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The Mosaic of Europeanization: An Organisational Perspective on National Recontextualisation

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### The mosaic puzzle

The point of departure of this article is the contradictory picture of EU integration. 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 standardisation of national institutions, organisation 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, 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. How and to what extent does integration happen? That there is considerable variation in national impact of EU-level integration across countries and sectors have been established in several studies. The question here is what such variations imply for our understanding of EUintegration. Theories of integration have paid little attention to the national impact of EU level integration. On the other hand, studies emphasizing national variation have not been concerned with overall EU-integration.

Integration theories assume that rational and functional needs for efficiency drive EU-level integration. A high level of *vertical* integration between EU level and the various sub-units is taken for granted, or at least not questioned. This, in turn, leads to expectations about standardisation of national institutions and practices. Studies of policy-making and implementation have, for some time, challenged this assumption. They challenge a simple top-down perspective of implementation. Is EUlevel integration leading to convergence, divergence or both? However, such studies

do not capture the complexity of national level (*horizontal*) integration of EU level decisions and rules or the full range of processes that are at work.

The traditional concept of integration implies that EU-level integration should lead to 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? What kind of integration are we talking about? To what extent does the discussion of convergence and divergence within policy-making studies capture what is the real issue? This article suggests an alternative approach that draws upon general concepts in sociological institutionalism in organisational theory.

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 external cognitive and normative structures create (almost deterministic) pressures for formal changes that for the most part are symbolic and de-coupled from actual activities (Meyer and Rowan 1977, 1983, DiMaggio and Powell 1983, Meyer 2001). Another cluster of theories, although using many of the same concepts, have a more open and pragmatic approach to the relationship between institutional environments and organisational structure. They emphasize 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). The present argument is positioned within the second cluster of theories.

EU-level integration may create pressures towards more uniform patterns of national governance systems. However, a sociological institutionalist approach implies a concept of integration that allows the relationship between the EU and national level to vary. Such variation also makes it possible to interpret variations across countries and sectors as different types of integration. Two dimensions are of central concern. These dimensions 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 the EU and the national level should not only – or even primarily – be viewed in terms of rational or functional relationships that create

tight coupling between levels. Alternatively, in an organizational perspective, an important aspect of integration rests on shared abstract (and idealised) models of institutions and organisation that are reflected in central EU decisions and legislation. However, the degree to which decisions and rules contain specific requirements for national level organizational solutions and actions may vary considerable (Meyer and Rowan 1977, 1983). Key questions relate to the nature and degree of loose coupling that provide space for acceptable structural variation at the national level. The first dimension is, therefore, to what extent EU decisions and rules dictate, constrain, shape or facilitate organization and behaviour at the national level.

Second, there is a tendency towards de-coupling between organization structures and actual behaviour at the national level. Such a tendency is due to the abstract formal and flexible requirements of EU rules, on the one hand, and national level interests and institutions, on the other hand. The degree of de-coupling 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 when structural indicators cannot be trusted. The second dimensions, therefore, is the extent to which local pressures for action or specific solutions challenge EU-level requirements for national adaptation.

Combining these two dimensions we get four different integration contexts that influence how and to what extent EU-level integration impact national organizational and behaviour. This makes it possible to classify national impact into broad sets of outcomes. The traditional concept of European integration, which we call *imposed integration*, corresponds to one of these types. However, the three additional types of integration makes it possible to bridge ideas about overall EU-integration with the considerable variation in national impacts across countries and policy areas. We have called these three types *aligned*, *autonomous and deviant integration*. They will be developed and explained later.

The four types provide a framework for the study of national recontextualization processes. However, when studying specific instances we must also take into account the dynamic and autonomous nature of such processes. 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. We will discuss such re-contextualization as processes of institutionalization.

Below we will first briefly discuss how integration theories have dealt with the impact of EU-level integration on the national level, and how such perspectives relate to studies showing variations in such impact. We then return to the major question of this article; namely how to interpret and explain the mosaic of EU integration within an organization theory perspective. The final section summarises the main arguments and conclusions.

