1 Globalization and its impact on national spaces of competition

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The political consequences of globalization are manifold. On the one hand, the processes covered by this term lead to the establishment of new forms of political authority and of new channels of political representation at the supranational level and open up new opportunities for transnational, international and supranational mobilization (Della Porta *et al.* 1999). On the other hand, the same processes have profound political implications at the national level. National politics are challenged both 'from above' – through new forms of international cooperation and a process of supranational integration – and 'from below', at the regional and local level. While the political consequences of globalization have most often been studied at the supra- or transnational level (Zürn 1998; Held *et al.* 1999; Greven and Pauly 2000; Hall and Biersteker 2002; Grande and Pauly 2005), we shall focus on the effects of globalization on national politics. We assume that, paradoxically, the political reactions to economic and cultural globalization are bound to manifest themselves above all at the national level: given that the democratic political inclusion of citizens is still mainly a national affair, nation-states still constitute the major arenas for political mobilization (Zürn *et al.* 2000). Our study focuses on Western European countries, where globalization means, first of all, European integration. For the present argument, however, this aspect of the European context is not essential. Europeanization and European integration can also be seen as special cases of the more general phenomenon of globalization (Schmidt 2003).

Zürn suggests that we view the processes of globalization as processes of 'denationalization' (Beisheim *et al.* 1999; Zürn 1998), i.e. as processes that lead to the lowering and 'unbundling' of national boundaries (Ruggie 1993). It is true that there are earlier examples of globalization, but there is plenty of evidence that this process has accelerated in the 1980s and 1990s. Following David Held and his collaborators (1999: 425), who have probably presented the most detailed and measured account of the phenomenon in question, we argue, however, that 'in nearly all domains contemporary patterns of globalization have not only quantitatively surpassed those of earlier epochs, but have also displayed unparallelled qualitative differences – that is, in terms of how globalization is organized and reproduced'. If we put these processes in a Rokkanean perspective (see Rokkan 2000), we may conceive of the contemporary opening up of boundaries as a new 'critical juncture', which is likely to result in the formation of new structural cleavages, both within and between national contexts.

This is the starting point of the study presented in this volume. In this chapter, we shall outline in more detail our approach regarding the formation and articulation of new political cleavages. First, we discuss how we expect the processes of denationalization to lead to the formation of a new structural conflict, opposing 'winners' and 'losers' of globalization. This conflict is expected to constitute potentials for processes of political mobilization within national political contexts. Next, we examine how these potentials can be articulated at the level of political parties. In order to fully understand how new political cleavages emerge from the process of denationalization, it is crucial to focus both on the transformations in the electorate (the demand side of electoral competition), and on the kind of strategies political parties adopt to position themselves with regard to these new potentials (the supply side of politics).

A new structural conflict between 'winners' and 'losers' of globalization

Three assumptions guide our analysis:

- First, we consider that the consequences of globalization are not the same for all members of a national community. We expect them to give rise to new disparities, new oppositions and new forms of competition.
- Secondly, we assume that citizens perceive these differences between 'winners' and 'losers' of globalization, and that these categories are articulated by political parties.
- Thirdly, we expect that these new oppositions are not aligned with, but crosscut, the traditional structural and political cleavages.

The 'losers' of globalization are people whose life chances were traditionally protected by national boundaries. They perceive the weakening of these boundaries as a threat to their social status and their social security. Their life chances and action spaces are being reduced. The 'winners', on the other hand, include people who benefit from the new opportunities resulting from globalization, and whose life chances are enhanced. The essential criterion for determining the impact of the opening up of national boundaries on individual life chances is whether or not someone possesses *exit options*. As Zygmunt Baumann (1998: 9) has observed, in the age of globalization *mobility* becomes the most powerful factor of social stratification. On the one hand, there are those who are mobile, because they control convertible resources allowing them to exit, and, on the other hand, there are those who remain locked-in, because they lack these resources.

The scope of the structural changes induced by globalization is still a point of controversy. It is widely debated in political science and in sociology (see, for example, Albrow 1996; Beck 1997, 1998a, 1998b; Goldthorpe 2002). For our purposes, we can identify three mechanisms which contribute to the formation of winners and losers of globalization. First among these is the increase in *economic competition*, which results from the globalization process. Over the last decades, a series of transformations in the American economy has resulted in a massive pressure towards deregulations in Western European countries, leading in turn to a dramatic erosion of protected property rights. Schwartz (2001: 44) suggests interpreting the impact of globalization as 'the erosion of politically based property rights and their streams of income, and as reactions to that erosion'. The individuals and the firms that are most directly affected by this erosion are those who worked in 'sheltered' sectors, i.e. private sectors that were, since the 1930s, protected from market pressures through public regulation.[1] Those measures disconnected income streams (in the form of wages, employment or profits) from the outcome of the market. In the context of globalization, Schwartz's distinction between sectors sheltered from the market, on the one hand, and sectors exposed to the market, on the other, has much in common with the distinction between export-oriented firms and firms oriented towards the domestic market.[2] With the international pressure towards deregulation, the cleavage between these two sectors intensifies. Firms exposed to global market pressures try to impose market discipline on traditionally sheltered sectors, so as to bring down their own costs of production and to remain competitive on the international market. Firms in sheltered sectors, by contrast, seek to defend their property rights. Workers in exposed sectors also have an interest in the lowering of production costs, as their jobs directly depend on the international competitiveness of their firm. Workers in sheltered sectors, by contrast, have the same interest in protectionist measures as their employers. Globalization thus leads to a *sectoral* cleavage, which cuts across the traditional class cleavage and tends to give rise to cross-class coalitions.

