

Why did the EU enlarge to the East? A Neo-Gramscian critique of Schimmelfennig's Constructivism

Written by Tom McCarthy

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TOM MCCARTHY, AUG 24 2011

Schimmelfennig argues that whilst the liberal-governmentalism approach “accounts plausibly for most of the enlargement preferences of the member states...It fails, however, to account for the Community's decision to go beyond association and offer these countries full membership” (Schimmelfennig, 2001: 47). Schimmelfennig instead offers his own account of enlargement, claiming that the process was turned from one centred around egoistic preferences to a normative one “through the device of rhetorical action – the strategic use of norm-based arguments – as the intervening mechanism” (ibid, 48).

I intend to offer an alternative approach to this analysis. I will argue that accession was necessary as a means to ensuring that reforms in the Eastern Bloc were secured, in the interests of the hegemonic bloc in the EU states and the cadre elites within the ECE states. These nations were at the time unstable, and “not consolidated enough to accommodate the political risks inherent in the transformation process towards a neo-liberal market economy” (Bieler, 2006: 87). Accession to the EU provided a means of ensuring these extensive economic and socio-political reforms (Bohle, 2002: 4) through making them justifiable. I base this alternative account upon the Neo-Gramscian ‘passive revolution’ theory.

I will first identify a number of significant problems that arise within Schimmelfennig's work, and instead offer an alternative analysis from a Neo-Gramscian perspective. I shall begin by analysing more theoretical critiques of this work (see Apeldoorn, 2002; Holman, 2001; Gill, 2003; Bieler, 2006). These are that, firstly, the constructivist approach does not take into account the role of trans-national and supra-national actors in the enlargement process; and secondly, it ignores the global context within which these supranational actors, and other actors within the EU, are situated. As a result it ignores the *social purpose* of enlargement (Bieler, 2006: 72), focusing too much on the institutional decision making structure (Smith, 2002).

I shall then move on to practical criticisms of the constructivist approach. These are informed by the above critiques. I argue that Schimmelfennig does not explain why the *aquis communitaire* was so far reaching, exporting a far more market radical version of neo-liberalism than necessary; and finally, he does not consider the unequal social and economic rights between east and west Europe that were a part of the accession deal, and how these came about. I shall begin by explaining the main foundations of the Neo-Gramscian approach.

Neo-Gramscian Analysis

The Neo-Gramscian approach to international relations focuses on the role of social forces in determining actions. These forces are formed through different modes of production, which lead to various forms of social relations. These social relations then are able to form the power bases within and across states (Bohle, 2006: 62). This theory is based upon the construction of historical blocs; these are a “concrete configuration of social forces whose rule is underpinned by an organic fit between material conditions, ideas and institutionalised practices” (van Apeldoorn, 2002: 20). These ideas and institutional practices are moulded through a hegemonic project i.e. “a project that stems from the economic sphere, but which is broad enough to incorporate diverse and even partly antagonistic ideas”

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(Bohle, 2006: 62) and come to shape institutions and the actions of transnational actors. The Neo-Gramscian approach fundamentally places the decision making process within its social context, seeking "to examine the *social* origins of that power" (van Apeldoorn, 2002: 17). Neo-Gramscian theory "does not take institutions and social and power relations for granted but calls them into question by concerning itself with their origins and whether they might be in the process of changing" (Cox, 1981: 129). This shared ideology is continually evolving in response to the global context in which it is situated (van Apeldoorn, 2002: 20).

The idea of hegemonic blocs can also be transformed to consider social relations within a transnational basis. International hegemony "is an order within a world economy with a dominant mode of production which penetrates into all countries and links into other subordinate modes of productions." (Cox, 1983) This intricate web of social relations links classes across borders. It is "expressed in universal norms, institutions and mechanisms which lay down general rules of behaviour for states and for those forces of civil society that act across national boundaries—rules which support the dominant mode of production" (ibid.).

