ECB) and the European Commission, includes also the International Monetary Fund (IMF) – or separately from the ECB, which has put austerity pressure on countries like Greece, Ireland, Portugal, Italy and Spain and demanded a “restructuring” of their public sectors (Ongaro 2014, 10-13).² Concentrating on public-management reforms Ongaro maps perceptively the possible ways of approach. At first glance it may seem as if the selected theories (global institutionalism, policy transfer, Europeanisation, supranational governance) would couple too delicate tools with the interventions of a significantly rougher nature. Yet, both separately, but especially in combination, they prove to be highly useful in elucidating these developments.

It is convenient to follow briefly the argument and ask first if there is one suitable match available in terms of a theory explaining the events exclusively by itself.

Global institutionalism is one such candidate that brings into focus the isomorphic processes with regard to organizational templates spreading through the world. The EU is indeed no exception here, rather “a facilitator” (Ibid., 14-15). And yet, despite the general similarities and parallels which make this paper come briefly back to it in a different form and context, this neo-institutionalist theory remains too wide to provide a good understanding of the nature of the reforms. In comparison, policy transfer offers a much more specific theoretical framework. It allows an easy classification where especially with the Greek case direct coercive policy transfer seems to have been the case (Ibid., 15). In turn, Europeanisation could be said to be useful to understand the “mental infrastructure” which makes a member state receptive towards these kinds of interventions from the centre. Yet, one can agree with the author that, at the same time, also these latter theories do not seem to be able to offer a thorough explanation of the internal logic of the interventions on their own (Ibid.). For one reason, they seem somewhat too specific to be able to explain what has been under way in the EU.

In the above context one can agree with Ongaro that the theory of supranational governance seems to have a bigger potential to explain the situation. Having its roots

² As Ongaro describes it, “the fiscal crises in ... Greece, Ireland and Portugal triggered a process that eventually led to the Troika ... intervening in the three countries with a very prescriptive approach, which included dictating a set of recipes about how to (re-)organise the public sector.” Something similar also happened over the re-financing of the public debt of some other euro-zone countries. In the case of Italy, “following up market operations effected by the European Central Bank ..., a joint letter by the ECB and the Italian Central Bank was sent in August 2011 to the Italian government ... [that] had an impressively prescriptive tone about what the Italian government should do, and notably how certain profiles of the public sector had to be reorganised. After this, other interventions followed, formally ‘disguised’ as technical documents but de facto dictating the contents and timing of reforms of the public sector in Italy” (Ongaro 2014, 12-13).

in the neofunctionalist soil, it allows to see the recent measures of intervention in the context of the euro-zone crises and thus as inherently related to the historical logic of the European project (Ibid., 16). However, as Ongaro points out, the content of the cases of intervention does not fit overly well to the framework (Ibid.). Related to these considerations, even if the austerity measures could be interpreted as a logical further step made inevitable by the mechanism of spill-over (following the establishment of the single market and the euro thereafter), their explicit motives and results do not appear to point to a deeper integration (demanding a solution from within a member state even if allowing some financial support) and thus to a real *working* of the logic but rather to the fact that with this case, whatever the logic is, it manifestly *does not work*.

As Ongaro concludes, among those theories dealt with there is no obvious single framework that one could exclusively apply in order to explain the reforms (Ibid., 16-17). And yet, it may still be worth while exploring the theories in a more comprehensive manner in order to better understand what is going on in the EU. For that reason, as well as keeping in mind that the primary aim of the current paper is to understand the wider implications of the interventions for the identity of the EU, it is worth looking for crucial general traits of the recent initiatives. In other words, it will be attempted to discover a couple of salient features of the interventions which will presumably give some intimations about the new tendencies in governance and thus about the probable changes in the integration logic.

3. Coercive policy transfer as pointing to new criteria

Following a period when the EU as a topic did not make an appearance in the policy-transfer literature, the last few decades have seen an increase of its presence. Furthermore, a widening of the scope of application of policy transfer to understanding the EU can be noticed. If Radaelli (2000) as well as Bomberg and Peterson (2000) have prescribed a somewhat limited reach for policy transfer, restricting it to a sphere outside the classic Community method, then Bulmer and Padgett have used it to cover the comprehensive range of EU activities, including the Community method as an illustration of coercive policy transfer *per se* (2004, 103-105).

