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# Globalization, European integration and the discursive construction of economic imperatives

Colin Hay and Ben Rosamond

**ABSTRACT** While studies of globalization proliferate, we remain relatively under-informed about discourses of globalization and associated issues of power and knowledge. These issues come to the fore in the light of the intensive deployment of particular rhetorics of globalization and European integration within policy-making, journalistic and corporate communities. This paper seeks to contribute to the development of an institutionalist and yet social constructivist understanding of the appeal to external economic constraints (such as globalization and European integration) within contemporary European public policy and political economy. Through an attempt first to map the range of discourses of globalization and European integration in contemporary Europe and then to chart the (frequently) strategic deployment of such discourses in Britain, France, Germany and Italy, the paper attempts to move beyond an understanding of globalization discourse as the linguistic expression of exogenous interests. It shows how ideational structures become institutionalized and normalized, thereby coming to delimit conceptions of 'the possible' among political actors.

**KEY WORDS** Discourse; economic constraint; European integration; globalization; rhetoric; social construction.

## GLOBALIZATION: IDEATIONAL AND MATERIAL CONSTRAINTS

Globalization is invariably presented and analysed as a set of principally economic, but above all *material*, processes and practices, serving to effect a more or less epochal transformation of contemporary capitalism.\* In this context, a paper which focuses attention upon the discursive construction of globalization as a set of external economic constraints with attendant political imperatives might seem, at best, a rather marginal enterprise. For surely the key issue of analytical concern is one of collating and adjudicating the empirical evidence for and against the 'material reality' of globalization and the constraints it is seen to imply. This, at any rate, has been the dominant assumption in the existing literature, with 'radicals' and 'sceptics' alike setting

out their respective positions through a series of more or less casual appeals to the 'material' evidence. The result has been the inevitable profusion of literature trading claim and counterclaim.

It is certainly not our intention to question the extent to which our knowledge of the empirical phenomena associated with claims of globalization has been enhanced in this way. Nonetheless, we will argue that something quite significant is lost in this overly restrictive emphasis upon material indices of globalization and on arguments which such indices might adjudicate.<sup>1</sup> The implicit supposition which underlies much of the sceptical or second-wave literature seeking to expose the 'myth' or 'delusion' of globalization is that a rigorous empirical exercise in demystification will be sufficient to reverse the tide of ill-informed public policy made in the name of globalization. Sadly, this has not proved to be the case. For however convinced we might be by the empirical armoury mustered against the hyperglobalization thesis by the sceptics, their rigorous empiricism leads them to fail adequately to consider the way in which globalization comes to inform public policy-making. It is here, we suggest, that the discourse of globalization must enter the analysis. For it is the ideas that actors hold about the context in which they find themselves rather than the context itself which informs the way in which actors behave. This is no less true of policy-makers and governments. Whether the globalization thesis is 'true' or not may matter far less than whether it is *deemed* to be true (or, quite possibly, just useful) by those employing it. Consequently, if the aim of the sceptics is to discredit the political appeal to dubious economic imperatives associated with globalization, they might well benefit from asking themselves why and under what conditions politicians and public officials invoke external economic constraints in the first place. It is to this task that we direct our attentions in this paper.

It is important at the outset that we consider the *potential* causal role of ideas about globalization in the structuration of political and economic outcomes.<sup>2</sup> Our central argument is, we think, likely to prove controversial. It is simply stated, though its implications are more complex. Essentially, we suggest, policy-makers acting on the basis of assumptions consistent with the hyperglobalization thesis may well serve, in so doing, to bring about outcomes consistent with that thesis, *irrespective of its veracity* and, indeed, *irrespective of its perceived veracity*. This provocative suggestion, if warranted, has important implications and clearly requires some justification (see also Hay 1999; Rosamond 1999, 2000).

Globalization has become a key referent of contemporary political discourse and, increasingly, a lens through which policy-makers view the context in which they find themselves. If we can assume that political actors have no more privileged vantage point from which to understand their environment than anyone else and – as most commentators would surely concede – that one of the principal discourses through which that environment now comes to be understood is globalization, the content of such ideas is likely to affect significantly political dynamics.

