

European Politics

NEW EDITION

A Comparative Introduction

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macmillan

Europe: a continent in the making

People into empires

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Russia, Ukraine, Georgia and indeed Turkey, despite the fact that all of them pop up in the European section of newspapers and news magazines and despite the fact that they could claim (and in the case of Turkey are claiming) to be sufficiently European to join the EU. The Europe covered here basically encompasses those states located between the Mediterranean in the south and Arctic in the north, and between the Atlantic in the west and the Urals and the Caspian Sea in the east. Most of our focus will be on the twenty-five states that make up the EU, as well as inveterate non-joiners like Norway and Switzerland, and soon-to-be-admitted Bulgaria and Romania. This means there is less focus on the Balkan countries of the former Yugoslavia – although, as we shall see below, they have played a dynamic part in European history and provide an extreme example of what can happen when, as is the case in several European countries, multiple nations and/or ethnicities are obliged to live together in just one state.

The first aim of this chapter, however, is to provide some historical background to those concerns. It hopes to show not just how Europe got where it is today, but how some of what happened to it along the way still resonates with and helps to structure the contemporary continent. The latter then becomes the chapter's main focus as it explores what Europe looks like now and how is it changing – economically, demographically and sociologically. All three aspects play a huge part in political processes, preoccupations and possibilities, not least because they help structure what political scientists call cleavages.

Definition

To a political scientist, **cleavages** are splits or divisions in a society that give rise to conflicts that may well be expressed in political form – often, though not necessarily, via the formation

Covering around ten million square kilometres or just under 4 million square miles, Europe is the second smallest of the world's seven continents. But it is number three in terms of population: over 725 million people live there, some thinly spread in the cold of the far north or the heat of the far south, but most packed closely together in towns and cities. That population density, combined with centuries of international trade and the fact that it was the home of the industrial revolution, has made Europe one of the richest and most powerful parts of the globe. Historically, it was also one of the most violent. Its turbulent history was crowned in the twentieth century by two world wars, after which it was divided during nearly fifty years of Cold War into the capitalist 'West' and the communist 'East'. With the collapse of the latter, however, Europe now contains more genuinely democratic states than any other continent on earth.

But Europe, like most continents, is not just a place, a geographical container for those states. It is also an *idea* and an *identity* (see Pagden, 2002). Indeed, because of this, it is actually quite difficult to define it as a place. Our notions of where it begins and ends are fuzzy; they change to suit our conceptions of who should be in and who should be out. The Europe covered in this book is as much of a conventional and convenient fiction as any other. For instance, it excludes some states like

of opposing parties representing people on either side of the split. The most obvious example is the so-called 'owner-worker' cleavage between those who make their living from the skilful use of capital and those they employ – the cleavage that gave rise to the left–right division that still does much to structure politics today. More recently, some political scientists have identified cleavages that are less sociological than they are values-related. One example would include a split between those happy with a more cosmopolitan and multicultural society and those opposed to such developments. Another (possibly related or overlapping) cleavage would be the split between the majority for whom their standard of living is important and a minority who, once their basic needs are met, are more concerned about a whole host of issues to do with equality, peace and justice: this is the so-called 'materialist–postmaterialist' cleavage (see Chapters 5–7).

Exploring the 'then and now', and indeed the 'where next?' helps us to question and qualify some of the common wisdom surrounding social and economic (and so, perhaps, political) change: for instance, the welfare state appears to be alive and well, education has not brought about the classless society as yet and women are not doing as well as some of their mothers and grandmothers might have hoped. The chapter shows that European countries, and the people who live in them, may be growing a little less unlike each other. But it also gives us little reason to think that either Europeanization (which we defined in the Introduction) or *globalization* (discussed in Box 1.1), necessarily entail convergence, let alone homogenization. Europe may be coming together literally as well as figuratively in the guise and under the umbrella of the EU. As a result, it is already more than simply the sum of its parts. But, at the beginning of the twenty-first century, the contrasts and contradictions between those parts – contrasts and contradictions that emerged over hundreds and thousands of years of often overlapping development – are not disappearing quite as fast as we might think.

People into empires

People have been around in Europe since the first Stone Age. From around 6000 BC nomadic hunter-gathering began to give way to farming. And by the time the first 'Indo-Europeans' began arriving in the southern and western part of the continent after 2500 BC, people were already working bronze, trading and practising religious rites. Early civilizations included the Minoans of Crete and the Indo-European Mycenaeans, who by 1500 BC not only controlled most of Greece but had also supplanted the Minoans. In more central parts of Europe, a rapidly expanding population was beginning to work iron and had already begun to form (language) groups with which we are still familiar today. Celts lived at the western borders of the continent, Slavs in the east and the Germanic peoples in the north. In the south, the Greeks had recovered from the decay of the Mycenaean culture and now formed a number of powerful city-states. They were also expanding into what we now call southern Italy – a land whose northern half was peopled by the Villanovans and then the Etruscans, who, soon after it was founded, took control of Rome.

In the fifth century BC, however, it was the city-state of Athens which, after fighting off Persia (modern-day Iran), was the foremost power in Europe. It was also home to many of the classical political philosophers, such as Aristotle and Plato, whom we read even today. Its ambitions proved too strong for its own good, however. Greece descended into a series of wars between the various cities, the devastating consequences of which made it relatively easy prey for Macedonia, to the north. Macedonia's Alexander the Great then proceeded to forge an empire from both Greece and Persia. By the middle of the second century BC, however, that empire was controlled by the Romans. Previously they had taken not only all of Italy, but also that part of Europe that bordered the Mediterranean sea, as well as much of North Africa and the Middle East. Although Greek culture was allowed to thrive by the Romans, they insisted that all those living under their protection become citizens of Rome and encouraged the use of the Latin language. This, and their commit-

ment to building a transport infrastructure, facilitated trading and other contacts among the peoples of Europe (and North Africa and the Middle East). This helped usher in a period of prosperity and economic development throughout the continent.

Despite a series of civil wars, the Roman Empire persisted into the fourth century AD. By then, Christianity had become what amounted to its 'official religion', and the political and administrative centre of gravity had shifted east to Constantinople (now Istanbul). By the fifth century, however, Germanic peoples such as the Franks, the Visigoths and the Vandals (famous for their sackings of Rome) had first undermined and then destroyed the western part of the empire. What they did not undo, though, was the widespread use of Latinate languages and Christianity, with the latter increasingly under the sway of the head of the Roman Catholic church, the Pope. By the beginning of the ninth century AD, this religious power combined to mutual advantage with the military and political power of the Franks to form what became known as the 'Holy Roman Empire', under Charlemagne.

Empires into nations

This new empire, however, was a rather loosely coupled affair with overlapping authority exercised by various kings and princes. It also proved no more immune to invasion and division than its Greek and Roman predecessors. The Vikings came from Scandinavia and settled in mainland Europe, including the northernmost part of France, eventually producing a duke, William of Normandy, who became the conqueror of England in 1066. Elsewhere, too, monarchs other than the emperor, as well as lesser nobles, monastic orders such as the Benedictines, and eventually the papacy itself, dominated their own territories, wherein the 'feudal system' (the granting, from the king downwards, of land and rights in exchange for military and political support) gradually took hold. At the same time, Europe's economy and population expanded prodigiously, as did the towns and cities which, despite the power of the feudal nobility

BOX 1.1 Globalization or globaloney?

Globalization has got to be the biggest buzzword of the 21st century so far. But like many buzzwords its meaning is a little fuzzy and the evidence for it not always as solid as those who bandy it about often assume. In short, the fact that the concept is used so often – as well as blamed or praised for almost all the woes and the wonders of contemporary life – does not make it true or mean that it explains that much.

As far as meaning goes, there are many versions (see Scholte, 2001). But the most popular ones are encapsulated in the following definitions:

The intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice-versa' (Giddens, 1990: 64).

'A process (or set of processes) which embodies a transformation in the spatial organization of social relations and transactions – assessed in terms of their intensity, intensity, velocity and impact – generating transcontinental or inter-regional flows and networks of activity' (Held et al., 1999: 16).

'A social process in which the constraints of geography on economic, political, social and cultural arrangements recede, in which people become increasingly aware that they are receding and in which they act accordingly' (Waters, 2001: 5).

Apart from this apparent collapse of time, space and national and regional difference, other writers see globalization as western capitalist imperialism by another name (see Hardt and Negri, 2000) and/or as heralding the end of the nation state and the rise of transnational states (see Sklair, 2000).

As far as evidence goes, there are, however, many analysts who are sceptical, claiming the rhetoric surrounding globalization may be more important than the reality, which is nowhere near as all-encompassing and transformative as many of us now routinely and casually assume (see Hay, 2000; Hirst and Thompson, 1999 and Mann, 1997).

who often continued to live in less urban areas, became centres of commerce, religion and education. These developments provided the resources and the rationale for the Christian Crusades in the Holy Land (now the Middle East) of the eleventh, twelfth and thirteenth centuries. They also financed the overseas voyages of exploration to more far-flung continents, all of which were to provide new sources of wealth and raw materials and eventually empire and colonies.

The earliest beneficiaries of overseas expansion were Portugal and, in particular, Spain. Since the expulsion of the Moors from North Africa in the late fifteenth century and the subordination of the country's component kingdoms to that of Castile, Spain had become a firmly Christian country. It also became the foremost upholder of Roman Catholicism against the threat posed to it by what became known as Protestantism. This dissenting movement – aided by the invention of the printing press and the ambitions of German princes who chafed against the Holy Roman Empire – had grown up in central and northern parts of Europe at the beginning of the sixteenth century in both spiritual and political opposition to what it saw as the corrupt papacy. This role as defender of the faith helped put Spain on a collision course with its commercial rival, England which, after breaking with Rome over the Pope's refusal to acquiesce in its king's divorce plans, had adopted a non-Roman Catholic hybrid known as Anglicanism as a state religion. Spain's Armada, a sea-led invasion fleet, was defeated, and the country slipped into its long-term decline, its apparently endless access to the gold of South America stymieing economic dynamism. The religious question in the British Isles, however, was by no means decided and, as it did all over Europe, played a part in politics in the run up to and long after the country's civil war in the 1640s (see Map 1.1).

Nations into states

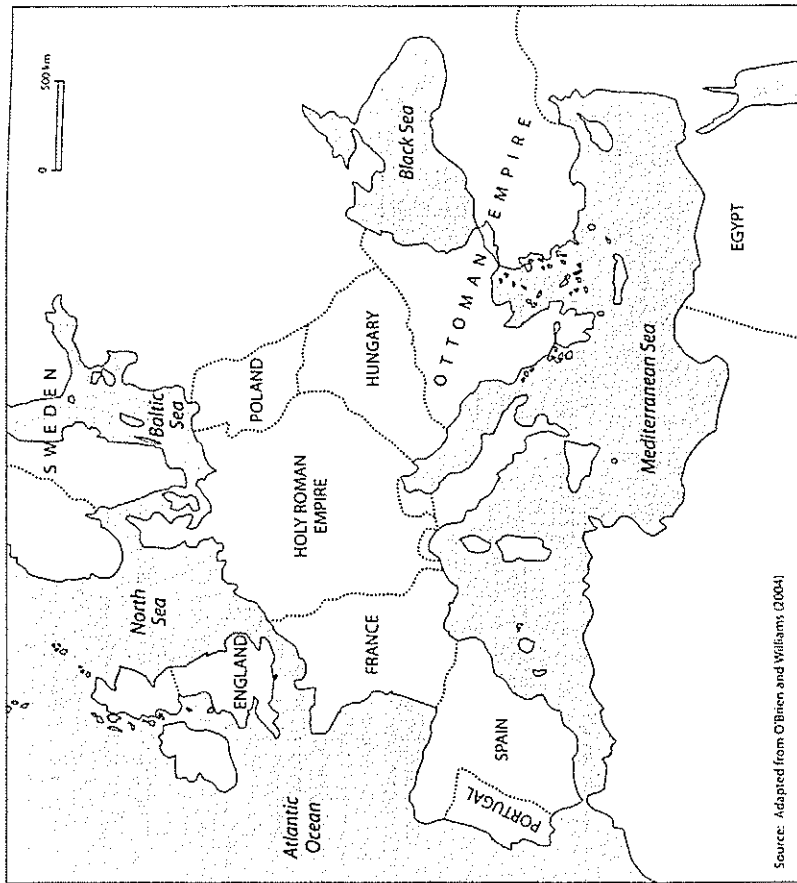
In fact, religious conflict and political self-interest and expression combined to cause wars not only between but also within countries throughout late sixteenth- and early seventeenth-century Europe – and not just in the west. Hungary, for example,

had been one of central Europe's strongest powers but spent much of its strength on successive wars against the Islamic Ottoman empire, centred in what we now call Turkey. By the sixteenth century, however, its former rulers, the Habsburg dynasty of Austria, who also held the crown of the rather fragmented Holy Roman Empire, took advantage of Hungary's weakness to restore Roman Catholicism to a country that had – officially anyway – become Protestant. Struggles such as this culminated in the so-called Thirty Years' War, fought between 1618 and 1648, it brought the Scandinavian countries into a prolonged armed conflict that also involved the kings and princes of central and western Europe. It also saw France emerge not just as mainland Europe's strongest rival to British power, but arguably also as the world's first modern state. Power was centralized in Paris under a large state bureaucracy, and a military maintained to fight wars, many of them aggressive rather than defensive, in what was supposedly the national interest.