#### **EU-integration and national impact**

The concept of integration has been central to EU studies. Integration theories 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. The most influential theories about EU integration are intergovernmentalism (Moravcsik 1993, 1998) and neo-functionalism (Haas 1968, Lindberg and Scheingold 1971, Tranholm-Mikkelsen 1991). The two theories see EU integration as a response to member states' need for more efficient collective arrangements, although processes leading to EU integration differ. Key questions relate to different types of integration. However, these perspectives do not address the relationship between levels, and the impact on national level is largely taken for granted.

At best, such theories explain different degrees of EU-level integration. One important distinction is between widening and deepening. Widening refers to the extension of EU-policies to new issue areas or new member countries. Deepening has to with the strengthening of common EU authority and policy in relation to the national level. Another important distinction is that between negative and positive integration. Negative integration concerns the removal of obstacles or barriers for contact, exchange and the development of shared space. The internal market is considered the key example (Scharpf 1988). Positive integration involves commitment to common projects that transcend or completely replace existing

practices. Such integration projects are considered much more demanding politically. The introduction of the EMU and the Euro is a key example.

Integration theories pay little attention to how EU integration may affect national level in different ways and to different degree<sup>1</sup>. Neither do they problematise the complex and contradictory patterns of EU-level integration on the national level. In contrast, some who study regulation (Wilks 1995, 1997) and public policy (Richardson 1996, Héretier 1999), rather than integration, have become aware of tensions between levels, between formal structure and actual behaviour and the high degree of national level dynamics in relation to EU-level decisions and polices. Such studies of policy implementation or comparative politics are not specifically concerned with the nature of overall EU-integration. Still, the discussion of convergence and divergence seems to assume – often implicitly – that similar structural or behavioural arrangements, or sometimes functional equivalents, are valid indicators of national integration.

In the context of the internal market program, a general expectation has been that increased EU integration would imply convergence on the national level. Some have argued that this should lead to convergence even in economic structures (Leonardi 1993). The present article concerns convergence of governance systems. This would mean 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, studies of how EU policies and legislation is implemented at the national level demonstrate that the picture is more complex. Expectations about a high degree of convergence, as increasing structural uniformity of sectors and spheres across countries cannot be confirmed empirically. Convergence varies considerably and it is even possible to observe increased diversity (Dimitrova and Steunenberg 2000).

The convergence thesis treats 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 structural convergence at the national level 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). 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).

Several sets of explanations of why the top-down model of uniform EU integration does not hold have been identified, as is briefly exemplified below. It is argued that lack of national level convergence is due to:

(i) problems of implementation, the need for flexibility or exemptions (affected interests, resources etc.), reflecting member states' interests and institutional traditions (Knill and Lehmkuhl 1998).

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

(iii) 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). 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.

Arguments about structural match or mismatch tend to underestimate the autonomous and dynamic nature of national integration processes. 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). Moreover, as Hix (1998: 39) argues, the process of Europeanization involves a complex, multi-level and actor-driven 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. From an organizational theory perspective a limitation of this argument is that it places too much emphasis on rational actors and to little on institutions.

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 that derive 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.

#### **Convergence and divergence – an alternative perspective**

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 tension between EU-level integration and national variation is a reasonable account of empirical tendencies, what does it mean?

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 practises at the national level. On the other hand, due to de-coupling between formal structure and behaviour, similar organisational 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 de-coupling and dynamic interaction effects at the national level. 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.

In organisation theory integration can be defined as the process of combining or adding parts or elements into a systematic whole<sup>2</sup>. 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 strong integration assumes that interconnectedness is characterised by tight couplings between elements, and that elements increasingly reflect similar organisational and behavioural operationalisations of shared ideas and frames. A definition of weak integration emphasises mainly interconnectedness and adherence to some general principles and frames.

From the perspective of organization theory, integration theories make unrealistic assumptions about the EU as a system. They emphasize 1) formal hierarchic and functional relationships creating tight couplings between the EU and national level, and 2) high degree of correspondence between formal EU rules and organisations and behaviour at the national level. These two dimensions may, however, vary and be combined in different ways.

From national perspectives EU decisions and rules represent general and decontextualised knowledge and prescriptions, sometimes specifying acceptable outcomes. Demands for implementation of EU-level decisions and legal rules may often, therefore, allow for a loose coupling with respect to specific organizational solutions and actions at the national level. EU decisions will reflect complex political compromises due to close interaction with national political processes in member countries. In addition, there may be varying degrees of local pressures for de-coupling between EU-level requirements and national adaptation. This may be the case even if countries face fairly similar problems. Such pressures may arise from specific preferences or embedded knowledge, institutional arrangements etc.

