

***Agency, Structure and European Integration:
Critical Political Economy and the New Regionalism in Europe****

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I. Introduction

In mainstream debates about which theory is most useful for explaining European integration since the 1970s, critical political economy (CPE) approaches rarely receive much attention.¹ This is particularly unfortunate in the analysis of the role of business associations (BAs) as political agents in integration (such as the European Roundtable of Industrialists or national BAs), or when integration is examined in relation to profound economic changes. Because it is here that CPE approaches, which have contributed much to our understanding of class-based agency and of the relationship between economic and political change, would seem to offer useful alternatives to standard theories of integration, and international political economy more generally.

In this paper I discuss three CPE schools - regulation theory, the York School of global political economy, and the Amsterdam School of international political economy - and examine how they have been used to explain European integration. I argue that all three can be seen as a product of the rejection of both mainstream political economy, and the economic determinism and structuralism of orthodox Marxism. However, many CPE analyses do not succeed in avoiding a structuralist and reductionist reading of European integration, because (i) of their focus on structural economic change, and (ii)

¹ The paper examines the Anglophone and German CPE literature on European integration of the last decade or so and the theories that inform them, though some scholarship from other areas & languages is represented indirectly through their influence on German and anglophone scholarship.

Critical political economy is defined here as approaches that argue that the political and economic spheres of social reality are systematically related - they cannot be understood a separate or independent parts of social life - and see socio-economic conflict and power structures as central to political-economic analysis (Martin Staniland, *What is Political Economy?* (New Haven: Yale UP, 1985), 5; Wallace Clement and John Myles, *Relations of Ruling: Class and Gender in Postindustrial Societies* (Montreal-Kingston: McGill-Queen's University Press, 1994); Wallace Clement and Glen Williams, Introduction, in Clement and Williams, eds., *The New Canadian Political Economy* (Kingston, Ont.: McGill-Queen's University Press, 1989); and Jane Jenson and Rianne Mahon, "Representing Solidarity: Class, Gender and the Crisis of Social Democratic Sweden," *New Left Review*, No. 201, 1993, 76-100).

the lack of a theoretically informed explanation of the relationship between economic structure and class-based political agency and strategy. I conclude by outlining some general criteria for a non-structuralist and -reductionist CPE of European integration. The paper begins with a brief discussion of the agency-structure problem.

II. The Structure-Agency Problem

[People] make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but in circumstances directly found, given, and transmitted from the past. The tradition of all dead generations weighs like a nightmare on the [minds] of the living. And just when they seem engaged in revolutionizing themselves and things, in creating something entirely new, precisely in such epochs of revolutionary crisis do they anxiously conjure up the spirits of the past in their service and borrow from them names, battle slogans and costumes in order to present the new scene of world history in this time-honoured disguise and with borrowed language.

Karl Marx²

It seems appropriate to begin with this well-known statement of the structure-agency problem, which is perhaps Marx's most important on the issue.³ Simply put, it suggests that while it is people who make history, while human agents produce society and social change, their agency is constrained - perhaps defined - by existing social structures. Agency cannot occur outside existing social structures and practices, but only through them. At the same time, the social structures and practices that constrain

² Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*, in Robert C. Tucker, ed., *The Marx-Engels Reader*, 2nd edition (New York: Norton & Company, 1978), 595. This quote is usually translated incorrectly as *Men make their own history...* The German original is *Die Menschen machen ihre eigene Geschichte* (Karl Marx, *Der achtzehnte Brumaire des Louis Bonaparte* (reprinted in Karl Marx, Friedrich Engels, *Ausgewählte Werke*, Vol. II (Berlin: Karl Dietz Verlag, 1987), p. 308.

³ Alex Callinicos, *Making History: Agency, Structure, and Change in Social Theory* (Cambridge: Polity Press, 1987), 9.

agents are also the product of past agency.

The issue of how much relative importance should be assigned to structures - understood here as persistent social practices, made by collective human activity and transformed through collective human activity⁴ - and agency - conscious, goal-directed activity⁵ - in the explanation of social phenomena, and how each should be understood in relation to the other, has been much debated in the social sciences, and the position taken has substantially influenced both theories and empirical analysis. Much of the debate about the conception of structure, agency and their relationship in social theory can be portrayed as one between two opposite standpoints: one advocating the autonomy of individual or collective social actors to act purposefully, the other insisting on the determining effect of social structures.⁶ In its ideal form, each position gives primary status to one unit making the other ontologically primitive.⁷ A third approach, structuration theory, suggests that structures and agents should be understood as mutually constitutive yet ontologically distinct entities, as co-determined.⁸ This position rejects both the atomism of methodological individualism and the structuralism for example of orthodox Marxism, which reduces actors to bearers of socio-economic structures.

⁴ Robert Cox, *Production, Power and World Order: Social Forces in the Making of History* (New York: Columbia University Press, 1987), 4.

⁵ Perry Anderson, *Arguments within English Marxism* (London: N.L.B., 1980), 19, quoted in Callinicos, *Making History*, 11.

⁶ Piotr Sztompka, *Evolving Focus on Human Agency in Contemporary Social Theory*, in Sztompka, ed., *Agency and Structure: Reorienting Social Theory* (Langhorne, Pa.: Gordon and Breach, 1994), 28 ff.

⁷ Alexander Wendt, *The Agent-Structure Problem in International Relations Theory*, *International Organization*, Vol. 41, No.3 (Summer 1987), 339.

⁸ *Ibid.*, 360. On the structurationist research program, see pp. 355-361.

The question of how the structure-agency problem should or can be solved theoretically, how each should be defined and the explanatory weight determined within a particular approach such as Marxist political economy represents only one side of this issue. The other side, namely how we deal with structures and agents in empirical analysis, is equally important. And it is here that many of the structuralist tendencies of contemporary CPE have their roots. As I will show in this paper - and putting those Marxist approaches aside, which positively argue for a structuralist and economic determinist understanding⁹ - much of the contemporary CPE literature has moved away from a structuralist theorization of the agent-structure problem and social change, and, correspondingly, from a relatively unproblematic base-superstructure understanding. For example, instead of explaining changing state forms or institutional transformations in terms of the needs of certain stages of capitalist development, the trend has been to look at these as more or less contingent outcomes of the interaction of different and possibly contradictory forces. Among these, political, organizational and ideological factors have received greater attention as autonomous factors that are not reducible to structural-economic forces. In turn, the development of capitalism has been viewed increasingly as a product of social struggles and forces not reducible to class struggle and economic forces.

⁹ For an example of a structural-functionalist analysis of European integration see Peter Cocks, 'Towards a Marxist Theory of European Integration', *International Organization*, Vol. 34, No. 1 (Winter 1980), 1-40. He defines European integration as 'the geographical spread of state functions in response to the exigencies of capital accumulation and the realization of surplus value, on the one hand, and their associated legitimation problems, on the other. It is, in blunter terms, a method of resolving certain actual or potential crises intrinsic to capitalist development' (p 15). Gerald Cohen's book *Karl Marx's Theory of History: a Defense* (Oxford: Clarendon Press; New York: Oxford University Press, 1978) is a good example of orthodox Marxist position in general. For a critique of Cohen and that position see Derek Sayer, *The Violence of Abstraction: the Analytic Foundations of Historical Materialism* (Oxford, UK; New York, NY, USA: B. Blackwell, 1987).

Despite these developments in CPE, however, many critical studies of concrete developments or phenomena, such as the emergence of the new regionalism¹⁰ in Europe since the early 1980s, still tend towards structuralist and economic reductionist - and in some cases functionalist - explanation. At least two reasons for this can be identified. First, the goal of most CPE studies continues to be finding explanations or studying social change at the level of whole social systems. Bernd Röttger, for example, wants to develop a critical theory of capitalist globalization involving the totality of social relations, one that will inform an analysis of the relations between economy and society and economy and the state¹¹; and Stephen Gill seeks to explain European monetary integration in terms of the global [and regional] restructuring of socio-economic and political relations and the imperatives of a more globalized, competitive, dynamic and mobile capitalist system.¹² These are important projects for CPE scholarship. But while ways of explaining ongoing changes at a general, systemic level need to be found, doing

¹⁰ Michael K. Hawes, "APEC and the New Regionalism in Asia: Problems and Prospects", *Dokkyo International Review*, Vol. 9, (1996), 239-259.

¹¹ Bernd Röttger, Hegemonie und Weltmarktmacht. Kritische Theorie global-kapitalistischer Regulation, in Hans-Jürgen Bieling, Frank Deppe and Bernd Röttger, *Weltmarkt, Hegemonie und europäische Integration. Kritische Beiträge zur Theorie internationaler Beziehungen*, Arbeitspapier Nr. 15, Forschungsgruppe Europäische Gemeinschaften (Marburg: Forschungsgruppe Europäische Gemeinschaften/ Institut für Politikwissenschaft, Philipps-Universität Marburg (henceforth FEG), 1994), 6. Also see Röttger, Über die Krise der Politik und die Malaisen einer Regulationstheorie des transnationalen Kapitalismus - Anmerkungen zu Bob Jessop, Josef Esser und Ingeborg Tömmel, in *Europäische Integration und politische Regulierung: Aspekte, Dimensionen, Perspektiven*, Studien der Forschungsgruppe Europäische Gemeinschaften Nr. 5 (Marburg: FEG, 1995), and Röttger, *Neoliberale Globalisierung und Eurokapitalistische Regulation. Die Politische Konstitution Des Marktes* (Münster: Westfälisches Dampfboot, 1997).