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[1] Such measures include: 'trade protection, minimum wages, centralized collective bargaining, product market regulation, zoning, the delegated control over markets to producer groups, and … formal welfare states' (Schwartz 2001: 31). The public sector also belongs to the 'sheltered' sectors, but it is less affected by the erosion of established property rights.

As a result of globalization, the increasing economic competition is, however, defined not only in sectoral, but also in *ethnic*, terms – 'ethnic' taken here in a large sense (including language and religious criteria). This is a consequence of the massive immigration into Western Europe of ethnic groups who are rather distinct from the European population on the one hand, and of the increasing opportunities for delocalizing jobs into distant, and ethnically distinct, regions of the globe, on the other. Thus, the increasing economic competition is linked to a second mechanism – an increasing *cultural diversity* (Albrow 1996). In the immigration countries, ethnically different populations become symbols of potential threats to the standard and style of living of the natives. Furthermore, the European welfare states have been granting some of their social rights and privileges – though hardly any political rights – to the migrants (Soysal 1994: 130), which increases the perception of competition (for the same scarce resources) on the part of the native population. In addition, the immigrants of ethnically distinct origins pose a potential threat to the collective identity of the native population. To the extent that (parts of) the indigenous populations perceive that their life style, their everyday practices and their collective identity are challenged by the increasingly conspicuous presence and institutionalization (in the form of cultural centres, mosques, schools, associations etc.) of some immigrant cultures, we can speak of *cultural competition* which accompanies and exacerbates the economic competition.

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[2] Schwartz, however, emphasizes the difference between the two classifications. Considering them as equivalent is misleading, he argues, because few commodities or services are not subject to international trade. Furthermore, he considers the stranded investments of the 'sheltered' sectors to be a central problem, which is different from the issue of the opportunity costs of the export-oriented sectors. For a similar argument, see Frieden (1991: 440): 'The principal beneficiaries of the broad economic trends of the last two decades have been internationally oriented firms and the financial services industries; the principal losers have been nationally based industrial firms'; and Frieden and Rogowski (1996: 46): 'exogenous easing of trade will be associated with increased demands for liberalization from the relatively competitive, and with increased demands of protection from the relatively uncompetitive, groups.'

The potential economic and cultural threat may not necessarily be perceived and experienced in the same way by all members of a national community. In this respect, the individual level of education plays a key role. *Education* has a ‘liberalizing’ effect, i.e. it induces a general shift in political value orientations towards cultural liberalism (cosmopolitanism, universalism). It contributes to cultural tolerance and openness; it provides the language skills which give access to other cultures. Individuals who are poorly educated are usually less tolerant and do not have the resources to communicate with foreigners or to understand other cultures in a more general sense (Lipset 1981; Grunberg and Schweisguth 1990: 54, 1997a: 155–9, 168; Quillian 1995; Sniderman *et al.* 2000: 84). Moreover, higher education has also become an indispensable asset for one’s professional success. It provides the necessary specialized skills which are marketable inside and across the national boundaries, thus considerably increasing one’s exit options. It is certainly true that this development is less a consequence of globalization than of the processes of deindustrialization and of technological change. But, from the point of view of the affected groups, it is central to understand how they *perceive* their relative loss in life chances and to whom they attribute its causes.

A third mechanism related to the opening up of borders increases the *political competition* between nation-states, on the one hand, and supra- or international political actors, on the other. Most scholars agree that, as a consequence of globalization, nation-states are losing part of their problem-solving capacity and scope of action, which means that the citizens’ political rights, which are mainly tied to the nation-states, are hollowed out. Thus, the possibilities for an independent macro-economic policy have been drastically reduced because of the liberalization of the financial markets. This is obvious in the European context, where an autonomous national monetary policy has no longer been possible since the creation of a European central bank. These changes create winners and losers in specific ways, too. First of all, there may be material losers to the extent that the reduction of a state's autonomy may imply a reduction of the size of the public sector. But, more importantly, winners and losers also result from differences in their *identification with the national community*. Gorenburg (2000) has emphasized the importance of such identifications to understand support for nationalism. Individuals who possess a strong sense of identification with their national community, and who are attached to its exclusionary norms and/or to its political institutions, will perceive their weakening as a loss. Conversely, citizens with universalist norms will perceive this weakening as a gain, if it implies a strengthening of supranational political institutions.[3] The attachment to national traditions, national languages and religious values plays a prominent role here – as does the integration into transnational networks.[4]