It follows that the impact of EU-level integration on national recontextualization can be defined in relation to two major dimensions, the degree of

- tight or loose coupling between EU-level institutions, decisions and rules and national level adaptation, affecting the nature of vertical integration
- degree of de-coupling between formal rules and actual organisation and behaviour at the national level

The *degree of tight or loose coupling* between EU and national level relates to two aspects. One concerns the general norms and cognitive models reflected in decisions and legal rules. When countries support or at least accept EU-level decisions and rules, this almost always imply an element of convergence. In this sense there is always a tight coupling between the EU and national level. The other aspect concerns specific demands relating to national organizational patterns and actions. In some cases there may be a tight coupling with respect to this aspect, but most often we will expect degrees of loose coupling. Loose coupling between levels means that there is room for differences in national responses to EU legislation.

In contrast to loose coupling, *de-coupling* has to do with how and to what extent formal structures actually guide action. For a number of reasons, formal incorporation of EU legislation is likely to be paralleled by de-coupling with respect to practical organisation and action at the national level. When central EU level requirements for adaptation dominates the national context, the pressures for decoupling is weak. When national level actors face other strong competing and conflicting demands, the pressures for de-coupling will be strong. The latter is more likely when EU demands threaten interests, institutional arrangements or routines for action.

EU decision and legislation do not only reflect member states' efforts to find common solutions to challenges that they are facing. There is a pressure from the EUlevel attempting to shape national systems or create pressures in a certain direction; i.e. to create a tight coupling. Integration theories have assumed tight coupling between level in terms of both the cognitive and normative, and organizational and behavioural aspect. At the same time there was no concern with national level pressures for de-coupling. Studies of national implementation and policy-making have implicitly allowed for differences in degree of tight or loose coupling, as well as with respect to EU-level control over national adaptation. However, such studies do not link national level variations to an understanding of overall EU-integration.

We have introduced two major dimensions relating EU integration. If we combine the two dimensions we get four different types of overall integration, as contexts of national re-contextualisation. Note that we assume that there is almost always a tight coupling between levels with respect to the cognitive and normative elements of EU decision and rules. This aspect is still included in the dimension defining degree of tight or loose coupling, as a reminder of the two-aspects of this relationship. The typology of institutional contexts for national level re-contextualization does not capture the wide variation of specific outcomes, but it provides a framework for interpreting clusters of studies in terms of overall integration. Below we will present the typology and discuss the different types in more detail.

## Types of integration - contexts of national re-contextualization

The typology is presented in figure 1. We see that classical theories of EU integration represent a special case, what we may call *imposed integration*. This type combines tight coupling between EU level and national level, with respect to normative, cognitive, organisational and behavioural requirements, on the one hand, with weak pressures for de-coupling, on the other hand. Integration theories more or less took for granted that this would be the typical. In such cases EU-level integration can be expected to have uniform effect for all member countries in a policy area. However, we know that the impact at the national level varies widely across countries and sectors. Given the present argument, this should be no surprise. Cognitive and normative convergence is reflected in acceptance of EU-level decision and incorporation of legal rule. However, only in a limited number of cases can we expect corresponding convergence in organizational structure and behaviour at the national level.

The three other types – which we have called *aligned, autonomous and deviant integration* - fall outside the scope of traditional integration theories. However, there is reason to believe that these three other types make up the majority of cases. These types of integration can also be used to contextualize national processes of adaptation, within countries and national sectors.

Figur 1: Types of integration - contexts of national re-contextualization

Cognitive/normative: Organizational/behavioral:		tight tight	tight loose
Pressures for de-coupling at national level	weak	1. <i>imposed integration</i> integration theories	2.aligned integration
	strong	3.deviant integration	4. autonomous integration

Coupling between EU level and national level:

What we may call *aligned integration* relies on mutually reinforcing overlap of interest between EU level and national level interests. There is a tight coupling between EU and national level with regard to normative, cognitive and legal integration. However, no specific organisational 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. Such alignment can have different sources.