The founding of the European Monetary Union (EMU) has been theorised mostly in terms of negotiated policy transfer with a significant role for voluntarism (e.g. Bulmer and Padgett 2004, 106, Bomberg and Peterson 2000, 26-29). In this context, an interesting observation is made by Radaelli, who emphasises the fact that the Maastricht settlement and the subsequent Stability and Growth Pact have brought along an element of coercion. As he argues, the Maastricht criteria's gaining ever more importance has left ever smaller room for economic policy (Radaelli 2000, 32). This offers a useful frame for understanding the significance of the recent developments in the euro-zone. For the ECB and Troika interventions being tied to the functioning of the EMU seem to bring this coerciveness to a qualitatively new level as far as they do not simply constrain the choices of the member states further but do it actively and, next to a procedural way, also in substantial terms.

Hence, despite there being differences and a misfit for one-to-one application with all the specific country cases (Onagro 2014, 5), the nominal feature of *coercive*

policy transfer does not seem to make it altogether futile as a starting point for discussing the general nature of the interventions. Quite to the contrary, it brings attention to some interesting aspects which have not hitherto been typical of EU governance. Here it is kept in mind that coercive policy transfer does not only describe the Greek case but characterises also others, even if the traits appear there in a milder form. As will be argued, these traits have two facets, the formal aspect being connected to another one that concerns the content of the measures.

To begin with the formal facet, policy transfer brings into focus the fact that the measures are coercively applied. However, the coercion this paper wishes to distinguish does not signify the normal legal procedure and relationship whereby the member states can be under pressure to apply and follow EU norms (see Dolowitz and Marsh 2000, 15)³ and where they are taken as still equal, and hence the integration process takes place on a voluntary ground characteristic to the EU. Instead, coercion marks here a sort of bargaining between the money-lending institutions and the borrowers.⁴ Despite the willingness shown on behalf of the borrowers to access funds, the parties are neither equal nor can the borrowers be deemed truly free in their actions.

By way of a broad generalisation, there can be distinguished two main forms of bargaining in the EU. The intergovernmental bargaining through a consensus logic or a veto possibility presumes a strong role for voluntarism where any partner can call off the deal. In contrast, what could be called the institutional bargaining associated with the old first-pillar area allows a more restricted role for voluntarism which works through compromise as the deals have to be reached. However, this second form presumes fundamental agreements over decision-making procedures and the policy fields, i.e. exercising voluntarism belonging to the first form. Now, the logic of the recent interventions introduces a further form of bargaining where the EU institutions have come to use a considerably bolder form of coercion towards member states. This is applied to single member states from a superior position and across policy fields.

It must be re-emphasised that, as the behaviour of the borrowers shows and as also the policy-transfer framework assumes, even with this third kind of coercion there is a fair amount of voluntarism involved.⁵ Nevertheless, it is crucial to determine its qualities. Perhaps one way to fathom the matter is to draw attention to the difference between a rule-of-law kind of system and an international law environment which allows significantly wider room for forceful bargaining based on inter-

³ As Dolowitz and Marsh argue, “national governments can be forced to adopt programs and policies as part of their obligations as members of international regimes ...”. Yet, as they admit, such a classification is problematic. Speaking about the EU, “the Court of Justice can force member states to comply with European policy and directives ... However, since individual nations voluntarily joined the Union, can any act of the EU be considered coercive in terms of policy transfer? At the same time, each nation has influence over the adoption of all EU policies. As such, they actively and voluntarily shape and adopt the edicts of the Union” (Dolowitz and Marsh 2000, 15).

⁴ Here borrowing also takes the form of the ECB buying government bonds.

⁵ Although not pursued in this paper, within the policy-transfer framework, it would be useful to elaborate on the implications that donor-led transfer could have for the interventions discussed (see e.g. Evans 2004, Randma-Liiv 2005). Likewise, to explain the conduct of the borrowers, as much as the EMU is an integral part of European integration, the analytical framework of path dependency may be invoked.

ests (see e.g. Morgenthau 1993; cf. Holsti 2004). This paper argues that the coercion under discussion is not typical in the EU, which tends more towards the rule-of-law system (see e.g. Wind 2001)⁶ but rather resembles the international scenery where the interests of the more powerful parties can, and often do, prevail. In a similar vein, voluntarism in the international setting has a remarkably different meaning from the one belonging to a rule-of-law system. Also speaking for this argument are the arrangements, following the logic of the European Financial Stability Facility, that have designed decision-making in the European Stability Mechanism (ESM) along a GDP-based stakeholder model characteristic to international organisations like the IMF, instead of over-representation of smaller member states normal to the EU.⁷

