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Risks, Opportunities and the Social Technology of Political Judgment  
in the Times of the New Economy

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# Risks, Opportunities and the Social Technology of Political Judgment in the Times of the New Economy

**Albena Azmanova**

## **Summary**

A framework of political judgment has been rapidly emerging in recent years, linking, within its normative and cognitive parameters, the liberalization of the international compact ('disembedded liberalism') with policies of labour re-commodification in advanced industrial democracies. This paper attempts to expose the social technology of political judgment enabling the trans-ideological consensus in support of re-commodification. Bringing political economy (back) into the project of discourse theory, this analysis relates the framework of judgment guiding policy choices to the aggregate social impact of the new economy, expressed politically in an emerging electoral re-alignment across Europe. My leading hypothesis is that a new opportunity-risk vector of alignment, styled by attitudes to globalisation, is opting out to replace the capital-labour dynamics of conflict and consensus that underpinned the welfare state. This realignment is now shaping the cognitive and normative frameworks of valid political reason-formation within national polities.

I propose to see the particular social technology that alters the parameters of political judgment in terms of interaction between three elements: 1) the social basis of political interest articulation; 2) collective perceptions of relevant public goods (the demand side of political mobilisation); 3) the patterned policy response of political actors (the supply side of political mobilisation).

The dynamics of interaction between these three elements are incurring (within a constitutive, rather than causal, logic) long-term changes in the normative and cognitive frameworks of post-industrial societies. These changes ultimately direct (enable and constrain) the articulation of justice claims within a socially meaningful framework of valid political reason-formation.

## I. Introduction

A common denominator behind the various national types of the post-war welfare state in Europe has been labour de-commodification, within a political logic that attributed to the state, rather than the market, the primary responsibility for the welfare of citizens, dressing that responsibility in the terms of universal (within the national polity) right.<sup>1</sup> From legal limitation of working hours, to various instruments for income maintenance (especially means-tested benefits not predicated on employment), state-monitored social security allowed for the (relative) decoupling between the productivist logic of marks and the valorization of human life.

These policies were successful due to a cognitive consensus within society and among the major political actors around a productivist logic of wealth and job creation and a normative consensus on redistributive social justice, later enriched with components of equality of recognition and participatory parity.

The knowledge economy of open borders that emerged within the last two or three decades of the twentieth century contained the capacity to solidify the achievements of the Welfare state by intensifying decommodification and enlarging its scope beyond the boundaries of the nation-state. The new economy brought a proliferation of the forms of work, ownership and tenure thus providing unprecedented flexibility -- arguably, the most progressive aspect of globalisation, as it enlarges the range of choices over a person's life-time, at the same time spreading the access to choices geographically. Thus, internationally, globalisation could enable the widening of social inclusion; domestically (within post-industrial democracies) it could increase personal autonomy through reducing commodification.

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<sup>1</sup> While the welfare state in continental Europe was marked by a strategy of de-commodification; its American counterpart has been dominated by a focus on increasing access to labour market (equal economic opportunity) which does not counter commodification.

Instead, the policy direction within both the international and the domestic compacts (to use the terms of Charles Beitz)<sup>2</sup> has shifted towards neo-liberalism and re-commodification. Within the international compact, ‘disembedded liberalism’ has become an organizing principle of international regimes. Within the national compact, economic liberalism has become a dominant element in the cognitive framework within which the center-left and center-right frame their normative discourse on freedom of economic opportunity (on the liberal right) and economic security (on the liberal left). As a mirrored reaction to the liberalization of Socialism and Conservatism, the extreme left and extreme right have started to mobilize around a discourse merging social and national protection. Thus, globalisation has become a constitutive element in the cognitive framework organizing the political logic of the international and the national compacts (Azmanova 2004, Kriesi et al, 2006).

