



Europe entrapped, by Claus Offe

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REVIEW ESSAY

Europe entrapped, by Claus Offe, Cambridge, UK, Polity Press, 2015, 136 pp., ISBN 9780745687513 (hardcover); 9780745687551 (e-book)

Since his early academic publications about the university system and democracy more than 50 years ago, Claus Offe has become an eminent figure in critical theory and critical policy studies. In *Europe Entrapped*, he picks up on three strands of his previous work: his focus on the socioeconomic aspects of the legitimation crises of late capitalism during his cooperation with Jürgen Habermas in the early 1970s; his consideration of the policy aspects of the crisis in crisis management during his Bielefeld years with Niklas Luhmann in the mid-70s and 80s; and his study of the sociocultural aspects of European integration since the 1990s in Bremen and Berlin. Readers of his numerous articles find a typical ‘Offe-sound’, which consists of a sober academic tone mixed with newly combined theoretical approaches and categories, creative analytical distinctions, rich empirical illustrations and discoveries of seemingly unsolvable social paradoxes.

From the 1970s on, Claus Offe has been a skeptical observer of the European integration process. Whereas Jürgen Habermas overcame his initial reservations about European integration as early as the 1980s, Offe kept on soberly insisting that the member states of the EU still lacked a collective social and political identity (Offe 2000). In the last decades, these two senior figures of German critical theory have been split on the issue of the best policy for Europe. Whereas Habermas has presented the European integration process as a model for other areas of the world, and urged deeper social and political integration in the EU (Habermas 2009, 2015), Offe has insisted that the deepening of European integration has irreversibly undermined the traditional welfare states at the national level and will eventually turn Europe into a neoliberal dystopia.

In his new “‘continental’ little book’ (vii), Offe continues his critical analysis of EU development, but adopts a new tone to discuss its political consequences. Fear of the negative consequences of the current crisis he diagnoses in the Eurozone and the EU has turned him from a skeptic observer of European integration into a desperate advocate of deeper European integration.

According to Offe, Europe is undergoing a multiple crisis – that is, a crisis consisting of several parts among which the financial (sovereign debt and private indebtedness) is the most pressing. Offe sees no political agent capable of pulling the Eurozone and the EU out of this mess. Europe is ‘entrapped’ because there is no realistically accessible escape route.

Europe Entrapped is a short but nevertheless original contribution to the current debate about the European crises. Whereas other scholars (like Thomas Piketty and Paul Krugman) argue about the economic measures that should be taken, or about the overall direction in which European integration should proceed (like Jürgen Habermas and Wolfgang Streeck), Offe touches on all these matters but focusses mainly on ‘the question of agency’ (3). He wonders what kind of calculations hinder the relevant actors from pursuing any of the debated paths, and why they should nevertheless be taken. This

question is relevant in particular on the level of European politics, because ‘what we are passively *affected* by is beyond our collective capacity to *act upon*’ (3).

In the first five chapters, Offe describes the multilayered origins of the crisis. In chapters six to nine, he discusses a set of possible political agents and policies that could lead the EU out of the current situation; but he rejects all of these suggestions and diagnoses Europe as deeply entrapped in a negative spiral. Finally, in the twelfth and last chapter, the reader gets a vague idea of how Europe might find a way out of these traps into the direction of a sustainable economic, social and political recovery.

Offe starts his analysis by exploring fairly well-known topics. In contrast to the neoliberal paradigm that has become hegemonic since the 1980s, he emphasizes that markets are constitutively dependent on a strong state that is (a) able to create a playing field on which market transactions can be conducted and (b) capable of intervening in ongoing market processes in order to prevent their implosion. With regard to the former, it is necessary that the state institutionalizes and regulates ‘*property* rights, *contract* rights, and the *currency* that allows market participants to enter into commercial transactions’ (9). With regard to the latter, the state needs to prevent the creation of monopolies and to mitigate the negative external effects of market processes. At the same time, market actors generally *reject* any interventions in the market sphere that they themselves will not directly benefit from, for example, sectoral subsidies. Therefore they usually prefer arrangements that either weaken the state directly (deregulation) or that strengthen their own ability to sidestep government actions (negative supranational integration).