A Neo-Gramscian Critique of Schimmelfennig

I shall now explore the flaws with Schimmelfennig's account of enlargement, and instead offer explanations through a Neo-Gramscian analysis. As identified above, I shall consider the factors that influenced the social purpose of enlargement, looking first at more theoretical critiques, and then the specific examples from the enlargement process that relate to these.

a) *The Role of External Actors*

Whilst Schimmelfennig does consider the institutional constraints within which the enlargement process took place, he still fails to place his analysis within a wider social context. He ignores the fundamental role of transnational actors in the decision making process, considering states to be the most relevant actors (Bohle, 2006: 60). A more wide ranging consideration of this process identifies the strategic positioning and pervasive influence of transnational actors (Holman & van der Pijl., 2003). The EU is increasingly "functioning as a 'quasi-state' structure, characterised by a complex system of multi-level decision making in which national... governments, bureaucracies and business elites develop converging ideas about, and related interests in, a New European political economy" (Holman, 2001: 170). Between the ERT and the Commission there is a partnership that "ties together the elite of European business with key policy-makers and politicians, and thus blurring the lines between state and civil society within Europe's emergent polity" (van Apeldoorn, 2002: 114). Yet Schimmelfennig's focus on the method of integration means that he ignores the social actors, such as the ERT, not explicitly internal to the institutional process.

Van Apeldoorn (ibid, 112 – 114) identifies three levels of political agency employed by the ERT in order to influence the decision making process within the EU, and in particular, the Commission. The first is that of lobbying, a technique the ERT only marginally partakes in. The second is that of agenda setting (Cowles 1994, 1995), involving "ideas that are reformulated and presented in such a way...that policy makers and politicians pick up on them and carry them forward" (van Apeldoorn, 2002: 113). A third, related level, is that of discourse production. This is where external actors attempt to transcend the agenda setting method, "transforming discourses through the re-articulation of their elements, [and] changing the meaning of those elements" (ibid). It is the latter two methods which the ERT primarily utilises, and which were particularly effective in the process of influencing enlargement policy.

Bieler (2002, 590) states that the "pre-accession strategy was devised by the Commission with the support of the European Round Table of Industrialists (ERT)" whose involvement was integral to the process. Enlargement offered multiple benefits to transnational actors, providing a "guaranteed access to markets – reformed on the basis of the (neo-) liberal principles of the EU – to which they can export" (ibid: 186). Furthermore, accession offered a chance to ease out the problems associated with FDI often prevalent in the ECE states (ERT 1999, 20 – 23), but it first required heavy levels of restructuring which could only be achieved through the EU (van Apeldoorn: 2002: 186). This in part provided the motivation for enlargement, a factor which shall also be explored in more detail below in relation to the global context in which enlargement took place.

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b) *The Global Context*

Schimmelfennig's approach is also limited as he fails to place enlargement within a wider global context. This point is inter-related to the above critique, as the decisions taken by transnational actors are dictated by global circumstances. We see that the motivations and ideologies of the hegemonic bloc are a continual and ever evolving response to the global capitalist environment that these actors find themselves in, and so "European transformation process can only be understood if located in the context of wider global processes of change: the process of European restructuring is crucially shaped by *global* processes of capitalist restructuring" (van Apeldoorn, 2002: 2).

Europe has changed dramatically over the past two decades, and this has influenced the ideologies and interests of many actors within the EU. FDI flows into the EU between 1989 and 1994 was \$76634 millions, whilst inward FDI flows into the EU in 2000 was \$617321 millions (Bieler, 2006: 77). The ease in which capital moves, as well as the levels of liberalisation within European countries, has become a major issue for transnational actors.

The changing economic circumstances has frequently led to realignments of transnational actors ideologies, most recently leading to a shift from neo-mercantilist to neo-liberalist policies (van Apeldoorn, 2002: 8) in the late eighties. Transnational actors valued European integration as a means to reducing Europe's dependence and backwardness, and restoring its competitiveness. It focused its efforts upon achieving 'Negative' integration, the elimination of national constraints on trade and competition, the transnationalisation of production, and the cross-border centralisation and concentration of economic power, with the aim of an increasingly transnationally integrated European economic space (Ziltener, 2004: 962-4). Principally, the European mode of integration "aimed at enhancing competitiveness at all levels of European societies" (Bohle, 2006: 65).

This has not only influenced the content of the reform agenda, but also the scale and the speed of this process. Enlargement was introduced rapidly (from the mid 1990s onwards) and "imposed not only by domestic reformers but also by external forces drawn from Western Europe and from within the broader framework of the international institutional complexes of capitalism linked to the leadership of the United States in the G-7" (Gill, 2003: 57). We must therefore place the process of enlargement within the wider global context, mapping out the interests and motivations of various actors in response to the environment that they find themselves in. Once again, Schimmelfennig does not fully appreciate this and as a result, does not take into consideration the social purpose behind enlargement. I shall now go on to explore some examples which are informed by the above two critiques. They represent contradictions and limitations of Schimmelfennig's work that can only be explained adequately by taking into account the social purpose behind enlargement.

c) *Excessive Reforms*

One of Schimmelfennig's main critiques of the intergovernmentalist approach is that the decision to grant accession was not consistent with the actions of rational actors that are egoistical. He claims that there were not sufficient motives for actors within the EU to grant membership, and based on purely rational decision making they would have merely granted association. He explains the shift in opinion post 1992 through a sociological approach, claiming that states that were for accession and those ECE states that were seeking accession were able to force other states within the EU to commit to this process through rhetorical entrapment.