Of course, there is an obvious counter-argument to be noticed: the interventions from the ECB and the Troika could be taken as acceptable since they can be referred to the common rules and the latter, i.e. compliance with the Maastricht criteria, are assumed to be vital for the existence of the euro. In this light the interventions appear as practically adequate in being undertaken for the sake of integration and hence for the benefit of the member states themselves. Dolowitz and Marsh would speak here about an “obligated” or even a “negotiated transfer” (Dolowitz and Marsh 2000, 15). Nonetheless, while it is difficult to draw an exact line between, on the one hand, the application of previously agreed rules in a limited sphere and of generally foreseeable impact and, on the other hand, having to make significant concessions under conditions which influence the whole of the public sphere while not allowing an alternative (in this case, e.g. an exit from the euro-zone), as will be argued when discussing the second feature, the interventionist measures embody qualities that do not seem to be in accord with the “normal” EU practice, not only method-wise but also in terms of contents.

Namely, next to the functioning of this formal facet the measures tend to have a “destructive” inclination. This aspect is most visible in the Greek case, where one can depict the reforms unambiguously as ones in which “welfare services are forcedly reshaped and at times brutally curtailed” (Ongaro 2014, 16). What is remarkable is that (with the particular coercive policy transfer) the measures contain an ideal – austerity for the sake of keeping the euro alive – but it does not seem suitable for the EU practice as long as it is “negative” in its substantial outcome. Or alternatively phrased, it is not constructive, as the EU narrative would presuppose (Hix 2008, 8-27). This necessarily positive ground as a *conditio sine qua non* of European integration is detectable even in the case of the accession process, where the ideal that comes with conditionality – a feature which could be qualified as indirectly coercive, taking also into account the different weights of the parties – may be distant but is still noble, i.e. it is meant to build up the public sphere and institutions of a potential member state.

Thus, policy transfer makes it possible to point at two important aspects worth pursuing with other theories: austerity measures are accompanied with a coercion of

⁶ Of course, here the appropriateness of considering laws as *coercive* in their nature, especially within a system of rule of law, can itself be questioned. As e.g. Oakeshott would argue, contrary to what common sense suggests, rule of law is not coercive but rather creates freedom and equality. See Oakeshott (1975).

⁷ For a discussion of the stakeholder model, see Bukovskis and Veebel (2013, 6-8).

new qualities for the EU, and the measures have an essentially negative impact on the public spheres of the member states. What deserves mentioning, “negativity” is the case even if the measures are accepted as necessary and even if not fully implemented (Ongaro 2014, 13-14).⁸ In the first case where the necessity is (under the dominant ideological paradigm) recognised, the curtailment of the public sphere as a result can still hardly be perceived as positive. The latter aspect – eschewing implementation – is presumably chosen to avoid the destruction of the public spheres. It is destructive yet in another sense as long as it undermines the loyalty of the member states to the European cause in general and its legal system in particular (Weiler 1999, 75-77).

In what follows, it will be discussed what the presence of these two discovered traits of the interventions would mean with regard to the explanatory power of the other theories considered by Ongaro. On the basis of that, it will be attempted to sketch one possible framework to understand the new model of governance in the EU.

4. Europeanisation as presuming equality of member states

At first sight Europeanisation appears to offer a good ground to comprehend the recent measures, especially when focusing on the administrative reforms. In accordance with the definition by Börzel and Risse (2000, 1-2), it could be described as a specific policy, in this case public-management policy, being influenced by the respective EU policy level (Ongaro 2014, 15). But here the focus itself becomes problematic as it seems to work at the expense of appreciating the true significance of the late developments. For the rationale as well as the consequences of what has been happening go beyond the field of administrative reforms. And this is not merely a factual problem but, as will be argued, it contradicts the logic of Europeanisation.

Although Europeanisation denotes a wider phenomenon, in empirical terms it assumes a case-by-case logic. In other words, if the actions it comprises are of generally and theoretically comparable nature and impact, they work in different categories (“policies, politics, and polities”) and in different fields, both of which come in different magnitudes and forms, bringing both convergence and divergence but never amounting to “complete homogenization” (Börzel and Risse 2000, 16-17). What is especially relevant in the current context, is that Europeanisation takes place in fields one by one. With the particular case, however, as was brought out above, one can notice how the significance of the austerity measures reaches beyond the single field and level of public management, it touches the functioning and well-being of the public sphere (but thereby also that of the economy and the private sphere) of a country as a whole.

