

Postscript to "The Making of a Polity"¹

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The "Making of a Polity" diagnoses the coalitions and conflicts that would arise if the European Union were transformed into a *polity* responsible for fundamental decisions binding on individuals living in its member states.² What if the European Union was such a polity in the making, not merely a means for internalizing policy externalities or regulating trade? What if the choices that confronted Europeans were larger, far larger, than determining the prices of agricultural products or setting external tariffs? What would happen if those who led national political parties, interest groups, and social movements came to realize that national states were being melded into a new institutional set-up, a system of multilevel governance? What would be the contending visions? What fundamental conflicts would arise? Who would be on which side?

We tried to shed light on these questions by describing the genesis of the polity that was emerging after the Single European Act (1986). We strove to stay close to the ground, sketching developments in a straightforward way, yet our purpose was to argue that European integration would be determined not by industrialists, bureaucrats, or diplomats, but by leaders of broad political organizations – political parties, social movements, interest groups – who had contending ideas about basic political institutions.

We were writing for an audience which, at the time, did not believe that European integration amounted to much. Comparative political economists conceived European integration as a side-show which had little effect on national public policy and which had the awkward methodological effect of reducing the independence of the cases available for analysis.

Building on the work of political economists, we argued that the impetus for the making of a European polity was the perceived failure of national Keynesian policy. One response was to shift decision making to private actors; another, complementary, shift was to Europe. This was the point of departure for

¹ The first making was published in 1999: Liesbet Hooghe and Gary Marks, "Making of A Polity. The Struggle over European Integration," in *Continuity and Change in Contemporary Capitalism*, edited by Herbert Kitschelt, Gary Marks, Peter Lange and John Stephens, (Cambridge: Cambridge University Press), 70-97.

² Our first effort to write a paper for the volume *Continuity and Change in Contemporary Capitalism* argued that the European Community was being transformed into a system of multilevel governance which was eroding state sovereignty. This paper was published in the *Journal of Common Market Studies* in 1996 as "European Integration and the State: Multi-level vs. State-Centric Governance."

European integration, “but not the destination,” for how was a European market to be governed? How much authority would be vested in European institutions? What would be their policy responsibilities? Just as the creation of national policies over the past century had been framed in distributional, usually, class conflict, so we anticipated that distributional coalitions would contest European policies.

Not that we expected a replay of state building. Left/right conflict over European issues could not follow the path of left/right conflict over national policies. The institutional barriers to market regulation were quite high and the coalition that could propel Europe over them was weaker than in most member states. There was no coherent European trade union movement, no working class, and little overarching cultural solidarity. In short, the conditions for a European welfare state or neocorporatism at the European level were absent (Streeck and Schmitter 1991). The debate would be about how to regulate markets, not whether markets should be replaced.

We described two overarching political designs or projects around which broad coalitions of political actors would form. A *neoliberal project* sought to insulate markets from political interference by combining European-wide market integration with minimal European regulation. Neoliberals and their allies on the economic right want a single market within which national states compete for mobile factors by providing attractive regulatory regimes. They oppose the creation of authoritative European institutions beyond those necessary to sustain market competition. On the other side, a project for *regulated capitalism* brought together a disparate set of mainstream social democratic and centrist political parties, social movements, and trade unions. They wished to build authority at the European level – which meant empowering the European parliament and limiting the veto power of individual governments – to create what Jacques Delors described as an *espace organisé*, a peoples' Europe based on social reform and partnership among public and private actors.³

Fifteen years later, European integration has become more participatory, and is more politicized, than we could have guessed. We claimed that European integration would “become a matter of the widest public discourse,” but we had no notion of how wide and how public that contest would become – in 27 (27!) referendums on Europe that have taken place since the 1992 referendum in France. We recognized that European integration was a high-profile issue which escaped the control of government leaders, but we did not dare to predict how frequently governments might have to accept humiliating defeat on European

³ We wrote the first draft of the *Making of a Polity* for a conference held in Berlin in May 2005. As is often the case when the scientific community is grappling with new facts, several people were thinking along similar lines. Our argument was consistent with the finding that social policy was being developed beyond the national state (Leibfried and Pierson 1995) and that European developments reflected a clash of capitalisms (Crouch and Streeck 1997; Rhodes and van Apeldoorn 1997).

