What's Left of the Left
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Published by Duke University Press

Shoch, James, et al.
What's Left of the Left: Democrats and Social Democrats in Challenging Times.

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European Center-Lefts and the Mazes of European Integration

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The European Union (EU) has been called an “unidentified flying political object” because of its constantly changing objectives, scope, size, and institutions.1 The European left, not an object at all, is many political formations varying nationally with each historical moment. Today’s center-lefts are powerfully influenced by the EU, and vice versa, and our goal is to discuss how these things happen. We review the historic interaction of the EU and the left—until the Maastricht Treaty (1992), after the end of the cold war, and with the coming of globalization—and then look at the EU’s present implications for lefts. The basic question that concerns us can be asked simply: Has European integration been friend or foe to European lefts?

The EU and Lefts to the Euro

The intertwined histories of the EU and European lefts before the Maastricht Treaty demonstrate the complexities of their interactions. European integration was not an idea that lefts warmly welcomed. But after a deep crisis in the 1970s sorely tested both the EU and national political economies, it was the French left which favored renewing European integration in ways which would promote a new market liberalism and challenge social market achievements. The EU’s programs to complete the single market and economic and monetary union (EMU) undercut the autonomy of earlier national models. An argument can be made that these changes at the European level were central in transforming European lefts into the center-lefts we discuss today.

Lefts and the EU’s Early Successes and Trials

The EU was started by six countries—France, the German Federal Republic, Italy, and the Benelux three—in the Rome Treaties (1957). Its first name, the
European Economic Community (EEC), and its colloquial name, “the Common Market,” underlined its focus on economic matters. The Rome EEC Treaty set out great ambitions, including “ever closer union” among EEC members, but it was mainly devoted to creating a customs-free zone surrounded by a common external tariff within which barriers to trade in manufactured and agricultural goods were to be removed.

Institutionally the EEC copied its immediate ancestor, the European Coal and Steel Community (ECSC, 1952). It was basically intergovernmental—a council of (national) ministers decided key policy matters. But it also had a supranational European Commission given exclusive power to propose legislation. In addition there was a European Court of Justice (ECJ) to adjudicate and keep the EEC within its “treaty bases.” Finally there was a “European Assembly” (precursor of today’s European Parliament), whose members were appointed from national legislatures. The institutional model was chosen because the EEC’s founders felt that supranational mechanisms like the commission and the court, purpose-built to promote intergovernmental cooperation, were needed to forestall the ineffective deals that would follow if governments were left to their own devices. They felt further that if this institutionally unique EEC could promote interstate cooperation in its initial economic-market purview, the linkages between economics and other policy areas could foster “spillover” and progressively broaden the scope of integration. Finally, they knew that European integration would work best in a fog of political stealth: if people knew too much, the processes might bog down.

The EEC began in Europe’s postwar boom, when each member had its own national economic strategies, welfare states, and industrial relations systems. These national models placed limits on how far early Europeanization could go. Integration increased intra-EEC trade in manufactured goods, helping to stimulate national growth. A Common Agricultural Policy (CAP) prodded agricultural investment, cushioned difficult transitions from farming to factory work, and protected farmers. The external tariff was simultaneously a buffer against, and a subsystem within, the Bretton Woods trading system coordinated by the United States.

Postwar lefts composed of Socialist, Communist, and other parties represented groups—workers in the first instance—that were relatively new to democratic participation. Parties and party systems differed from place to place, much like the national models with which they worked. There were “mass” parties tied to organized labor like the German SPD that needed middle-class support to win elections. Communists, powerful in France and Italy, were also mass parties, but tied to the Soviet side of the cold war. French and Italian Socialists combined clientelism with a nineteenth-century brand
of municipal socialism. In general it was rare for the EEC left to have exclusive representation over all left-leaning constituencies, even if the German SPD came close. More often lefts were divided, whether between Communists and Socialists, as in Italy and France, or by linguistic or religious differences, as in Belgium and the Netherlands, and these divisions created persistent strategic quarrels and electoral problems. That most lefts also competed within multiparty systems complicated strategic problems even more (Patterson and Thomas 1977).

Divided or not, EEC lefts were central in their national political economies, with stakes in expanding welfare states, labor rights, and state involvement in markets. But even here differences were striking. The German SPD lived in a “social market economy” which thrived on exports, wage restraint, and tough monetary policies. In direct contrast, center-right statism in France after 1958 assumed exaggerated proportions and marginalized a deeply divided left (Schonfield 1969). Belgium and the Netherlands lived within divisive pillar arrangements (Liphardt 1977; Visser and Hemerijk 1997). Italy was less developed and played catch-up in semi-statist ways which hid behind a clientelist center-right Christian Democratic regime, leaving behind the country’s south, where economic conditions could resemble those of the third world, and marginalizing its largely Communist left (Hellman 2008, 249–81). In general, if the first postwar decades are rightly associated with the construction of what some call “Keynesian welfare states,” different lefts did not always have easy times.

The EEC itself was not a left project, mainly because lefts were focused on developing their national systems. Spaak, the Belgian minister who led the talks leading to the Rome Treaties, was a titular Socialist, but really more a Belgian national politician deeply molded by wartime experiences. Some left leaders of the French Fourth Republic (including Guy Mollet, head of the Section Française de l’Internationale Ouvrière, or SFIO, and François Mitterrand) were “Europeans,” but entire swaths of the French left opposed integration (Featherstone 1988). German Social Democrats opposed integration initially but changed their minds after the mid-1950s when its economic advantages became clearer. The Italian left, socialist and communist, was more positive, as were Italian politicians more generally. But the EEC was really the product of an elite generation of politicians, often Christian Democrats, haunted by the Second World War.

Lefts had reasons to be apprehensive about the EEC. Trade liberalization could change comparative advantages and threaten national jobs. The idea of “ever-closer union among the peoples of Europe” had federalist connotations which bothered leftists who saw national arenas as their best bets. The
Communist line was that the EEC was a plot sponsored by the United States to resurrect German power. The treaty’s other explicit objectives, beyond the CAP, included common policies for transport, coordinating EEC economic policy, and an EEC antitrust regime, all readable by lefts as threatening. In addition, the treaty was a “framework agreement” that announced general goals and left practical substance for later in ways that implied future surprises.

