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Susanne Pernicka, Günter Heffler

## 7 The Europeanization of Economy and Society

Economic integration is commonly understood as an ‘expansion of markets’, engendered by the removal of barriers to trade and the imposition of regulations facilitating economic exchange. Within the European Union (EU) economic cooperation and market expansion across national borders form the bedrock of the European integration project. The policies and politics of market making, with the four freedoms of movement – for goods, capital, services, and labor – at its heart, set in motion an engine of social change within Europe, however, with various intended and unintended outcomes, winners and losers, supporters, and opponents. From a sociological point of view, the economy and its markets are not a-historic, ideal-type entities as conceived by economics, but socially embedded entities and societal spheres that have their own rules, norms, and practices. The creation of a common European market therefore presupposes at least to some degree the ‘transnational sociation’ (in the sense of the German term *Vergesellschaftung*) and ‘social embeddedness’ of people within Europe (Münch & Büttner 2006). The sociologist Emile Durkheim wrote already in 1893 that

[. . .] a function, whether of an economic or any other kind, can only be divided up between societies if these share in some respects in the same common life and, consequently, belong to the same society. [. . .] For a people to allow itself to be penetrated by another, it must have ceased to shut itself up in an exclusive form of patriotism, and must have learned another that is more all-embracing. (Durkheim [1902] 2013: 219)

The opening up of societies in the wake of European economic integration, however, creates new contradictions and conflicts that cannot be easily resolved. On this point, the sociologist Neil Fligstein accurately pointed out that

[. . .] in spite of the creation of both a European economy and a nascent European society and polity, there are some crucial problems that create the possibility of a clash between those citizens of member states who have not been the beneficiaries of the economic project of the EU and those who have. (Fligstein 2008: vii)

Processes of European integration and disintegration are not only guided by economic competition, political cleavages, conflicts and bargains between EU member states, key stakeholders, and corporate actors. These Europeanization and (re)nationalization processes also have a strong societal component because

citizens throughout Europe also attribute their economic and social living conditions and prospects to the EU's merits and failures (Pernicka & Lahusen 2018).

## Does Economic Integration Drive Social Integration?

The grand narrative of the European integration project as peacekeeping mission from its very beginning has been underpinned by a strong belief that transnational *economic* integration will eventually lead to *societal* integration across national borders. The devastating experiences of two world wars fueled the conviction that conflicts between nation states can only be overcome by tying national economies closer together. In his proposal to place French and West German production of coal and steel under one common High Authority (which later merged into the European Commission), the French foreign minister Robert Schuman laid the foundation of what became the European Steel and Coal Community (ESCC) in 1952.

The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims. The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible.

(Schuman Declaration [1950] 2011)

The integrative effects of deliberate transnational community building by independent nation states also lie at the heart of the book *The Uniting of Europe* by Ernst B. Haas, published in 1958; the same year, when the European Economic Community (EEC) came into being. Haas, a sociologically minded International Relations Scholar, has been widely considered as one of the founders of European integration studies. He was praised (and criticized) for his invention of the idea of **spill-over**, i.e., the notion that integration in one functional area would almost certainly lead to integration in others. Haas laid the groundwork for what later became one of the most influential theoretical frameworks in European Union (EU) studies, neo-functionalism. **Neo-functionalism** is a theory of regional integration that singles out three interacting causal factors for regional integration: (1) growing economic interdependence between nations, (2) supranational market rules that replace national regulatory regimes, and (3) the organizational capacity to resolve international disputes.



The neo-functional concept of spill-over does not derive from economic determinism or a belief in a mechanism that automatically converts functional needs into institutional outcomes. Instead, the concept of spill-over is built on the assumption that the attitudes, interests, and behavior of agents matter in defining the rules and boundaries of transnational markets. Haas especially suggested that “[. . .] group pressure will spill over into the federal sphere and thereby add to the integrative impulse” (Haas 1958: xxxiii). International institutions are viewed as having socialized bureaucrats and policy actors in a way that they engage in building cooperation and policy instruments across an ever-expanding range of policy areas beyond the nation state (Favell & Guiraudon 2011: 5). More recent institutionalist accounts of neo-functionalism, in comparison to earlier neo-functional concepts, deal with the question of how much leeway European actors have in a highly institutionalized EU setting. Fligstein points out that European rules, norms, and practices imply constraints and opportunities not available in earlier stages of international politics (Sandholtz & Stone Sweet 1998; Fligstein 2008). Thus, the institutionalized ‘European space’ has bound member governments, interest groups, bureaucracies, and politicians in ever-tighter interdependencies.

