The Mosaic of Europeanization

An Organizational Perspective on National Re-contextualization

By

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Abstract

EU-integration is increasing in scope, depth and geographical space. It affects virtually all aspects of policy-making in EU member states. However, at the national level the impact varies widely across countries and sectors. This duality is likely to increase with the enlargement to the East. How can this contradictory picture be accounted for, and what does it imply for our understanding of European integration? The article proposes an organizational perspective on national re-contextualization, drawing upon institutional theory in sociology. It challenges integration theory as well as theories that try to explain different impact at the national level. First, a major part of EU-level integration does not always reflect rational or functional needs for increased efficiency. Second, a major part of integration taking place on the national level is outside the scope of traditional theories of integration. Third, consequently convergence and divergence are not necessarily opposites. And, fourth, degree of initial match or mismatch, or fit, is not a good indicator of, or explanation for, convergence or divergence.
The mosaic puzzle

An important part of the EU literature focuses on how increased integration through EU legislation, common institutions and policies affects member states with respect to governance structures and sectoral arrangements. Integration theories assume that increased EU-level integration leads to standardization of national institutions, organization structures and behaviour. However, the empirical picture is more complex. On the one hand, it is generally agreed that integration is increasing in scope, depth and geographical space. It affects virtually all aspects of policy-making in EU member states, as well as in states closely associated with the EU. On the other hand, when we look at the national level we find that the impact varies widely across countries and sectors. This duality is likely to increase with the enlargement to the East.

To what extent, and in what sense, can this contradictory picture of EU integration be accounted for? Like in a mosaic, the whole and the individual parts are mutually constituted, but it is not clear what the relationship is. Why and how does integration happen? Is EU-level integration leading to convergence, divergence or both? Modern society and politics can be pictured in quite different ways. For some, the modern world is differentiated and fragmented, and increasingly so. For others, it is increasingly integrated, through markets, exchanges, communication or widespread idealised belief systems. Such a duality is found not only in EU studies, but also in the literature on globalisation and in the general discussion on organizational change (Fligstein 1997).

Integration theories assume that rational and functional needs for efficiency drive EU-level integration. This leads to standardization of national institutions and practices. Studies of policy- making and implementation have, for some time, challenged this assumption. Discussions on convergence or divergence are, however, dominated by a top-down perspective emphasizing formal authority, diffusion or rational adaptation. The emphasis is on vertical integration between EU level and the various sub-units. Within such perspectives variations in convergence or divergence are explained in terms of degree of mismatch between the demands of EU decisions and legislation, on the one hand, and national institutions on the other. While such studies provide valuable insights, they do not capture the
complexity of national level (horizontal) integration of EU level decisions and rules or the full range of process that are at work.

This article proposes an alternative approach to study the national impact of EU-level integration, drawing upon institutional organization theory in sociology. It challenges several assumptions in integration theory as well as theories that try to explain different impact on the national level. First, EU-level integration does not always reflect rational or functional needs for increased efficiency, which has to be met one way or the other. Second, a major part of the integration that takes place on the national level is outside scope of traditional integration theories. Third, convergence and divergence are not necessarily opposites. And, fourth, degree of initial match or mismatch, or fit, is not always a good indicator of, or explanation for, convergence or divergence.

**An alternative perspective**

Theoretical assumptions shape expectations about the impact of EU-integration on national level. This article draws upon insights from sociological institutionalism in organisational theory to account for the contradictory effects of EU integration on national level. Sociological institutionalism is a perspective shared by a cluster of theories that not only differ considerably, but also to some extent contradicts each other (Andersen 2001).

One cluster emphasizes how cognitive and normative structures creating (almost deterministic) pressures for formal changes that mostly are symbolic and de-coupled from actual activities (Meyer and Rowan 1977, 1983, DiMaggio and Powell 1983, Meyer 2001). Another cluster of theories has a more open and pragmatic approach to the relationship between institutional environments and organizational structure, emphasizing various mechanisms of institutionalisation that influence forms and effects of environmental pressures. Such perspectives have also been applied to the study of Europeanization (Fligstein 1996, Jacobsson 1999, Mazza et al 1998, Stone Sweet et al 2001, Fligstein 2001).

We will develop various perspectives and theoretical arguments below. Here we will just make a rough statement of how the institutional perspective is employed in this article. The present argument is positioned within the second type of approach to institutional analysis. This approach, although using many of the same concepts as the other, is less deterministic. It
builds on a broader set of contributions that try to develop more nuanced arguments about effects and why they happen. Such studies represent an important contribution to what has been termed an institutional turn in the study of the EU. The present focus is on organizational processes at the national level through which EU-level decision and rules are re-contextualized. However, it does not only discuss effects of EU integration as processes of institutionalisation. It also locates such processes within the special institutional context of the central EU-system.

The article suggests a research model, a conceptual framework, anchored in institutional organization theory that may provide a common focus for widely different types of national responses to EU integration.

The focus is on three variables; the degree of

- loose coupling between EU-level institutions, decisions and rules and national level adaptation, affecting the nature of vertical integration
- de-coupling between formal rules and actual organization and behaviour at the national level
- top-down versus bottom-up control of national level processes integrating EU level decisions and rules

While the first two variables influences the space for national adaptation processes, the third variable capture key mechanisms that explain how particular patterns of national adaptation develop.

