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Chapter 1 — Introduction: Theories of Integration and Austria's and Sweden's accession to the European Union: a critique and alternative.

INTRODUCTION

On 1 January 1995, Austria and Sweden acceded to the European Union (EU).#EN1# Historically, membership had been rejected in both countries for mainly two reasons. Firstly, a majority of forces in Austria and Sweden agreed that the neutral status excluded the possibility of membership in a supranational economic organisation such as the EU. It would imply a loss of national sovereignty and possible participation in measures such as one-sided embargoes of weapon exports and, thus, undermine neutrality (Huldt 1994: 111; Neuhold 1992: 89). Secondly, the domination of the EU by christian democratic parties and big capital appeared to imply a threat to the social democratic achievements in both countries. The majority of Austria's heavy industry had been nationalised after World War Two, mainly in order to protect it against the reparation demands by the occupying allies. For a large part of the Austrian Social Democratic Party (SPÖ), however, it was also a precondition for the achievement of full employment and the maintenance of state authority over the economy. 'Rightly, the Socialists argued that the contribution of the state-owned sector in economic stabilization, full employment, and regional development would be menaced if Austria were forced to accept supranational

direction from Christian Democratic governments' (Kurzer 1993: 207). Similarly in Sweden, in particular the left wing of the Social Democratic Party (SAP) and the Communist Party, since 1990 known as the Left Party (VP), both argued that 'Swedish involvement in the political integration of the [EU] would harm rather than sustain her capacity to pursue a welfare programme based on the principles of equal rights and advanced state-intervention' (Jerneck 1993: 26).

Why, then, did Austria and Sweden join the EU at a moment, when it had moved towards positions, which even further contributed to the dangers outlined above? The Single European Act (SEA) of 1987 did not only spell out the goals of the Internal Market, i.e. the four freedoms of goods, services, capital and labour, it also strengthened the supranational institutions. The European Court of Justice (ECJ), for example, became the arbiter of the Internal Market, while the European Parliament (EP) gained a second reading and the possibility to influence legislation through amendments with the introduction of the co-operation procedure. Then, the Treaty of Maastricht was signed in 1991. Amongst other changes, it laid out the plan for Economic and Monetary Union (EMU), including a single currency. This together with monetary policy in general was to be administered by a supranational and independent European Central Bank (ECB). On 1 January 1999, 11 of the 15 EU members, including Austria, carried out this step, when they irrevocably fixed their exchange rates. In order to become a member, countries had to fulfil neo-liberal convergence criteria, focusing on low inflation, price stability and 'sound' budgetary targets. Sweden, despite its decision against participation in the final stage of EMU, had to pursue the same neo-liberal policies from 1 January 1995 onwards. The Treaty

of Maastricht had specified that all members had to draw up a convergence programme, outlining the measures the countries intended to undertake in order to meet the criteria, regardless of their eventual participation and this also applied to Sweden. In short, the revival of European integration since the mid-1980s consisted of a combination of liberalisation, deregulation and further supranational policy coordination and, therefore, threatened to undermine national policy autonomy in general and policies of full employment and a generous welfare state in particular even further. Moreover, the Treaty of Maastricht established first steps towards a Common Foreign and Security Policy (CFSP), which should eventually also include a common defence policy, leading perhaps even to a common defence. The Western European Union (WEU)^{EN2} was declared an integral part of the development of the EU, responsible for the elaboration and implementation of all EU decisions with defence implications. Although the CFSP is even after the Treaty of Amsterdam in 1997 still an intergovernmental institution, the link to the WEU unclear and the question of a defence policy unresolved, there is clearly the potential for future sovereignty pooling in this area, threatening Austria's and Sweden's neutral status (Nugent 1999: 48-98).

In this book, the processes in the two countries leading first to application and eventually to accession to the EU are analysed in order to solve the puzzle outlined above. It is argued that the 1995 enlargement of the EU has to be analysed against the background of structural change since the early 1970s, often referred to as globalisation. The exact nature of globalisation and its implications for Austria and Sweden are discussed in chapter 2 in detail. Here, it suffices to define globalisation

briefly as the transnationalisation of production and finance at the material level, expressed in the rise in size and numbers of transnational corporations (TNCs) and a world-wide deregulation of national financial markets, and a change from Keynesian ideas to neo-liberalism at the ideological level (Cox 1993: 259-60, 266-7). An analysis of established neo-functionalist and intergovernmentalist theories of integration in the next section of this chapter demonstrates that they are unable to explain such instances of structural change. The third section, therefore, outlines a neo-Gramscian alternative, which guides the empirical investigation of the rest of the book. Overall, this book, firstly, contributes to understanding why these two countries chose to join the EU in 1995. Secondly, it adds to both International Relations (IR) and European integration theory by applying a neo-Gramscian perspective to a case of European integration for the first time.