⁸ Based on Brunsson (1989) Ongaro distinguishes between “change at the level of rhetoric, at the level of formal, legally binding choices, and ‘actual’ implementation. At the rhetoric level, prescriptions were largely embraced by the targeted member states; translating them into authoritative (legally binding) decisions had other, quite different, dynamics; and, not unexpectedly, implementation had yet other dynamics.” So, at the level of formal choices, Ongaro observes that policy formulations “profoundly stretched the original prescriptions, up to the point of hollowing them out.” At the level of implementation, based on the study of administrative reform in Italy by Ongaro et al. (2013), “analytic narratives on reforms all corroborate the thesis that the impact of Europe is often more limited than it is sometimes assumed.” (Ongaro 2014, 13-14). On public management reforms in Italy, see also Ongaro and Valotti (2008).

But one can go even further, this case-by-case logic inherent in Europeanisation must also presume a strong role for the member states, i.e. their voluntary participation and equality, which is not merely formal. With the austerity measures (as being *the* condition for accessing the funds) this can hardly be witnessed. The quality of voluntarism present does not resemble one characteristic to the EU. As to equality, though in narrow financial terms it may look as if necessary to cut down on the public sphere of a country in debts, in moral and political terms it clearly undermines its status.

That the question of equality and the ensuing voluntarism are not only formally relevant is further revealed when looking at the assumptions of Europeanisation. Namely, embedded within its logic one can discover a close parallel to the unique, if simultaneously intriguing, meaning of “an ever closer union”.⁹ The latter marks an integration process the direction of which is not dissimilar to a federation but which in its *modus vivendi* can never (or at least not in a foreseeable future) be completed or achieved (Weiler 1999, 41-42). It could be described either as an unsolvable tension or a sustained balance between intergovernmental and federal tendencies. This balance presumes full equality (political and otherwise) of the member states. Or from another perspective, the fact that a federation is a deliberately unreachable goal strongly articulates the role of voluntarism.

Furthermore, by way of assuming the member states to be equal and their cooperation being voluntary, it also necessitates that the aim of integration consists of a positive “ideal”. It is hard to ascribe legitimacy to EU activities which do not intend to make or keep the member states equal, both formally but also in terms of being able to offer a comparable level of welfare to their citizens. Of course, this is subject to the member states being able to retain their individualities. Yet, it clearly means that rules which sanction activities that are nominally for a good cause (the euro) but in substantial terms destroy the basis for retaining that independence and equality are highly problematic.

A look at Europeanisation literature confirms the relevance of these assumptions. It is presumed that the member states retain control over its process and outcome and are in this sense equal partners. This is visible in the fact that Europeanisation does not aim at full harmonisation but means that the member states keep remarkable diversity. As Radaelli points out, in contrast to harmonisation “Europeanization leaves the issue of diversity open. The outcome of Europeanization can be regulatory diversity, intense competition, even distortions of competition” (Radaelli 2004, 33). This understanding is widely acknowledged (Cowles et al. 2001 and Kohler-Koch 1998, both in Börzel and Risse 2000, 4).¹⁰

The above means that Europeanisation cannot easily tolerate coercion in the sense outlined above. The austerity measures are not voluntary in the sense of presuming equality of the member states vital for the integration process. Even if federation could be taken as a goal, it is a remote and open one which presumes volun-

⁹ A similar logic appears to inform the other, albeit more static, EU slogan of “unity in diversity”.

¹⁰ Also, Kassim has pointed out that, as to the field of coordinating EU affairs by national administrative systems, Europeanisation has not amounted to “convergence around a single model”. One could rather talk about “limited similarity combined with considerable divergence.” (Kassim 2003, 102, 104-105).

tary participation. Hence a strongly centralised action of the impact – even if apparently for the sake of the future of the EU – cannot be made a legitimate instrument. But further, as Europeanisation presumes a positive narrative, the absence of such an ideal in the austerity measures seems equally important. Based on the above, the outcome of Europeanisation could perhaps be defined as equality qualified by individuality, formal and otherwise. With the measures of the Troika and the ECB this is manifestly missing.

5. Supranationalism and the constructive ethos of integration

As was argued above, due to its neofunctionalist roots, the theory of supranational governance has a big potential to get a good grip of the measures of intervention and to explain them in a comprehensive way. It achieves this by being able to relate them to the historical logic of the European project. A spill-over mechanism could be referred to by which the establishment of the single market brought about the common currency, which, in turn, is causing the national fiscal and related policies to align along the centrally adopted lines. This could be argued to form the basis for a bold centralised action by the supranational institutions like the ECB. However, based on the definition of supranationalism in Sandholtz and Stone Sweet (1998), Ongaro brings attention to some crucial features that make questionable the actual conformity of the austerity measures to supranationalist logic. He asks if it is not disintegration rather than integration of a polity that we witness. Also, there is a want for empirical proof for the euro to be seen as an independent factor to have intensified the integration. Finally, also the active role seized by national governments goes contrary to the logic of spill-over (Ongaro 2014, 16). In this context, the meaning of the coerciveness and destructiveness of the measures with regard to supranationalism needs to be inquired.