The most influential theories about EU integration, intergovernmentalism (Moravcsik 1993, 1998) and neo-functionalism (Haas 1968, Lindberg and Scheingold 1971, Tranholm-Mikkelsen 1991) make unrealistic assumptions about 1) formal and functional relationships creating tight couplings between EU and national level, 2) high degree of correspondence between formal EU rules and organization and behaviour at the national level and 3) a top-down EU control of national change. These theories of integration do not problematize the complex and contradictory patterns at national level. On the other hand, some who studied regulation (Wilks 1995, 1997) and public policy (Richardson 1996, Héretier 1999), rather than integration, became aware of the tension between levels, between formal structure and
actual behaviour and the degree of national level dynamics in relation to EU integration. Below we will present these arguments in more detail.

The three variables presented above may be combined in different ways. From national perspectives EU decisions and rules represent general and de-contextualised knowledge and prescriptions, sometimes specifying acceptable outcomes. A top-down implementation perspective tends to underestimate the process of national re-contextualisation, with considerable variations in organizational structures, behaviours and outcomes. The institutional argument presented here recognizes the impact of national institutions and interaction effects among parts of the system. This makes re-contextualisation a dynamic and complex process that involves normative, cognitive, formal and practical elements. The EU system has limited capacity and legitimacy for enforcing more uniform organisational national arrangements and practices. However, such capacities may vary across sectors.

When studying effects of EU level integration on national level it is useful to assume:

1) Both tight and loose coupling between EU and national level. Tight coupling implies high degree of interdependence and close causal connection between levels. This seems most likely with respect to general concepts and legal rules. Loose coupling between levels means that there is room for differences in national responses to EU legislation. This is more likely in relation to practical organizational and behavioural responses at the national level.

2) Possibilities for decoupling between formal structure and behaviour at the national level. In contrast to loose coupling, de-coupling has to do with how and to what extent formal structures guide action. Formal incorporation of EU legislation is likely to be paralleled by decoupling with respect to practical organization and action at the national level.

3) An independent impact of local institutions in shaping national organizations and actions relating to EU integration. Decoupling at the national level makes it possible for institutions to respond to complex and contradictory environmental demands. Local institutions provide understanding, resources, legitimacy and opportunities for organizational solutions and behaviour.
It follows from this perspective that EU-level integration is not necessarily reflected in more uniform or efficient national adaptation. Convergence and divergence are not necessarily opposites, but rather two dimensions of the integration process. And, due to local dynamics, degree of match or mismatch, or fit, are not necessarily a good indicator of, or explanation for, convergence or divergence.

Below we will first briefly summarise the discussion about convergence and divergence. This is followed by a discussion of different concepts of European integration. We then return to the major question of this article; namely how to interpret and explain the mosaic of EU integration. The final section summarises the main arguments and conclusions.

**The duality of EU integration**

The story of EU integration is characterised by a step-by-step retreat from bold claims about inevitable victory of efficient solutions, and the possibilities for top-down structuring of national systems through formal rules and regulation (Andersen and Eliassen 2001). In both the neo-functionalist and the intergovernmental perspective such processes were driven by the international economic and political context. In the neo-functionalist perspective integration would be characterised by a mix of structuring from above and national actors’ attempt to achieve ‘best practise’ (Haas 1968, Lindberg and Scheingold 1971). In the intergovernmental perspective the convergence effects of EU decision and legislations on national level were linked to pre-acceptance by national decision-makers (Moravcsik 1993, 1998). Key dimensions of integration were widening and deepening.

In the context of the internal market program, a general expectation was that increased EU integration would imply convergence on the national level. Some argued that this would imply convergence even in economic structures (Leonardi 1993). The present article concerns convergence of governance systems. This would imply not only common and shared legal rules, but also increasingly similar institutional, organisational, procedural and behavioural arrangements (Rometsch and Wessels 1996, Meny et al 1996). However, it soon became apparent that the picture was more complex. Expectations about a high degree of convergence, as increasing structural uniformity of sectors and spheres across countries could not be confirmed empirically. Convergence varied considerably and it was even possible to observe increased diversity (Dimitrova and Steunenberg 2000).
The convergence thesis treated effects of EU integration as a mix of implementation and diffusion of central EU decisions and legislation, as well as rational adaptation. Such models tend to exaggerate tendencies of national convergence as an indicator of integration. Implementation of legal rules, in the sense of incorporating EU legislation, is the best case for convergence: ‘A staggering feature of the EU has been the rather high level of compliance with rules … ‘(Olsen 2001:331). However, the impact on institutional and organisational arrangements and behaviour is more mixed. There seems to be a case for the robustness of national institutions, reflecting historical inefficiency or structural equivalence (Olsen 2003).

There are tensions between European integration and national adaptation. Such tensions are likely to increase and be demonstrated through conflicts and inconsistencies in the years to come as the EU enlarges to the East. The story about how integration impacts various national institutional arrangements and behaviours seems to develop in the same way as the theory of mass-communication. The top-down and one-step model was modified in a two-step model (Lazarsfeld et al 1948) and eventually a more complex multi-step model emphasising the local contextualization of information and knowledge (Severin and Tankard 2001).

Several sets of explanations why the top-down model of uniform EU integration does not hold have been identified; as is briefly exemplified below:

One has to do with problems of implementation, the need for flexibility or exemptions (affected interests, resources etc.), reflecting member states’ interests and institutional traditions (Knill and Lehmkuhl 1998).

Another has to do with the conditions for supernational and transnational norms to gain support and produce commitment in national settings (Checkel 2001).

A third is the uneven competitive position of member states; and the uneven ability of member countries (rich and poor) to absorb the costs of uniform norms (Scharpf 1996).