SOME LIMITATIONS OF INTEGRATION THEORIES

Neo-functionalist and intergovernmentalist approaches have dominated the explanation of European integration. The former assume that integration starts when it is realised that certain economic problems yield higher welfare gains, if they are dealt with at the supranational level. The notion of spill-over is crucial for the neo-functionalist explanation of integration. It can be divided into three different processes (Tranholm-Mikkelsen 1991: 4-6). Firstly, functional spill-over occurs in the economic sphere. Because of the interdependence between industrial sectors, the integration of one sector makes the integration of another necessary to reap the full welfare benefits of the first integration. This is accompanied by political spill-over. Interest groups of an integrated sector are expected to shift their focus to the new

decision-making centre in order to influence the decisions important to them and to press for further integration of related sectors. Finally, cultivated spill-over refers to the independent capacity of the supranational institutions to push for further integration. Overall, the ‘main thesis was that sectoral integration was inherently expansive ...’ (Tranholm-Mikkelsen 1991: 6), which, once started, would lead to an automatic process of further integration (Haas 1958: 297; Lindberg 1963: 294).

Some studies of Austria’s and Sweden’s accession to the EU incorporate one or the other aspect of neo-functionalism. Jerneck, for example, touches upon the notion of political spill-over as a force towards further integration by highlighting the increasing involvement of Swedish transnational actors in Brussels (Jerneck 1993: 42). There are also examples, where the important role of central institutions such as the Commission is outlined. Gstöhl, for example, highlights the Commission’s and here especially Delors’ role in starting the European Economic Area (EEA) process in January 1989 (Gstöhl 1996: 55). Pedersen utilises all three versions of spill-over in his explanation of the move from the EEA to membership. The attempt to establish an Internal Market comprising all EU and European Free Trade Area (EFTA) members created functional spill-over, which led to an expansion of the negotiation agenda. This pressure was intensified by political spill-over of EFTA interest groups, which shifted their loyalty to the EU. Eventually, not to lose involvement in decision-making in too many areas, EFTA governments opted for membership, which gave them co-decision making power. An explanation along the line of cultivated spill-over focuses on directed change and political leadership. ‘One may

thus interpret the apparent failure of the EEA as a success in disguise, as part of an incrementalist strategy aimed at integrating EFTA in the [EU]' (Pedersen 1994: 16).

Overall, these studies employ neo-functionalist concepts only as partial explanations.

In general, neo-functionalist approaches are characterised by two main problems. Firstly, based on an ahistorical understanding of human beings as rational, utility-maximising individuals, the notion of spill-over implies an inevitable, teleological process of further integration along an objective economic rationality. The analysis in this book demonstrates, however, that there were strong forces in Austria and Sweden, which opposed membership. A closer economic relationship short of full membership was debated as an alternative and eventual accession was not the result of economic necessity, but the outcome of an open-ended struggle. Secondly, neo-functionalism explains European integration through an emphasis on the internal dynamics of European politics. The wider structure, within which European integration is situated, is completely neglected. It is, therefore, impossible to take into account structural changes such as globalisation and the end of the Cold War. During the two decades of relative stagnation between 1965 and 1985 neo-functionalism lost a great deal of attraction as an explanation of European integration. Only since the revival of European integration in the mid-1980s has neo-functionalism regained the attention of scholars (e.g. Burley and Mattli 1993; Mutimer 1989; Tranholm-Mikkelsen 1991). The notion of spill-over is still seen as a useful tool of analysis, although only as part of an eclectic and less ambitious theoretical framework (George 1996: 275-83). A neo-functionalist explanation of

entire instances of European integration is neither attempted nor deemed to be possible.

In contrast to neo-functionalism, which emphasises the importance of non-governmental interest groups in the process of European integration, intergovernmentalism, closely related to the theory of neo-realism in IR, takes into account the international structure. It is considered to be an anarchic system, in which states, being the only significant actors, pursue rational policies of power maximisation and security enhancement to ensure their survival. The most important explanatory variable is the distribution of capabilities between states. Changes in this distribution lead to actions by states to counter possible losses (Waltz 1979). With reference to European integration, Hoffmann concludes that a convergence of national preferences is the precondition for European integration. Europe 'has to wait until the separate states decide that their peoples are close enough to justify the setting up of a European state ...' (Hoffmann 1966: 910). Thus, states are seen as 'gate-keepers' between their people and Europe. They carefully guard their sovereignty, which is ensured by the principle of unanimity voting in the Council of Ministers.