The European integration process has faced many critical challenges. The Great Recession from 2008 onwards, the strong inflow of refugees in 2015/2016, the Brexit referendum 2016 and Britain’s subsequent exit from the European Union as well as the Covid-19 pandemic in 2020 compose some of the major European challenges. The still largely lacking social dimension of the European Union that has contributed to an ever-larger incongruence of economic and social integration (Bach 2015), however, might pose the greatest future challenge for the European project. This development can also be traced to the familiar contrast between “negative” and “positive integration” (Scharpf 1996: 91), i.e., between measures increasing market integration by eliminating national restraints on trade and distortions on competition, on the one hand, and common European policies to shape the economic, political, and social conditions under which markets operate, on the other hand. **Negative integration** has advanced, sometimes behind the back of political processes, by the European Court of Justice and the European Commission, whereas **positive integration** is much harder to accomplish (Scharpf 1996). Social rights, such as pensions, healthcare, unemployment benefits, collective wage bargaining and many other basic labor and social rights continue to be nationally based whereas companies, capital, goods, services, and workers can freely move across national borders (Pernicka et al. 2019). Different groups (especially, business and labor as well as rich and poor people) in different geographies (e.g., Northern-, Eastern and Southern European countries) are unevenly affected by European economic integration. In his widely received book

*Euroclash. The EU, European Identity, and the Future of Europe* Fligstein (2008) goes even so far as to argue that the winners and losers of European integration are likely to clash over whether a deepening of integration will bring them (further) benefits or disadvantages and – one might add – over the European project as such. Over the long history of European integration, however, reluctant politician leaders as well as Eurosceptical movements and debates repeatedly called into question the future of the European project which nevertheless continue to provide promising responses towards international and global economic, political, societal, and environmental challenges.

## Studying EU Economic Integration – A Multidisciplinary Project

The study of European integration is a multidisciplinary project in which economists, political scientists, law, and public-administrative scholars, as well as sociologists participate. Social scientists largely reject the position of neo-classical economists who view market expansion as primarily pushed forward by the ‘natural forces’ of supply and demand between market actors (Lindert & Williamson 2003). One of the founders of liberal economic thought, Adam Smith ([1776] 1989) pointed out that corporations that maximize their own gain serve the benefit of further market integration, promoting an “end which was no part of their intention” (cit. in Berend 2016: 146). Social scientists, by contrast, emphasize the deliberate contributions of governments, supranational actors, large corporations, interest groups and other societal actors to market building processes. National governments contributed to the reintegration of Western European countries into the world economy after 1945 and created a common set of rules that shaped European patterns of production, trade, corporate finance, and consumption.

Among social scientists in EU studies however, there is less consensus over how, to what extent and at which spatial level, or scale, such as the local, regional national, or global, actors and institutions have contributed to the creation of the Single Market with – for the larger part of EU member states – its own currency, the Euro. Political scientists were among the first EU scholars who have convincingly argued that the European Union has established a complex intergovernmental and supranational multi-level system (Kohler-Koch & Eising 1999). This system has spurred processes of ‘vertical Europeanization’ that presses for institutional convergences by uploading and downloading policy agendas, policy ideas, and legal regulations (Börzel & Risse 2009). The shift



of competences in monetary policy making from the national to the supranational level in 1999 is a case in point. The Treaty on the Functioning of the European Union (TFEU, now Article 127) gives the EU and the European Central Bank exclusive competence for monetary policy for member states whose currency is the Euro. Economic and social welfare policies, by comparison, have remained within the realm of each individual member state, at least as long as there is no excessive deficit. There is, however, multilateral coordination in economic policies and, to a smaller extent, in social policies, between EU countries.

EU studies, however, used to pay less attention to the societal processes within the Europeanized social space and the diversity of **social fields** within it, such as economic fields, political-administrative fields, associational fields or fields of education and research, to name just a few. Sociologists, who joined the group of European integration scholars comparatively late, have emphasized these social underpinnings of European integration. They argue that European integration has not only increased the political, economic, and social interactions and interdependencies across national borders. It has also opened and restructured national social space and social fields, and thereby led to the emergence of a social entity between national and global scales. The processes of creating such a European social entity, which has been more recently referred to as ‘horizontal Europeanization’ (Beck & Grande 2004; Heidenreich et al. 2012; Mau & Verwiebe 2010; Heidenreich 2019) helped establish or extend social fields in many areas based on horizontal relations of cooperation, competition and conflict.

Despite their importance for the European project, however, the economy and markets have rarely been studied by sociologists of Europeanization. The field of economic sociology – with a few notable exceptions – has also largely neglected European economic integration. While the sociology of market making moved into the center of their interest from the 1980s onwards (Fligstein & Dauter 2007; Aspers & Beckert 2017), the creation of the *Single European Market* received comparatively little attention by economic sociologists. Understanding markets as historically constructed ‘social fields’, potentially spanning different spatial scales go beyond the notion of social embeddedness (Swedberg 2011). In drawing on Bourdieu’s social theory, we can say that in modern differentiated societies social space is made up of a large variety of historically evolved, interdependent and hierarchically structured, but relatively autonomous social fields (Bourdieu 2005). With Pierre Bourdieu’s work on economic fields as a starting point, Neil Fligstein (2008) has so far suggested the most promising sociological approach to study the Europeanization of economy and society (see section 4).

## The Creation of the European Single Market

The creation of the European Single Market together with the enlargement of the European Economic Community (EEC, renamed in 1993 as European Community, EC/EU) from six to 28 countries clearly left its traces in European economic history as well as in the overall societal organizations of its member states (Eichengreen & Boltho 2010). The emergence of a European transnational economic and social space within which goods, services, capital, and labor can freely circulate was, however, by no means a smooth or automatic process. In the following subsection we identify the global social forces, i.e., the objective and subjective relations of power between social groups operating in the economy, the state, and the wider society, that gave rise to cooperation and conflict around the European free market building project.