These arguments focus on structural tensions between EU decisions and rules, on the one hand, and national institutions, on the other hand. When core ideas, competence, resources and institutional arrangements match, or fit, the likelihood for convergence is high. When mismatch is strong, we can expect little or no convergence, or even divergence (Cowles et al
2001) However, such models tend to underestimate dynamic processes that, over time, may lead to different or even opposite results (Flagstad 2004).

From a convergence perspective increased integration, in terms of a widening and deepening of legislation that covers more and more countries, is incomplete, or even threatened. Given the interests, institutional traditions and relative poverty of new member states from the former Eastern Europe, it is even likely that divergence may increase in some areas. However, as Hix (1998: 39) argues, the process of Europeanization involves a complex, multi-level interaction, which may vary considerably across policy-areas. Contradictions and inconsistencies will be numerous, although such elements will vary with issue areas, and over time. To what extent does this picture provide us with a good and relevant understanding of the EU integration project?

Wallace (2001) represents a more open empirical approach to the issue of convergence. The reason convergence is hard to realise has to do with the tendency to incorporate the (even quite radical) impact of European legislation and litigation into the familiar routines of domestic politics. Each country has a set of characteristics deriving from national political and judicial traditions, which imprint national adaptation and practices. Already in the late 1980 she argued that there was a tension between widening and deepening, and that this tension would increase dramatically with enlargement to East (Wallace 1989). She does not explicitly challenge the theoretical assumptions underlying much of the convergence - divergence debate. However, by her focus on the dynamics of the national process of integration, she points in a direction that the present article will develop, drawing upon insights from sociological institutionalism.

The convergence - divergence debate for some time tended to treat EU decision as independent and given, before analysing national effects (Jupille et al 2003). As has been pointed out, EU decisions will reflect complex political compromises due to close interaction with national political processes in member countries. In some cases the interplay between political processes at the EU and national level will also reflect that the EU and member states are facing the same external challenges relating to globalisation. The deregulation of the Telecom sector is a case in point (Eliassen and Sjøvaag 1999). We will keep this in mind as we proceed.
A key challenge regards how to interpret national patterns in relations to EU decision and rules. In cases characterized by loose coupling between levels, there is a danger that underlying shared ideas and norms may be overlooked due to variations in everyday institutional arrangements and practices. On the other hand, due to de-coupling, similar organizational arrangements do not necessarily correspond to similar practices.

Another challenge has to do with processes of national transposition, which shape and modify input from the EU level. Key elements relate to decoupling and dynamic interaction effects. The literature on convergence and divergence has identified degrees of match or mismatch as key factor explaining outcomes. Arguments are mainly about structures. Little has been done to specify the processes that shape national responses. Over time, such processes may display considerable dynamics. It is possible that initial mismatch may initiate processes that lead to convergence or the other way around (Flagstad 2003).

Studying effects of EU integration there is a balance to be struck. For some time there was considerable optimism with respect to the possibilities of designing institutions and organisations. This has given way to a more pessimist – and perhaps more realistic – view on the processes of institutionalisation. Consensus and support for particular solutions at the EU level may underestimate not only national variation, but also the generic complexity and paradox of modern society and politics (Olsen 1998).

The general hypothesis that increased European integration necessarily implies convergence at the national level has been refuted in numerous studies (Dimitrova and Steunenberg 2000, Sverdrup 2000, Olsen 2003). Still, few seem to challenge the assumption about increased EU integration over time; through widening and deepening as well as expansion through new member countries. If this is a reasonable account of empirical tendencies, what does it mean? Before we present an alternative theoretical argument we will briefly discuss the concept of EU integration in relation to different theoretical assumptions.

The concept of integration

An important motivation for developing a European governance system is to increase functional efficiency and uniformity of structure, process and outcome. The EU is sometimes referred to as a ‘benign technocracy’ (Wallace 1996: 44). The question is how far such
processes can go. The concept of integration has been central to EU studies. Looking at the literature on EU integration, theoretical perspectives make different assumptions about the nature of the integration process. Such assumptions shape expectations about what kind of system that is evolving, and what kind of processes which are at play.

Neo-functionalism (Haas 1968, Lindberg and Scheingold 1971) and intergovernmentalism (Moravcsik 1993, 1998) define integration in term of functional and instrumental interdependency and efficiency. Both theories see EU integration as response to member states’ need for more efficient collective arrangements. Key dimensions of integration are widening and deepening. There is little discussion of how EU integration may affect national level in different ways and to different degree².

In contrast, it was studies of regulation (Wilks 1995, 1997) and public policy (Richardson 1996, Héretier 1999) that identified the varying impact of EU-level integration across countries and sectors. These studies did not discuss EU integration as such, but they focused on the tension between levels, between formal structure and actual behaviour and the degree of national level dynamics in relation to EU integration. However, the discussion of convergence and divergence seems to assume – often implicitly – that integration ideally should imply increased rationality, assuming tight functional links between parts³. It also assumes that similar structural or behavioural arrangements, or sometimes functional equivalents, are valid indicators of national integration.

In organization theory integration can be defined as the process of combining or adding parts or elements into a systematic whole⁴. Integration is characterised by the density, intensity and the nature of relations between constitutive elements (March 1999: 134-5). The three aspects of integration are not necessarily highly integrated. A definition of weak integration emphasises mainly interconnectedness and adherence to some general principles and frames. A strong definition of integration assumes that interconnectedness is characterised by tight

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² Another perspective on EU integration, historical institutionalism (Pierson 1996) assumes that today’s decisions reflect unintended consequences of earlier decisions. Integration is not a tidy process, so one could imagine lack of correspondence between EU decision and national level implementation. However, this is not discussed.