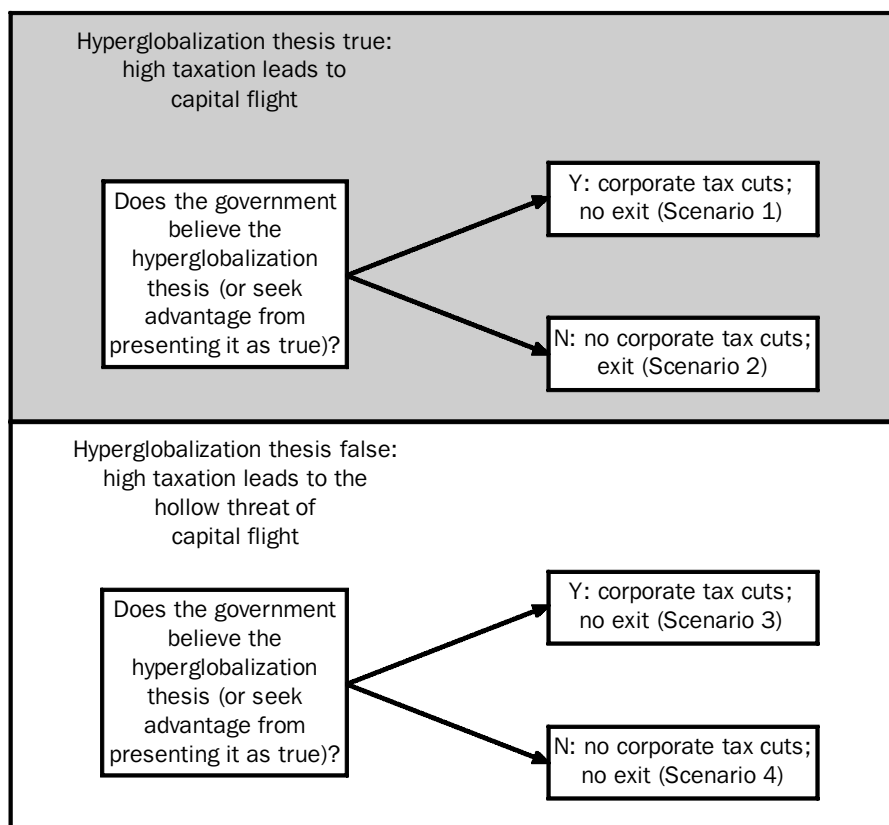


Figure 1 The causal significance of ideas about globalization

Consider tax competition between states. The hyperglobalization thesis suggests that in a globalized context characterized by the heightened (in some accounts, the free) mobility of capital, vicious competition between states will serve to drive down the level of corporate taxation (Razin and Sadka 1991; Tanzi and Schuknecht 1997). Accordingly, any failure on the part of a state to render its corporate taxation levels competitive in comparative terms, through tax cuts, will result in a punitive depreciation in net revenue as capital exercises its mobility to exit. There is precious little evidence to substantiate the thesis or the parsimonious if implausible assumptions upon which it is premised (Quinn 1997; Schulze and Ursprung 1999; Swank 1998). Yet, the irony is that if governments believe it to be true, or find it to their advantage to present it as true, they will act in a manner consistent with its predictions, thereby contributing to an aggregate depreciation in corporate taxation – whether they are right to do so or not. The process itself is outlined schematically in Figure 1 (for a fuller discussion, see Hay 2002: ch. 6).

The question of intentionality is here crucial. It is important, at the outset, that we differentiate between the internalization of a discourse of globalization as an accurate representation of the relevant 'material' constraints and the more intentional, reflexive and strategic *choice* of such a discourse as a convenient justification for policies pursued for altogether different reasons. In the first scenario ideas about globalization might be held to be constitutive (in part) of the perceived interests of political actors; in the latter, they are more of an instrumental device deployed in the promotion of a set of extant preferences and (perceived) interests.<sup>3</sup> There is plenty of evidence, as we shall see, of actors deploying particular rhetorics of globalization in the attempt to justify often unpalatable social and economic reform. Whether this should be interpreted as evidence for an unreflexive internalization of a discourse of external economic constraint or as an exercise in responsibility-displacement is an interesting methodological conundrum to which we return presently.

Tax competition is but one example. What it, and others like it, suggest is that the discourse of globalization may play a crucial independent role in the generation of the effects invariably attributed to globalization and invariably held to indicate its logic of inevitability.<sup>4</sup> In a context in which direct corporate tax rates have fallen over time – and in which that process has been linked publicly to the constraints imposed by globalization (Blair and Schröder 1999: 167; Schwanhold and Pfender 1998: 21–2) – this is not an insignificant point. This in turn suggests the importance of differentiating clearly between: (i) the effects of globalization itself; (ii) the effects of having internalized popular constructions of globalization; and, indeed, (iii) the strategic and disingenuous appeal to globalization as a convenient justification for unpalatable reforms. All too frequently the second is mistaken for the first; the third discounted altogether.

And it is easy to see why. For the effects of having internalized or deployed strategically assumptions about globalization may, in time, become almost as entrenched as if they were produced by an inexorable globalizing logic. The effects of tax competition are, after all, no less real if informed by assumptions about the mobility of capital which are demonstrably false. Moreover, once established, the momentum of a process such as tax competition may be difficult to halt.

Does it matter, then, whether the effects frequently attributed to globalization are direct products of the demonstrable 'material reality' of globalization or of more or less accurate constructions of globalization's assumed imperatives or of an entirely duplicitous appeal to globalization's convenient exigencies? While in one sense it may not (the immediate outcome, after all, is the same), in another the difference is extremely significant. In one account we identify an inexorable logic of economic compulsion operating beyond the control or purview of political actors whom we might hold accountable for its consequences. In the other two we have an open-ended, contingent and – crucially – political dynamic to which potentially accountable agents might be linked. Differentiating between the effects of globalization, on the one hand,

and the effects of dominant discourses of globalization and the use made of such discourses, on the other, is, then, an integral aspect of restoring notions of political responsibility and accountability to contemporary political and economic dynamics. It is a prime motivation for much of what follows.

## GLOBALIZATION AND EUROPEAN INTEGRATION AS CONTESTED DISCURSIVE FIELDS

Thus far we have tended to assume that there is a single and largely unquestioned conception of globalization prevalent within contemporary Europe. While the essentially neoliberal and market-conforming conception of globalization as an external economic constraint is certainly the dominant one, it is by no means the only one. Indeed, as Ben Clift has recently suggested, the future of the European social model may turn on contested conceptions of 'the implications of globalization for social democratic egalitarianism' (2000a: 67). It is thus important that in the sections which follow we turn our attention to alternative constructions of globalization and, from those, to something already alluded to – namely, the appeal to European integration (or 'Europeanization') rather than globalization as an alternative and largely external economic constraint. We examine each family of discourses comparatively.