To sum up, the likely winners of globalization include entrepreneurs and qualified employees in sectors open to international competition, as well as all cosmopolitan citizens. Losers of globalization, by contrast, include entrepreneurs and qualified employees in traditionally protected sectors, all unqualified employees, and citizens who strongly identify themselves with their national community. Following the realistic theory of group conflict, we consider that the threats perceived by the losers and their related attitudes do have a real basis. They are not simply illusions or rest on false consciousness. However, we assume that individuals do not perceive cultural and material threats as distinct phenomena.[5] As Martin Kohli (2000: 118) argues, identity and interests are mutually reinforcing factors of social integration.

The new groups of winners and losers of globalization constitute *political potentials*, which can be articulated by political organizations. However, given the heterogeneous composition of these groups, we cannot expect that the preferences formed as a function of this new antagonism will be closely aligned with the political divisions on which domestic politics have traditionally been based. This makes it difficult for established national political actors to organize these new potentials. In addition, the composition of the groups of winners and losers varies between national contexts, making it even more difficult to organize them at the supranational level, e.g. at the level of the European Union. This heterogeneity results in a twofold problem for the organization and articulation of political interests. First of all, it creates the already mentioned *political paradox of globalization*: due to their heterogeneity, the new political potentials created by this process are most likely to be articulated and dealt with at the level of the national political process. Moreover, it opens a 'window of opportunity' for the formation of new political parties and the restructuring of the national party systems.

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[3] For the distinction between norms of exclusion and universalist norms, see Hardin (1995: Chapters 4ff.).

[4] Traditionally, integration into cosmopolitan networks was the preserve of a small elite. Today, however, the Jet Set is not the only group which is forming transnationally and which is developing identities that rival with territorially more circumscribed identities (Badie 1997: 453f.).

[5] Bobo (1999: 457): 'the melding of group identity, affect, and the interests in most real-world situations of racial stratification make the now conventional dichotomous opposition of "realistic group conflict versus prejudice" empirically nonsensical.'

We thus suggest that, paradoxically, the lowering and unbundling of national boundaries render them more salient. As they are weakened and reassessed, their political importance increases. More specifically, the destructuring of national boundaries leads to a 'sectoralization' and an 'ethnicization' of politics (Badie 1997), i.e. to an increased salience of differences between sectors of the economy and of cultural differences, respectively, as criteria for the distribution of resources, identity formation and political mobilization. As far as the ethnicization of politics is concerned, the theory of ethnic competition holds that majority groups will react to the rise of new threats with *exclusionary measures* (Olzak 1992). At a general level, we would expect losers of the globalization process to seek to protect themselves through protectionist measures and through an emphasis on national independence. Winners, by contrast, who benefit from the increased competition, should support the opening up of the national boundaries and the process of international integration. We shall refer here to this antagonism between winners and losers of globalization as a conflict between *integration* and *demarcation*.[6]

The impact of the new structural conflict on the structure of the political space

These arguments and hypotheses present a general framework for understanding recent developments in the structure of political competition and in electoral alignments in Western democracies. In this section, we shall focus on the *political articulation* of the political potentials based on the integration–demarcation cleavage by political parties and formulate a series of hypotheses. Our general position is that of Sartori (1990) and his followers (e.g. Przeworski and Sprague 1986; Bartolini and Mair 1990; Gallagher *et al.* 1992), a position which emphasizes the role of the parties in the cleavage formation. The key problem addressed by Sartori is that of the *translation* of conflicts and cleavages into politics. Such a translation is not a matter of course, but crucially depends on political organization. Using the example of class, Sartori (1990: 169) put it most bluntly: 'it is not the "objective" class (class conditions) that creates the party, but the party that creates the "subjective" class (class consciousness).' In our terms, what is at stake is the problem of the articulation of a structurally given latent potential by a political organization (in particular by a political party). The potentials are structurally given, i.e. they are not created by the party. The preferences of the voters change due to processes of social change that cannot be controlled by political organizations. But whether these changing preferences have political consequences or not fundamentally depends on their mobilization by political organizations such as political parties. Moreover, it is possible that the voters' preferences are influenced by the process of their mobilization, given that the parties provide the instruments – political identities, ideologies and issue-specific cues – allowing the voters to position themselves in the political space.

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[6] Bartolini (2000) refers to it as a conflict between integration and independence.

The political mobilization of a latent structural potential by political parties gives rise to two interdependent dynamics – the transformation of the basic structure of the political space in a given country *and* of the parties' positioning within the transforming space. On the one hand, the political potentials (conflicts, issues and issue-specific preferences in the electorate) are articulated by the individual parties, i.e. the parties are restructuring the space. On the other hand, the individual parties are repositioning themselves strategically within both, the emerging dimensional structure of the space and the emerging spatial configuration of their competitors, i.e. they are adjusting to the changing structure. Parties are changing their positions within a space, the dimensions of which are changing, too, as a consequence of their strategic action.[7] It is only for expository purposes that we subsequently separate the two sides of the same coin.