Since supranationalism draws on neo-functionalism and functionalism, it may be useful to look at the presuppositions of the two. As Mitrany argues, the fundamental edifice of functionalism relies on mutual benefit and voluntarism (Mitrany 1943, in Eilstrup-Sangiovanni 2006, 56-59). As to the former, it works on the basis of integration being able to provide greater welfare and social stability. If neofunctionalism asserts that efficient integration also requires the contribution of supranational institutions (e.g. Schmitter in Wiener and Diez 2004, 45-73, Rosamond 2000, 59), this does not compromise voluntarism (see Haas 2004, xxxi-xxxii). One can see how this contradicts the motivation and results of the austerity measures. Also, contrary to the recent developments in the EU, neofunctionalism is characterised by an aim of high economic development of all regions (Weiler et al. 2004, in Veebel 2012, 23).¹¹ In the latter stance a connection is detectable between the ideas of prosperity and equality. As to the fundamental equality of the member states, it probably comes out best from the absence from the neofunctionalist agenda of cultural harmonisation (Haas 2004, xix).

¹¹ Furthermore, participants will not only be treated equally by sharing the same rules and standards, but the weakest receive advantages to catch up with the advanced ones (Deutch 1957, in Nelsen and Stubb 1998, 137).

However, supranationalism is not entirely free of ambiguities. It has often been taken as the opposite force of intergovernmentalism. Since the latter stresses the dominance of nation-states, on a linear scale the former is not seldom seen as an agent of federalism (Schout and Wolff 2010, 1-4). And federalism could be made to tolerate some coercion. This is perhaps most visible in the historical experience according to which the creation of large states has often witnessed a despotic phase (Siedentop 2000, 2-4). As Siedentop shows, federalism properly understood is there to promote self-government and exclude despotism (Ibid., 25-30). Still, it has been argued that in practice federal systems have a tendency to concentrate power in the centre, and with the EU there would appear problems with social legitimacy which cannot be solved by means of traditional politics (Weiler 1999, 77-86). Also, the functionalist layer within supranationalist heritage speaks outright against federalism. And, as has been argued, the neofunctionalist emphasis on national welfare instead of communal does not bring them closer to it. This remains true even if, in contrast to functionalists, the neofunctionalists made the creation of a central political organisation relevant. For the latter does not have true federalist connotations (Eilstrup-Sangiovanni 2006, 90-91).

Finally, it may be useful to bring in Weiler's (1999) more nuanced version of supranationalism. It offers a normative parallel to the description of the unique balance between intergovernmental and federal tendencies. Weiler argues that supranationalism cannot and should not mean the creation of a full-blown federation. In his view, to follow the "Unity method" would mean to build a sort of superstate. As such, among other downsides, it would miss the opportunity to deal with the negative aspects of nationalism.¹² At the same time, his "Community" version of the EU appreciates the delicate balance between the nation-states and the Community and thus would be a qualitatively new phenomenon in terms of establishing a new relationship between nation-states that do not lose their identity but need to rethink and recreate it in a community of equal partners (Weiler 1999, 250-252).¹³

What is more, Weiler outlines the "ideals" of the European integration where next to peace and prosperity the central role is played by supranationalism. In this context, "peace" can only mean a sustainable peace among equal partners disregarding their "actual power" in the usual terms of international relations. "Prosperity" refers to the *statuses* of citizens and countries, which are, and should be, fundamentally comparable as to the living standard they are able to ensure, thereby giving each their dignity. Supranationalism, as also described above, is a unifying concept which emphasises the unique phenomenon of nation-states being able to relate to each other as equals (Ibid., 244-262).¹⁴

Hence, the ambivalent situation of the EU that was described above through a delicate balance between the intergovernmental and federal tendencies is given a positive definition: a supranational community contains an ideal itself which rises above federation. But this means that it would be difficult to make supranationalism in Weiler's sense accept the coercive and involuntary character of the austerity measures.

¹² As Weiler argues, it would simply create a new *national* status on a bigger scale (Weiler 1999, 250).