There are some explanations of Austria's and Sweden's accession to the EU along intergovernmentalist lines. Koch, for example, argues that Austria responded to the pressure of economic necessity. Its close economic links with the EU and its bad economic performance in comparison to other Western European countries from the early 1980s onwards left no other option than membership (Koch 1994). Similarly,

Miles points to economic imperatives, which drove Sweden towards membership. The end of the Cold War and the concomitant changes in the international structure facilitated this move in that they ‘removed the shackles of keeping a rigid neutrality policy’ (Miles 1994a: 83). In short, both countries joined the EU in response to changes in the distribution of economic and military capabilities between states. Nevertheless, these explanations are not satisfactory either. Although intergovernmentalism takes into account the international structure, its exclusive focus on states in the international arena limits changes to changes purely at the level of state structures. Structural changes such as globalisation, which go beyond the state structure, cannot be accounted for. By the same token, the explanation is still deterministic, since states as the main actors can only adapt to structural change. Austrian and Swedish EU membership again appears to have been inevitable.

The criticism of intergovernmentalism for taking states as unitary actors led to the proposal of complementing it with a domestic perspective (Bulmer 1983). The analysis of domestic politics explains the construction of national interests, the strategies adopted by states, and it shows when national ratification of international agreements is possible (Milner 1992). Putnam combines the domestic perspective with intergovernmentalism by suggesting that ‘the politics of many international negotiations can usefully be conceived as a two-level game’ (Putnam 1988: 434). Level I refers to agreements between states at the international level, whereas Level II looks at the ratification process at the domestic level. Putnam’s hypothesis is that a government only concludes an international agreement, for which it expects to be able to construct a majority coalition between societal groups at the domestic level.

The convergence of national interests around a neo-liberal, deregulatory programme with the focus on low inflation was a precondition for the revival of European integration in the mid-1980s. Cameron points to the move towards conservative and christian democratic governments in Britain, Belgium, the Netherlands, Denmark and Germany in the late 1970s, early 1980s to explain the shift from Keynesianism to neo-liberalism (Cameron 1992: 57). Transferred to the cases of Austria and Sweden, however, this explanation based on domestic politics shows deficiencies. As it is outlined in chapter 2, the turn to neo-liberalism occurred under a Social Democratic government in Sweden, while in Austria it was not only the inclusion of the christian democratic People's Party (ÖVP) into a coalition government in 1987, but also the internal change of the SPÖ, the stronger party in government, which led to the adoption of neo-liberal policies. The European left changed during the 1980s and this cannot be explained by pointing to structural and domestic events alone. Instead, the independent impact of neo-liberalism as a set of economic ideas has to be investigated to explain the general turn to neo-liberalism by parties of the right and the left.

This approach is further limited, because lobbying by interest groups can only be considered to take place within a country's domestic realm. Thereby, the significance of transnational actors, as for example transnational corporations (TNCs), is neglected. Their level of action is European if not world-wide, maintaining production sites in several countries at the same time. This allows them, firstly, to develop initiatives with the Commission and to lobby several governments at the same time. Secondly, they can put pressure on national governments by either

threatening to transfer production units to other countries or by actually carrying out this threat, if certain conditions are not met. State-centric approaches can only account for TNCs by regarding them as several, unconnected actors in their individual domestic sphere, not as transnational actors transgressing the line of separation between international and domestic politics. As outlined in chapters 3 and 4, TNCs were especially crucial in Sweden's accession to the EU.

In order to tackle these shortcomings, Moravcsik developed the so far most sophisticated state-centric approach, which he labelled 'liberal intergovernmentalism'. He, firstly, connects a liberal theory of national preference formation, i.e. 'domestic politics', with an intergovernmentalist analysis of inter-state negotiations in a two-level game, and then adds a regime theory component. States as rational decision-makers, firstly, use EU institutions and are prepared to transfer parts of their sovereignty to increase the efficiency of inter-state co-operation. Secondly, they accept the restriction of their external sovereignty, because EU 'institutions strengthen the autonomy of national political leaders vis-à-vis particularistic social groups within their domestic polity' (Moravcsik 1993: 507; see also Moravcsik 1998: 18-85). Nonetheless, even 'liberal intergovernmentalism' shows severe deficiencies. It provides no insight into how the independent role of ideas is to be investigated or how transnational actors can be accounted for. TNCs' behaviour such as the investment boom of the 1980s in the EU is interpreted as rational adaptation to credible intergovernmental commitments, while policy ideas are merely viewed as the result of intergovernmental demands, but not as an independent force (Moravcsik 1995: 618). In short, this predominant emphasis on

states as main actors in international relations prevents all types of intergovernmentalism from dealing with ideas and transnational actors as independent forces behind integration.

A further problem of intergovernmentalist approaches in general is the prioritising of questions of international security and military capabilities over economic issues. An analysis of the security implications of Austria's and Sweden's accession to the EU in chapter 5, however, shows that there was first the decision on application on economic grounds in 1989 and 1990 respectively and then neutrality was redefined in a way which made it compatible with membership. The end of the Cold War facilitated this redefinition, but it did not push Austria and Sweden towards EU membership.