¹² Stephen Gill, The Emerging World Order and European Change: the Political Economy of European Union, *The Socialist Register* 1992, 159, 163. Also see Gill, European Governance and New Constitutionalism: Economic and Monetary Union and Alternatives, *New Political Economy*, Vol. 3, No. 1 (1998), and Gill, An EMU or an Ostrich? EMU and Neo-Liberal Economic Integration, Limits and Alternatives, in P. Minkinen and H. Patomäki, eds., *The Politics of Economic and Monetary Union*, (Helsinki: Finnish Institute of International Affairs, 1997).

so only in terms of system-level forces, and thus implying that we can conceive of socio-economic and political structures and their transformations *without* referring to concrete historical agents - real people and organizations - the structures Röttger, Gill and others seek to analyze are separated from the human agency which (re-) produces them; they are reified. The result is a structuralist, and in some cases a functionalist, reading of these changes. In part, then, structuralist tendencies are due to analytic focus and starting point rather than theoretical intent or approach.

The problem is reinforced by a prevalent underlying assumption - the second cause for structuralist tendencies in many CPE studies - that concrete events or phenomena can be explained with the help of a single theory, and, conversely, that, to understand processes like globalization or European integration, we need only to develop such a theory. This usually leads to a theory-driven analysis in which the need for theoretical cohesion and development becomes paramount at the expense of careful empirical analysis that recognises the complexity of historical events, processes or societies.¹³ In the case of approaches which focus on the level of capitalist systems, on modes of regulation and regimes of accumulation, or on the totality of social relations, the result of such theory-determined research is a tendency towards structuralism and functionalism, as well as economic reductionism. Specific events are seen or implied to be logical in terms of the structural (and theoretically defined) characteristics of the system or functionally necessary to the system as a whole, and agency tends to be

¹³ Sayer, *The Violence of Abstraction*, 10.

reduced to the actions of theoretically defined and structurally determined social actors.¹⁴ Considering that the starting point for the contemporary CPE scholarship on European integration discussed here was, at least in part, a reaction against the structuralism, functionalism, and economic determinism of orthodox Marxism, it is surprising that so much of it implicitly goes in the same direction. But, in contrast to orthodox Marxism, this is often the result of how empirical analysis is approached, and not necessarily of the theories employed.

I am not suggesting that empirical analysis can ever be un-theoretical or not shaped by theory, or that social structures do not have a constraining or determining effect on social relations or concrete events. Nor am I arguing that all structures are equally important in shaping or producing specific, concrete agency. My point is simply that empirical analysis should not be *subordinated* to the requirements of any *one* theory, and that determining which structures and processes are most important, how agents come to act as agents, what kind of social structures they reflect, and what their impact may be on social structures, is a task for empirical analysis and cannot be adequately dealt with through theoretical conjecture alone. In other words, because history has infinitely more imagination than we have,¹⁵ and because concrete historical events are

¹⁴ On this issue see Lipietz who warns against two common errors: The first consists of deducing concrete reality from immanent laws which are themselves deduced from universal concept. The second is simply the other side of the same coin: analyzing every concrete development in terms of the needs of the said concept (Alain Lipietz, *Mirages and Miracles: the Crises of Global Fordism* (London: Verso, 1987), 9); and Sayer argues that a general, and often neglected theme in Marx's work is a general warning against a certain pre-emptive use of theory (Sayer, *The Violence of Abstraction*, 11); see also Lipietz, *Mirages and Miracles*, Introduction and Chapter 1 Questions of Method and Robert Cox, "Social Forces, States and World Orders, *Millennium*, Vol. 10, No. 2 (Summer 1981), 126-155, reprinted in Robert O. Keohane, ed., *Neorealism and Its Critics* (New York: Columbia University Press, 1986), 206-210.

¹⁵ Lipietz, *Mirages and Miracles*, 11, citing Lenin.

products of complex and contingent interactions of agency and structures, which may be part of different social systems, any theorization of a particular social system (the economic system, for instance) is by definition partial. If we accept this argument, then

it follows that an adequate understanding of [concrete] events requires us to combine concepts, assumptions and principles of explanation from different theoretical systems and to relate them to a given, theoretically defined explanandum.¹⁶

In Marxist political economy, the structure-agent debate has traditionally been about the relationship between socio-economic structures and the economic system, on the one hand, and the role of classes¹⁷ as the main historical agents in (re-) producing these structures, on the other. Of particular importance here is the issue of how groups of people who objectively share similar positions in the socio-economic structure come to act as agents, that is to pursue conscious, goal-directed activity.¹⁸ In orthodox Marxism the relationships between economic structure and political, legal or cultural superstructures, on the one hand, and between objectively defined classes (class in itself) and classes as collective agents (class for itself), on the other, is seen as relatively unproblematic,¹⁹ and socio-economic relations are seen as determining all important historical developments, not only in the last instance. Other positions within Marxism, however, have emphasized the problematic nature of the process by which classes become agents, the importance of politics - including political strategies and tactics - to

¹⁶ Bob Jessop, *State Theory: Putting the Capitalist State in its Place* (Cambridge, UK: Polity Press, 1990), 11.

¹⁷ Defined here as groups of people who are in the same position in the social relations of production and exchange.

¹⁸ Anderson, *Arguments within English Marxism*, 19, quoted in Callinicos, *Making History*, 11.

¹⁹ See Sayer's excellent critique of this position in *The Violence of Abstraction*.

class-based agency, or the way in which class struggle and the economic base exist in their pure form only in theory and, in concrete reality, are shaped by other social structures and struggles.²⁰

In much of the contemporary CPE, the debate has moved beyond a concern with the conception and relative importance of structure and agency in a theoretically one-dimensional social reality, to a focus on issues around subjectivity and agency as it is shaped by multiple, intersecting systems of social relations and ideology (or discourse). Even if we continue to conceptualize agency and structure as being mutually determining, we now have to think of agency as potentially being determined by and (re-)producing several parallel, interacting, and/or contradictory structures. The focus therefore shifts to the processes through which concrete agents are constituted or constructed, what kind of strategies are developed and implemented, and how these, in turn, shape different social structures. As I argued earlier, this is a task for concrete, empirical analysis and cannot be adequately dealt with through theoretical conjecture alone.²¹ And with regard to the constitution of a class or class fraction as a concrete agent - one of the central issues in Marxist political economy - it means that empirical analysis must establish whether and how collective agents come to represent or reflect classes or class fractions, what factors shape their ability to act effectively, and how they are affected by other social structures.

²⁰ It can be argued, for example, that capitalism today only exists in a gendered form; see Jane Jenson, *Gender and Reproduction: Or, Babies and the State*, *Studies in Political Economy*, No. 20 (1986), 9-46.

²¹ On the dangers of using universally defined theoretical categories without adequate consideration of how these are constituted differently in social reality across time and space, see Chandra Talpade Mohanty, *Under Western Eyes: Feminist Scholarship and Colonial Discourses*, in Chandra Talpade Mohanty, Ann Russo and Lourdes Torres, eds., *Third World Women and the Politics of Feminism* (Bloomington: Indiana University Press, 1991), 333-358.

The following critique of CPE research on European integration will therefore assess the way in which the structure-agent problem and social change are dealt with theoretically, and how this has been translated into empirical analysis. In the process, I will look for two tendencies in the literature. The first is to think that empirical analysis can be successful when it is driven by one, internally consistent, theoretical approach, rather than using theory as a guiding thread, an orientation to empirical and historical research, not a theoretical substitute for it.²² And the second involves prioritizing structural aspects and change in empirical analysis, which often leads to reifying social structures and reducing agency to the determination or needs of socio-economic structures.

III. CPE Theories and Explanations of European Integration²³

There are many similarities between the three approaches discussed here: regulation theory, the York School of global political economy, and the Amsterdam School of international political economy.²⁴ They all reflect a widespread rejection of the structuralism and economic determinism of orthodox Marxism. While anti-reductionist

²² Sayer, *The Violence of Abstraction*, 13.

²³ The critique will be limited to an assessment of the conceptualization and analysis of agency in the process of European integration, and focus on examples from three CPE schools.