Definition

The **balance of power** is an equilibrium existing between states (or groups of states) when resources – especially military resources – are sufficiently evenly distributed to ensure that no single state can dominate the others. The concept was an essential part (and, indeed, aim) of European diplomacy and warfare from at least the seventeenth century onwards.

This model was copied by other European states, so France's pioneering role did not grant it predominance for long. By the late eighteenth century, Europe was characterized not by one 'hegemonic' (all powerful) nation but by a so-called **balance of power** between countries such as France, Britain, Austria (and its unstable empire in Hungary and elsewhere) and Prussia, part of what we now know as Germany. By the nineteenth century, Europe was also characterized by a mixture of monarchies and republics. France had become the most famous of the latter. But, after what amounted to ten years of permanent revolution from 1789 onwards, it succumbed to the dictatorship of Napoleon Bonaparte. Napoleon declared himself emperor and proceeded to



Source: Adapted from O'Brien and Williams (2004)

Map 1.1 Europe c. 1500: on the eve of two centuries of religious wars

centralize the French state even further. He also unleashed a succession of aggressive military campaigns against other countries, onto which he attempted, quite successfully, to graft the French administrative model. That was until he overreached himself in Russia and was defeated by the combined might of Britain and Prussia at the battle of Waterloo in 1815, in what is now Belgium. The nationalism, in part inspired by the Napoleonic wars, spread throughout Europe. Hungary continually chafed at its Austrian domination; Bulgaria tried (with the help of Russia) to break free of the Ottoman empire; and Romania actually succeeded in winning its independence from not just the Ottoman but also the Russian empire. Nationalism was soon competing, however, with demands on the part of the public of many European countries for political participation commensurate with what liberals suggested were their rights and what they themselves argued was their economic contribution. Such demands grew stronger among workers to whom industrialization and urbanization now afforded the concentrated power to organize collectively to press their

case. In continental Europe, a series of failed proto-socialist revolutions in the mid-nineteenth century in the end gave way to politically more successful (if socially less radical) efforts to achieve representation by democratic means. By the beginning of the twentieth century, universal (or near-universal) male suffrage had been adopted in many European countries. Nationalism, however, continued apace, and Europe entered the twentieth century with the hitherto fragmented Germany and Italy now unified nation states, bringing the number of states on the continent to around twenty-five, compared to the 500 or more that had existed in 1500 (see Tilly, 1975). To a greater or lesser degree, all these turn-of-the-century states assumed an increasingly active role in the national economy, not least in order to raise the tax revenue that could be used to boost military strength, as well as to improve control over the increasingly industrialized population, be it through coercion through an expanded police apparatus or through education, much of which aimed at the reinforcement of national identity (see Tilly, 1993).

States into blocs

As Germany began to use its new-found unity to claim an overseas empire, Europe's always fragile balance of power began to harden into the military alliances that ended up driving the continent into the First World War. Germany's ambitions were opposed by its imperial rivals, France and Great Britain. They allied with Russia, a country whose association with Slavic national independence movements in Serbia set it on a collision course with Germany's ally, Austria-Hungary. Other countries were sucked into the war once it broke out in 1914: Italy, Japan and, eventually, the US on the side of the self-styled 'Allies' (Britain, France and Russia); Bulgaria, and Turkey's Ottoman empire, on the side of Germany and Austria-Hungary. Only Scandinavia, Spain and Portugal, and Switzerland (which had pursued a policy of neutrality since it came together as a confederation in the early sixteenth century) escaped involvement. For most of the four years which followed, the combatants fought each other to a standstill at the cost of millions of human lives

BOX 1.2

The Soviet Union and communism

The Union of Soviet Socialist Republics (USSR) was established in 1922 by the *Bolshevik* regime that came to power under its first leader, Lenin, during the Russian revolution of 1917. The Bolsheviks were communists, believing in a state supposedly run on behalf of the working class and with equality and social justice for all. It was dominated by Russia, but also came to include the republics to Russia's south, including Georgia and Ukraine, and the Baltic states of Latvia, Lithuania and Estonia (now EU members). Under the leadership of Lenin's successor, Stalin, it undertook the industrialization of vast swathes of Eastern Europe, as well as the collectivization of its agriculture – projects that delivered economic growth but at a terribly high price: tens of millions died, most from starvation but also as a result of forced labour and the political repression needed to maintain the dictatorial regime. Millions of people also lost their lives during the desperate fight against Germany in the Second World War. The Soviet Union faced off but never actually fought against the capitalist West, offered some respite, though the communist regime remained essentially intact until the late 1980s. With its collapse came the collapse of the Soviet Union, and its population of nearly 300 million people found themselves living in either Russia (population 145 million) or what are routinely referred to as the Newly Independent States (NIS).

non-aggression pact with the Soviet Union. This pact basically delivered the Baltic republics of Estonia, Latvia and Lithuania to Russia, along with half of Poland. In September 1939, Germany invaded Poland to take its half, thereby provoking war with Britain, France and, in the end, also the Soviet Union. The US, which was attacked by Germany's ally, Japan, at Pearl Harbor in 1941, joined the fight against the so-called 'Axis' powers (Germany, Japan and a not altogether enthusiastic Italy) in the same year.

It took the use of nuclear weapons to bring Japan to surrender in the summer of 1945. But the Second World War ended in Europe with the occupation of first Italy and then Germany in the spring of that year. However, if anyone thought that the continent's problems were solved, they were sadly mistaken. Although spared a re-run of the postwar influenza outbreak that had killed millions in the aftermath of the 1914–18 conflict, Europe was on its knees. Millions of Jews, as well as political opponents, Roma (gypsies) and other minorities, had been put or worked to death by the Nazis – a tragedy now known as the Holocaust. In addition, the physical destruction and economic misery wrought by six years of total war involving civilian populations as well as armed forces was calamitous.

Any chance that the victorious Allies would continue their co-operation in peacetime was quickly dashed. The Soviet Union was determined to maintain a military presence in the eastern part of the continent and used its occupation to facilitate the seizure of power by Communist parties in Poland, Czechoslovakia, Hungary, Romania and Bulgaria. Only Finland was allowed to remain free, and over time it became a fully integrated part of a Scandinavia that included neutral Sweden as well as Denmark and Norway, occupied in the war by Germany. In the face of the developments in central Europe, the US quickly reverted to the strongly anti-communist stance that it had pursued since the Russian revolution and had softened only during the war. It took steps to ensure that the Soviet 'sphere of influence' (the area where its dominance could not be challenged) would not expand to include the western part of Germany, which was now divided into two states: the liberal capitalist Federal Republic of Germany (FRG), which most

BOX 1.3

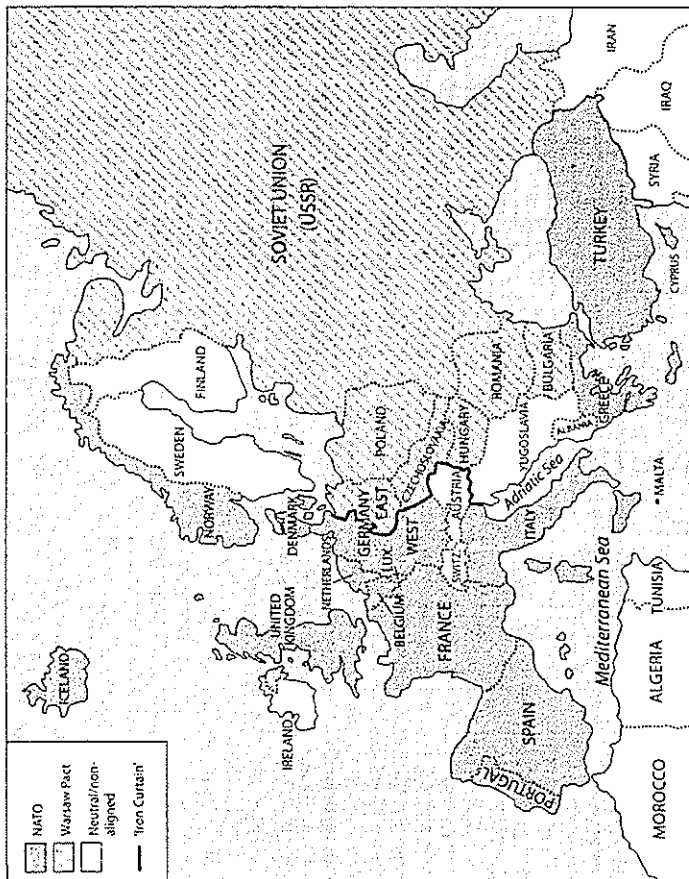
Fascism and socialism

European fascism of the 1920s and 1930s was in many ways defined by its opposition to communism and to socialism or 'social democracy', which believed in achieving public ownership and redistributionary policies, and seemed destined to win over many working-class voters. Although fascism was also about the supremacy of the ethnically exclusive state over the interests and rights of individuals, the private sector was allowed to profit from its activities. Fascist leaders promised easy solutions to the worldwide economic depression of the 1930s – solutions based not just on totalitarian politics and increasingly racist, anti-Semitic policies, but also on the sort of military rearmament and an aggressive, expansionist foreign policy that socialists and social democrats (some of them pacifists as well as 'internationalists') abhorred.

Treaties of Versailles and Trianon. The Austro-Hungarian and Ottoman empires were broken up and Turkey forced out of Europe. Hungary lost territory to the new states created for Slavic peoples in the artificially constructed states of Czechoslovakia and Yugoslavia, the latter created not just at the behest of Slav nationalists, but also to provide Serbian protection to small countries such as Slovenia and Croatia against larger powers such as Italy (which despite territorial gains continued to believe it had been short-changed). Further north, Germany – now a republic – lost territory to France and Poland and was forced not only to admit guilt for the war but also to pay financial compensation ('reparations') to France. The resentment thus created was cleverly exploited by nationalist, fascist dictators, such as Hitler and Mussolini (see Box 1.3).

Other states, also coping with the economic depression, proved unable or unwilling to quash fascism's territorial ambitions, despite the existence of the 'League of Nations' (the forerunner of the postwar United Nations). Emboldened by its success in grabbing back Austria and much of Czechoslovakia, and determined to act before potential enemies such as Great Britain and France could fully prepare themselves, Germany signed a

lost or blighted. But such a war of attrition eventually favoured the side with the greatest resources in terms of men and matériel. True, the Allies suffered a loss when, in 1917, Russia was seized by Communist revolutionaries under Lenin, who saw the war as benefiting only the old ruling class and its capitalist allies and ended Russia's participation accordingly. Nevertheless, in the autumn of 1918, Germany and Austria-Hungary were basically starved into signing an armistice. After the World War, the map of Europe was literally redrawn. Firstly, came the creation of the Soviet Union (or USSR), through which Russia extended its empire (Box 1.2). Secondly came the



Map 1.2 Europe during the Cold War

outsiders called West Germany, and the communist German Democratic Republic (GDR), routinely labelled East Germany. By the same token, the US put considerable effort (and cash) into ensuring that the homegrown (but Soviet-aided) Communist parties did not take power, even by ostensibly democratic means, in Italy and Greece (which endured a short civil war) (Map 1.2).