Between the structural imperatives of the global political economy and the policy mandate of the post-welfare state, globalisation literature has left a big causal gap. However, while we may agree that structural mandates establishing the *criteria* for legitimacy (answering ‘efficient at what’) are indeed exogenously created, the *terms* of political legitimacy are always endogenously created, in anticipation of, and not in reaction to, functional outcomes. Domestic publics are the ones that give particular articulation of what are relevant risks and opportunities (the cognitive framework of the domestic compact), as well as their fair distribution (the normative framework of the domestic compact). More importantly, ideological disagreements about particular policy solutions take place within a basic structure of an overlapping cognitive consensus about the grounds of normative validity (shared understandings of what valid arguments are).

Looking at developments within political philosophy in the past two decades of the twentieth century, Alessandro Ferrara has observed a shift from an understanding of normative validity based on principles to an alternative view based on an oriented

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<sup>2</sup> Charles Beitz differentiates between two different social compacts – the domestic one between the state and its citizens, which expresses society’s basic principles of economic justice and an international one among states which determines the context in which countries pursue their domestic compacts. (rephrase).

reflective judgment: “In other words, justice and normative validity are less and less frequently understood as a matter of applying a set of universal principles to locally specific matters and instead are ever more commonly understood as a judgement on the justness of local matters in the light of a normative framework no less local and unique than the matters that it should help us to address.” (Ferrara, 1999: 2) Within a normative theory of reflective judgment we could ground the orientation of judgment, as Ferrara has proposed, on the self-congruity or authenticity of identity. However, within a social theory of reflective judgement we need to inquire about the social dynamics that orient reflective judgement; that is, we need to understand how the social orients the political representation of the world through cognitive and normative frameworks which enable (always specific) disagreements about justice. This means that we need to instill political economy (back) into critical social theory: what is the social mechanism triggering an overlapping normative and cognitive consensus within which ideological differences are articulated as meaningful dichotomies (and thus enable meaningful social disagreement about justice)? Bringing this to our inquiry about the renegotiation of national pacts in the context of globalisation, we need to focus attention on the social technology that has enabled the shift from the decommodifying framework of the Welfare State to the re-commodifying logic of the emerging neo-liberal consensus.

In other words, if globalisation postulates risk mitigation and opportunity maximization to be the new functional mandate of the state (within the new discourse of competitiveness in the global economy) we must search for the intervening variable that connects this structural mandate to policy responses. The causal connection is not policy – that is the outcome of a political process. It is political rationality as a framework of valid political reason-formation that enables and constrains debates on justice. It is at the level of the rationality of political judgment, forms within domestic compacts, that the interaction between the structural dynamics of trans-nationalisation, on the one hand, and on the other, globalisation’s social impacts, translate into a particular cognitive and normative framework that shapes policy responses.

I propose to see the particular social technology that alters the parameters of political judgment in terms of interaction between three elements: 1) the social basis of political

interest articulation (the axis of conflict aggregation); 2) collective perceptions for relevant public goods (the demand side of political mobilisation); 3) the patterned policy response of political actors (the supply side of political mobilisation). The dynamics of interaction between these three elements are incurring (within a constitutive, rather than causal, logic) long-term changes in the normative and cognitive frameworks of post-industrial societies. These changes ultimately direct (enable and constrain) the articulation of justice claims within a socially meaningful framework of valid political reason-formation.

My leading hypothesis is that a new opportunity-risk vector of alignment, styled by attitudes to globalisation, is opting out to replace the capital-labour dynamics of conflict and consensus that underpinned the welfare state. This realignment is now shaping the cognitive and normative frameworks of valid political reason-formation within national polities. Bringing political economy (back) into the project of discourse theory will allow me to relate the framework of judgment guiding policy choices to the aggregate social impact of the new economy, expressed politically in an emerging electoral re-alignment across Europe.

I will proceed as follows: I will first address the emergence, since the turn of the century, of a new axis of conflict aggregation around the social impact globalisation. Attitudes to globalisation, and their aggregation into poles of social conflict, underpin the formation of the cognitive and normative parameters of political judgment. Secondly, I will trace the emergent new cognitive framework as a set of political relevant social concerns, typically displayed as declared social concerns in contexts of electoral mobilisation. I will finally address policy responses of actors in political society (parties), as, in the context of liberal democracies, it is in the interaction between the demand side of political mobilisation (public preferences) and the supply side (policy responses) that the various cognitive and normative parameters of domestic compacts, to a great extent, are shaped. In conducting the analysis, I will limit myself to the old 15 EU member-states.