The EEC’s institutions prompted additional worries on the left. The European Commission was clearly meant to expand the EEC’s mandate over time. This would be hard if the Council of (national) Ministers had the last word, giving governments a veto. But the treaty proposed that eventually the council would decide by “qualified majority vote” (QMV), in which votes by member states would be weighted by relative size, allowing member states to be outvoted. The ECJ could also be a threat because through its jurisprudence it could make European law that superseded national statutes. Yet the EEC institutions were empowered only in areas that the treaty specified, and this provided some comfort, in large part because social and tax policies remained national.

The early EEC thrived on buoyant economic conditions in a win-win game between it and national models. But things did not always run smoothly. President Charles de Gaulle, a center-right nationalist, spearheaded member states’ resistance to the commission’s attempt to acquire more power and to enlarging the community by extending membership to the United Kingdom. Introducing QMV decision making was also postponed, making unanimity the norm well into the 1980s. De Gaulle spoke for France’s specific French architectural stipulations about the EEC, but these concerns often reflected deeper realities. The Common Market had begun after each of its members had developed its own economic strategies and each had moved through the 1960s in its own ways.

The 1970s were a turning point (Eichengreen 2007, chapters 7, 8). In 1971 the United States renounced its Bretton Woods engagement to the convertibility of dollars and gold. Currencies floated, speculators shifted into high gear, and financial globalization began. The oil shocks of 1973 and 1979 sharply accelerated inflation, particularly in a Europe which had no oil. EC governments reacted in dispersed national order. The British Labour government and the Gaullist French tried austerity followed by Keynesian reflaction, and the result was stagflation. Countries with effective wage restraint were less perturbed, although not immune—Germany, for example, which used tough monetary policies to maintain price stability. In general, though, lefts had difficult encounters with key constituencies and risky paths in the international economy. During these years central bankers and Anglophone
economists pronounced the death of Keynesianism. EC leaders, who at a summit in 1969 had proposed a list of changes including economic and monetary union, deeper foreign policy cooperation, and new social policies, had to abandon almost all of them. Floating exchange rates menaced EC trade and the CAP. In addition, changed economic circumstances had led member states toward using non-tariff barriers to protect themselves.

The European Monetary System (EMS), shepherded in 1978 by France and Germany, was one of the few innovations of this crisis period. All EC members belonged to EMS, but its inner circle, the Exchange Rate Mechanism (ERM), included only those accepting stronger monetary constraints. EMS was founded on a political equivocation. Stronger-currency EMS members used monetary policy to maintain price stability, following the German Bundesbank. Weaker-currency ones like France were more tolerant of inflation and devaluation. French elites hoped that EMS would lead the Germans to constrain the profligate sides of French policies while the French won greater flexibility from the Germans. These differences were to provide a central thread in EC history through the 1990s.

EMS was no remedy for all EC problems. The British had done a bad deal when they joined in 1973, contributing more than they got back, and Prime Minister Thatcher made this issue a cause, insisting on a “rebate” while threatening to block anything else. And after the collapse of southern European dictatorships in the later 1970s, the new democracies wanted to join the EC. But after Greece, governed by the Panellinio Sosialistiko Kinima, or PASOK, was admitted in 1981 it demanded serious development aid and threatened to prevent Spain and Portugal from joining until it got it. The EC was stuck.

The dramatic evolution of the French left got European integration unstuck. Out of power since 1958, the French Socialists and their Communist allies won a majority in 1981 after the presidential election of François Mitterrand. They brought with them a long list of pledges to reinvigorate France’s dirigiste national model, including new nationalizations, planning, industrial relations reforms, decentralization, redistributive shifts of the welfare state, and strong Keynesian stimulation (Favier and Martin-Roland 1990). The “Mitterrand experiment” quickly ran into difficulties (Hall 1987). Pressures on the franc led to devaluations and retrenchment, and by the winter of 1983 the French faced a choice between leaving EMS, at high risk of isolation and failure, and staying in and making major policy changes.

Mitterrand’s decision was providential for European integration. For France the new period started with deep austerity, budgetary constraints, liberalization including a rationalizing of the bloated public sector, privatization, industrial restructuring, and slow growth. It also brought deflation toward parity with the German DM and high interest rates that deepened the
recession. France, of all EC countries, and a French left president, of all political animals, thus recognized the new international constraints, beginning a forced march for French Socialists from radical reformism toward “center-leftism.”

Change was as decisive in foreign policy. Mitterrand, a “European” since the 1950s, recommitted France to Europe during the French EC presidency in 1984. Under his leadership leaders settled the “British check” issue and agreed on how to admit Spain and Portugal, ending the decision-making paralysis of the EC. Quite as important, Jacques Delors, former French minister of finances, became president of the European Commission. In January 1985 Delors announced a program to complete the single market. A commission white paper soon followed, proposing massive EC legislation to remove all barriers to a single European economy and institute the free circulation of goods, capital, services, and people. The white paper prompted the Single European Act (SEA)—the first major EC treaty change since Rome in 1957—expanding EC prerogatives, changing decision rules, and granting the European Parliament new powers (Ross 1995).

The next big EC push began in June 1988, when leaders appointed Delors to chair a top-level committee that would produce proposals for economic and monetary union (Quatremer and Klau 1997, 151–56). The French and other softer-currency countries wanted to get more control over monetary policy from the Bundesbank to construct a new basis for European monetary policy less biased toward price stability and more growth-friendly. The Germans, with bargaining advantage from their financial power, set out strong preconditions: independent national central banks, an independent European central bank to produce price stability, stringent requirements for budgetary and economic policy convergence for EMU membership, and liberalization of capital markets (Dyson and Featherstone 1999). The drive to EMU culminated in the Maastricht Treaty on European Union. The EMU deal included the German priorities to price stability, national budgetary responsibility, and tough “convergence criteria.” Applicants had to lower annual budget deficits to 3% of GDP, squeeze longer-term debt to 60% of GDP, sustain low interest and inflation rates, and stabilize their currencies. EMU would begin fully on 1 January 1999, and only those who had met these criteria would be allowed to join.