The other side of this anti-communist, anti-Soviet 'containment' strategy included the establishment of NATO (Box 1.4) and the stationing of American military capability throughout Europe. This included bases in Spain, which, like Portugal, had succumbed to right-wing authoritarian dictatorship in the interwar period but had remained neutral between 1939 and 1945. Another important part of the strategy was economic, with the US

'Marshall Plan' (named after the former general who initiated it) providing much-needed aid to most countries in its sphere of influence. European democracies spent it not just on American goods, but also on redeveloping their industrial base, on establishing welfare states and, in time, participating in the consumer booms of the 1950s and 1960s.

US efforts to secure a peaceful western Europe as a bulwark against Communist expansion and as a prosperous trading partner also led it to support moves among some European governments to create a mechanism for increasing interstate co-operation that would lock in their economic interdependence and, along with unity in the face of the Soviet Union, make war between western European powers a thing of the past. These moves began in 1952 with the European Coal and Steel

BOX 1.4

NATO and the Cold War, 1948-89

1948 West European democracies sign Treaty of Brussels, pledging themselves to common defence should one of them come under attack. Soviet blockade of American and British controlled West Berlin encourages negotiations with the US.

1949 Creation of the North Atlantic Treaty Organization (NATO), involving most of western Europe, plus Canada and the US.

1950-55 Korean War (1950-53) pitting US-backed South against Chinese-backed North. Greece and Turkey, and then West Germany join. Soviet Union and its Central and Eastern European (CEE) satellite states form the opposing Warsaw Pact. NATO gets a permanent command structure. European countries fail to realize European Defence Community (EDC) plans for an integrated military force after they are vetoed by French Parliament in 1954. Countries opt for looser co-operation under the West European Union (WEU).

1956-70 US stymies Franco-British attempt to seize back the Suez Canal, nationalized by Egypt: the failed colonial adventure arguably precipitates European countries' withdrawals from their colonies during the next decade; but it also confirms UK politicians in their belief that the US must in future be kept outside at all costs and contributes to France withdrawing from NATO's military command (though not the treaty) in 1966. Liberalizing communist governments in Hungary (1956) and Czechoslovakia (1968) overturned by Soviet troops. The US and Soviet Union narrowly avoid nuclear war over the Cuban Missile Crisis (1962). Tension and 'proxy wars' (fought by and in other countries but financed by the Americans, Russians and Chinese) in the Middle East, Africa and South East Asia (including Vietnam). Europe deadlocked and divided, but peace preserved.

1970s Begin with period of so-called *détente* (or easing of tension) between the US, China and the USSR. EEC members (which from 1973 include the UK) begin halting moves toward foreign policy co-ordination under EPC (European Political Co-operation), which includes meetings of foreign ministers. Decade ends with USSR's invasion of Afghanistan - an expensive failure which contributed not just to instability in the region (and the rise of the Taliban regime), but also to the downfall of the bankrupt Soviet system.

1980s Poland's trade union and Catholic Church-inspired reform movement crushed by communist leadership afraid of Soviet invasion. Newly elected US President Ronald Reagan helps persuade European NATO members to host intermediate-range nuclear missiles. Soviet leadership, already reeling from expensive and failed invasion of Afghanistan, cannot afford to match such high defence spending. Newly selected leader Mikhail Gorbachev lets satellite states know that the era of Soviet interference in their affairs is over. Communist regimes in East and Central Europe collapse.

Community (ECSC) and eventually in the founding of the European Economic Community (EEC) by the Treaty of Rome in 1957. Having played a massive part in helping to preserve peace and, for the most part, prosperity, it has since relabelled itself the European Union, commonly known as the EU. In 2004, it expanded to take in a total of twenty-five members, including former dictatorships in Southern and Central and Eastern Europe that are now functioning market democracies (see Map 1.3).

Notwithstanding the EU's importance, it was by no means the only thing that helped western Europe become such a secure and prosperous place. Other factors helped, too. A generation of politicians was determined not just to avoid the mistakes of the interwar period but also to prove that liberal capitalism was better than communism. They also presided over a withdrawal from what had become costly overseas entanglements, with Britain, France and smaller countries such as Belgium, the Netherlands and Portugal letting go

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of the bulk of their colonial empires (see Chapter 10). The American-led postwar boom (Box 1.5), and the fact that consumers were kept spending both by vastly expanded leisure and mass media markets and the extension of the welfare state, meant that, compared to the prewar period, even the bad times were good. Nor, as Box 1.5 also shows, were they as bad as we might think (at least when it came to the essentials) in what became known as the 'Soviet Bloc'.

CEE countries, in fact, were transformed during the postwar period from agricultural backwaters into modern industrial economies in which income inequalities were narrow and access to health, welfare and education was impressively wide. For all this, however, it remains true that instead of 'burying' capitalism, as one Soviet leader had famously promised, communism proved incapable of matching either the technological progress, the prosperity or the freedom enjoyed by those living under liberal capitalism in the West – an 'imagined community' (Anderson, 1991: 5–7) which seemed to stretch beyond western Europe through North America and down to Australia and New Zealand. The problem was there seemed to be nothing that those who lived in Eastern and Central Europe could do about it. Any time they came close to trying to liberalize their regimes, reformists were crushed by Soviet tanks.

The new Europe

Yet at the same time as it looked as if things would never change in Europe, something had to give. The Soviet Union found itself financially unable both to deliver its population a basic standard of living and to compete with the Americans militarily – particularly if it meant holding on as firmly as ever to its satellites in eastern Europe. This analysis persuaded Mikhail Gorbachev, who took over the leadership of the Soviet Communist Party in 1985, to signal to those countries that they could pursue their own course without fearing military action on his part. Gorbachev clearly hoped that this would mean merely a reform of the existing system, in whose basic principles he still believed. But it rapidly became clear that his famous policies of *glasnost* (openness) and *perestroika* (restructuring)

BOX 1.5

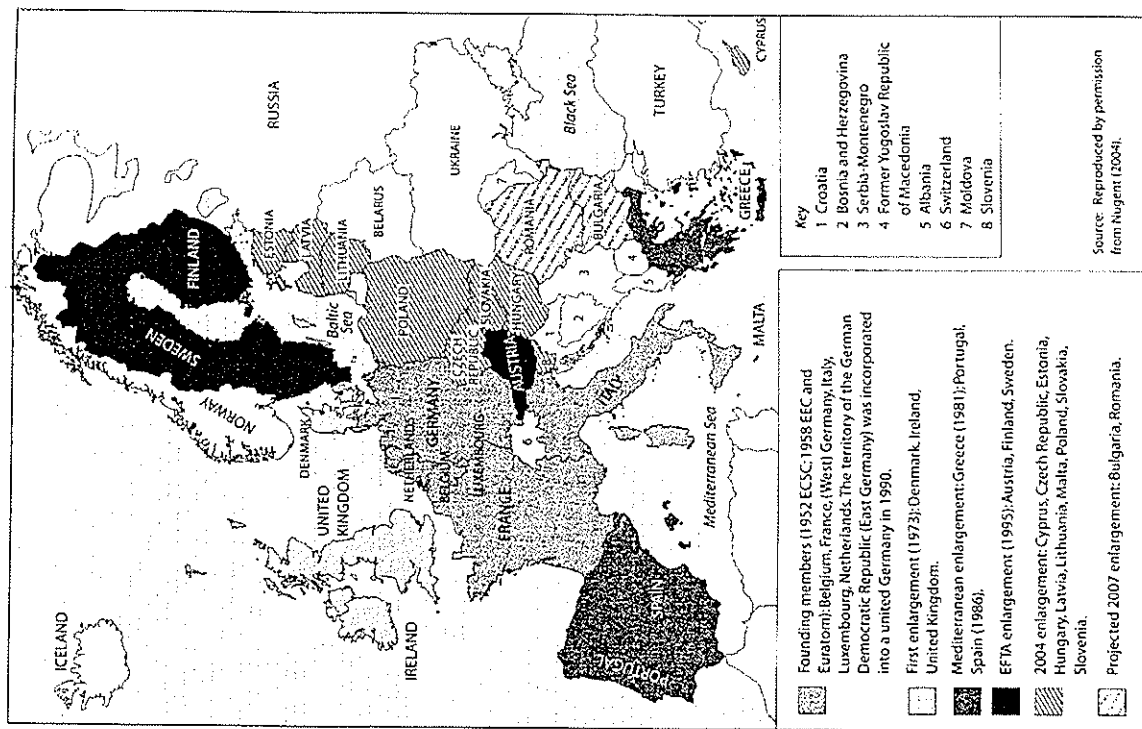
The postwar boom – east and west

To many in western Europe, the years 1950–73 represented a kind of 'golden age'. Economic growth averaged over 4 per cent a year, with catch-up countries such as West Germany, Spain and Greece making up for relatively poor performers such as the UK and Belgium. Inflation was present, but rarely rose above 3–4 per cent. Europe's unemployment rate was only 3 per cent in the 1950s and dropped below 2 per cent in the 1960s. European countries began to catch up technologically. Energy was also very cheap. Moreover, consumer demand, already pent-up during the war, was boosted by governments willing to spend to avoid a return to 1930s-style depression and to meet the military challenge of Soviet and Chinese communism. The American-supervised system of stable exchange rates also provided liquidity within a secure institutional framework for international trade, while the EEC helped to facilitate trade between member states.

Interestingly, the economy of Communist Europe actually grew even more rapidly (7 per cent p.a.) in the 1950s and 1960s than that of the capitalist west. As the Soviet bloc countries transformed themselves from largely agricultural economies to essentially modern, industrial nations, national income quadrupled and industrial output in 1970 was seven times that of 1950! An overemphasis on heavy industry, however, as well as the inefficiencies inherent in central planning, meant a poor environmental outlook, a continued curtailment of human rights, and only a very poor range and quality of consumer goods. However, Eastern Europeans did enjoy heavily subsidized housing, essential foods and other goods. And unemployment was 'abolished' or at least heavily disguised.

gave the populations of Central and Eastern Europe the green light to overthrow Communist dictatorships in favour of democracy and market-based economies.

The year 1989 saw revolutions all over Eastern Europe, symbolized for many by the fall of the Berlin Wall that had for so long and so cruelly kept apart those living in the capitalist and communist halves of the city. Fortunately, most of these revolu-



Map 1.3 Contemporary Europe and the EU

Source: Reproduced by permission from August (2004).

tions, barring the one in Romania and the events which followed the break up of Yugoslavia (see Chapter 2), were mercifully peaceful. Yugoslavia aside, border changes in what was now post-Cold War Europe were limited to the surprisingly swift reunification of Germany in 1990, and the slightly more drawn out and not entirely amicable 'velvet divorce' of the Czech and Slovak republics. The biggest changes on the map actually occurred in the former Soviet Union, which itself dissolved in 1991, after a failed coup by Communist hardliners. What became the Russian Federation, under Boris Yeltsin, initially tried to hold on to its regional hegemony by getting even large former Soviet republics like Georgia and Ukraine to join the so-called 'Commonwealth of Independent States' (CIS), although it soon became clear that the CIS would not allow it to exert anything like the control Russia had in the Soviet era (see Malgin, 2002 and Olcott, Astund and Garnett, 2000). Moreover, Russia failed to exert any control whatsoever over the former Soviet republics of Estonia, Latvia and Lithuania, all of which joined the EU and NATO in 2004.