Before doing so, however, it is first important to differentiate clearly between the appeal to globalization as *discourse* and to globalization as *rhetoric*.

### Globalization as discourse; globalization as rhetoric

Thus far we have tended to look exclusively at ideas about globalization as discourses. By this we refer to the way in which globalization has come to provide a cognitive filter, frame or conceptual lens or paradigm through which social, political and economic developments might be ordered and rendered intelligible. To identify discourses of globalization is, then, to point to the existence of structured sets of ideas, often in the form of implicit and sedimented assumptions, upon which actors might draw in formulating strategy and, indeed, in legitimating strategy pursued for quite distinct ends. In this sense, discourses of globalization exist independently of the actors who draw upon them. They provide, as it were, an ideational context – a repertoire of discursive resources in the form of available narratives and understandings at the disposal of political actors.

As this would suggest, an analysis which confines itself exclusively to discourses of globalization is overly structural, giving insufficient attention to the active and frequently creative role of agents in the formulation of ideas which may become sedimented as discourse. It is actors, after all, who fashion understandings and offer legitimations of their conduct, even if they do so in discursive circumstances which are not of their own choosing. Control over knowledge about globalization is an issue of the highest stakes. This brings us

Table 1 Discourses of globalization

	<i>Positive consequences anticipated</i>	<i>Negative consequences anticipated</i>
Inevitable/ inexorable process (non-negotiable)	1 globalization as external economic constraint	2 globalization as threat of homogenization
Contingent process or tendency to which counter- tendencies might be mobilized	3 globalization as a political project which should be defended	4 globalization as a political project which must be resisted

to globalization as rhetoric. By this we refer to the strategic and persuasive deployment of such discourses, often in combination, as means to legitimate specific courses of action, policy initiatives, etc. (see also Rosamond 1999, 2000). It is to the specific relationship between discourses and rhetorics of globalization that we turn in the following pages. We begin by attempting to map the field of discourses of globalization in contemporary Europe, albeit in a somewhat stylized manner and at the risk of some simplification, by identifying four alternative discourses of globalization. These are outlined schematically below and summarized in Table 1.

**Globalization as external economic constraint**

This, as we have suggested throughout, is the dominant conception of globalization today. It associates globalization with the near perfect mobility of capital (and, in some accounts, all factors of production) and with a variety of attendant economic imperatives for state actors. It implies and assumes a world of rigorous tax competition lubricated by flows of capital, of an intense struggle for locational competitiveness secured principally on the basis of cost reductions, welfare retrenchment, labour market flexibilization and the removal of supply-side rigidities – in short, market-conforming deregulation. Within Europe this discourse is most clearly associated with Britain (and to a lesser extent, Ireland), with New Labour and the advocacy of the so-called ‘Third Way’ in particular. Illustrative examples abound. In Tony Blair’s terms:

The key to New Labour economics is the recognition that Britain . . . {has} to compete in an increasingly international market place . . . Today’s Labour Party, New Labour, is the political embodiment of the changed world – the new challenges, the new economics and the new politics.  
(Speech to the Bundersverband des Deutschen Industrie (BDI)  
Annual Conference, Bonn, Germany, 18 June 1996)



This clear invocation of globalization as non-negotiable external economic constraint is by no means confined to Britain, however. Globalization, conceptualized in this way, provides the clear backcloth to the Blair/Schröder paper on the Third Way/Die Neue Mitte: 'In a world of ever more rapid globalization . . . we need to create the conditions in which existing business can prosper and adapt, and new businesses can be set up and grow' (1999: 163). Similarly, the opening paragraph of the Presidential Conclusions to the Lisbon Special European Council of March 2000 reads: 'The European Union is confronted with a quantum shift resulting from globalization and the challenges of a new knowledge-driven economy. These challenges are affecting every aspect of people's lives and require a radical transformation of the European economy' (Presidential Conclusions, Lisbon Special European Council, 23–24 March, para. 1). The purchase of this particular discourse of globalization would seem considerable.

### Globalization as the threat of homogenization

If the first (and still dominant) discourse presents globalization as an opportunity for those prepared to adapt themselves to its logic of economic compulsion, the second presents an altogether different image. Globalization is again presented as an ongoing, indeed largely inexorable, process of economic change. Yet where the first discourse concerns itself primarily with the political consequences which, broadly speaking, it welcomes and enthusiastically embraces, the second associates globalization with pervasive cultural flows which threaten to dissolve national distinctiveness. Globalization produces not diversity, heterogeneity and the cross-fertilization of cultures liberated from spatial confines, but precisely the converse – the tyranny of a largely American cultural imperialism. Such a conception of globalization as a colonizing imperialism is increasingly influential in France and has come to be associated with a distinctive anti-globalization movement, spanning sheep farmer José Bové's *Confédération Paysanne*, Charles Pasqua's new 'souverainiste' party of the right, the *Ressemblement pour la France*, and a host of new social movements and anti-globalization protesters whose intellectual leadership comes from the likes of Pierre Bourdieu and Viviane Forrester. Yet, this discourse is unlikely to remain on the margins of French political debate. For, owing to its clear popular resonances, such anti-American, anti-imperialist sentiment is increasingly being taken up by both Jospin and Chirac who feel the need to woo the anti-globalization movement in the long run-up to a likely presidential election in 2002. The discourse itself is well illustrated in *Le Monde* which, in a recent editorial (entitled 'Vive le Roquefort libre?'), entreated its readers that 'resistance to the hegemonic pretences of hamburgers is, above all, a cultural imperative', going on to note 'McDonald's red and yellow ensign is the new version of America's star-spangled banner, whose commercial hegemony threatens agriculture and whose cultural hegemony insidiously ruins

alimentary behaviour – sacred reflections of French identity' (cited in Meunier 2000: 107).