¹³ On Weiler's take of supranationalism, see also Weiler 1981.

¹⁴ This relationship can perhaps be compared to the way that rule of law functions within the borders of nation-states.

This would contradict the creation of a positive identity for a nation-state. Likewise, it would not accept the member states being unequal, also in substantial terms of economic prosperity. This means that supranationalism assumes a doubly positive ideal, in the sense of presuming equality and voluntarism as well as in the already outlined sense of the integration process proceeding in a “constructive” manner.

6. Neoliberal imperialism – a dark side of neofunctionalism?

Nevertheless, the methods of integration that neofunctionalism uses are amenable to be interpreted in a different way. As will be seen, an alternative version of the neofunctionalist framework is available where the components of the integration logic – mutual benefit and voluntarism – remain formally the same. However, the purpose of integration becomes different, but also the equality principle (mostly economic but also otherwise) of the partners is *de facto* abandoned (Veebel 2012, 24-27). Thus, the alternative may look the same but is fundamentally different. As there seems to be room in this framework for accommodating the coerciveness and the “negative” ideal present with the late developments in EU governance, it may be worth applying to the latter the model of neoliberal imperialism.

This model has been primarily theorised on a global scale (see e.g. Hobson 1948; Cooper 2003, Hahn 2008), but it has also tentatively been applied to the European integration, especially to the Eastern enlargement (Zielonka 2006). According to it, the zones of centre, semi-periphery and periphery play different although complementary roles, which, however, do not contribute any longer to a community of equal partners. The balance that the zones acquire is based on the condition that the semi-peripheral and peripheral countries are economically less developed. Thus, curiously, while actually dropping equality, its components could still consist of voluntarism and mutual economic interest (Veebel 2012, 25-26).

How could this model be of help with regard to understanding the meaning of the austerity measures? Its main value lies in depicting a possible outcome of recent developments in the EU and the eurozone. And while instead of voluntarism there appears to be coerciveness with the austerity measures, this could actually be seen as an extra argument in support of the neoimperialist model. Namely, coerciveness can be taken as a feature that describes the starting positions of the member states that are not characteristic to the unequal ones ordinarily assumed by neoimperialism. Empires are seldom built on member states that have enjoyed equal status. Hence, what might be called the EU Southern periphery (i.e. foremost the Mediterranean countries) can hardly be expected to give up their positions without a certain coercion. The picture in the Eastern periphery is different, as the loss is mostly perceived in terms of losing hopes for a quick catch-up. Thus, voluntarism in this neoimperialist model is a function, as well as the fact of acknowledgment, of the fundamentally unequal relationship between the partners. And the overt coerciveness is temporary, marking the transitional process and the consciousness of losing equal status.

Nevertheless, in this context, neoimperialism can also explain the comparatively little resistance in the Southern periphery. The austerity measures must appear as simultaneously, even if controversially, suitable to the (short-term) interests of the centre as well as of the periphery. Of course, this can only work as long as it is

believed that becoming a periphery to a powerful centre is beneficial to the peripheral countries as well as to the centre. Thus, do we see a possible change in the integration logic: from neofunctionalism to neoimperialism?¹⁵

However, it is to be doubted if neoimperialism can unequivocally be brought to bear upon the case. The motives of the main actors could still be (mostly) benevolent, it is rather the results that have turned somewhat unpleasant. According to Reinert and Kattel, it is mostly the dominant school of economic and monetary thinking and its uncritical practice which keeps the outcomes from corresponding to the original wishes. In a series of works, they have been focusing mostly on the manner and impact of the Eastern enlargement and the working of the common currency (Reinert and Kattel 2013, see also 2004, 2007). They argue that till the 1980s a “symmetrical integration” of countries with a comparable level of development was applied, which meant building up a strong industrial sector in each before the tariffs were lifted. In contrast, under the changed economic paradigm, the Eastern enlargement of the EU followed an “asymmetrical” logic where “poorer nations were integrated into a common economic space with much wealthier economies.” They show that the latter enlargement placed also the South into a much more asymmetrical integration framework as in addition to the increasing competition from China and East Asia the “competition from low-wage Eastern European economies undermined the upgrading of many South European companies” (Reinert and Kattel 2013, 4). This created “huge structural imbalances within the EU” which, in combination with a “highly peculiar financial structure of the euro zone”¹⁶ and with “a highly uneven national economic restructuring in terms of presence or lack of Schumpeterian dynamics”, lead to the current problems (Ibid.).¹⁷

Here, the role of the euro should be emphasised as it can be interpreted as an amplifier, if not partly a cause, of the weaknesses of the economies of the member states hit hardest by the crisis (Kregel 2011, Papadimitriou and Wray 2011).