Stories in the Story: The French Left Makes Center-Leftism Obligatory?

European integration did not begin as a left affair, but it had been relaunched in the 1980s by Mitterrand, Delors, and Chancellor Helmut Kohl of Germany,
the two French Socialist politicians in the lead. Relaunch was built on the single-market program and monetary integration, both deeply liberal economic initiatives. The relaunch would be one of the more important processes converting Europe to international market opening and post-Keynesian outlooks. To be sure, several EC member states had by then already opened up markets and abjured Keynesianism, but new European-level policies ensured that everyone would have to follow, including left parties and governments.

François Mitterrand was a complicated man. Europe was a traditional arena for French operations, the nexus of Franco-German relationships, and a key location for France to work indirectly on a global scale. On European issues Mitterrand followed long-standing Gaullist goals, promoting integration to make Europe more independent of American hegemony but eschewing supranationalism where possible. France also had foreign economic policy interests in decanting German market and monetary power into broader European vessels. Still, this does not fully explain France’s dramatic shift in the 1980s. Mitterrand cared less about economic policy than about staying in power, and his high-visibility European initiatives intertwined with more mundane electoral concerns. Mitterrand needed exceptional reasons to justify abandoning the radical program upon which he had been elected. Presenting his about-face in terms of the sacrifices needed to help Europe flourish anew could put a different spin on things and perhaps cover up some of the left’s deep failures. The new “option for Europe” plus day-to-day political prestidigitation helped Mitterrand win two terms, until 1995, making him the longest-serving president in the history of the Fifth Republic.

Jacques Delors was a different story. Mitterrand’s outlooks fluctuated with his electoral prospects, but Delors had always been “center-left.” As finance minister after 1981, he had dragged his feet on renewing dirigisme and Keynesianism. The reformist strategy that Delors advanced as commission president was no surprise, therefore, because he believed in liberalization, ending inflationary spending, and serious structural reform. He also sensed the coming of globalization before most politicians did. But Delors was at heart a left Catholic corporatist who believed that key social groups should cooperate for the common good, and he felt strongly that new liberalization and monetary stability should be accompanied by social policy initiatives at the EC level. He thus invested considerable resources to promote “social dialogue” at the European level in the hope of stimulating Euro-level collective bargaining. His Charter of Fundamental Social Rights (1989) sought new legislation in areas of social policy where the EC had legal prerogatives, in a not-so-hidden hope for spillover to new EC social policy powers. Delors
also successfully promoted redistributive EC-level development funding for poorer EC regions—what came to be called the “structural funds.”

Delors’s “social Europe” was a gamble, however. EC Europe worked on a consensus to which all Europeans, left or right, might subscribe that avoided partisan tones and spoke to common European interests. But in the real world of the EC the usual doctrinal struggles ground away. Big business and the political right wanted liberalization, deregulation, and sounder public finances, and they were happy to have the EU make them happen. They had little sympathy for social Europe proposals, regarding them as steps back into a past that they wanted to leave behind. Delors hoped to mobilize other groups, including unions, to Europeanize and reform European social models through social Europe. Business and neoliberal constituencies were strong, well organized, and able to shift resources easily to the European level. Those who might favor more social Europe, in contrast, were weaker, less well organized, and less mobile. Delors’s social Europe enterprise was therefore a long shot. During the Delors years liberalization and monetarism went along with “upward harmonization” in workplace health and safety, equal opportunities, and environmental policy, in part because the relatively wealthy EC countries that counted most did not want a “race to the bottom.” But momentum toward social Europe had stalled by the mid-1990s, far short of Delors’s hopes.

What was most significant in the era of Delors and Mitterrand went unsaid. Shifting national sovereignty to the EC level was a high-stakes game that inevitably constrained EC members to change domestic policies. “Going European” was a prime way to circumvent national reluctance to reform. The single market program ruled out non-tariff barriers, state aids to industry, and pumping up industrial champions, methods that members of the French left, among others, had long taken for granted. EMU ruled out excessive inflation, high budget deficits, debt, periodic devaluations, and interest rates set for national purposes, all honored traditions in several EC member states. Thus whatever else they intended, the accomplishments of Mitterrand and Delors at the European level bound future national policies and practices and obliged European lefts to adapt.

The EU in Middle Age

The EU celebrated its fiftieth birthday in 2007, but the occasion was not very happy. The single market had not had the promised positive economic effects. EMU had become a corset constraining EU members, center-lefts with them, to limit economic growth. The end of the cold war had obliged EU members to undertake the complicated new tasks of enlarging to the east, necessitating
a redesign of EU institutions for twenty-seven members. Amid these difficulties globalization had exploded, first financially, then in direct challenges to European manufacturing sectors. But the particular unfolding of EU policies, their impacts on EU citizens, and the ways the EU then responded created new puzzles. These responses also revealed how perplexing a terrain the EU and its institutions could be as a political arena to center-lefts.

The EU Tries Out European-Level Center-Leftism

EMU, designed during a good economic period, had to be prepared during a severe downturn after 1992. Then, with a deadline of 1998 to decide EMU membership on the horizon the Germans, skeptical about eventual members like Italy and Spain, insisted on a new Stability and Growth Pact (SGP) that would bind Eurozone members to any convergence criteria decided in the future. The major troublesome issue has been that the European Central Bank (ECB) has emphasized price stability over anything else, growth included. When countries get into difficulty the ECB holds them responsible for disciplining market actors and changing domestic policies (Martin and Ross eds. 2004). This has been difficult for both rights and lefts, but it has often been the best-organized constituencies of the center-left—like unions and welfare state stakeholders—that have been on the frontline of the pressures for change.

Criticism of the ECB and the retrenchment that it enjoined eventually targeted the Stability and Growth Pact. This was inevitable, since fully half of EMU members, including all the large continental countries and quite a few smaller ones, had violated the taboo against running annual budget deficits of more than 3% of GDP at one time or another after 2000. SGP reform in 2005 gave members slightly more room to confront ups and downs, in particular in the discounting costs of future-oriented policies for things like research and restructuring. In difficult circumstances EMU members thus could exceed the annual 3% deficit, but they were also enjoined to lower deficits when things went better.