³ In particular the neo-functionalist have been criticised for a teleological bias.

couplings between elements, and that elements increasingly reflect similar organizational and behavioural operationalisations of shared ideas and frames.

For a long time it was thought that the EU was mainly a matter of negative integration; i.e. the removal of obstacles or barriers for contact, exchange and the development of shared space. The internal market was considered the key example (Scharpf 1988). Positive integration involves commitment to common projects that transcend or completely replace existing practices. Such integration projects were considered much more demanding politically. The introduction of the EMU and the Euro are key examples. Attempts to establish a common Foreign and Security Policy is another example, which illustrates the complexities and difficulties involved. However, both the internal market and the EMU project were motivated by a wish for, and were expected to create, strong integration. Nevertheless, considerable variations may still be observed also in these areas.

Due to the far-reaching transformations going on, notably the enlargement to the East and the new constitution for Europe, the difference between negative and positive integration is not so clear-cut. Still, the traditional concept of integration seems to imply expectations about an emerging governance structure characterised by a more coherent and cohesive system. If this is the case, integration should indeed imply convergence in national institutional arrangements and practices, at least as a trend. The lack of such a trend would imply a lack of real integration. How realistic is such a definition of integration and its structural and behavioural consequences in the modern world? What kind of integration are we talking about? To what extent does the discussion of convergence and divergence capture what is the real issue?

While students of European integration have been looking for convergence, theories of modern societies and states have emphasised the de-institutionalisation of modern societies and states. Modernity implies a different type of structuring than what is assumed by theories of rational and unitary actors. The complexity and diversity of modern societies and states makes it unlikely that uniform institutional pattern will emerge over time, and it is not even clear what it means (Castells 1996, Fligstein 1997). In contrast, theories about EU-integration

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seem to be based on too strong assumptions about vertical integration between EU and national level, the design effects of formal rules and the nature of national structures and processes. However, such theories do not discuss these three dimensions explicitly, as variables.

The dominant models of EU integration have some characteristics in common with theories of modern public management. The latter represents a mixed lot, but a general assumptions is that institutions and organisation can be shaped by a rational framework which will, in turn, structure national adaptation through incentives (Flagstad 2004). In the EU the ‘designers’ are engaged in complex political-administrative processes, but the formal decisions and legal arrangements produced are assumed to work as a formal frame, structuring the system. Convergence and divergence are discussed in terms of mismatch between EU level principles and rules and national institutions, in terms of game playing or competitive selection (Knill and Lehmkul 1998, Scharpf 1996).

Below we will develop an alternative to approach integration and the question of convergence or divergence. This approach draws upon general concepts in sociological institutionalism in organisational theory. Within this general perspective some theories emphasize how cognitive and normative structures create (almost deterministic) pressures for formal changes that mostly are symbolic and de-coupled from actual activities (Meyer and Rowan 1977, 1983, DiMaggio and Powell 1983, Meyer 2001). The present argument is positioned within another cluster of theories. Although using many of the same concepts, such theories have a more open and pragmatic approach to the relationship between institutional environments and organizational structure, emphasizing various mechanisms of institutionalisation that influence forms and effects of environmental pressures. Such perspectives have also been applied to the study of Europeanization (Fligstein 1996, Jacobsson 1999, Mazza et al 1998, Stone Sweet et al 2001, Fligstein 2001).

Three key variables are of central concern. These variables may, in principle be combined in many different ways. However, when looking at the EU, in the area of governance, we will argue the following:
First, integration between EU and the national level is not only – or even primarily - viewed in terms of rational or functional relationships which create tight coupling between levels. In contrast, integration rests on shared abstract (and idealised) models of institutions and organisation. Such general models may be reflected in different ways and in different degrees in specific national institutions and organisations (Meyer and Rowan 1977, 1983). Key questions relate to the dimensions and degree of loose coupling.

Second, due to the abstract, formal and flexible requirements of EU rules versus member states, the relationship between organizational structure and behaviour is characterised by a tendency to de-couple. The degree of decoupling may vary considerably across issue areas and over time. Convergent structures may disguise quite different behaviour, and the other way around (Meyer and Rowan 1977, Brunsson 1989, Jacobsson and Schmid 2002). A key question is how to measure convergence and divergence.

Third, the impact of European integration on the national level is a multi-dimensional and paradoxical process of institutionalisation. EU legislation and court rulings create pressures towards vertical integration; i.e. acceptance of general principles, organisation models, trade offs and regulatory arrangements. However, the number and nature of mechanisms involved makes the process of national integration of EU level decisions and rules take on a life of its own (Jacobson 1999, Stone Sweet et al 2001). A key question is through what kind of processes and mechanisms existing national institutions are affected, consolidated, transformed, reframed or re-labelled.

Below we will discuss how EU integration affects national convergence and divergence in relation to each of the three variables introduced above.