Based on the above, it seems that with a corrective in terms of the quality of motives, neoliberal imperialism can indeed be summoned for help to offer one plausible explanation of the recent developments in the euro-zone. Along these lines, it could be hypothesised that neoimperialism has been applied largely unawares¹⁸, since the dominant economic school presupposes a free market regime to be able to

¹⁵ All three points that are outlined by Ongaro with the austerity measures – disintegration of a polity, lack of manifestation of enhanced integration, the active role of the governments instead of spill-over – seem to give credit to the neoimperialist model stepping onto the stage.

¹⁶ They describe it in terms of “a single currency but segmented sovereign and private capital markets, no uniform deposit guarantee scheme and the absence of a real lender of last resort” (Reinert and Kattel 2013, 4).

¹⁷ As they argue, “the Union essentially became a mix of a Ponzi scheme (sustaining private sector income growth by increased borrowing) and beggar-thy-neighbour policy, in the form of German wage constraints throughout the 2000s.” (Ibid.)

¹⁸ “Intuitively, we understand that what the European Union initially attempted to achieve is something qualitatively very different from colonialism. Successful economic integrations are win-win-situations that extend and develop dynamic capitalism into new areas. On the other hand, unsuccessful ones are forms of integration where one or both parties lose” (Reinert and Kattel 2013, 3-4). In their 2004 paper Reinert and Kattel saw the Eastern enlargement in terms of “Integrative and Asymmetrical Integration”. “This type of economic integration differs from the classical colonial version ... in that it attempts to integrate the asymmetrical partners – countries at different levels of economic development – into a welfare state.” (2004, 12).

bring along convergence in terms of welfare. But it could also be hypothesised that it is the neoliberal ideology which masks the features of neoimperialism as neofunctionalism. While these questions obviously need further research, the discussion over neoimperialism seems to help contextualising the austerity measures, seeing them as logical steps following the neoliberal paradigm.

7. Washington Consensus and public-management reforms

The discussion about neoimperialism brings attention to the fact that the kind of relations that one is able to notice in the EU have long been witnessed between the developed and developing world, where countries of a former category have been able to include the rest into free-trade agreements. This has seen a clear articulation in the “Washington Consensus”. The parallel is also stressed by Reinert and Kattel:

The internal dynamics of Europe is in some ways a microcosm of the same type of problems confronting the entire global economy governed by WTO rulebook and, perhaps even more importantly, bilateral free trade agreements: the key problem of uneven development in the productive structure, especially if [sic] the de-industrialized or non-industrialized peripheries, is marginally – if at all – addressed (2013, 5).¹⁹

But there is one further – if more indirect – analogy available in the neoimperialist practice. To come eventually back from discussing the EU identity to the public-management reforms, the way the Troika or the ECB forces its policies brings to mind, mostly in form but also in contents, the activities of the WB and the IMF towards the developing countries since the 1980s but especially in the 1990s. For their Good Governance agenda has largely been based on the New Public Management (NPM) ideas. And the NPM-style reforms have been essentially related to the “thin state” ideal. While these kinds of reforms have foremost been popular in the Anglo-American world (Samier 2001, 239), they were part and parcel of the Good Governance ideology recommended to the developing countries.

And the analogy for the EU is to be found not so much with the Anglo-American world, where these ideas had originated – though their impact there is not overly positive to say the least (Drechsler 2009a, 8-12; Verheijen and Coombes 1998 and Manning 2000, both in Drechsler 2005, 95) –, but with the developing world. Austerity measures and the accompanying cuts in the national Public Administrations (PA) that come with the borrowed money in the EU are conditional in a similar way that the Good Governance suggestions were for the developing world. But next to the coercive form of an international mode, the content of the measures can be seen as similarly abstract and unconstructive with respect to the well-being of national PA systems (Drechsler 2009b, Echebarría 2001, 2) as the NPM reforms have been for the countries without a working Weberian bureaucracy (Andrews 2013, Chang 2002, Peters 2001).

¹⁹ The mechanism how free trade with rich countries actually locks the less developed economies in a considerably undeveloped stage is explained with an ample range of historical cases by Reinert (2007).