Offe successfully demonstrates that no support for effective agency is to be expected from private economic actors in the market sphere. The intense market integration in Europe to date has weakened the incentive for member states to regulate markets, since economic actors, like companies or banks, are free to leave any state that takes measures to their short-term disadvantage. The consequences of this mechanism corrode the options for policy making at the national level: a market integration that is not guided by political integration gives economic actors numerous ‘exit’ options which directly strengthen their ‘voice’ (Albert O. Hirschman) in the national political arena.

These findings form the background for Offe’s political analysis. Given the current level of European integration, he argues that it would not be rational for either the countries in the ‘core’ (the creditor states), or the ‘periphery’ (the debtor states) to dissolve the Eurozone. On the one side, the core would benefit even in times of crisis (e.g., with regard to capital flows from the periphery or with regard to a relatively weak Euro that would increase their export levels). Furthermore, the core is anxious to keep the Union intact in order not to lose its main trading partners; for instance, it is rather unlikely that the German car company BMW would export as many vehicles to Greece if the country were to leave the Eurozone and restore the Drachme. On the other side, the periphery fears a disruption of the currency union, since this would not only lead to the possibility/necessity of devaluing a new currency but also lead to an increase in prices for imported goods, thus making daily life more expensive. Inflation would be highly likely to follow from this. And this in turn would lead to a rise in interest rates, in order to keep inflation at a modest level, which would eventually destroy the initial economic gains resulting from the disintegration of the currency union. ‘In sum, even if the technical problems of a currency re-conversion could be handled, both sides of the new European divide would stand to lose from it and would therefore resist it. *The Euro, in short, is a mistake the undoing of which would be an even greater mistake*’ (55). It follows from such a dramatic diagnosis that something has to be done by political actors because no quasi-automatic evolution in line with *laissez faire* doctrines can be expected.

Which political agent has the capacity to lead Europe out of this trap? Offe discusses and rejects in chapters 5–9 a number of possible candidates for such a role (pan-European institutions such as the European Parliament or the European Commission or nation states like Germany). None of them is qualified to do what has to be done. What exactly has to be done Offe tells the reader on the very last page of his book: ‘Nothing less will do than a carefully designed set of EU-sponsored material entitlements, this time not destined to the rescue of banks and states, but to those workers, unemployed, youths, pensioners, and citizens who are most severely affected by the financial crisis’ (130). The crisis requires increasing levels of positive or social integration in order to strengthen the supranational institutions that alone are able to regulate a transnational market, to end the competition between nation states, to harmonize the economic structures within the currency union in a political way, that is, different from the ‘one size fits all’ measures that currently predominate, and to eventually pave the way for a European budget and financial institutions that correspond to the idea of supranational ‘solidarity’ (99). This suggestion, and the arguments for it, is not very different from the one Jürgen Habermas has been making for two decades. So we are back to the question of how such a policy could be created and implemented.

In Offe’s line of argument, ‘solidarity’ plays a crucial role. Solidarity answers the question of why – apart from rational calculation – EU member states, ‘losers’ and ‘winners’ alike, should cooperate and deepen European integration. Although Offe in this book – and in many other publications – skillfully oscillates between rational-choice (RC)-inspired arguments, economic analyses, cultural explanations and moral considerations, he finally opts for the latter perspectives without totally neglecting the RC-view. The reason for such a mix has to do with the limitations of strictly RC-calculations. It is as simple as it is convincing: ‘You cannot ever be certain about whether gains realized will be worth the sacrifices made. If you fail to commit yourself to principles of solidarity and European-wide cosmopolitanism and overcome your obsession with suspecting others of playing moral hazard games against you, the chances are that you will end up violating even your most selfish interests’ (103). In chapter seven, Offe presents one of his legendary cross-tabulations of two dichotomized dimensions, this time on the configuration of political forces and preferences (81). In contrast to the – ‘market-making pro-integrationists’, to the ‘renationalization of class conflict’, and to the ‘rightist anti-integration populism’, Offe can be positioned in the ‘market-constraining pro-integrationist’ corner of his matrix. This faction opts for “‘Social Europe”, a political entity that is not just the scene of unfettered competition and factor mobility but at the same time protects the victims of market competition and enables them to cope with its challenges’ (83). According to Offe, such a position has to be taken due to principle as well as rational calculation. This double strategy, however, leads to problems which have recently been fiercely debated among critical observers of European politics from the left in Germany – people such as Jürgen Habermas, Wolfgang Streeck and Fritz W. Scharpf.

