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**GLOBAL CLEAVAGES?
HOW GLOBALIZATION AND EUROPEANIZATION
REDEFINE DOMESTIC POLITICS IN EUROPE**

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GLOBAL CLEAVAGES? HOW GLOBALIZATION AND EUROPEANIZATION REDEFINE DOMESTIC POLITICS IN EUROPE

International politics was long considered a league of its own, with structures and processes that stood largely aloof from the realm of everyday domestic politics. This was reflected in the conventional division of labor between international relations and comparative politics scholars. Yet in the past two decades, this division of labor and the very notion of a tight distinction between international and domestic politics have increasingly come under question. IR scholars have begun to open the “black box” of state preference, while students of comparative politics have begun to investigate international processes with their standard analytical categories.¹ As European integration was becoming increasingly politicized over that same period, the European Union as an object of study has been a central theater for this scholarly shift. Not only did many IR scholars adopt a “liberal” reading of European integration, thus acknowledging the import of domestic politics and preferences, but perhaps even more significantly the field of EU studies itself ceased to be the exclusive preserve of International Relations.

This blurring of field boundaries on the subject of the EU is particularly interesting because it may turn out to be more profound than anybody anticipated at the outset. As comparativists studied European integration, they found that they were able to analyze what was going on at the EU level in much the same way as they studied domestic politics. Increasingly, they began to see it as a political system in its own right, governed by “normal” left/right partisan cleavages.² They disputed the notion that European integration was by nature an international process and began to claim it as part of their normal disciplinary territory. Yet some scholars who followed this line of reasoning also noticed that the ideological dimension of EU politics, although very important, could not be mapped exactly onto the traditional domestic left/right axis.³ Upon closer examination, EU politics could be considered like domestic politics, but not in a “traditional” left/right sense.⁴ Instead, EU issues had to be plotted along a “post-materialist”, alias “new politics”, axis which ran from Green/alternative/libertarian to traditional/authoritarian/nationalist.⁵ As Hooghe, Marks, and Wilson put it, “perhaps we were not listening clearly enough to the insight that first sparked our interest in the effect of the left/right dimension: European politics is domestic politics by other means”.

In this paper, we use the literature on globalization to take this analysis one step further by reversing the arrow of causality. To quip from Hooghe et al., one could say that domestic politics is European politics and even global politics by other means. Domestic party cleavages on the issue of Europe and, more generally, globalization appear to come neither from “old” left/right cleavages, nor from “new” post-materialist cleavages. We argue instead that the joint occurrence of globalization and Europeanization has begun to re-shape the partisan political spheres within the European Union. Globalization —the accelerated

¹ CITES!

² A lot of this work was done by Marx and Hooghe and their students. See Marx and Hooghe 2001; see also Hix and Lord.

³ See for example Pollack 1998

⁴ See especially Hooghe, Marks, and Wilson 2002

⁵ See Inglehart xxx; Kitschelt xxx

movement of goods, capital, services, technologies, people, and ideas across borders— has been mostly a market-driven process taking place in boardrooms and over the internet, without much political discussion of its merits and shortcomings. Europeanization —the gradual integration of economies and societies that belong to the European Union— has been mostly an elite-driven process taking place away from the critical eye of the public and contested elections. Yet both phenomena have already impacted profoundly the configuration of domestic politics in Europe.

Globalization and Europeanization alter some of the basic features of a country's politics, including the relationship between state and individual, the expression of cultural identity, and the practice of democracy. They redefine the limits of national sovereignty, affect democratic accountability and legitimacy, and upset the prevailing balance among interest groups and political forces. In recent years, some of the traditional cleavages separating the Left from the Right are giving way to, or at least are supplemented by, new divisions and alignments, driven by the consequences of globalization and Europeanization. Arguably, the extremes on each side of the spectrum have now more in common with each other than they do with the center. Public controversy has slowly shifted away from the traditional debate between capitalism and socialism as blueprints for economic and social progress. Fundamentally at stake in today's political debate about the future is the most desirable way to live in an increasingly "globalized" world and the role and status of "Europe" (i.e., the EU) within this new world.

The effects of globalization are often hard to disentangle from the effects of Europeanization, which often appears as its precursor and facilitator. Europeanization has accelerated economic, social, and cultural homogenization. It has fostered higher levels of regulatory competition, economic efficiency, foreign investment and economic dependence. And it has led to a growing democratic deficit and an erosion of national sovereignty. More than an agent of globalization, however, Europeanization is also a buffer against its worst effects. Europe offers EU member states a large market that can be used as a regional platform to build enduring comparative advantage. It provides a new level of governance where Europeans can more effectively secure a shared system of values. And it carries the potential for a powerful voice in international relations —which might be used, if needed, to counter America's power.

This paper explores how the simultaneous phenomena of globalization and Europeanization have, slowly but surely, affected domestic political cleavages in European countries. Yet mainstream political parties are taking a long time incorporate these new issues in their platforms. Extremist parties have seized on this opportunity in order precisely to distinguish themselves from the mainstream parties. And new forms of collective action have emerged, capitalizing on the popularity of the anti-globalization movement and stealing the spotlight from traditional parties. Why have globalization and European integration percolated as objects of political debate over the last 20 years? Globalization and European integration have clear economic and cultural implications, but how have they become markers of political allegiance as well? Are they contributing to a redefinition of partisan cleavages in the advanced industrialized democracies of Europe? Can we disentangle the economic sources of the new cleavages (e.g., from global economic forces) from institutional sources (e.g., from the EU), and how are the two related? Finally, do these global forces produce the same effects across domestic political contexts in Europe, or do we notice national variations?

This paper starts by situating these questions in the context of the social science literature on globalization and political change. We then turn our analysis specifically to

Europe examining the nature of Europeanization in relation to globalization and developing a series of hypotheses about the expected impact of globalization and Europeanization on domestic political cleavages in Europe. Next, using comparative historical tools, we analyze the agendas and positions adopted by political parties in France, Germany, the UK and Spain in the past two decades. We examine how politicians have bundled together the two issues, or on the contrary played one against the other. We also assess whether European polities are converging around the same central cleavages, or whether national variations remain strong despite global pressures. From the evolution of partisan debates, we draw implications in the conclusion for the role of the EU in the current context of globalization.

1. Globalization and Politics

Globalization is a catch-all word, but is often underspecified in the literature. Some scholars adopt a strict definition of globalization and focus on its economic dimension, while others consider globalization as an all-encompassing social, political, environmental and cultural phenomenon. A related and central question is whether globalization is a new, an old, or a cyclical development. Theorists of globalization tend to portray the current phase of global integration as completely unprecedented both in magnitude and in scope, marking a significant departure from the international integration processes of previous eras like the immediate postwar period.⁶ In response to this proposition, many historians and critics of these theories have argued that economic interdependence is not a fundamentally new phenomenon.⁷ A related albeit slightly different possibility is that globalization may be indeed cyclical.

Whether globalization is a real phenomenon or little more than a new slogan, it is obvious that the word itself has spurred a lot of political rhetoric and activity. This is particularly true of economic globalization in the last twenty years. Most criticisms have focused on the big wave of market liberalization across countries, spearheaded by the United States and other industrialized countries, and international institutions that promote the liberalization of trade and finance, especially the WTO and the IMF. The globalization of financial flows, which may have the consequence of making national economies more volatile and increasing inequalities among individuals and among nations, has also featured prominently in the worldwide criticisms of globalization. Other critiques have focused on the negative side-effects of globalization in its cultural and environmental dimensions, for instance.

Globalization also has a political face. Many scholars, including numerous critics of globalization, claim that economic globalization has generated a rise in collective action. Rodrik, in particular, has argued that economic globalization sharpens conflict and engenders defensive kinds of collective action. This is because globalization (characterized by greater capital mobility) increases job uncertainty, creates tensions between trade and domestic social arrangements, and decreases the bargaining power of unskilled workers in the North.⁸ In the name of free trade, states have to face international pressures to abandon social arrangements

⁶ Held et al. 1999; Giddens 1994.

