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Transnational class agency and European governance: the case of the European Round Table of Industrialists

van Apeldoorn, B.

published in

New Political Economy
2000

DOI (link to publisher)

[10.1080/713687772](https://doi.org/10.1080/713687772)

document version

Publisher's PDF, also known as Version of record

[Link to publication in VU Research Portal](#)

citation for published version (APA)

van Apeldoorn, B. (2000). Transnational class agency and European governance: the case of the European Round Table of Industrialists. *New Political Economy*, 5(2), 157-181. <https://doi.org/10.1080/713687772>

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New Political Economy

Publication details, including instructions for authors and subscription information:

<http://www.informaworld.com/smpp/title~content=t713439457>

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Online publication date: 18 August 2010

To cite this Article Van Apeldoorn, Bastiaan(2000) 'Transnational Class Agency and European Governance: The Case of the European Round Table of Industrialists', *New Political Economy*, 5: 2, 157 – 181

To link to this Article: DOI: 10.1080/713687772

URL: <http://dx.doi.org/10.1080/713687772>

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Transnational Class Agency and European Governance: The Case of the European Round Table of Industrialists

BASTIAAN VAN APELDOORN

This article analyses the political and ideological agency of an emergent European transnational capitalist class in the socioeconomic governance of the European Union (EU) by examining the case of the European Round Table of Industrialists (ERT). It seeks to show that the ERT—as an elite forum mediating the interests and power of the most transnationalised segments of European capital—has played a significant role in shaping European governance in as much as it has successfully articulated and promoted ideas and concepts that have at critical times set the political agenda and, beyond, have helped to shape the discourse within which European policy making is embedded. Here, the increasingly neoliberal orientation of the ERT reflects, and at the same time is a constitutive element within, the construction of a new European order in which governance is geared to serve the interests of a globalising transnational capitalist elite, and hence the exigencies of global ‘competitiveness’. Although in recent years some detailed work has been done on the role of the ERT in the internal market programme, there has as yet been little attention paid to (and thus interpretation of) the *content* of the ideas promoted by the ERT and hence to the ideological power that this forum of transnational capitalists exercises.¹

The article is divided into four main parts. The first briefly elaborates the theoretical framework that informs my analysis. Drawing upon what has come to be labelled the ‘neo-Gramscian school’ in International Relations (IR), I will advance a historical materialist understanding of the dynamics of European integration, emphasising in particular the role of *transnational* social forces—as engendered by the capitalist production process—in the political and ideological struggles over European order.² The second part introduces the case of the European Round Table. I will claim that the ERT is neither a simple business lobby nor a corporatist interest association, but must rather be interpreted as having developed into an elite platform for an emergent European transnational capitalist class from which it can formulate a common strategy and—on the

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basis of that strategy—seek to shape European socioeconomic governance through its privileged access to the European institutions. It is this latter role of the ERT that will be the focus of the final two parts. As such, the third presents an analysis of the evolution of ERT's strategic project and the initiating role the Round Table played in the relaunching of the integration process from Europe 1992 to Maastricht. Following this, the fourth part will analyse the ideological orientation and strategic outlook of today's Round Table and its current role in shaping what I will call the neoliberal discourse of *competitiveness* which, I argue, increasingly underpins European governance.

Transnationalisation, capitalist class strategy and European governance

In its focus on the strategic role of a transnational capitalist class in shaping European socioeconomic governance the following analysis goes beyond the established approaches to the study of European integration—in particular the still dominant rival perspectives of intergovernmentalism versus supranationalism—in several respects.³ First, conventional integration theories tend to focus largely on the institutional *form* of the integration process, thus ignoring the question of its socioeconomic *content*, or the 'social purpose' underlying European order.⁴ Whereas intergovernmentalists and supranationalists quarrel over the relative power of, respectively, national and supranational public authorities in the decision-making process, a focus on the social purpose of European integration calls for an understanding of the *social* power underpinning public power and thus for an analysis of the underlying social forces.

Second, established integration theories tend to suffer from a narrow rationalism that disables them from acknowledging the power of ideas and ideological practices in the construction of European order and in defining its social purpose.⁵ There, however, our analysis cannot stop as we have to examine how, by whom, and for what purpose that discourse has been constructed. From a Gramscian perspective it is emphasised that ideas must be located in social practice and thus cannot be separated from the (social) structures in which actors are located and which shape their agency. Ideas are produced by human agency in the context of social power relations and are, as such, bound up with the strategic action of social actors.

Third, whereas in intergovernmentalist accounts the transnational level is ignored altogether, supranationalist approaches do explicitly acknowledge the role of transnational actors but tend to see that role as subservient to the alleged functional logic of the integration process and/or the supranational leadership of the European Commission, thus denying the autonomy of these actors.⁶ The point of departure for the present analysis is that the social forces underpinning European order are not necessarily internal to the EU or its member states but must rather be located within a global political economy in which capitalist production and finance are undergoing a sustained transnationalisation and globalisation, reflected *inter alia* in the increasing dominance of the transnational corporation (TNC) as an actor in the world economy and the concomitant growing structural power of transnational capital.⁷ This transnationalisation of global capitalism can be argued to engender a transnationalisation of social

forces, in particular, those forces bound up with transnationalising and globalising capital. In what, following the pioneering work of Kees van der Pijl and others, can be conceptualised as a process of transnational class formation, we witness the rise of transnational capitalist elites as key actors in global politics.⁸

In its focus on class agency, this article also aims to contribute to a research agenda that reclaims the centrality of class agency in the study of political economy. The class-theoretical premise underlying this agenda is that the class domination by which capitalist societies are characterised cannot be understood from a structuralist perspective that merely focuses on the structural domination of capital over labour, but rather that the reproduction of this power of capital—and of the capitalist class—has to be explained also in terms of collective human agency within concrete social power struggles taking place on the structural terrain of the accumulation process. As Leslie Sklair puts it, '[capitalist] class hegemony does not simply happen as if by magic. The capitalist class expends much time, energy and resources to make it happen and to ensure that it keeps on happening'.⁹

The transnational capitalist class engendered by the globalisation of capitalist accumulation is not conceived here as a unitary actor. In fact, significant differences in ideological and strategic orientations may exist within the ranks of this class—differences related to structural (but not fixed) divisions within capital.¹⁰ The important point for the purpose of this article—which focuses on the role of transnational class strategy in European governance—is that through the *political* organisation of capitalist class elites these differences can be (temporarily) transcended and a unity of purpose and direction achieved, a unity that may then be elevated to a higher plane, that is, constituting an appeal across different groups and classes (and class fractions), thus entering into the struggle for—to use a Gramscian term—hegemony.¹¹ In this process of capitalist class formation, transnational elite groups and their (informal) organisations are seen as playing a key role.¹² This article interprets the European Round Table of Industrialists as one such organisation with respect to the process of transnational class formation in Europe.

The political agency of the ERT must be located, however, within a wider configuration of social forces dominated and cemented by a globalising transnational elite consisting primarily of the top managers and owners of transnational capital, but also of politicians and civil servants occupying key positions in transnationalising state structures. In the emergent transnational state–society complex of the EU we may thus start to discern the contours of a transnational power bloc at the apex of which we find a transnational capitalist class elite allying with the more outward-looking elements of 'EU government', the European Commission in particular. As the case of the ERT will show, parallel to the relaunching of the integration process—and marking a sharp contrast with the relatively antagonistic relations of the 1970s—the mid 1980s and 1990s witnessed the development of what has been described as a 'partnership' between big business and the Commission. The other side of the coin of this partnership was and is the extreme weakness of organised labour within the Euro-polity, where it can make for much less of a countervailing force than at

the national level where capital is to some degree ‘locked into’ (neo)corporatist structures.¹³

The strategic alliance between the corporate executives of Europe’s leading TNCs and the political executives of the Commission that emerges from our analysis of the ERT can be seen as indicative of the growing power of transnational capital and is further facilitated both by the position of the Commission within the overall structure of EU governance as well as the nature of the EU polity in general. With regard to the first point, although the Commission has the right of initiative (and can thus to an important degree shape the EU agenda), the fact that its policy making is dependent upon the decision-making power of the Council of Ministers, and hence upon the veto power of individual member states, means that it is often crucial for the Commission to enlist the support of powerful social groups. With regard to the second point, the undemocratic nature of the EU polity in general—including its underdeveloped system of political parties and lack of other institutions, such as strong organised interest groups, that can generate not just legitimacy but indeed also the demand for legitimacy and (democratic) accountability—makes it easier for the Commission to rely rather exclusively on ‘business advice’ without needing to legitimate this. Indeed, one could argue that the democratic deficit of the EU, on the one hand, and the increasing dominance of social forces bound up with transnational capital and its largely neoliberal project, on the other, are two sides of the same coin in as much as the former can be seen as reflecting a wider phenomenon that Stephen Gill calls the ‘new constitutionalism’. This he defines as ‘the politico-legal dimension of the wider discourse of disciplinary neoliberalism’ seeking ‘to separate economic policies from broad political accountability in order to make governments more responsive to the discipline of market forces and correspondingly less responsive to popular-democratic forces and processes’.¹⁴ It is within this context that we must place our analysis of the ERT and its role in European governance.