²⁴ Many reviewers discuss the York and Amsterdam Schools as one approach (termed Gramscian global political economy or new international political economy) (see Anthony Payne and Andrew Gamble, Introduction: The Political Economy of Regionalism and World Order, in Andrew Gamble and Anthony Payne, eds., *Regionalism and World Order* (New York: St. Martin's Press, 1996); Stephen Gill, "Gramsci and Global Politics: Towards a Post-hegemonic Research Agenda and Epistemology, Ontology, and the 'Italian School'", both in Gill, ed., *Gramsci, Historical Materialism and International Relations* (Cambridge: Cambridge University Press, 1993)). The Amsterdam School has also been classified as regulationist (Bob Jessop, Regulation Theory in Retrospect and Prospect, *Economy and Society*, Vol. 19 (1990), No. 2, 157-158).

and -structuralist positions have a long history in Marxist political economy,²⁵ they have arguably had their most significant impact since the 1970s with the emergence of new non-Marxist progressive political and theoretical movements and the (re-)discovery of Antonio Gramsci's work.²⁶ Among those who continued to pursue questions around the political economy of capitalism and the anatomy of bourgeois society,²⁷ or the political economy of internationalization and globalization, many have turned their efforts towards developing more agency centred, non-structuralist and -reductionist theories. They have taken politics seriously as a realm of social action not reducible to economic structures or class conflict, but one which must be analysed in relation to capitalism. Or they have recognized political-economic agency as constituted not only through class structure, but through the interaction of different social systems, with discourse or ideology playing a key role, one that cannot be reduced to other social structures.²⁸ In the remainder of this section I will discuss the three approaches representing this turn in CPE, which have been most widely used in the analysis of European integration.

²⁵ Miguel Cainzos, *Marxism, post-Marxism, and the Actionalist Turn in Social Theory*, in Sztompka, ed., *Agency and Structure*, 85.

²⁶ *Ibid.*, 86.

²⁷ Jessop, *Regulation Theory*, 154.

²⁸ Cainzos, *Marxism, post-Marxism, and the Actionalist Turn in Social Theory*; Randall D. Germain and Michael Kenny, *International relations theory and the new Gramscians*, *Review of International Studies*, Vol. 24, No. 1 (1998), 5-7; Alain Lipietz, *Vom Althusserismus zur Theorie der Regulation*, in Alex Demirovic *et al.*, eds., *Hegemonie und Staat. Kapitalistische Regulation als Projekt und Prozess* (Münster, 1992), 9-12; Jessop, *State Theory*, especially General Introduction, and Chapter 3, *Marxism, Economic Determinism and Relative Autonomy*; Jessop, *Regulation Theory*, 154-155; Craig N. Murphy, "Understanding IR: Understanding Gramsci", *Review of International Studies* 24 (1998), 417-425.

(i) Regulation Theory²⁹

The regulation approach was developed by a group of French scholars in the 1970s partly in reaction to the structuralism of Althusserian Marxism which held that structures somehow maintain themselves quasi-automatically without effective social agency and without significant transformations.³⁰ Rather than assuming that the reproduction of capitalism is necessarily secured or that there is a single objective logic of capitalist development,³¹ they asked how capitalism could survive even though the capital relation itself inevitably generated antagonisms and crises which made continuing accumulation improbable.³² In answering this question, regulationists moved beyond the conceptual opposition of agency and structure and a reductionist conceptualization of the base-superstructure theorem, and looked to the role played by social norms, organizational and institutions in regulating social conflict and stabilizing the conditions necessary for a particular economic growth model to succeed.³³

Central to regulation theory are two concepts: regime of accumulation and mode of regulation. The former is defined as the fairly long-term stabilization of the allocation of social production between consumption and accumulation. A regime of accumulation must be

²⁹ The different regulationist schools are discussed in Jessop, *Regulation Theory*.

³⁰ Bob Jessop, *Conservative Regimes and the Transition to Post-Fordism: the Cases of Britain and West Germany* (Essex: Dept. of Government, University of Essex, 1988), 2; Jessop, *State Theory*, 307; Alain Lipietz, Regulation, in Tom Bottomore, ed., *A Dictionary of Marxist Thought* (Oxford: Basic Blackwell, 1991), 461.

³¹ Jessop, *State Theory*, 309.

³² Jessop, *Conservative Regimes*, 2; Jessop, *State Theory*, 307-308.

³³ *Ibid.*; Joachim Hirsch, Regulation, Staat und Hegemonie, in Alex Demirovic et al., eds., *Hegemonie und Staat. Kapitalistische Regulation als Projekt und Prozess* (Münster, 1992), 203, 219.

materialized in the shape of norms, habits, laws and regulating networks which ensure the unity of the process and which guarantee that its agents conform more or less to the schema of reproduction in their day-to-day behavior and struggles,³⁴

that is in a mode of regulation. The emergence of such a mode of regulation together with a given regime of accumulation is, however, not seen as a necessary, pre-ordained part of capitalism's development; nor is the emergence of a mode regulation that successfully stabilizes a given regime of accumulation viewed as necessarily or logically corresponding to the latter's needs. Instead, they are products of human struggles, only some of which lead to successful regulatory modes or accumulation regimes.³⁵

Regulationists argue that regulation is necessary to secure the conditions for capital accumulation, but that concrete forms of political, ideological and institutional regulation cannot be understood as functional to capital accumulation or economic strategies, nor as necessarily corresponding to a given mode of capital accumulation. By doing so, they make it possible to develop a non-reductionist and non-functionalist conceptualization of political practices, institutions or ideology, which is nevertheless grounded in a Marxist analysis of political economy.³⁶ And they open a way for understanding class-based political agency, which does not reduce it to objective interests but takes seriously the ideological and institutional aspects of (class) politics

³⁴ Lipietz, *Mirages and Miracles*, 14-15; Jessop, *State Theory*, 308; Hirsch, *Regulation, Staat und Hegemonie*, 219 ff.

³⁵ Lipietz, *Mirages and Miracles*, 15.

³⁶ Hans-Jürgen Bieling and Frank Deppe, *Internationalisierung, Integration und politische Regulierung*, in Markus Jachtenfuchs and Beate Kohler-Koch, eds., *Europäische Integration* (Opladen: Leske & Budrich, 1996), 485; Lipietz, *Mirages and Miracles*, Chapter 1; Jessop, *Regulation Theory*.

and the contingent and complex effects agency. To understand the emergence of a particular mode of regulation, therefore, requires analysis of the strategies and practices of real agents, as well as the concrete institutional and economic and other structural conditions in and through which they operate.³⁷

For the purpose of this paper, the most important problem with regulation theory and with many regulationist studies is the lack of an adequate conceptualization of agency and strategy, both in relation to the existing - political, economic and ideological - conditions and possibilities for transformative action, and to the development of new regimes of accumulation and modes of regulation.³⁸ This is perhaps surprising since regulationists emphasize that accumulation regimes and modes of regulation are products of struggles over strategies, modes of regulation and accumulation regimes, which are grounded in, but not reducible to, economic structures and conflicts.³⁹

A second problem is that regulationist research has usually focused on the relationship between existing regimes of accumulation and modes of regulation, their crisis and transformation, and the possible emergence of new regulatory modes which correspond to emerging regimes of accumulation at the national, regional or global level. That is, the focus has been on structural cohesion,⁴⁰ and not on how particular modes

³⁷ E.g. Jessop, *Regulation Theory*, p. 196.

³⁸ Hirsch, *Regulation, Staat und Hegemonie*, 203. An exception is the work of Bob Jessop and others on accumulation strategies and hegemonic projects (Jessop, *Accumulation Strategies, State Forms, and Hegemonic Projects*, pp. 196-219 in *State Theory*; Colin Leys, *Thatcherism and British Manufacture: a Question of Hegemony*, *New Left Review*, No. 181 (May/June 1985), 5-25).

³⁹ Jessop, *Regulation Theory*; Hirsch, *Regulation, Staat und Hegemonie*; Lipietz, *Mirages and Miracles*; Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*.

⁴⁰ Jessop, *Regulation Theory*, 154.

of regulation have been - or might be - constituted through the often contradictory activities of class-based and other actors, and which have to be seen as historically contingent, if we are to avoid functionalist and structuralist explanations.⁴¹

There are relatively few studies of European integration employing regulation theory.⁴² Four examples will be discussed below. Regulationist scholars situate the relaunching of European integration in the early 1980s in the context of the crisis of Fordism, seen as a crisis of both the predominant regime of accumulation and the regulatory mode. New integration initiatives - such as the single market initiative and EMU - are explained as products of the search for a response to declining rates of profit and investment, rapidly growing unemployment and growing government deficits, as well as to a general crisis of legitimation. And they are seen as being closely related to new economic strategies which entail changing production paradigms and the internationalization - globally and regionally - of finance and production.⁴³ As such, integration initiatives cannot be explained simply as effects of structural economic

⁴¹ Ibid., 186; Hirsch, *Regulation, Staat und Hegemonie*. Part of the problem here seems to be the assumption underlying many studies that historical agency, which constructs and transforms accumulation regimes and modes of regulation, must operate through holistic societal projects. (Röttger, *Über die Krise der Politik*, 71-72; unless noted otherwise, all translations from German texts are my own). This leads to a conception of agency which is both defined by the economic structures of the emerging accumulation regime and limited to a macro-level, and which links specific agency directly to outcome.

⁴² Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*, 501.