Despite the rhetoric and, indeed, the reality of resistance, there is a certain sense of fatalism about the process of globalization depicted here. This was earlier reflected in the public sector 'strikes against globalization' (as they came to be known) of December 1995.<sup>5</sup> Two things are immediately striking about these outpourings of resistance to the prevailing tide of social and economic reform. First, though motivated ostensibly by a protest at the consequences of the refinancing of social security to help meet the Maastricht convergence criteria, it was globalization rather than European integration which became the focus of mobilization and resistance. This marks a clear displacement and distancing of the protesters from the more proximate cause of their concerns and anxieties. As Raghu Krishnan notes, the 'protest movement became a generalized revolt against the overall social and economic orientation of government and business over the last fifteen years ... it was a cry of desperation and anger against growing unemployment and the phenomenal rise in homelessness, poverty and violence in the country' (1996: 2). Second, and equally remarkable, was the sense of fatalism that the protesters exhibited. As George Ross notes, 'the strike's immediate objectives were to hold on to a world that seems more and more unmasterable, and not to promote reform and change' (1996: 27). Similarly, as Krishnan again suggests,

the overriding message of the strike and social movement is that the right-wing offensive of cutbacks and layoffs is not the 'only possible economic policy' as the French and almost everyone else have been told ad nauseum in recent times. It was a stiff rebuke to those who say 'there is no solution'.

(Krishnan 1996: 3)

Yet, accurate though this observation undoubtedly is, it misses a key aspect. For the strikes against globalization were, as much as anything else, a strike against the lack of a perceived alternative. In this case globalization is pernicious, yet agency in pursuit of alternatives is chronically constrained.

### **Globalization as a desirable yet contingent outcome**

A third and altogether different discourse of globalization has emerged in recent years, largely from Anglophone capitals (on both sides of the Atlantic) and from certain sections of the financial and business media. As in the first discourse, it presents globalization as a desirable process. Yet, in stark contrast to the invocation of globalization as a non-negotiable external economic logic, it acknowledges what it sees as the fragile and contingent quality of this process of economic transformation. In so doing it seeks to defend globalization as a political and economic project whose now contingent logic must be protected, preserved and promoted, and thereby rendered necessary and (once again)

inexorable. Examples are legion. In Europe this discourse is most clearly associated with the New Labour government in Britain. Interestingly, however, it is a discourse presented not for domestic consumption in the legitimation of social and economic reform (for here a discourse of external economic constraint is retained), but for international consumption in international fora (deployed in the clear attempt to mobilize support for the reform of international institutions which might be made more conducive to a neoliberal regime of global governance).<sup>6</sup> Blair's speech to the World Economic Forum in Davos earlier in 2000 is a particularly significant example. In it he launched a sustained defence of the trade and capital liberalization agendas that he associated with the (benign and beneficial) process of globalization, in response to the challenges arising from Seattle and the Asian financial crisis respectively. With respect to the former, he argued:

Our conclusion should not be that open markets and free trade are wrong. The worst thing we could do for developing countries would be to shelve the trade liberalization agenda and sit back while trade barriers were re-erected around the globe. The right conclusion is that we have an enormous job to do to convince the sincere and well-motivated opponents of the WTO {World Trade Organization} agenda that the WTO can be, indeed is, a friend of development, and that far from impoverishing the world's poorer countries, trade liberalization is the only sure route to the kind of economic growth needed to bring their prosperity closer to that of the major developed economies.

(Speech at the World Economic Forum, Davos, Switzerland, 28 January 2000)

Similarly, with respect to capital liberalization and, this time, in response to the Asian financial crisis, he argued:

Once again, this should not lead us to conclude that open capital markets are not an appropriate objective for the longer term. I believe they are . . . The forces of change are pervasive and fundamental; . . . they require nations to adapt and reform with equal rapidity; . . . though the role of government may be new, its ways of working radically different, it has a role and our citizens know it and want the role performed.

(Speech at the World Economic Forum, Davos, Switzerland, 28 January 2000)

Similar sentiments were expressed by Stephen Byers in, if anything, even more forthright terms in his opening plenary address to the WTO ministerial meeting in Seattle in November 1999.

There are those who say that globalization and trade liberalization are innately harmful, bringing benefits only to a handful of multinational

corporations, widening the gap between the richest and poorest, threatening the environment and undermining social structures. Such people can be found at all stages of human history, casting doubt on progress and pointing to the ills it allegedly brings while ignoring the benefits . . . By working together we can confound the critics and show that globalization and liberalization together can be a decisive force for good. But in our countries we need to work at convincing our people that this is to be welcomed rather than feared.

(Plenary address, WTO ministerial meeting, Seattle,  
30 November 1999)

In such accounts globalization is presented as both 'a good thing' *and* an external challenge. The form the challenge takes is, predominantly, liberalization. The appropriate response through which the benefits of globalization will be reaped is the promotion of further openness and liberalization.