⁷ See for instance O'Rourke and Williamson, 1999; Goldthorpe 2002

⁸ See Rodrik 1997, Chapter 3.

which had traditionally protected certain categories of workers against the vagaries of open markets.⁹ Obviously, this argument is not completely disingenuous on the part of some governments. Pro-business governments who blame globalization often use it as a fig leaf for domestically driven strategies of de-industrialization.¹⁰ Yet whether workers are right or wrong in identifying globalization as the root cause of negative pressures on labor markets and their own diminishing bargaining power, they often perceive an objective interest in protesting against it and they blame it for dismantling the welfare state.¹¹

Globalization creates political consequences beyond the rise in collective action generated by market liberalization and by the international mobility of capital. For many analysts, either optimistic or critical of the phenomenon, globalization undermines the national state. According to the political economy literature, the state shrinks under the pressure of globalization for two distinct reasons.¹² First, the autonomy and leverage of the state have decreased because globalization has reduced national levers for macroeconomic policy, the availability of the tools of industrial policy, and the ability to raise resources to finance welfare and redistributive policies. Second, globalization has provoked some erosion of the public confidence in the capacity of their national state and, therefore, some reduction of the national governments' legitimacy and authority.

More generally, as Yashar summarizes, globalization is "changing the opportunities, incentives and constraints for engaging in political mobilization".¹³ Ironically, globalization has fostered political opposition to globalization itself. Other scholars have also noticed a certain universalization and institutionalization of norms, especially those embedded in international organization and treaties.¹⁴ In turn, this globalization of norms has provided an ideational impulse for engaging in proactive kinds of collective action. It leads to standardization of national policies and provide normative framework for collective action.¹⁵ Some scholars like Keck and Sikkink even argue that globalization is giving rise to a new "cosmopolitan society" and internationalized forms of collective action.¹⁶ The globalization of networks has provided new resources and ideas on which advocacy groups can capitalize to reframe political debates and struggles, especially when they confront severe political obstacles at home. Therefore, globalization has enabled the emergence of international nongovernmental organizations and networks that support social movements and act as pressure for policy change. The groups to mobilize along those lines have been in particular environmental, human rights, women's and indigenous movements. Thus, globalization catalyzes proactive forms of collective action designed to reshape agendas in new ways.

These political side-effects of globalization have several implications for the nature of political parties and partisan debates in contemporary advanced industrialized societies. The rise in collective action, especially new forms of collective action, is a direct challenge to parties. When collective action is not channeled through the traditional partisan process, one should witness a disaffection for politics, low turnouts in elections, and the emergence of fringe parties structured around a particular issue. Moreover, since globalization undermines

⁹ See Rodrik 1997, Chapter 4.

¹⁰ Iversen and Cusack 2000

¹¹ See Rodrik 1997, Chapter 2. For a focus on American workers and globalization, see Scheve and Slaughter, 2001.

¹² See Berger 2000 for an extensive analysis of the impact of globalization on domestic politics.

¹³ Yashar 2002.

¹⁴ For instance see Finnemore, 1996; Meyer, Thomas and Ramirez.

¹⁵ Soysal, 1994.

¹⁶ Keck and Sikkink 1998.

the powers of the state, especially its capacity to manage the economy, it also affects the nature of the discourse of political parties. One will likely observe a convergence of political platforms around the center on economic issues, political fracture lines around societal questions, and the rise of extremist parties that denounce the consensus. Finally, because globalization contributes to standardizing national policies, one could expect a certain uniformization of partisan politics across the globe.

2. Globalization and Europeanization

Globalization has, slowly but surely, transformed European politics by upsetting the traditional ideological-political categories along which domestic politics had been structured since the early postwar period. A diminished bargaining power of labor, a decreasing effectiveness of economic policy tools, an erosion of trust in the ability of national governments to protect their citizens against the vagaries of international markets -- all these trends can be observed across Western European democracies over the past two decades. For the analyst trying to appreciate the impact of globalization on domestic political cleavages, however, the task is complicated when assessing European cases because of the process of European integration. There are two dominant ways of envisioning the complex relation between globalization and Europeanization: Europe can either be seen as an agent, or alternatively as a bulwark against globalization. In each case, the dynamics at stake can be appreciated in two ways – either as a positive, or as a negative development. On what bases do European political parties' platform and strategies integrate "Europe" (i.e., the European Union) and "globalization" as part of their regular political discourse? What does this reveal about the impact of globalization on domestic political cleavages?

2.1 Europeanization, agent of or bulwark against globalization

On the one hand, some political parties see the EU as an agent of globalization. Ever since the removal of internal tariff barriers in 1958, "Europe" implied a greater economic openness, and therefore a greater foreign dependence, for its member states. Even more important, the Single Market of "1992" led to the abolition of all remaining obstacles to the circulation of goods, services, capital and people. Through a variety of liberalization and harmonization measures, it created a large internal market on par with the US and Japanese domestic markets, but it also constrained the economic powers of European governments. In this sense, it acted as the agent of globalization on the European continent.

In some cases, having the EU act as an agent of globalization is seen as a positive development. The EU is interpreted as a modernizing force which serves to channel international economic competition into the previously sheltered domestic markets of EU member states. As a political entity, the EU is considered as synonymous with global liberalization and deregulation. For partisan political actors who subscribe to liberalization and deregulation as part of their political agenda, the EU holds the promise of greater efficiency in the allocation of resources and faster adaptation of domestic economies to global economic and technological change, alias globalization. It also serves to further their partisan interests as pro-market political actors.

Yet among partisan political actors who see the EU as an agent of globalization, not everyone heaps praise on the EU. Quite on the contrary, some vehemently oppose any further transfer of sovereignty to the EU level for precisely that reason. They see the EU as a Trojan horse of laissez-faire liberalism and as a weapon in the hands of economic libertarians and business interests. They strongly object to the EU as an artifact of globalization. This

corresponds once again to the interests of their constituents – a wide spectrum of people who fear the advent of globalization either because they benefit from protective regimes (like small business owners in traditional industries), or because they see it as a weakening factor in their bargaining positions (e.g., unskilled laborers).

Among those who are critical of the globalization process, some nonetheless pin their hopes on the EU and therefore see the EU in a very positive light. Whereas an uncontrolled process of market globalization would carry many dangers, EU is a welcome bulwark against globalization. It represents, above all, the possibility of a benign gatekeeper against the vagaries of globalization. First, because the EU can (or should) regulate markets and thereby preserve, or achieve, European societal values and priorities. Indeed, the EU distinguishes itself from other international organizations in that it can achieve both “negative” and “positive” integration.¹⁷ Many attacks on the supposed illegitimacy of globalization are triggered by “negative” integration –for instance when a court strikes down a national regulation as illegal trade barrier and, as a result, lowers regulatory standards. By contrast, the EU has the capacity to undertake “positive” actions and legislate to create common standards. Through its re-regulating capacity, the EU holds the promise of a new, more effective level to conduct regulation and public policies. Second, the EU can also protect against globalization because of the sheer size of the market it has created. The larger the internal market (soon to be augmented yet again with enlargement), the less dependent members of this market become of the outside world. Therefore, they can presumably extract better terms from their trading partners, and they are in a better position to reject unfavorable developments.

Finally, among those who see the EU as a bulwark against globalization, some interpret this as a potentially negative development. Some political parties worry about the EU developing into a bureaucratic Leviathan that would annihilate the gains to be had from globalization. The benefits to be gained from the Single Market are wasted by a tendency of the European Union to resort to red tape and bureaucratic procedures that counteract market forces instead of unleashing them. Moreover, by adding an additional level of policy-making between individuals and policies, European integration has introduced democratic and legitimacy deficits, which in turn have contributed to a disaffection of the public for politics.¹⁸ In this view, the only positive contribution that the EU can make is as a force at the service of domestic liberalization objectives.

The following matrix summarizes the four dominant positions linking globalization and European integration:

Table 1: The Europeanization/Globalization Relationships

	<i>EU as agent of globalization</i>	<i>EU as bulwark against globalization</i>
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¹⁷ See for instance Scharpf, 1999; Kelemen, 2002.

¹⁸ On the democratic deficit debate, see for instance Moravcsik 2002; Banchoff and Smith 1999; Scharpf 1999; Schmitter 1999.