This was achieved through claims to political legitimacy. Through appealing to the values of the EU as an institution, such as "the collective identity, the ideology, and the constitutive values and norms of the political community" (Schimmelfennig, 2001: 63), certain states were able to force other member states to agree to the accession process. Once the ECE states possessed similar norms and values as the EU-15, they were to be granted accession, providing a basis for the reform process and the *aquis communautaire*.

But the reforms enforced upon the ECE states went well beyond what was expected of current EU states. The 'accession partnerships' were all-encompassing, affecting macroeconomic, budgetary and monetary policies, and administrative, regional, industrial and welfare reforms (Grabbe, 1998: 12-8), often going well beyond the required *aquis*. Moreover, the ECE countries were being required to open their markets before accession, without any linkage

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between liberalization and membership (Inotai, 1999: 7). The reforms that were enforced upon the ECE countries were far more market radical than many of the then current EU-15 states, and went well beyond what was necessary to guarantee shared norms and values.

If the decision to grant accession was based upon the ECE states possessing similar values as the then current EU-15, then why was it necessary for the reforms to be much more radical, and go much further to the right than most of the older EU states? Schimmelfennig focuses too much on the institutional decision making structure and so is unable to account for this process.

It can however be explained by a Neo-Gramscian analysis, considering the interests and demands of transnational actors. First of all we must consider the changing nature of the transnational actors interests in the ECE states. Prior to 1992 involvement in these states was limited, with transnational corporations organised in sub contracting relations with East European firms rather than favouring investing directly, and engaging mostly in sectors that allowed for an easy exit (Bohle, 2002: 165 – 176). This kind of involvement did not require an extensive institutional framework, but this has changed dramatically since the mid-1990s, with direct investment in heavy industries taking off, and increased investment within financial services (Bohle: 2006: 74).

Since this shift in involvement in ECE states by transnational firms, there has been increased energy and time gone into creating a more stable Eastern Europe, with the emphasis placed upon attaining a more extensive institutional framework; greater liberalisation and privatisation; and easier access to markets. This required an extensive overhaul of the financial institutions within the ECE states, and this has been achieved through the reform process. This explains the primacy of economic reforms over political ones, and why the “Commission’s pre-accession strategy is basically about disciplining the candidate members in terms of free market integration” (Holman, 2001: 181). It also explains the neo-liberal bias within the reform process, attempting to provide a suitable environment within the ECE states that would enable transnational business to flourish, and allow the EU to export the core of its deregulatory programme (Bohle, 2006: 69).

Successive publications by the ERT fed directly into EU decision making, closely matching the policies that were later applied (Holman, 2001: 181). In particular, the focus on economic criteria, and the speed of the reform process (ERT, 1999: 6, 23) were the major items picked up on. The already prevalent role of the ERT within the Eastern states gave them particular influence, and meant that they were able to identify issues they faced on a day to day basis, and report these back to the Commission. They were able to set the agenda for commercial interests within the enlargement process through this, employing the method of discourse production as identified above. This obviously furthered the interests of the hegemonic bloc, promoting their economic prospects and removing barriers to entry.

It is therefore possible to see how transnational actors were able to shape the enlargement process, through their positioning within the EU and the ECE states.

d) *Harsh Entry Conditions*

The constructivist approach also does not explain why, even when accepted into the EU, the ECE states were not given all of the full rights of other member states, with them instead being relegated to a ‘second-class membership’ (Holman, 2001: 181).

Free movement of persons is a central right to all members of the EU, yet it has been withheld from the new member states (Maas, 2002). Furthermore, the transfers per capita for the eastern European newcomers were significantly lower than those for the old member states (Mayhew, 2003: 16-30). Debbaut (2003) calculated that in the first year after accession Poland would receive €67 per person, Hungary €49, Slovenia €41, and the Czech Republic €29 from the EU. By contrast, he calculated that Greece, Ireland, Portugal and Spain would receive €437, €418, €211, and €216 per capita respectively. Furthermore, the new entrants were still expected to pay their full contributions from the very beginning. The direct CAP payments to CEE farmers, such as those in Poland where agriculture is a central part of the economy, was 25% of those the EU-15 received upon accession.