## **1. The social conflicts of globalisation**

The aggregate social impact of globalisation has brought about a new axis of social conflict around the distribution of the risks and opportunities generated by the new economy -- the information-technology stage of the post-industrial economy of open borders. Very significantly for this analysis, it is the patterned distribution of risks and opportunities that has translated the perceived reality of globalisation into particular social conflicts, triggering, in turn, policy change.

As well documented in academic research, the economy has induced profound changes in the organisation of work and lifestyle patterns throughout society; the changes in the organisation of economic activity have in turn created new status cleavages in advanced industrial democracies (Offe 1985, Inglehart 1997 ; Castells 2000, Beck 1992 ; Carnoy 1998). The new economy has revolutionised existing social and occupational structures, diversified the forms of ownership, created new career opportunities and flexible employment options, which in turn has increased personal chances and choices over lifetime. On the other hand, it fostered a proliferation of diffused risks (or at least of public perceptions of such), as the economies of open borders allegedly reduced the political capacity for dealing with ‘threats coming from abroad’ – immigration, job outsourcing, global spread of diseases or the ubiquitous risks (rather than particular threats) of terrorism. In the last generation, wealth stagnation has become intertwined with insecurity for workers in the middle of the economy, while those at the top have become even richer and many poor workers have increased their wealth share (Sennett, 2006).



While most studies of globalisation observe the uneven distribution of new social risks, I see social differentiation arising around two different vectors of globalisation – a quantitative one, linked to the globalisation of capitalism in the context of open borders, and a qualitative one, linked to information technology. These two vectors of globalisation are causing varied types of distribution of opportunities and risk within capital and labour, rather than between capital and labour.

Within the qualitative dimension, skills-based technological change of the last decade has produced a shift in demands in favour of highly skilled labour, especially in industries producing, or making extensive use of, information and communication technology (the new economy)<sup>3</sup>. The employment and earnings prospects of unskilled and semi-skilled workers in the manufacturing sector (Old Economy), have been worsened as a result of competition from developing economies (and jobs lost to outsourcing). The uneven distribution between opportunities and risks concern also capital. Industries linked to the Old Economy have seen their gains decrease. Studies show that the biggest increase in wealth within the past decade has not been based on ownership of productive capital, as on the use of new technology in economies of scale which globalisation offers. The opportunities are increasing among those whose fortunes are tied to the “new economy” – cutting-edge, global businesses such as financial services, media and high-tech. (Sennett, 2006). Here again, the main factor is not ownership of productive capital, but occupational link to the new economy.

Thus, the distribution between opportunities and risk does not follow a capital-labour axis (as typically during the first three quarters of the twentieth century), but cuts across it. Both capital and labour linked to traditional industrial sectors have become more exposed to risk through higher exposure to competition – the effect of open border policies.

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<sup>3</sup> For certain professional categories the new economy has meant increased employment opportunities, rapid career advancement and valuable job flexibility. Indeed, the pursuit of more than one career in a lifetime is gaining ground among the younger generations in Europe. Studies show that increasing number of professionals in their thirties and forties are leaving stable well-paid jobs – not because of the economic downturn but to gain more control over their lives. This has been beneficial for some of the traditionally weaker sections of the population, such as working mothers, allowing them the flexibility they needed to combine child-rearing with a career.

Overall, the distribution of both social status and wealth does no longer follow the capital-labour dynamics that defined politics in Europe in the past century. The defining factor of status and wealth distribution is the particular combination between the qualitative and quantitative dimensions of globalisation – open borders and information technology that also directs the distribution of opportunities and risks. Thus, it is the occupational location in the axis New-Old economy, rather than within the capital-labour axis, that directs the uneven distribution of opportunities and risks.