### The Start of a European Free-trade Project

The foundation of the European integration project after 1945 came after a centuries-long ‘great transformation’ of society towards a market society (Polanyi [1944] 2002), two devastating world wars and one of the deepest global economic crises, capitalist societies had experienced so far. Besides many other initiatives to create political and societal bridges between former enemies, the foundation of a European economic community was one of the longest-lasting, international community building projects not only in Europe, but worldwide.

The early stages of European community building after 1945 were overshadowed by the so-called German Question of how any future German aggression against neighbors in Europe could be prevented. However, the intent to tame extreme forms of (economic) nationalism, shared by the World War II Allies, the United States, Britain, France, and the Soviet Union, was quickly accompanied and partly replaced by an anti-communist hysteria (Berend 2016: 8, 21). The United States took the lead in providing financial means including grants, loans, food, and other kinds of shipments to Europe, leading up to the *Marshall plan* (1948), named after the US Secretary of State, General George C. Marshall, to finance European recovery. In hindsight, the Marshall Plan contributed to both, to restore stability and peace between European WWII enemies and to fend off communism as a political-military and economic force by facilitating the emergence of a European free trade project.

From the beginning, the US pushed for Britain taking on a more active role in the European integration process, however, with no avail. Under French leadership, in 1952, the *European Steel and Coal Community* was created, followed by



the *European Economic Community* (EEC) in 1958 (Berend 2016). The EEC consisted of France, West Germany, Italy and the three Benelux countries. While more ambitious plans for a political and military cooperation failed, the EEC member states gradually abolished tariffs and other restrictions to trade. Britain found the *European Free Trade Area* as a ‘counter organization’ to the EEC with Austria, Denmark, Sweden, Norway, Switzerland, and Portugal as additional members. The economic integration process, however, lost momentum when the French government under General de Gaulle largely withdrew from supranational coordination (so called ‘empty chair crisis’) and instead attempted to strengthen France’s position via intergovernmental cooperation (Berend 2016) (For an overview on key events and phases of the history of integration see [Figure 7.1](#)).