**What kind of convergence and divergence?**

*Conformity of ideas and rules leaves space for national adaptation*

From a national EU-level decisions and legislation involves a de-contextualisation of how issues, particular facts and options are described and dealt with. Due to political pressures from member states or other interests, this de-contextualisation may be modified, usually by adjusting general concepts and rules, or by omitting certain elements (Wallace and Wallace 1998, Andersen and Eliassen 2001). Consequently, EU-level decisions and rules represent
general and idealised description of problems. In addition demands on member states’
adaptation are often expressed as flexible standards and procedures or ambiguous outcomes.
Sometimes demands are formulated in very detailed and absolute ways (such as
environmental standards), but most often not. It is not uncommon that decisions and rules
represent general norms and standards to be implemented through the so-called Open Method
of Co-ordination (Jacobsson and Schmid 2002).

It follows that one can often assume a fairly tight coupling between the EU and national level
in terms of general perspectives, concepts, legal categories and general purpose of EU
requirements. However, there is considerable space for variations in actual organizational
behavioural arrangements on the national level. This corresponds to the classical finding of
Meyer and Rowan (1983: 56) when studying international patterns of convergence and
divergence in education. Schools succeed or fail according to their conformity to institutional
rules, rather than an evaluation of how they actually organise and carry out their day-to-day
operations. Conformity with institutional rules provides legitimacy, and in some cases
legality, but there may be a loose coupling between such rules and supposed efficiency of
local arrangements.

The fact that formal rules often serve as symbols or general frames, as cover for many
different types of practices, does not rule out that such rules may work according to intention.
This is more likely when rules are fairly concrete with respect to organizational and
behavioural arrangements. In such cases formality is closely linked to substance. Looking at
governance systems in EU member countries, this would require that abstract and idealised
description of issues and solutions contain essential recipes for organization and action
(Stinchcombe 2001). However, as pointed out, the nature of EU rules and regulations are
most often not of this nature.

Possibilities for normative and cognitive Europeanization – as transformation of national and
particular discourses, rules and practices in terms of EU perspectives, concepts, legal
categories and rule – will vary considerably (Featherstone et al 2003). In the case of market
building there are international, institutionalised and embedded knowledge and experience
that can function as a bridge between abstract principles and concrete solutions
(OECD/GATT). In some economic sectors the EU’s general market model will be modified,
primarily on the basis of national considerations and interests. As long as the national level
discussion does not manage to bridge different models we should expect limited convergence
with respect to how regulatory tasks are organized and how rules are interpreted, as there has
been for a long time in the energy sector (Andersen 2000).

Sverdrup (2000) has studied how the introduction of the EMU criteria led to reforms in
national statistical standards. This is an area where models are relatively specific and strongly
affected by professional evaluations. Still, there is considerable variation when it comes to
how such standards are used in national and EU level political games. Convergence of
organisational and institutional form may, therefore, obscure differences with respect to how
they actually operate. It is even possible that convergence may be correlated with increased
divergence at the behavioural level.

National administration is an area where functional logic in principle is strong, but heavily
influenced by political and legal national tradition. In such areas, national values, concepts
and norms can function as an effective counter weight to the convergence process since very
few directives spell out specific demands on the organisation of administrative activities.
National administrations are also governments’ most important instruments for pursuing
national strategies in relation to the EU. In line with this, research shows few signs of
convergence between national administrative systems (Bulmer and Burch 1998, Olsen 2003).

There is an important difference between the impact on partial processes or elements that are
affected, and the overall break-through for certain ideas or models that may vary locally.
Consequently, one can argue that the discussion of convergence and divergence does not
capture the overall cognitive and normative integration that is going on. EU-level and
national-level processes also reflect broader international trends. Such frames are reflected in
EU institutions and procedures, and it is often assumed that they play a role in shaping
various national decisions and adaptations. In a similar vein, the literature on convergence
and divergence tend to under estimate the space for local adaptation stemming from de-
coupling between formal structure and behaviour in a process of active national re-
contextualization of EU decisions and rules.
De-coupling between formal structure and actual organization and behaviour

In almost all institutions and organizations there is a constant pressure towards de-coupling between formal structure and behaviour (Meyer and Rowan 1977, Scott 1991). De-coupling is a structural concept, and the higher degree of de-coupling, the less likely that formal structure will correspond to actual organization and behaviour. In parts of organisational theory, and particularly within institutional theory, it is often argued that formal structure is an uncertain and unreliable indicator of what is actually going on (Meyer and Rowan 1977, 1983, Brunsson 1989, Meyer 2001). It may be more useful to see de-coupling as a variable, so that the relationship between structure and behaviour may vary. When looking at national governance institutions, we will in many cases expect that strong pressures towards de-coupling.

De-coupling can be seen as a result of organizations having to comply with and relate to different and conflicting external demand. Such demands have to be dealt with under constraints on attention, time and relevant resources. This is an important reasons why EU level policies or formal rules may have significant space for national adaptation, in light of national experiences, resources, competencies, standard operating procedures and the need to trade off different concerns (Røvik 1998, Sahlin-Andersson 1998).

Even in the areas where EU integration is strongest, we will expect to find national variation when we look into details of actual organization and behaviour. Competition policy was the first ‘supranational policy’ in the EU (McGowan and Wilks 1995). Similarly, Eyre and Lodge (2000), studying competition policy, provide a detailed account of the Europeanization of competition law as reform processes. They describe the tension between convergence and divergence as countries increasingly ‘playing a European melody, but with distinct national tunes’. This also raises another issue; is it particular outcomes or the nature of processes involved that should be our focus? In a similar vein, Sitter (2001:26) suggests that the process of Europeanization may apply as much to the coordination or interrelation between reform processes as to the content of policy.