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[7] Van der Brug (1999: 151, 2001: 119f.) has already pointed out the interdependence between these two dynamics.

Let us first look at the *transformation of the basic structure*. In this respect, it is useful to distinguish between an *economic* dimension and a *cultural* dimension of the integration–demarcation divide.[8] On each dimension, an open, integrationist position contrasts with a defensive, protectionist one. In the economic domain, a neoliberal free trade position is opposed to a position in favour of protecting the national markets. In the cultural domain, a universalist, multiculturalist or cosmopolitan position is opposing a position in favour of protecting the national culture and citizenship in its civic, political and social sense. The orientations on the two dimensions need not necessarily coincide. One could also further specify the notion of integration by distinguishing between the removal of boundaries and other obstacles to free and undistorted international competition – purely *negative* integration in Scharpf's (1999: 45) terminology – and a process of reconstruction of a system of regulation at the supranational or international level – a process that Scharpf calls *positive* integration.

Next, we should discuss how the two dimensions of the presumed new structural conflict are expected to relate to the existing structure of cleavages in Western European politics. According to Rokkan (2000), four classic cleavages have structured the European political space – the centre/periphery, religious, rural/urban, and owner/worker cleavages. This set essentially boils down to two dimensions: a cultural (religion) and a social-economic one (class) (Kriesi 1994: 230–4). Class conflicts were omnipresent in Western Europe and structured politics around social-economic policy – the regulation of the market and the construction of social protection by the state. The left essentially fought for social protection and market regulation, while the right defended the free reign of market forces. Religious conflicts prevailed between Catholics and Protestants in religiously mixed countries, and between the believing Catholics and the secularized in Catholic countries. In the Protestant North-West, Protestant dissidents contributed to religious conflicts. After World War II, these traditional cleavages have lost much of their traditional structuring capacity for politics as a result of secularization, value change, rising levels of education, improved standards of living, and sectoral change (tertiarization) (Dalton *et al.* 1984; Franklin *et al.* 1992; Inglehart 1990; Kriesi 1993).

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[8] Our distinction of these two aspects of the purported new conflict follows Lipset (1981), who used to distinguish between socio-economic and cultural conservatism and liberalism respectively (see also Middendorp 1978; Grunberg and Schweisguth 1990).

In their place, new structuring conflicts have developed since the late 1960s, which have been variously labelled as expressions of a 'new politics' (Franklin 1992; Müller-Rommel 1984, 1985, 1990), a 'new value' (Inglehart 1977, 1985, 1990, 1997) or a 'new class' (Evans 1999; Kriesi 1998; Manza and Brooks 1999; Lachat 2004; Oesch 2006) cleavage. Following the 'new class' approach, the new middle class or service class is itself divided between the *managers*, i.e. employees in administrative hierarchies who run an organization, make administrative decisions, command and survey the work of others, and *professionals* for whom the exercise of specialized knowledge and expertise is typical. While managers are expected to be above all *loyal to their organization*, professionals have at least one further point of reference: *their professional community*. It is common that professionals legitimate their claims for high levels of autonomy with reference to professional norms and the exercise of professional competence. Among them, an organizational orientation is, therefore, less likely. Compared to professionals with administrative or technical skills, identification with the organization is least likely among a specific group within the professional services – the *social and cultural specialists*, who identify not only with their professional community, but also with their clients. As a result, the 'new class' approach expects a strong *antagonism about the control of work* between the two opposite segments within the new middle class – managers and socio-cultural professionals, with administrative and technical experts (the 'technocrats') taking an intermediary position.

Both of these segments within the new middle class now find themselves on the winners' side of the new structural conflict. But, in the aftermath of the 'cultural revolution' of the 1960s, they had been in sharp opposition to each other. In particular, the social-cultural professionals constituted the driving force of a series of so-called *new social movements* which mobilized in the name of universalist values – human rights, emancipation of women, solidarity with the poor of the world, protection of the environment (Kriesi 1989, 1993, 1998). Their vision was one of cultural liberalism and social justice/protection. These were essentially movements of the left, which often found close allies in the established parties of the left and, in due course, spawned a new set of parties – the New Left and Green parties. Their concerns reinvigorated the traditional class cleavage and reinforced the left's position on the social-economic dimension. In addition, they contributed to the transformation of the cultural dimension from a dimension mainly defined in terms of religious concerns to one opposing culturally liberal or libertarian concerns, on the one side, and the defence of traditional (authoritarian) values and institutions (including traditional Christian religion, traditional forms of the family, and a strong army), on the other. Kitschelt (1994, 1995) has perhaps most forcefully conceptualized the effect of this transformation on the structuration of the political space.