<i>Positive</i>	EU as modernizing force	EU as benign gatekeeper
<i>Negative</i>	EU as Trojan horse of <i>laissez-faire</i>	EU as bureaucratic Leviathan

2.2 Hypotheses about globalization and European partisan politics

How do we explain the emergence of these contrasted visions of Europe and globalization? Can the twin issues of globalization and Europeanization become the focal point around which domestic politics in Europe will crystallize, or do they superimpose themselves, instead, on the longstanding cleavages which have defined European politics since the postwar era? Several competing explanations are available to make sense of the two basic dichotomies that structure partisan discourse and platforms on globalization and Europeanization.

2.2.1 The economic modernization (EM) hypothesis

A first hypothesis, which is consistent with the view of globalization as a major shaping force of domestic politics, is that the evolution of partisan platforms reflects the underlying evolution of economic structures and interests. In the tradition of modernization theory and more recently endogenous policy theory, politics is primarily the product of the changing production profiles and of the changing economic interests of social groups inserted in the international economy. The Europeanization and globalization of politics is therefore the result of economic modernization trends, both regional and global.

An early version of this literature discounted the role of political parties and their preferences in these internationalization processes.¹⁹ Most policy decisions and partisan preferences themselves were ultimately driven by economic pressures in the international sphere, either trade or financial pressures. The more recent strand of literature in this tradition re-evaluates the impact of partisan preferences on policy choices.²⁰ According to this revised version of the theory, the international economic environment is a key driving factor of policy, but it leaves some room for partisan preferences and choices.

When applied to the phenomenon of globalization and Europeanization, this theory leads to the conclusion that Europeanization is a rational response to the evolution of the global economy. As Boix put it in the case of Europe's Economic and Monetary Union, "the creation of the euro was the natural last step to be taken by European countries on the historical path toward powerful international financial markets, the decline of capital controls, and the demise of one-country Keynesian policies."²¹ Political parties adapt to this new situation and their partisan preferences exert a second-order effect on the policies that they come to advocate.

In practice, this means that political actors who are favored by the evolution of the economy see globalization and the EU as a vehicle to reinforce their power positions in their domestic political spheres. Thus, they become unqualified supporters of Europeanization as a modernizing force. By contrast, those who are disadvantaged by economic evolution (e.g. in

¹⁹ See e.g. Rogowski 1989; Frieden 1991

²⁰ See e.g. Garrett 1998, Boix 2000

²¹ Boix 2000, p. 73

traditional economic sectors or in weaker bargaining positions in society) and their political representatives are critical of the EU as a regime of *laissez-faire*. They tend to either see the EU as a Trojan horse (if they think nothing can be done about it), and/or call for an EU that would perform the role of benign gatekeepers (if they have some confidence in the EU as it exists or as it could exist). Finally, some parties see the EU as a positive danger because they think that it erodes their power resources by tilting economic evolution in a way that is contrary to their political interests. To the extent that political parties traditionally address a mix of constituencies among these various social groups, the cleavages among different visions of Europe should *cut across* party-political divisions.

This hypothesis overlaps with much of the literature on globalization and convergence between domestic political systems as an epochal phenomenon – the dawn of a new era, “beyond left and right” to quote Anthony Giddens. Economic globalization, as it changes the relative distribution of resources among various social groups, has a de-structuring and homogenizing effect on established social groups and on traditional societal divisions. To the extent that European economies become more integrated within the world economy and with each other, political cleavages should naturally reflect this increasing homogenization. Conversely, the effects of EU institutions should be relatively unimportant, as institutions primarily serve to defend at the European and the global level what is in the economic interests of the member states and the region as a whole.

2.2.2 The old cleavages (OC) hypothesis

On the opposite side of the spectrum, there is a literature on “divergence” and “domestic production systems”, which would lead to an interpretation of the new political cleavages in terms of (domestic) politics as usual. According to this second hypothesis, the emergence of new issues can be understood in terms of the internal logic of domestic institutional configurations. Globalization is, for the most part, little more than a political catchword, and the EU should be read with classic partisan-political lenses.²² In this reading, the differences in party-political approaches to globalization and Europe matter much more than the superficial similarities across member states. Neither the institutional sphere of the EU, nor the economic forces of globalization matter nearly as much as the different domestic political dynamics at play in the member states. And to the extent that there are similarities, they reflect similarities in the way national politics are structured in Europe, e.g. around traditionally strong class memberships.

In terms of Table 1 above, this would suggest that the four different positions on the EU can be interpreted in “traditional” partisan-political terms, with distinctive class and national orientations. Those political parties that defend the changing interests of business elites should portray the EU as a modernizing political force, whereas those who defend the interests of workers should promote the EU as a way to counteract economic liberalism. Those parties who are not part of the mainstream never have a say in the governing coalitions and therefore have no input on the definition of their government’s “European” policies. Therefore, they should oppose the EU either as a *laissez-faire* beast or as a bureaucratic Leviathan. Since visions of Europe are a direct translation of traditional views of the market and the state in existing political parties, the cleavages among different visions of Europe should *coincide with* and possibly reinforce pre-existing party-political divisions.

²² See e.g. Goldthorpe 2002

This second hypothesis corresponds to a vision of globalization and Europeanization as firmly rooted in domestic historical trajectories. Neither globalization nor the EU matter very much as such in the evolution of political cleavages. The main determinant of political platforms and positioning is the “old” ways of thinking that political parties inherit from the past. There should be a clear lineage, if not a perfect reproduction, between left- and right-wing ideologies of the past and the ideologies that political parties mobilize on the topic of globalization and the EU. In this sense, they are historically path dependent. Indeed, “anti-globalization” may just be an updated, “hipper” version of “anti-capitalism.” Likewise, “old” theories about political cleavages, with classic works such as Lipset and Rokkan’s work on the origins of partisan fault lines in modern Europe, should retain much of their power.²³ If history still matters, then it should shed at least some light on contemporary partisan cleavages on globalization and Europe.

2.2.3 The European institutionalist (EI) hypothesis

Finally, a third hypothesis on the evolution of party platforms stems from the International Relations literature on the international sources of domestic politics, and especially the growing literature on the “Europeanization” of domestic politics in Europe.²⁴ According to this hypothesis, the primary driver of the current evolution is institutional. As international and especially EU institutions gain power and political prominence, the sphere of global and regional politics increasingly impacts the sphere of domestic institutions. Global and EU issues become domestic issues across European member states. Political positions on “globalization” and “Europe” are mainly a function of how political parties react to this process – especially whether or not they see Europe as a policy-making venue to pursue their partisan agendas more effectively.

“Globalization” and especially “Europe” should therefore be seen as cards that politicians construct and use in order to push their preferred agendas in the game of party-political competition, both within their own parties and vis-à-vis others. This hypothesis grants relatively little power to the structural forces of globalization per se, except insofar as they affect the work of international and EU institutions. Much more important is the substantive nature of “Europe” as perceived by political actors. In turn, the meaning of Europe in relation to globalization varies across countries, simply because in the 1980s and 1990s the Single European Market and the euro have been very received differently in different countries. For example, in countries that were relatively in favor of the free market at the outset, Europe means either a positive vision of freer markets or a negative vision of a bureaucratic Leviathan. By contrast, in countries that were averse to market governance, the vision of Europe as the invisible hand of the market inspires fear rather than confidence, and the notion of building the EU into a bulwark against globalization is especially appealing.

Two important points should be made about this hypothesis. First, one should remember that most international institutions constrain domestic politics only in a limited fashion, since EU countries are relatively free to choose whether or not it is in their collective interest to participate in the global institutional integration process. So, in a very important sense, what the Europeans call “globalization” is often better understood as a result of the Europeanization process.²⁵ In most cases, globalization only exerts a strong grip on domestic politics when EU countries let this happen and decide to change their own practices as a

²³ See Flora 1999

²⁴ See for instance Cowles, Caporaso and Risse 2001. CITES Scharpf and Schmidt, etc

²⁵ See Fligstein 19xx for this argument.

regional bloc. The greater the distance between what the EU requires and what is normal practice in the member states, the greater the impact of Europeanization.