EU decisions and legislation represent a special type of external demands on national systems. National representatives have been participating in decision-making and legislation, and to some extent national interests and traditions have been taken into account. On the other
hand, EU demands are usually formulated in terms of abstract principles and rules, without specific demands about particular national institutional arrangements and actions. EU directives rarely, if ever, prescribe particular organizational or organisational solutions (Dimitrova and Steunenberg 2000: 202). Formal incorporation of rules still leaves considerable room for local solutions and practices.

The question of how non-operative ideas, norms and rules impact the organisational and behaviour level is a tricky one. Broderick (1970: xxiii, cited in Olsen 2001:340) argued that institutions represent fundamental principles and organising ideas providing ‘themes of development’. How, in particular cases can one judge when something is the same, similar or falling outside what is required by a principle or a rule?

Sometimes such judgements are based on political processes, other times through litigation. For instance, the demand for market-based organization in energy sectors has put strong pressures on national monopolies, but as they break up the Commission accepts mergers creating huge corporations with cross-national oligopolistic positions in parts of Europe. So, there is an acceptance for basic principles of market organization, but this can include arrangements that do not necessarily lead to increased price competition in Europe. On the other hand, huge European corporations may be able to prevent the penetration of huge American corporations (Andersen 2000).

This example illustrates that the application of general principles and rules may be regarded as rough or fuzzy frames and norms (Burns and Roszkowska 2003). They serve as regulative frames, providing legitimacy and guidance. In this way they may produce convergence, although they are pursued in different and controversial ways. However, such effects are difficult to measure. We need to know more about how actors come to accept general worldviews as authoritative, legitimate and meaningful frames of thought and action in a national context. Attempts to specify such factors are found in the EU literature, perhaps most clearly in neo-regime theory (Checkel 2001). A limitation of such studies is that the focus on specific processes tends to play down the wider institutional context, which may provide overall direction to diverse processes.
Are national systems changing or transforming? And, if transformation is taking place, is it leading to convergence, or even (more) divergence? The answers to such questions depend not only on where you look, but also theoretical base-line assumptions and how they are operationalised. It is possible to have both convergence and divergence – at the same time. This is documented in the study of how the (American) MBA concept has developed in Europe. There are considerable variations with respect to what an MBA consists of, while it is still an MBA (Mazza et al. 1998). In less institutionalised areas like human rights and social policy such variations are even greater.

This leads us to the question of how to conceptualise the process of institutionalisation leading to convergence and divergence on the national level.

**National level institutionalisation as re-contextualization**

Within sociological institutionalism the concept of institutionalisation is defined in many different ways. Within the cluster of theories that focus on understanding forms and effects of institutionalisation various definitions emphasize social processes that serve as relatively autonomous templates, producing different national effects. Stone Sweet et al. (2001:10-11) distinguishes different sources of institutionalisation: 1) external pressures and demands, 2) local system dynamics producing convergence or divergence and 3) the role of entrepreneurs as agents for transformation.

EU decision and rules may serve as welcome frames that can legitimise national practices that are already in place. This was, to a large extent, the case for Britain when the EU liberalized European energy markets (Andersen 2000). In many other cases EU level demands will interact with national political processes, influencing alliances and power distribution. We have already discussed the nature of external pressure from the EU level on the national level in the area of governance. There is a fairly tight coupling between EU level and national level in terms of general ideas, concepts, legal categories and rules, but a much looser one in terms of actual requirement on national arrangements. Pressures towards de-coupling provide additional space for national adaptation. On this basis it is not possible to develop specific expectations about effects of EU integration on actual organization and behaviour. Instead we will discuss how national system dynamics and entrepreneurship shape institutionalisation processes.
Highly institutionalised logics of national organisation and institutions may be an important source of resistance or innovation when responding to pressures for change. It constitutes a powerful repertoire of material practises and symbolic constructions available for individuals and organisations to draw upon. Studies in organization theory show that institutions are sources of knowledge, competence and legitimacy, which play a key role in translating, accepting, rejecting or exploiting EU (or any external) models or rules (Czarniawska and Sevon1996, Røvik 1998, Mörth 2002). Such arguments are also consistent with observations that national institutions may be very robust and preserve core elements although going through major changes over long periods of time (March and Olsen 1989, Dobbin 1994).

In some cases national adaptation may reflect well-tried national contextualised recipes for action. Rules that are more familiar are more likely to be invoked (March and Olsen 1989:25). Actual responses to demands for change may, therefore, often incorporate elements of continuity; through recreation, reframing or preservation of symbolic elements. This is most likely when EU decisions and rules contain few specific prescriptions about actual organization and regulatory arrangements. Such findings are consistent with the general notion that clear, concrete and specific ideas and rules will tend to dominate over those that are ambiguous and general (March and Olsen 1998).

In a number of situations, implementation of EU decision and rules will not be driven by the wish to solve national problems but rather by the need to establish symbolic organisations that provide legitimacy (Jacobsson 1999). Institutional and organizational standards are translated and transformed so that they can be ignored (re-labelling) or contribute to national solutions. Such processes may be part of conscious strategies or simply those certain labels or categories seem more appropriate (Ugland 2003). In relation to such an understanding of Europeanization and convergence there is yet little systematic empirical evidence.

In an actor-oriented version the emphasis is on how key actors or ‘skilled actors’ (Fligstein 2001), sometimes as part of a network, act as entrepreneurs in an organisational context. Such actors exploit opportunities or react to crises, through reframing, building of new alliances etc. This notion is quite different from the idea that national adaptation is primarily about the internalisation of rules. Both at the EU and national level actors develop new authoritative or
legitimate frames and ‘concepts of control’ which may facilitate or challenge pressures for institutional change (Fligstein 1996). Adaptation has elements of active sense-making and social construction. Entrepreneurial strategies and styles may vary, and national institutions and organisation may have different degree of slack.