The ERT: an elite platform for Europe’s transnational capitalist class

I would consider the Round Table to be more than a lobby group as it helps to shape policies. The Round Table’s relationship with Brussels is one of strong co-operation. It is a dialogue which often begins at a very early stage in the development of policies and directives.

Wisse Dekker, former Chairman of the ERT¹⁵

The ERT is not a lobby, but rather a group of European citizens who express their opinions on the best ways to make Europe and European companies competitive on a world-wide basis to politicians, governments, the Commission, and other institutions.

Jérôme Monod, former Chairman of the ERT¹⁶

The ERT is partially a lobby, but not for the interests of individual sectors, but for the competitiveness of Europe. As this

is a fundamental concern, which the European public authorities share with us, we are also a privileged partner in the dialogue about these concerns.

Helmut Maucher, current Chairman of the ERT¹⁷

When integration was at a low point in the early 1980s and growing global (mainly Japanese and US) competition threatened the position of large sections of European industry, leading members of Europe's business community began to perceive the need for a European-level political initiative that was lacking from Europe's politicians. As Europe's official employers' organisation, UNICE, was deemed to be ineffective, it was at the initiative of Pehr Gyllenhammar, the cosmopolitan chief executive officer (CEO) of Volvo, and with the support of Etienne Davignon, the European Commissioner who had been instrumental in creating the new *rapprochement* between big business and the Commission in the preceding years, that 17 industrialists of major European companies came together in 1983 to found the Round Table of European Industrialists (later ERT).¹⁸ The self-proclaimed aim of the new organisation was 'to revitalise European industry and make it competitive again, and to speed up the process of unification of the European market',¹⁹ two goals that became part of a single strategy in which 'Europeanisation' was seen as the answer to European industry's lack of global competitiveness.

Today, the ERT consists of 45 CEOs and chairmen of Europe's most transnational and biggest industrial corporations, with almost all EU countries as well as most industrial sectors 'represented' (see Table 1 for current membership).²⁰ The membership of the ERT is personal (rather than corporate), but is at the same time dependent on the member's continued position as the CEO or chairman of his company. As a senior official²¹ of the ERT explained: 'we insist that it is the chief decision maker who is the member, for the simple reason that eventually these great men, when they have decided something around the table, have to go home and *put their mouth and their money to the policies*.'²² Looking, then, at the capital behind the private 'European citizens' (remember Monod's observation above), we find that 36 companies of the current 45 members appear on *The Financial Times*' Europe 500 (which ranks Europe's companies by market capitalisation and therefore excludes companies that are not publicly quoted) and 20 are amongst the top 100.²³ On a global level, *Fortune*'s Global 500, which ranks companies by total sales, lists 27 companies of ERT members.²⁴ We are thus dealing here with a group of Europe's largest non-financial enterprises. As such, the ERT membership makes up a substantial part of Europe's corporate elite, the internal coherence of which is established and maintained through a process of networking, *inter alia* through organisations like the ERT.²⁵

Although but one of many European business groups, the ERT occupies a unique place within the EU's evolving landscape of 'transnational pluralism'.²⁶ The agency of the ERT falls neither under the logic of pluralist lobbying nor that of corporatist interest intermediation,²⁷ but should instead be interpreted as the elite organisation of an emergent European transnational capitalist class, articulating and defending the long-term interests of this class.²⁸ As such, the ERT

TABLE 1. Members of the ERT and their companies, May 1999

Name	Company	Country	Sector
Americo Amorim	Amorim Group	Portugal	cork products
Percy Barnevik	Investor AB	Sweden	holding company
Jean-Louis Beffa	Saint-Gobain	France	building materials
Peter Bonfield	British Telecom	UK	telecoms
Cor Boonstra	Philips	The Netherlands	electronics
Antony Burgmans	Unilever	The Netherlands/UK (The Netherlands)	agro-alimentary
Bertrand Collomb	Lafarge	France	building materials
François Cornélis	Petrofina	Belgium	oil
Alfonso Cortina	Repsol	Spain	oil
Gerhard Cromme (Vice-Chair)	ThyssenKrupp	Germany	mechanical engineering
Dimitris			
Daskalopoulos	Delta Dairy	Greece	agro-alimentary
Etienne Davignon	Société Générale de Belgique	Belgium	holding company
Carlo De Benedetti	Cofide-Cir Group	Italy	holding company
Thierry Desmarest	Total	France	oil
Jean-René Fourtou	Rhône-Poulenc	France	chemicals
Paulo Fresco	Fiat	Italy	motor vehicles
José Antonio			
Garrido	Iberdrola	Spain	utilities
Fritz Gerber	Hoffmann-La Roche	Switzerland	chemicals
Ulrich Hartmann	Vebe	Germany	utilities
Daniel Janssen	Solvay	Belgium	chemicals
Alain Joly	Air Liquide	France	chemicals
Jak Kahmi	Profilo Group	Turkey	electronics
David Lees	GKN	UK	engineering
André Leysen (Vice-Chair)	Gevaert	Belgium	holding company
Flemming Lindeløv	Carlsberg	Denmark	agro-alimentary

Helmut Maucher (Chair)	Nestlé	Switzerland (Germany)	agro-alimentary
Charles Miller SmithICI	Suez	UK	chemicals
Jérôme Monod	Suez Lyonnaise des Eaux	France	utilities
Mark Moody-Stuart	Shell	The Netherlands/UK (UK)	oil
Egil Myklebust	Norsk Hydro	Norway	oil
Jorma éllila	Nokia	Finland	electronics
Lars Ramqvist	Ericsson	Sweden	electronics
Frank Riboud	Danone	France	agro-alimentary
Nigel Rudd	Pilkington	UK	building materials
Richard Schenz	OMV	Austria	oil and gas
Manfred Schneider	Bayer	Germany	chemicals
Jürgen Schrempf	DaimlerChrysler	Germany	motor vehicles
Louis Schweitzer	Renault	France	motor vehicles
George Simpson	Gen. Electric Company	UK	electronics
Michael Smurfit	Jefferson Smurfit	Ireland	forestry and paper
Peter Sutherland	BP Amoco	UK (Ireland)	oil
Morris Tabaksblat	Reed Elsevier	UK/The Netherlands (The Netherlands)	publishing
Marco Tronchetti			rubber products
Provera	Pirelli	Italy	
Cees Van Ledé	Akzo-Nobel	The Netherlands	chemicals
Heinrich Von Pierer	Siemens	Germany	electronics
Mark Wössner	Bertelsmann	Germany	media

Sources: Names of members and companies: ERT website (<http://www.ert.be>). Country and sector: own research.

Note: If the nationality of the member differs from that of his company, the former is given in parentheses.

must also be distinguished from the kind of ‘functional’ interest groups that early integration theorists expected to be instrumental to the functional logic of the integration process, and in which category we would, for instance, find UNICE. Whereas UNICE is the official European federation of national employers’ associations and as such has a public and formal (‘corporatist’) role to play *vis-à-vis* the Commission and as a ‘social partner’ in the dialogue with the European Trade Union Federation (ETUC), ERT is not an interest association at all. In contrast to corporatist organisations, the ERT has no members either to represent or to discipline. Rather, the ERT *is* its members. As Vice-Chairman of the ERT, Gerhard Cromme, who formerly also had a leading position within UNICE, puts it:

The European Round Table is a forum in which European business leaders meet ... we are not an association, we are not an interest group ... and we also do not engage in lobbying in that sense but leave that to the relevant institutions ... UNICE is an association of interest representation whereas ERT is not ... [but is] a private gathering of people who discuss themes and then try to arrive at a common opinion.²⁹

As many ERT members and associates emphasise, these organisational characteristics of the ERT—a private and relatively small club of the heads of Europe’s largest corporations—give the ERT a number of advantages over formal associations.³⁰ First, compared to big cross-sectoral associations representing several ‘constituencies’, the Round Table has less diverging interests to balance and can act with relative speed and flexibility. Moreover, unlike UNICE which, as the official voice of business, has to respond to the details of all proposed EU regulation, the ERT is free to ‘set the political highlights’ according to its preferences.³¹