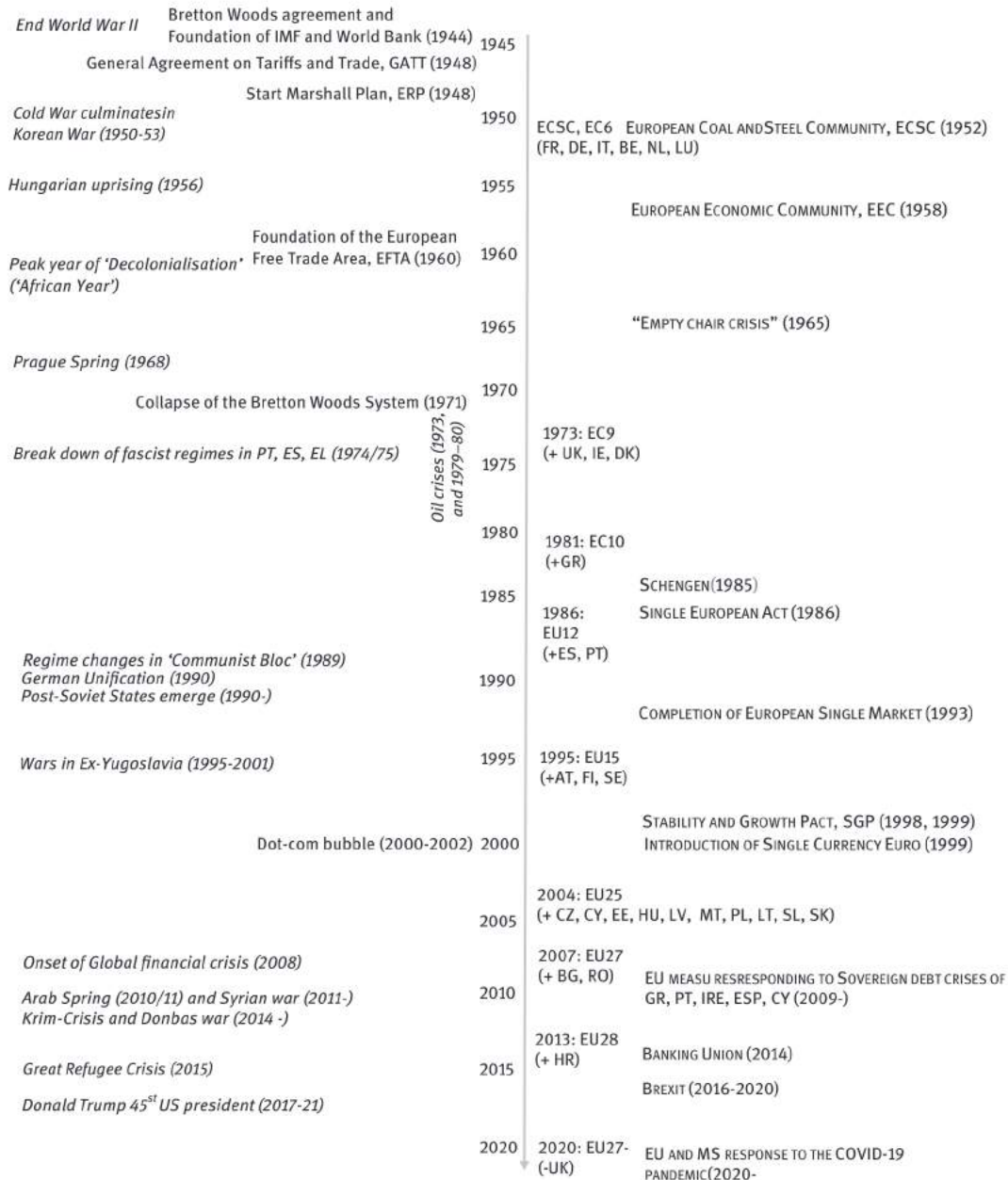
## The 1970s – Fighting Stagflation

Although Denmark, Ireland and the United Kingdom joined the EEC in 1973, the economic integration process was widely perceived as entering a stage of stagnation in the early 1970s which lasted until 1984. In the 1970s, however, the European Court of Justice (ECJ) found a much more active and increasingly powerful role, with “[. . .] jurists increasingly compared the EC to a nascent federal state” (Griffiths 2014: 167). European case law became a major driver of economic integration. The *Rewe-Zentral v. Bundesmonopolverwaltung für Branntwein* (1979) Case 120/78, popularly known as *Cassis de Dijon* ruling after its subject matter demonstrated the supremacy of European law over national legislation and jurisdiction (Stone Sweet 2004). In terms of its economic and regulatory impact, the *Cassis de Dijon* ruling created the precedent for all future rulings that enforce the mutual recognition of rules and norms pertaining to goods, services, and workers in one member state by all others instead of their harmonization. As the main thrust of the ECJ’s judicial action is to extend the reach of ‘negative integration’ (Scharpf 1999) this ruling has in fact weakened the possibility of the Europeanization of a common social welfare system.

The political stalemate at the European level stood in stark contrast to upheavals across Europe, including the global student movement, the Prague Spring (1968), the breakdown of authoritarian regimes in Portugal and Greece (1974) and Spain (1975). The Oil crisis (1973) and the breakdown of the monetary and financial order (**Bretton Woods system**) brought the post-war phase of economic progress to an end.

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**Figure 7.1:** Timeline of European economic (dis-)integration in global context.

## The 1980s – ‘Neoliberal Turn’ Targeting Economic Stalemate

The return of global recession starting in the early 1980s helped to establish what was later called the ‘neoliberal turn’ or the ‘Washington consensus’. Policy preferences turned from a state-centered Keynesian approach of economic policy

towards globalized neoliberalism and free-market ideology ('Reaganomics', 'Thatcherism'), which also shaped the European common market building project (Hermann 2007). Japan and the Asian Tiger States became model cases for how to increase productivity, with European companies both lagging behind its Asian and US rivals and therefore losing ground in the unfolding global economic competition. Notably, in 1984 the EU also launched its Framework Programs for Research and Technological Development that have become one of the chief instruments in research funding at European level (Büttner & Leopold 2016).

Post-authoritarian Greece (in 1981), Spain and Portugal (in 1986) were allowed to join the EEC after undergoing painful reforms and curbing left-leaning political ambitions which had dominated the years after the change to liberal democracies. Further economic integration, however, was largely opposed by the Council of Ministers where the veto of a single member state was enough to block the implementation of any change (Scharpf 2010). The turning point in the history of European integration was the appointment of Jacques Delors as the European Commission's president in 1985. The European Commission under Delors played a leading role in establishing a system of multilevel industrial relations that gave trade unions and employers' associations influential voices at European level. The so-called European social dialogue received formal recognition in 1986 and paved the way for several Framework Agreements between European business and labor. They led to EU directives on part-time work, fixed-term work, and parental leave during the 1990s when trade unions were strong enough to trade off their consent to the upcoming European Single Market for business associations' acceptance of social protection legislation (Keller 2008, Falkner 1998). The formation of the European Round Table of Industrialists consisting of the twelve largest information technology companies in the early 1980s was another strong sign of departure from **Eurosclerosis** towards transnational cooperation and a deepening of European economic integration (Green Cowles 1995).

## **The 1990s – End of the Post-war Order and the Completion of the European Single Market**

With the breakdown of communist rule in the Soviet Union and Germany's reunification a unique situation arose propelling both the expansion of the European Community and the creation of the European Single Market. The completion of the Single Market in 1993 and the subsequent rounds of enlargement appeared to provide the most promising response to tackle both, the competitiveness crisis, and the end of the regime competition between East and West. Eastern European



states including the newly founded Baltic states underwent ‘shock therapies’ in exchange for entering the accession process, leading to the enlargement rounds of 2004 and 2007. The wars in former Yugoslavia (1995–2001) reemphasized the EU’s peace keeping mission. The supply-side orientation of the EU’s economic policies found manifold expressions. It imprinted the European Employment Strategy (1998), accompanied waves of down-sizing in corporate Europe and promoted the privatization of state-owned companies and the ‘liberalization’ of economic sectors formerly reserved for the public sector, as telecom and postal services, media, or energy (Clifton et al. 2006).