Independent pressures for change at the national level may interact with external demands. Elements of institutionalised behaviour may also be vulnerable to national level erosion, rejection or replacement over time. This may create openness for, or even demand for, alternative institutional models. Sometimes strongly institutionalised national arrangements may be very loosely coupled to internal practices. The historical reasons or visions behind particular arrangements may have eroded, while practices have evolved to meet new realities. In such cases general EU-models may serve as an alternative ‘package solution’ which can replace existing institutional forms with little political controversy or effort. The reorganization of Norwegian sales monopoly for medicine, as the response to internal market regulation⁶ is an example of this. The strong political motivation had faded, while privatisation and market models had gained general support. The internal market reform presented not only a challenge, but also an opportunity and a solution (Moen 1998).

National adaptation and transformation are often explained with reference to the interaction between the EU- and national-level and between (parts of) national systems, but it may also reflect that both levels are co-evolving within a shared context. Integration, and differences in convergence and divergence, may be the outcome of parallel processes on different levels. Much of the literature is too deterministic, paying too little attention the active and innovative aspects of national adaptation. In relation to this, it is also important to realise that convergence or divergence also may change over time. This is a parallel to findings from public management reforms (Pollitt 2002, Flagstad 2003).

There are numerous questions about how EU-integration affects national adaptation, but it is harder to identify a limited set of overall questions. In the present context the focus is on how national integration input can be dealt with as processes of institutionalisation, which may lead to both convergence of overall themes or institutional forms and organizational and behavioural arrangements that can be interpreted as a pattern of overall EU integration. A
better grasp of these dynamic, as well as possible outcomes, is important to understand what EU integration is all about. Below we will discuss how various types of national level adaptation and transformation can be linked to four major contexts of integration.

Re-contextualization and contexts of integration

The previous section discussed the impact of EU-level integration in relation to three variables: 1) degree of loose coupling between levels, 2) pressures for de-coupling between EU level demands and actual national level organization and behaviour, and 3) the dynamics of local re-contextualization processes. The two first variables define the space for local re-contextualization. Below we will first show how they can be combined to define four ideal type contexts of national re-contextualization. Although providing different scope for national processes, they represent frames constraining and shaping institutionalisation processes. This leads us to a discussion of our third variable, namely the dynamic of national and local institutionalisation processes.

Degree of loose coupling between central EU level and national has two dimensions. One concerns the normative, cognitive and legal, the other concern the specific demands on national organizational and behaviour. In some cases there is a tight coupling on both dimensions (tight/tight). In most cases tight coupling on the normative, cognitive and legal dimension is paralleled by loose coupling with respect to demands for specific practical arrangement (tight/loose).

Pressure for de-coupling concerns the basis for local adaption. When central EU level pressures for adaptation dominates the national context, the pressures for de-coupling is weak. When national level actors face other strong competing and conflicting demands, the pressures for de-coupling will be strong.

If we combine the two variables we get four ideal type contexts of national re-contextualization. They are institutional contexts that (in principle) make it possible to interpret national re-contextualization processes and outcomes as parts of wider EU integration.

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6 Through the European Economic Area Agreement.
We see that classical theories of EU integration represent a special case, what we may call *imposed convergence*. This type combines tight coupling between EU level and national level, with respect to both normative/ cognitive and practical organizational and behavioural requirements, on the one hand, with weak pressures for de-coupling, on the other hand. The three other types – which we have called *interactive convergence, autonomous convergence and deviant convergence* - fall outside the scope of such theories. However, there is reason to believe that these three other types make up the majority of cases. This would be consistent with the observed mosaic pattern of national integration. However, these types can also be used to contextualize national processes of adaptation, within countries and national sectors.

**Figur 1: Ideal type contexts of national re-contextualization**

<table>
<thead>
<tr>
<th>Coupling between EU level and national level:</th>
<th>Normative/ cognitive:</th>
<th>Practical:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>tight</td>
<td>tight</td>
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<tr>
<td>Pressure for De-coupling</td>
<td>loose</td>
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<td>weak</td>
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<tr>
<td>1. imposed convergence</td>
<td>traditional</td>
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<td></td>
<td>integration theories</td>
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<tr>
<td>2. interactive convergence</td>
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<tr>
<td>3. deviant convergence</td>
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<tr>
<td>4. autonomous convergence</td>
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</table>

What we may call *interactive convergence* relies on mutually reinforcing interaction between EU level pressures and national level interests. Typical examples are cases where EU level decisions and legislation reinforce already existing tendencies at the national level, as part of a solution. There is a tight coupling between EU and national level with regard to normative, cognitive and legal integration. However, no specific organizational and behavioural models are imposed. On the other hand, there are weak pressures for de-coupling. In such situations there are local incentives to enact the spirit of EU level decision and rules. This is, to a large extent, what happened in the case of telecom liberalization. It is also quite common that some countries welcome EU initiatives because they have played an active role in bringing them about. This was, for instance the case for Britain in relation to directives pushing for
liberalization of the energy sector. In some situations, EU decisions and directives may be welcome because existing solutions do not work, and there is an ongoing search for alternative solutions.