Second, the fact that the members themselves *are* the Round Table *and* that these members control Europe’s biggest companies gives the ERT a power that at least in its immediacy cannot be matched by any interest group where power is mediated through a bureaucracy of representation. In consequence, according to another prominent ERT member, who also had a leadership position within UNICE, the Round Table ‘tends to be taken more seriously’, precisely ‘because it is the big industrial leaders [themselves] who go and talk with the Commissioners’.³² The ERT’s privileged political access is also underlined by Peter Sutherland, now ERT member, but also a prominent former Commissioner (for competition) under the first Delors Presidency, who said in an interview:

I think that the importance of the ERT is not merely in the fact that it co-ordinates and creates a cohesive approach amongst major industries in Europe but because the persons who are members of it have to be at the highest level of companies and virtually all of them have unimpeded access to government leaders because of the position of their companies.... That is exactly what makes it different [from other organisations]—the fact that it is at head of company level, and only the biggest

companies in each country of the European Union are members of it. So, by definition, each member of the ERT has access at the highest level to government.³³

Third, the ERT's elite character allows it to play a more strategic and pro-active role, one that transcends lobbying or interest representation in a more restricted sense. The ERT does more than defend relatively clear-cut (narrow) corporate interests: it rather seeks to define the *general class* interests of transnational (industrial) capital, that is, to formulate a relatively long-term and forward-looking strategy oriented towards the shaping of European socioeconomic governance.³⁴ As former ERT Vice-Chairman, David Simon, explained, precisely because it brings together around '45 bosses who run businesses, they [the ERT members] will tend to take a more strategic view than an association ... because, after all, that's what they're responsible for, they're responsible for direction and strategy. [The ERT thus] tries to concentrate on strategy and direction for the economy at large'.³⁵

The political agency of the ERT

Although occasionally also engaging in more conventional lobbying activities as well, ERT's agency normally transcends that level in as much as it seeks to set the political agenda and, beyond that, to shape the discourse in which European decision making is embedded.³⁶ Such an exercise of *ideological* power is what distinguishes the ERT most clearly from more traditional business lobbies. The ERT communicates its ideas in different ways. It regularly publishes reports on either specific themes or of a more comprehensive nature, and frequently sends letters and communiqués to individual politicians or to collective bodies such as the European Council. But, as Keith Richardson, ERT's former Secretary General, points out, 'the most influential mode of all is perhaps still face-to-face communication' between the CEOs of the ERT and Europe's leading politicians and policy makers.³⁷ At the intergovernmental level, the ERT operates mainly through its individual members. In this respect it is significant that the ERT consciously recruits from all member states. Furthermore, in conjunction with its six-monthly plenary session, the ERT also always meets (usually around a dinner) with several prominent members (normally including the prime minister) of the government then taking over the Council presidency on the eve of the Council summit. At the supranational level, this transnational elite interaction is probably even stronger. A Round Table delegation generally meets the Commission president about twice a year rather formally.³⁸ In addition, ERT members often have more *ad hoc* meetings with various Commissioners. This direct personal access to the Commission is probably facilitated by the fact that the Round Table has always had one or two former Commissioners amongst its membership, most notably Etienne Davignon from 1986 onwards and, more recently, Peter Sutherland who joined as chairman of BP (while also serving as the chair of the European arm of Wall Street's quintessential investment bank, Goldman Sachs).³⁹ At the national level, former ERT Vice Chairman, David Simon, recently made the reverse step, that is, from business (and membership

of the ERT) to government, by becoming a minister for trade and competitiveness in Europe in the new UK Labour government, making him, in the words of one senior ERT associate, ‘a very useful contact’.⁴⁰

In sum, what we see developing around the ERT is a transnational elite network that ties together the elite of European business with key policy makers and politicians at both the national and supranational levels of the European polity. In the remainder of this article I will examine how the ERT has used this position to shape European socioeconomic governance.

The ERT’s evolving strategic project and the relaunching of Europe

The relaunching of European integration with the internal market programme has been interpreted by intergovernmentalists as the result of a convergence of national policy preferences enabling successful intergovernmental bargaining and by supranationalists as driven by the policy-entrepreneurship of the Commission, operating in alliance with transnational business (but the latter playing a merely supportive role) and responding to Europe’s perceived economic decline after the end of the ‘golden age’.⁴¹ I maintain that, if we want to understand the socioeconomic *content* of the relaunched integration process, we have to understand it as the outcome of political struggle, not so much between states but between social forces (who may be ‘represented’ by a variety of actors) developing strategies and engaging in a struggle over European order at all levels of Europe’s polity.⁴² As indicated, the most dominant of these social forces increasingly operate within a transnational setting, in particular, an emergent transnational capitalist class.

Taking the relaunching of Europe from the mid 1980s onwards as the historical context I claim that one can identify three rival projects within the subsequent transnational struggle over Europe’s social purpose.⁴³ In the *neoliberal project*—which first found ideological expression in the early 1980s in the ‘Eurosclerosis’ discourse—the relaunching of the integration process was conceived as an opportunity to further open up the European region to the globalising world economy and, moreover, to accelerate the deregulation and privatisation of the European economies, thus liberating the ‘beneficial’ forces of the market from the fetters of government intervention and other ‘rigidifying’ institutions impeding the necessary adjustments to a changing global environment. The benefits of the internal market project were thus seen as principally deriving from the freer market it would create, emphasising its deregulatory effects and expected efficiency gains.

Advocates of the *neomercantilist project* in contrast blamed Europe’s loss of international competitiveness less on labour market rigidity, trade union power or the welfare state, and more on the fragmentation of the European market, insufficient economies of scale and the perceived technology gap *vis-à-vis* the USA and Japan, all in a context of intensifying global competition. This project thus constituted a more defensive regionalisation strategy in which the internal market was conceived as the creation of a European ‘home market’ in which (would-be) ‘European champions’ would be able—thanks to the larger economies of scale—successfully to confront the growing non-European competition.

Such a regeneration of European industry was to be further promoted by an active pan-European industrial policy, in particular in the area of new technologies, of which a protectionist European trade policy was often advocated as a (temporarily) necessary complement.⁴⁴

The *social democratic project*, finally, sought to re-embed the new European market in a supranational framework of social regulation and thus protect and consolidate the so-called 'European social model'. This project developed within the context of the initial success of the internal market programme as social democrats came to see European federalism as the answer to the dilemmas of the European left in an era of globalisation and was advocated most prominently by Jacques Delors, who as President of the Commission sought to move the integration process beyond market-integration and towards state-building, hence promoting his vision of an 'organised capitalism'.⁴⁵

Neoliberalism and neomercantilism can be interpreted as contending strategies on the part of rival groups or 'fractions' within the ranks of Europe's emergent transnational capitalist class. Throughout the 1980s and into the 1990s the main dividing line within this transnational elite was between, on the one hand, a 'globalist' fraction consisting of Europe's most globalised firms (including global financial institutions) and, on the other hand, a 'Europeanist' fraction made up of large industrial enterprises primarily serving the European market and competing against the often cheaper imports from outside Europe.⁴⁶ The perspective of the former has tended towards neoliberalism, whereas the latter came to promote neomercantilism. Although they aspired to become more global, in the 1980s many of Europe's large industrial firms were still more *regional* TNCs. The ERT in this period was also dominated by this 'Europeanist' fraction and its strategic orientation thus tended towards a defensive regionalism, the heart of which was the promotion of a big (and if necessary protected) European home market.⁴⁷

From Europe '92 to Maastricht

ERT's campaign for a completion of the internal market was launched right after its founding in 1983 with a memorandum to Commissioner Davignon in which the Round Table stated that 'Europe remains a group of separated national markets [which] prevents many firms from reaching the scale necessary to resist pressure from non-European competitors. The European market must serve as a unified "home" base necessary to allow European firms to develop as powerful competitors in world markets'.⁴⁸ Although plans for the completion of the internal market had been circulating within the Commission for years, concrete progress was not made and it was in this respect that the pro-European offensive on the part of the Round Table had a very significant impact.⁴⁹ Indeed, ERT members were among the first within Europe's elite to publicly propose a *European* solution—in contrast to the then dominant *national* (champion) industrial strategies—to Europe's economic woes. Whereas up to the mid 1980s 'Europessimism' was still pervasive, the ERT warned in a 1985 report against the danger of the idea of Europe's decline 'being etched permanently into a new

European consciousness' and concluded that 'Europe is not locked into decline—the exit doors are wide open. It remains only to go through them'.⁵⁰

The basis of ERT's agenda-setting role with regard to what came to be the Europe 1992 programme had been a plan presented in late 1984 and early 1985 by the then CEO of Philips, and founding member and later chairman of the Round Table, Wisse Dekker, which laid out a detailed programme for the creation of a 'European Community Home Market' by 1990. Dekker's 'agenda for action'—which was quickly adopted by the whole Round Table—has been said by many to have directly inspired the Commission White Paper of June 1985.⁵¹ Indeed, the critical role the ERT played in this respect has been acknowledged by several of the actors involved. Former Commissioner Peter Sutherland, for instance, has stated:

I believe that it [the ERT] did play a significant role in the development of the 1992 programme. In fact one can argue that the whole completion of the internal market project was initiated not by governments but by the Round Table, and by members of it, Dekker in particular, and Philips playing a significant role and some others ... And I think it played a fairly consistent role subsequently in dialoguing with the Commission on practical steps to implement market liberalisation.⁵²

Although the ERT was thus instrumental in relaunching the European project by rallying around the idea of a unified European market, the internal market that was created on the basis of the White Paper did not turn out to be the kind of home market that many of the early Round Table members (of the 'Europeanist' fraction) had envisaged, that is, a relatively protected market in which Euro-champions could prosper in order to confront the global competition. The internal market did favour the creation of further economies of scale and did make the European market a home market more comparable to that of the USA and Japan. In the end, however, the internal market programme was hardly supported by the kind of 'flanking' policies that the neomercantilists had advocated. Responding to the demands of, among others, (members of) the ERT, the Commission did launch intra-European cooperation programmes in R&D, such as ESPRIT, and also later started to promote the development of trans-European infrastructure networks (TENs). Such policies, however, fell far short of any neomercantilist industrial *relance*. The fears of a protectionist Europe also turned out to be unfounded. Although those sectors of European industry—in particular, cars and electronics—that lobbied the hardest for protectionist measures⁵³ had their demands partially met, these limited protectionist policies have since gradually been ended, accelerating the integration of the EU into the global economy.⁵⁴

In the transnational struggle over Europe's relaunching, neoliberal social forces can thus be seen gradually to have gained the upper hand over those that had favoured a neomercantilist interpretation of the internal market. This struggle had also been fought out within the ranks of Europe's transnational business elite, as united within the ERT, in which the 'Europeanist' fraction slowly lost its dominant position and moreover itself gradually abandoned its

earlier neomercantilist perspective.⁵⁵ Not only did many globalist companies join the Round Table, but also the older ERT companies that were formerly still more oriented towards and dependent upon the European market became more global themselves.⁵⁶ This shifting balance of power between the globalist and ‘Europeanist’ camps must, however, also be seen in the context of the rising dominance of neoliberal ideology within the European political economy and the appeal neoliberalism gained as an alternative strategy after the political failure of the neomercantilist project. Concomitant, then, to the changing composition of its membership, the ideological and strategic orientation of the ERT gradually shifted away from a protective Europeanism and towards a neoliberal globalism. The broadening of ERT’s membership with the addition of many prominent exponents of the globalist fraction (such as the heads of global giants like Unilever, Shell, BP and La Roche) also allowed the Round Table to develop more into an elite forum for the *whole* of an emergent European transnational capitalist class. The ERT of the 1990s thus became a forum within which this class came to redefine its interests along neoliberal lines and from which it has sought to shape European governance accordingly.

A first testimony to the ERT’s shift away from its earlier protective regionalist orientation can be found in its September 1991 report *Reshaping Europe*—even if this still also contained many elements that revealed an as yet uneasy compromise between globalists and ‘Europeanists’—in which it presented its blueprint for the post-1989 European order in the run-up to the Treaty of Maastricht.⁵⁷ In the report the ERT called for both a widening and a deepening (and in this sense still going beyond a neoliberal conception) of the European integration process, with monetary union singled out as the most important next step. However, support for the single currency was not equally strong amongst all members.⁵⁸ The French and Italian members were strongly in favour, whereas most Germans and British were still only lukewarm. *Reshaping Europe*—reflecting part of the old neomercantilist agenda, albeit in recast form—furthermore advocated an ‘effective industrial policy’, giving ‘top priority’ to the so-called TENs.

In contrast to the 1992 project, the ERT’s direct involvement in the Maastricht process was limited in as much as the initiative seemed to have been taken over again by Europe’s politicians, no longer needing business interests to prod them along the path of deepening integration. Indeed, one can argue that Maastricht was partly the result of a kind of ‘spill-over’ from the success of Europe 1992 and the temporary ‘Europhoria’ to which it had led.⁵⁹ In as much, then, as the ERT had played an initiating role with regard to the internal market programme one can argue, by that very fact, that it also helped to set the stage and create the pre-conditions for the second phase of Europe’s ‘relaunch’. Moreover, when we analyse the (socioeconomic) content of the Maastricht treaty, we encounter several of the ideas that the ERT, or at least part of the ERT membership, had been pushing for years, in particular, the idea of monetary union as a necessary complement to the internal market, as well as an enhanced European role in infrastructure and R&D. Moreover, other parts of the treaty, most notably the social protocol, were not only testimony to the efforts of social democratic forces to put this on the agenda, but as much, if not more, to the role of transnational

capital—represented *inter alia* by the ERT—in watering it down and seeing to it that this minimal programme would only be minimally implemented.⁶⁰ There is no doubt that the ERT made quite extensive use of its high-level contacts to promote its agenda. Delors got an advance copy of the *Reshaping Europe* report⁶¹ and there were several consultations between the ERT and important Commissioners like Frans Andriessen, Ray MacSharry, Sir Leon Brittan and Delors himself, that is, with people ‘to which we [the ERT] could explain our views on the Maastricht process’.⁶² At the national level there were similar consultations between individual members of the ERT and key policy makers of the respective national governments.⁶³

With regard to Economic and Monetary Union (EMU) it has to be pointed out that, as a strong consensus was lacking, the ERT could not push so strongly for EMU as some members would have liked. However, these members did organise themselves in a separate organisation called the Association for Monetary Union of Europe (AMUE). Amongst the core membership of AMUE we find many ERT companies such as Fiat, Philips, Siemens and Total, whereas prominent (former) ERT members, such as former Vice Chairman André Leysen, Giovanni Agnelli (Fiat) and Etienne Davignon, are long-serving members of AMUE’s governing board.⁶⁴ From the start, the industrialists of AMUE had close contacts with the Commission, and in particular with Delors, in their efforts to promote monetary integration. At a joint press conference of a delegation of AMUE (consisting of the CEOs of Fiat, Philips, Solvay and Total) and Delors, the latter expressed his appreciation of the ‘very important’ support of AMUE and stated that ‘company managers not only follow us, but often precede us’.⁶⁵ Already in April 1988—two months before the Delors Committee, which subsequently prepared the way for EMU, was set up—AMUE presented a detailed blueprint for monetary union and in the following years published annual surveys indicating wide business support across Europe.⁶⁶ On the eve of the Hanover summit, at which the Delors Committee was created, AMUE sent a communiqué to the government leaders expressing their support for the creation of an independent European Central Bank.⁶⁷ Although more research needs to be carried out on the role of AMUE, it is at least evident that a large section of transnational business had effectively organised itself to help to set the agenda with regard to monetary union. Moreover, the close connections between the ERT and AMUE do suggest that it is by and large the same elite of European transnational capital that has constituted at least one powerful interest pushing for both Europe 1992 and EMU.

At a more abstract level, the (socioeconomic) content of Maastricht can be interpreted as reflecting the transnational configuration of social and political forces within the European political economy at the end of the 1980s. The Round Table here represented important sections of the ruling elite within that configuration and, as such, was one important forum from which that elite could shape the debates that at the ideological level conditioned the political bargaining process. However, it was in the run-up to Maastricht that the social democratic project led by Delors also temporarily gained momentum and at least partly helped to set the agenda for Maastricht, even if that agenda in the end largely failed to materialise.⁶⁸ Maastricht was neither a triumph for Thatcherite

hyperliberalism, nor the social democratic vision nor, for that matter, the neomercantilist strategy, but in fact contained elements of all three rival projects, even though it was biased in favour of the neoliberal project given the neoliberal orthodoxy underpinning the convergence criteria of EMU. Since Maastricht, however, the evolving European regime of socioeconomic governance has witnessed a further shift towards ‘disciplinary neoliberalism’ as the austerity race to meet the convergence criteria put even more people out of work and placed further strains on the welfare state. The EU further integrated itself into a global free trade regime under the new World Trade Organization (WTO) and ‘competitiveness’—increasingly narrowly defined as the freedom for transnational capital to maximise (short-term) profit—became the primary ‘benchmark’ for European public policy. Below I will argue that in the construction of this new European order we can once more observe the political and ideological agency of the ERT.