## **The 2000s – From Triumphant to Crisis mode**

With the Euro implemented (1999, 2002), the biggest enlargement round (2004) under way and an economic upswing, the new millennium saw EU optimism unleashed with the Lisbon Strategy launched in March 2000 as its most vivid expression. EU heads of state declared their intention to make Europe “[. . .] the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion” (European Council 2000). The aim of social cohesion within the EU, however, was challenged by the shrinking yet still huge wage and social welfare gaps between old and new members states. Moreover, the global financial crisis that began in the United States in 2008 (collapse of Lehman Brothers) and spill over to Europe in 2009, shed light on the structural weaknesses of the single currency’s architecture that contributed to the Euro and sovereign debt crises in which the countries affected (Portugal, Ireland, Greece, and Spain) were not able to repay their debt. As the countries of the Eurozone were deprived of the exchange rate instrument to adapt to weaknesses in international competitiveness, labor markets, institutions of collective bargaining and wages came under severe pressure, especially in those countries that have not institutionalized collective wage moderation practices (Pernicka & Glassner 2019).

## **The 2010s – Between Recovery and more Trouble**

The second decade of the new European Single Market millennium saw a phase of economic consolidation turning into an economic boom from 2015 onwards in many member states. Better economic fundamentals helped to establish new mechanisms of policy coordination (e.g., the European Semester from 2011 onwards) and projects aiming at increasing the EU’s resilience to crises (e.g., the

introduction of the Banking Union in 2014). In stark contrast to the economic upswing, EU politics were absorbed by an infinite series of challenges, ranging from major foreign policy crises requiring firm responses (e.g., the Crimea crisis), internal conflicts with illiberal governments of EU member states, the 2015/16 Refugee Crisis, or the fallout of Islamic terror attacks in European capitals, including Brussels (2016). The attempt to develop shared policies in the face of external threats and challenges required a European political integration that went beyond economic rationales. With Donald Trump entering the White House in 2017, the EU policy makers (again) lost US support for the European Integration project. The EU crisis measures to overcome the crisis of the previous decade had spurred the support for both left and right-leaning euro-sceptic movements and political parties. Yet, the outcome of the 2016 Brexit referendum came as an unexpected setback to the European economic integration project.

## **European Economic and Social Integration from a Sociological Perspective**

The sociology of the Europeanization of economy and society offers a wide range of theoretical conceptions, some of which are more concerned with the social (dis)embeddedness of European markets (Münch & Büttner 2006) while others put more emphasis on the contentious character of market expansion and the foundation of a common currency within the EU (Streeck 2015). Still others attempt to grasp both dynamics, the opening-up of national borders and horizontal integration of European markets, on the one hand, and the contested nature of the processes of European political, economic, and socio-cultural integration on the other hand (Heidenreich 2019). Neil Fligstein's (2008) pioneering sociological approach on the Europeanization of the economy and society, meanwhile, offers insights into what he terms 'European society' and which will determine the future of the European polity. Fligstein derived his approach mainly from economic sociology and organization studies, as well as Pierre Bourdieu's (2005) social theory. Fligstein argues that in modern societies the material production, exchange, and consumption, i.e., the economy, are mainly organized within social fields.

Fligstein (2008: 217) considers European integration to be a process that is primarily social in nature, driven by the interests, identities and shifting demands of businesspeople, educational elites, tourists, etc. rather than an outcome of interaction between political-economic and social processes (for a critical assessment, see also Streeck 2009). As people experience the benefits of



free trade, tourism, and education, Fligstein (2008: 218) assumes, they will become more European in outlook and support the creation of more European Union rules and hence, more free market fields. Economic losers, by contrast, are assumed to share a national rather than a European identity and thus, oppose more European coordination. The abovementioned lack of social rights at European level is consequently attributed to the interests, identities and voting behavior of economic losers who decide in favor of keeping competencies in social policy at national level. Neil Fligstein derived his field-theoretical perspective on European integration from two main strands of literature. First, from economic sociology Fligstein took the basic insight that markets are socially constructed orders of social interaction. Institutions (rules, norms, beliefs) and governments play a fundamental role in shaping markets for the production, exchange, and consumption in capitalist economies (Weber [1922] 1978; Polanyi [1944] 2002). All the processes of material life can best be understood as fundamentally social processes (Granovetter 1985). Second, by drawing from organization studies and social movement theory, Fligstein devised his strategic action field approach that views social fields as arenas of social interaction; and strategic action as the attempt by social actors to create and maintain stable social fields by securing the cooperation of others (Fligstein & McAdam 2011). In applying his theoretical framework to the EU, Fligstein focusses on the horizontal linkages and interactions of individual and collective actors across national borders that have evolved into several European-wide fields. Markets are viewed as Europeanized fields in which business firms have transformed from being predominately participants in national markets to being involved in European-wide markets (Fligstein 2008).