A second noteworthy point is that this third hypothesis is related to the conception of globalization as a cyclical phenomenon, even though the emphasis is different. If Europeanization is a key factor of cleavages on globalization and the EU, then the salience of globalization and Europe as central themes in party-political platforms should primarily vary with the pace of Europeanization. When Europeanization occurs at a rapid pace, as was the case for example with the “*relance* of Europe” in the 1980s and 1990s around the Single Market and Economic and Monetary Union, then partisan platforms increasingly make room for globalization and Europe. There can be a time lag between the two processes, as parties need to catch up on institutional evolutions that are experienced from the top down. But ultimately the Europeanization shapes partisan positions and preferences in periods of high tide for European integration. When European integration stumbles, partisan platforms relatively neglect the topic of European affairs.

In summary, what is crucial about these fluctuations according to this third hypothesis is their comparatively greater impact than either changing production profiles or persistent traditional part-political cleavages. The perceived substance of European integration at any given moment – e.g., as a primarily “political” or “economic” process – powerfully informs partisan views of the relationship between globalization and Europe. Important cross-national and domestic variations do occur, but they are more usefully understood as differing attitudes of national elites toward the evolution of “Europe” itself.

The following table 2 summarizes the main characteristics of the three above hypotheses:

Table 2: Hypotheses about the effects of Europeanization and globalization on partisan cleavages

<i>Hypothesis</i>	<i>Economic Modernization (EM)</i>	<i>Old Cleavages (OC)</i>	<i>European Institutionalism (EI)</i>
<i>Basis of party preferences</i>	Changing production profiles + “new politics”	Class + other “traditional” bases	Political orientation of European integration
<i>Role of globalization</i>	Central; new	Marginal; old	Marginal; cyclical
<i>Role of European integration</i>	Marginal	Marginal	Central; cyclical
<i>Globalization / European integration</i>	Primary / secondary phenomenon	Both secondary phenomena	Secondary / primary phenomenon
<i>New / old cleavages</i>	Cross-cutting	Overlapping	Cross-cutting
<i>Attitudes toward globalization and Europe</i>	Stem from positioning in production and new politics	Stem from history and class membership	Stem from perceived opportunities for political advantage

3. Case-Studies of Globalization and Europeanization’s Impact on European Party Politics

Whether Europeanization comes to be seen as an agent or enemy of globalization, and whether this development is interpreted in a positive or negative light depends largely on the country under consideration. In order to illustrate how globalization and Europeanization redefine domestic politics, we selected four European countries that usually project to the outside world, rightly or wrongly, different configurations of the globalization/Europeanization relationship: France, a pro-Europe and anti-globalization country; Germany, a pro-Europe and pro-globalization country; Great Britain, an anti-Europe and pro-globalization country. We also added Spain to our selection of cases because it is emblematic of the countries for which European integration has directly contributed to securing democracy and provide the means for integration into the world economy. In each of these four cases, we explore through the lens of the three main hypotheses how Europeanization and globalization have contributed to redefining partisan politics in Europe.

3.1 France

From the end of WWII up until the late 1970s, partisan-political cleavages were relatively simple in France and had little to do with what was going on outside. After a fundamental debate over the legitimacy of the political regime throughout the 19th century, and a deep rift over the place of Church in the socio-political system in the early 20th century, the Left/Right cleavage came to be defined, from the 1920s on, around the issue of ownership of the means of economic production.²⁶ In the postwar period, after more than two decades of leftist opposition, the domestic political situation was very entrenched in the late 1970s. The Left and the Right were clearly divided, amongst other things, on their acceptance of the market (alias “capitalism”). In 1977, the Socialist Party (PS) under the leadership of its then secretary general François Mitterrand entered into an electoral alliance with the Communist Party (PC). This “union of the Left” aimed at seizing control of the Parliament and the presidency in order to put the French state at the service of fundamental social and economic reforms and a “transition to socialism”. On the Right, French President Valéry Giscard d’Estaing (1974-81) was at the helm of a governing coalition between his party, the Union for French Democracy (UDF), and the Rally for the French Republic (RPR), led by the then mayor of Paris Jacques Chirac. The UDF was a party of local notables, with a rather liberal social agenda and economically a pro-market agenda. The UDF corresponded to the interests of France’s entrepreneurs and the new middle classes. The RPR claimed the legacy of Charles de Gaulle and, as such, represented the populist right. With its socially conservative agenda and an economically conservative agenda, the RPR’s platform reserved an important role for the French state in steering the economy and preserving the welfare of France’s old middle class like shopkeepers and farmers.²⁷

Altogether, the French partisan-political debate revolved around quintessentially French problems – like the role of the state in the economy – and quintessentially French political themes – like the relationship between the state and the church on educational issues. The French economy was engaged in a rapid internationalization process, but this did not really affect the political debate. Most of the process was conducted by the state’s modernizing elite in relative isolation from the party-political sphere.²⁸ The word globalization did not yet exist, and the outside world was experienced mostly as a “challenge” for France to export its manufactured goods and as a potential source of disturbance in the wake of the oil shocks and the recession of the 1970s. As for the theme of European integration, it functioned first and foremost as a symbolic marker of political allegiance on the Right. Chirac and the RPR considered that to be faithful to Gaullist ideas required a promotion of “*Europe des patries*” and a rejection of a supranational Europe. On the Left, the theme of European integration was not very present. The PS was generally in favor of Europe but rather divided on this issue, with some socialists siding with the communists in their rejection of the Common Market as a “Europe of capitalists”.

Things began to change radically in the early 1980s. The newly elected Socialist government encountered huge problems in trying to establish “French style socialism” and to stimulate the domestic economy in a context of worldwide recession. Unemployment and inflation continued to rise while France’s public and external deficits ballooned out of control, so that the French Socialist government had to accept repetitive devaluations of the French franc within the European Monetary System in 1981-83. Overcoming the arguments of some

²⁶ On the old and new political cleavages in France, see Perrineau 1998.

²⁷ For a detailed intellectual history of the “French Rights,” see Rémond.

²⁸ Zysman, 1977.

of his advisers, who wanted to break away from Europe and pursue a go-it-alone economic strategy, President Mitterrand finally chose to uphold France's commitment to the EMS, even if this meant devaluing the franc, cutting spending, and raising taxes and interest rates to defend the currency and halt runaway inflation.²⁹ In March 1983, Mitterrand initiated a more economically orthodox period of *rigueur* in order to bring inflation and deficits under control. This decision subsequently turned out to be a major change in the Left's economic agenda. The Mitterrand U-turn — moving from a defiant rejection of international economic pressures to an acceptance of its constraints in just two years — thus played an important role not only in France's adaptation to international economic integration but in the globalization story more generally. The lesson that the French and the rest of the world drew from this experiment is that the idea of going it alone was no longer an option for a national economy—particularly one that was integrated into the European Community. It is probably an overstatement to speak of a socialist “conversion” to the market in France, but there is no doubt that this painful experience led the Socialists to modify their views on the market and on Europe and to alter their economic platform in a rather fundamental way. For the Socialists, “Europe” did not only embody the power of international economic pressures, but also the promise of a new lever of public action at the international level at a time when national strategies were no longer viable.

With the relaunching of European integration around the Single Market in the mid-1980s and later the Economic and Monetary Union (EMU), support for Europe became a widely shared tenet of French politics among mainstream political parties. The Socialists embraced Europe whole-heartedly despite their remaining misgivings about its market-oriented agenda, while the Gaullist considerably toned down their anti-European rhetoric. Support for Europe was strongest at the center of the political spectrum. Among center-right UDF politicians, many saw in Europe the promise of a liberalization of France and a decreasing role of the state in the economy. Even the RPR briefly adopted a radical pro-liberalization line in 1986-88, out of a desire to capitalize on Thatcher's success in the UK with her pro-market ideology. As for center-left social democrats within the PS, they saw Europe as an alternative both to economic liberalism and to old-style *dirigisme*. The Single Market and EMU embodied a path of economic modernization while ensuring the preservation of fundamental public objectives that could be promoted at the European level. As a result of this new consensus on the usefulness of Europe, principled opposition to the EU moved out of the mainstream and toward the extreme right and extreme left. On the Right, Jean-Marie Le Pen's National Front (FN) became the main opponent to Europe, with a few other right-wing politicians like Villiers and Pasqua who seceded from the RPR. On the Left, Jean-Pierre Chevènement also seceded from the PS and joined the ranks of the sovereignists, while others on the extreme left continued to oppose the EU as a “Europe of capitalists”.