### **Globalization as a contingent and undesirable outcome**

A final discourse presents globalization again as a contingent and potentially fragile project, but now one promoted by certain sectoral interests to the detriment, in particular, of the 'European social model'. This discourse has proved particularly influential in contemporary French political debate and is likely to be given a further boost by the recent proliferation of anti-US/anti-globalization sentiment. Clearly, this particular discourse blends into the second discourse identified above. Nonetheless, the two are, we contend, clearly distinguishable, placing their emphasis rather differently. For, whereas the discourse of globalization as cultural threat tends to be associated with a pervasive cynicism and scepticism about all transnational political and economic initiatives (whether regional or genuinely global), this latter discourse tends to promote the process of European integration as a bulwark against the undesirable consequences of globalization. This discourse is particularly prevalent among the pro-integration French left around Jospin himself, though it can certainly be traced back to the Mitterrand government's appeal to the 'contrainte extérieure' it encountered in the early 1980s and the need to remain within the European monetary system if it were to protect itself from a logic of external economic constraint associated with globalization (Schmidt 1997a, 1997b).

Within this particular discourse, then, globalization may indeed come to act as an external economic constraint, yet it is one that is chosen and is thus, to a considerable extent, self-imposed. As Vivien Schmidt notes, from the late 1980s onwards, 'in place of an overall legitimating discourse of the left or the right, successive governments continued to use the rhetoric about the need to rise to the challenge of Europeanization as a guard against the threat of globalization to justify continued industrial reform' (2000: 67). Prevalent, indeed increasingly prevalent, though such a view would seem to be in France,

it is by no means confined to French political debate. However marginal his views have now become, Oskar Lafontaine shares with Jospin a similar conception of European integration as a means of preserving the distinctiveness of the European social model from the neoliberalizing imperatives which would come from an open embrace of globalization. As he argues,

A downward race between countries is ... by no means an inevitable consequence of globalization. It is the result of a misconstrued policy and can be corrected ... To avoid the further erosion of our economic, social and cultural foundations, we must rethink current economic policy ... The political foundation of the European Union is an economy based on social and ecological responsibility. This market economy could operate as a useful model for a regulatory framework of the new global economy.

(Lafontaine 1998: 2–3)

Indeed, in this respect his views may not differ markedly from those of Schröder, who seems, at least at the time of writing, to inhabit a rather ambivalent position between this discourse and that of globalization as a logic of economic compulsion and ‘modernization’.

## GLOBALIZATION AND EUROPEAN INTEGRATION

As the above discussion suggests, where external economic constraints are appealed to, these are not always associated with globalization. In a number of contemporary European contexts, it is the process of European integration (often in the immediate form of the Maastricht convergence criteria) which is (or has been) invoked as the proximate cause of often painful social and economic reforms elsewhere legitimated in terms of globalization (Hay *et al.* 1999). Of course, whether to appeal to external economic constraints (whether genuinely or disingenuously acknowledged) is itself a political choice.<sup>7</sup> The clear benefit in so doing is to displace responsibility for otherwise unpalatable reforms. These might be rendered more acceptable if presented either as a contribution towards a more general and beneficial outcome (such as membership of the single European currency) or as the very condition of continued economic growth in a harsh economic environment no longer conducive to the social cohesion and political generosity of a bygone era (as in appeals to globalization).

In an obvious sense there are clear benefits for public policy-makers seeking legitimation for potentially unpopular reforms in the rhetorical strategy of appealing to transnational processes beyond their ability to control. Yet at the same time there are trade-offs, since there is also clear political capital to be gained (or retained) from maintaining the perceived capacity to shape political and economic processes. This trade-off is particularly stark for economies, such as France, Germany and, possibly, Britain, whose governments might plausibly claim a capacity to influence, even to shape, the process of European integration. In seeking to justify to their electorates reforms which are likely to

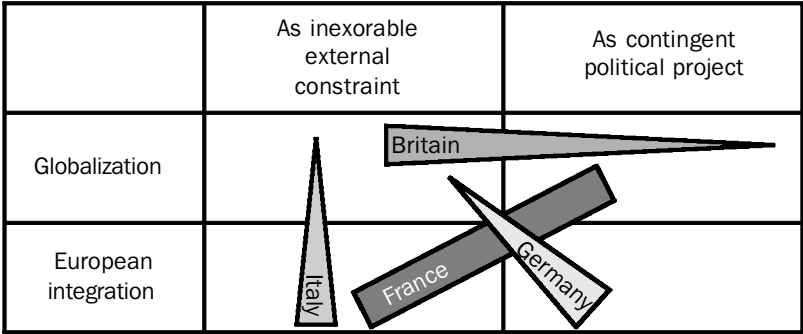


Figure 2 Rhetorics of globalization and European integration

prove both politically contentious and socially divisive, do they invoke external economic constraints (such as globalization) over which they can legitimately claim no decisive influence or do they appeal to constraints (such as European integration) in whose authorship they would claim a key part?

This is, in the end, an empirical question. In the following paragraphs we explore the rhetorical appeal to both globalization and European integration as external constraints and as contingent political projects in Britain, France, Germany and Italy in recent years (see Figure 2).