⁴³ Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*, 488-501; Ingeborg Tömmel, *Die Europäische Integration: ökonomische Regulierung und Politikgestaltung zwischen Staat und Markt*, in FEG, ed., *Europäische Integration und politische Regulierung : Aspekte, Dimensionen, Perspektiven*, Studien der FEG Nr. 5 (Marburg: FEG, 1995), 49-53; Elmar Altvater and Birgit Mahnkopf, *Gewerkschaften vor der europäischen Herausforderung* (Münster: Westfälisches Dampfboot, 1993), 35-36; also see Joachim Hirsch, *Der nationale Wettbewerbsstaat. Staat, Demokratie und Politik im globalen Kapitalismus* (Berlin: Edition ID-Archiv, 1995), chapters II and III, especially 90, 93, 104, 112 ff., 155.

changes, such as changing class structures, concentration of capital, regional and global economic integration, changes in production paradigms and technologies. Instead, they must be seen as non-necessary products of competing strategies pursued by class-based, state and other actors with the goal of developing new regulatory norms and institutions at the regional level.⁴⁴ In addition, some scholars argue that incremental changes in policy and governmental decision-making, many of which occurred during the period of Eurosclerosis, have also played a role.⁴⁵ Finally, it is suggested that the major integration steps taken since the mid-1980s became possible because regionally and globally oriented actors successfully achieved political dominance and build modernization coalitions which became unified through neoliberal hegemonic projects.⁴⁶

Ingeborg Tömmel examines the restructuring of the EC in the 1970s - especially the differentiation and refinement of intergovernmental decision-making processes and the development of new policy approaches which reflected and were intended to balance out structural-economic differences across countries and regions in the EC⁴⁷ - and shows how these changes were brought about by competing strategies of state actors at the national and EC levels. In the process the EC came to play an important role in

⁴⁴ Tömmel, *Die Europäische Integration*, 80; Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*, 489.

⁴⁵ E.g. Tömmel, *Die Europäische Integration*.

⁴⁶ Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*, 493; also Hirsch, *Der nationale Wettbewerbsstaat*, 148-155.

⁴⁷ Tömmel, *Die Europäische Integration*, 51-52.

developing a specifically European strategy of economic modernization.⁴⁸

The main problem with Tömmel's analysis of state actors and strategies is that it is not underpinned by a theorization of the relationship between state actors - the primary representatives of the mode of regulation - or their strategies, on the one hand, and the structural economic changes and the crisis of the Fordist accumulation regime, on the other. This suggests that state actors operate autonomously from non-state actors in the development of a new mode of regulation and new production models. Without conceptualizing the role of state actors *in relation* to non-state actors - such as class-based agents - and changing economic forces, Tömmel reproduces the separation between economic and political spheres characteristic of mainstream research and fails to analyze the relationship between the two as irreducible, complex and always problematic, yet systematically connected.

Joachim Hirsch also focuses on the state both as an agent of change and as the main regulatory form, but his analysis is embedded in a theory of the capitalist state and its relationship to or role in structuring capitalist development. His empirical studies primarily examine changes in the German political economy in relation to globalization, especially the transformation of the German state from a Fordist security to a national competition state.⁴⁹

⁴⁸ *Ibid.*, 50.

⁴⁹ Hirsch, *Der nationale Wettbewerbsstaat*, 113. Hirsch uses the term GmbH (Gesellschaft mit beschränkter Haftung), which is a closed corporation or limited liability company. Other authors have used Germany Inc. .

It has been argued that this emphasis on the national regulatory context⁵⁰ reproduces the more conventional separation of national from global or transnational political and economic spaces, characteristic of both mainstream and regulationist political economy,⁵¹ and leads him to consider European integration mainly in terms of the Europeanization of the state, conceptualized as an intergovernmental process, rather than as a new regulatory form which may be structured by the existing nation-state system but, at the same time, transforms it into something new.⁵² While this is valid critique, it does not negate the more general contribution Hirsch makes to the CPE debates on European integration and globalization by examining the reproduction of capitalist societies as a whole and by shifting our focus to the role of political agency and strategies in the development not only of modes of regulation - including state forms - but of accumulation regimes.⁵³

On this latter point, Hirsch falls short, however, because his empirical discussion concentrates on the role of the state or state actors and on how emerging forms of (nation-state level) regulation correspond to and shape changes at the economic level. Thus, he does not show how changes in class structure or production paradigms are translated into political strategies, or how specific non-state actors seek to affect

⁵⁰ Michael Felder, Stefan Tidow, and Günther Wolfwinkler, *Jenseits von Eurooptimismus und -pessimismus. Integrationstheorie und europäische Politik vor neuen Herausforderungen*, EU-Krit Discussion Paper No. 4 (October 1999), FEG, 6.

⁵¹ Lipietz, for example, strongly argues for an analysis of *each national social formation in its own right* and *the primacy of internal causes*, in Lipietz, *Mirages and Miracles*, 20, 22, his emphasis.

⁵² Felder, Tidow, and Wolfwinkler, *Jenseits von Eurooptimismus und -pessimismus*, 6.

⁵³ See, for instance, Hirsch, *Der nationale Wettbewerbsstaat*, 88, 104. Jessop has argued that Only the West German regulationists have paid much attention to agency (Jessop, *State Theory*, 318).

changes in the mode of regulation. This implies that state actors operate in the general structural context of capitalism but autonomously from the particular classes or class fractions which dominate a national social formation economically, a position that contrasts with one of Hirsch's criticisms of regulation theory, namely that it lacks an explanatory theory of the political which links political agency and strategy to the structural conditions and forces in particular capitalist formations.⁵⁴

Hans-Jürgen Bieling and Frank Deppe's analysis of European integration⁵⁵ draws on the work of Hirsch, but offers a more balanced examination of structural change and political strategies, as well as class-based political agency. They argue that the success of the new integration initiatives of the 1980s can best be understood as a product of political, economic and institutional conditions, which allowed new modernization coalitions in different European countries to successfully pursue a neoliberal integration project. These conditions were the result of relatively independent developments and included changing class configurations, the creation of the European Monetary System, and the emergence of a neoliberal ideological consensus which unified different social groups around a hegemonic project.⁵⁶

Bieling and Deppe's analysis demonstrates how regulation theory can contribute to a CPE explanation of European integration. As with Hirsch's work, the discussion of agency remains at a general level, without consideration of specific actors. But, unlike

⁵⁴ See Hirsch, *Regulation, Staat und Hegemonie*.

⁵⁵ Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*.

⁵⁶ *Ibid.*, 488-501.

Hirsch, Bieling and Deppe show how the study of concrete agency and strategies can be made a central part of regulationist integration research.

In contrast to Hirsch, Bieling and Deppe, and Tömmel, and following Gramsci's argument about the historicity of ideas and theories, Bernd Röttger argues that traditional regulation theory, with its focus on nation-state level regulatory modes and the historical period of Fordism, and the resulting assumption that accumulation and regulation can only find coherence as holistic social projects, has been made redundant by the profound changes in the deep structures of the global political economy.⁵⁷ For Röttger, the emergence of transnational capitalism necessitates a fundamental redefinition of the central regulation-theoretical question, namely the problem of the institutional mediation of economy, society and politics.⁵⁸ He suggests that a critical theory of global capitalist regulation⁵⁹ can be developed by making the world market the starting point for analysis,⁶⁰ and he draws on the Gramscian conceptualization of transnational class formation and hegemony developed by the York and Amsterdam schools.

Röttger suggests that European integration can only be understood as a part of

⁵⁷ Röttger, *Über die Krise der Politik*, 68-75. Röttger, *Hegemonie und Weltmarktmacht*, 10-17, 21-22; Röttger, *Neoliberale Globalisierung und Eurokapitalistische Regulation*, 40-46.

⁵⁸ Röttger, *Über die Krise der Politik*, 70.

⁵⁹ Röttger, *Hegemonie und Weltmarktmacht*. He has also called it a regulation theory of transnational capitalism (Röttger, *Über die Krise der Politik*, 75).

⁶⁰ Röttger, *Über die Krise der Politik*, 75.

globalization⁶¹ and argues that

it is possible ... to interpret the currently dominant EC integration as a thoroughly successful project [aimed at] tying together competing economic internationalization and regulation strategies and to link them to interests in the periphery.

...

what is being pursued through EC-metropolitan integration is not a holistic social project, but the constitution of transnational European society effects,⁶² which extend alongside the capitalist modernization process. This reconstitution of European societies takes place primarily through money as a systemic medium, and consequently produces a socially selective form of system integration. Nevertheless, accumulation and regulation develop into a coherent structure because they manage to stabilizing each other reciprocally.⁶³

Röttger's analytical approach, then, is one of starting with the general, deep-structural developments at the global level - explained in relation to changes at the level of production - and of examining how these are manifested in the specific developments in European integration and related projects.⁶⁴ The role of national political economies in integration, and its impact on them, is examined at the structural level, as well, in terms of their structural (class) configuration, which, he argues, explain national regulatory modes and European integration strategies. In many ways, this is similar to Gill's approach to be discussed below, and like Gill, Röttger's focus on deep-structural change leads to a structuralist and somewhat reductionist explanation of European integration, which fails to reflect a key argument of many traditional regulationists,⁶⁵ namely that

⁶¹ Ibid., 145.

⁶² The German term is *Gesellschaftlichkeit*. I use the term 'society effects' as defined by Bob Jessop (Jessop, *State Theory*, esp. 4-7).

⁶³ Röttger, *Über die Krise der Politik*, 72-73.

⁶⁴ Felder, Tidow, and Wolfwinkler, *Jenseits von Eurooptimismus und -pessimismus*, 5.