Finally, the exclusive state-centric focus makes all varieties of intergovernmentalism concentrate on inter-state negotiations as the crucial event of further integration. Wincott, however, points out that instances of integration are not so much the result of intergovernmental negotiations, but emerge from the 'everyday grind of the Community' (Wincott 1995). In other words, the process leading to negotiations and setting the agenda should be more important than the negotiations themselves, as should the sites of social struggle related to the ratification of negotiation agreements. Consequently, chapter 3 analyses the processes behind the Austrian and Swedish application in detail, while chapter 4 concentrates on the struggle around the referendum in both countries. The accession negotiations themselves are only dealt with in the first section of chapter 4. It is argued that, although not without

importance, they were only a link between the original decision to apply and the final decision in the referendum to accept the terms of membership.

In order to overcome the shortcomings of neo-functionalism and intergovernmentalist integration theories, several scholars suggest combining intergovernmentalism with neo-functionalism as a remedy in respect of EU enlargement (e.g. Pedersen 1994; Miles et al 1995). Nevertheless, this is misleading. As Puchala had already observed in 1972, 'attempts to juxtapose or combine the conventional frameworks for analytical purposes by and large yield no more than artificial, untidy results' (Puchala 1972: 276-7). Neo-functionalism approaches cannot be combined with state-centric approaches, as their basic assumptions diametrically oppose each other. While the former speak about the supersession of states, the latter consider sovereignty to be unchangeable.

Another attempt to overcome the impasse of established integration theories has been a shift away from IR and towards Comparative Politics. It is argued that the EU can be regarded as a political system similar to national political systems and that, therefore, EU policy-making or politics is better accounted for by Comparative Politics approaches (Hix 1994; 1999). To mention some examples, the 'policy networks' approach, which offers a model of interest group intermediation, has been transferred to EU politics for the understanding of sectoral policies (e.g. Peterson 1995). 'Multi-level governance', moreover, understands the EU as a political system 'in which authority and policy-making influence are shared across multiple levels of government – subnational, national, and supranational' (Marks et al 1996: 342).

Finally, new (or historical) institutionalism concentrates on how actors' behaviour is structured and shaped by EU institutions, which are themselves often the result of choices in the past (e.g. Bulmer 1998). These approaches clearly help to account for the variety of actors within the complexity of EU policy-making. This book however, does not take the existence of the EU polity as a starting-point. Rather, it is interested in explaining why integration came about in the first place, or, in the case of the 1995 enlargement, was extended to new countries. It is in this respect, that IR theory is considered to be still useful and in the next section, a neo-Gramscian alternative, derived from developments in IR, is suggested.

A NEO-GRAMSCIAN ALTERNATIVE

Cox argues that in order to explain structural change we need a 'critical' theory, which 'does not take institutions and social and power relations for granted but calls them into question by concerning itself with their origins and how and whether they might be in the process of changing' (Cox 1981: 129). In other words, 'critical' theory is a theory of history in that it is concerned with understanding the process of change. It, therefore, adopts a historical structures perspective, which regards 'human nature and the other structures that define social and political reality - from the structure of language through those of laws, morals, and institutions, and including the state and world-order structures like the balance of power - as being themselves products of history and thus subject to change' (Cox 1989: 38). In short, in contrast to the state-centric and neo-functionalist approaches, human nature, the state and the international system are not treated as unchanging substances, but as a continuing creation of new forms (Cox 1981: 132). Additionally, 'critical' theory realises that

‘theory is always for someone and for some purpose’ (Cox 1981: 128). Hence, it does not only identify the purpose behind established integration theories – further integration in the case of neo-functionalism, the preservation of modern state power and national sovereignty in the case of intergovernmentalism – it is also capable of comprehending the social purpose behind a particular phase of European integration (van Apeldoorn 1997). In chapters 3 and 4, it is outlined how a continuation and deepening of neo-liberal restructuring of state-society relations was the purpose behind Austrian and Swedish EU membership.

In two seminal articles in the 1980s, Cox developed a neo-Gramscian perspective as ‘critical’ theory, based on the work of the Italian Communist Antonio Gramsci (Cox 1981 and 1983). In the wake of Cox’s work, a whole range of different studies along neo-Gramscian lines were published, which had mainly the task of understanding hegemony at the international level as well as the structural change of world order (e.g. Agnew and Corbridge 1995; Augelli and Murphy 1993; Cox 1987; Gill 1990 and 1993a; Murphy 1994; Overbeek 1993; Rupert 1995). While these neo-Gramscian studies show many similarities in the way they built on Gramsci’s concepts, they are also clearly different from each other. Nevertheless, there has been a tendency, mainly by critics, to identify a cohesive neo-Gramscian ‘school’ (e.g. Burnham 1991; Moran 1998: 56-58; Smith 1996: 202). According to Morton, however, a ‘school’ formation of this type should be resisted, since this entails the danger of simplifying internal contradictions and transforming neo-Gramscian research into an orthodoxy, which could imply the loss of its original ‘critical’ intentions (Morton 1998: 1-6). In this book, Morton’s suggestion of labelling these studies neo-Gramscian perspectives