The new cleavage over the issue of Europe was revealed during the divisive French debate over ratification of the Maastricht Treaty during 1992.³⁰ Mitterrand had originally called for a referendum for largely domestic political reasons. Since opinion polls showed the French strongly in favor of European integration, Mitterrand expected to receive a show of support while weakening the Right. An unexpected consequence of the referendum campaign, however, was to trigger the first real public debate in France on the question of European integration. Indeed, the referendum showed that the apparent popular support for European integration resulted largely from a lack of familiarity with the real issues at stake.

²⁹ A good account of this watershed event can be found in Favier and Martin-Roland 1990. On the early Mitterrand economic experiment, see also, for instance, Hall 1986.

³⁰ On Maastricht and globalization, see Gordon and Meunier 2001.

The majority of the French did vaguely support Europeanization, but they had not really thought through the specific policy changes on a variety of issues that it would require.³¹ The Maastricht campaign thus provided the first opportunity for a public debate about the potential consequences of increasing capital movements, shifting power from states to markets, and loss of democratic control via the transfer or sharing of French sovereignty with supranational European organizations. And while the culprit for the loss of French sovereignty was not called globalization but Europeanization, the reasons for discontent were the same. Critics charged the liberalization of trade and capital for making the French economy more dependent on the outside world, and therefore more vulnerable, while at the same time eroding citizens' democratic prerogatives in favor of supranational and corporate actors. Now these issues, which were familiar only to elite actors prior to the referendum debate, would finally be examined publicly. Just as in the late 1990s the WTO would be seen as an undemocratic, foreign institution that promoted free trade against French interests and in favor of unwelcome American exports, in the early 1990s bodies like the European Commission and the future European Central Bank were seen as the undemocratic bogeymen whose actions would threaten France.

In September 1992, a tiny majority (51%-49%) of French voters approved the referendum, thereby enabling the European Union to implement the Maastricht agenda. Even discounting for the degree to which some of the opposition to the treaty was a protest vote against high unemployment and against a president who had by then been in power for more than 11 years, the referendum none the less sent a strong message of French discontent with what the great majority of their political class was offering them—more economic austerity and liberalism, enduring commitment to the *franc fort* and tight monetary policy, an erosion of French identity within the EU, and a continued reduction in national sovereignty alleged to be unavoidable. Nevertheless, after the referendum was over, and the Maastricht Treaty came into effect in 1993 with ratification by all the other members of the EU, the French debate over Europeanization faded significantly, and the opponents of the European project were temporarily marginalized.

As “Europe” faded as the alleged cause of France’s woes, something interesting happened: it was gradually replaced by globalization as the new culprit for all those in France who were unhappy with their political leaders’ acceptance of market capitalism and free trade and the erosion of French sovereignty.³² Just as the final phase of the Uruguay GATT Round got underway, politicians and much of French public opinion alleged clear links between rising unemployment and globalization, in the form of international economic openness. The debate over the validity of protectionism was framed in large part by the Arthuis Report, a 1993 Senate study that claimed that the French economy was threatened by *délocalisation*—the loss of jobs to low-wage countries.³³ Largely ignoring other potential causes of French unemployment—such as the rigidities of France’s labor market and the overvalued franc—Arthuis suggested that some 3-5 million jobs in France were threatened by the prospect of the transfer of production facilities to low-wage countries.³⁴ Notwithstanding the public debate about *délocalisation*, however, the French response to this alleged threat remained largely rhetorical. The government resisted calls to introduce new barriers to trade, with Prime

³¹ See See Meunier and Ross, 1993; and

³² See Gordon and Meunier 2001.

³³ See *Rapport d'information fait au nom de la commission des finances, du contrôle budgétaire et des comptes économiques de la Nation sur l'incidence économique et fiscale des délocalisations hors du territoire national des activités industrielles et de service* (Paris: Sénat, 1993).

³⁴ See Berger, 1995 and Cohen, 1996..

Minister Edouard Balladur arguing that “the French economy, like the European economy, is too open to the world to sustain the closing of its markets that would result.”³⁵

Throughout the rest of the 1990s, the theme of globalization slowly made its way into mainstream partisan-political discourse and subtly altered the rhetoric on Europe. Increasingly, mainstream parties expressed a concern to build the EU as a bulwark against the perceived dangers of globalization. But to this day, mainstream parties do not exactly see eye to eye on relationship between globalization and Europeanization. On the one hand, the Left speaks of “*mondialisation maîtrisée*” (controlled globalization) which implies strong public governance of the economy. On the other hand, the French Right is more likely to speak of “*mondialisation humaine*”, which simply reflects a concern to avoid or remedy the destabilizing effects of free-market liberalism on French society. In other words, while the moderate left depicts the EU as a force that contributes to re-shape globalization, the right sees the EU more modestly as the possibility of giving a “human face” to the free market.

The ideological spectrum of positions on globalization and Europeanization at the turn of the 21st century, to summarize crudely, can be depicted in the following bi-dimensional way:

Table 3: Europeanization and Globalization in French Politics

	<i>EU as agent of globalization</i>	<i>EU as bulwark against globalization</i>
Positive	N/A in France (at least in public discourse...)	With nuances: Moderate left (“ <i>mondialisation maîtrisée</i> ”) and moderate right (“ <i>mondialisation humaine</i> ”)
Negative	<i>gauche de la gauche</i> (Left of the left) and more recently the sovereignists and the extreme right	N/A in France

On the surface, the evolution of partisan politics in France in the 1980s and 1990s looks like a perfect illustration of the economic modernization hypothesis. As successive French governments confront the international economic environment, they are forced to implement free market policies and to reorient their partisan platforms accordingly. And, indeed, mainstream parties both on the Left and on the Right became more pro-market and pro-European than had been the case until the late 1970s. Mitterrand’s March 1983 decision to stick within the EMS was widely interpreted as the end of France’s postwar practice of conducting its economic policies in relative isolation from the outside world in general and from Europe in particular.³⁶ The state could no longer be seen as the effective guardian of economic growth. In an international situation of increasing capital mobility and rising oil prices, France could no longer afford to see its currency repetitively devalued against the deutsche mark without fueling a vicious circle of inflation and economic stagnation. The

³⁵ See “Edouard Balladur défend sa politique économique,” *Le Monde*, June 20-21, 1993.

³⁶ CITES

socialists took the turn toward pro-market policies in 1983 and, by 1986, the election of a right-wing government with a quasi-Thatcherite policy agenda of liberalization and privatization completed the transformation. This was in line with France's graduation out of its postwar status of late industrial developer to that of a mature economy immersed in a global economic environment.

Yet this interpretation begs several very important questions. When considered more attentively, it was not the international situation itself that "forced" France to change its policies in 1983. Rather, Mitterrand's shift was a choice to uphold France's position within the European Monetary System and thus continue to confront the world economy as part of a united front with Community partners. France could have taken a different route *if* the choice had been made to jettison the EMS – an option that was seriously advocated by many in governmental circles.³⁷ In this sense, the choice to continue within the EMS was a choice in favor of Europe, not a decision that was unambiguously forced by market pressures, and least of all a pro-market choice that was made to further the interests of particular social groups. Another indication that the production profile hypothesis does not work very well is that the positive vision of the EU as agent of globalization is almost absent from the French party-political spectrum. In France, globalization is simply not seen as the dawn of a new era – *pace* many globalization theorists.

This does not mean, however, that nothing has changed since the 1970s in partisan views of the outside world. Both globalization and European integration have become more salient issues in the political debate. To be sure, the cleavages about globalization and Europeanization could be read in terms of a classic opposition between a French Left that wants to rein in the market, and a Right that only wants to mitigate its potentially destabilizing consequences on social order. Thus, politicians who favor a "mondialisation maîtrisée" generally come from the left, whereas those who favor a "mondialisation à visage humain" tend to be found on the right. Yet unlike what the "old cleavages" hypothesis predicts, the divisions over the path that France should take in the context of globalization and Europeanization cut deeply across traditional partisan cleavages. Indeed, these two international processes have become central bones of contention both within and among parties. The moderate Left and the moderate Right share a lot of common ground around the idea that France must insert itself within the global economy and that the European Union is the natural level to negotiate the modalities of this insertion. In this sense, the divide between left and right mainstream parties has certainly narrowed on the topic of economic governance.