The ERT’s neoliberal offensive: shaping the discourse of European socioeconomic governance

After Maastricht the ERT’s neoliberal shift has been further consolidated as is revealed by reports that have increasingly come to focus on deregulation, labour market flexibility and downsizing the public sector, along with even more unequivocal expressions of its commitment to global free trade.⁶⁹ With regard to ERT’s strengthened free trade orientation, the crucial battle was probably that over the conclusion of the Uruguay Round of the GATT trade talks (in December 1993), which in retrospect probably signalled the final defeat of the ‘Europrotectionists’, both within the Round Table and the European capitalist class more widely.⁷⁰ After having reached internal unity on this point, the Round Table subsequently intensified its lobby campaign for a speedy conclusion of the trade negotiations and was probably one of the more important actors instrumental in changing the position of the French government.⁷¹ According to the then director of the GATT, Peter Sutherland, ‘the ERT was active and supportive of the Uruguay Round at the later stage when I was at the WTO’.⁷² The post-Maastricht period also witnessed a deepening of the consensus in favour of monetary union, with the Round Table becoming more active in supporting this project.⁷³ The crises of the European Monetary System in 1992 and 1993 convinced, in particular, the Germans that the ‘Deutschmarkzone’ did not provide sufficient stability. Moreover, the neoliberal wing of the Round Table has also come to be more convinced of the virtues of EMU, principally because of the ‘salutary’ disciplinary effects the EMU criteria have so far had, and continue to have, on the socioeconomic policies of Europe’s national governments.⁷⁴

In short, the emphasis on the positive role of market forces has never been so strong as in current Round Table discourse. The ERT of today stresses that we live in a new world, in which ‘nothing can be done today the same way as we did it yesterday; that is what we mean by “flexibility” and “freedom”’.⁷⁵ It is in the area of social and labour market policies that ERT’s discourse has become most explicitly neoliberal. Well aware of the negative employment effects of the

cost-cutting accumulation strategies that their companies have now adopted, the ERT capitalists in a 1993 report gloomily warned that ‘a hard core of persistent unemployment will remain into the next century’, but added that this core might yet be reduced if Europe is willing to ‘flexibilize and upgrade the supply of labour.’⁷⁶ The former is defined primarily in terms of external flexibility, which means that the burden of adjustment will have to be carried by labour as the ERT itself is in fact frank enough to admit: ‘[a] very large amount of the effort to adjust European labour markets will rely on labour’.⁷⁷ In the end, the desired ‘adaptation’ of labour implies a fundamental restructuring of state–society relations. Again the ERT is well aware of this and, speaking the language of hegemony, it appeals for the creation of a ‘new social consensus’:

Enabling Europe to return to high employment growth requires more than replacing policy instruments, it calls for a change of our economic and social structures. But governments are only able to change structures when there is a *new social consensus*, i.e. the convergence on principles and, ultimately, agreement on the goals for that change among the social partners, governments, the opinion leaders and, ultimately, population.... We need a consensus on the European level that *only a healthy, efficient and competitive private sector is able to provide sufficient jobs, and that markets should be left to allocate labour efficiently*.⁷⁸

Creating this new consensus means that the existing ‘distorted [*sic*] social balance’ has to be changed.⁷⁹ A key concept in the discourse within which this nascent hegemonic project of Europe’s transnational capitalist class is articulated is that of ‘competitiveness’. Competitiveness has come to function as such a key concept because of its potential to represent the ‘general interest’ as it appeals equally to neoliberals, neomercantilists and social democrats alike. But what competitiveness actually means, and how it has to be achieved, is an open question decided in concrete struggles. Below I argue that competitiveness is increasingly being defined in neoliberal terms and that the ERT has been one important forum promoting such a definition.

The new competitiveness discourse

Competitiveness has become the keyword not only in ERT’s discourse, but in socioeconomic discourse at large. The argument put forward here is that the ERT has been one of the more important ‘authors’ of this competitiveness discourse within the European context. The first testimony (at the EU level) of the power of this discourse was the Delors’s White Paper on ‘Growth, Competitiveness and Employment’, which has since become one of the main intellectual reference points in the socioeconomic policy debate within the EU.⁸⁰ Different pieces of evidence suggest that the ERT had a significant input into the development of this key Commission document.⁸¹ At the press conference after the December 1993 Brussels summit at which Delors had presented his White Paper, the then Commission president recalled his consultation with industry and the support he had received for his proposals from the ERT.⁸² The week before Delors had also

participated in the press presentation of the ERT report *Beating the Crisis* which was conceived as its contribution to the Commission's future economic strategy.⁸³ As a senior ERT official commented upon the relation between these two reports:

It was very parallel, and we saw their drafts and they saw our drafts. And one of my friends, a very senior official in the Commission, he said to me, there is basically no difference between them ... very similar, growth, investment, competitiveness, and employment. What we have tried to do is to get these things fixed together in people's minds ... the message is the same, these things all go together, you won't fight unemployment if you don't fight for competitiveness, you won't get growth if you don't have investment.⁸⁴

Indeed, careful reading of the two reports does reveal some striking similarities. Most importantly, they share the basic premise that higher growth and employment can only be achieved through promoting the competitiveness of European industry. Moreover, the strategy (with regard to these objectives) outlined by the White Paper also echoes that of *Beating the Crisis*. In the Commission document, the road to higher employment follows a strategy based on the three 'inseparable elements'—a 'macroeconomic framework which instead of constraining market forces ... supports them', structural adjustment of policies 'aimed at increasing the competitiveness of European industry and at removing the rigidities which are curbing its dynamism', and 'active policies and structural changes in the labour market and in the regulations'.⁸⁵ Just as the concept of industrial policy is recast in a more liberal frame, so is the Delorist vision of a 'social Europe' further watered down.

Notwithstanding this, Delors's Paper was still largely an attempt at a compromise between neoliberals and social democrats.⁸⁶ Since then, however, competitiveness has increasingly been defined in neoliberal terms within the Commission's policy discourse. As indicated, the ERT has constituted a key forum within which this neoliberal competitiveness discourse has been articulated. A senior ERT official explained the process as follows: '[t]he members of the European Round Table perceive it as their role to make some input into policy making at the European level on those issues which are of crucial importance for the economic strength of Europe, what we are now calling the sort of general term of competitiveness. *And competitiveness is now a useful word but it is really like a paper bag into which you put things*'.⁸⁷ What the ERT has been trying to put in the bag—that is, the meaning it has sought to attach to the concept of competitiveness—is increasingly neoliberal in origin. The past is revealing here. Although competitiveness as a political catchword has only recently risen to its current heights, it was already much talked about in the 1980s. However, the meaning of competitiveness then was still primarily bound up with a neomercantilist ideology in which it meant being able to compete in the global market place by first shielding oneself from the forces of global competition in order then to enter the fray on the basis of increased strength achieved partly through *non-market* means. Now, however, competitiveness

means survival of the fittest in the fully open environment of a global free market in which competitive performance is what the market measures it to be.

The ERT's promotion of this concept of competitiveness has certainly contributed to its wider acceptance within European governance. A first testimony to this was the setting-up by the EU of a 'Competitiveness Advisory Group' (CAG) in the beginning of 1995, just over a year after the ERT had first proposed the creation of such a group.⁸⁸ The CAG membership consists of CEOs, as well as leading trade union representatives and other 'eminent persons' (usually former politicians), but is dominated by the former group.⁸⁹ At the time of its founding, three ERT members (Barnevik, Maljers & Simon) joined the 13 member council and at present Marco Tronchetti Provera (of Pirelli) maintains the links between the two groups. It should not surprise us therefore that the 'advice' this group has so far given (in six-monthly reports to the European Council) closely resembles that of the ERT, with both the Round Table and the CAG spreading the new competitiveness gospel.⁹⁰ As a senior official of the ERT remarked, 'one thing that is quite important in this whole scenario is multiplicity of messages and delivery systems around the whole theme'.⁹¹

As an operationalisation of its competitiveness ideology, the ERT has, in tandem with the CAG, started to promote the concept of 'benchmarking' *vis-à-vis* the Commission and the member states. Benchmarking means 'measuring the performance' of individual firms, sectors, but also of nations against that of the 'best competitors' in the world.⁹² After launching the idea, the Round Table organised several seminars with Commission and government officials to promote the concept.⁹³ In its report *Benchmarking for Policy-Makers*, the ERT is very explicit about how policy makers should 'measure' competitiveness: the country or (macro) region that is most competitive is the country that is most successful in attracting mobile capital. As the report put it, 'governments must recognise today that every economic and social system in the world is competing with all the others to attract the footloose businesses'.⁹⁴ That the expected outcome of this competition for transnationally mobile capital will be a deepening of neoliberal restructuring transpires from the kind of 'benchmarks' that are, for instance, proposed with regard to the policy goal of creating employment: the level of 'labour costs ... the flexibility of labour ... working and factory hours ... termination costs'.⁹⁵ The Maastricht criteria are also mentioned as a successful application of the benchmarking concept.⁹⁶ At the same time, the ideological potential of a concept like benchmarking, and indeed its capacity to appeal to a wider set of forces within society and to incorporate them into the emergent hegemonic bloc, is also not lost on the Round Table capitalists as the report stresses that benchmarking is 'not just an analytical device' but also 'carries a symbolic message':