issues at the hands of their citizens.⁴ What seemed extraordinary at the time – politicization, mass participation, and elite vulnerability – has become almost ordinary with the passage of time.⁵

But we misunderstood or simply missed some important developments. First, we overestimated the extent to which social democrats would be willing and able to mobilize for supranationalism. We were aware that the center-left coalition for regulated capitalism was "weaker than the sum of its parts because it is extraordinarily heterogeneous (91)," but we believed that there would be common ground among social democratic parties. The 1999 Amsterdam Treaty revealed that this did not extend to constitutional issues. Social democratic parties, governing in thirteen of fifteen member states, broadened EU competences to employment, social regulation, women's rights, human rights, and the environment – but they did not deepen, at least not commensurately, the authority of the European Union. One reason for this is that social democrats were deeply divided. A coalition for regulated capitalism would have had to encompass Jospin's socialism alongside Tony Blair's Third Way (Pollack 2000). Another reason is that support for redistribution relies on a shared sense of community more than we imagined, and community is relatively weak in today's European Union.

Second, we underestimated the extent to which European integration has intensified, as well as tamed, territorial politics. In the *Making of a Polity* we emphasized that European integration transforms diplomacy into law making, implementation, and adjudication. We were probably right to hypothesize that domestic groups of similar ideological stripes would form transnational coalitions. But we were wrong to believe that ideological conflict would cross-cut and thereby diminish territorial conflict. European integration has actually exacerbated territorial politics because it encompasses diverse countries in a single polity (Hooghe and Marks forthcoming).⁶

Were we to rewrite the paper today, we would surely pay more attention to judicial politics. The courts have been the bane and the boon of regulated capitalism. The bane in that the penchant of the European Court of Justice for knocking down economic barriers threatens social democratic achievements at the national level. The boon in that the Court has created extensive case law on gender equality, regional equality, the family, and protection of the environment (Chicowski 2004; Caporaso and Tarrow 2007). James Caporaso and Sidney Tarrow observe that "social policy is already 'here' in the EU, in that market and social policy are increasingly meshed with regulatory and redistributive politics.

⁴ Since 1992, governments have been defeated in referendums on six occasions. Just seven referendums on Europe took place in the EU over the previous four decades—with no government defeats.

⁵ The search for an explanation of politicization has led us and others to examine political parties, social movements, and interest groups (see Hooghe and Marks forthcoming, for an overview).

⁶ In more recent work, we hypothesize that ideological coalitions form for policies that have similar distributional effects across countries and territorial coalitions form for policies that redistribute across countries (Marks 2004).

Karl Polanyi observed in the context of nineteenth century England that the logic of economic exchange is legally and politically embedded, and Caporaso and Tarrow extend this line of argument to the role of European Court of Justice in regulating the single market.

Finally, and perhaps most fundamentally, we did not recognize the force of national identity in fomenting opposition to European integration. The contending visions that we described were political economic. Neoliberalism and regulated capitalism differ on the role of the state in the economy, on the distribution of economic values, and on the relative virtues of economic freedom versus economic equality. They assume that the democratic class struggle takes place within given communities in given territories. They assume that conflict is about who gets what (and how). Now we realize that the creation of a European polity engages more fundamental and more disruptive issues having to do with the boundaries of the political community, with the authenticity of national values and traditions, with potentially combustible conceptions of "us" and "them."⁷

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⁷ In an early draft of the *Making of a Polity* we inserted a postscript entitled "Maastricht and the nationalist project" which discussed how nationalism intensified politicization and diminished public support for the EU. We wrote that "Nationalism and anti-Europeanism go hand in hand. Radical streams within mainstream parties of the Right, including the British Conservative party and the French Gaullists, new and not so new extreme rightist parties in Denmark, Austria, Sweden, Italy, anti-Maastricht social movements in France and Spain—each of these privilege anti-Europeanism as a core feature of their programs." However, we cut the section because we were still thinking through the logic of national identity in relation to European integration and we believed that a third project would dilute the economic focus of the paper.

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