The most significant social impact of the new economy has been the flexibilisation of existing class distinctions due to increased professional mobility and proliferation of forms of ownership and tenure within a person's lifetime. Throughout the twentieth century, occupational categories, such as 'blue-collar' and 'white-collar' workers, had already infused economic class distinctions.<sup>4</sup> However, a critical peculiarity of the new economy is that it increases the speed of entry and exit between professional and social groups, thus putting an end to the relative fixity of personal identity to one occupational/class group within an adult lifetime. What gains maximum relevance for people is their chance (and not existing position) of upward, or risk of downward, mobility. Hence, the increased salience of the risk-opportunity vectors in politics, which start to challenge the old capital-labour cleavage. (Azmanova 2004b)

Rather than increasing the middle class constituency, the new economy deepens social differentiation along the opportunity-risk positioning of occupational groups. This new class differentiation along the lines of career prospects inherent in the new economy furnishes the two large constituencies of a new (opportunity-risk), political cleavage. These dynamics, in turn, change the grounds of political identification and the ideological basis of competition between parties.

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<sup>4</sup> Under the impact of the new economy 'the traditional form of work' based on full-time employment in a specific occupation and entailing a 'career pattern over a life cycle' is being eroded away (Castells, 2000: 290). This has led to the appearance of the 'portfolio person', a person without permanent attachment to any particular occupation or organization. (Gray, 1998: 71-2, 111).

Studies showed that voters' perception of the way the EU relates to globalisation has been a common denominator in both positive and negative attitudes to the draft EU Constitution. Surveys indicated that the 'no' vote, which cut across left and right ideological loyalties, was motivated mostly by fear of job delocalisation, fear of immigration, and too much economic liberalisation. The 'yes' vote, which united parts of the centre-left and centre-right, was driven by the vision of the EU as helping member-states to cope with globalisation - from enhancing national competitiveness in the world market, to providing a constitutional codification to popular participation and the European social model.<sup>5</sup>

Thus, approval and rejection of the European Constitution run not along the ideological lines of the traditional left-right dichotomy, but along that of the risk-opportunity dilemmas of globalisation, forming the new poles of political identification.

The hypothesis of a new cleavage within the demand-side of political mobilisation (one that cuts across, rather than along the capital-labour cleavage), is enforced by evidence that the social background of typical electoral groups associated with the Left and the Right is also changing. Surveys of recent elections indicate that the typical voter for the Center-Left is female, aged 25-30, educated, in middle or higher management or the civil service, rather than the quintessential blue-collar male worker. In contrast, the socio-professional profile of the extreme right is male, working and middle class, unemployed, self-employed and small traders (Miguet, 2002, Clift 2001, Christofferson, 2003; Pennings and Keman 2003). Overall, the emergence of an opportunity-risk axis of social differentiation which cuts across the capital-labour dynamics of conflict, has enabled the cross-class electoral alliances which have become typical of reformed Socialism. (Azmanova, 2004; Clift, 2001).

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<sup>5</sup> Commission Européenne, "La Constitution européenne : Post-Référendum France". Rapport Flash Eurobaromètre 171; Terrain: 30 & 31 mai 2005, Publication: juin 2005.  
European Commission, "The European Constitution: post-referendum survey in the Netherlands", Flash Eurobarometer 172. Fieldwork: 02/04 June 2005, Publication: June 2005.

## **2. Shifts in political cultures and public agenda (the demand side of political mobilisation)**

The formation of new framework of reference for political mobilisation and policy-making is taking place through a series of transformations within the political culture on the continent. I understand political culture as shared public attitudes to power and societal expectations about the style and substance of governance – attitudes which define the overlapping cognitive and normative understanding of the basic relationship between state and citizens despite ideological differences between the main ideological families of the Left and the Right. After outlining the political culture enabling the welfare state consensus, in what follows I will examine recent transformations. This will allow me to sketch the logic in which particular social concerns linked to the new economy translate into collective perceptions of the nature and rationality of politics.