Conversely, the twin issues of globalization and Europeanization are at the origin of extremely strange bedfellows. France's "sovereignists" generally come both from the left and from the right of the political spectrum. Because they understand that their political appeal is not strictly class-based, some of these politicians openly say that they are neither left-wing nor right-wing. This is the case especially for Jean-Pierre Chevènement, a former left-wing socialist party leader turned sovereignist, who according to opinion surveys managed to recruit many supporters among the right-wing electorate.³⁸ Likewise, Le Pen's National Front recruited many former communist voters and thus increasingly developed a political rhetoric that appealed to the "little man" and castigated the forces of globalization that was highly reminiscent of traditional communist tropes against global capitalism.³⁹

³⁷ a few CITES here

³⁸ CITE polls

³⁹ Polls

Consistent with the European institutionalist hypothesis, there is no question that French partisan cleavages have been significantly redefined on the issues of globalization and Europeanization. This has not occurred in a straightforward fashion that could be understood by looking at homogenous forward-looking actors' perceptions of outside economic forces, or at their heterogeneous backward-looking positions on the French party-political spectrum. The attitudes of French politicians toward the evolution of the European Union and globalization are difficult to interpret in terms of other independent variables. It appears that "Europe" becomes a defining issue in party politics. Some French politicians have managed to construct a power position or even, in some cases, a new political party, around their stance on Europe and globalization. This is most obvious for the "sovereignists" like Chevènement on the Left or Philippe de Villiers and Charles Pasqua on the Right. But it is also obvious within mainstream parties. For a long time, Europe used to be a definer of political allegiance between the UDF and the RPR – the UDF being on the side of "more Europe" against the Gaullist RPR. In recent years, these differences have blurred as the RPR was becoming increasingly pro-European; the partial merger of UDF and RPR within the Union for a Presidential Majority (UMP) in 2002 may reinforce this trend. Conversely, divisions within the Left on Europe and globalization have become more visible. Some socialist leaders have built their career around the notion of a "powerful Europe" that would "manage globalization" (*mondialisation maîtrisée*). Today, the discourse on globalization and Europe is a key cleavage point within the Left. Roughly speaking, center-left politicians within the PS are strongly pro-Europe and moderately pro-globalization, the left wing of the PS and most politicians within the PC and the *Verts* (green) are pro-Europe but anti-globalization, and the *gauche de la gauche* ("left of the left") are both strongly anti-globalization and moderately anti-Europe.

Thinking about globalization and Europeanization as new cleavages can offer a different reading of contemporary French politics, especially of the 2002 presidential election. The results of the first round, which eliminated incumbent socialist Prime Minister Jospin and pitched Far-Right National Front leader Le Pen against incumbent president Chirac, may seem incomprehensible when read through the lens of the traditional left/right cleavage. When one reads them through the lens of the globalization cleavage, however, the interpretation is strikingly different. In the first round, overt anti-globalization candidates obtained a striking 42.6% of the votes (48% if one include the Green candidate Mamère).⁴⁰ After all, then, it should not have come as such a surprise that the election's second round pitched one anti-globalization and anti-Europe candidate versus a pro-globalization (although in a "managed" form) and pro-Europe candidate.⁴¹

Of course, globalization and Europe should not be construed as radically new categories of political discourse. To some extent, "globalization" has become a code word for capitalism – it is used very often in conjunction with the adjective neo-liberal ("la mondialisation néo-libérale"). So those politicians who were – or would have been – against "capitalism" and in favor a "transition to socialism" during the cold War are now opposed to "neo-liberal globalization". Likewise, the perception of Europe as a bulwark against globalization can be understood as a functional substitute to the market-correcting role that French politicians expected from the state during the heyday of dirigisme. Yet what is also interesting about differences of positions on Europe and globalization is that they are not clearly correlated with left-right ideological variables. Proponents and opponents of

⁴⁰ The official results of the anti-globalization candidates were Le Pen 16.9%; Laguiller 5.7%; Chevènement 5.3%; [Mamère 5.3%]; Besancenot 4.3%; Saint-Josse 4.2%; Hue 3.4%; Mégret 2.3%; Gluckstein 0.5%.

⁴¹ On globalization and the 2002 election, see Meunier 2003.

globalization can be found both on the Left and on the Right, and the same is true about Europe – with all kinds of nuances between those who favor a “federal” Europe and those who prefer a strictly “intergovernmental” EU. Globalization and Europe are increasingly becoming key definers of political identity on the partisan spectrum. Furthermore, this trend is likely to continue as extremist parties both on the Right and on the Left challenge mainstream parties on the basis of political platforms that are anti-Europe and anti-globalization, thus forcing them to clarify their positions.

The consequences of this evolution are enormous since partisan views of globalization and Europe do not operate in a political vacuum. One can delineate some effects of the new cleavages for the dynamics of French domestic politics and for the dynamics of Europeanization and globalization. First, as positions on globalization and Europe construct and orient new political cleavages, the institutional nature of the EU and especially the substance of European policies suddenly become critical for domestic politics. Secondly, since what is going on at the EU level shapes the nature of Europe and, to some extent, affects the dynamics of globalization, the politicization of European politics is the natural counterpart of the Europeanization of domestic politics. Perceptions of globalization and Europe are bound to evolve in relation to the European Union’s institutions and policies, which thus can no longer be considered as a pure game of international diplomacy. In other words, the globalization and Europeanization of French politics is a two-way street – it may turn out to have important effects on the trajectory of globalization and Europeanization.

3.2 Germany

In Germany, postwar domestic politics was shaped by the extraordinary institutional and political upheaval of the war and the subsequent occupation of the country. The traditional cleavage of conservative nationalism was, obviously, absent from the rebuilding of party politics that followed. Instead, ideology and religion were the two strongest cleavages that historically structured the political debate and gave rise to three main parties: the CDU/CSU, a religious-based party bridging Protestants and Catholics and favoring a moderate free-market economy; the SPD, a historically socialist class-based party (which formally abandoned Marxism in 1959); and the FDP, a supporter of the free market. Any potential appeal of communism was contained by Cold War politics and the division of the country. More than by cleavages, therefore, German politics have been characterized by consensus, in particular on trade, on European integration, and on foreign policy.

Postwar German politics were characterized by a consensual free-trade orientation supporting open markets and an open world-trading system. In the 1950s, under the leadership of Economics Minister Ludwig Erhard, Germany opted for a strategy of trade liberalization, thus repudiating the tradition of autarky during the Third Reich.⁴² The deliberate strategy of export-led growth had wide political support in German society and developed almost into a cult.⁴³ No one called into question Germany’s “export mystique” since everyone, from the political and business elite to the trade unions, rallied around the goal of increasing German

⁴² Falke, 2003.

⁴³ Milward, 1992.

competitiveness in foreign trade.⁴⁴ As a result, Germany became the world's second largest trader after the United States in 1973, and still is to this day. Contrary to popular perceptions, however, Germany was never an absolute free-trader. Instead, its export-oriented trade policy was grounded in a mix of industrial policy and protection for weak sectors, such as agriculture and textiles. Germany also long maintained fairly closed markets in services, public utilities and public procurement. The system functioned because of close cooperation between business groups, banks, trade unions, and the federal and state governments.⁴⁵

European integration is a second major policy area on which German domestic politics have been characterized by consensus. In the 1950s, some dissenting voices questioned the wisdom for Germany to join the soon-to-be-formed European Economic Community. The SPD initially opposed Chancellor Konrad Adenauer's policy of Western integration in the 1950s. Some CDU politicians, like Erhard, also objected to joining the Common Market for fear that higher external tariffs and potential protectionism would impede Germany's export vocation. This could be, however, compensated by the lure of access to many difficult markets to penetrate, in particular the French and the Italian. Nevertheless, these objections were subordinated to the political argument articulated by Adenauer: Europe was to be not only an engine of economic recovery but also a safeguard from Germany's nationalist past. The supranational structure would guarantee foreign policy equality and firmly establish Germany on the international stage. From then on, a national consensus quickly developed behind Thomas Mann's phrase "A Europeanized Germany, not a Germanized Europe."