To those so-called 'Baltic states', and to the other CEE postcommunist countries who joined the EU (and NATO) alongside them, accession was a symbolic 'coming home'. As we have seen, for centuries up until the end of the Second World War they were intimately connected to those countries which, as the Cold War wore on, sometimes forgot that they were part of the same continent. Now that they have assumed their rightful place, Europe has in effect reassumed the shape it had for hundreds, even thousands, of years. And it has done so in a manner that seems likely to forestall the kind of intra-European (and indeed intercontinental) warfare that characterized so much of its history, but also helped make it what it is today. It is to the task of describing what it is today – economically, demographically and sociologically – that we now turn.

Europe's economy: rich in variation

Resources

Europe is the home of most of the world's great trading nations. As the industrial revolution that

began in the UK in the late eighteenth century gained momentum all over Europe, these nations imported raw materials from the rest of the world in order to manufacture finished goods for export, as well as for the burgeoning home market. Yet Europe is by no means devoid of natural resources of its own. Norway, Finland and Sweden all have large forests. France and Sweden were traditional sources of iron ore. Coal could be found in quantity in Britain, Germany, Poland and even (no doubt to the surprise of many who do not know it) in Spain. The North Sea between the UK and Scandinavia contains oil and natural gas fields. Europe has also been more than self-sufficient in most agricultural products for many decades. Although mixed farming predominates, the further north one goes, the more meat and dairy features; the further south, the more citrus, olives and grapes one finds; the further east, the more cereal and other arable crops there are.

Size

The differing extent to which Europe's states are blessed with access to this or that natural resource, however, combines with differing access to international trade routes and areas of expertise and comparative advantage, to make for a great deal of economic variation between their economies. Size matters, too. A quick glance at Figure 1.1 shows us that Germany's Gross Domestic Product (GDP) dwarfs not only that of the neighbouring Czech Republic (as one would expect) but is also nearly three times the size of Spain's, even though its population is only twice as great. Germany, of course, has the biggest population of any country in Europe, at 82 million people. But even taking this into account by looking at GDP per person – or, to use the jargon, *per capita* – the Germans as a whole are still among the continent's best-off inhabitants (Figure 1.2).

At the other end of the scale are the postcommunist countries whose *GDP per capita* means that, while they are clearly much better off than those living in developing or 'Third World' nations, they do not enjoy anything like the living standards of many of their fellow Europeans. Certainly the gap between the richest and the poorest EU member states is considerably greater than is the gap

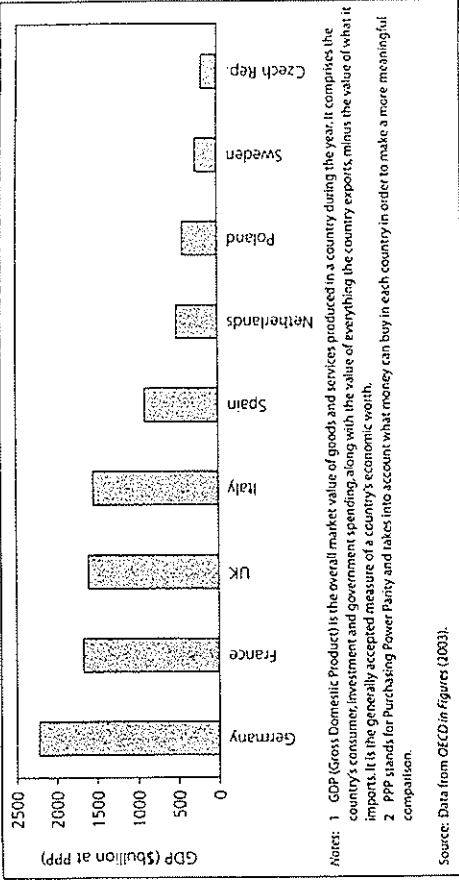


Figure 1.1 Overall GDP by country, 2003

Notes: 1 GDP (Gross Domestic Product) is the overall market value of goods and services produced in a country during the year. It comprises the country's consumer investment and government spending, along with the value of everything the country exports, minus the value of what it imports. It is the generally accepted measure of a country's economic worth.
 2 PPP stands for Purchasing Power Parity and takes into account what money can buy in each country in order to make a more meaningful comparison.

Source: Data from OECD in figures (2003).

between, say, the richest and the poorest states of the US: Mississippi's GDP per capita is around 50 per cent of Connecticut's, but Latvia's is only around 20 per cent of super-rich Luxembourg or 34 per cent of Ireland (the two richest member states in 2003). For the most part, this relative poverty is a characteristic of former communist countries, particularly Bulgaria and Romania which, due in part to their comparative backwardness, did not join the EU with their fellow appli-

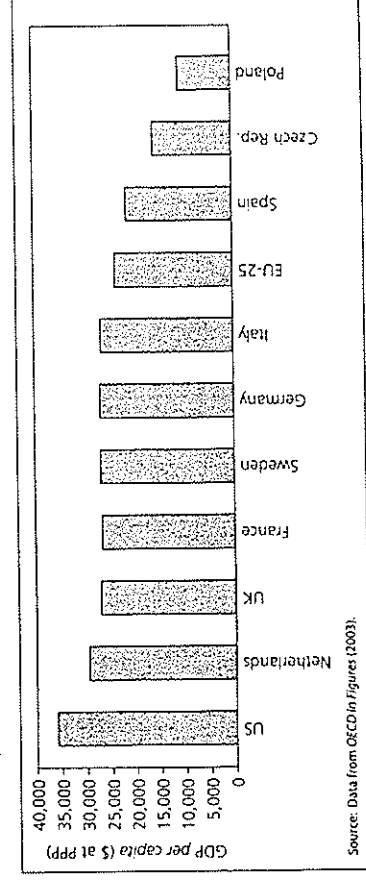


Figure 1.2 GDP per capita, 2003

Source: Data from OECD in figures (2003).

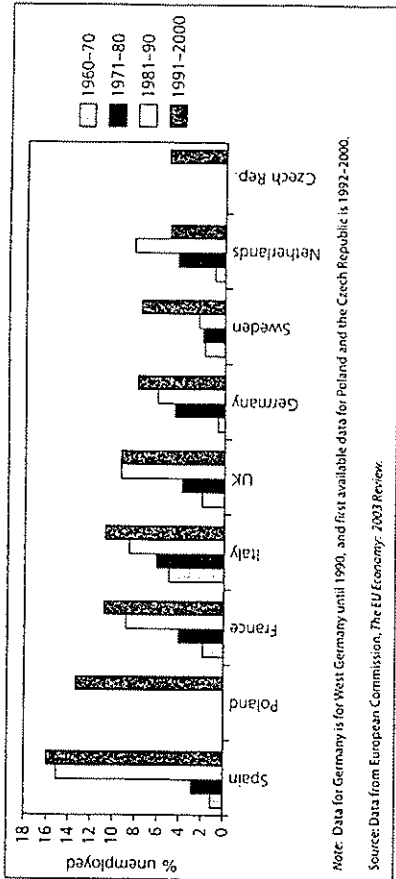


Figure 1.3 The return of chronically high unemployment in Europe, 1960-2000

The most obvious of these are *inflation* (a measure of rising prices, normally expressed as an annual percentage) and of course *unemployment*. During most of the postwar period, European (and American and Australasian) governments operated on the assumption (labelled 'Keynesian' after British economist John Maynard Keynes) that there was a trade-off between the two. In other words, if economic demand outstripped supply, then there would probably be plenty of jobs around (so-called 'full employment') but inflation would rise; if, however, government acted to reduce demand (by, say, reducing its own spending or that of consumers and business by raising taxes or the interest rates at which banks charged people for borrowing money) then inflation would fall but unemployment would rise. This so-called *Phillips Curve* (named after the economist who came up with the graph that expressed the relationship) seemed to operate until the late 1960s-early 1970s, when most advanced industrial economies suffered 'stagflation' – high inflation and higher unemployment.

From the late 1960s onwards, a number of influential 'neo-liberal' or 'monetarist' economists persuaded many governments that trying to boost demand to tackle unemployment was making the situation worse. Their answer was to stop allowing trade unions to use full employment to bid up wages, to stop subsidizing loss-making industries

and generally to leave things like monetary policy (i.e. interest rates) to the free market. As governments moved towards these policies, there was what was euphemistically called a 'shake-out' of inefficient manufacturing firms (especially those involved in or connected to 'heavy industries' such as steel, shipbuilding, mining, etc.). This accelerated the end of the postwar boom and heralded the return of the kind of mass unemployment that postwar generations had assumed was a thing of the past. This unemployment is 'structural' as much as 'cyclical' (i.e. it will not all disappear in times of economic growth), and is still in many European countries today – in marked contrast to the so-called 'golden age' of the 1960s (see Figure 1.3). GDP figures, then, do not tell the whole story.

Regions

Just as importantly, there are big regional variations between different parts of the same country (see Box 1.6). Germany, for instance, contains some of the richest regions of Europe; but, having absorbed the formerly Communist East Germany (GDR) in 1990, it also contains some of the poorest. It is by no means alone in this, for these national and regional variations are inherent in the very different ways in which the economies of

**BOX 1.6
Poverty amid plenty: Europe's huge regional variations in wealth**

Before the accession of ten new member states in 2004 there were, according to Eurostat (the EU's statistical division), just under fifty regions in EU member states whose per capita GDP was below 75 per cent of the EU average. Not surprisingly, nearly all the regions of Greece, Spain and Portugal were among them, as were the regions that made up the former East Germany. Also included were southern regions of Italy, and three in the UK. Taken as a whole, just under 70 million people (nearly 20 per cent) of the total population of the EU-15 (the EU of fifteen countries prior to 2004) live there. Yet they live alongside other regions that are far wealthier than the average. Indeed, many of the larger western European countries outside Scandinavia show huge regional disparities. In seven of the former EU-15 states, including Germany, the UK and Italy, the highest regional GDP per capita is more than double the lowest. Estimates for the EU's newest members show fewer regional differences within countries, though a great deal of poverty compared to the West. One of only two regions above an EU average recalculated to include the new members was the Czech capital, Prague. But the rest of the country was not much better off than other CEE regions: the regional GDP of Prague, indeed, was 2.5 times higher than the poorest region of the Czech Republic.

European states are structured. Traditionally, wealth and development were associated with industrialization which, after the Second World War, was concentrated in Southern Scandinavia (Gothenburg, Malmö and Copenhagen), England, Eastern France, Northern Italy, Belgium and the Netherlands, Germany, the Czech and Slovak Republics and Poland. In the latter half of the twentieth century, however, this relationship began to break down as wealth became more closely connected with services.

'Postindustrialism'

Most European states, such as the US and other advanced countries, can be labelled 'postindustrial' because the service sector has overtaken the manufacturing sector as the biggest employer in the economy, with agriculture shrinking still further (Table 1.1). This is not, however, to deny that the label may be a little misleading in view of the fact that many so-called 'service jobs' are no less routinized, low-status, low-skilled and low-paid than the production-line jobs traditionally associated with industrialization (see Wilensky, 2002: 186-190). Nor should we forget, that some European nations still have large farming sectors. In the west, Greece and Portugal still have 17 per cent and 12 per cent, respectively, employed in agriculture, but this is nothing compared to the situation in some of the continent's more easterly, often post-communist states. Some of these resemble their counterparts in western Europe: the

Table 1.1 Towards the postindustrial economy in Europe?