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If the accession process was built upon the idea of political legitimacy, with actors seeking to build the bridge between the East and the West, then it appears contradictory for the EU to have employed such stringent admission criteria. The common explanation is that the criteria was applied in order to help the EU prepare gradually for the entry of the new members, but this explanation is incomplete, ignoring the social grounding of the situation and the motivations of different actors. It cannot by itself the discrimination towards the new entrants.

The Neo-Gramscian approach argues that the conditions applied to entry of the ECE states to the EU was a result of the actions of the sub-ordinate actors within the hegemonic bloc; these are the "elites of the peripheral EU states, the social-democratic forces and trade unions" (Bohle, 2006: 73). These actors were unable to prevent the process of enlargement, undertaken and initiated by the more superior members within the hegemonic bloc, so they used their powers "in a defensive way by protecting their own interests against the newcomers" (ibid: 74).

This led to the inclusion of various conditions, such as those above. This was not resisted by the more senior actors within the hegemonic bloc, as it did not threaten their interests, and moreover, helped to create an environment in which they were able to exploit differences in wages, and in fiscal, social and environmental standards, resulting in even greater returns from investment (Bohle, 2003: 8). And the ECE states were unable to resist these reforms as they were dependent upon gaining accession, and so had little choice in the matter.

Securing Reforms

Schimmelfennig's explanation argues that through political legitimacy and rhetorical entrapment, certain actors within the EU managed to shift the process of enlargement from one focused on association, to one centred around accession. However, bearing in mind the critiques as identified above, there seems to be a wide range of reasons as to why Schimmelfennig's account is lacking. The reasons as to why accession was favoured can instead be explained by Neo-Gramscian theories.

The theory of 'Passive Revolution' denotes a situation of radical change, "pushed by elites within society, whose ideas do not stem from the domestic context, but reflect international developments" (Bohle, 2006: 75). The "bourgeoisie class formations increase the social power in locations where no previous bourgeois hegemony has been consolidated" (Gill, 2003: 57), yet lacking a solid base of power, due to the incomplete development of the hegemonic bloc, reforms must be secured externally.

This analysis fits the situation in Eastern Europe post 1989, through to accession. The decision on application to the EU was taken by cadre elites within state institutions (Bieler, 2006: 85). But the ECE states lacked a well entrenched capitalist market economy, a developed civil society and liberal democratic institutions. For these reasons, support for neo-liberal reforms could not be built upon an alliance of social forces at the national level alone. The restructuring therefore (as described by Gramsci's passive revolution theory) had to be prompted, and more importantly, secured, through external actors (Bieler, 2002: 592; Gill, 2003: 56). Structural change was driven "through the incorporation of international ideas and foreign production methods in tandem with an internalisation of transnational social forces in the national CEE forms of states (Bieler, 2006: 85). EU enlargement therefore offered a solution to this process, promoting the means of both transnational actors, as well as the ECE state elites, through providing the institutional framework to justify and consolidate external reforms along neo-liberal lines. This also ties into the idea of new constitutionalism, which is where reforms are carried out in such a way as to allow "for the consolidation or locking in of a more limited but still powerful neoliberal state form insulated from popular democratic accountability" (Gill, 2003: 66).

Conclusion

Informed by a Neo-Gramscian account of enlargement, I have sought to offer an alternative explanation to this process, I have argued that enlargement has been fuelled by transnational actors, aiming to enhance the economic prospects of transnational capital within Europe, and secure the interests of the hegemonic bloc. Enlargement was part of a wider process to increase the economic competitiveness of Europe, removing internal barriers to trade, and decreasing its backwardness. It allowed for the development of new economic opportunities, as well as the

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improvement of one's already being carried out. Schimmelfennig's account of enlargement ignores the actions of these external actors, as well as the shift in their motivations as a result of the global context within which they were situated. This leaves his explanation too narrow, focusing too much on how the institution makes its decision (Smith: 2002).

When these are factored into the enlargement process, the flaws and contradictions within Schimmelfennig's work can be accounted for. It explains why the reform process was so extensive and market radical, as well as providing an appropriate explanation as to why the admission criteria was so stringent, relegating new entrants to a second class membership. The Neo-Gramscian theory of 'Passive Revolution' also offers an alternative means of explaining why the EU went on to offer accession rather than merely association for these countries.

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*Written by: Tom McCarthy
Written at: University of York
Written for: Nicole Lindstrom
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