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 liberalisation of the energy sector. In that case EU directives could serve as frames that could legitimize national practices that were already in place (Andersen 2000). In other cases EU level decisions and legislation reinforce already existing tendencies at the national level, as part of a solution. This is, to a large extent, what happened in the case of telecom liberalisation all over Europe (Monsen 2004).

In some situations, EU decisions and directives may be welcomed because existing solutions do not work, and there is an ongoing search for alternative solutions. The reorganisation of Norwegian sales monopoly for medicine, as the response to internal market regulation<sup>3</sup> 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).

What we call *autonomous integration* is a quite common type of local recontextualisation. Adaptation and transformation in organisational and behavioural level takes place within a context of normative, cognitive and legal convergence. Demands for particular organisational and behavioural patterns are weak. At the same time, there are strong pressures for national de-coupling. This provides 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 brought up during the decision-making process, 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 in favour of national agencies, and the countries were given considerable room to develop different organisational and procedural solutions. The open method of co-ordination is a mechanism that allows autonomous convergence. In some cases the solution is

simply to introduce symbolic decisions and structures that correspond to EU demand, while ignoring the substance. A typical example is when directives are incorporated as national law, but not pursued in terms of attention, resources, action or sanctions.

The last type of institutional context we may call *deviant integration*. In such situations there is tight coupling with respect to normative and cognitive as well as organizational and behavioural arrangements. At the same time there are strong pressures towards national de-coupling. Such cases are not so common. Normally, the political process leading to EU-level decisions will allow for some element of loose coupling when strong national level preferences and important institutional arrangements are affected. Strong pressures for de-coupling usually lead to various forms of loose coupling with respect to practical demands on national level. This would lead to what we have called *autonomous* integration.

However, in some cases the impact of decisions and rules may be realised too late or reflect unsuccessful attempts to influence or lobby. An example is how the veterinary directive made hunters' traditional handling of meat unfit for commercial trading. Procedures and control are in principle strict and penalties tough. However, 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. Deviant convergence is more likely for new and inexperience EU countries or EEA-countries. EEA-countries are policy-takers with limited capacities to influence EU.

The typology which has been presented shows that traditional theories of integration – representing what we have called *imposed integration* – only covers a restricted set of situations. In most case the impact of EU-level integration at the national level will be covered by the other three types of integration, what we called *aligned, autonomous* and *deviant* integration. The different types may characterize the impact of EU level integration in various areas, but most often countries will vary along these types within the same issue area. This is consistent with observed variations in national impacts, producing a mosaic of EU-integration at the national level.

Only in the case of *imposed integration* is EU integration linked to an expectation about overall increase in uniformity of norms and legislation, organization structure and behaviour at the national level. In the three other types of integration, the relationship between norms and legislation, actual organisational and

behavioural arrangements may vary considerably. Normative and cognitive integration is not always matched by similar organizational and behavioural arrangements. This also means that convergence and divergence are not necessarily opposites, but rather two dimensions of the integration process. And, due to local dynamics, degree of initial match or mismatch, or fit, are not necessarily a good indicator of, or explanation for, convergence or divergence.

Below we will first discuss in more detail how national context of integration may vary along the two dimensions, degree of tight or loose coupling between level, and degree of pressure for de-coupling between structure and behaviour. We will then turn to the question of how local dynamics may influence national impact over time.

#### Conformity of EU level rules and legislation leaves space for national adaptation

From a national perspective EU-level decisions and legislation involve decontextualisation of how issues, particular facts and options are described and dealt with. Due to political pressures from member states or other interests, this decontextualisation 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 they are 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 organisational 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 organisational 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 organisation and action (Stinchcombe 2001). However, as pointed out, 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 rules – will vary considerably (Featherstone and Radaelli 2003). In the case of market building there are international, institutionalised and embedded knowledge and experiences 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-contextualisation of EU decisions and rules. This is the topic of the next section.