It is crucial that the mobilization of these new social movements did not add any fundamentally new dimension to the political space, but *transformed the meaning* of the two already existing ones. The political space remained two-dimensional, defined by a social-economic and a cultural dimension. What changed was the meaning of the conflicts associated with these two dimensions. In a similar vein, we can now hypothesize that the new demarcation/integration conflict will be embedded into the two-dimensional basic structure that emerged under the impact of the mobilization by the new social movements, transforming it once again. This is our *embedding hypothesis*. On the *social-economic dimension*, the new conflict can be expected to reinforce the classic opposition between a pro-state and a pro-market position while giving it a new meaning. The pro-state position is likely to become more defensive and more protectionist, while the pro-market position is likely to become more assertive in favour of the enhancement of national competitiveness on world markets. At the same time, the increasing sectoralization of concerns may drive a wedge between former allies on the pro-market side. On the *cultural dimension*, we expect enhanced opposition to the cultural liberalism of the new social movements as a result of the ethnicization of politics: the defence of tradition is expected increasingly to take on an ethnic or nationalist character. Furthermore, new issues should be integrated into the cultural dimension. In the Western European context we are studying here, central among these are the issues of European integration and of immigration, which correspond to the new political and cultural forms of competition linked with globalization. The demarcation pole of the new cultural cleavage should be characterized by an opposition to the process of European integration and by restrictive positions with regard to immigration.

Instead of the new conflict becoming embedded into the already existing conflict dimensions, one might, alternatively, expect it to transform the national political space by adding one or even two new dimensions to the two already existing ones. The main reason, why we do not think that this is what happens, has to do with the adaptive capacity of the already existing parties. This is our *adaptation hypothesis*. The mainstream parties take up the new preferences, identities, values and interests, and interpret and articulate them in their own specific ways (Schattschneider 1960; Lipset 1981: 298f.; Mair 1983, 1989, 1993; Laver 1989). We suggest that established parties are repositioning and realigning themselves as a result of the rising new conflict. Accordingly, the increasing volatility in the Western European elections cannot be interpreted, as is usually done, only as the result of increasing issue-voting on the part of the electorate, but also as a result of this repositioning and realigning of established parties. This also implies that there can be much change in the party system behind an apparent continuity: the number and even the relative strength of the parties may hardly change at all, while the identity, the ideology and the structural support of these very same parties may have profoundly changed. It may be that some parties remain the same only in name.

The positioning of the parties within the transformed space

We can now discuss our hypotheses regarding the positions taken by political parties in this transformed political space. The different combinations of positions on the two dimensions represent the range of possible interpretative packages or ideological master-frames which are available to political entrepreneurs for the articulation of the new structural antagonism in the context of already existing political divisions. Figure 1.1 offers a schematic representation of the expected positions of the major groups of parties: we distinguish between three traditional party families of which we find representatives in all Western European countries – the social-democrats, the liberals and the conservatives (often represented by Christian-democrats) – as well as two groups of more recent competitors: the New Left and Green parties, on the one hand, and the populist right, on the other. This figure presents a map of the parties' possible positions, which we discuss in more detail in the following paragraphs. The exact locations of parties in different countries are likely to vary, as they depend not only on the common trends linked with globalization, but also on the

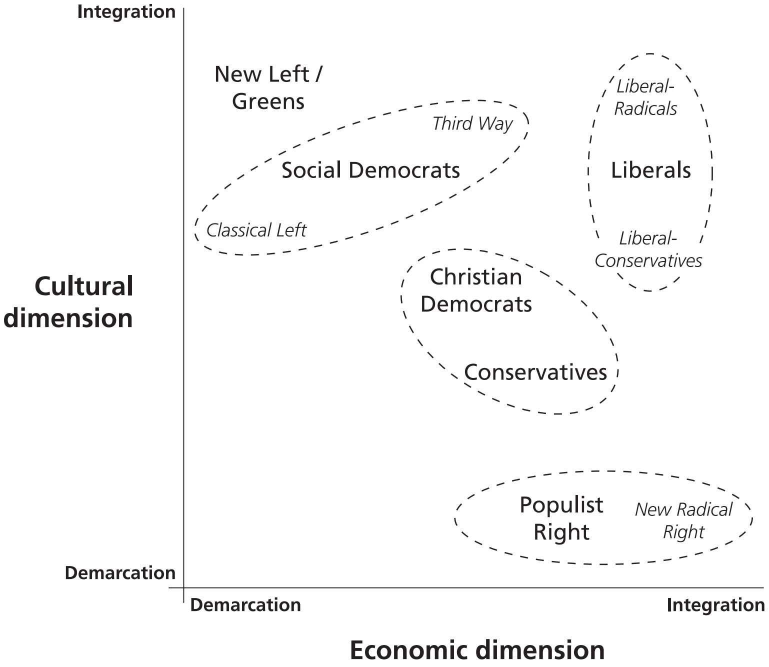
Integration
Cultural dimension
Demarcation
New Left / Greens
Third Way
Social Democrats
Classical Left
Liberal-Radicals
Liberals
Liberal-Conservatives
Christian Democrats
Conservatives
Populist Right
New Radical Right
Demarcation
Integration
Economic dimension

Figure 1.1 Expected positioning of party families with respect to the new cleavage

parties' strategic decisions and on specific contextual factors (which we shall discuss in Chapter 2). This figure can be considered as a general summary of our hypotheses regarding the transformed structure of the political space and parties' positions within this space.