is adopted. The emphasis on the plural form is crucial. 'It immediately accepts the diversity of contributions within the perspectives whilst also permitting the flexibility to realise commonalities and overlaps' (Morton 1998: 8). Consequently, by drawing on Gramsci and a range of neo-Gramscian thinkers, it is here attempted to develop a neo-Gramscian perspective which constitutes an analytical framework, capable of understanding the processes behind Austria's and Sweden's accession to the EU against the background of global structural change. The label 'neo-Gramscian' perspective is preferred to 'Gramscian' perspective, since the use of the latter 'mistakenly conveys a parallel or coexistence, without any significant change, of the historical moment that Gramsci occupied' (Morton 1998: 6).

It was recently argued that Gramsci's thought needs to be historicised and understood against the background of his own time. The transfer of his concepts to contemporary analyses would be both a misinterpretation of Gramsci and unhelpful for the understanding of current empirical events (Germain and Kenny 1998). Morton, however, outlines that Gramsci himself thought that the concrete study of past history in order to construct a new history was an essential part of a theory of praxis. In other words, Gramsci himself was engaged in the appropriation of ideas from the past for the understanding and transformation of the present.

Thus whilst one has to bear an attentiveness to the peculiarities of history, to pay consistent attention to the specificities of alternative historical and cultural conditions, Gramsci's insights and concepts can still be adapted, as he indeed

adapted and enriched his own concepts to changing circumstances, to new conditions.

(Morton 1999: 5).

Social forces and the analysis of structural change

The neo-Gramscian perspective adopted here focuses on social forces, engendered by the production process, as the most important collective actors. The concept of class is crucial for the definition of social forces. For the purpose of this study, classes are regarded 'as social forces whose cohesion derives from the role played in a mode of production ...' (Holman and van der Pijl 1996: 55). Consequently, class is defined as a relation and the various fractions of labour and capital can be identified by relating them to their place in the production system. The capitalist mode of production based on private enterprise and wage labour is characterised by the opposition between capital, the entrepreneurial, property-owning stratum on the one hand, and free labour, which is the stratum of those forced to sell their labour-power, on the other. Labour and capital are, consequently, two collective actors opposing each other, engendered by the production process as social forces. There are, however, further differences within the capitalist mode of accumulation. Importantly for this study, while production was organised on a national basis in the post-war era, significant parts have been transnationalised since the early 1970s as part of the globalisation processes. As a consequence, capitalist accumulation is not necessarily any longer inscribed in national paths of economic development (Radice 1997: 5). A basic distinction can, therefore, be drawn between transnational social forces of capital and labour, engendered by those production sectors, which are organised on a

transnational scale, and national social forces of capital and labour stemming from national production sectors. These forces are located in the wider structure of the social relations of production, which do not *determine* but *shape* their interests and identity. Their actual position on questions such as EU membership still has to be empirically investigated. Overall, the identification of the various fractions of labour and capital by relating them to their place in the production system makes structural changes such as globalisation accessible, since the emergence of new social forces engendered by the transnationalisation of production and finance can be incorporated. Globalisation, thus, is not only understood as an exogenous structural impact to which actors can only respond. It is also regarded as enabling with transnational forces playing an active role, responding to and bringing about global structural change at the same time.

It is frequently argued, that it is not possible to speak of class, if there is a lack of class consciousness and class activity at the political level. Hence, it is impossible to speak of transnational class fractions, unless these fractions have formed political alliances with fractions in other countries. Ste. Croix, however, points out that class, according to Marx, is a group of persons identified by their position in the mode of production. 'The individuals constituting a given class may or may not be wholly or partly conscious of their own identity and common interests as a class, and they may or may not feel antagonism towards members of other classes as such' (Ste. Croix 1981: 44). In other words, class exists as such at the economic level without necessarily having developed a political consciousness. It is in this respect that it is possible in the rest of the book to speak of Austrian and Swedish transnational class

fractions of capital and labour, regardless of whether they have formed political connections with fractions in other countries. It is the position in the production system and not political activity, which designates the membership of a particular class.

Through the emphasis on social forces, Cox reintroduces the sphere of production into the analysis, arguing that it 'creates the material basis for all forms of social existence, and the ways in which human efforts are combined in productive processes affect all other aspects of social life, including the polity' (Cox 1987: 1). That is, the relations which organise material production are considered to be crucial for the wider institutional reproduction of social orders on both a national and an international level. Importantly, production is not understood simply in the narrow sense of the production of physical goods or in the form of different economic sectors. 'It covers also the production and reproduction of knowledge and of the social relations, morals, and institutions that are prerequisites to the production of physical goods' (Cox 1989: 39). Cox does not disregard 'non-class' issues such as peace, ecology, and feminism. However, while they are not to be set aside, they must be 'given a firm and conscious basis in the social realities shaped through the production process' (Cox 1987: 353).