% EU population employed in:	1975	1985	1990	1994	1999	2002	2002 EU-15	2002 EU-25	% US GDP 2002	% US GDP 2002
Agriculture	11.1	8.3	6.7	5.5	4.4	4.0	13.4	5.5	2.0	1.4
Industry	39.5	34.4	33.3	30.7	29.3	28.2	32.1	28.8	27.0	20.1
Services	49.4	57.3	60.1	63.7	66.3	67.8	54.5	65.8	71.0	78.6

Source: Data from European Commission, *Employment in Europe, 2006*. Eurostat: *Living Conditions in Europe* (2003). News Release, 36/2004; The Enlarged European Union (available online at <http://www.eu-data-shop.de/download/EH/EN/EN/align/may/2004.pdf>)

Czech Republic, Hungary, Slovakia, Slovenia and Estonia all have under 10 per cent of their workforce employed in agriculture. But in Romania the figure is around 35 per cent, and in Bulgaria 25 per cent. Poland, may not lag quite so badly, but a figure of 19 per cent of such a large population represents a lot of farmers! This was a major issue in negotiations to join the EU, since the then fifteen member states could not countenance extending the financial assistance afforded by the EU's Common Agricultural Policy (CAP) to so many marginal producers. For one thing, it would have breached their commitment to do no more than maintain the absolute level of agricultural spending, which takes up almost half the EU's total (see Chapter 2), thereby reducing it over time. For another, it would have involved subsidizing (and perhaps ensuring the continuation of) an industry badly in need of rationalization. Although there are exceptions, a large agricultural (or primary goods) sector tends to be associated with poorer states.

In the decades following the Second World War, there was also a strong association in Europe between wealth and industrial development. With the rise of the service sector in most advanced economies, however, this relationship began to break down. Nowadays, with the exception of Germany, which still benefits from its traditionally high-quality industrial base, Europe's wealthiest countries are those in which services – be they predominantly private (and profit-generating) or public (and welfare-creating) – are strongest.

Transition

One factor, then, in the disparity between western Europe, where two-thirds now work in services, and Central and Eastern Europe, where fewer of the workforce are similarly employed, is the fact that much of the latter has yet to move into the postindustrial age. At a regional level in the west, it is those parts of a country historically associated with primary production, mining and/or heavy industries such as steel-making or shipbuilding which, after the agricultural regions, are least prosperous. This means that Eastern and Central Europe, where these sectors were key to Communist postwar modernization right up until the late 1980s, are at a big disadvantage:

The economic backwardness associated with communism is not a disadvantage that can be overcome overnight. It will take decades – at least. Nevertheless, the so-called 'transition' economies of postcommunist Europe have made considerable progress. That progress has not, of course, been even. Some countries were already closer to the West to begin with. And, although most decided early on that capitalism was where they wanted to go, there has been considerable variation in the route chosen to get there. Hungary, for instance, which actually had already begun market-style reforms under its communist regime, pursued a fairly cautious strategy. Poland, and to a lesser extent the Czech Republic, chose to move more quickly: both devalued their currencies to a real-istic level, removed price subsidies and tolerated a degree of unemployment and (what they hoped would be) short-term contraction in order to achieve manageable inflation and respectable growth in the long term.

Privatization, too, was clearly important in Europe's postcommunist countries. But, like other policies, it was emphasized more by some governments than it was by others. Governments also went about it in slightly different ways and at different speeds; the Czech Republic, for example, was particularly keen (Hopkins, 1998), but perhaps too keen. By the late 1990s, some three-quarters of the economy was in private hands after the government gave ordinary people vouchers that then became tradeable. But it had also become apparent that managers of the privatization funds that held their investments had been systematically stealing from them. Managers of newly privatized firms had also been appropriating their assets and obtaining state bank loans under false pretences and that successful bidders for privatized firms were involved in the party financing scandal that forced the resignation of the then Prime Minister (and now President) Václav Klaus (see Chapter 4). Poland, despite its reputation in the early 1990s for adopting what some economists labelled 'shock therapy', took things more slowly against a background of public scepticism (Klich, 1998). But like most postcommunist governments it was sensible enough to vary the mode of sale: assets were (and are still being) divested via trade sales, sometimes to foreign companies, as well as by allotments to

employees, transfers to pension funds and public holding companies.

All this meant that, with the exception of Romania and Bulgaria, most CEE countries largely managed to avoid the overnight creation of a semi-criminal oligarchy that occurred in Russia. Still, the process was not without its problems (see Jaridris and Hopps, 1998). Governments did little to dampen expectations early on and, especially in Poland, they suffered a backlash as the public caught on to the fact that privatization would make very few people wealthy and a lot of people unemployed. They were also so keen to get rid of state assets that they not only failed to realize their true value, but, in selling off rather than breaking up dominant firms, they also failed to create truly competitive markets. There were undoubtedly cases where entrepreneurs obtained profitable parts of state-owned enterprises (SOEs) with large market share at knock-down, never-to-be-repeated prices. And legitimate criticisms can be made of the extent to which the 'creative destruction' of some of communism's industrial inheritance was really that creative, even (and perhaps especially) in East Germany.

Generally, however, to have transferred so much in so short a time without causing utterly unbridled corruption, mass poverty or disruption to the supply of goods and services has to be seen as a major achievement. Given that speed and the creation of a viable market economy were by far the most important priorities of early postcommunist governments (much more so than preserving a relatively equitable distribution of wealth, for instance), then privatization in the region has to be judged a success on its own terms. In the Czech Republic, Poland and Hungary, by far the bulk of the economy is now in private hands. Because there is a lot of catching-up to do (and a relatively large amount of foreign direct investment (FDI) coming in) growth is or is likely to be slightly higher than in the former West. Inflation (the rise in the cost of living) is similarly low. Unemployment, however, remains a persistent problem, especially in Poland, Slovakia and (to a lesser extent) the Baltic states (Latvia, Lithuania and Estonia). Meanwhile, Slovenia, formerly part of Yugoslavia – always rather closer to the West than countries in the Soviet bloc – boasts the best-performing economy of all the postcommunist states. The wooden spoon

goes to Bulgaria and Romania, where reform was slow until economic crisis finally galvanized change in the latter half of the 1990s.

Globalization and/or Europeanization?

The economic picture in Europe, then, is complex, and even in some cases quite negative, at least in the short term. Some accounts make it seem even bleaker by suggesting that jobs in manufacturing and even services are leaking away to developing countries, leaving Europe destined to be 'overtaken' by growth economies such as China and other East and South Asian economies. According to this view, Europe's corporates will, like their American counterparts, benefit from globalization, but its population will end up as victims. In fact, there is as little evidence to support this pessimistic view, however fashionable, as there is to support some of the more ambitious versions of globalization itself. Both of them buy too heavily into the idea that things are fast changing beyond recognition and that space, time, existing patterns and cultural inertia may not matter much any more. Arguably, however, they do. Even if we ignore the obvious argument that a great deal of European countries' economic activity is (as it is in the US) domestic, and concentrate on the international sector, it is (a) not clear that European countries are doing badly and (b) obvious that all of them spend more and more time and more and more money with each other than with anyone else.

Take, for instance, the argument that industry, and therefore jobs, will abandon Europe in favour of the 'Tiger' economies of South East Asia. Statistics do show that, like the US, some European nations (often traditional trading nations such as the UK and the Netherlands) seem to be running large deficits in manufacturing trade with NICs such as Korea and Taiwan. But they also show that others, notably Italy and Sweden, export far more goods (at least in terms of value) to those countries than they import from them. And, bluntly, none of this may matter if a country's 'comparative advantage' is in services rather than in manufacturing (as is undoubtedly the case with the UK). Moreover, despite the common fallacy, there is no finite number of jobs out there in the world that means if one country loses them, it cannot

grow them again: a high- or low-tech plant in Shanghai or yet another call-centre in Mumbai does not spell the end of the road for Europe. In any case, rising trade with the rest of the world – which, if it were done fairly, should help all concerned – is not half so important as the steady rise in the extent to which European countries, especially those within the EU, trade with each other (Table 1.2). The myriad connections this trade is built on are long-standing (centuries old, indeed) and increasingly institutionalized by EU membership and co-operation. At the very least, then, 'Europeanization is sufficiently deeply embedded to act as a filter for globalization' (Wallace, 2000: 381).

National and patterned variation

But just because European countries trade with each other and are all moving towards postindustrial economies, albeit at varying rates, we should not take Europeanization to mean some kind of uniformity. History matters in economics as much as it does in politics and policy. (Obviously, there are some basic similarities. Notwithstanding some of the postcommunist outliers, European countries have relatively advanced and – compared to, say, the US – relatively 'mixed' economies. Within a largely capitalist framework that sees most goods and services produced by the private sector, there is public sector involvement in areas such as defence and law and order, education and welfare provision and, not uncommonly, in the ownership of utilities and other industries. Even where state involvement is relatively low, it is probably crucial to the continued health of a nation's economy. The state, whether local or national, is a big customer for many private firms. Moreover, by maintaining transport and networks, and building and staffing schools and hospitals, it helps supply the infrastructure and the human resources those firms need. Its welfare payments help to ensure that as many consumers as possible have money to buy the goods and services produced by the private sector. Its stewardship of the economy, via tax and spending decisions and the legal and regulatory framework it maintains, contribute to the creation of an environment in which, hopefully, business will thrive.

But the distinctions between Europe's mixed

BOX 1.7 Europe's various welfare state regimes

Stressing variations in the extent to which political and trade union representatives of ordinary working people were able to wring concessions from states that were essentially pro-capitalist, Swedish expert, Gösta Esping-Andersen (1990) posited the existence of the following three 'worlds of welfare':

Social-democratic: Extensive high-quality services, open to all irrespective of income; generous (and income-related) transfer payments to those out of or unable or too old to work; strong public support; exemplified by Scandinavian countries such as Sweden.

Liberal, Anglo-Saxon: Basic services, many available only via means-testing; limited transfer payments; safety net for the poor so middle-class use and support is limited; both the UK and Ireland are examples, but (compared to, say, the US) only imperfect ones because they have been influenced by the other traditions.

Conservative, corporatist: Insurance-based welfare schemes, many of which are administered by unions and employers; strong bias towards support for traditional family structures; Austria, Germany, the Netherlands and the other Benelux countries fit neatly into this category, though France and Italy (and rather less easily Spain, Portugal and Greece) can also be included.

Table 1.2 The growth and current importance of intra-European trade

	% growth in trade with world 1960–2000	% growth in trade with other EU countries 1960–2000	Current trade with EU-25 countries as % of country's total trade (2004)
Czech Rep.	n/a	n/a	78
France	743	1666	67
Germany	755	902	65
Italy	1166	1720	60
Netherlands	862	1485	68
Poland	n/a	n/a	74
Spain	1909	2591	71
Sweden	1043	711	65
UK	342	1000	57
EU	734	1221	66

Sources: Data from Badinger and Breast (2003); Eurostat (2004).

economies are arguably every bit as important as the similarities. This need not mean we give up the search for some kind of patterned variation, however. Hall and Soskice (2001), for instance, put together a stimulating case that (west) European countries' economies can be characterized as 'liberal' (UK, Ireland) or 'co-ordinated' (Germany, Scandinavia and Benelux) or hybrids where the state is still quite a prominent actor (France, Greece, Italy, Portugal and Spain). Analysts also routinely draw distinctions between Europe's welfare state regimes (see Box 1.7)

It is still to soon to place Europe's postcommunist countries precisely and firmly into such schemas. But the early signs are there. After seeming to take their initial inspiration from the US, via the recommendations of the International Monetary Fund (IMF) and the World Bank (see Forge, 2001) many of them (notably the Czech Republic) are moving toward a less residual and more government-regulated 'European' model – often one which seems to pick and mix elements of both the social democratic and the 'corporatist' or 'conservative' model (see Deacon, 2000). As one

holism, falling life expectancy, deteriorating health status and appalling income inequalities' – phenomena that in the main affect the former Soviet Union (and therefore to some extent the Baltic states) – to give us a totally misleading view of welfare in the mainly Central European states that joined the EU in 2004.

The fact that some of Europe's postcommunist states are tending toward at least some aspects of Esping-Andersen's conservative or corporate welfare regimes, relying as they do on social insurance rather than tax-funded welfare, may not be a good thing for their populations, especially those who are unemployed. In March 2004, for instance, some 19 per cent of Poles were out of work, with the figure for under-25s double that. Rhodes (2002) notes that in west European countries whose welfare states rely on social insurance paid by employers and to a lesser extent employees (such as France, Germany, Italy and Spain), employers are reluctant to take on new (and that often means young) workers when the costs to them are so high, especially if what they see as 'red-tape' (but others see as worker protection) makes them difficult to offload if things do not work out. At the same time, as Rhodes also notes, their relative generosity to pensioners places a much greater burden on these in work than is the case in other countries. These residual 'Anglo-Saxon' welfare states, such as the UK or egalitarian 'Scandinavian' welfare states such as Sweden, are not only a little less generous to pensioners but load more of the burden of taxation onto the individual (via income tax) and their consumption, since they regard insurance-based levies as 'a tax on jobs' which hurts those looking for one.