In 1993, after it had concluded that important EU economies faced serious longer-run problems in the run-up to EMU, the Delors Commission produced a new white paper, “Growth, Competitiveness, and Employment,” which urged EU Europe to mobilize anew to confront the new monetary environment and globalization. Levels of European growth and investment had been shrinking over decades, it noted, and the EU’s global competitive position was worsening. What followed was a manifesto that went well beyond Delors’s early single-market, “social Europe” conceptualizations. The white paper as-
serted that “creating as favorable an environment as possible for company competitiveness” was essential, placing stress on innovation to push Europe toward an “information society” where new comparative advantage lay. It also called for more labor market flexibility, particularly through active labor market policies, plus substantial welfare state reform. The document was solidly “center-left.” It began from recognition of new constraints from globalization and from the EU’s own single-market and EMU policies, eschewed market fundamentalism, and aimed for the preservation of Europe’s commitments to social market economies, but it also argued that Europeans should cooperate in the reforms that were needed to achieve that preservation. The white paper fell flat politically, however. EU members, facing severe domestic problems, were tired of constant Euro-level tension and refused its request for neo-Keynesian, employment-boosting loans.

The Lisbon Agenda (2000), promoted by a center-left Portuguese EU presidency and backed by Tony Blair, focused again on declining European global competitiveness and reformist preservation of the EU’s social market economies. It declared that EU Europe should become the world’s most advanced “knowledge economy” and restore full employment by 2010. It proposed a big increase in Euro-level research and development, greater coordination among research efforts by member states, training for new skills, new infrastructure, and environmental policies for sustainable development. It also focused on active labor market policies, increasing labor force participation, and removing disincentives to work that persisted in many national welfare states.

Delors’s white paper and the Lisbon strategy were both couched in the EU’s usual consensus rhetoric, and their goal was to reframe EU perspectives on general European economic goals. Their results have been mixed.18 Most Lisbon policies fell within national prerogatives, meaning that the success of European policies and urging were dependent on voluntary national cooperation. To produce such cooperation Lisbon institutionalized an “Open Method of Coordination” (OMC). OMC began when the EU set out general guidelines, then encouraged member states to hold regular, open discussions about achieving them; identified national “best practices” and established indicators of progress; and finally, publicized successes and failures by naming and shaming from Brussels. OMC used soft law and exhortation because the EU lacked harder tools.19 The hope was that they would help remodel overregulated labor markets and welfare state programs while preserving the “European social model.” The center-right carved its own goals out of the consensual rhetoric of Lisbon, which it sought to use to push neoliberal structural reforms. By 2005, with the strategy far short of its goals, Lisbon was re-
centered on narrower issues of structural reform and liberalization, and responsibilities were reassigned to national state governments in a retreat from OMC. Thereafter member states picked and chose what they wanted to do.

Delors’s white paper and the Lisbon strategy were good examples of center-left thinking about economic and social reform applied at the EU level. They began proposing ideas, pleas, and programs to achieve new European competitiveness in globalizing circumstances. Since the EU could not legally oblige member states to follow, it could only hope to persuade them to cooperate in a decentralized, coordinated way. Would member states, each with special economic problems, political and partisan setups, and social models, cooperate enough voluntarily to make a difference? On a different plane, would OMC be seductive enough to wean labor movements and welfare state stakeholders, significant constituencies of the center-left, away from their deeply entrenched, often corporatist preferences? Or, in contrast, would it simply confuse them or, worse still, antagonize them?

As Lisbon moved toward the target year of 2010, it was hard not to conclude that the choices proposed by both Delors’s white paper and Lisbon contained wishful center-left political thinking. The methods that they chose involved high-minded EU preaching to member states to produce national reform, “new modes of governance,” and procedural innovations like OMC that covered up technocratic leadership, decentralization, and depoliticization. These approaches merged different issues and policy areas in untried ways and underplayed European and national disagreements. Today Lisbon has clearly not accomplished enough to live up to the hype surrounding it. It is not at all clear, for example, whether it has helped to advance Europe toward greater competitiveness, its ostensible purpose (Buchs 2007; Buchs 2008). Further, in other quarters market fundamentalists have consistently derided original Lisbon formulations as ineffective, arguing that OMC approaches were too convoluted and that behind its consensual words Lisbon really sought to preserve the European social models that were the real barriers to new competitiveness. Center-left efforts at the European level to transcend the structures of older left worlds have not worked yet, or perhaps have not worked at all.

Troublesome EU Policies = Troubled EU Citizens

This lack of success correlated with rising public opposition to the EU and its policies. During its first decades EU leaders had been able to count on “permissive consensus” from citizens. This had left leaders free to use the European arena as long as they agreed to do nothing that caused too much
national political grumbling. But in the decade prior to its fiftieth birthday, the EU dramatically lost favor with parts of public opinion. Its loss of popularity began as the Single Market broke the cocoons of national development models, EMU normalized an emerging international price stability regime, and Lisbon tried to “flexibilize” labor markets and welfare states. The Maastricht Treaty also increased EU power in areas like policing, immigration, and foreign and defense policy, and not everyone approved of this. On another plane, Western European electorates were not fully persuaded that enlarging the EU to Central and Eastern European countries was wise, partly because leaders did not really explain the process and its goals. Enlargement and Maastricht’s unfinished business also fed constant intergovernmental wrangling about adapting EU institutions and communicated directly to citizens the deep divisions about high EU politics. All this was presided over by a generation of national leaders preoccupied with national politics and relatively indifferent to the EU.

The most immediate explanation for the decline in EU popularity was the failure of the Single Market, EMU, and Lisbon Agenda to restore growth, limit unemployment, and respond effectively to globalization. Some EU countries fared better than others, but the problem of low growth and high unemployment persisted, and the worst performers were France, Germany, and Italy, among the largest EU countries, which together decide the EU’s general economic fate. Eurobarometer polling showed that the EU remained valued in the abstract, but only 20% associated the EU with democracy and prosperity, while the same percentage associated it with bureaucracy and wasted money. It was globalization that worried EU citizens most: 42% felt that the EU might protect them from its negative effects, while 40% did not (Reynié 2008).