Consensus also long ruled German foreign policy. Adenauer's efforts to anchor Germany firmly in the West, in particular through NATO and later the European Community, were approved by all. So was the concept that Germany would now derive its international might from its trading power, not its military power. This is not to say that some issues were not divisive, as was shown by the vigor of the peace movement in the 1980s. Overall, however, German citizens seemed willing to ignore or refuse Germany's foreign entanglements for the most part.

Thus, throughout the postwar period, with a few exceptions, the major German parties agreed on most matters of political substance, including on economic policy. The structure of German politics --characterized by two catch-all parties with mass appeal, a system of coalition governments, and the pivotal role of the FDP-- favored a centrist consensus by acting as a brake for major policy initiatives. As Katzenstein argued, "the ideological intensification of the debate between the SPD-FDP government and the CDU/CSU opposition in the 1970s stemmed in part from the necessity to emphasize differences in political styles in order to mobilize electorates."⁴⁶ Even when successive governments were marked by stark differences, such as the "social capitalism" of Adenauer versus the "Keynesian capitalism" of Willy Brandt, they seemed relatively minor in comparison to French and British politics, for instance. Indeed, policies in Germany seemed to remain constant, in spite of government changes.

The biggest challenge to the stability of German politics in the second half of the 20th century came with the fall of the Berlin Wall and the question of what to do next. Yet in spite of the magnitude of the challenge, the Kohl government was able to maintain a national consensus on the indissoluble link between German reunification and European integration. A

⁴⁴ See for instance Falke, 2003, Maier, 1989.

⁴⁵ Maier, 1989.

⁴⁶ Katzenstein, 1987.

deal was sealed with France to embed a newly reunified Germany in a deepened European Union, complete with plans for a common currency and political integration. Unlike its French and Danish counterparts, the German government did not call for a public debate on the Maastricht Treaty or the creation of the Euro. European integration, once again, was not a divisive cleavage in German politics – and was not allowed to become one. The few discordant voices came only in the mid-1990s from politicians who questioned the economic logic of EMU. On the left, SPD candidate Gerhard Schröder initially expressed misgivings about the euro, but he soon silenced his doubts as opposition to EMU became identified with right-wing conservatism. As recession-hit EU member states encountered difficulties in containing their public deficits under 3% of GDP in order to qualify for EMU, Germany's right-wing conservatives, especially within the Bavarian CSU, began to oppose the idea of a "Club Med" Europe. Yet Kohl's government pre-empted their concerns and bargained hard vis-à-vis other EU member states for a "strict" interpretation of the Maastricht Treaty rules. In the end, most German politicians became resigned to sacrifice the deutsche mark on the altar of European integration.

What happened on the political side was even more interesting, since all major parties were exactly on the same line. In 1995, the CDU/CSU published a much talked about report on Europe, written in part by Wolfgang Schauble, president of the CDU-CSU group in Bundestag. The bottom line of the "Reflections on a European policy" report was the need to reinforce European integration through political integration (with federal-type institutions, such as the European Parliament sharing power with the Council, and the Commission acting as government), economic integration (reinforcement of free trade, monetary integration) and enlargement to the East. The document was criticized by the FDP and its president (and foreign affairs minister) Klaus Kinkel, as well as by the SPD, but more on details and timing than on substance. Once again, the German debate about Europe in the mid-1990s reflected a broad consensus on the EU.

Unlike in France, where the debate on Europe preceded the debate on globalization, in Germany a vigorous academic and political debate on globalization predated the emergence of a challenge to the national consensus on European integration. Known as the "Standort Deutschland" debate, it became a keyword of the German political discourse during the 1990s. "Standort" literally meaning location, "Standort Deutschland" refers to Germany as an investment location. A popular argument in the mid-1990s was that the German national economy had become increasingly uncompetitive in the EU and in the global economy because of its high labor costs, taxes, and costly environmental regulations. Thus the German socio-economic model --whose success rested on the existence of a global market for quality production, the capacity of firms to innovate, and demands for skilled labor--was under strain. Through the international mobility of capital, companies had higher location flexibility and German firms, in particular, were encouraged to shift production elsewhere. This debate about the inevitable clash between globalization and German rigidities served to justify various proposals for deregulation and market-oriented reforms. Yet despite recurring calls for "reforms," successive German governments – both under Kohl and Schröder – never demonstrated much resolve when it came to implementation.

Nevertheless, on other aspects of globalization, the debate was a latecomer in Germany. Whereas France had already a vibrant public debate over the shortcomings of globalization and a sizable popular mobilization in favor of anti-globalization themes, German politics remained oblivious to the issue until the WTO meeting in Seattle and even beyond. It is easy to understand why when "globalization" is decomposed into its various components. With respect to the trade dimension of globalization, the very nature of the

German economy as a trading state long precluded criticisms of globalization and calls for protectionism. With respect to cultural aspects, globalization never seemed to pose a major problem for Germany because postwar German culture did not have a universalist vocation, unlike the French, and therefore never clashed with the popular culture from the United States. As for the anti-Americanism often present in the criticisms of globalization as Americanization, it was quasi absent from a pro-US, Westernized German society.

In spite of the absence of many of the factors conducive to creating political splits over the issue of globalization, the debate on globalization started to gain momentum in Germany at the very end of the 1990s. The pattern of three party politics had ended in the 1980s with the emergence of the Greens. Rising out of the social movements of the 1960s and 1970s, this new party brought together environmentalists, pacifists, anti-capitalists, and women. It challenged the established political order by bringing in to the fore new issues and breaking the well-oiled CDU/SPD/FDP dynamic. The Greens entered for the first time in government in 1998 by forming a “red-green” coalition with the SPD in the first Schroeder cabinet. This election started to open up the globalization debate by explicitly linking trade openness with labor and environmental standards. To some extent, however, the debate on globalization in Germany was a political construct, not a grassroots movement. As Falke argues, “the Greens were instrumental in pulling in anti-globalization NGOs (particularly environmental and development groups) into the official policy discourse and giving them standing in hearings and channels of informal policy input.”⁴⁷

By 2002, globalization and Europeanization had become, for the first time, real issues in the German electoral campaign. Green Foreign Minister Joschka Fischer, along with the SPD, had made bold proposals for an institutional reform of the EU. In particular, they asked for an increased role of the European Parliament and the election of the Commission president by the Parliament. By contrast, the CDU/CSU, and its candidate Edmund Stoiber, appeared as a Euro-skeptic and argued for a clarification and limitation of EU competences, calling for a public referendum. In a blunt campaign speech, he even questioned enlargement for the first time, warning that Europe had some geographical borders that ought not to be crossed by expansion. At the same time that European integration was becoming politicized, so was globalization. The public successes of the anti-globalization lobbying group ATTAC (a French import), whose most famous spokesman is former SPD chairman Oskar Lafontaine, have also projected globalization in the political arena. Another central point of the 2002 electoral campaign was the issue of immigration, which is one of the central components of globalization. For the first time, mainstream politicians overtly pandered to the public resentment of immigrants.

The rise to prominence of globalization and European integration as central political issues in Germany can be explained by economic factors, consistently with the economic modernization hypothesis. Today Germany remains the biggest economy in Europe, larger by a third than Britain's or France's. But for the past eight years, the German economy has been the slowest growing in the whole of the EU, so in comparison with its peers it has lost ground.⁴⁸ This has led many observers, inside and outside Germany, to be concerned about the current “German malaise.” 4 million people are currently without work –which means a 9% unemployment rate. Many of Germany's greatest firms, such as Deutsche Bank, are in trouble. Labor costs are the highest in Europe, the health care system is very expensive, and Germany's famed education system seems in disarray. All the while, Germany does not seem

⁴⁷ Falke, 2003.

