terms in exchange for euro membership has unleashed a backlash against that country and deepened cleavages between northern and southern Europe. In the process, the Greek negotiations have unwound the willingness of many EU citizens to join their political fates together, a commitment that constituted the heart and soul of the European project. The result is a less cohesive Europe, one that is unwilling to act in the world as a single unit and thus less able to address the continent's key challenges: economic stagnation and unemployment, the influx of political refugees, and political instability outside its borders. More broadly, the Greek debt crisis has demonstrated once and for all the fragility of a polity that does not rest on robust institutions and norms of legitimate democratic governance.

What I have called 'Everyday Europe'—the layering of laws and institutions that profoundly shape the cultural life of EU citizens and those beyond—will persist.[14] The deep roots of the EU have reshaped Europe's terrain irrevocably. But the events of the past months have made a mockery of the EU's innovative community. For a time, it seemed that an almost unimaginable Kantian "zone of perpetual peace" had been established in Europe, as national power politics gave way to the spirit of collective governance. No longer. For the millions that have lived under a free, stable, prosperous, and ever-expanding Europe, the divisions exposed during the Greek crisis represent a devastating turn of events. The question is whether the EU's political community can once again reinvent itself to face these demands. Our ability to parse out answers will be strengthened if we draw from the comparative historical study of political development and state formation.[15] Only then can we fully appreciate the institutional, cultural, and political deficits facing the EU today—and how to fix them.

Exit only when the Walls Come Down? The Greeks in the Euro-Trilemma

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Membership in the Euro has an uncanny similarity to marriage. It is quite easy to walk down the aisle if you are able to present a solid economic background and utter a credible vow of commitment. But it is fiendishly hard, and possibly ruinously expensive, to get out of it. That is one of the most striking lessons of the drama that engulfed the eurozone since late 2009, and

[14] Kathleen R. McNamara, *The Politics of Everyday Europe: Constructing Authority in the European Union* (Oxford University Press, 2015); Kathleen R. McNamara, "Imagining Europe: The Cultural Foundations of EU Governance," *Journal of Common Market Studies* 53 (2015):1-18.

[15] Stefanie Börner and Monika Eigmüller, eds. *European Integration, Processes of Change and the National Experience* (Palgrave Macmillan, 2015); Kathleen R. McNamara, "Constructing the EU: Insights from Historical Sociology," *Comparative European Politics* 8 (2010).

that escalated to unheard of levels after the 2014 general elections in Greece produced the first far-left government ever in a euro country.

After a campaign based on the rejection of austerity policies and the regaining of economic sovereignty for Greece, the Syriza government of Prime Minister Alexis Tspiras evoked enthusiasm among the many progressive critics of the euro rescue measures. Their hope was that a coalition of dissatisfied states would now be able to reverse the strict programs of fiscal consolidation and supply-side reforms that dominated the European response to the crisis and that had led to wide-spread economic distress. Secretly, some conservative euro-sceptics might have welcomed the Syriza victory, too. It conjured up a tantalizing prospect: in order to carry through his rebellion against a mighty die-hard coalition of fiscally orthodox Northern governments, Tsipras would eventually not only have to credibly threaten exit but also follow through on it. And thus this core group of euro states that the fathers of monetary union had imagined as the normal outcome since the first debates on a common currency and that Germany's finance minister had propagated in a famous paper two years after Maastricht would have come one step closer.

The hopes of both the anti-austerity crusaders and the sceptics of a large eurozone foundered. Although an exit of Greece seemed close in the weeks after July 5, 2015, when the Greek population, encouraged by the Tsipras government, delivered a resounding "Oxi (No!)" to the latest bailout terms, it did not happen. Instead a bargain was struck that left nobody happy. Obviously, there is something in the euro that resists the unsentimental calculations of economists wedded to OCA theory or political scientists drawing up the contours of incompatible varieties of capitalism. It is quite easy to find explanations for that. First, taking the political gamble to take a country out of the euro requires politicians with a penchant for political suicide. Everybody agrees that, whatever scenario unfolds in case of an exit, there will temporary chaos before things might take a positive turn. This temporary chaos would be weathered by mobile capital much better than by the typical clientele of a leftist party and by most ordinary citizens. Second, the euro has always been a powerful symbol of successful participation in a European Union which, despite everything, represents one of the most attractive socio-economic models in the world. Popular opinion in Greece never favored a Grexit, reflecting this fact. Third, uncertainty is a powerful deterrent in politics. Greece as well as its partners shied back from the incalculable.

Does that mean that a Grexit (or Cyprexit, Porexit, Itexit, etc.) is well nigh impossible? Not at all, in my opinion. The major reason is that the democratic nation-state is not yet finished in Europe, not even close. But that is exactly what a truly working euro requires. The common currency results in incessant functional pressures towards integration. Enthusiasts of the euro had exactly this hope; most others sought (and still seek) to prevent the inherent automaticity of negative integration in monetary and fiscal policies. The renunciation of political union at and since Maastricht, the no-bailout clause, the flexible growth and stability pact, the super-independent, no-state-financing ECB were all devices to preserve the autonomy of those who wanted to avoid a transfer union and those who wanted to avoid a teutonic eurozone. All these defensive mechanisms crumbled during the crisis and led to further, though not yet sufficient, integration.

What this amounted to was, to stay metaphorically in the realm of human liaisons, a kind of shot-gun marriage of partners that had originally planned to keep it rather non-committal. In the past five years, the “remorseless logic of the euro” (George Osborne) unmasked this relationship in which all options were kept open as the illusion it always was. Instead of becoming alike, the partners diverged. Changes to their political economies that had been on path-dependent trajectory since centuries turned out to be extremely hard to achieve. But they were stuck together forced by their child, the euro, which, short of rekindling and perpetuating their love led to nasty conflicts about the responsibility to change the diapers and bear the cost of feeding it and cleaning up the mess.

The problem is that the eurozone finds itself in a trilemma of large membership, convergence and legitimacy in which it can satisfy only two of these objectives. One of them has to be sacrificed in each of the following constellations:

1) A sufficiently large eurozone (which would be most effective and logical if it encompassed the whole common market) can achieve the necessary high and speedy degree of convergence only if it short-cuts democratic procedures and imposes technocratic solutions through common institutions that are capable of forcing radical changes in political economies characterized by change-resistant historical equilibria in state-market relations. Redistribution might also be unavoidable. The legitimacy of these policies, however, is very dubious, as taxpayers in creditor states have not been (and will not be) asked whether they agree to this, and citizens in debtor states have been asked only once whether they want the required radical reform of their political economy, and when they said NO, their government went ahead anyway.

2) A large eurozone which places emphasis on legitimate governance **and** on the preservation of national autonomy (i.e. allowing policies that are incompatible with the euro, if these are desired by national populations, parliaments or governments) has to give up on deep integration and it has to sacrifice forced convergence. The euro will not work in that case, as member states can pursue a wide range of different policies.

3) A eurozone with strong convergence as required by a common currency **and** sufficient legitimacy needs to give up on enlargement. The Union has to be limited to a small, coherent group of countries in which most parts of the population are ready to accept the relatively small changes that are necessary. The more similar the core patterns of the political economies of participating countries are, the less intrusion from the outside will be necessary to fine-tune them for the sake of convergence.

In the end it might be this option that is the most painless. The eurozone needs to find ways to manage an orderly exit. In fact, experienced spouses will tell you that it is imperative to write such clauses into the marital contract right away.