Fligstein suggests particular social mechanisms that have contributed to the creation and spatial expansion of markets and societies. Following the foundation of the EEC and the subsequent increase in economic and social interdependence, Fligstein observed people across Europe who began to trade with one another more regularly, which fueled demand for more political cooperation and thus the creation of new market opening projects. Like Ernst Haas (see above), Fligstein (2008) argue that positive feedback loops push steadily for deeper integration. The transnational interactions of people who got to know one another through their participation in politics or business, and their knowledge of and interest in what each other was doing increased in many ways. Not unlike early neo-functional theories, Fligstein perceives processes of European integration as results of socialization and institutionalization processes which are not likely to be easily reversed.

Fligstein decisively breaks with the a-sociological assumptions of neo-classical economics that views market processes as fundamentally about



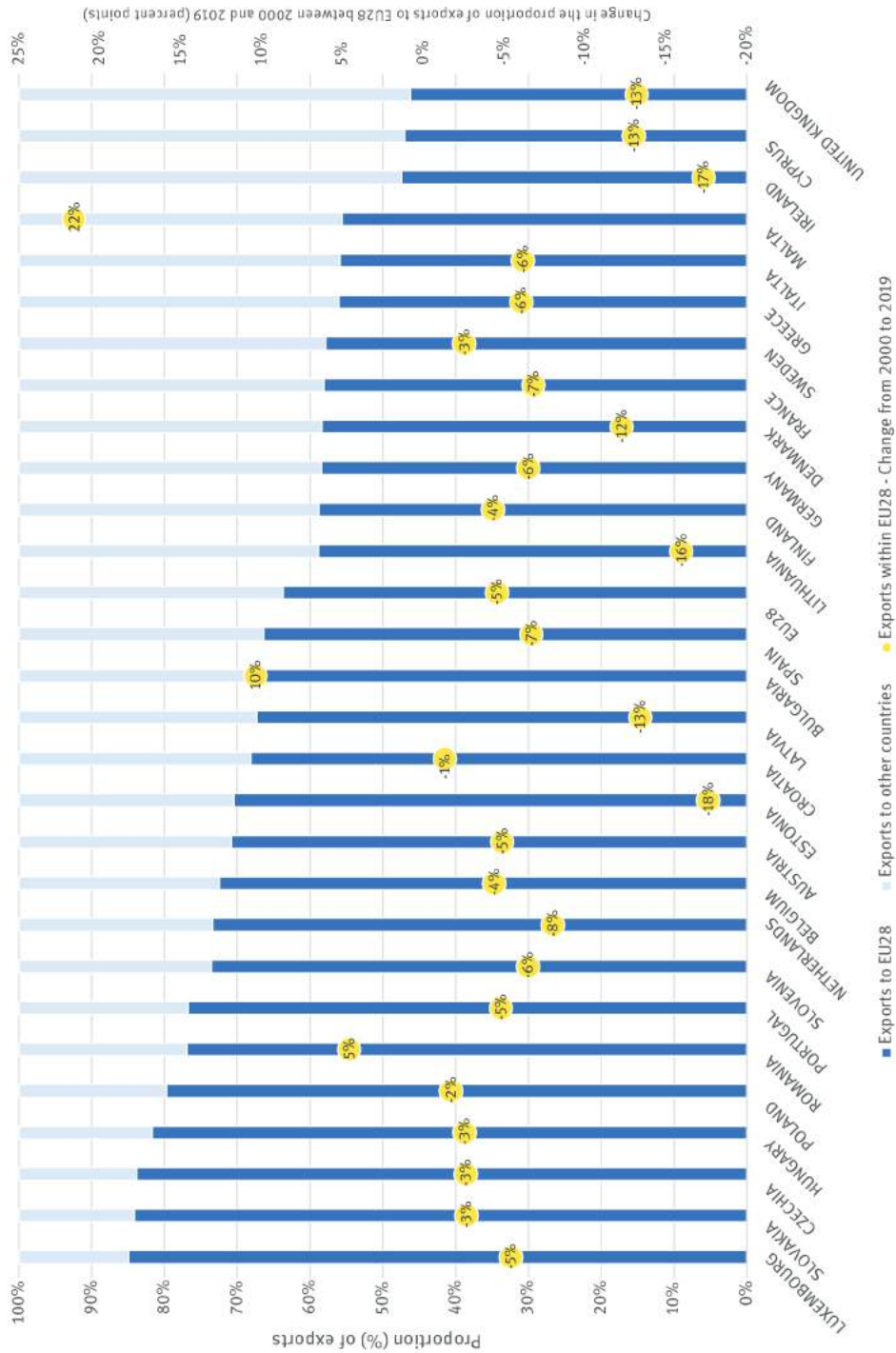
supply and demand and the formation of prices. While neo-classical economists view governments mainly as bad for market processes and national borders as limiting the effectiveness of potentially global markets, Fligstein underscores the important role of governments in creating and sustaining modern markets. These theoretical arguments are convincingly demonstrated by his study of economic integration across national borders from the late 1940 until the 1990s. Fligstein and Merand (2002) attempt to disentangle the effects of globalization and Europeanization and put the effects of the European market integration project to a quantitative test. For the period under investigation, they show that European governments and supranational actors – by the time being – created the largest trading zone in the world. It accounted for nearly half of world trade by the end of the 1990s. Astoundingly, almost 70 per cent of that total originated and ended up in the EU (15) in the late 1990s (Fligstein & Merand 2002: 14), and even in 2018 the large majority of EU (28) member countries' exports went to other EU countries (see [Figure 7.2](#)).