Consider first the British case. Unremarkably, given Britain’s historical, enduring and pervasive ambivalence about the process of European integration, external economic imperatives are invariably invoked in terms of globalization and not European integration. Indeed, arguably, New Labour’s modernizing agenda – first for the party, then for the nation – has been premised and publicly predicated upon a discourse of the logic of economic constraint which globalization is held to summon. This has been used to legitimate domestic reforms such as a series of measures (ostensibly) designed to promote competence and transparency in monetary policy, labour market flexibility, human capital formation and welfare-to-work. Yet increasingly it has also motivated a concerted effort to export this ‘Third Way’ model to the continent such that it might in turn come to modernize the European social model, rendering it appropriate for the new economic realities of a global information age. This, at least, is how the government would wish to present the Lisbon Special European Council of March 2000 and, indeed, the agenda carried forward to Stockholm and beyond.

While seeking to export the (perceived) imperatives of globalization to continental Europe in the form of the Third Way, the Blair government has recently started to display a rather self-contradictory and Janus-faced approach to globalization. For, while powerfully and passionately presenting globalization as an inexorable and distinctly non-negotiable ‘logic of no alternative’ for both domestic and European audiences, in a range of recent international fora it has increasingly felt the need to defend the ‘benefits’ of what is now

presented as a rather more contingent process from its many detractors. The incommensurability of such rhetorics suggests a highly strategic appeal to globalization, as suggested above.

British political discourse has tended to 'exogenize' European integration, presenting it as the work of others. This has allowed a rather crude 'us' versus 'them' dialectic to infect the public and media imagery of the European debate in British politics. European summitry – most classically in the case of the Major government's 'triumph' at Maastricht (Forster 1998) – is depicted as a rearguard action in defence of the national interest rather than as engagement in the (co-)authorship of a European project (Rosamond 2002). To invoke integration as an external imperative would, then, run counter to the idea that Europeanization is a process that is advanced or repelled through inter-governmental negotiation. The more pressing issue in British political debate surrounds the question of sovereignty. This can be read as the threat of European integration *becoming* an external constraint that it is not already. In any case, and with governments certainly mindful of the partisan dangers of politicizing the 'European issue', there has been an attempt to render the most awkward questions about European monetary union (EMU) purely technocratic issues. The Labour government's public posture is expressed by Robin Cook:

It is a rational approach that puts a cool calculation on the national interest first. It does not make the mistake of a commitment out of a romantic affection for Europe to join the euro, even if the economic conditions were not right. And it avoids the mistake on the other extreme which is to rule out joining the euro out of a distaste for all things European.

(*'Britain's Future in Europe'*; speech to the Britain in Europe Campaign Event, Victoria Plaza, London, 23 November 1999)

The French case is, in almost all respects, altogether different. Here it is the process of European integration which has repeatedly been pointed to as the proximate cause of often unpalatable social and economic reform from the 1980s onwards (from Mitterrand to Juppé and ultimately Jospin). Though, internally, the Parti Socialiste may acknowledge what it sees as the constraints imposed by capital and trade liberalization, and although its 'social liberal' wing has clear sympathies with the Blairite 'Third Way' project for European social democracy (see Bouvet and Michel 1999; Michel and Bouvet 1998), the almost universally negative associations and connotations of 'mondialisation' preclude a Blairite invocation of globalization as external economic constraint. Indeed, globalization is presented as a choice which the French can and must resist. Take the following passage from an official Parti Socialiste statement of policy on 'Mondialisation, Europe, France': 'Globalization should not be seen as ineluctable . . . often, it serves as a fallacious pretext for harmful, disastrous policies . . . so fatalism must give way to will.' The statement goes on to counterpose the need for a 'rehabilitation of economic policy' with the

(British) view that 'there is no alternative' (from *Vendredi*, No. 276, 5 April 1996; cited in Clift 2000b). In similar terms, Lionel Jospin has recently maintained that:

We fully recognize globalization, but we do not see it as inevitable. We seek to create a regulatory system for the world capitalist economy . . . so that we can influence the process of globalization and control its pace for the benefit of society . . . This need to take control in adapting to reality places a special responsibility on the state . . . Often it is the only agent that can clear away or navigate around the archaic forces standing in the way of what society wants.

(*Guardian*, 16 November 1999)

The price of resistance is seen to be the process of European integration and hence the cost of meeting the Maastricht convergence criteria. In this way the logic of European integration acquires its own inevitability if globalization is to be resisted and rejected. Recent polling data suggest the political efficacy of this strategy, with a staggering 73 per cent seeing European integration as a means to fight against the (assumed!) ill effects of globalization (Meunier 2000: 114).

The German case is perhaps the most complex of those considered here, reflecting, at present, the equivocation of the Schröder administration and the additional complications of the reunification process (in whose name many of the reforms that have elsewhere been justified in terms of globalization have been introduced). Since the rather frosty domestic reception of the Blair/Schröder paper on the Third Way/Die Neue Mitte (1999), discourses of globalization have not featured that prominently in public debate in Germany, though where they have, the tendency has been to depict globalization as an inexorable process which cannot be resisted and whose imperatives must be internalized both domestically and at a European level (Streeck 1997; Schröder 1998; Schwanhold and Pfender 1998). This is a discourse which has a long history in German public policy – with cutbacks in wage-earner centred social policy in both 1975 and again in 1982 justified with respect to considerations of international competitiveness (Seeleib-Kaiser 1999: 11). Similarly, as Thomas Banchoff has demonstrated in some detail, the Kohl administration's programme of welfare state restructuring between 1996 and 1998 was legitimated principally in terms of the imperatives of globalization. In Kohl's own terms, in the context of heightenend competition among nations occasioned by globalization, Germany must 'balance anew and secure for the future the relationship between social services and economic productivity under changed global economic and demographic conditions' (speech, 26 April 1996). As Banchoff suggests, Kohl

and his allies rarely mentioned the constraint posed by the Maastricht convergence criteria, perhaps wary of feeding anti-EU sentiment. And they were careful not to characterize the costs of reconstruction in the GDR as



a major reason for reform, which might have possibly heightened East–West tensions. Instead, the government insisted that welfare state retrenchment was necessary to improve Germany's strategic location (*Standort*) in the global economy.