⁴⁸ See The Economist Survey, “Germany: An uncertain giant”, *The Economist*, December 7 2002.

be adapting well to globalization. Despite a wave of acquisition of foreign companies by German firms (Daimler-Benz bought Chrysler, Deutsche Bank bought Bankers Trust, Bertelsmann bought Random House), most of Germany's firms remain small by US standards. Moreover, except for software giant SAP, Germany's biggest companies are still rooted in the traditional technologies of engineering, automobiles, chemicals. The BDI, Germany's employers' federation, argues that Germany does not understand the rules of globalization. The recent economic failures have apparently begun to eat away at the foundations of Germany's political consensus.

Globalization is easily pinpointed as the culprit of the "German malaise." To be sure, the costs that German reunification entailed were exorbitant and explain some of Germany's economic difficulties. But following in the footsteps of the "Standortdebatte", many Germans believe that international capital mobility is gnawing at their country's competitive advantage – skills and quality products. As a result, as predicted by the economic hypothesis, those workers disadvantaged by globalization are naturally drawn to parties and political movements that openly criticize the phenomenon and propose alternatives.

European integration is also blamed for Germany's economic malaise, and this is new in German politics. According to Walker, "in 2002 the German commitment to Europe began to appear, for the first time, a problem rather than a solution. The fiscal straightjacket of the Stability Pact limited the government's options in dealing with the floods. At the same time, EU rules against state aid to industry, in the name of fair competition, constrained Germany's strategic determination to lift the East to the West's economic standards. The EU's competition watchdogs also challenged the privileged long granted to Germany's powerful regional banks, which have benefited from state-backed financial guarantees.[...] These difficulties with the EU are throwing into sharper relief the costs, as well as the advantages, of the international structure into which Germany has chosen to fit."⁴⁹ Indeed, the reproaches made to Europe are consistent with the institutionalist hypothesis, since European integration is seen as an institutional constraint which has direct ramifications into German policy-making ability. As a result, polls taken regularly by the EU dubbed the Eurobarometer detected a decline in German support for EU institutions during the 90s as the economy began to falter. Germans currently rank at the bottom of the 15 countries for "pride in being European". They are 12th of 15 in whether they think their country benefits from EU membership. They are 14th of 15 in their trust in EU institutions, ahead only of the UK.⁵⁰ Therefore, politicians have seized on this popular Euro-skepticism and turned it into a potentially lucrative issue. According to Judis, "Germany's business leaders, who covet Eastern European markets and labor, are finding it increasingly difficult to prevent Germany's politicians from pandering to the public's anti-Europe mood."⁵¹

Where the main German parties stand on the twin issues of Europeanization and globalization is still in a state of flux. If one reads "globalization" as the modern codeword for "capitalism", then the old left/right cleavage would suggest that the CDU/CSU and the FDP should be openly pro-globalization, while the SPD should be the party of anti-globalization. As in the French case, however, the picture is more complex and does not reproduce isomorphically the old political divisions. The Greens and the SPD have indeed tried to associate themselves with the increasingly successful anti-globalization movement led by the French group ATTAC. So have the trade unions, in a move reminiscent of the anti-

⁴⁹ Walker, 2002.

⁵⁰ Cited in Judis, 2002.

⁵¹ Judis, 2002.

globalization movement in the United States.⁵² The CDU/CSU, however, has also started to court some of the popular disenchantment by holding a discourse somewhat critical of globalization, especially with respect to its immigration dimension. On the issue of European integration, the CDU/CSU appears now more critical than its SPD and Greens counterparts who see in Europe a promise of more regulations against the negative side-effects of neo-liberal globalization and the best chance of preserving some aspects of the German socio-economic model.

Table 4: Europeanization and Globalization in German Politics

	<i>EU as agent of globalization</i>	<i>EU as bulwark against globalization</i>
Positive	FDP + segments of the CDU	Greens + segments of the SPD
Negative	segments of the SPD	CSU

3.3 The United Kingdom

- *ibid.*
- see Colin Hay and Matthew Watson, "Globalization and British political economy," *Contemporary Political Studies* (1998) vol.2, p.812-822

Table 5: Europeanization and Globalization in British Politics

	<i>EU as agent of globalization</i>	<i>EU as bulwark against globalization</i>
Positive	Liberal democrats + Tory free marketers + New Labor	Old Labor + new Labor to some extent
Negative	N/A today	Tory sovereignism

⁵² As reported by Riebsamen, the IG Metall chairman, Klaus Zwickel, and his deputy, Jurgen Peters, wrote to all the union's administrative centers, district executives and training establishments in early February 2002. "Dear colleagues, we are writing to encourage you to cooperate with ATTAC," the letter began. The union leaders informed their subordinates that, in terms of content, the globalization critics' demands largely matched IG Metall's. The union, too, rejects the neoliberal globalization credo, questions the distribution of economic power, and campaigns for economic and human rights worldwide. Hans Riebsamen, "On Attack against globalization", *Frankfurter Allgemeine Zeitung*, 6 March 2002.

3.4 Spain

Table 6: Europeanization and Globalization in Spanish Politics

	<i>EU as agent of globalization</i>	<i>EU as bulwark against globalization</i>
Positive		
Negative		

Conclusion

Globalization does challenge all polities. Since it undermines the central role of the state, erodes national sovereignty, and gives rise to new forms of collective action, globalization transforms domestic politics everywhere. Globalization has the potential for becoming the central issue around which politics in advanced industrialized societies will crystallize in the years to come because it does provide a new fault line --one that divides an "open society" ready to benefit from the broader cultural horizons and consumption possibilities that globalization has to offer, versus a "closed society" unable or unwilling to enjoy these while standing in the first row of those who suffer from its plagues: unemployment, delocalisation, pauperization, loss of identity. Therefore we witness the same debates appearing in a variety of national settings: worries about the immigration dimension of globalization; fears that jobs are being shipped out to lower wage and lower standard countries; concerns about the possibility to sustain a distinctive socio-economic model. Everywhere these issues are now taking political center-stage.

In Europe the political impact of globalization is complicated by the simultaneous political impact of Europeanization. To some extent, European integration has been acting as a mediator between globalization and European domestic politics. In some cases, it is interpreted as an agent and even a precursor of globalization --which can be viewed either in a positive or in a negative light. In other cases, Europeanization is seen as a rampart against the globalization --which again can be seen as a negative or a positive development. The positioning of political parties around the new cleavages created by the twin processes of globalization and Europeanization does not superimpose itself on the old societal cleavages which have structured European politics in the postwar era. Instead, as we have shown in this paper, how political parties position themselves on the globalization/Europeanization matrix follows a new logic, which can be explained alternatively by economic, political or institutional factors.

To be sure, globalization and Europeanization have not suddenly made past partisan identities and cleavages obsolete. Politics does not take place in a historical vacuum, even in revolutionary times. Yet the current phase of international and European integration is certainly a new deal for political parties, as it forces them to redefine their ideological and

policy platforms as well as their target constituencies. This process can be described neither as a seamless economic modernization and homogenization, nor as a re-hash and re-differentiation of old political agendas. Political actors work to *reconstruct* their partisan identities and differences. This work is relatively open-ended yet channeled by the configuration of existing institutional arenas, especially the EU.

As national politicians are challenged to take a stance on “Europe”, they tend to take sides according to their understanding of the relationship between European integration and the broader globalization process. In turn, this understanding is informed in part by pre-existing left/right partisan considerations, by new political issues, but above all by what politicians in any given member state perceive as the substantive nature of “Europe” in relation to globalization.

From a theoretical perspective, “globalization” – like “the Renaissance”, “the birth of modern nations” or “the industrial revolution” in the past – is a multi-faceted phenomenon and therefore is extremely difficult to pinpoint. Everybody senses that there is something important going on, but the crux of the process is relatively elusive. Examining the evolution of the EU can be a more concrete way to contextualize and give flesh to a phenomenon everybody talks about without being sure of its meaning.

These questions are important because sooner or later there is a move from political platforms to action. The EU’s configuration and role in relation to globalization is being debated and renegotiated not only in an intergovernmental setting, but also in national party-political spheres. It is likely to evolve as a result of perceptions; this is key because to this day, the EU probably constitutes the most coherent European reaction, approach and alternative to globalization.

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