At a time when the European model of society is experiencing some difficulties, and change may be perceived as painful (though not nearly so painful as the results of not changing), the role of symbols in mobilising human effort may become more important, and benchmarking can be part of this.⁹⁷

Competitiveness and benchmarking have also accordingly become the key concepts within the public (socioeconomic) policy discourse of the EU. Analysing the policy documents of the Commission one also sees how these concepts are mobilised to promote a programme of neoliberal restructuring aiming to remove, in the words of the Director-General for Industry, the still remaining ‘rigidities and distortions ... that prevent Europe from fully exploiting its potential’.⁹⁸ The ERT’s promotion of the concept of benchmarking *vis-à-vis* the Commission has been particularly successful. In the same month that the ERT published its report the Industry Directorate-General came out with a document entitled *Benchmarking the Competitiveness of European Industry* in which it suggested that benchmarking should be used as a central policy guideline at all levels of EU governance.⁹⁹ In a follow-up communication the Commission explicitly acknowledged the input of the ERT as the first business organisation to draw the Commission’s and the Council’s attention to the benchmarking concept.¹⁰⁰ In this communication—and at the request of the Council of Ministers¹⁰¹—the Commission launched a number of concrete initiatives to put the concept into practice, including the establishment of a ‘High Level Group on Benchmarking’—made up of ‘experts’ from industry—and the initiation of a number of so-called pilot projects in different member states to start identifying Europe’s ‘weaknesses and inefficiencies’ at the enterprise, sectoral and public policy level (or what is referred to as ‘framework conditions’).¹⁰²

Invoking the inevitability of globalisation and ‘hence’ the need for adaptation, the Commission defines benchmarking as a tool for improving competitiveness and for promoting ‘the convergence towards best practice’.¹⁰³ This involves the global ‘comparison of societal behaviour [*sic*], commercial practice, market structure and public institutions’.¹⁰⁴ As the ‘High Level Group on Benchmarking’—chaired by a board member of Investor, the investment company controlling the global Wallenberg empire—makes clear in its first report, the object of all these ‘comparisons’ is to promote rapid ‘structural reforms’ that will allow Europe to adapt to the exigencies of globalisation: ‘this involves further liberalisation, privatisation ... more flexible labour laws, lower government subsidies, etc.’¹⁰⁵ Similarly, the Commission identifies labour market reform as a ‘vital factor for the competitiveness of European industry’, calling for ‘a radical rethink of all relevant labour market systems—employment protection, working time, social protection, and health and safety—to adapt them to a world of work which will be organised differently’.¹⁰⁶

Conclusion

To sum up, then, the social purpose of the new Europe is increasingly oriented to serve the interests of a globalising transnational capitalist class. This article has argued that the European Round Table has developed into a key elite organisation articulating and defining the interests of this class and propagating them *vis-à-vis* the European institutions and within public debate. As such, it has been claimed that the ERT has played a significant role in mediating the material and ideological power of this transnational class and thus in contributing to the neoliberal transformation of European order. Nevertheless, capital too, and in

particular industrial capital, cannot live by the logic of what Karl Polanyi called the self-regulating market alone, but needs supporting government policies and social (non-market) institutions in order to accumulate wealth.¹⁰⁷ These conflicting requirements of capital may work themselves out in different ways, depending on the prevalent configuration of social forces. Given the preponderance of globalising transnational capital within that configuration the conflict for now is settled in favour of ‘the principle of economic liberalism’ and all its socially uprooting effects.¹⁰⁸ Still, at least within continental Europe, the neoliberal project has yet fully to disembed the European market economy from its postwar social and political institutions. On the one hand, primacy lies with freedom of capital and markets, implying that the postwar ‘European model’ needs to be fundamentally restructured. On the other hand, it is recognised that this restructuring process cannot take place overnight and that it will have to be a gradual process in which a high degree of social consensus is maintained. These limits to a fully-fledged (*laissez-faire*) neoliberalism are even acknowledged by the ERT, which, after all, is predominantly a club of transnational industrial capitalists¹⁰⁹ who tend to be more aware (than financial capitalists) of the social requirements of the reproduction of capital. Thus, notwithstanding its neoliberal competitiveness discourse, the ERT also still calls for a *European Ordnungspolitik* clearly more in tune with the German model of Rhineland capitalism than with the (UK) neoliberal model. Moreover, in spite of the opposition that the ERT has waged against EU social policies, it is also keen to preserve the ideology and practice of ‘social partnership’, thus rejecting a fully-fledged neoliberal (Anglo-Saxon) model of industrial relations.¹¹⁰

Still, this articulation of the original neoliberal project with some elements of what were originally opposing projects (neomercantilism and transnational social democracy) thus far seems to be more of a hegemonic strategy of incorporation that seeks to further the neoliberal agenda than one that offers genuine prospects for a substantive ‘embedding’ of the new European market. In other words, the limited elements of ‘embeddedness’ that we may discern in the ERT’s discourse seem to be primarily oriented towards the interests of globalising transnational capital. The question remains, then, as to what extent the social purpose of the emergent European order may yet be constructed on a different ideological basis than that contained in the idea that the ultimate ‘benchmark’ for the ‘performance’ of a society is its ability to accumulate wealth in private hands. The answer depends at least in part upon the extent to which labour, as well as other groups that lose out in the neoliberal globalisation process, will be able to form a stronger countervailing power at both the national and European levels. From a critical perspective, the examination of these possibilities, however remote they may presently seem, should be a necessary complement to the research agenda that has informed this discussion of the ideological power of Europe’s emergent transnational capitalist class.

Notes

For useful comments and suggestions I am grateful to Colin Crouch, Stephen Gill, Otto Holman, Thomas Risse, Wolfgang Streeck, the editors of *NPE* and two anonymous referees.

1. An exception is formed by Otto Holman, 'Transnational Class Strategy and the New Europe', *International Journal of Political Economy*, Vol. 22, No. 1 (1992), pp. 3–22. For the best documented study of the role of the ERT in the Europe 1992 programme, see Maria Green Cowles, *The Politics of Big Business in the European Community: Setting the Agenda for a New Europe*, unpublished PhD Dissertation, The American University, 1994. See also Maria Green Cowles, 'Setting the Agenda for a New Europe: The ERT and EC 1992', *Journal of Common Market Studies*, Vol. 33, No. 4 (1995), pp. 501–26; Nicola Fielder, *Western European Integration in the 1980s: The Origins of the Single Market* (Peter Lang, 1997); and Wayne Sandholtz & John Zysman, '1992: Recasting the European Bargain', *World Politics*, Vol. 42 (1989), pp. 95–128. The research on the ERT presented in this article has been conducted for the author's PhD Dissertation (Bastiaan van Apeldoorn, *Transnational Capitalism and the Struggle over European Order*, unpublished PhD Dissertation, The European University Institute, 1999). The lion's share of the research material consists of about two dozen interviews with (former) members, senior officials and so called 'associates' of the ERT. Unless indicated otherwise, all interviews cited have been conducted by the author. The interviews were conducted in the native language of the interviewee (either English, German, French, Dutch, or Italian); translations (of quotations) into English are my own.
2. A good introduction to the 'neo-Gramscian school' of IR is provided by Stephen Gill (Ed.), *Gramsci, Historical Materialism and International Relations* (Cambridge University Press, 1993). See also Kees van der Pijl, *Transnational Classes and International Relations* (Routledge, 1998) and Robert Cox, with Timothy Sinclair, *Approaches to World Order* (Cambridge University Press, 1996).
3. The intergovernmentalist perspective has been most developed by Andrew Moravcsik. See his *The Choice for Europe* (Cornell University Press, 1998). A recent collection of essays by authors working from a supranationalist perspective—which draws at least in part on earlier neofunctionalist theories—can be found in Wayne Sandholtz & Alec Sweet Stone (Eds), *European Integration and Supranational Governance* (Oxford University Press, 1998).
4. Borrowing the words of John Ruggie, 'International Regimes, Transactions and Change: Embedded Liberalism in the Postwar Economic Order', *International Organization*, Vol. 36, No. 2 (1982), p. 382.
5. The rationalist assumptions are strongest and most explicit in the (liberal) intergovernmentalism of Moravcsik (see his *The Choice for Europe*). Neofunctionalists and later supranationalists have always been drawn from time to time to the role of ideas and values in supporting the European integration process, but without asking the question what kind of ideas support what kind of European order.
6. See, for instance, Sandholtz & Zysman and their interpretation of the ERT—with regard to its role in the 1992 process—as a 'political interest group [constituted] by community action' and used, as such, by the Commission to push through its programme (Sandholtz & Zysman, '1992', p. 117).
7. There are now about 45,000 TNCs in the world (up from 7,000 in 1970), together controlling US\$3.2 trillion in foreign direct investment (FDI) stock (up from US\$282 million in 1975). Indicating the present centrality of TNCs in the world economy, it is estimated that the 600 largest TNCs are producing more than a fifth of the world's real net output of industrial production, whereas about 40 per cent of employment in the industrialised world depends directly or indirectly on TNCs. See *World Investment Report 1997: Transnational Corporations, Market Structure and Competition Policy* (United Nations, 1997).
8. The two most important works of Van der Pijl in this respect are his *Transnational Classes* as well as his earlier *The Making of an Atlantic Ruling Class* (Verso, 1984).
9. Leslie Sklair, 'Social Movements for Global Capitalism: The Transnational Capitalist Class in Action', *Review of International Political Economy*, Vol. 4, No. 3 (1997), p. 520.
10. Most fundamental are the functional difference between financial and industrial capital as well as differences in what we could call the geographical scale of operation of capital, where, even within the elite of large transnational corporations, we find important differences as some firms are more global than others (which may limit their transnational activities only to a single region of the global economy). Cf. Van der Pijl, *Transnational Classes*.
11. For Gramsci hegemony signified a mode of governance that rests upon a set of institutionalised practices and norms 'freely accepted' by subordinate groups but nevertheless expressing a structure of domination. See Antonio Gramsci, *Selections from the Prison Notebooks of Antonio Gramsci* (Lawrence & Wishart, 1971), pp. 169–70 and *passim*.
12. Here I draw upon the work of Van der Pijl (*Transnational Classes*, esp. ch. 4), as well as that of Stephen Gill, *American Hegemony and the Trilateral Commission* (Cambridge University Press, 1990).