If Europe's new democracies do adopt this insurance aspect of the conservative or corporatist (some use the term 'Bismarckian' after the founder of the system in Germany) welfare regime (see Wagener, 2002), it might mean that once the comparative advantage they enjoy over western economies in terms of cheap labour wears off they, too, run into some of the same problems. On the other hand, because that advantage is likely to last for at least a decade or more, they have plenty of time to adjust, and adjustment clearly is possible. Given a certain amount of political will (and perhaps a perceived 'fiscal crisis'), European states can and have moved from one category to the other or at least turned

observer, after judiciously sifting through the impassioned arguments and the mixed evidence concerning postcommunist social policy, concludes, any border that still exists between Western and Central and Eastern Europe is most definitely not one that demarcates two essentially different types of welfare regime', not least because there are so many types in each region. In short, 'Eastern European welfare regimes are muddling through to achieve some degree of normality by an average of Western standards' (see Kovács, 2002: 176, 196). As Wagener (2002: 170) points out, it is crucial to remember this lest we allow [a]ll the horror stories about transformation-induced alco-

themselves into hybrids. The restructuring of social security in the Netherlands, which in the 1980s seemed to be trending to the 'welfare without work' model, shows that, even faced with public opposition (over one million joined street protests in 1991), politicians are capable of turning things around (Green-Pedersen 2001 and see van Kersbergen, Hemerijck and Manow 2000). Whether they have turned them round enough – and whether the so-called 'Dutch model' is really one to be followed – is another matter (see Kerman, 2003).

Debates about *how* European countries should best finance their welfare states should not, however, obscure the main point that they do still finance them! There is a lot of hype surrounding 'the end of the European welfare state', but it is not well supported by the facts. Since the mid-1970s, governments in most European countries have been keen to stress their commitment to 'reigning in spending' and 'shrinking the state'. But, as we suggest in Chapter 9 where we discuss the relationship between rhetoric and reality on this matter in more detail, there is little evidence that they have succeeded. European governments recently appear to be spending slightly less of their countries' wealth,

but this would seem to be more a case of re-establishing control rather than relentlessly driving down spending to American levels (see Table 1.3). Nor do they seem to be spending any less on education and welfare (see Figure 1.4 and Crouch, 1999: 368–74), with only slight (though not altogether insignificant) variations in what each country spends its money on. For instance, France and Germany spend (per capita) a little more than most on health, but Sweden spends (per capita) more than other countries on education; postcommunist countries do not spend significantly more or less (at least per capita) than the rest; all spend a good deal on the elderly – and will continue to do so (see Box 1.8).

Society: class and gender still matter
Whatever happened to 'the classless society'?

In both the former West and East, however, there are systematic differences in the distribution of employment, income and wealth. This, many analysts would suggest, is because European soci-

Table 1.3 Government expenditure as a percentage of GDP, 1961–2005

	1961–73	1974–85	1986–90	1991–5 ¹	1996–2005 ²
Sweden	n/a	57.5	57.9	63.8	59.8
France	36.7	n/a	51.4	54.0	54.0
Czech Rep.	n/a	n/a	n/a	61.0	51.4
Italy	32.3	43.9	52.2	55.6	49.3
Germany	n/a	46.6	45.0	48.6	48.4
EU-15	n/a	45.5	47.5	50.0	48.0
Netherlands	37.1	53.2	54.9	54.3	47.7
Poland	n/a	n/a	n/a	49.8	44.5
UK	35.7	49.2	42.5	44.9	40.8
Spain	n/a	31.0	41.0	45.4	40.5
US	30.5	34.1	35.8	36.2	33.8

Notes: 1 Data for Czech Republic and Poland is 1992–5.

2 Data after 2003 are projections.

Source: Data from European Commission, DG Economic and Financial Affairs, *European Economy, Statistical Annexes* (Spring 2004), available online at http://europa.eu.int/comm/economy_finance/publications/european_economy_en.htm.

BOX 1.8

Births, deaths: and a lot more in between

Europe has probably reached its peak as far as population is concerned. This is primarily because after a postwar boom its birth rate has declined to just 1.5 per woman (only 1.15 in Spain and Italy), which is way below the 2.2 replacement rate required to keep numbers stable. In 1950, 548 million people lived in Europe and this increased to 727 million by 2000. But by 2050, Europe's population will have declined to 580 million. On the other hand, life expectancy is expected to increase. Life expectancy at birth in Europe between 1995 and 2000 stood at 73.2; by 2045–50 it will be 80.8.

Putting these two things together leads to the obvious conclusion that Europe has an 'ageing population'. Take the median age – the age you would pick in order to divide a country's population into two equal halves. In 1950, this would have been 29.2, in 2000 it would have been 37.7 and in 2050 it is expected to be 49.5! In fact, Japan aside, it is in Europe where population ageing is at its most advanced. The proportion of children in Europe, for instance, is projected to decline from 17 per cent in 2000 to 14 per cent in 2050, while the proportion of older people (those over 60) will increase from 20 per cent in 1998 to 37 per cent in 2050. By then, there will be 2.6 older people for every child and more than one in every three people will be aged 60 years or over.

Italy, Switzerland, Germany and Sweden currently have median ages of 40 years each. But in 2050, Spain is projected to have the oldest population, with a median age of 55 years. Italy, Slovenia and Austria, (54 years) will not be far behind. In Germany, Greece and Italy, there are already at least 1.5 people aged 60 or over for every child, and by 2050 Italy and Spain are each expected to have nearly four older people for every child. The old are also getting older! In 2050, Austria, Belgium, Finland, France, Germany, Greece, Italy, the Netherlands, Norway, Slovenia, Spain, Sweden, Switzerland and the UK are all projected to have at least 10 per cent of their population aged 80 years or over.

Source: Data from UN Population Division.

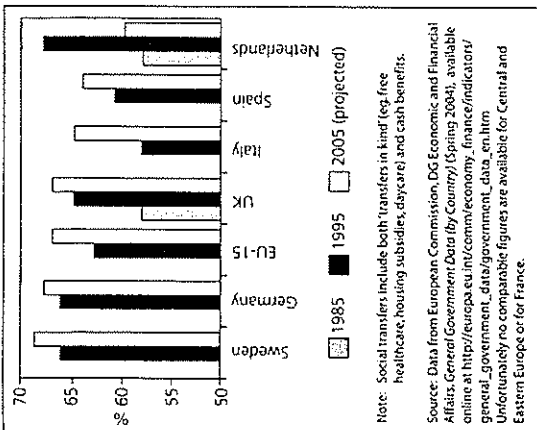


Figure 1.4 Proportion of government spending devoted to social transfers, 1985–2005

eties remain (or in the case of postcommunist countries are becoming) 'class societies'. There is plenty of room for argument about the precise make-up of these classes. Sociologists disagree and different countries employ different means of categorization, and it may be true that the traditional categories are becoming somewhat blurred (see Crouch, 1999: Chapter 5). There is also considerable dispute, as we shall see in Chapter 6, about the precise and changing impact of class on political behaviour. However, it is difficult to refute the general proposition that the circumstances into which a child is born and the work an adult finds him or herself doing (or, in the case of the unemployed, not doing) strongly influence his or her income, life-style and life-chances.

In Europe, the manual working class – at nearly a third to almost a half of European countries' populations – is still the largest group (especially if we were to confine our figures to men). It is, though, in decline as jobs in manufacturing and mining decrease relative to jobs in the often non-

manual service sector. Because many of the jobs in the latter are not necessarily well paid (especially if they are occupied by women) the so-called 'growth of the middle class' has not, however, been accompanied by a trend toward growing equality of incomes or wealth. Indeed, quite the opposite (see Figure 1.5).

In many – though not all – European countries, including the postcommunist states and the UK (which along with Italy, Ireland, Spain and France was historically one of the continent's most unequal societies), inequality actually increased from the 1980s onwards. In East Central Europe, this increase began slightly later and occurred because of the collapse of the communist economic system and the move toward marketization; it has, however, been notably less extreme than in the countries of the former Soviet Union (FSU), and at

least some governments – and here the Czech Republic would seem to be in advance of its counterparts in Hungary and Poland (see Ferge, 2001) – are taking the problem of poverty seriously. In the west, the increase in inequality was largely because (with the exception of the late 1980s/early 1990s when some workers lost out as unemployment affected them directly or indirectly by lowering wages), the rich got richer (as they benefited from more deregulated economies) rather than because the poor got poorer. The rise in inequality even occurred in egalitarian bastions like Sweden, although that country, with its Nordic neighbours, nevertheless remains one of the most equal in Europe. Nowhere in Europe, however, is inequality as evident as it is in the US or, closer to home, Russia (see Figure 1.6).

The extent and growth of income inequality differs between European countries. But its continued existence would seem to contradict the claim that the so-called 'classless society' has finally arrived, brought about, ironically, not by communism but by the capitalism it set out to destroy. But inequality does not stop at income. Take education, which is said by many to be one of the factors contributing to the blurring of class distinctions. Throughout Europe, an individual's progress and performance is influenced most not by the school she attends but by the educational attainment (and to a lesser extent the socio-economic position) of her parents. Like the US, though later on, Europe has seen a massive expansion in university and other tertiary education provision. But research suggests that across the continent the main – or at least the first – beneficiaries were those sorts of families who were already consumers of such provision. Rather than less more working-class children going on to university, for example, places have been found for the siblings whose gender or limited ability would have ruled them out in the more sexist and selective days of old. In short, while there has been a considerable closing of the gender gap (and in many European countries the opening of a new one as more women gain degrees than men) education is as much influenced by class distinctions as ever. It is therefore unlikely to have as big an impact on eroding such distinctions as some optimistic advocates suggest (see Crouch, 1999, 238–41).

	Early/mid 1970s–mid/late 1980s	1980s	Mid/late 1980s–mid/late 1990s
Czech Rep.	n/a	n/a	↑↑↑
France	↓	↔	↑
Germany	↓	↑	↑
Italy	↓↓	↑	↑↑
Netherlands	↔	↑	↑
Poland	n/a	n/a	↑
Spain	n/a	n/a	n/a
Sweden	↓	↑	↑
UK	↑↑	↑↑↑	↑

Key:
 ↑ = modest rise in income inequality, ↑↑ = rise, ↑↑↑ = significant rise.
 ↔ = no real change
 ↓ = modest fall in income inequality, ↓↓ = fall, ↓↓↓ = significant fall.
 Source: Adapted from Smeeding (2002).

Figure 1.5 Growth in inequality, 1970s–1990s

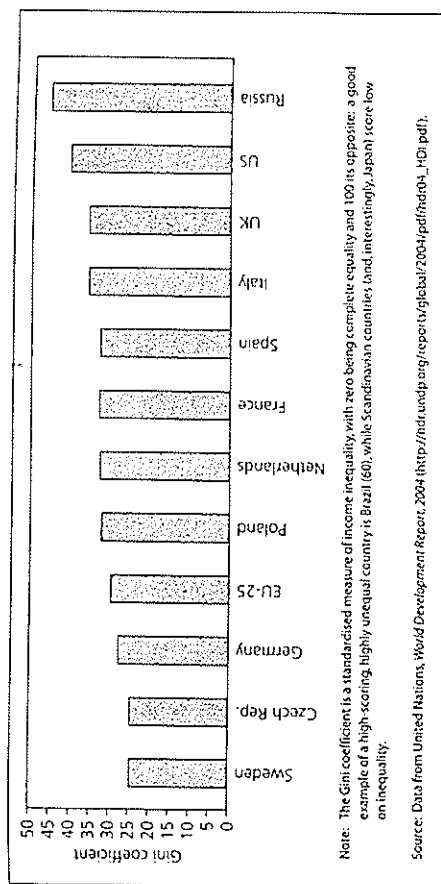


Figure 1.6 Inequality in Europe compared

Nor should too great a faith be placed in the capacity of social policy more generally to reduce inequality. There is some evidence to support the idea that reductions in inequality in former dictatorships such as Spain, Portugal and Greece may have had something to do with big increases in social spending (particularly in the last two countries). We can also say that efforts to curb welfare spending in the UK, which in the 1980s saw it swing toward the 'Anglo-Saxon' model and away from the social democratic one, probably exacerbated its relatively high level of poverty. At the other end of the scale, however, the Scandinavian countries that consistently emerge as having the most equal societies do so not just after, but also before, we take taxation and transfers into account – though this is not to discount completely the redistributory effect of their welfare states. Interestingly (and perhaps surprisingly to those who argue that, as in the US, inequality and national wealth go hand-in-hand), this is a reminder that in Europe there appears to be a positive correlation between how rich and how equal a country is (see Conceição, Ferreira and Galbraith, 2001).