⁶⁵ See Röttger's critique of Jessop (Röttger, *Über die Krise der Politik*, 71-72).

modes of regulation are - perhaps accidental - outcomes of social struggles that are grounded in but not reducible to economic structures and conflicts, and thus cannot be explained with reference to them alone.⁶⁶

To summarize, regulationist studies of European integration offer a way of examining and explaining the political strategies of class-based actors in relation to socio-economic and political structures and processes, without reproducing the structuralism and functionalism of orthodox Marxism. To do this effectively, however, consideration of concrete agency - not socio-economic agency in general - must be brought to the center of theoretical development and analysis. While recognizing the role of (political) agency or strategies is important, it has little effect if empirical analysis continues to examine agents only at a very general level and to focus on the effects of their actions - the regimes of accumulation and regulatory modes they produce. What we need to look at, and link conceptually to the analysis of modes of regulation and accumulation regimes, is how concrete political strategies are developed, and how they reflect a changing class structure, economic strategies and political configurations.

(ii) The York School of Global Political Economy

The York School emerged in the 1980s as a double critique directed first, at the positivism and state-centrism of mainstream IPE research and theory, and second, at the structuralism and economic-reductionism of orthodox Marxism, in particular world-

⁶⁶ Jessop, *Regulation Theory* ; Hirsch, *Regulation, Staat und Hegemonie* ; Lipietz, *Mirages and Miracles*; Bieling and Deppe, *Internationalisierung, Integration und politische Regulierung*.

systems theory.⁶⁷ In searching for a critical perspective which would offer a structurally grounded explanation⁶⁸ rooted in a materialist conception of history,⁶⁹ while avoiding economic reductionism and structuralism, scholars turned to Antonio Gramsci, whose work had been (re-) discovered in the Anglophone world in the 1970s. The attractiveness of Gramsci, whose main contribution to CPE was a Marxist theory of politics and ideology,⁷⁰ lay precisely in the historicist and agency-oriented aspects of Gramsci's political sociology,⁷¹ and his methodology, which has been broadly interpreted as an innovative reading of historical materialism in conjunction with a flexible and ultimately historicist understanding of social class, institutions and the power of ideas.⁷²

⁶⁷ Payne and Gamble, Introduction, 6; Gill, "Epistemology, Ontology, and the 'Italian School', 21-26; Timothy Sinclair, Beyond international relations theory: Robert W. Cox and approaches to world order, in Robert Cox with Timothy Sinclair, *Approaches to World Order* (New York : Cambridge University Press, 1996), 41. On the importance of the York School's *methodological* critique of mainstream IPE, see Cox, "Social Forces, States and World Orders, and Payne and Gamble, Introduction, 6-10.

⁶⁸ Germain and Kenny, International relations theory and the new Gramscians, 5.

⁶⁹ Gill, "Epistemology, Ontology, and the 'Italian School'. There is some disagreement among scholars in this approach about whether this is a central issue, and how much it brings the York School into Marxist debates more generally. Craig Murphy, for example, argues that Gramscian approaches to IPE, including the York School, are not primarily concerned with working out problems in Marxist or neo-Marxist theory (420), but is drawing on Gramsci to understand *international relations* (Murphy, "Understanding IR: Understanding Gramsci, 420, 417). But it would be difficult to separate this approach from neo- and post-Marxist debates, especially those concerned with transcending the limits of orthodox interpretations of Marx, with regard to the theoretical and empirical treatment of politics and ideas. And Gramsci's work has played a central role in these debates.

⁷⁰ Eric J. Hobsbawm, Gramsci and Marxist Political Theory, in Anne Showsack Sassoon, ed., *Approaches to Gramsci* (London: Writers and Readers, 1982), 21; Martin Carnoy, *The State And Political Theory* (Princeton, N.J.: Princeton University Press, 1984), 65. Also see Jacques Texier, "Gramsci, Theoretician of the Superstructures, in Chantal Mouffe (ed) *Gramsci and Marxist Theory* (London-Boston: Routledge & Kegan Paul, 1979); and Stuart Hall, "Re-thinking the 'Base-and-Superstructure' Metaphor, in John Bloomfield (ed), *Papers on Class, Hegemony and Party* (London: Lawrence and Wishart, 1977).

⁷¹ Murphy, "Understanding IR: Understanding Gramsci, 418.

⁷² Germain and Kenny, International relations theory and the new Gramscians, 6.

The York School's central theoretical arguments are that the structures of the global political economy have to be conceptualized in terms of the interaction between three categories of forces - ideas, material capabilities, and institutions - at the levels of social forces, states, and world orders.⁷³ These structures are made by people,⁷⁴ that is, they are produced and reproduced by human agency.

As a research program, the York School of global political economy (GPE) focuses on the changing global political economy, characterized by global economic integration, the internationalization of the state, and the emergence of a transnational or global civil society.⁷⁵ Empirical research employs the method of historical structures⁷⁶ to identify the configuration of these social structures and to determine the possibility of the emergence of rival structures expressing alternative possibilities of development.⁷⁷ Agency, seen as primarily operating through historic blocs, is situated in these structural

⁷³ Cox, "Social Forces, States and World Orders"; Gill, *The Emerging World Order and European Change*, 158.

⁷⁴ Cox, "Social Forces, States and World Orders", p. 242; Cox, *Production, Power and World Order*, 4.

⁷⁵ Gill, "Gramsci and Global Politics and 'Epistemology, Ontology, and the 'Italian School'"; Payne and Gamble, Introduction; Murphy, "Understanding IR: Understanding Gramsci. While there are some differences between York School representatives, there is a core of shared methodological and theoretical arguments, which are most commonly identified with the pioneering work of Robert Cox, as well as with Stephen Gill (Gill, "Gramsci and Global Politics", 2, 4; Germain and Kenny, "International relations theory and the new Gramscians", 3; Payne and Gamble, Introduction, 6-7). Two articles by Robert Cox are widely seen as the founding document[s] (Payne and Gamble, Introduction, 7) of this approach: "Social Forces, States and World Orders", and "Gramsci, Hegemony and International Relations: an Essay in Method", in *Millennium*, Vol. 12, No. 2 (Summer 1983), 162-175, reprinted in Cox, *Approaches to World Order*. For examples of Gill's work, see Stephen Gill and David Law, *The Global Political Economy: Perspectives, Problems, and Policies* (New York: Harvester-Wheatshaf, 1988); Gill, "Gramsci and Global Politics"; Gill, "Epistemology, Ontology, and the 'Italian School'"; Gill, "Globalisation, Market Civilization and Disciplinary Neoliberalism". *Gramsci, Historical Materialism and International Relation*, edited by Stephen Gill, is a representative compilation of papers from this perspective.

⁷⁶ Cox, "Social Forces, States and World Orders", 220.

⁷⁷ *Ibid.*; Payne and Gamble, Introduction, 7; Sinclair, "Beyond international relations theory", 8-12.

configurations which do not determine actions but nevertheless create opportunities and constraints.⁷⁸

York School research is characterized by an emphasis on the role of ideas or ideology, sets of intersubjective images through which actors make sense of social reality. This is important for the study of global political economy, because it necessitates a constant critical questioning of the concepts and ideas with which academics and social actors more generally operate, and because it requires careful consideration of the role of ideas in the constitution of collective agents (including class-based organizations).⁷⁹ Ideas (or ideology) are conceptualized as neither reducible to material forces nor entirely autonomous. Instead, Cox argues that ideas and material conditions are always bound together, mutually influencing one another, and not reducible one to the other.⁸⁰

Ideology is seen as central to the York School's understanding of hegemony. Following Gramsci, Cox argues that hegemony involves both coercion and consent⁸¹ and that it has to be understood as a fit between material power, ideology and institutions.⁸² Hegemony, in turn, is seen as necessary for the formation of historic blocs, coalitions of

⁷⁸ Payne and Gamble, Introduction, 7. See Gill whose understanding of the structure-agency problem closely resembles that of Marx discussed earlier (Gill, "Epistemology, Ontology, and the 'Italian School'", 23).

⁷⁹ Ibid., especially 239-249.

⁸⁰ Cox, "Gramsci, Hegemony and International Relations, 132, quoted in Payne and Gamble, Introduction, 8.

⁸¹ Antonio Gramsci, *Selections from the prison notebooks of Antonio Gramsci*, edited by Quintin Hoare and Geoffrey Nowell-Smith (New York, International Publishers, 1972, c1971), 52-60, 80 (footnote), 158-61, 169-70 (incl. footnote 70), 175-85, 210-11; Payne and Gamble, Introduction, 8-9.

⁸² Cox, "Social Forces, States and World Orders, 225.

social forces bound by consent and coercion,⁸³ bound together, in other words, by the hegemony of a class or class fraction and an hegemonic ideology.⁸⁴

While Gramsci analyzed the formation of historic blocs at the national level, the York School shifts the focus to the emergence of a transnational historic bloc as a central characteristic of the contemporary global political economy. The formation of this bloc reflects changes at the level of production and social forces - especially changes in class structure and the emergence and increasing dominance of transnational capital. Neoliberalism represents the ideological glue, the hegemonic ideology that binds together the different elements of the transnational historic bloc. It provides the discursive terrain on which dominant economic and political strategies are pursued and explained, and which provides the structuring principles for the institutionalization of emerging power relations.⁸⁵

As a starting point for analysis this is a useful approach to CPE. Its main strength lies in a non-reductionist conceptualization of ideas. However, the method of historical structures can easily lead to structuralist explanation, when analysis focuses on structural dimensions at the expense of agency, and when Gramsci's radical embrace of human subjectivity⁸⁶ is forgotten.