13. Cf. Wolfgang Streeck & Philippe Schmitter, 'From National Corporatism to Transnational Pluralism', *Politics and Society*, Vol. 19, No. 2 (1991), pp. 133–64.
14. Stephen Gill, 'European Governance and New Constitutionalism: Economic and Monetary Union and Alternatives to Disciplinary Neoliberalism in Europe', *New Political Economy*, Vol. 3, No. 1 (1998), p. 5.
15. Wisse Dekker, quoted in 'Industrialists Drive for a Stronger Europe: Interview with Professor Dr Wisse Dekker', *Europe 2000*, Vol. 2, No. 2 (1990), p. 18.
16. Monod, quoted in ERT, *European Industry and the Developing World: A Dialogue between Partners* (European Round Table of Industrialists, 1994), p. 1.
17. Letter from Dr Helmut O. Maucher to the author, dated 12 June 1997.
18. On ERT's formation, and the role of Davignon, see also Cowles, *The Politics of Big Business*, chs 3 and 4. As Cowles and others have also stressed, UNICE's relative weakness was one background factor against which we have to understand the formation of the ERT. Davignon, who for years had been trying to strengthen the ties between business and the EC executive, also did not find UNICE a suitable interlocutor for the Commission as he regarded it more as a traditional lobby club than as a 'partner with which a dialogue could be developed' (interview with Etienne Davignon by author and Otto Holman, Brussels, 6 June 1993).
19. These are the words of co-founder Wisse Dekker, quoted in 'Industrialists Drive for a Stronger Europe', p. 17.
20. The ERT meets in a Plenary Session twice a year, but the existence of a Steering Committee (the organisation's leadership), a Brussels-based secretariat, numerous working groups on different policy themes and the assistance of so-called 'associates' (also often senior managers from ERT companies) ensure a more continuous activity of the group.
21. In terms of organisation the ERT is very small and non-bureaucratic, but a key role is played by a Secretary-General and an Assistant Secretary-General.
22. Interview, Brussels, 24 May 1996. My emphasis.
23. *The Financial Times*'s Europe 500 at http://www.ft.com/ftsurveys/ft5_eur.htm.
24. *Fortune*'s 1998 Global 500 at <http://cgi.pathfinder.com/fortune/global500>.
25. One indicator of this internal coherence and the networking by which it is supported can be found in the high number of ERT members that are 'outside directors' of other ERT companies. See Van Apeldoorn, *Transnational Capitalism*, ch. 4.
26. Streeck & Schmitter, 'From National Corporatism to Transnational Pluralism'. The number of 'interest groups' seeking to influence European policy making has grown dramatically since Europe's *relance* in the mid 1980s and is now estimated by the Commission to total about 3,000, including over 500 European and international federations. See Justin Greenwood, *Representing Interests in the European Union* (Macmillan, 1997), p. 3.
27. In the growing literature on organised interests in the EU part of the debate has come to revolve around the question of whether these emerging supranational patterns of interest representation are either (neo)corporatist or pluralist. See, for example, Sonia Mazey & Jeremy Richardson (Eds), *Lobbying in the European Community* (Oxford University Press, 1993) and Justin Greenwood *et al.* (Eds), *Organized Interests and the European Community* (Sage, 1992). I maintain that the ERT fits neither 'model' well.
28. It should be pointed out that, in fact, this was a gradual development and that what follows is an interpretation of the ERT of today. Moreover, as we shall see later on, the early ERT could not yet function as an elite organisation for Europe's transnational capitalist class because initially its membership was too narrowly concentrated in certain sectors of European industry.
29. Interview, Essen, 4 September 1996.
30. Interviews.
31. Interview with senior German ERT associate, Brussels, 30 May 1996.
32. Interview, Antwerp, 21 May 1996.
33. Telephone interview, 27 January 1998.
34. Or, as in the words of one long-serving ERT associate, who drew the comparison with the US Business Roundtable (which has four times as many members as the ERT), the ERT is 'less interested in specific themes ... within the life of the firms [and more] interested ... in themes of the medium-long term, that is to say, themes that concern the future of Europe', whereas its US counterpart is 'much more lobbystic'. Interview, Ivrea, 2 December 1997.

35. Interview, London, 12 September 1996.
36. On the concept of agenda-setting, see Cowles, *The Politics of Big Business*.
37. Keith Richardson, 'Europe's Industrialists Help Shape the Single Market', *Europe*, EC Commission Office, Washington D.C., December 1989. Direct contacts between ERT members and political leaders have, according to one ERT official, been especially developed under the chairmanship of Jérôme Monod (from 1992 to 1996), who, with his own political past and continuing strong links to French politics and politicians, further fostered this mode of communication. It was 'under Monod that the idea of going to see Juppé, Kohl, and so on [became normal practice]. That was very much Monod's habit, to pick up the phone [and say] OK, we go and see somebody, we go and see Balladur to get the Uruguay Round tied up'. Interview, Brussels, 24 May 1996.
38. This tradition was first established with Delors and continued with subsequent Commission president Jacques Santer. Interview with senior ERT official, 24 May 1996.
39. Former Commission President François-Xavier Ortoli was also a member for a short period in the early 1990s.
40. Interview, Ivrea, 2 December 1997.
41. See, respectively, Andrew Moravcsik, 'Negotiating the Single European Act: National Interests and Conventional State Craft in the European Community', *International Organization*, Vol. 45 (1991), pp. 19–56; and Sandholtz & Zysman, '1992'.
42. A somewhat similar approach has been recently advocated by Liesbet Hooghe & Gary Marks in 'The making of a polity: the struggle over European integration', in: Herbert Kitchelt *et al.* (Eds), *Continuity and Change in Contemporary Capitalism* (Cambridge University Press, 1999), pp. 70–97. Hooghe & Marks, however, do not propose a theoretical framework to understand which actors play what role in the struggle over European integration and what might account for the outcome of that struggle.
43. For a more elaborate analysis of these three projects and of the context in which they developed, see Van Apeldoorn, *Transnational Capitalism*, ch. 3.
44. See, for an account of this strategy, Joan Pearce & John Sutton, *Protection and Industrial Policy in Europe* (Routledge & Kegan Paul, 1986).
45. See George Ross, *Jacques Delors and European Integration* (Polity Press, 1995).
46. This division of European capital is an adaptation from one proposed by Holman in 'Transnational Class Strategy and the New Europe'.
47. For a more elaborate analysis of this early ERT strategy and how it was bound up with the structural composition of its membership, see Van Apeldoorn, *Transnational Capitalism*, ch. 5.
48. ERT, *Foundations for the Future of European Industry*, Memorandum to EC Commissioner Davignon, 10 June 1983.
49. An argument that is also made more elaborately by Cowles, *The Politics of Big Business*, ch. 4 (see also Cowles, 'Setting the Agenda'). Moravcsik, *The Choice for Europe*, ch. 5, denies the initiating role of the ERT in this respect, but fails to come up with convincing evidence contradicting that of Cowles.
50. ERT, *Changing Scales* (Roundtable of European Industrialists, 1985), pp. 3, 15.
51. See Cowles, *The Politics of Big Business*, ch. 4. See also Alex Krause, *Inside the New Europe* (Harper-Collins, 1991).
52. Telephone interview with Peter Sutherland, 27 January 1998. In order to help to keep momentum behind the implementation of Europe '92, the ERT set up a 'watchdog' committee, the Internal Market Support Committee (IMSC), whose members (all prominent Round Table members) had many private consultations with both the Commission and with national government leaders, top-level meetings that were supported by 'thousands of contacts on an *ad hoc* basis' between ERT associates and Community officials. Interview with Wisse Dekker by author and Otto Holman, Eindhoven, 6 September 1993.
53. Including CEOs from these sectors within the ERT. Interviews.
54. See Brian T. Hanson, 'What Happened to Fortress Europe?: External Trade Policy Liberalisation in the European Union', *International Organization*, Vol. 52, No. 1 (1998), pp. 55–85.
55. One prominent representative of ERT's neoliberal wing at that time, the then chairman of Unilever, Floris Maljers, in fact indicated that the 'struggle between liberals and protectionists' became a constant feature of the internal policy debates at the end of the 1980s and beginning of the 1990s. Interview by Otto Holman and author, Rotterdam, 3 September, 1993.
56. For evidence on the 'globalisation' of ERT's membership, see Van Apeldoorn, *Transnational Capitalism*, ch. 6. The biggest sudden change in the composition of membership was due to a merger in 1988 with