As of 1992, Eurostat, the agency in charge of collecting statistics for the EU, started to describe this trade (i.e., exports to EU28) as internal trade, while only trade outside the EU was considered as foreign trade (Fligstein & Merand 2002: 20). The EU's role in global trade was also impressive. In 1999, more than 40 per cent of all world merchandise exports came from Western Europe, clearly outperforming the North American region that accounted for 17 per cent (see [Table 7.1](#)).

Against the increasingly important part played by the emerging economies including especially China and India in contemporary world trade, however, Europe lost its leading role (see [Figure 7.2](#)). The EU, the United States and China accounted for 45 per cent of world trade in goods in 2018. It is important to note, however, that the transformation from an industrial towards a service economy has repercussions on the composition of international trade. US American digital platforms such as Amazon, Google, or Uber, for instance, provide their services to almost the entire world population, yet their services 'exports' are barely captured by official statistics (Gröning et al. 2020).

Business firms responded strategically to European market integration. Fligstein (2008) points to the important part played by multinational corporations and their foreign direct investments, transnational mergers and acquisitions which boosted international social and economic relations and interdependencies. His analysis provides an indispensable contribution to our understanding of the transforming economic and social landscapes within the European Union. Fligstein shows how the political project of the EU has deliberately constructed a particular version of the liberal market economy – with a distinctive range of property rights, governance structures, rules of exchange and conceptions of corporate control – that both distinguishes Europe from its American and Asian regional rivals (Fligstein 2008).





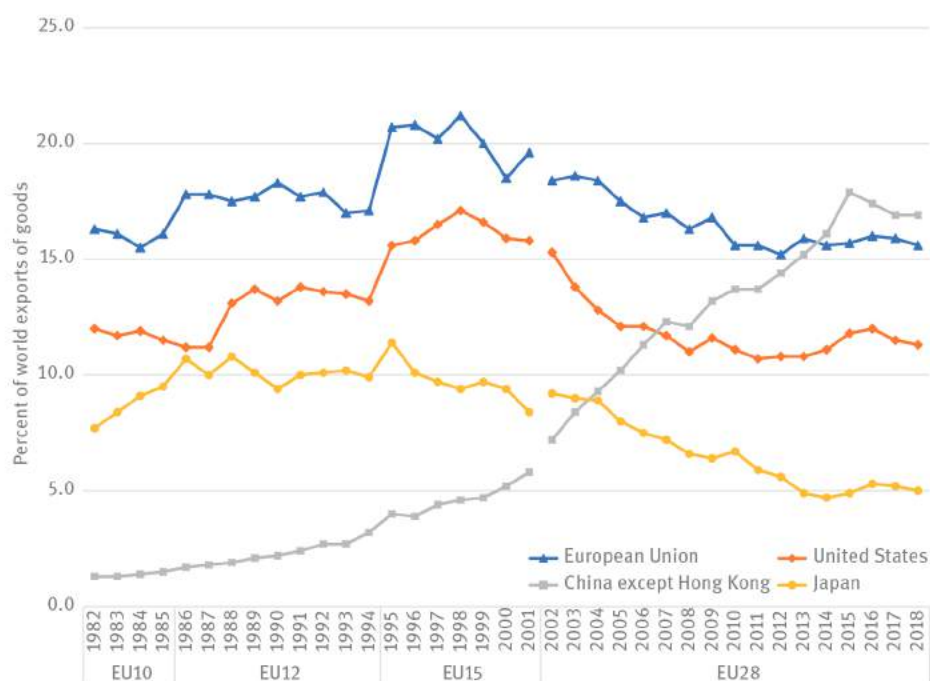
**Figure 7.2:** Comparison of the proportion of Intra-EU exports of goods and extra-EU exports of goods by member state, 2019.

Source: Eurostat, EU trade since 1988 by SITC [DS-018995], [data extraction: 22.03.2020], own calculation.

**Table 7.1:** Historic long-term trends: Percentage of world merchandise imports and exports by region, 1948–1999.

|                       | 1948 | 1953 | 1963 | 1973 | 1983 | 1993 | 1999 |
|-----------------------|------|------|------|------|------|------|------|
| <b>North America</b>  |      |      |      |      |      |      |      |
| Exports               | 27.5 | 24.6 | 19.4 | 17.2 | 15.4 | 16.8 | 17.1 |
| Imports               | 19.8 | 19.7 | 15.5 | 16.7 | 17.8 | 19.8 | 22.3 |
| <b>Western Europe</b> |      |      |      |      |      |      |      |
| Exports               | 31.0 | 34.9 | 41.0 | 44.8 | 39.0 | 43.7 | 43.0 |
| Imports               | 40.4 | 39.4 | 45.4 | 47.4 | 40.0 | 42.9 | 42.2 |
| <b>Asia</b>           |      |      |      |      |      |      |      |
| Exports               | 13.8 | 13.2 | 12.6 | 15.0 | 19.1 | 26.3 | 25.5 |
| Imports               | 14.2 | 15.1 | 14.2 | 15.1 | 18.5 | 23.4 | 20.9 |

Source: World Trade Organization, Selected long term trends, Table II.2 [Asia includes Japan, China, Australia, New Zealand, Six East Asian Traders, Other Asia], [https://www.wto.org/english/res\\_e/statis\\_e/its2000/section2/ii02.xls](https://www.wto.org/english/res_e/statis_e/its2000/section2/ii02.xls) (accessed, January 24, 2020).