What we call autonomous convergence is a quite common type of local re-contextualization. Adaptation and transformation in organizational and behavioural level takes place within a context of normative, cognitive and legal convergence. However, demands for particular organizational and behavioural patterns are weak. There are strong pressures for national decoupling. This provides a certain autonomy for national processes of adaptation and transformation. Such situations are partly a reflection of how central EU decisions and rules are made. Due to conflicting interests, EU level decisions and rules will omit certain sensitive issues, standards will be formulated in such a way that they provide flexibility or can be ignored. Again energy sector regulation may serve as an example. Plans for one central EU regulatory agency for electricity and natural gas was abandoned for national agencies, and the countries were given considerable room to develop different organizational and procedural solutions. The open method of co-ordination is a mechanism that allows autonomous convergence.

The last type we may call deviant convergence. In such situations there is tight coupling with respect to normative, cognitive and practical arrangements, but at the same time strong pressures towards national de-coupling. Such cases are not so common, since strong pressures for decoupling usually leads to various forms of loose coupling with respect to practical demands on national level. However, in some cases impact of decisions and rules may be realised too late or reflect unsuccessful attempts to influence or lobby. Such situations will be more common for EEA-countries, as policy-takers with limited capacities to influence EU. An example is how the veterinary directive made hunters’ traditional handling of meat unfit for commercial purposes. Procedures and control are in principle strict and penalties tough. However, there is there is a considerable black market for handling of meat. Also, some forms of slaughtering which follow religiously motivated procedures may be considered illegal, but still be tolerated.

The point of departure of this article is the contradictory picture of EU integration. On the one hand, integration is increasing in scope, depth and geographical space. It affects virtually all
aspects of policy-making in EU member states, as well as in states closely associated with the EU. On the other hand, when we look at the national level we find that the impact varies widely across countries and sectors. Given the present argument, this should be no surprise. Only in a limited number of cases can we expect convergence on the national level. Integration theories more or less took for granted that this would be the typical, and it was supposed to have uniform effect for all member countries in a policy area. In our typology such cases correspond primarily to what we have called impos...
Deviance becomes normal and legitimate, or ‘informality can take the form of deviant action aiming at achieving the ends that the abstractions failed to achieve (Stinchcombe 2001:7).

Actors in organization at the national level translate abstract and idealised EU decisions and rules into practical life. Situations with a need for coordinated action, or judgement of particular arrangements or action, will produce pressures enforce more uniform rules, arrangements or practices. However, in complex systems as the EU there will be limited capacity for such actions, although administrative sanctions, auditing processes, litigation processes and political discussions will raise issues about consistency of rule implementation and practices. A large and complex system will have to live with considerable tensions and paradoxes. Such tensions and paradoxes represent a dynamic aspect, which also means that initial match/ mismatch, or degree of fit, between EU level pressures and national level is not always a good indicator of, or explanation for, convergence or divergence over time.

Studying the mosaic of Europeanization, the challenge is to combine the idea of an overall tendency towards convergence with considerable variations across countries and sectors. What is the relationship between these tendencies? We need to be more specific about the concept of institutional form in a way that captures ideational, structural and behavioural elements. Mazza et al (1998), in their study of how MBA-programs developed in Europe, pointed to three factors of relevance her: First, similarities were primarily formal and procedural aspects. Second, development of individual programs reflected unique patterns – rather than one single pattern - of adaptation. Third, the difference between the general model and specific versions of it was not considered a trade-off, but rather two aspects of the same process.

Is it one Europe or several, or both (Wallace 2001)? European integration may reinforce existing tendencies at the national level, but also create opposition. Adaptation at the national level may lead to changes in institutional forms. Often it amounts to no more than reframing or re-labelling existing structures and practises. Sometimes adaptation and transformation is gradual and incremental. In other cases national patterns that have been resistant to pressures of European integration will go through sudden, innovative and unexpected transformations. The inter-relationship between the EU and national level is dynamic and fuzzy, transforming
the interface between them. Gatekeeper roles change, old boundaries disintegrate and new ones are created. This creates new allegiances, alliances and mobilisation patterns.

**Concluding remark**

This article has discussed different ways to study how EU integration affects the national level. It suggests a framework that may provide a common focus for widely different types of national responses to EU integration. It is based on an organizational perspective of the EU as a system. The focus is organizational processes at the national level though which EU decisions and rules are re-contextualised. Dominant perspectives of EU integration are generally weak on organizational dynamics. The nature of Europeanization processes makes it an interesting laboratory for exploring and specifying mechanisms of institutional adaptation, transformation, resistance or even overadaptation. However, in many ways the challenge is not only to find concepts and causal mechanisms that may be of relevance in explaining specific outcomes. The key questions is as much what to explain, namely what kind of correspondence we can reasonably expect to find between EU integration and national adaptation.

Theoretical assumptions also have important normative implications. Integration theory and intergovernmental theory both assume that integration is driven by efficiency. Looking at the EU from an organizational perspective raises the issue of what kind of integration that is going on, or what we can expect to find. Another implication is that we should be more open about what integration may be. Under what conditions do we get strong integration, as standardization of organization and behaviour across countries? Is it possible that successful integration in some cases may be a bad thing, in the sense that it creates unnecessary complications or undermine support for the EU project? Does the institutional set up of the EU contribute to the diversity in a positive way, or could it undermine the EU project? The de-contextualizing style of central EU decision-making and legislation is a powerful way of simplifying and overcoming political differences. On the other hand, it creates tensions with regard to the re-contextualization in the implementation stage. Such tensions are likely to increase with enlargement.
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