Stephen Gill is perhaps the best known York scholar working on European

⁸³ Ibid., 132; Sinclair, *Beyond international relations theory*, 9.

⁸⁴ Roger Simon, *Gramsci's Political Thought - An Introduction* (London: Lawrence & Wishart, 1982), 14.

⁸⁵ E.g. Gill, *Globalisation, Market Civilization and Disciplinary Neoliberalism*; Gill, "Gramsci and Global Politics", 8-13.

⁸⁶ Germain and Kenny, *International relations theory and the new Gramscians*, 5.

integration.⁸⁷ Applying the method of historical structures, Gill situates European integration since the mid-1980s in the context of global patterns of power and production, as [a] feature of the political economy of globalization,⁸⁸ and argues that it is a manifestation of a new constitutionalism⁸⁹ which institutionalizes disciplinary neoliberalism⁹⁰ in Europe. Driving this process is the agency of a neoliberal transnational historic bloc and a process of elite international policy formation.⁹¹ Expressed in concrete form mainly through the alliance between the European Roundtable of Industrialists (ERT), the Commission and neoliberal governments,⁹² this rentier bloc of interests⁹³

includes state interests associated with the German-dominated unification project, large-scale finance and productive capital of global reach, as well as European companies, and associated privileged workers and smaller firms. ... In other words, the bloc comprises the interests of both capital and labor, and elements of the state apparatus, although it is dominated by the largest and most internationally mobile transnational firms and their political and economic networks.⁹⁴

Central to Gill's analysis is the emphasis on neoliberalism as the ideological glue

⁸⁷ Gill, *The Emerging World Order and European Change*; Gill, *An EMU or an Ostrich?*; Gill, *European Governance*. See Cox, *Production, Power and World Order*, 257-259, and Gamble and Payne, eds., *Regionalism and World Order*, esp. the Introduction and Conclusion by the editors, for other examples of how the York School's approach has been applied to the analysis of European integration and the new regionalism.

⁸⁸ Gill, *European Governance*, 6; Gill, *An EMU or an Ostrich?*, 211-212.

⁸⁹ Gill, *An EMU or an Ostrich?*, 217-222; Gill, *European Governance*, 15-18.

⁹⁰ Gill, *Globalisation, Market Civilization and Disciplinary Neoliberalism*.

⁹¹ Gill, *European Governance*, 11; Gill, *An EMU or an Ostrich?*, 208.

⁹² Gill, *The Emerging World Order and European Change*, 165.

⁹³ Gill, *An EMU or an Ostrich?*, 210.

⁹⁴ Gill, *European Governance*, 12.

which binds together the elements of the transnational historic bloc and the rationale for economic and monetary integration over the past two decades.⁹⁵ More specifically, he draws attention to the emergence of the new constitutionalism, defined as the move towards construction of legal or constitutional devices to remove or insulate substantially the new economic institutions from popular scrutiny or democratic accountability.⁹⁶ This new constitutionalism is both, the political-institutional dimension of the broader discourse of disciplinary neoliberalism,⁹⁷ and the strategic project pursued by the transnational historic bloc with the goal of fundamentally redefining discursively and restructuring materially the nature of politics and the relationship between economic power and political decision-making. And Gill interprets European economic and monetary integration (specifically the EMU) as flowing largely from this strategic project⁹⁸ pursued by the transnational historic bloc.

Gill's analysis of the discursive dimension of European integration strategies, of the efforts of transnational capital and associated forces to restructure the very terrain of political struggle, is arguable his most important contribution to a CPE understanding of integration. And it is here that the influence of Gramsci is strongest. There are, however, some serious problems with Gill's analysis.

The most obvious weakness in his empirical analysis is the reduction of European

⁹⁵ Gill, *An EMU or an Ostrich?*, 215.

⁹⁶ Gill, *The Emerging World Order and European Change*, 165. For a detailed discussion of its elements see Gill, *An EMU or an Ostrich?*, 217-222; Gill, *European Governance*, 15-18.

⁹⁷ Gill, *European Governance*, 5.

⁹⁸ *Ibid.*, 10.

integration to economic and monetary integration, and the EU to the EMU.⁹⁹ This leads him to focus only on the economic forces driving integration and to ignore political dimensions, including the political processes through which both national negotiating positions and regional agreements are arrived at. The focus on the economic aspects of European integration in itself is not problematic, as long as it is recognized as a partial analysis. But Gill combines this empirical focus with a methodological and theoretical argument that gives both immediate and ultimate determinacy to economic structures, even if he suggests that their influence is mediated by ideology.

Second, in applying the method of historical structures, Gill does not consider the *complex interplay* between ideas, institutions, and material capacities (production and military power).¹⁰⁰ Instead, his analysis prioritizes the changes and influence of economic structures and shows how political institutions are created to respond to these changes - not how they structure or affect economic forces - and how ideas facilitate this process by providing ideological unity to socio-economic interests and by legitimating institutional change.¹⁰¹

Third, Gill insists that we must beware of being misled by the events history of the last few years and that it seems more fruitful to emphasize the structural changes that have occurred in the post-war conjuncture¹⁰² - namely the emergence of a larger

⁹⁹ Felder, Tidow, and Wolfwinkler, *Jenseits von Eurooptimismus und -pessimismus*, 5.

¹⁰⁰ Gill, *The Emerging World Order and European Change*, 158.

¹⁰¹ Cox has also been criticized for consistently stressing the importance of ideas in his theoretical work and yet falling back on more straightforward class analysis in his empirical work (Payne and Gamble, Introduction, 9).

¹⁰² Gill, *An EMU or an Ostrich?*, 210.

[transnational] rentier bloc of interests ¹⁰³ that has pursued the neoliberal integration project. What matters, therefore, are primarily material, socio-economic structures. Ideas (new constitutionalism, disciplinary neoliberalism) and institutions (the state and supranational institutions) are viewed as not just embedded in class structure, but as following (logically) from it. As a result, Gill's analysis of European integration becomes structuralist and functionalist.

These problems are most apparent in his conceptualization of agency. When writing about CPE theory, Gill suggests that history is always in the making, in a complex and dialectical interplay between agency, structure, consciousness and action. ¹⁰⁴ And he argues that these structures have to be thought of in terms of the interaction between ideas, material capabilities, and institutions at the levels of social forces, states, and world orders. ¹⁰⁵ At a minimum, this implies that class-based agency does not exist in its pure form, that a class *in* itself does not automatically become a class *for* itself, that socio-economic agency is always constituted discursively and institutionally. Furthermore, if social structures are reproduced and transformed through political struggles - if, therefore, social organization, legislative processes, political parties, and so on, matter - structural change cannot be conceptualized only as long-term and occurring at the level of production. In other words, the events history of the last few years ¹⁰⁶ cannot be ignored in the explanation of European integration.

¹⁰³ Ibid.

¹⁰⁴ Gill, "Gramsci and Global Politics, 8-9.

¹⁰⁵ Cox, "Social Forces, States and World Orders ; Gill, *The Emerging World Order and European Change*, 158.

¹⁰⁶ Gill, *An EMU or an Ostrich?*, 210.

Gill's conceptualization of the historic bloc is important here. He defines the transnational historic bloc that drives European integration primarily in class terms, as an alliance of classes or class fractions that share certain structurally defined - and objectively determinable - interests. However, for Gramsci an historic bloc is constituted as a complex of relationships between structure and superstructure.¹⁰⁷ And the central dimensions of bloc formation - how a historic bloc is actually formed, how it relates to class structure, who leads it, and who contests it - are essentially political factors. That is, historic blocs are products of ongoing political struggles. They are structured ideologically and organizationally, and do not simply represent or reflect the (objective) interests of the economically dominant classes. And they, in turn, shape economic structures.

Gill's analysis of the emergence of a transnational historic bloc, and the agency he assigns to it, does not reflect this complex understanding developed by Gramsci. And his conceptualization of historical agency as exercised only by dominant classes and their allies, and more narrowly by the elites,¹⁰⁸ resembles instrumentalist theories of the state and ignores Gramsci's emphasis on the importance of ongoing political struggles involving both dominant and subordinate classes and allied forces.¹⁰⁹

Finally, Gill's empirical focus on the transnational as the main site for temporary

¹⁰⁷ Cox, "Gramsci, Hegemony and International Relations," 131.

¹⁰⁸ This approach has been called a top-down perspective (Felder, Tidow, and Wolfwinkler, *Jenseits von Eurooptimismus und -pessimismus*, 5).

¹⁰⁹ On the latter point see Germain and Kenny, *International relations theory and the new Gramscians*, 18. On the importance of Gramsci's legacy claimed by York School scholars and their use of Gramsci's concepts see the recent debate in *Review of International Studies* (1998), 24.

unifications of the major social relations ¹¹⁰ unnecessarily limits the analysis and ignores national political struggles or sites for bloc formation.