Although class-based ideological conflicts have defined the main political families in Europe through the twentieth century, the post-war welfare state consensus in Europe was a fruit as much of the centrist nature of European conservatism, as it was of the strong leverage of organised labour. It is the union between the patriarchal culture of European conservatism (which before the 1970s never fully embrace free-market capitalism) and the Left's culture of social solidarity that provided the trans-ideological consensus on the 'social market' economy of the welfare state. The centrist conservatism of the German Christian Democrats, for instance, provided a comfortable institutional framework for the Welfare State in much of Germany's post-war existence (it has been the largest party in every election except in 1972 and 1998.)<sup>6</sup> The conservative-socialist overlap on social policies made possible the red-blue coalitions in most governments with proportional electoral systems, such as the Netherlands and Belgium.

The policy debate of the welfare state revolved around economic growth, market regulation and social transfer systems. Its cognitive framework revolved around a

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<sup>6</sup> The designer of Germany's post-war "social-market economy" was Ludwig Erhard, a Christian Democrat.

productivist logic: the shared understanding that growth and employment are foundations of the domestic compact. The normative framework of political mobilisation revolved around issues of redistribution, later enlarged by issues of recognition and representation (the New Left agenda). In these debates the logic of social justice was monolithic: social solidarity, politically secured at state level was rarely in contradiction with trans-national social solidarity and aligned with a liberal socio-cultural outlook. This cohesive idea of social justice in which national worker solidarity was not at odds with international social justice gave rise to the notion of a European Social model despite difference between national models. The trans-European consensus on the Welfare State was enhanced in the 1970s with the rise of the New Left around issues of identity politics (valorisation of difference) and global ecological concerns. The New Left added a counter-productivist dimension to the European Social model, which transformed the Welfare State consensus (so far productivist in its logic), into a consensus on Sustainable Development, where for the first time the tension between the common productivist interests, linked to the 'old economy' and the anti-productivist values of the new economy was acknowledged. Yet, the new left political formations which diverged from the capital-labour axis of conflict only added a new element to the old political spectrum, without revolutionising the political culture of post-war Europe.

In recent years the cognitive and normative framework of political culture has been transforming as a result of the formation of a new security-and-safety agenda with four constitutive elements: physical security, political order, cultural estrangement, and employment insecurity, as the economic component of the mix. (Azmanova 2004a)

Symptomatic of this shift is the new way in which the issue of unemployment appears in political discourse: The old paradigm is concerned with employment in terms of overall growth and efficiency, while the new one focuses upon unemployment in terms of fear, loss, and marginalisation. In a neo-liberal economy marked by global economic competition and downsized labour markets, job insecurity (rather than unemployment rates) is a form of discontent of a different order than the standard evaluations of short-term economic performance.

This is an agenda in which concerns with income stability and physical safety, on the one hand, and on the other, of competitiveness in the global marketplace, have replaced the agenda of economic growth, market regulation and social transfer systems typical of the European Welfare State.

It is important to stress that the order-and-security agenda emerged prior to the economic crisis at the turn of the century which revived economic discourse, this time within the new terms of securitisation. This means that initially public anxieties were triggered by the diffused risks associated with globalisation, not by economic crisis, which only added an economic dimension to the securitisation of the political agenda.

This new security agenda does not accord well with the theoretical forecasts of postmaterialist theory, neither in the terms of Ulrich Beck's account of contemporary societies as 'risk society', nor in those of Inglehart's diagnosis of the post-modern shift. In Beck's account, the distributional conflicts over 'goods' (property, income, jobs) that characterised the industrial society, have been replaced by distributional conflicts over 'bads', such as the risk of nuclear technology, genetic research, or environmental crises (Beck, 1992). Postmaterialist theory presents this change as part of the post-modern shift from economic factors to life-style factors as the main determinant of survival, as a result of which concerns with materialist values emphasising physiological sustenance and safety give way to 'post-materialist values prioritising 'quality of life issues, human right, self-esteem and individual expression (Inglehart 1997).

However, the risks associated with the social effects of globalisation can hardly be described as post-materialist and post-economic issues (of identity and rights, or quality-of-life concerns with the environment). At the core of the new agenda is a concern with job insecurity (or more generally access to the labour market) and physical safety. Although employment insecurity is, indeed, a form of discontent distinctive from 'standard' evaluations of short-term economic performance, in its nature it is an economic, rather than a quality-of-life issue. As for 'physical safety', it does not figure in

the inventory of post-materialist, quality-of-life values (such as freedom or clean environment), which the transition to post-industrial society makes predominant.