To finish on a purely practical note, it can be observed that if these developments in the EU are correctly interpreted and will persist, one can expect a (mild) neo-imperial model to continue to arise within the EU, which will make it possible to distinguish the wealthy and also politically more dominating countries of the centre from the less well-off ones of the semi-periphery and from the peripheral and relatively “developing” ones. Hence, the harsh reality of the developed and developing world relationship may well be arriving in Europe.

8. Conclusion

The aim of this paper has been to preliminarily ascertain the general impact of the interventions of the ECB and the Troika on the identity of the EU. It derived this task from Ongaro, who puts forward a question about the sustainability of the European polity in the context of the austerity measures and the accompanying pressure for administrative reforms. Ongaro serves likewise as a source for the selection of most of the theoretical frameworks juxtaposed above. The way this paper proceeded was to discuss the explanatory power of those theories as to *coerciveness* and *destructive tendencies* as the main features found to characterise the interventions. These two features appeared while looking at the interventions from the perspective of policy transfer. Indeed, in contrast to other theories, the role of policy transfer in this work has been restricted to this particular task of outlining the main characteristics of the interventions. The argument has relied on two main assumptions about the identity of the EU: (i) an equal partnership of member states and voluntarism belonging to it; (ii) a constructive narrative whereby integration has to issue in building up the polity, not tearing it down, and do it inclusively for each member state.

Having related the traits of the interventions to the theories, the discussion established that Europeanisation and supranationalism do not stomach well the peculiarly coercive nature and the destructive impact of the measures of austerity and the cuts in the public budgets. By the same token, neoliberal imperialism was discovered to accommodate them with considerable ease. These results can be explained by way of looking at the premises of the theories. From this angle, apart from their differences, neofunctionalism (as the main source for supranationalism) and Europeanisation are theories tailor-made for grasping the idiosyncratic nature of European integration. The outlined assumptions about equality and voluntarism as well as the constructive logic of integration were found to be fundamental to them. In comparison, neoliberal imperialism is a more universal theory designed to elicit the international scene where the value of equality – while not inexistent – is reigned over by partial (national) interests and coerciveness that ensues from the latter rather than from a rule-of-law type constitutional relationship characteristic to the EU. On the international scene there is no such obvious need to ensure fundamental equality between the partners, as there is no responsibility to assure the real constructive effect for lesser associates. Therefore also voluntarism as an attribute differs in the two systems.

However, while the primary conclusions could be outlined in such a clear-cut manner, the picture has to be immediately amended. For the situation with the changes in European governance is in its entirety more delicate and ambivalent. This

ambivalence is conspicuous in the admission which combines neofunctionalism with neoliberal imperialism in its proposed model for grasping the reality of the measures, imputing the motives of the measures to the former and results to the latter. In this sense, however, an even broader perspective may be necessary. The wider meaning of the interventions does appear to need for its comprehension a combination of perspectives. As with the detected neoliberal influence that would not make sense without admitting the prevalence of neofunctionalist motives, for depicting the peculiarity of the situation the perspective of policy transfer and the contribution of Europeanisation proved valuable. The neoliberal framework was also needed in order to arrive at the hypothesis of the resemblance of the administrative reforms to a certain global institutionalist pattern.

Altogether, the discussion this paper puts forward can be looked at as composed of three levels. The first one can be said to emphasise a conceptual aspect where the two distinguished terms – coerciveness and destructiveness – form the specific focus. They work in parallel with the terms assumed to characterise the EU. On the second level, the discussion resulted in a binary model where a combination of neoimperialism with neofunctionalism was claimed to best comprehend the situation. The third level can be detected in the combination of theories that formed a wider basis for the current interpretation.

As to the possible lines of further research, each of the theoretical tools harnessed in this paper would undoubtedly deserve a separate and more detailed elaboration inasmuch as their contribution in explaining some aspects, or the entirety, of the measures cannot be exhausted by way of a general comparison. Eventually, the understanding of the situation depends also on the presuppositions a text has about the EU, the way it reads the facts relating to the interventions, the theories it employs etc. Thus, there await many alternative approaches to be pursued. Nevertheless, in terms of a practical focus, if the crux of the situation must be named, it seems to boil down to the question of how to interpret the creation of the EMU and the influence of the common currency to the integration and welfare of the European polity.

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ILLIMAR PLOOM, DPhil (des), is lecturer in political science at Tallinn University of Technology, Estonia. His research interests include state theory, history of European political thought, British Conservatism and theories of European integration. Correspondence: Illimar Ploom, Ragnar Nurkse School of Innovation and Governance, Akadeemia street 3, 12618 Tallinn, Estonia; E-mail: illimar.ploom@ttu.ee.