(Banchoff 1999: 20)

In this sense, there are clear affinities between German and British public debate (see, for instance, Hombach 2000). Yet here the similarities end. Two points might here be noted. First, it was precisely this appeal by Kohl to globalization as a non-negotiable external economic constraint which served to politicize globalization with Lafontaine, in particular, passionately denying any 'imperative' (*Zwang*) necessitating the subordination of social security and social justice to globalization (speech, 28 June 1996). There is no parallel in Britain. Second, given Germany's influence over the integration process, much of the more recent appeal to discourses of globalization in German debate has not been focused directly on the German economy, but on the character of the process of European integration. And here the Schröder administration has increasingly come to vacillate between, on the one hand, a modernizing agenda quite consistent with Blair's Third Way and, on the other, a rather more continental sounding agenda, developed with the French, which seeks to reclaim at a European level much of the political capacity and influence lost at the national level through more effective European institutions (Meyer 1999).

This brings us finally to the Italian case. Here the quite conscious political strategy of successive administrations has been to appeal to a modernizing economic imperative necessitating a competitive audit of social and economic institutions. In so doing, the attempt has been to mobilize and subsequently to galvanize support behind the process of European integration. EMU, in particular, has been cast as an index of the health and competitiveness of the economy (Radaelli 1998; Walsh 1999). Indeed, the process was cast in terms of a *risanamento* (a 'restoring to health') of public finance and social and economic policy (Ferrara and Gualmini 2000a: 365). Here we see a clear example of otherwise unpopular and unpalatable social and economic reforms being legitimated by appeal to some greater and more general good, in this case in the form of a quite clear objective – EMU (Della Sala 1997; Ferrara 2000; Ferrara and Gualmini 2000b: 204–6). As Vivien Schmidt observes, 'in no other country has the discourse of European integration played such a central and sustained role in promoting acceptance of change' (2000: 72). Until recently, then, it was not globalization but European integration – and, more specifically, the challenge posed by the stringent Maastricht convergence criteria – that has been presented as a non-negotiable external economic constraint.

As Dyson and Featherstone (1996; 1999: 452–63, 485–507, 522–4) have demonstrated in considerable detail, the strategy quite deliberately pursued by the Italian technocratic élite has been to impose upon the Italian government

a *vincolo esterno* (or external constraint) which might militate against the perceived tendency to profligacy and fiscal irresponsibility of the *partitocrazia*. Here domestic political capital has been made of externally imposed economic constraints (albeit by an unelected technocratic élite) which might tie the hands of elected officials (on the benefits of such a strategy, see more generally Giavazzi and Pagano 1988; Giavazzi and Spaventa 1988). As Guido Carli (Tesoro Minister, 1989–92) himself noted, the Italian negotiators' agenda at the Intergovernmental Conference 'represented an alternative solution to problems which {they} . . . were not able to tackle via the normal channels of government and parliament' (1993: 435; as cited in Dyson and Featherstone 1999: 452; see also Ferrara and Gualmini 2000a; Walsh 1999). This contrasts markedly with the British and German cases, in which domestic political constraints have been appealed to and deployed to enhance negotiating autonomy at the European level.

Unremarkably, EMU and the stringent convergence criteria which the Italian negotiators agreed to were subsequently sold domestically, against the backcloth of high levels of support for the integration process, as a challenge to Italian national pride – and as an index of the health, modernity and international competitiveness of the Italian economy. As Dyson and Featherstone note, 'public opinion could be relied upon to support almost any new project that advanced {or was seen to advance} the European integration process and Italy's place within it' (1999: 486; see also Hine 1993: 287). Such a strategy, however, was not without its problems. For, given the considerable sacrifice that meeting *and continuing to satisfy* the Maastricht criteria entailed, Italian public opinion was unlikely to present a blank cheque to politicians appealing remorselessly to EMU as the proximate cause of ongoing and stringent social and economic reform. Such a strategy could only serve to discredit the integration process itself. In short, having achieved the immediate target of membership of the single currency, it became far more difficult to continue to justify social and economic reform (particularly welfare reform) by appeal to the same discourse. Arguably it has led first the Prodi and now the d'Alema administrations increasingly to legitimate ongoing welfare reform by appeal to the constraints imposed by globalization. The influence of a Blairite conception of a 'Third Way' or renewed social democracy appropriate for the qualitatively novel conditions of globalization is here clearly detectable (though by no means unresisted). Nonetheless, the Italian case remains highly distinctive. For the increasing deployment of the rhetoric of globalization as a non-negotiable external economic constraint has been driven, in clear contrast to the British case, by the fear of discrediting and delegitimizing the process of European integration.