The most spectacular indicators of weakening public support for the EU came in national referenda. In 1992 the Danes fired the first warning shot by refusing to ratify Maastricht in 1992, while the French barely voted yes the same year. The Irish refused the Nice Treaty in 2002. The French and Dutch refused the European Constitutional Treaty in 2005. Most recently the Irish refused the Lisbon Treaty in June 2008. The trends revealed in these votes were worrisome for anyone invested in European integration. They were doubly so to European lefts, for it was constituencies most likely to support left parties—workers, the poor, and social movement activists—who demonstrated the least enthusiasm. The problem was complicated by the more favorable disposition toward the EU of the new middle-class groups that the center-left also needed to attract, making coalition building a perplexing task (Fligstein 2008).

For center-lefts to have influence on EU-level policies they had to be able
to play at the EU level, and for this they needed to win national elections and mobilize national support behind what they wanted the EU to do. This was a real challenge. EU market liberalization breached the borders around the relatively self-contained national development models upon which most lefts had long depended. Globalization then obliged everyone to squeeze down inflation and avoid deficits and debt, with EMU and the SGP intensifying the squeezing. Newly mobile financial markets limited tax policymaking and wage growth and put new pressure on labor markets and social programs. Manufacturing successes of lower-wage areas of the world compressed the wages and benefits of European manufacturing workers and added to employment insecurity.

These changes coincided with the end of socialist dreams, meaning that center-lefts had to find new grounds to win the electoral support they needed to assert influence at the EU level. The saga surrounding the white paper and Lisbon marked perhaps the Euro-level center-left’s best effort to do this, and it did not work, or at least has not yet worked. Persuading traditional left constituencies and stakeholders to hear and accept new reformist strategies was difficult when they faced growing economic insecurity and had strong incentives to hold on to positions that the left had helped them win in the postwar period. To make things even harder, new radical forces were emerging, particularly from the new middle classes, mobilized around very different dreams: things like environmental change, stopping globalization, and anti-immigrant populism. The European world of center-lefts had become an uncertain place.

Fragmented Center-Lefts, Biased Policy Agendas, and Confusing Institutions

The importance of the EU in its members’ domestic politics and lives has grown enormously in the last two decades, to different degrees in different countries. The single market and EMU increased employment insecurity, constrained public finances, and compressed growth, making it more difficult for lefts to reward traditional constituencies. Center-left national governments have had to trim spending, remodel welfare states, restrain wages, and introduce new flexibility into labor markets, policies that have often run counter to the expectations of center-left supporters. In the meantime deindustrialization had reduced the number of blue-collar workers, undercutting unions and service workers, and “new middle class” groups have grown, complicating coalitional and electoral problems.

In the abstract it makes sense for center-lefts to work more effectively
at the EU level for the changes and reforms they seek. The kinds of policies proposed in the white paper in 1993 and reposed in the Lisbon Agenda ought to be seen as examples of this, while the problems that the center-lefts have faced underline the problems of doing so. The EU is a tricky place for center-lefts to work. One reason is that the deep historic trajectories of the EU asymmetrically favor the center-right. The backbone of what the EU does, grounded in international treaties, has been market liberalization and budgetary restraint through EMU, things which the center-right has most often favored. The center-left has often advocated Euro-policies for “re-regulating” markets and redistributing resources, but the EU has always been much better at de- than re-regulating, and even when the EU has re-regulated it has done so in more economically liberal ways than most center-lefts have desired. Beyond this, the treaties have granted to the EU only limited powers to effect redistribution, because most social and tax policy matters remain national. This is no accident: member states and national parties have preferred to keep resources at home rather than donate them to others.

The EU’s policy asymmetry is complemented by the workings of EU institutions. Even if it has serious mechanisms to promote binding cooperation among members, the EU remains made up of states which evolve in different ways and whose national politics vary greatly. When translated into different national interests at the EU level, this is one reason why European integration has proceeded by fits and starts, punctuated by crises. Moreover, at any moment the EU is likely to be inhabited by both left and right governments. Except in extraordinary circumstances, therefore, not much can happen at the EU level unless a consensus can be reached among member governments, right and left. Because decisions built on complicated intergovernmental negotiations must be compromises between national interests, the EU’s processes are slow, sometimes too much so to reach appropriate decisions in time to solve important problems effectively.

The institutional problems of reaching consensus have grown with the enlargement of the EU since 1995 from twelve to twenty-seven members. The political mathematics of this are simple. The more EU members there are, the greater the likelihood of a divergence of preferences about issues and decisions, and of blocking coalitions. When compared to national political processes, in which majorities and minorities are derived from electoral results, it will be harder to do things at the European level. All else being equal, this creates a bias in favor of slow forward movement and frequent decision-making problems. This makes it difficult to achieve the reforms that are the center-left’s stock in trade.

Irrespective of the limits imposed by EU institutions on the left’s influ-
ence, to have influence European lefts need to agree on what they want to do together. Here is where the largest problems for center-lefts arise. Today’s center-lefts are as diverse as their countries, for several reasons. However realistic center-left elites might be about European and international constraints, they have first to win power nationally. The primacy of this task shapes their outlooks by path-dependent national histories, policy legacies, institutions, organizations, and coalitional patterns. And European-level policies will affect each country differently. It also follows that when working in European arenas center-left governments will pursue national interests that go beyond and probably dilute partisanship. The resulting puzzle is difficult for any center-left to solve. More importantly, different national outlooks will limit the capacities of center-left parties to cooperate on Euro-level policy goals, if only because the degree to which they agree to cooperate on these goals may limit their capacities to succeed nationally.