- another, but largely ineffectual, transnational business forum, the *Groupe des Présidents*, whose membership included more truly global TNCs and which thus had a more liberal and free-trade orientation. Interviews.
57. ERT, *Reshaping Europe* (European Round Table of Industrialists, 1991).
 58. Interviews.
 59. See, for a detailed analysis of these and other factors, Wayne Sandholtz, 'Choosing Union: Monetary Politics and Maastricht', *International Organization*, Vol. 47, No. 1 (1993), pp. 1–39.
 60. Apart from communicating its neoliberal views through its reports and through other channels, at several critical moments the ERT also intervened directly to halt the construction of 'Social Europe'. For instance, as chairman of the ERT, Wisse Dekker sent a letter to Commission President Delors and all 12 EC ambassadors rejecting the proposed European Company Directive, arguing that industrial relations should remain at the national level. See Martin Rhodes, 'The Social Dimension of the Single European Market: National versus Transnational Regulation', *European Journal of Political Research*, Vol. 19, No. 2 (1991), p. 260.
 61. Interview with senior ERT Official, Brussels, 27 April 1993.
 62. Interview with Maljers (by Otto Holman and author), Rotterdam, 3 September 1993.
 63. *Ibid.* A senior official of the ERT also recalls a lengthy meeting between an ERT delegation and the then prime minister Ruud Lubbers at the time of the Dutch presidency under which Maastricht was concluded. Interview, 24 May 1996.
 64. <http://amue.lf.net>.
 65. *Agence Europe*, No. 4728, 22 February 1988.
 66. Moravcsik, *The Choice for Europe*, pp. 393, 434.
 67. *Agence Europe*, No. 4811, 25 June 1988.
 68. See, for a more elaborate discussion, Van Apeldoorn, *Transnational Capitalism*, ch. 7. See also Ross, *Jacques Delors*.
 69. See, for instance, ERT, *Beating the Crisis: A Charter for Europe's Industrial Future* (European Round Table of Industrialists, 1993).
 70. This was at least the perception of former ERT Vice-Chairmen Floris Maljers (interview by Otto Holman and author, Rotterdam, 3 September 1993) and David Simon (interview, London, 12 September 1996).
 71. At least, according to a senior ERT official, who related that the ERT, then chaired by Frenchman Jérôme Monod, met with French prime minister Balladur to discuss with him how the French government could say 'yes' to the conclusion of the Uruguay Round (which is what it wanted to do but did not know how to effect given domestic opposition) without angering public opinion, and particularly the farm lobby too much. Interview, Brussels, 24 May 1996.
 72. Telephone interview with Peter Sutherland, 27 January 1998.
 73. Thus, in a letter sent by the ERT to all the heads of state and government on the eve of the Madrid European Council of December 1995, the ERT reiterated its full support for monetary union and asked the government leaders to ensure 'monetary stability based on economic convergence and financial discipline'. Mimeo., letter dated 17 October 1995 and signed by Jérôme Monod, then Chairman of the ERT. A copy of the letter was also sent to Commission president Jacques Santer and the issue was discussed with him a few weeks later.
 74. As a current prominent ERT member notes, 'Maastricht already has had its biggest effect. It would never have come to such a convergence if it had not been for the Maastricht criteria. Belgian politics [for instance] is unthinkable without Maastricht, then we would not have any brake on making big deficits'. Interview, Antwerp, 21 May 1996.
 75. ERT, *Beating the Crisis*, p. 28.
 76. ERT, *European Labour Markets: An Update on Perspectives and Requirements for Job Generation in the Second Half of the 1990s* (European Round Table of Industrialists, 1993), pp. 8 and ii.
 77. *Ibid.*, p. 16.
 78. *Ibid.*, p. 9. Emphasis in the original.
 79. *Ibid.*, p. ii.
 80. European Commission, *Growth, Competitiveness, Employment: The Challenges and Ways Forward into the 21st Century* (Office for Official Publications of the European Communities, 1994).
 81. In the view of former ERT Vice-Chairman André Leysen the White Paper can be taken as a good example of ERT's influence. Interview, Antwerp, 21 May 1996.

82. *Agence Europe*, No. 6127, special edition, 12 December 1993.
83. *Agence Europe*, No. 6122, 6 December 1993.
84. Interview, Brussels, 24 May 1996.
85. European Commission, *Growth, Competitiveness, Employment*, p. 61.
86. This point is also made by Ross, *Jacques Delors*, pp. 224–5.
87. Interview, Brussels, 24 May, 1996. My emphasis.
88. ERT, *Beating the Crisis*, p. 27.
89. For a list of present and former members as well as other information on the CAG, see <http://europa.eu.int/comm/cdp/cag>.
90. See its first four reports, as collected in Alexis Jacquemin & Lucio R. Pench (Eds), *Europe Competing in the Global Economy: Reports of the Competitiveness Advisory Group* (Edward Elgar, 1997).
91. Interview, Brussels, 24 May 1996.
92. ERT, *European Competitiveness*, p. 4.
93. Interviews. See also *Agence Europe*, 23 November 1996.
94. ERT, *Benchmarking for Policy-Makers: The Way to Competitiveness, Growth and Job Creation* (European Round Table of Industrialists, 1996), p. 15.
95. *Ibid.*, p. 13.
96. *Ibid.*, p. 18.
97. *Ibid.*, p. 17.
98. Director-General for Industry, Stefano Micossi, in the ‘Preface’ of European Commission, *The Competitiveness of European Industry* (Office for Official Publications of the European Communities, 1997), p. 5.
99. European Commission, *Benchmarking the Competitiveness of European Industry*, Com (96) 436 final, 9 October 1996, pp. 16 and ff.
100. European Commission, *Benchmarking: Implementation of an Instrument Available to Economic Actors and Public Authorities*, Com (97) 153/2, 16 April 1997, p. 3.
101. At the Industry Council of 14 November 1996. The Council recently called again upon the Commission ‘to ensure the ongoing development of benchmarking’ at all levels. See European Commission, *Bulletin EU*, 4-1999, point 1.3.79.
102. Commission, *Implementation*.
103. Commission, *Benchmarking*, p. 16, and Commission, *Implementation*.
104. Commission, *Implementation*, p. 3.
105. High Level Group on Benchmarking, ‘First Report by the High Level Group on Benchmarking’, *Benchmarking Papers*, No. 2 (1999), European Commission, Directorate-General III, p. 13.
106. European Commission, *Benchmarking*, p. 11. See also European Commission, *Benchmarking*, ch. 4.
107. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Beacon Press, 1957).
108. *Ibid.*, p. 132.
109. Although in the case of some key ERT members the phrase ‘finance capitalists’ would be more correct given the links these industrialists have (via interlocking directorates) to financial institutions.
110. For a more elaborate analysis of these ‘limits to neoliberalism’ in ERT’s current discourse, see Van Apeldoorn, *Transnational Capitalism*, ch. 8.