(iii) The Amsterdam School of International Political Economy

The Amsterdam School of international political economy shares with regulation theorists the view that the reproduction of capital is not guaranteed and that the conditions for capital accumulation must be secured ideologically and institutionally.¹¹¹ What makes this approach different - especially from those regulationists who see no necessary correspondence of class structure and the ideological dimension of a successful mode of regulation - is the assertion that the dominant and at times hegemonic ideology which helps stabilize an economic mode originates directly in the socioeconomic relationships between different fractions of the bourgeoisie, and between (fractions) of the bourgeoisie and (parts of) the working class.¹¹²

The relationship between class structure and structurally determined economic interests,¹¹³ on the one hand, and ideology and political programs, on the other, is conceptualized by the Amsterdam School in terms of comprehensive concepts of control. These are

large-scale political-economic programs ... designed to resolve (at least

¹¹⁰ Germain and Kenny, *International relations theory and the new Gramscians*, 10.

¹¹¹ Jessop, *Regulation Theory*, 158. For this reason, and because of a similar methodological approach, Jessop categorizes it as regulationist.

¹¹² Otto Holman, *Transnational Class Strategy and the New Europe*, *International Journal of Political Economy*, Vol. 22, No. 1 (Spring 1992), 12-13.

¹¹³ See for example Holman's distinction between four different ideal-type fractions and corresponding interests of capital (*Ibid.*, 15-16).

temporarily) manifest conflicts among capitalists and between capitalists and other social forces.¹¹⁴

To be successful, a comprehensive concept of control must advance the interests of the dominant fraction of capital, respond to the needs of other fractions, and secure the needs of capital in general.¹¹⁵

While the Amsterdam School's approach in some ways resembles a more traditional Marxist class analysis, it includes methodological and theoretical premises intended to prevent reversion to reductionism and structuralism. First, its proponents argue that comprehensive concepts of control must be translated into domestic and foreign policy at the state level to become effective.¹¹⁶ It is here that state institutional structure, the more general configuration of social and political forces, and the relationship between class fractions and the state become important.¹¹⁷ Second, the Amsterdam School rejects the possibility of determining the content of comprehensive concepts of control abstractly. While interests and possible strategies of certain class fractions can be deduced from class structure in general, the content of concepts of control is the outcome of struggles between specific class fractions and can only be discovered through empirical analysis. In that sense, class structure and conflicts

¹¹⁴ Murphy, *Review*, 194. Also see Holman, *Transnational Class Strategy and the New Europe*, 12; Jessop, *Regulation Theory*, 157; Richard van der Wurff, *Neo-Liberalism in Germany? The Wende in perspective*, in Henk Overbeek, ed., *Restructuring Hegemony in the Global Political Economy: The Rise of Transnational Neo-Liberalism in the 1980s* (London: Routledge, 1992), 178-179, 182.

¹¹⁵ Jessop, *Regulation Theory*, 157.

¹¹⁶ Holman, *Transnational Class Strategy and the New Europe*, 13, 19.

¹¹⁷ Otto Holman and Kees Van der Pijl, *The Capitalist Class in the European Union*, in George A. Kourvetaris and Andreas Moschonas, eds., *The Impact of European Integration. Political, Sociological and Economic Changes* (Westport: Praeger, 1996), 56.

underlie and explain political-economic strategies and debates but do not determine them.¹¹⁸ Finally, the Amsterdam School insists that an understanding of the transformations of the global political economy can only be developed based on detailed empirical studies of transformations in different locations.¹¹⁹ While some general dynamics of globalization or regional integration may be identified, the struggle over comprehensive concepts of control and the articulation of social forces and the state at the national and local level remains important.¹²⁰

These premises go a long way to countering the structuralist and reductionist tendencies inherent in the class analysis that is at the center of the Amsterdam School's approach. They suggest that government policy and international agreements are not explainable as determined by economic structure; that large-scale (global or regional) developments cannot be explained only in terms of overall structural-economic changes; and that political and ideological forces should be treated in their own right, as having effects, for example, on political-economic strategies and developments.

A central problem of the Amsterdam School's approach is not resolved, however, by these premises, namely the reductionist and structuralist explanation of the political-economic strategies pursued by capitalist class fractions. The reasons, I would argue, are largely methodological. The Amsterdam School's approach to empirical research is to start with an analysis of economic structures from which the interests of class fractions are deduced. Comprehensive concepts of control are seen as arising directly

¹¹⁸ Murphy, Review, 194.

¹¹⁹ Ibid.

¹²⁰ Holman and Van der Pijl, *The Capitalist Class in the European Union*, 56.

from these (objective?) interests. Political struggle is seen as occurring between different (alliances of) class fractions and their concepts of control. Politics and ideology, then, enter the picture only after class structure, interests and conflicts are established and the comprehensive concepts of control are defined.¹²¹ As a result, class conflict and class-based agency is conceptualized as being outside or prior to politics. This leaves the question of how class-based agency arises unanswered unless we are willing to assume that it is an unproblematic one, that class agents emerge quasi-automatically.

I would argue, however, that the process of class formation - how a class in itself becomes a class for itself - has to be understood as a contingent and fundamentally political process. It is mediated by organizational structures and discourse and never occurs prior to or outside them. Instead, the emergence of class-based agency - of concrete actors and strategies, including comprehensive concepts of control - involves people or organizations developing a consciousness as agents, that is a process of constituting themselves ideologically. Economic structures underlie this process but do not determine it. In light of the Amsterdam School's focus on the role of ideas in political-economic struggle, this is an important shortcoming, one that also characterizes explanations of integration.

Otto Holman and Kees van der Pijl, two of the main proponents of the Amsterdam School, situate the relaunch of European integration in the 1980s in the context of the crisis of Fordism, globalization and the related internationalization of the state, and the

¹²¹ Jessop, *Regulation Theory*, 157-158; Murphy, *Review*, 196.

changes in the international political system and explain integration in relation to the concomitant changes in class structure, in particular the emergence of a transnational capitalist class in Europe.¹²² Unlike some CPE analysts, however, European integration is not reduced to economic integration. Instead, and in critiquing mainstream (especially intergovernmentalist) studies, Holman and Van der Pijl argue that explaining the relaunch in the 1980s is not possible without reference to the fundamental changes at the level of production, in the field of power relations, and in the ideological sphere,¹²³ without analyzing class structures and strategies. For Holman and Van der Pijl, therefore, the relaunch of European integration can be explained, in part, as a product of changes in national class configurations, the emergence of transnational capitalist class, and, closely related to that, transformations and a new articulation of comprehensive concepts of control.

Thus, Holman examines the capitalist class configurations in EC member countries and in the EC as a whole using an ideal-type categorization of four groups:

1. Import-competing producers of tradeable goods for the domestic market;
2. Import-competing producers of tradeable goods for the European market;
3. Export-competing producers of tradeable goods for the world market;
4. Globally operating financial institutions.¹²⁴

And he shows how these class configurations determine narrow economic interests and

¹²² Holman, *Transnational Class Strategy and the New Europe*, 12-15; Holman and Van der Pijl, *The Capitalist Class in the European Union*, 55-66. Holman's *Transnational Class Strategy and the New Europe* is perhaps the best overall analysis of integration from this perspective.

¹²³ Holman, *Transnational Class Strategy and the New Europe*, 12, 4.

¹²⁴ *Ibid.*, 15-16. Holman's categorization is based on Jeffrey Frieden's (Frieden, *Invested Interests: the Politics of National Economic Policies in a World of Global Finance* (*International Organization*, Vol. 45, No. 4 (Fall 1991), 539-564).

underlie positions on European integration, and how they explain class-based integration strategies at the European level, without reducing these strategies to the more narrowly defined - and structurally determined - interests of class fractions. Holman also insists that class interests and class-based concepts of control must be translated into political strategies and ultimately into state policies to become effective.¹²⁵ He therefore avoids the determinism implicit in Gill's analysis.

Holman's commitment to a non-determinist approach is evident in his examination of different and conflicting national and transnational class positions on European integration. While he shows that the position of specific fractions in the class structure, and thus narrowly defined economic interests, have strongly influenced integration strategies and coalition building, their impact on the course of integration - i.e. the concrete forms of supranational institutions, economic and monetary policy-making and approaches, etc. - depends on their successful translation into state policies. This process is never automatic, but must be secured politically and ideologically. At issue, therefore, is the development of transnationally effective concepts of control unifying fractions of the ruling class into hegemonic coalitions at the European and global level.¹²⁶

For Holman and Van der Pijl the ERT is important here. Describing it as a novel form of bourgeois domination in Europe,¹²⁷ they argue that it has played a central role in

¹²⁵ Holman, *Transnational Class Strategy and the New Europe*, 13, 17-20.

¹²⁶ *Ibid.*, 15, 16-20.