By now center-lefts have all accepted new constraints on what they can do nationally, but this has not appreciably narrowed differences between them, as a few examples should demonstrate. All the members added when the EU was enlarged in 1995—the Scandinavian neutrals except Norway, plus Austria—were wealthy and had extensive experience with budgetary and wage restraint, employment flexibility, and participation in open international markets, making their adaptation to post-EMU EU constraints relatively easy. British New Labour had been prepared by Thatcherite deconstruction of the old Labour world, which left public finances in order and growth prospects good. New Labour, with openings for domestic social policy initiatives of an “activating” kind, could adapt easily (Cronin 2004). Continental lefts were the main problem cases, often because of corporatist rejection of labor market and social policy reforms and growing electoral problems. The position of the French Parti Socialiste was complicated by chronic left pluralism. The German SPD, leading a Red-Green coalition from 1998 to 2005, faced post-unification difficulties and had to enact unpopular labor market reforms which helped create die Linke, a new rival to its left. Italy had divided left coalitions that were chronically unable to face its intractable problems. Of the left parties in big continental EU members only the Spanish PSOE, helped by Europeanization and EMU, has flourished. Lefts in the smaller continental countries struggled and to varying degrees declined. The new Central and Eastern European lefts, involved in democratic transitions, were center-left from the beginning and constrained by the requirements of joining the EU, but loath to give up any more of their new and hard-won sovereignty. There were center-lefts and center-lefts, in other words, each profoundly national and each affected in different ways by what the EU did.
What this differentiation implied for left cooperation at the European level can be gleaned from one of the rare occasions when several center-left governments held power at the same time. In the later 1990s New Labour, the “plural left” around the PS in France, a center-left coalition in Italy, and the Red-Green coalition in Germany governed four of the largest EU member states, while eleven of fifteen EU governments leaned leftward more generally. The effect was to impart a leftish tinge to EU-level politics, leading in particular to the European Employment Strategy (EES), an immediate precursor of the Lisbon Agenda. The EES combined ideas from socialists in the European parliament, the Delors white paper of 1993, the commission’s directorate-general for employment and social affairs (then led by a very clever Swedish Social Democrat), and New Labour “Third Way” prescriptions about employability (Aust 2004). Its goals included more active and flexible labor markets, social programs sustaining commitments to existing social models, and increasing labor force participation. But because labor market and social policy realms remained national, the EES used OMC methods. The results, seen in EES and the Lisbon Agenda, have been uneven and ambiguous. EU member states could choose to cooperate more or less depending on their national situations. Changes are ongoing, but are most rigorously pursued in those countries that were already committed to such things before the EES and Lisbon were devised. In other places, particularly on the continent, opposition to protect the status quo has been strong (Pochet and Zeitlin eds. 2005; de la Porte 2008).

The episode surrounding the EES and Lisbon illustrates just how weak agreement and cooperation between different EU member state lefts can be. New Labour under Tony Blair, more pro-EU than any British government in history, remained Euro-skeptical in key areas—participation in EMU and EU social policies among them. The French “Plural Left” government under Lionel Jospin, cool toward the EU in general, was neo-Keynesian, dead set against Blairite commitments, and preoccupied with domestic work-sharing reforms of which most other center-lefts disapproved. The German SPD chancellor Schröder, preoccupied with domestic concerns, was cynical about the EU and the willingness of German unions to undertake changes that might jeopardize their domestic positions. The Italian left had usually been pro-European—it played a key role in allowing Italy to join EMU—but the government of the time was an unruly multiparty coalition which on matters of EES and Lisbon domestic reforms was at the mercy of refractory neocommunists. The Danish, Swedish, and Austrian center-lefts, deeply social democratic and in favor of reforms of the sort embodied in EES, were Euro-skeptical, in keeping with traditional perspectives of “don’t touch our intricate and success-
ful domestic arrangements.” Further, in virtually every case national trade union movements, whose cooperation in labor market reforms were essential, stood behind their national governments’ varying EU positions, despite the hard work of the transnational European Trade Union Confederation. The larger story was that even when center-lefts had a political edge at the EU level and might have weighed heavily on EU decisions, they had difficulty agreeing on what the EU might do and on carrying out the EU’s proposals.

EU institutions also make it difficult to achieve cooperation between Euro-reformists and the left. Center-lefts are now well organized in a transnational Party of European Socialists, for example, but the European Parliament as an institution restricts what they can do. Unlike national parliaments it cannot initiate legislation, because the European Commission has exclusive right to this power. But to exercise this power effectively the commission must solicit cooperation among member states. Thus it cannot act like a government or party leader, and can propose only after carefully gauging what national governments are willing to accept. Proposals for legislation are thus the product of consensus across national differences and party lines. The European Parliament has usually shared this consensus-oriented outlook and often proceeded on agreement between center-left and center-right. Without power of initiative, the EP’s work mainly lies in scrutinizing those commission proposals that it gets, which it does in committees rather than in partisan debate on the EP floor. In addition, the European Parliament is only a co-legislator in the EU system. To reach any decisions it must negotiate compromise with an intergovernmental Council of Ministers.

EU institutions in general, like the commission and Parliament, are purpose-built to promote and facilitate transnational cooperation, and therefore speak in consensual, pan-European languages. The institutions have thus more often than not turned potentially partisan issues into technocratic ones. These forms of expression have helped make the EU distant from citizens. The intergovernmental dimensions of EU-level governance, the European Council, which also talks in consensus language, and the Council of Ministers, which continues to meet in diplomatic secret, do little to translate EU matters into national vocabularies. The European Parliament is the most likely translator of Euro-level politics into national political dialects, but it has not yet replicated national left-right cleavages in readable ways and its concerns have rarely penetrated national agendas (Franklin 2006). For these and other reasons elections to the EP have had low participation and national issues have predominated in election campaigning. Thus if EU policies have profound effects, the EU itself has so far not been able to Europeanize the pertinent political lives of center-lefts.
Conclusions: Center-Lefts in Chilly European Climates?

The EU is today in a difficult situation. Exhausting and complicated debate about the institutional change needed for enlargement to twenty-seven members, interspersed with French and Dutch no votes on the “constitutional treaty” in 2005 and the Irish no to its successor, the Lisbon Treaty, in 2008, underline chronic problems that ordinary citizens have in making sense of the EU. It is common to talk of an EU “democratic deficit,” even if it can be argued that EU institutions meet reasonable constitutional standards for democracy. Whatever one calls the EU’s political dilemmas, however, the European Union has serious problems of legitimacy and credibility.