The new public agenda of politically relevant issues has incurred a series of changes in the political culture of the continent – changes that alter the framework of valid political reason - formation.

The most tangible such change is the shared, trans-ideological concern with the quality of governance and the rising demands for more and better public goods (political safety, better education, more efficient healthcare, etc.). It is exactly the provision of public goods (which compensates for the risks of globalisation) that is the intervening variable between securitisation of public expectations and culture of governance. The normal response of any government that is open to diffuse external risks is the compensation strategy: to increase the provision of public goods, as it cannot act preventively to diffused risk (Cameron, 1978). What for the population is more and better government – especially in a Europe accustomed to dirigisme – ‘more and better government’ to the government means the provision of ‘more and better public goods’. Indeed, popular pressure for improved governance started in the mid- 1990s, when the sense of uncertainty was gathering momentum throughout and despite the economic boom. The quest for political safety, combined with the quest for better governance, often resulted in rise of support to extreme-right parties. However, the June 2004 European elections gave fresh evidence that we are facing a change in political culture, not just a re-alignment to the right: in countries where the demand for political accountability could be channelled through new political formations (the Dutch Transparent Europe party or the vote for Hans-Peter Martin in Austria), the vote for previously successful far-right parties here significantly dropped.

The “order and safety” overhaul of the political agenda generally translated into an increasing support for right-wing political platforms that put the stress on security and authority. With safety becoming the core concern (especially for the urban populations in Europe, which have been the traditional supporters of left parties), the anti-establishment

reaction at the turn of the century fed into an extreme-right vote. Although right-wing populism is currently receding, public preferences for order and stability do not falter. In fact, it is the incorporation of the safety discourse into the political rhetoric of mainstream left- and right-wing parties (the mainstreaming of the extreme-right agenda) that explains the withdrawal of support to right-wing populism, not the diminished relevance of the security-and-order agenda.

The growing demand for good governance was the first trans-ideological alteration within Europe's political culture that globalisation brought about. The mainstreaming of the extreme-right agenda was the second. The third such alteration was the mainstreaming of the New Left agenda, as identity politics was also embraced by the Right, giving new life to discourses on European exceptionalism, or the value of the national, this time from the point of view of the justice of neglected (national and sub-national) collective identities. Within this third shift is also the mainstreaming of the global ecological agenda, which has been emphatically embraced by some conservative parties.

The fourth, and last, shift in political cultures is the eclipsing of the post-materialist agenda of the 1980s and 1990s by the risk agenda of the early twenty-first century. This is at the root of the drop of electoral support for Green parties, as part of the traditional social constituencies of the Greens gives preference to countering economic risk over pursuing non-material goals.

These four shifts in the political culture (shared public preferences beyond ideological differences), namely-- the increased demand for quality of governance, the mainstreaming of the extreme-right and the post-materialist agenda, and the eclipsing of the latter by the opportunity-risk agenda of the new economy-- has enabled a very peculiar clustering of political preferences around two poles: social protectionism and



cultural exclusion, on the one side, and social liberalism and cultural cosmopolitanism, on the other. Without the appearance of a new political culture, there would have been too strong ideological, as well as structural (party system) obstacles for traditional left constituencies to embrace a sovereigntist and anti-internationalist stance, or traditional right constituencies to embrace explicitly egalitarian positions, as we are seeing in the discourse on the Polish Plummer (from the left) and the anti-globalisation discourse on the right. This amalgamation between issues of social justice and concerns of governance in which demands for social safety (previously in the ideological terrain of the left) coincide with a sovereigntist impulse (previously typical of right) are the outcome of deep alternations in shared public perceptions on what are valid reasons in the formulation of policy demands.