## CONCLUSIONS

What the above discussion of the Italian case perhaps reinforces is both the strategic nature of the appeal to globalization as an external economic con-

straint (used here to legitimate ongoing social and economic reform which clearly originates elsewhere) and the enduring national distinctiveness of discourses of external economic constraint. Though globalization and European integration are frequently presented as common convergence pressures enveloping European economies, it is clear that their strategic deployment and their domestic associations and connotation remain strikingly different in different national settings.

What these various cases together demonstrate, then, is the distinctiveness of the strategic contexts within which rhetorics of globalization and European integration are deployed. Yet what they also suggest are a range of factors which might predispose political actors to invoke either globalization or European integration as the proximate cause of unpalatable reforms for which they might not wish to take direct credit.

A range of contextual factors can be identified which predispose incumbent administrations to an appeal to European integration as the proximate cause of social and economic reform. This is more likely where a number of the following conditions are satisfied:

- 1 Where domestic reforms are likely to prove difficult to sell to the electorate unless as part of a broader process seen to be of general benefit.
- 2 Where there is a well-established pro-European integration agenda widely shared and considered relatively uncontentious domestically.
- 3 Where there is little internal dissension within the party or governing coalition over European integration. In addition, we might expect a greater propensity to attribute social and economic reforms to the process of European integration where, as in Italy or Ireland, a specific outcome (such as EMU) can be constructed as an issue of national pride.
- 4 Where (as in France and Germany) the government might plausibly claim some direct influence over the trajectory and process of European integration itself.
- 5 Where, as in France, the notion of globalization itself conjures a series of negative associations and connotations.
- 6 Where there is a history of European involvement, institutionally and culturally.

Conversely, a range of contextual factors can be identified which might predispose an incumbent administration to the appeal to globalization as the proximate cause of social and economic reform. This is more likely where a number of the following conditions are satisfied:

- 1 Where left or centre-left administrations are engaged in a process of reforming popular social democratic or social market institutions the appeal to external economic constraints is more likely.
- 2 Where domestic reforms are likely to prove unpopular and unpalatable.
- 3 Where European integration is contested and politicized domestically.

- 4 Where parties or coalition partners are divided over the issue of European integration.
- 5 Where the government can make no credible claim to influence the process and trajectory of European integration.
- 6 Where globalization has positive associations and connotations (as in Britain and Ireland).
- 7 Where there has been an historically arm's-length relationship to the process of European integration.

What this perhaps serves to reinforce is that the deployment as political rhetoric of discourses of globalization and European integration is both strategic and by no means homogeneous, varying significantly from national context to national context and, indeed, from political party to political party. Given the significance of ideas about globalization and transnational processes of economic integration more generally to the conduct of public policy, this is not an insignificant point. It is surely a further nail in the coffin of the thesis that globalization drives an inexorable process of economic convergence and a call, once again, for the need to consider the complex institutional and ideational mediations by which external economic imperatives are translated into domestic political and economic dynamics.

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## NOTES

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- 1 This does not imply that material indices have no place in the analysis of globalization; merely that the insights they might bring must be supplemented by a consideration of other issues which cannot be resolved in this way.
- 2 The conditional tone of this should be emphasized. That specific sets of ideas may exert a causal role need not entail that they do so in any specific context over any given period of time.
- 3 It is perhaps important to state at this point that, for us, interests are, in essence, a perceptual matter. The question under discussion here is not, then, the degree to which interests might be said to be discursively constituted, but the degree to

which discourses of globalization play a part in that process of constitution. Our argument is that this varies and that such discourses may be more or less constitutive of the perceived interests of contemporary European political élites. We are extremely grateful to an anonymous referee for inviting us to clarify our position on this crucial point.

- 4 It might plausibly be suggested that one can only speak of such an effect in situations in which the constraints of globalization are genuinely perceived to exist and directly inform political conduct. Yet this would be an overly hasty judgement. The causal chain certainly runs differently in situations characterized by the duplicitous appeal to globalization, yet here too ideas may play a key role. For policies which might not otherwise be deemed legitimate (and hence credible) are rendered more palatable electorally (and hence more sustainable politically) in and through the appeal to the hyperglobalization thesis. In such situations there is likely to be an independent effect on political outcomes of ideas about globalization, even if that effect is rather less direct.
- 5 *Le Monde's* headline on 7 December 1995 read 'La première révolte contre la mondialisation'.
- 6 The presence of two starkly opposed discourses of globalization in the rhetorical political economy of New Labour might be taken as evidence of a highly strategic (even duplicitous) attitude towards globalization as external economic constraint. It is nonetheless important to emphasize that it is only relatively recently – and exclusively in international fora – that prominent ministers have invoked globalization as anything other than a non-negotiable external economic constraint (see Coates and Hay 2001; Hay 2001).
- 7 It is important to be clear about this. Whether external economic constraints are believed to exist is not a matter of choice. Yet whether or not to acknowledge such constraints (where they are perceived to exist) and whether or not to invoke disingenuously such constraints (where they are not perceived to exist) is. The very fact that this is so makes it very difficult to establish whether constraints are genuinely perceived or not. We cannot assume that public statements about, say, globalization or European integration accurately reflect an administration's sense of the constraints such processes imply. The methodological problem which this presents is, in one sense, intractable and inherent in an analysis of public discourses. Nonetheless, where (as in the British case) the rhetorics of globalization deployed by the very same politicians are incommensurate, there are clear grounds for suggesting a strategic appeal to such rhetorics.

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