¹²⁷ Holman and Van der Pijl, *The Capitalist Class in the European Union*, 58.

relaunching and driving European integration in the 1980s and early 1990s.¹²⁸ But they do not suggest that it simply represents transnational capital, as Gill does. Instead they show how the politics, organization and ideological dimension of the conflict between different class fractions have all shaped the ability of transnational European capital as a whole to influence European integration.¹²⁹ The ability of the ERT to play such a central role in mobilizing business interests, governments, and Community institutions,¹³⁰ is therefore the result not simply of the dominance of transnational, globally oriented capital, but of the processes and strategies that established the ERT as a political agent representing transnational capital, and from which comprehensive concepts of control emerged which successfully unified different fractions of transnational capital behind a common catchall strategy.¹³¹

To summarize, the Amsterdam School's approach offers a way of explaining European integration as a product, *in part*, of the strategies pursued by different capitalist class fractions. Its analysis of the emergence of comprehensive concepts of control at the European level, in particular the non-deterministic explanation of the political struggles between different class fractions, supports an understanding of (longer-term) class-based political agency and strategies as contingent outcomes of political and ideological struggles. In contrast to this, the conceptualization of how the

¹²⁸ This is the period covered by Holman's research. The ERT's role in relaunching integration in the 1980s is examined in detail by Maria Green Cowles in 'Setting the Agenda for a New Europe: the ERT and EC 1992', *Journal of Common Market Studies*, Vol. 33, No. 4 (December 1995).

¹²⁹ See Holman's discussion of the changing (class fractional) composition and strategy of the ERT (Holman, 'Transnational Class Strategy and the New Europe', 17-18).

¹³⁰ *Ibid.*, 17.

¹³¹ *Ibid.*; Holman and Van der Pijl, 'The Capitalist Class in the European Union', 69-71.

(economic) interests and narrower strategies of class fractions are constituted, is unconvincing because the relationship between economic structure, on the one hand, and economic interests and strategies is seen as direct and unproblematic, and, for Holman and Van der Pijl, does not involve political and ideological processes or struggles.

IV. Conclusion

The CPE approaches and analyses of European integration discussed in this paper represent different but related attempts to develop a historical materialist perspective that is neither structuralist nor economic reductionist. To a lesser extent, they are also critical reactions to mainstream IPE. In their efforts to move towards more agency centred, non-structuralist and -reductionist theories that are nevertheless grounded in a conceptualization of economic structures, the three schools have drawn extensively on the work of Antonio Gramsci. The main influence here has been Gramsci's position on hegemony and, more generally, on the problem of ideology.¹³² What is missing in all three schools is a conceptualization and analysis of class-based agency, which does not reduce it to or remove it entirely from structural determinants. Instead, all three examine the structures that produce or make possible some forms of agency, the ideologies through which agents make sense of the world and think of themselves as agents, the strategies pursued by agents, and the products of agency.

The analyses of European integration informed by the three schools share several

¹³² See Stuart Hall, *The Problem of Ideology - Marxism without Guarantees*, in D. Morley and K.H. Chen, eds., *Stuart Hall: Critical Dialogues* (London: Routledge, 1996), esp. 26-27.

characteristics. First, the relaunch of integration is situated in the context of fundamental political-economic change (the crisis of Fordism, economic globalization and regionalization), and transformations in class structure, in particular the emergence of a transnational capitalist class. Second, political and ideological factors are examined as part of the process of translating structural economic change into changes at the levels of the national and regional state. Finally, integration is explained in part in relation to the emergence of neoliberalism - seen as a hegemonic ideology - which has served to unify different class-based and other strategies and to redefine political regulation and the relationship between politics and economics more generally. These are important contributions to our understanding of European integration, and they provide the necessary background analysis for this study.

There are some important differences between these three schools, especially with regard to how far the reaction against structuralism, functionalism and economic reductionism is taken, not just in the general theoretical argument but in empirical analysis. As I argued above, there are significant reductionist and structuralist tendencies especially in Gill's work on integration, but also in Holman and Van der Pijl's explanation of class-based political-economic strategies. In both cases this is due in part to the analytical focus on class structure and the objective interests of class fractions, and the neglect of the ideological and institutional dimensions of class-based economic and political strategies, although their structuralism is also rooted in their approaches to empirical analysis. So, while these authors attribute importance to ideas in their theories and empirical studies, hegemonic ideologies or comprehensive concepts of control are analyzed as flowing logically from the objective interests of class fractions and are seen

as serving to unify these interests and universalize them. But ideas are not examined as part of the constitution of class-based interests or strategies.

The treatment of agency is particularly similarly problematic in York and Amsterdam School studies of integration. Concrete agency is abstractly defined in the form of classes or class fractions and their coalitions, and is explained as determined by economic structure. The process through which class structure is translated into conscious, goal-directed activity¹³³ is not treated as problematic. While Gill, Holman and Van der Pijl discuss concrete agency, their analyses suggest that it is structurally defined classes and class fractions¹³⁴ who are the agents of political economic change, thus making no analytic distinction between class *in* itself and class *for* itself.

Some regulationist studies can be similarly criticized. But other regulationist scholars are able to avoid structuralist and reductionist tendencies by treating the link between accumulation regimes and regulatory modes as contingent, and by assuming that securing the conditions for capitalist development depends on factors that cannot be explained with reference to economic forces. And modes of regulation are analyzed as the product of competing and conflicting strategies which cannot be explained with reference to economic forces alone. At least for some regulationists, then, politics, institutions and ideas are potentially autonomous forces, which structure not only the outcome of political-economic struggles, but also the constitution of class-based agency and ideology. In this way, a structuralist reading of class-based agency and strategies

¹³³ Anderson, *Arguments within English Marxism*, 19, quoted in Callinicos, *Making History*, 11.

¹³⁴ E.g.: large-scale finance and productive capital of global reach, as well as European companies, and associated privileged workers and smaller firms (Gill, *European Governance*, 12).

can be avoided. The main weakness of much of the regulationist literature is the lack of an adequate theoretical conceptualization of class-based agency and strategy, both in relation to the existing - political, economic and ideological - conditions and possibilities for transformative action, and to the development of new regimes of accumulation and modes of regulation.

Four general themes emerge from the review of the CPE literature. First, although theoretically committed to a non-reductionist and non-structuralist conception of social change, political-economic agency and strategies, much of the literature continues to prioritize structural economic forces in ways that reproduce the economic reductionism of orthodox Marxism. In some cases (Gill) this extends throughout the analysis of European integration; in others (Holman and Van der Pijl) it is limited to the explanation of class formation. Moving away from economic reductionism, however, can only succeed if it is recognized that we need to look at *both* political and economic forces and struggles at *all* levels, and that political forces shape the economic base. Conversely, political strategies and developments need to be examined with reference to economic forces, if we are to avoid portraying political actors (including the state) as operating autonomously from, or in parallel to, economic actors.

Second, the CPE literature discussed here can be criticized for an inadequate conceptualization and analysis of class-based agency, in particular with respect to how the structurally defined possibilities of such agency are realized politically, how they are translated into concrete agency and strategies. While the general theoretical frameworks developed by the three schools all offer the possibility of developing a non-

reductionist and non-structuralist understanding of agency, representatives of all schools have so far failed to include an analysis of the role concrete class-based agents - other than the European Roundtable of Industrialists - and their strategies might have played in integration, and how they emerged as agents in the first place. What is needed is agency-centered theory and analysis of political-economic *strategy* as the link between economic structure and the goal-oriented activities of class-based agents. Focusing on strategy forces us to examine how agents view and interpret structures, conjunctures, political possibilities, and so on; it forces us to take seriously the role of ideologies or ideas in shaping political-economy agency, struggles, and structures.¹³⁵

Third, most studies of integration focus on the national *or* transnational level. Some authors (Hirsch and other regulationists) have been criticized justly for maintaining an almost exclusive focus on the national level; but the single-minded attention of Gill and others to transnational class formation or civil society is equally problematic and partial. While profound changes in the regional and global political economies require us to look beyond the nation state in our analysis of class formation and political-economic agency, the nation state has far from disappeared. Instead of focusing on one level, then we should ask more generally how politics, economics, geography, and culture/ideology/identity are being articulated in new ways, and what strategies have been pursued by

¹³⁵ If it can be argued that there is no given interest of capital in general but only constructed interests of historically situated capitals, and that the construction of an interest of capital in general is itself an important part of the process by which capital becomes a collective agent and secures political class domination, then the elaboration of a general economic strategy under some form of political leadership and involving an ideology which can unify different capitalist class fractions, must be at the center of our analysis. Bob Jessop's accumulation strategy is a useful concept for this purpose: An accumulation strategy defines a specific economic growth model complete with its various extra-economic preconditions and also outlines a general strategy appropriate to its realization (Jessop, *State Theory*, 156, 159, 160, 166, 198-199).

class-based agents in relation to these processes at both the national and transnational levels.

Finally, much of the CPE literature can be criticized for focusing almost exclusively on political and economic elites - such as the ERT - as the main agents of European integration. Subordinate classes and class fractions are often ignored, as are the processes and practices through which elites are formed, achieve leadership of classes or coalitions, and come to influence European integration.¹³⁶ And little attention is paid to the fact that class struggle involves conflict and cooperation between classes and class fractions, and class strategy should be understood and analyzed, therefore, as reflecting this conflict with other classes or fractions. While it is important to examine the role of political and economic elites in European integration and policy-making, political-economic agency is not restricted to elites. Instead, European integration should be viewed as the outcome of struggles between different agents, including class-based agents, over accumulation regimes and modes of regulation, as well as other objectives. And while some outcomes are more likely than others, these struggles have (had) no necessary or logical outcome, and they are ongoing.

¹³⁶ With regard to the ERT, this is done by Cowles in *Setting the Agenda for a New Europe*.