### **3. Political realignment (the supply side of political mobilisation)**

Even if the recent policy shifts and electoral dynamics have not yet crystallised in well-articulated re-alignment (as national political systems are resisting the described new tendencies), there is enough evidence to suggest that, at the turn of the century, Europe is entering a new political era. What shapes this new era is the risk-opportunity dilemma of globalisation, which is disrupting established political identities and electoral affinities.

The new ideological conflicts around the distribution of globalisations risks and opportunities cut across, and not along, the capital-labour dichotomy which has formed the political families of the Left and the Right throughout the 20th century in Europe. As this new vector of alignment is challenging the political cultures of European Socialism and Conservatism, it is doing away with the Welfare State consensus, which is now being dissolved into two poles: on the one hand, a centre-left and centre-right espousal of economic liberalism and, on the other hand, left- and right-wing protectionist efforts at resisting globalisation.

Signs of the transition from 'left-right' to 'opportunity-risk' cleavage abound in the campaigning of parties. Tellingly, discourses about national sovereignty, political order,

and threat of cultural estrangement, typical of the ideological right, and discourses about social justice, common in the ideological terrain of the left, have merged into a new sanctification of the social potency and cultural supremacy of the nation-state. This double – political and social-- sovereigntist impulse mobilised the particular rejection of the Constitutional Treaty for Europe in France and the Netherlands in spring 2005.

Thus, at the 2005 referendum on the Draft Constitutional Treaty for Europe, threats from globalisation made parts of the Left abandon international worker solidarity in favour of a sovereigntist discourse, so far typical of the Right. Henri Emmanuelli (a French Socialist MP and one of the leaders of the No campaign) thus argued that “the European Commission, under the sway of Anglo-Saxon liberals is threatening to erode workers’ protections and accelerate the ‘delocalisation of workers’ jobs to China.”<sup>7</sup> On the right, fear of globalisation was primarily expressed by opposition to Turkey’s entry into the Union, but it was invariably linked to a social protectionist discourse, on which the Left lost its monopoly. Charles Pasqua, the Gaullist senator and former Interior Minister argued, “Federal, ultra-liberal, Atlanticist – such is the Europe in which we have been living since Maastricht [The EU treaty that paved the way for the euro in 1992] and such is the Europe that is being celebrated in this constitution”<sup>8</sup>. This openly anti-market rhetoric is new for the Right and has been recorded in the electoral rhetoric of the extreme right only since the late 1990s (Bastow, 1997).

Thus, the ‘no’ vote at the referendums seems to be expressing a quest, across left- and right- political identifications, for social protection (against the ‘Polish plumber’), and national protection (against the Turkish immigrant). In contrast to the pure sovereigntist position against EU integration, which had systematically marked the stance of right-wing parties in earlier years, the rhetoric against enlargement (both the accomplished accession in 2004 of post-communist states and the prospective accession of Turkey) has

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<sup>7</sup>*Le Monde*, 28 May 2005.

<sup>8</sup> Quoted in John Thornhill, “Paris Follies: A French insurrection may mean Europe’s constitution hits the dust”, *Financial Times*, 6 April, 2005; p. 13.

been systematically linked to loss of jobs and social standards as a result of increased competition. Both positions – that of social and that of national protection – are expressions of a very similar reaction against the global economy of open borders.

As the new faultlines of conflict-aggregation run not along the established vectors of left-right ideological alignment, but across them, it has set off a crisis in the ideological families of the Left and the Right, and has triggered pressures for political re-alignment. The most recent such development has been the rise of the centrist candidate in the French Presidential elections (Francois Bayrou) and the prospects for a new party to compete in the June general elections.

Thus, a symptom of on-going realignment on the level of political society is the merging of left and right ideological programmes and their ideological re-organisation along new fault-lines. Politics within the last decade has become dominated by a fusion between centre-right and centre-left platforms into a new policy paradigm that combines a stress on safety and authority (inherited from the traditional political right) and an emphasis on economic liberalism and labour flexibility (the core of Third Way social liberalism). Hence, although the political families of the Left and the Right nominally still exist, they have developed a common ideological platform, centred on the opportunities inherent in the neo-liberal, knowledge economy. On the other side of the political spectrum are parties and their constituencies for which the new economy incurs rising risks: the fruits of labour-market flexibility, which translate into lower incomes and reduced social protection.