Glib predictions about the coming of the classless society, then, are at the very least premature. On the other hand, this should not prevent us from acknowledging that the proportion of the

population that can be called, or calls itself, working class is on the decline. In short, while there are just as many workers on wages or salaries out there, far fewer of them are wearing blue collars and far more are wearing white. This is partly because, as we go on to discuss, more of them are wearing skirts, too. But it is also because of a move away from large-scale extraction and industrial production and into services. Fewer mines and large numbers of (traditionally) male manual workers work, live and play together and in so doing sustain a sense of themselves as having different (and competing) interests to those who employ them. As we shall see in Chapters 5 and 6, this has had a major impact on voting and party politics, posing particular problems for parties of the left, for whom such people were historically their core supporters.

Women – working but not yet winning?

If class remains an important source of differences between people, so too does gender. This is despite the fact that one of the clearest European social trends of the latter half of the twentieth century was a move into the paid workforce by women, particularly married (or, increasingly, cohabiting)

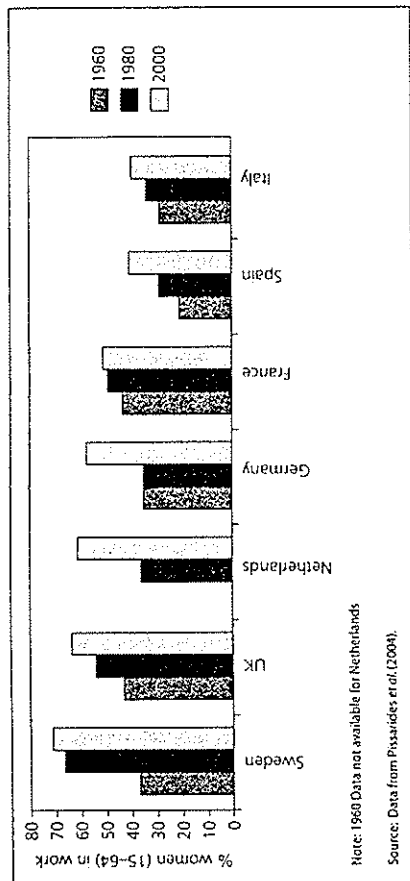


Figure 1.7 More and more women in the (paid) workforce, 1960-2000

women. As we can see from Figure 1.7, the rate at which this move has occurred actually varied between countries. Some western European nations, particularly those such as Italy and Spain, in which the Roman Catholic church exercised a strong influence, historically had low levels of female participation in the paid workforce: the increase in the latter may seem impressive, but rates overall are still lower. Although comparable figures are not available, some former communist countries deliberately and successfully encouraged women to enter the workforce by providing easily accessible childcare and promoting gender equality as official policy. They therefore started from a high base.

The so-called 'feminization' of the workforce is relative as well as absolute. The increase in female participation in paid employment has occurred alongside a decrease in the proportion of men working. This decrease is mainly explained by the steep rise in unemployment experienced by almost all European countries as the 'long' or 'postwar' boom came to an end at the same time as technological advance really began to impact on jobs. Much of this unemployment is long-term, affects the less skilled, is often geographically concentrated and occurs in the manufacturing sector. The service sector, however, has remained very much a growth area, and it is clearly this sector that has

down by the 'dual burden' of work and family.

Responses to this burden vary, but they may include an avoidance or at least a postponement of marriage and childbearing and/or childrearing. Certainly, there are strong trends in European countries (trends often led by Scandinavia and picked up last in Southern Europe) toward having fewer children and having them later on in life and toward later marriage or no marriage at all (though headline figures here can be misleading because of the rise of cohabitation). Divorce is also on the rise in Europe, although, outside the UK and Scandinavia, it is nowhere near the levels seen in the US. Indeed, in countries with a Roman Catholic (and Orthodox) tradition, it is still low, internationally speaking. This, though, may begin to change as religious constraints on the legal (i.e. divorce) regime, as well as on the thinking and behaviour of the population begin to decline.

Clearly, however, there are areas in which papal prohibitions on contraception have long since lost their influence. Two strongly Roman Catholic countries, Spain and Italy, have the lowest birth rates in the world, and are therefore doing nothing to prevent the remorseless ageing of Europe's population (see Box 1.8). Interestingly, birth rates in the Nordic countries, where women participate more fully in the labour force, are at least at replacement level. This is possibly because childcare and other welfare provision is easily accessed by working women in Scandinavia. It may also be because, as surveys consistently show, people in Southern Europe continue to place a higher priority on family obligations. Since they are committed to carrying out what they see as their duties (which, more often than in the north, also include looking after resident elderly relatives as well), they are more careful about adding to them. There are still few women who have no children, but many more who have just one. On a lighter (but by no means entirely frivolous) note, the low birth rate may also be a function of the fact that in Southern Europe (and particularly in Italy and Spain), adult children increasingly live with their parents far longer (i.e. well into their late twenties and thirties) than would be deemed 'normal' or even 'healthy' in other European countries!

In theory if not in practice: religion in Europe

Even this brief excursion into European demography reveals the extent to which some of the broad distinctions we can make between countries, or groups of countries, are influenced by religion. Since, as later chapters show, democracy would appear to be similarly influenced, no survey of Europe would be complete without exploring the continent's religious life a little more deeply. First and foremost, until very recently at least, Europe has been a bastion of Christianity. Yet the history of each country has been profoundly shaped according to which branch or branches of the Christian faith were important within its territory (see Table 1.4). The earliest divide in the Christian church was the eleventh-century breach between Roman Catholicism and the Orthodox church, which split Europe in an East-West fashion from (Catholic) Poland in the North down to (Orthodox) Greece in the South. This split left most modern states on one side or the other. In the

Table 1.4 Religious adherents in Europe, 2000

	Catholic (%)	Protestant (%)	Jewish (%)	Muslim (%)
Czech Rep.	40	3	-	-
France	82	2	1	7
Germany	35	37	-	4
Italy	97	1	-	1
Netherlands	35	27	-	4
Poland	92	1	-	-
Spain	98	0	-	1
Sweden	2	95	-	2
UK	10	53	1	2

Notes: 1 Percentages are given only if the proportion of the population identifying with a particular religion reaches 1 per cent; the absence of a figure does not mean the total absence of a community (the Jewish community is a good example).
2 Note also that, because of the methodology used, Protestants in predominantly Catholic countries may be slightly underrepresented. The figure for Protestants in the UK includes Anglicans.

Source: Data from Barrett *et al.* (2001).

sixteenth and seventeenth centuries, Protestantism either overcame (as in Lutheran Scandinavia) or (as in the UK, Germany, Switzerland and the Netherlands) came to exist alongside Roman Catholicism. The latter continued to dominate the Irish Republic, Belgium, Austria, France and, of course, Italy, Spain and Portugal.

In some countries, the influence of the dominant branch of Christianity went beyond society and was reflected at the level of the state. In the postwar period, of course, things changed, especially in the east where communist states displayed various levels of hostility towards organized religion, ranging from the obstructive (Bulgaria, Hungary, Romania and Poland) to the overtly antagonistic (Czechoslovakia). In the west, however, most states continued to provide subsidies to churches, whether direct or indirect (for example, by funding faith-based schools and hospitals).

In the middle of the twentieth century, Europe still seemed to be a religious place. Although regular attendance could be patchy, the church continued to play a part in the life of most Europeans as the place where rites of passage – births, marriages and deaths – were marked. As the new millennium approached, things had changed, but perhaps less than might be imagined. Research (see, for example, Halman and Riis 2002 and Norris and Inglehart, 2004) suggests that the numbers of people who in censuses and surveys declare themselves adherents of no religion has increased, particularly in France and Belgium (where Roman Catholicism has been the big loser) and in the Netherlands (where Protestantism lost even more heavily than Catholicism). In addition, although religious baptism and marriage are still the norm for most western Europeans, there has been a continual decline in the former and a decidedly mixed picture as regards the latter. Eight out of ten couples still have a church wedding in Italy, Spain, Portugal, Greece and Finland – the 'western' states which historically took longest to move from the agricultural into the industrial age. But only around half of couples in other western states do the same. Moreover, while there is still a tendency to 'marry in' rather than 'marry out', it is very small – far smaller than among, for instance, some of Europe's non-Christian ethnic communities.

As for church attendance, problems with obtain-

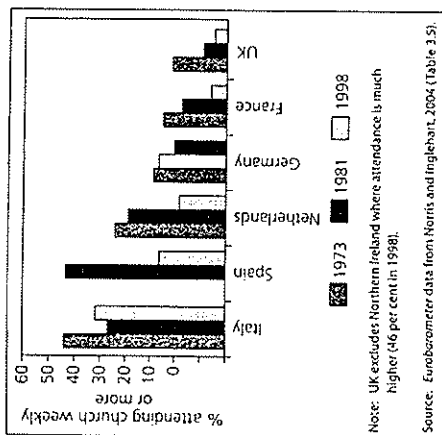


Figure 1.8 The west European decline in church attendance, 1973-98

ing accurate information from either churches or their parishioners make it difficult to say anything conclusive or precise about change over time. However, the evidence we do have both from World Values Surveys and the big opinion polls regularly conducted by the EU known as *Eurobarometer* surveys suggests a general decline in western Europe (see Figure 1.8). Until recently we might have had the confidence to say that Roman Catholics, at least outside France, were much better at actually going to the church than Protestants, particularly those Protestants belonging to the official state churches of the UK and Scandinavia. Recently, however, there are reports that attendance even in bastions of Roman Catholicism such as Ireland and Italy, though still relatively high, is in rapid decline. On the other hand, participation in the EU members like Malta and Poland seems not to have dropped off, and in many CEE countries, attendance seems to be on the increase now that the state does nothing to discourage it. Interestingly, judging by surveys, had only communist anti-clericalism seems to have had only limited impact on a seemingly natural tendency for most people to believe in some kind of higher power. Outside the former East

Germany, atheism (believing that no spirit or God or life force beyond mankind exists) is not noticeably higher than in 'western' countries such as Denmark. Similarly, agnosticism (not knowing either way) would appear from surveys to be widespread. Generally, though, there appears to be no evidence that either atheism or agnosticism is on the rise. And, despite all the above, the number of people still identifying with one religion or another is still significant (see Table 1.4).

What some label 'secularization', then is real, but it can be overstated or misunderstood. What cannot be overstated, however, are the considerable similarities between Europeans (east and west) on religion, and on its role in society and politics. These are neatly summed up by one researcher, who concludes (Laitin, 2002: 77) that:

there is a EU-wide consensus in support of a secular Christianity, a respect for national churches that do not meddle in political life, and a recognition as well of minority religious groups as long as the religious expression of these groups is contained within that community.