EU institutions suffer from serious “readability” problems as well. Citizens are accustomed to the structures, cultures, and politics of the countries which have first claim on their loyalties and identities. Adding another layer of very different institutions at the EU level and expecting citizens to understand and identify with them may be overoptimistic. The European Commission is thus easy to demonize as a distant and irresponsible “Brussels bureaucracy” whose roles are mysterious except to insiders aware that it is designed to prevent strong member states from running the EU show and ensure that governments honor their commitments. Some citizens know that their leaders get together as the EU Council of Ministers and that this makes a difference, but they get precious little information about how the council works. To this mixture one must also consider what the EU actually does. It is not a state, and is unlikely to become one. Yet it does some things that states do, shares in the doing of other things with these states that they used to do by themselves, and can have strong indirect impacts in areas where citizens have every reason to expect national leaders to be able to act on their own. The Parliament, as just noted, does not resemble anyone’s “real” parliament. On top of all this there is no EU “we the people,” but rather twenty-seven different peoples with different histories, cultures, and languages.

All this places the EU at a distance from most of its citizens, whether on the left or the right, and when the EU touches matters that are perceived as fundamental to the daily lives of citizens it is bound to stir up controversy. Given that daily lives are organized differently from one EU country to another, controversies will take on different forms. And since these days, thanks in part to center-leftish programs like the Lisbon Agenda, it can look as if the EU is bent on shaping up its member states for liberal globalization, the EU is likely to be controversial to wary and uncertain “peoples of the left.” The EU’s base of support, such as it is, is found among the better educated and better off. The lower one goes down the social ladder, the more the EU arouses opposition.
The center-left’s traditional constituencies are those likely to be skeptical. A more complex problem is that center-lefts must also find ways to appeal to higher pro-European strata. In fact “real” European politics happens largely in national arenas, built on what national governments want to share with other EU members and what they prefer to keep out of EU hands. There exists little European political culture except among elites. There are no European news media—despite the claims to pan-European status of Anglophone sources like the Economist and the Financial Times—just nationally based media that interpret EU events through national lenses. National parliamentary discussions rarely place European issues squarely before the public, while elections to the European Parliament remain tightly linked to national political debates. With few exceptions—Denmark, for example—national parties have barely begun to embrace European matters. The gap between the thickness of national democratic deliberative practice and its thinness at the European level is evident. This is important to center-lefts, whose political bases may be conflicted about the EU but whose leaders must also have strategies to work at EU levels if they win power.

All this has tended to make European center-lefts more takers than makers of European-level policies. The EU decides and center-lefts integrate the consequences into their diverse national arenas, like it or not. In the EU’s earlier years, when European integration was handmaiden to national development models and EU members had a national veto, this was less of a burden. It has become a much larger one with the EU opening economic and other borders, running a monetary union, and engaging in “mission creep” into broader areas like policing, immigration control, civil law, education and research policy, environmental and energy policy, and foreign and defense policy. Also, today’s EU of twenty-seven members includes practically all the peoples on the European continent, adding to complex diversity.

In policy terms things have not worked quite as planned. The EU has liberalized extensively and EMU works in technical terms. But encroaching globalization has meant that economic growth and prosperity have returned only for those who were already well prepared, for national reasons, to grow. Those center-lefts that inherited flexible, muscular economic and social policy systems and learned to function without Keynesianism and with non-accommodating monetary policies have done best. Other center-lefts, particularly on the European continent, face constituents who resist the national imposition of center-left policy formulas and insistently worry whether today’s EU is a cushion to ease them into a globalized world or, in contrast, an agent of neoliberal globalization. This is where things now stand.
That European center-lefts have been takers rather than makers of Eurolevel politics does not mean that they should be seen as persistent victims of EU policies. EU Europe has historically been an open arena for debating reformist changes and sometimes has even led the implementation of changes.33 While there has been much of bureaucrats talking to other bureaucrats and a few Members of the European Parliament, with small groups of academics and lobbyists listening, some of the discussion must be taken seriously, as historical record shows. When new members have joined the EU they have been expected to accept what is called the *acquis communautaire*, the EU’s accumulated institutional rules and processes, and this acceptance has enhanced their commitment to human rights, good governance, and social, environmental, and other policies. Moreover, the European power of northern European “social market” societies has meant that European-level policies have usually involved “upward harmonization” rather than races to the bottom. Environmental policies are an important case in point, but there are others, such as equal opportunities between men and women in the workplace, and workplace health and safety. And even when the EU has few explicit treaty powers it can also try to promote reformist change through decentralized “soft law” techniques like those used in OMC and the Lisbon strategy.

What does this all come to? That EU Europe is an obstacle course for center-leftists does not mean that the EU is a paradise for the neoliberal forces: they too have found EU-level politics frustrating. One reason is that today’s EU works badly. It must function ideologically according to the presumed consensus, or at least the presumed common interest, of Europeans—500 million individual citizens, different localities, regions, civil societies, and nation-states, and, yes, EU officials and leaders. Any such EU consensus is bound to be a vague common denominator of the huge variety of interests living under and around the EU’s big tent. The lack of clarity that results is not comforting for everyone.

The handicaps of working with such a vague European consensus are not the same as those of winning the policy struggles whose content is often obscured by the EU’s veils of consensus and difficult-to-fathom institutional life. It is hard to underestimate the significance of recent EU battles between neoliberals and the advocates of something that might be called social market economies. Lefts and their center-left successors have been present and active in these battles, which are far from over. As we write, EU efforts to liberalize service markets and recent ECJ decisions about freedom of business movement across borders threaten social and labor protection programs underlying national social contracts. Center-lefts cannot stand aside on such matters any more than on other battles about Europe’s place in global com-
petition and the desirable shape of globalization itself. It is nonetheless clear that the center-lefts have not been nearly as effective as they might have been in these and other EU skirmishes. The EU demands that center-lefts answer vitally important questions, but it is not terribly helpful in providing them with answers.