Whereas Habermas – here in accord with Offe – argues for a political integration that is needed to create a ‘Social Europe’ and thereby rescue the European project as a whole, Scharpf and Streeck are highly skeptical about the assumption that a deeper integration will ever be able to solve the current problems. Their objections are based on economic as well as on political arguments. Economically, Streeck doubts the possibility of homogenizing the economies of the common currency states within the union (2013, 2014); politically, it is Scharpf who takes the lead in questioning whether democratic standards can be satisfied at the same time as attempts are made to make government structures at the supranational level more effective (2015).

Among the best sections of the book are Offe's observations about the discourses and narratives which surround the crises (92–98). These differ markedly from member state to member state. According to Offe, two striking equivocations peculiar to the German language are strategically used in Germany and Austria. These equivocations come with the term 'Schuld' (referring in German both to feelings of guilt and the attribution of negative sanctions for wrongdoing, and also to the obligations and status of being a debtor – 'Schuldner') and also with the term 'Haushalt' (referring both to an individual household, from financial assets to kitchen equipment and furniture, and to a budget set by state authorities). Both equivocations and their semantic ambiguities play an important role in the domestic framing of the crisis. The misguided analogies they suggest are strategically exploited by media communicators and political actors to shape domestic support for policies of austerity.

In his book, Offe seems anxious to demonstrate the strategic, RC viability of a deeper, more positive European integration. This is the case when he propounds the effectiveness of a further democratized EU in which decisions could be taken by a majority (111) or when he refers to the well-known argument of scale which underlines the necessity for political agencies to transcend national boundaries in order to be able to regulate global markets (119). However, such arguments are neither new, nor do they seem to be capable of convincing the skeptical voices that are highly critical of such a reasoning (e.g., Scharpf 2015). This should not come as a surprise to Offe who, as mentioned earlier, himself reveals the principal limitations of the RC-inspired line of arguments. Thus, the strength of Offe's book is to be found on the principle-based side of the coin. According to this aspect, the most important task consists in reframing the common perception of the current crises. 'Frames', as Offe explains, 'are [...] positively and negatively selective social constructs that can be strategically chosen in order to make others adopt a perspective suggested by the framer' (94). According to Offe, such a reframing-process should lead to a shift away from questions about 'causal responsibility'; instead, European policy makers and citizens should start to care about 'remedial responsibility'. 'Causal responsibility concerns what you have done, remedial responsibility what you can (afford to) do' (106). Focusing on 'remedial responsibility' is synonymous with acting in solidarity. Another well-known metaphor, the reference to a European *family*, illustrates the argument rather well. When a family member is in distress, one would not usually start by asking about his responsibilities, but rather about measures that could be undertaken in order to relieve his or her misery. Only after having done that, would the 'family council' come together to discuss provisions that could prevent the 'black sheep' from slipping again into an unpleasant situation. Taking the alternative path and blaming the 'sinner' again and again without doing anything to better his or her situation would probably lead, finally, to a family break up – a scenario that is no longer impossible within the European family.

Pushing the family metaphor one step further reveals a second important aspect that comes with Offe's reframing proposal. This kind of behavior on the part of the core family would lead the intermittent black sheep to expect some sympathy. That those parts of the European citizenry that currently suffer most deserve the solidarity of those who are better off, according to Offe, becomes even more obvious if one takes into account that they have not even taken the decisions that led them into their present misery (114).

These considerations eventually lead away from RC calculations and focus on questions of basic principles of justice, that is, on morality. With this shift of perspective, Offe touches upon a group of themes that have so far been almost neglected, although they are crucial for approaches that are related to critical theory. These subjects are 'indignation'

and ‘progress’ (Iser 2016). According to Offe, only a mindset of solidarity will cause feelings of indignation, and only these feelings will lead to further progress. Thus, the current crisis does not just confront Europeans with questions about the best possible solutions; it confronts citizens of the EU with the question of how they want to perceive themselves. It is, in other words, not a technical crisis, but one that points at their collective identity *as Europeans*. However, it remains an open question whether Offe’s proposed strategy could mobilize citizens’ and politicians’ support for deeper European integration. Attempts to persuade people to engage with the European project by claiming that alternative scenarios would most probably make them worse off seem to fall short of responding to the problem of collective identity as ably outlined by Offe. They sound more like a desperate cry in the face of current trends toward renationalization.

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