**Figure 7.3:** Share of EU28 in the world trade (all goods) – EU28 compared to United States of America, China and Japan.

Source: Eurostat – Share of EU in the World Trade [ext\_lt\_introle], Version of March 18, 2020.

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**Info-Box 7.1: Critical Appraisal of Fligstein's approach**

Fligstein's approach can be praised as an original sociological account of European integration that goes beyond a main controversy in EU studies. The question about what drives European integration has been addressed either by emphasizing spill-over effects of integration (neo-functionalism) or by pointing to negotiations and bargaining between EU main actors such as individual member states (liberal inter-governmentalism). Fligstein, instead, considers citizens' cross-border interactions and experiences, European identity formation and identification, as key for explaining political, economic, and social integration beyond national borders. In his overemphasis on the transnational cooperation among people and organizations, however, Fligstein largely deviates from his original inspiration derived from Bourdieu who sees social fields as arenas of struggle where symbolic violence based on unequal endowment of economic, cultural, and social capital create enduring conflict.

In addition, a Bourdieusian perspective also emphasizes the contested political nature of the boundaries and practices of social fields. An example refers to the relationship between economic fields and collective bargaining fields. In collective bargaining fields, collective conflicts and negotiations take place between employers' associations and trade unions over the setting of wages and working conditions. Collective bargaining fields and market fields are strongly interrelated and interdependent, however, they largely differ from each other in terms of their specific power relations, rules, beliefs, and practices, as well as their spatial extension. The European Court of Justice (ECJ) has in many instances placed international market freedoms above the basic rights of workers, including autonomous collective bargaining (Bücker & Warneck 2010). Despite European attempts to coordinate more effectively national collective bargaining fields within the Eurozone, especially during the latest financial and sovereign debt crises, wage bargaining coordination still mainly takes place at national and regional level (Pernicka et al. 2019). However, empirical evidence suggests that the strength of collective bargaining fields and their agents alongside supportive legal-political and cultural institutions can outweigh the economic dominance of transnationally operating transnational corporations. The relatively stable state of Austrian trade unions and protracted struggles between employer and employees' associations, for instance, were found to condition multinational firms' behavior in the social services sector because these for-profit firms are subject to the same legal and normative institutions – including collective bargaining agreements – as domestic firms (Pernicka et al. 2018).

## Conclusion

Within the ensemble of EU studies, the Sociology of European economic and social integration is a relatively young discipline. In comparison to political, legal, and administrative EU studies, it draws more attention to the wider societal underpinnings of European integration, which makes it particularly prone to draw a more holistic picture of Europeanization processes and its merits, crises, and drawbacks. Grand theories such as Durkheimian functionalism (Münch & Büttner 2006), Weber's institutionalism (Bach 2015) or Gramscian Marxist conflict

theory (Hermann 2007) provide indispensable sociological frames of reference for our understanding of the Europeanization of the economy and society. To grasp the full complexity of European integration and disintegration, however, it is necessary to conceive of Europeanization as two intertwined processes: First, the reconfiguring of the European space with its distinct rules, norms, and values, and second, agents' struggles over the definition and enforcement of the means and ends of Europeanization. Such a theoretical framework is still lacking; Fligstein's (2008) and Bourdieu's (2005) accounts of the Europeanization and globalization of economic markets provide a promising starting point.



## Didactical Section

### Key learning points

- The sociology of European economic and social integration draws attention to the wider societal underpinnings of European integration.
- Economic markets are not a-historic, ideal-type entities as conceived by economics, but socially embedded entities and societal spheres that have their own rules, norms, and practices.
- Besides sociological grand theories and conventional theorizing in EU studies, social field theories have become important explanatory frameworks in the Sociology of European integration.

### Glossary

**Bretton Woods System:** The Bretton Woods System was the first, fully negotiated monetary order intended to govern monetary relations among independent states.

**Euroclerosis:** The term refers to the economic stagnation that can result from excessive regulation, labor market rigidities, and overly generous welfare policies.

**Negative integration:** Measures increasing market integration by eliminating national restraints on trade and distortions of competition.

**Neo-functionalism:** The theory holds in the widest sense that regional integration is the result of past integration.

**Positive integration:** The establishment of common European policies to shape the conditions under which markets operate.

**Social field:** An arena of social interaction where organized individuals and groups routinely interact under a set of shared understandings about the nature of the goals of the field, the rules governing social interaction, who has power and why, and how actors make sense of one another's actions.

**Spill-over:** Concept of spill-over is built on the assumption that the integration in one policy-area spilling over into others.

## Further readings

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## Additional web-sources

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- European Foundation for the Improvement of Living and Working Conditions: <https://www.eurofound.europa.eu/>
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- The European Trade Union Institute: <https://www.etui.org/>

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