This last aspect of the 'consensus', however, may lead to problems, not least because of the growth and increasing visibility of the continent's other main religion, Islam. Up to 13 million people in Europe are Muslim, around 4.5 million of whom live in France, with around 3.5 million in Germany and 2 million in the UK. Unlike most of their Christian compatriots, many of them are relatively new immigrants and members of ethnic minorities. This makes them far more prone to discrimination, as well as to poverty. Many European towns and cities, however, contain mosques. And the stereotype of non-integration in the face of supposedly decadent western values, on the one hand, and reactionary moral and doctrinal conservatism, on the other, is just that – a stereotype (see AlSayyad and Castells, 2002, Haddad, 2002, Nielsen, 2004, Pauly, 2004 and Ramadan, 2003). That the stereotype is stronger than ever, however, is clearly down to the events of the terrorist attacks in New York in 2001 and Madrid in 2004. But it merely builds on what one writer, in view of the crusades and expulsions touched on above, justifiably calls 'a thousand years of myth

making in Europe' (see Reeves, 2003).

On the other hand, there are increasing media reports of European Muslim involvement in an apparent rise in anti-Semitic attacks – attacks on Jews or Jewish property – especially in France, which along with the UK has Europe's largest Jewish community. There are Jewish communities in other countries but, as Table 1.4, indicates, they are very small relative to the population. In absolute terms, of course, there are large numbers of Jewish people living in Germany (96,000) Italy (34,000), the Netherlands (25,000), Sweden (16,000) and Spain (13,000). In Poland and the Czech Republic the population is no more than a few thousand, due mainly to the Holocaust. To give some idea of scale, the Jewish community of the US is five times bigger than the Jewish community of all the countries listed in Table 1.4. In contrast, the Muslim community in the US is only just over a third of that living in the European countries listed. This may or may not help explain some of the foreign policy differences we explore in Chapter 11.

Composition and identity: multi-ethnic, multi-national – and European?

But if the proportion of people in European countries who can be clearly and conventionally identified as religious, or working class, is shrinking, there seem to be increasing numbers whose self-definition now includes some element of nationality and/or ethnicity (distinctive group characteristics rooted in history and/or race). In fact, Europe provides plenty of opportunity for people to feel and claim multiple and divided loyalties because, as we explore in more detail in Chapters 2 and 10, the continent contains far more ethnic groups than states. Many people, even those who may be officially classified as citizens of one or other country, think of themselves as belonging (either solely or simultaneously) to some other entity or identity. Because of the way the map of Europe has been drawn and redrawn over the centuries, and because of migration, there is almost no country that is completely unaffected by such currents, or by the backlash against them.

BOX 1.9

Politically significant ethnonational minorities in Europe

Belgium 60 per cent Dutch-speaking Flemish in the north; 30 per cent French-speaking Walloons in the south; considerable rivalry (see Chapter 2).

Bulgaria 10 per cent Turkish; 8.5 per cent Roma (gypsies).

Czech Rep. Moravians (13 per cent), but most identify as Czech; 2 per cent Roma.

Cyprus 12 per cent Turkish minority, living in officially unrecognized independent state.

Estonia Formerly part of the Soviet Union; 30 per cent Russians, 4 per cent Ukrainian and Belarusian.

Finland 6 per cent Swedish.

France Mediterranean island of Corsica. On mainland, sizable ethnic and racial minorities from former African colonies, many of whom are of Arab descent and practising Muslims.

Germany Some regional identity in former East Germany. Large immigrant community, made up of various European groups plus Turks (2.5 per cent).

Hungary 4.5 per cent Roma, 2.5 per cent German, 2 per cent Serb, 1 per cent Slovakian.

Italy Two small linguistic minorities: German-speaking *Alto Adige*, and French-speaking *Valle d'Aosta*. Significant North v. South divide.

Latvia Formerly part of the Soviet Union; 30 per cent Russian, 7 per cent Ukrainian and Belarusian.

Romania Collection of very small minorities from surrounding states, plus 6.5 per cent Roma, as well as 7 per cent Hungarian concentrated in Transylvania.

Slovakia 10 per cent Hungarian, 9.5 per cent Roma.

Spain Several more or less self-conscious regions, two of which (Catalunya and *Euzkadi* or the Basque country) see themselves as separate nations (see Chapter 2). Small Roma population.

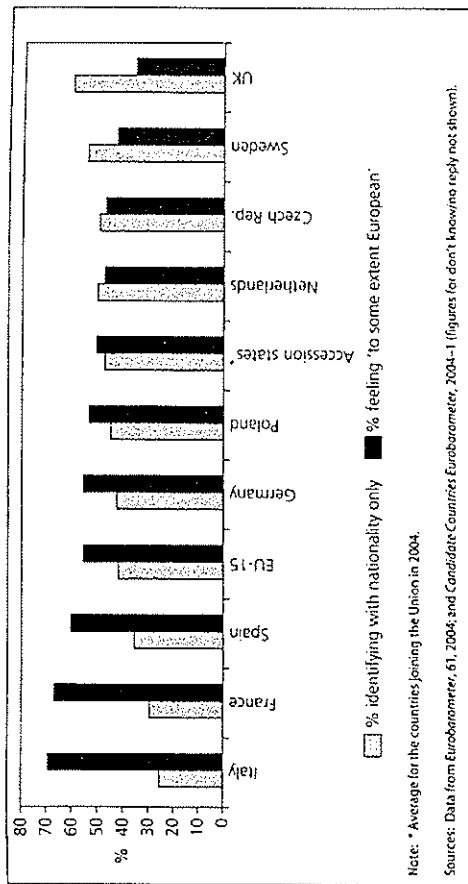
Switzerland Patchwork of largely German-speaking and French-speaking areas, but no separatism.

UK Sizable national minorities in Scotland and Wales, though separatism is non-violent and not as intense as in Northern Ireland where a large proportion identify with the Irish Republic to the south (see Chapter 2). Significant ethnic minorities from former colonial possessions in the Indian subcontinent (4.4 per cent) and the West Indies (2 per cent).

Source: Data from CIA *World Factbook* and *Banany* (2002: 160).

But some are more affected than others (see Box 1.9).
relatively speaking, particularly nationalistic.

According to the European Values Survey (EVS) of 1999/2000, half of all British respondents claimed to be 'very proud' of their country, and 40 per cent 'fairly proud'. This may put them above people from Belgium, Germany and the Netherlands. But it only puts them on a par with people in Austria, Finland, Slovenia and Spain. Pride in one's country, however, is stronger in Ireland, Malta, Portugal and Poland, the latter being somewhat unusual in postcommunist Europe, where national pride is generally lower than in western Europe.



Note: * Average for the countries joining the Union in 2004.

Sources: Data from *Eurobarometer*, 61, 2006, and *Candidate Countries Eurobarometer*, 2004-1 (figures for don't know/no reply not shown).

Figure 1.9 Mixed feelings: European and national identity

People in some countries are clearly much more willing than others to identify with something called 'Europe'. The fact that some people are quite reluctant Europeans while others are comfortable with multiple or 'nested' identities (local, regional, national and supranational) is interesting. But it could also prove politically problematic: it may divide an educated cosmopolitan elite from an undereducated parochial mass. There are clearly national differences which may have their origins in the extent to which European identity is portrayed in public debate as a threat or a complement to national identity (see Díez Medrano and Gutiérrez, 2001 and Smith, 1992). In other words, there is no simple 'zero-sum' game between Europe and the nation: sometimes they are seen as opposed; in other places the one is constitutive of

the other. Interestingly, there is no consistent connection, however, between the level of national pride in a country and any tendency among its people either to identify with, or be antagonistic to, Europe and/or the European Union. Surveys continue to show that while outright hostility is low, there is little evidence that the populations of the continent's various countries are developing an explicitly (let alone an exclusively) European identity. On the other hand, many people seem comfortable with both national and European identity. *Eurobarometer* surveys consistently suggest that just over half of people in the EU member states feel 'to some extent European', while under half identify exclusively with their own country. The demographic analyses show that people who left full-time education at the age of twenty or older, those

the other (see Kicsi *et al.*, 2003 and Str ath, 2001). This interaction and debate is destined to continue. As we suggest in Chapter 2, 'Europe' can no longer be thought of as existing outside or even above the state, while state and nation are no longer as commensurate as some countries tried to pretend they were.

But we need to be careful not to think that low, or at least variable, levels of identification with an abstract called 'Europe' means that Europeans do not share some – or at least enough – attributes in common. In fact, recent research suggests that they do (see Fuchs and Klingemann, 2002). It is true that one can draw systematic distinctions between groups of European countries with regard to democratic and liberal values (e.g. self-responsibility and work ethic, solidarity with the disadvantaged and trust in others, ethnic tolerance, support for and confidence in democracy and the political system, rejection of violence). And it is true that these differences may be traceable to countries'

religious and imperial histories, as well as their level of economic development. But it is also true that there seem to be systematic differences between (broadly speaking) the countries that currently make up the EU-25 and, on the one hand, the US and, on the other, countries further to the east (i.e. the FSU). And it is true that the differences between the old and new member states of the EU are nowhere near as significant as we sometimes think – indeed, in the realms of religion, ability to speak English as a *lingua franca*, and popular culture, there are often more differences between the fifteen member states that made up the EU before 2004 than there are between those fifteen and the states that joined in that year (see Laitin, 2002). As Fuchs and Klingemann (2002: 52) put it, 'Between the countries of Europe there is little difference in the political values and behaviours that are essential to a democracy'.

EXECUTIVE SUMMARY

- Europe has a conflict-ridden history that has seen the passing of sometimes global empires, religious wars, the rise of states whose borders do not always coincide with nations and, until the collapse of Communism, the artificial division of the continent into 'East' and 'West'.
- As one would expect in a continent whose countries vary so much in size and historical development, the European economy is characterized by variation. Postcommunist and (to an extent) southern European states are less well-off, but in most cases only relatively so. There are also big differences between regions in the same country.
- Europe is an important part of the wider global economy but the growth of intra-European trade is just as important. Europe's economy is not heading downhill, but it has a stubborn – though not equally distributed – unemployment problem.
- Despite most economies being 'postindustrial', there are persistent and patterned variations between the kind of capitalism in operation in individual countries, and similar variation characterizes Europe's still relatively large welfare regimes. Postcommunist countries may be developing into hybrids of these styles and regimes but few are going down the 'American' road toward a more minimal state.
- Class, income and gender inequalities also remain persistent.
- Europe's population is ageing faster than in any other part of the world outside Japan.
- Though not quite as much as in the US, and despite a big drop in church attendance, religion still matters in Europe. An increase in the number of Muslims also means that Europe is far from an entirely secular society.
- Because of long-term migration, Europe has become racially more diverse, although there have been ethnic minorities in many countries for hundreds of years.
- The extent to which people think of themselves as 'European' varies according to social characteristics but also across countries.
- People in the former 'East' and 'West' may show statistically significant variations in politically relevant values, but nowhere near significant enough to prevent us from considering a once-divided continent in its entirety once more.

Learning resources

Histories of Europe abound: the best reads are Davies (1998) and Mazower (1998). By far the best work on the sociology and economics of western Europe – and one which has helped inform this account – is Crouch (1999), but see also Hall and Soskice (2001). A concise overview of the progress of the post-communist countries is Lavigne (2000); up-to-date and well-presented information on economic and other issues in postcommunist Europe, is provided by the UN Economic Commission on Europe, online at <http://www.unece.org/ead/survey.htm>. A stimulating – and stimulatingly short! – essay on Europeanization and globalization is provided by Wallace (2000). On the ethnic minorities of Europe, by far the best up-to-date reference book is Cordell and Wolff (2004). On values, by far the best primary source is Halman (2002), while for analysis see Arts, Hagenaars and Halman (2004). On religion, see Halman and Riis (2002), Inglehart and Norris (2000) and Norris and Inglehart (2004). An informative, non-academic guide to the state of the Christian religion in Europe is Chu (2003). As for websites, easy-to-follow maps of Europe and its countries, plus basic information and links to other websites are available at <http://www.worldatlas.com/webimages/countries/en.htm>; more detailed facts and figures on individual countries can be found at <http://www.odci.gov/cia/publications/factbook/>, as well as in Turner (2005).