Typically, *mainstream political parties* have so far taken a rather undifferentiated position with respect to the new cleavage. They seem to be uncertain about it, because (a) they are internally divided with regard to the question of integration, (b) they are divided as Euro-families as a result of their variable insertion into national party configurations, and (c) they are not in a position to form a strong alliance between different sectoral and cultural interests. Broadly speaking, whether on the left or on the right, they tend to view the process of economic denationalization both as inevitable and beneficial for the maintenance of their established positions. Thus, analyzing the main party families – the Socialists, Liberals and Christian Democrats – at the EU level, Hix (1999) has noted that, between 1976 and 1994, all three gradually converged on moderately pro-Integration positions. The findings of Hooghe *et al.* (2002) and van der Eijk and Franklin (2004) about the general preference regarding European integration of mainstream parties support this point. As a first hypothesis, we would suggest that, in Western Europe, (a) mainstream parties will generally tend to formulate a winners' programme, i.e. a programme in favour of further economic and cultural integration, but that (b) mainstream parties on the left will attempt to combine the economic integration with the preservation of the social protection by the welfare state, while mainstream parties on the right will tend to reduce the role of the state in every respect.

There are, however, variations of this general theme. On the left, mainstream parties are generally liberal in social and cultural terms, but they face the dilemma that market integration in Europe (and more globally) poses a threat to their national social achievements. Depending on their capacity to defend these achievements at the national level, mainstream left parties may vary with regard to the extent to which they endorse economic integration (Marks and Wilson 2000; Hooghe and Marks 2001). Accordingly, their positions are likely to vary mostly along the economic dimension of the political space. We may distinguish between a 'classical left' position that sticks to a statist and more protectionist attitude and the position of the Third Way, formulated by the British Labour Party and later also discussed in other countries – especially in Germany, which constitutes a novel attempt to come to terms with the problems posed by the new dividing line: Third Way politics takes globalization seriously, adopts a positive attitude towards it, and seeks to combine a neoliberal endorsement of free trade with a core concern with social justice (Giddens 1998: 64ff.). For the architects of the Third Way, taking globalization seriously also requires steps in the direction of 'positive integration', in the form of global economic governance, global ecological management, regulation of corporate power, control of warfare and fostering of transnational democracy (Giddens 2000: 122–62). In the transformed political space, compared to the location of the traditional left, parties of the Third Way should be more favourable to further integration, on both the economic and cultural dimensions.

On the right, conservatives also face a dilemma – a dilemma that is precisely the opposite of the one faced by mainstream parties of the left (Marks and Wilson 2000; Hooghe and Marks 2001): economically they tend to endorse liberalization, but socially and culturally they tend to be nationalists and opposed to the opening up of the borders. Accordingly, their positions are likely to vary especially along the cultural dimension. Depending on the threat posed by integration to the national identity, the conservatives will be more or less opposed to integration. Given the British fear of losing the national identity and culture, a fear that is largely absent in countries such as Germany or Spain (Diez Medrano 2003), it is, for example, not surprising that the British Conservatives are much more Eurosceptic than the German or Spanish ones.[9]

Compared to the other two main political families, at first sight the opening up of the borders seems to constitute less of a challenge for the liberal family. Classical liberalism was both economically and socio-culturally liberal, i.e. supported the free market and social and cultural openness and tolerance. On closer inspection, however, we can find that European liberalism has been characterized by a strong ambivalence regarding the left–right dimension. As a consequence, we can distinguish several variants within the liberal party family (Smith 1988). Most important is the distinction between 'liberal-radicalism' and 'liberal-conservatism'. Whereas the former (e.g. the Dutch D66) has been left-of-centre on economic issues, the latter (e.g. the Dutch VVD) has been emphasizing economic freedom and market liberalization and tended to be right-of-centre. Faced with the opening of the borders, liberal-conservatives are distinguished by the fact that they tend to put the accent on market liberalization, i.e. on the negative integration with respect to the economy, while they oppose supranational political integration (Marks and Wilson 2000: 448–50).