### De-coupling between formal structure and actual organisation and behaviour

In almost all institutions and organisations there is pressure towards de-coupling between formal structure and behaviour (Meyer and Rowan 1977, Scott 1991). Decoupling is a structural concept, and the higher degree of de-coupling, the less likely that formal structure will correspond to actual organisation 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 organisations 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 reason 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 organisation 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? Similarly, Sitter (2001:26) suggests that the process of Europeanization may apply as much to the co-ordination 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 organisational or behavioural solutions (Dimitrova and Steunenberg 2000: 202). Formal incorporation of rules still leaves considerable room for local solutions and practices.

The question of how non-operational 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 on litigation. For instance, the demand for market-based organisation 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 a an acceptance of basic principles of market organisation, 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 study the process of institutionalisation leading to convergence and divergence on the national level.

#### National level re-contextualisation as institutionalization

The above discussion has outlined how national contexts of integration may vary. Such integration contexts frame processes of re-contextualization, or processes of (re) institutionalization. Within sociological institutionalism, theories that focus on understanding forms and effects of institutionalisation have emphasized various 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. We have already discussed the nature of external pressure from the EU level on the national level in the area of governance, in terms of different types of integration contexts. There is often 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 organisation 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. Such factors influence how actors perceive identities and interests. Studies in organisation 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 organisation 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 decisions 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 organisational 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 reflect that 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.

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 EUmodels may serve as an alternative 'package solution' which can replace existing institutional forms with little political controversy or effort. National adaptation and transformation are often explained with reference to the interaction between the EUand 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.

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 perspectives and 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 calculation, but also active sense-making and social construction. Entrepreneurial strategies and styles may vary, and national institutions and organisation may have different degree of slack.

The entrepreneurial perspective on national re-contextualization implies that EU demands do not only create pressures for specific arrangements. They also activate and mobilize national actors, often triggering search for new ideas and opportunities. 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 can be dealt with as processes of institutionalisation. Such processes often lead to convergence in terms of overall themes or institutional forms. At the same time, variations in organisational and behavioural arrangements can be interpreted as a pattern of overall EU integration. A better grasp of these dynamics, as well as possible outcomes, is important to understand what EU integration is all about.

#### Concluding remarks: Understanding the mosaic

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 organisational perspective of the EU as a system. One key element is the introduction of four types of integration contexts. Such contexts influence how and to what extent EU level integration have an impact at the national level. The typology makes it possible to interpret national variation in relation to overall EU integration. It also shows that convergence and divergence are two dimensions of integration that are not necessarily opposites. Another key element in the article concerns the dynamic and autonomous nature of national re-contextualization. Theories of EU integration, as well as studies of policy-implementation, are generally weak on organisational dynamics.

The nature of Europeanization processes makes it an interesting laboratory for exploring and specifying mechanisms of institutional adaptation, transformation, resistance or even over adaptation. 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 question is as much what to explain, namely what kind of correspondence we can reasonably expect to find between EU-level integration and national impact.

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? The typology of integration contexts suggests that different contexts are associated with specific integration processes, each with its own type of outcome. Types of integration bridge EU-level demands and national level dynamic in different ways. However, national re-contextualisation also reflects local institutions that shape interests, action recipes, mobilisation of resources, entrepreneurial capacities etc.

The concept of institutional drift has been used to characterize situations where institutions at the first-order (national) level can be modified without this being noticed or sanctioned at the second-order (EU) level (Zucker 1988, discussed in Holm 1995). (Snook 2000), in a different context, introduces the concept of 'practical drift' to account for such processes, i.e. the tendency, over time, towards de-coupling of local practice from written procedures (p. 225). 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 organisations at the national level translate abstract and idealised EU-level decisions and rules into practical life. Situations with a need for coordinated action, or judgements of particular arrangements or actions, will produce pressures to 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 as the EU will have to live with considerable tensions and paradoxes. Such tensions and paradoxes represent a dynamic aspect. This also means that initial match or 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.

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.

Neo-functional theory and intergovernmental theory both assume that integration is driven by efficiency. Looking at the EU from an organisational perspective raises the issue of what kind of integration is going on, or what we can expect to find. An implication is that we should be more open about what integration may be. Under what conditions do we get strong integration, as standardisation of organisation 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-contextualisation in the implementation stage. Such tensions are likely to increase within an enlarged EU.

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<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> Webster Third New International Dictionary, Chicago 1981.

<sup>&</sup>lt;sup>3</sup> Through the European Economic Area Agreement.