Notes

1. The official title changes over time. Until 1965 it was the European Economic Community (EEC). After a merger treaty in 1965 bundling the ECSC, Euratom, and the EEC it became the European Communities, or EC. After the Maastricht Treaty was ratified it became the European Union, or EU.

2. The variety grew when one looked at the EEC’s near neighborhoods. Scandinavian lefts built densely organized egalitarian social democratic systems where social actors internalized national cooperation for international economic success. The British, determined but ineffective saboteurs at the start of the EEC, had a strong workerist Labour Party and a Labour-created public sector and welfare state stalled by bad economic policies, a flawed industrial relations system, and a collapsing empire.

3. The Rome EEC Treaty also proposed abolishing “obstacles to freedom of movement for persons, services and capital,” a reform which, were it actually done, might pose an even bigger threat to national jobs than open trade in manufacturing.

4. When the commission proposed a very liberal Common Agricultural Policy (CAP) that threatened French agricultural subsidy systems, it was shot down, replaced by a costly scheme of administered price supports that protected EEC farmers internationally.

5. Perhaps the best example came when British Labour’s failed “Social Contracts” led to the election of Margaret Thatcher in 1979.

6. They also took the lead in promoting direct elections to the European Parliament and creating the European Council, which held institutionalized summits of member state leaders.

7. ERM members committed to keeping their currencies within a “narrow band” of exchange rates as compared to a basket of currencies tied to the dollar, as well as to market intervention to buoy threatened currencies and negotiations to revalue when needed. Revaluation occurred twenty-six times between 1979 and 1999.

8. This endowed EMS with a rhythm. When weaker currencies ran up against the “narrow band” barrier, central banks had to intervene. Stabilization was often temporary, however, and the troubled country might then have to negotiate a revaluation, often entailing change in its economic policies.


10. See Dyson and Featherstone 1999 for EMU negotiations.

11. The French wanted an “economic government” to set EMU macroeconomic policy, but the Germans refused, insisting instead on a completely independent European Central Bank statutorily committed to price stability.
12. Delors 2004 is an indispensable source.

13. He managed to persuade the EU to invest heavily in this, getting a clause dedicated to its pursuit included in the SEA and then pumping up the finances of the theretofore weak European Trade Union Confederation to allow it to play more significantly at the EU level. Martin and Ross eds. 1999, chapter 8.

14. The Social Charter played a role in the domestic politics of a number of EC countries. In the United Kingdom, for example, it convinced the Trade Union Congress, battered by Thatcherism, of the importance of Europe.

15. Inflation in Germany fed by the unification of West and East put pressure on EMS currencies and prompted a severe response from the Bundesbank. Realigning currencies might have ended the problems, but few wanted to try realignment in the middle of a French referendum campaign to ratify Maastricht. The first result was “Black Wednesday,” 16 September 1992, when the British pound left ERM, followed by wild currency fluctuations elsewhere. The EMS crisis contributed to lowered growth and rising unemployment—to over 10% in the larger continental economies, and made EMU convergence a major burden.

16. In January 1999 the Euro was valued at $1.18, by autumn 2000 at $0.80, and by early 2008 at $1.60.

17. The “policy mix” between federalized monetary policies and decentralized macroeconomic policies has often been suboptimal. The “Eurogroup” of EMU members has tried to promote coherence through “broad economic policy guidelines,” but member states have not been obliged to harmonize macroeconomic policies.

18. Liberalizing services was a centerpiece, but resistance to a commission proposal in 2004 watered down the directive. Financial services and energy market liberalization are incomplete. Brussels has moved on chemicals regulation (REACH) and climate change, and talked about lightening its regulatory hand, with limited results.

19. It had been pioneered in the EU Employment Policy, begun after the Amsterdam Treaty in 1997 and then extended to social policy areas like “social inclusion” (poverty policy) and pension reforms.

20. Lisbon has certainly helped the professional profiles of the progressive democrats who have waxed eloquently in—often scholarly—journals about the virtues of OMC as “directly deliberative polyarchy,” a substitute for representative parliamentarism.

21. The EU’s rocky foreign policy start did not help. The EU was impotent in its Yugoslavian backyard, leaving American help as the only recourse.

22. Stein Rokkan’s work on shifting borders and nation building in Europe has been resurrected recently in discussions of European integration (Bartolini 2005; Kriesi et al. 2008).

23. New CEEC members have just regained sovereignty and are unlikely to want to give up much of it to the EU. In addition, their development models are often different from those of Western Europe (Zielonka 2006).

24. Schmidt 2006 hints at this story, alas only part, in trying to analyze the effects of the EU on “simple” versus “compound” polities.
25. This chapter does not attempt to discuss how EU constraints on national center-lefts actually alter the structures and functioning of these national parties, a topic that remains badly underresearched and probably underconceptualized. For a critical introduction see Gombert 2008.

26. EES and Lisbon demonstrated an aggressive New Labour line that liberalizing reforms of welfare states and industrial relations systems was the only road to future successes. For a taste of aggressive Third Way proselytizing on labor market and social policy see Giddens 2007.

27. See the essays by Pekarinnen, Aylott, Haaher, and Veiden in Notermans ed. 2001. Chapter 12 in Gaffney ed. 1996 reviews the Scandinavian cases.

28. Center-rights vary in similar ways, but lesser commitments to re-regulating and redistributing at the Euro level and the EU’s liberal bias lessen their coordination difficulties.

29. Some experts, like Simon Hix, see this, plus growing right-left divisions in the EP, as nourishing stronger “Euro” dimensions in national center-lefts. See Hix 2007. There are good reasons to think that this effect will be limited and slow, however. On the European Socialist Party see Ladrech 2003 and Moschonas 2007.

30. This is true even if in recent years commissions have been appointed in the wake of European Parliament elections to reflect the partisan balance in the Parliament.

31. See Moravscik 2002.

32. Moschonas 2008b provides a different argument, complementary to what follows.

33. At the time of writing, for example, EU officials had begun an extensive debate on the EU’s “social agenda” by circulating an important document on “Europe’s Social Reality.” See European Commission 2008 for details.