Therefore, despite preserved differences in political culture, we can assert that the new policy axis that aligns the old centres and the old extremes is the *opportunity – risk* divide of the new economy. On this basis a realignment is taking place between centre and periphery, between, on the one hand, the centre-left and centre-right midpoint, and, on the other, the circumference of far-right and radical-left parties. In this new alignment, the new centre (a simultaneous shift of the moderate left and right to the centre) becomes one of the poles in the political axis, embracing the ‘opportunity’ side of the dilemma, while

the far-right and radical-left constitute the opposite pole responding to societal fears of the hazards of the new economy of increased competition and open borders.

The old left and right extremes have come to overlap on two policy lines: First, in their protectionist reaction to economic and social risk. The far-right is abandoning its economic liberalist stance and embracing social protectionism. With this, a major policy differentiation between the radical-left and the far-right is lost. Second, the old left and right extremes have come to converge on the basis of their increasing preference to national, at the expense of international solidarity. The fear of competition from immigrants on the low-skills labour market leads the traditional blue-collar constituencies of the radical-left to embrace, more or less explicitly, a nationalist reaction to global borders.

The centre-left and the centre-right (liberalising) political elites that came to power in the last rounds of elections in Europe represented the opportunity pole of the new alignment. With its stress on social and national protectionism, the French and Dutch rejection of the European Constitutional Treaty in the spring 2005 referendums was the united voice of the risk pole of the new political cultures, against the centre-left and centre-right consensus on the EU's vocation to maximise the opportunities of globalisation.

As a reaction to globalisation, a new link between social and cultural identities is emerging: the discourse against the Polish plumber (against loss of jobs) and against the Turkish immigrant (alien culture) are similar, in their nature, reactions to globalisation. The valorisation of national sovereignty (and, with that, national cultures) has been enhanced by broad negative reactions against the loss of jobs and reduced levels of social protection incurred by the new economy of open borders. This link between the social and the political identification is enabled by the described political re-alignment: arguments of national sovereignty (territory of the right) and of social protection (territory of the left) are marking a new pole of electoral alignment around a RISK vision of globalisation and European integration: while the extreme right is abandoning economic liberalism for social protectionism, the extreme left is abandoning international

social solidarity for national worker solidarity. The opposite pole of the political spectrum is emerging around an OPPORTUNITY vision of globalisation, as the Socialist-Conservative consensus of the Welfare State is being replaced by that of social liberalism (Third Way), as the centre-left and centre-right undergo internal liberalisation.

### **Conclusion:**

Within the political paradigm typical for the twentieth century, the main ideological families of the Left and the Right in Europe formed around the capital-versus-labour dynamics of conflict. At the same time, the policy consensus on the welfare state rested on a shared cognitive framework around the productivist logic of the capital-labour interaction, and a normative framework around economic redistribution. This provided the underpinning for the policies of de-commodification that European states, in different models, undertook in the second part of the twentieth century. However, with the emergence of social conflicts around the social effect of globalisation (the risk-opportunities vectors of the new economy), a new cognitive framework emerges around issues of competition (rather than growth), as well as a new normative framework within which the old issue of economic equity is replaced by concerns with access to the labour market (economic opportunity). The combination between a cognitive framework centered on competition and physical safety and a normative one centered on economic opportunity is creating a new 'normality' – a new alignment both at the supply and demand side of political mobilisation. Within this new normality, issues of social and cultural protectionism converge at the expense of international social solidarity; the welfare state policies of de-commodification have lost its basic political rationality: the replacement of the growth agenda with that of competitiveness make it cognitively impossible for de-commodification policies to be considered as relevant options in a context of global competition. At the same time, the replacement of social equity with issues of access to the labour market has made re-commodification also a matter of social justice. The emergence of this cognitive and normative framework of political culture within which national compacts are renegotiated enables the translation of disembedded

capitalism into the policies of re-commodification which center-Left and center-Right governments in Europe come to embrace in the early twenty-first century.

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