Van der Pijl shows an additional way of how a concern with the degradation of human and environmental conditions can be incorporated into empirical analyses through the lens of class struggle. He distinguishes three terrains of capitalist

discipline. Original accumulation and resistance to it predominantly took place during the early history of capitalism, when the new mode of production was imposed on social relations via the subordination of the use value of a product to the exchange value aspect (van der Pijl 1998: 36-8). Secondly, the capitalist production process represents the exploitation of labour at the workplace. Human autonomy is subordinated to the process of expanding value in order to increase surplus value and, thus, profit. Class struggles take place in the labour market and directly at the workplace (van der Pijl 1998: 40). More recently, capitalist discipline has gone beyond the workplace and also affected the process of social reproduction in its entirety, leading to the exploitation of the social and natural substratum. For example, education, health and the public sector as such have been submitted to capitalist profit criteria. Moreover, 'the tightening discipline of capital on the reproductive sphere also implies the destruction/exhaustion of the biosphere' (van der Pijl 1998: 46). The ozone layer is destroyed and the air, soil and water polluted and exhausted in the relentless search for profit. As a response, new social movements and Green parties in support of issues such as feminism, gay rights and environmental protection emerged from the late 1960s onwards to defend the personality and environment against further exploitation. Moreover, partly as a backlash against these new social movements, popular resentment against the disruption of social life by increased capitalist exploitation has emerged and is frequently channelled into political action around xenophobic and racist programmes by extreme-right political parties (van der Pijl 1998: 47-8). In short, struggles led by new social movements, Green and extreme-right parties against increased exploitation of the social and natural sphere of reproduction are as much part of class

struggle as are struggles between trade unions and employers' association over wage increases. In chapters 3 and 4, it can be seen how the struggles about EU membership in Austria and Sweden included all three dimensions of capitalist discipline. In particular, Austria is an example of right-wing and green opposition to intensified capitalist exploitation of the reproduction sphere as manifested in accession to the EU.

The definition of class as a relation (see above) implies that the emphasis for the understanding of structural change has to be on class struggle, since 'the very existence of classes ... involves tension and conflict between the classes' (Ste. Croix 1981: 49). This neo-Gramscian perspective, consequently, 'rejects the notion of objective laws of history and focuses upon class struggle [be they intra-class or inter-class] as the heuristic model for the understanding of structural change' (Cox with Sinclair 1996: 57-8). The essence of class struggle is exploitation and the resistance to it, and this confrontation of opposed social forces in concrete historical situations implies the potential for alternative forms of development. It is, thus, realised that there are no inevitable developments in history. Instances of European integration are as much the outcome of an open-ended struggle as are other political developments.

Thirdly, the neo-Gramscian perspective used in this study 'enlarges the [state-centric] perspective through its concern with the relationship between the state and civil society' (Cox 1981: 134). Cox speaks about various forms of states and shows that the 'raison d'état' cannot be separated from society, as it depends on the

configuration of social forces at the state level. Forms of state are defined in terms of the apparatus of administration and of the historical bloc or class configuration that defines the *raison d'état* for that form (Cox 1989: 41). This implies that states cannot be treated as unitary actors, but as structures within and through which social forces operate. Gramsci's concept of the integral state is analytically useful for the conceptualisation of the relation between state and society (Rupert 1995: 27-8). On the one hand, the integral state consists of 'political society', i.e. the coercive apparatus of the state more narrowly understood including ministries and other state institutions. On the other, it includes 'civil society', made up of political parties, unions, employers' associations, churches, etc., 'represents the realm of cultural institutions and practices in which the hegemony of a class may be constructed or challenged' (Rupert 1995: 27). The concept of the integral state implies, firstly, that the focus on social forces does not exclude an analysis of state institutions, i.e. political society. As discussed in chapter 2, due to the internationalisation of the state in the process of globalisation, those state institutions, which are linked to the global economy (e.g. finance ministries, central banks), are given priority within a country's governmental set-up over those institutions, which deal with predominantly national problems (e.g. labour ministries). Similarly, the emphasis on social forces as the main actors does not imply that political parties and interest associations, i.e. civil society, are considered to be unimportant. Nevertheless, in contrast to pluralist and corporatist policy-making approaches (e.g. Lehmbruch and Schmitter 1982), they are not considered to be rational, unitary actors. Rather, they are regarded as institutional frameworks within and through which different class fractions of capital and labour

attempt to establish their particular interests and ideas as the generally accepted, or 'common sense', view.