On the basis of these empirical observations, we can expect two possible developments. The first development is an intensification of political conflicts within mainstream political parties as a consequence of their attempts to redefine their ideological profiles. In some cases, these conflicts have been successfully resolved by transforming the party's profile, Britain's New Labour and the Austrian FPÖ being two of the most significant cases. This is a specification of the *adaptation hypothesis* formulated previously. Mostly, however, the mainstream political parties are still characterized by their indecision and their tendency to opt moderately for the winners' side. For these cases, we suggest a second general hypothesis – our *fragmentation or polarization hypothesis*: in countries where these parties dominate, we face an *increasing political fragmentation* (Zürn 2001) with the strengthening of peripheral political actors, who tend to adopt a 'losers' programme'. Peripheral actors on the right are expected to be *culturally* more protectionist, and peripheral actors on the left to be *socially and economically* more protectionist than their respective mainstream counterparts. The positioning of the parties with regard to Europe may serve as an illustration of this hypothesis: analyzing the *Euroscepticism* of political parties in different European countries, Taggart (1998) found that it is the more peripheral parties (on both sides of the political spectrum), rather than parties more central to their party systems, which are most likely to use Euroscepticism as a mobilizing issue. The 'inverted U curve' characterizing the shape of the relationship between left–right position and support for European integration has been confirmed by several studies (Hooghe *et al*. 2002; van der Eijk and Franklin 2004): parties of both the radical left and the populist right are most opposed to European integration. Furthermore, Hooghe *et al*. (2002: 977) add the insight that the positioning of a party on the cultural dimension 'exerts a strong, consistent, and, it must be said, largely overlooked effect on party positioning on European issues': independently of a party's positioning on the (social-economic) left–right dimension, 'traditional-authoritarian-nationalist' parties are much more likely to be Eurosceptical than 'green-alternative-libertarian' parties.

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[9] In this context, Christian-democratic parties stand out because they are confronted with both dilemmas at the same time. Traditionally, they have been (moderate) supporters of the welfare state and the strongest advocates of European integration (Marks and Wilson 2000: 451–4). Hence, in a transformed political space, they need to redefine their position on both dimensions.

The radical left's opposition to the opening up of the borders is mainly an opposition to economic liberalization and to the threat it poses to the left's achievement at the national level. The populist right's opposition to the opening up of the borders is first of all an opposition to the social and cultural forms of competition and the threat they pose to national identity. The main characteristics of the populist right are its *xenophobia* or even racism, expressed in a fervent opposition to the presence of immigrants in Western Europe, and its *populist appeal* to the widespread resentment against the mainstream parties and the dominant political elites. Right-wing populists are clearly protectionist on the cultural dimension. At the same time, they are populist in their instrumentalization of sentiments of anxiety and disenchantment as well as in their appeal to the 'common man' and his allegedly superior common sense. The populist right builds on the losers' fears with regard to the removal of national borders, and on their strong belief in simple and ready-made solutions. This 'national-populism' constitutes the common characteristic of all organizations of the Western European populist right.

As Betz (2004) observes, its position on immigration is increasingly becoming part of a larger programme, which poses a fundamental challenge to liberal democracies. He now describes this programme as a 'combination of differential nativism and comprehensive protectionism'. In an earlier assessment (Betz 1993), he had still identified *neoliberal economic elements* in the programmes of the populist right. Similarly, Kitschelt (1995) had pointed out that not all right-wing populist parties shared this element, but had insisted that the most successful ones among them did at the time. According to Kitschelt and McGann, the combination of cultural protectionism and economic neoliberalism constituted the '*winning formula*' allowing these parties to forge electoral coalitions appealing both to their declining middle-class clientele and to the losers from the unskilled working class. This position corresponds to the lower right region of Figure 1.1, where it is labelled as New Radical Right. More recently, Kitschelt (2001: 435) also noted that some populist right parties have moderated their neoliberal appeals and started to focus more on the themes of a reactive nationalism and of ethnocentrism.

We consider those parties that most successfully appeal to the interests and fears of the 'losers' of globalization to be the *driving force* of the current transformation of the Western European party systems. In most countries, it is these parties of the populist right who have been able to formulate a highly attractive ideological package for the 'losers' of economic transformations and cultural diversity. Following Hooghe and Marks (2004) and Diez Medrano (2003), who show the key importance of fears about national identities for Eurosceptic attitudes in the general public, we suggest that such fears are generally more important for the mobilization of the 'losers' than the defence of their economic interests. This could explain why the populist right's appeal to the 'losers' is more convincing than that of the radical left. Moreover, the mobilization of the 'losers' is particularly consequential, because, in contrast to the 'winners', the 'losers' typically do not have individual exit options at their disposal. To improve their situation, they depend on collective mobilization.

While the new social movements of the 1960s and 1970s have above all transformed the left, the mobilization by the populist right constitutes a major challenge for the established parties of the right as well as of the left (Kriesi 1999). One of its effects is the transformation of established liberal or conservative parties, who adopt the essential elements of cultural protection of the populist right's programme in order to appeal to the 'losers' and essentially become part of the family of the populist right. The Austrian FPÖ and the Swiss SVP illustrate this point. In both cases, an established party of the right radicalized and adopted a programme including strong national-populist elements. The mutation to a populist party can be the result either of the transformation of a formerly liberal-conservative party such as the FPÖ, or of a formerly conservative party such as the Swiss SVP.