In a further step, regarding the state as a structure through which social forces operate makes it possible to overcome the artificial separation of domestic and international spheres of state-centric theories. 'Social forces are not to be thought of as existing exclusively within states. Particular social forces may overflow state boundaries, and world structures can be described in terms of social forces just as they can be described as configurations of state power' (Cox 1981: 141). Thus, a neo-Gramscian perspective helps us to understand a world order as stemming from the same basic social structures, which are the foundation of the forms of state within this order.

Finally, neo-Gramscian perspectives take into account the independent role of ideas. On the one hand, they are considered to be a part of the overall structure in the form of 'intersubjective meanings'. Hence, ideas establish the wider frameworks of thought, 'which condition the way individuals and groups are able to understand their social situation, and the possibilities of social change' (Gill and Law 1988: 74). On the other hand, ideas may be used by actors as 'weapons' in order to legitimise particular policies and are important in that they form part of a hegemonic project by organic intellectuals (see below) (Bieler 1998: 72-80). Strategies are likely to be successful in those cases, where the legitimising ideas correspond to the 'intersubjective meanings' of the structure, because they will appear as logical.

Conversely, it might be difficult to carry out actions legitimised with ideas, which are in contradiction to the 'intersubjective meanings'. Nevertheless, 'intersubjective meanings' are not only constitutive of social practices. They are also instantiated by them and human consciousness, thus, embodies a transformative quality. Hence, actors themselves, who use certain ideas to legitimise particular policies, may change 'intersubjective meanings' of the social totality. This treatment of ideas indicates a dialectical conceptualisation of structure and agency more generally. 'Structures are formed by collective human activity over time. Structures, in turn mould the thoughts and actions of individuals. Historical change is to be thought of as the reciprocal relationship of structures and actors' (Cox 1995: 33). Structures may limit the possible strategies of action, but they do not determine outcomes, which are the result of struggle, and structures themselves may be changed through agency.

Historical bloc, hegemony and the role of organic intellectuals

The centrepiece of this neo-Gramscian perspective is Gramsci's concept of a historical bloc. At a basic level of understanding, a historical bloc is an alliance of classes or fractions of classes, which attempts to establish a particular form of state and/or world order preferable to them. Nevertheless, a historical bloc is also more than a simple alliance of social forces. It is 'the term applied to the particular configuration of social classes and ideology that gives content to a historical state' (Cox 1987: 409). It forms a complex, politically contestable and dynamic ensemble of social relations which includes economic, political and cultural aspects (Rupert 1995: 29-30). It is a solid structure of political society and civil society and consists of structure and superstructure, 'in which precisely material forces are the content

and ideologies are the form, ...' (Gramsci 1971: 377). The relationship between structure and superstructure is reciprocal, 'which is nothing other than the real dialectical process' (Gramsci 1971: 366). 'Superstructures of ideology and political organisation shape the development of both aspects of production [i.e. the social relations and the physical means of production] and are shaped by them' (Cox 1983: 168).

Another important neo-Gramscian concept is hegemony. Unlike the neo-realist notion of hegemony, in which a hegemonic state controls and dominates other states and the international order thanks to its superior amount of economic and military capabilities (Gilpin 1981: 29; Keohane 1984: 32-3), it describes a type of rule, which predominantly relies on consent, not on coercion. Additionally, a hegemonic order is based on a historical bloc that does not necessarily coincide with the boundaries of a state, but may be established at a transnational level. Hegemony 'is based on a coherent conjunction or fit between a configuration of material power, the prevalent collective image of world order (including certain norms) and a set of institutions which administer the order with a certain semblance of universality' (Cox 1981: 139). On the one hand according to Cox, 'an historic[al] bloc cannot exist without a hegemonic social class' (Cox 1983: 168). Thus, it can be discerned that the establishment of a historical bloc implies that this bloc enjoys hegemonic rule. Gill, on the other hand, distinguishes between the two concepts. He states that a historical bloc 'may at times have the potential to become hegemonic' (Gill 1993b: 40), but it also may not. For the purpose of this study, Gill's definition is used. It offers the analytical advantage to make the identification of a strong combination of material

and ideological forces possible, the historical bloc, without immediately leading to the conclusion that this is combined with hegemonic rule and, thereby, the absence of significant opposition.#EN3#

Organic intellectuals play a crucial role in achieving hegemony. According to Gramsci,

every social group, coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic but also in the social and political fields.

(Gramsci 1971: 5).