An overview of the volume

In the present study, we shall analyze the transformation of the national political space in six West European countries – Austria, Switzerland, the Netherlands, Germany, France and the UK. We have chosen six countries where the party system has developed continuously over the last three or four decades. We have excluded from consideration countries such as Italy, where the party system has been fundamentally reconstructed during the period under study. Such a fundamental system change is typically not directly related to the underlying transformation of structural conflict potentials. As we argue in Chapter 2, the set of societal conditions (cleavage structures, economic and cultural context conditions) has created broadly similar latent political potentials in all six countries. However, the political conditions for the mobilization of these potentials vary considerably from one country to the other. These political conditions include the established structure of the national party system and its recent dynamics ('dealignment'), the institutional access to the national party system (defined by the electoral system), the rise of new challengers of the radical right and the strategies of the mainstream parties in reaction to the initial success of the mobilization by the new challengers. In discussing the political conditions influencing the mobilization of the latent potentials, we adopt a developmental perspective which distinguishes between the original electoral breakthrough of the new populist right parties, who constitute the driving force of the transformation of the national political space, and the subsequent reaction of the mainstream parties, which reinforces and stabilizes the transformation of the political space. The next chapter deals with these national context conditions which determine the emergence and the political articulation of the new structural potentials and their variation from one country to the other.

Chapter 3 presents the design of our study. For the supply side, we describe the method of data collection – a content analysis of the media during national election campaigns – and the method of analyzing these data. Since these methods are quite original, we spend some time discussing their advantages compared to conventional methods used by other researchers. For the demand side, we describe the sources – national election studies – and our way of standardizing them. For our approach it is crucial that the notion of the national political space is operationalized by a spatial analysis – a multidimensional scaling technique, which provides the means for visualizing the structural transformations in low-dimensional graphical presentations. With this technique, we can position the parties and the political issues they articulate, the electorate and its preferences with respect to the same political issues, or both, in a common space permitting the reader to immediately comprehend and evaluate the effect of the new cleavage on the configuration of the national political spaces. The discussion in this chapter will avoid technical details. These are provided in a technical appendix, Appendix A.

In the second part of the volume, six country chapters present the transformation of the political space. As the reader shall discover, the dynamics of the transformation of the national political space vary considerably from one country to another. The presentation begins with France, a model case, where the party system has already, in the early 1980s, been challenged by a powerful party from the new populist right and where this challenge has contributed to the system's far-reaching structural transformation – in spite of the fact that the context conditions, at first sight, were not very conducive to the rise of such a new challenge in France. The presentation continues with the three small countries in our selection – Austria, Switzerland and the Netherlands. In both Austria and Switzerland, no new challenger from the populist right succeeded in establishing itself permanently. Instead, in both countries, a (liberal) conservative mainstream party transformed itself and launched a powerful challenge to its direct competitors, thereby contributing to a moderate, but lasting, transformation of the respective party systems. As expected by our reasoning in Chapter 2, the Netherlands did experience the powerful challenge of a new party from the populist right, but this challenge was slow in coming. It was preceded by the moderate transformation of a liberal conservative mainstream party. When the challenge finally came, it caused a major shift in the positioning of all the parties, but its long-term impact is still far from certain. The United Kingdom constitutes a special case again. It is characterized by the double transformation of the two major parties, in the absence of a powerful challenge by a new competitor from the populist right. Germany, finally, represents a case where neither a new challenger from the populist right was able to establish itself, nor a mainstream party took it upon itself to formulate a functionally equivalent challenge. Accordingly, the transformation of the German political space has been rather limited, and, to the extent that there was any, it was propelled rather by new challengers from the left.

Each country chapter begins with a discussion of the context conditions, proceeds with the presentation of the voters' political potential (the demand side) and the parties' programmatic offer (the supply side), and ends with a brief discussion pointing out the highlights of our interpretations and their relationship with the existing specialized literature. Our interpretations in the different country chapters are, we believe, in agreement with much of what country specialists have already said before, but they offer a new perspective on the transformation of the national party systems, a perspective which will allow the specialists to reinterpret some of the received views.

The three chapters of the final part of this study present a comparative analysis of both the demand (Chapter 10) and the supply side (Chapter 11). They discuss the similarities and the differences between the six countries for each one of the two perspectives. Chapter 12 makes an attempt to link the two sides – the political potentials defined by the demand side and the issue-specific positioning of the parties defined by the supply side – by analyzing the determinants of the voters' choices. The concluding chapter assesses the overall results in terms of stability and change of the national political spaces and draws out the implications of our study for a better understanding of West European politics. We are aware of the fact that our arguments are tailored to the situation in Western Europe, and may not be generalized easily to other contexts such as Central and Eastern Europe, or, indeed, countries beyond Europe. We believe that our arguments hold out some promise for other regions as well, but it is for others to test them in other parts of the world.