They do not simply produce ideas, but they concretise and articulate strategies in complex and often contradictory ways, which is possible because of their class location, i.e. proximity to the most powerful forces in production and the state. It is their task to organise the social forces they stem from and to develop a hegemonic project which is able to transcend the particular interests of this group so that other social forces are able to give their consent. Such a hegemonic project must be based on, and stem from, the economic sphere. It must, however, also go beyond economics into the political and social sphere, incorporating issues such as social reform or moral regeneration, to result in a stable hegemonic political system. It

'brings the interests of the leading class into harmony with those of subordinate classes and incorporates these other interests into an ideology expressed in universal terms' (Cox 1983: 168).#EN4#

Burnham criticises the role attributed to ideas and organic intellectuals by neo-Gramscian perspectives. He alleges that they pursue a pluralist road of investigation through giving equal importance to ideas and materialist forces. Similarly, part of the overall structure such as the polity, the economy and civil society are given real autonomy without any analysis of the relation between these parts. Burnham argues that this position

lacks the power to explain either the systematic connection between values, social relations and institutions or the extent to which the historical appearance of capital as a social relation transforms the social order in such a way that all relations are subsumed under the capital relation as the basis of the valorisation process.

(Burnham 1991: 78).

Rather than treating all factors as equal, he argues that the social relations of production must be attributed primary importance. It is not ideas and organic intellectuals, which determine economic policy and state strategies more generally, but 'the contradictions of the capital relation and the nature of competition in the world market' (Burnham 1991: 83). A crisis is resolved via the sacrifice of inefficient capitals.

Undoubtedly, the social relations of production must be the starting-point of a neo-Gramscian investigation, because only this makes it possible to comprehend that the apparent separation of the political and economic spheres is not a transhistorical fact but the result of the development of specific social relations of production (Burnham: 1994). In this respect, Burnham is right in saying that a crisis in the accumulation regime is solved via the sacrifice of inefficient capitals. However, the end of one accumulation regime does not imply that there is only one automatic alternative accumulation regime, which will take its place. There is no logical result to which capital-in-general will automatically be driven via market forces. On the contrary, there are always various possible courses of action in times of structural change. Which course of action is chosen is not determined by the market but depends on which historical bloc is able to establish its strategy as the one generally accepted to be the best. And it is here, where ideology plays a decisive role as a part of the new hegemonic project. As Gramsci points out, 'it is on the level of ideologies that men become conscious of conflicts in the world of the economy' (Gramsci 1971: 162). Consequently, ideas represent an independent force, but only in so far as they are rooted in the economic sphere, going beyond it at the same time, i.e. that they are in a dialectical relationship with the material properties of the sphere of production. Only such ideas can be regarded as 'organic ideas'. They 'organise human masses, and create the terrain on which men move, acquire consciousness of their position, struggle, etc.' (Gramsci 1971: 377). Similarly, not every intellectual is an 'organic intellectual'. According to Gramsci, there is the traditional, vulgarised type of intellectual, which 'can be defined as the expression of that social utopia by which the intellectuals think of themselves as "independent", autonomous, endowed with a

character of their own etc.’ (Gramsci 1971: 8-9). Organic intellectuals, by contrast, are regarded as the true representatives of a particular social group, generated by the sphere of production.

To conclude, the fact that ‘organic ideas’ and organic intellectuals are rooted in the material structure demonstrates the primacy attached to the sphere of production by neo-Gramscian perspectives. It is the concept of a historical bloc, consisting of ideas and material circumstances, which best shows that ideas and other aspects of the superstructure are not autonomous factors of analysis, but have to be understood in their dialectical relationship with the economic structure. They need to be rooted in the economic structure, directly or via their carriers, the organic intellectuals, in order to be of importance. ‘Organic ideas’ and organic intellectuals are most likely to have an impact in times of crisis, i.e. the end of an accumulation regime. Such a crisis occurred in the early 1970s, when the Fordist accumulation regime broke apart and the structural change of globalisation ensued.

The next chapter looks at globalisation and the struggle about a successor regime to Fordism in more detail. It is investigated how and to what extent globalisation has affected Austria and Sweden. Chapter 3 of the book deals with the processes leading to the Austrian and Swedish application, while chapter 4 concentrates on the struggles around the referenda on membership in both countries. Chapter 5, then, examines the impact of the end of the Cold War and the changing security structure on the two countries’ move towards membership. Even before Austria and Sweden actually acceded to the EU, several countries from Central and Eastern Europe had

already applied for membership. Chapter 6 briefly looks at the prospects of these applications by looking more closely at the cases of Poland, the Czech Republic and Hungary. It is evaluated to what extent the neo-Gramscian perspective, employed in the analysis of Austria's and Sweden's accession to the EU, may be used for the investigation of other instances of enlargement. Finally, the conclusion attempts to identify those social forces, which may be able to provide the basis for a project of transformation away from neo-liberal capitalism. As Devetak maintains, 'the knowledge critical ... theory seeks is not neutral; it is politically and ethically charged by an interest in social and political transformation' (Devetak 1996: 151). The discussion and construction of an emancipatory project is beyond the scope of this book. It is hoped, however, that the analysis of the configuration of the Austrian and Swedish, and to a lesser extent Polish, Czech and Hungarian, social forces on EU membership provides a starting-point for further analyses of the prospects for overcoming neo-liberal capitalism on a national and European level.