**Project:** *Globalisation, European Integration and the European Social Model*

**Project Team:** Prof. Colin Hay, Dr Jonathan Hopkin, Prof. David Marsh, Dr Matthew Watson and Dr Daniel Wincott, all Department of Political Science and International Studies (POLSiS), University of Birmingham

**Additional Members:** Lothar Funk, Institute for German Studies (until October 2001), Mikko Kuismä, Nicola Smith, Department of Political Science and International Studies (POLSiS), University of Birmingham

**Programme:** *One Europe or Several? The Dynamics of Change Across Europe*

**Award No.:** L213 252043

**Project Duration:** 1 August 1999 to 31 December 2002

---

**Detailed End of Project Report**

1. **Background**

The potential viability of a European ‘Social Model’ within the context of economic globalisation and European integration is of crucial concern to academics and policy makers across Europe today. In this project, we have assembled a series of empirical indicators of globalisation which can provide a benchmark for such debates, whilst examining in detail the complex and contested processes currently driving the related processes of welfare and labour-market reform throughout Europe. Although globalisation and European integration have been frequently appealed to both in the academic literature and by politicians as pressures on the viability of existing European social models, there has to date been no comparative analysis of the impact of such processes on a number of European economies. In the existing literature to date virtually no distinction is drawn between pressures arising from a genuine process of globalisation and those associated with regional economic integration and/or the specific institutional context (such as EMU) in which that process has developed. Moreover, comparatively little attention has been devoted to the development of policy-makers’ perceptions of both globalisation and European integration and the direct influence of such perceptions on the trajectory of welfare and labour-market reform in contemporary Europe. Backed by detailed case studies of labour market reform in nine European countries, this project has provided an important empirical re-assessment and theoretical re-evaluation of the impact of globalisation and European integration on the future of social welfare provision.

2. **Aims and Objectives**
The research has focused upon the relationship between globalisation and European integration and the impact of such processes on the viability — and the perceived viability — of ‘social models’ in a number of European countries. These issues have been pursued by way of a comparative analysis of nine European countries — the UK, France, Germany, Sweden, Italy, the Netherlands, Denmark, Ireland and Hungary. An ESRC-funded graduate student, Mikko Kuisma, has extended the analysis to Finland and Norway. The project has involved four central components: (i) an assessment of the exposure of these national economies and the European economy more generally to globalisation processes; (ii) a comparative analysis of public policy-makers’ understandings of the constraints imposed both by globalisation and European integration upon welfare reform; (iii) a comparative case-study analysis of labour-market policy (and labour-market reform) in the different national contexts and at a European level; (iv) an analysis of the degree of coordination of European responses to the common pressures associated with (and perceived to be associated with) both globalisation and European integration. This approach has revealed the extent to which policy outcomes are affected by the material realities of globalisation and regionalisation, by their discursive construction, and by the relationship between the two. In particular, we have been interested to explore the differential extent to which notions of globalisation and/or European integration are appealed to in different national contexts as the proximate cause and/or justification for labour-market reform.

3. Methods

The research has employed a variety of both qualitative and quantitative techniques and methodologies. Quantitatively, we have used gravity models to differentiate more clearly than in the existing literature between the globalisation and regionalisation of trade and foreign direct investment, examining the extent to which these terms well characterised trends in relations of economic interdependence over the last 40 years (in the case of trade) and in the last 20 years (in the case of foreign direct investment). Though gravity models cannot simply be used to assess the extent of the global (or regional) integration of financial markets, we have used a series of more qualitative techniques to reveal a series of impediments to both the European and global integration of such markets. In addition to this, we have used IMF direction of trade statistics to construct a series of quantitative tests of specialisation amongst our chosen country cases and within the OECD more generally. In this way, we have evaluated more thoroughly than in the existing literature to date, the neo-Ricardian assumptions of the influential, if still developing, ‘varieties of capitalism’ literature. This suggests that intensified competition under conditions of globalisation leads to specialisation and that such specialisation is, in turn, predicated upon the different ‘comparative institutional advantages’ of specific regime types. Using proxies such as Esping-Andersen’s decommodification index as an indicator of institutional difference, we have been able to explore this thesis in some empirical detail, with interesting findings (see section 4).

Qualitatively, the project team has conducted over 50 semi-structured and informal elite interviews with policy-makers in a number of European capitals and within the European Commission. We have also engaged in the qualitative discourse analysis of key policy documents and speeches. In addition to this we have examined in depth key episodes, such as the preparations for the Lisbon Special European
Council of March 2000 and the (differential) implementation of the policy developments agreed upon at Lisbon (through the open method of coordination[OMC]).

4. Results

4.1. Principal Research Findings

1. Gravity models reveal a process not of globalisation, but if anything one of de-globalisation of the trading relations of EU-European economies over the last 40 years. Preliminary analysis of the data for foreign direct investment reveals a remarkably similar, and perhaps somewhat counter-intuitive, trend. Both findings are in marked contrast to the assumptions which continue to inform public policy making in contemporary Europe.

2. The empirical evidence we have gathered reveals a series of largely insurmountable impediments to the European integration of financial markets. Such impediments have two sources: i) the competition between national regulators to retain domestic savings ‘at home’, and ii) the continued existence of transactions costs, located in particular in settlement systems, of trading between national markets. This is in spite of the agenda established at the Lisbon Special European Council. The impediments to the global integration of financial markets (where the political will is far less developed) are clearly all the more severe.

3. In marked contrast to the predictions of the ‘varieties of capitalism’ literature, IMF direction of trade statistics reveal that OECD economies trade disproportionately - and, moreover, increasingly so - with economies that are institutionally similar. The effects on trade of geographical proximity outweigh those of comparative institutional advantage. This is particularly the case for EU countries.

4. The term globalisation, then, does not well describe either the condition or the trajectory of economic integration (of trade, foreign direct investment or finance) in contemporary Europe.

5. This suggests that in so far as economic integration might be thought a significant factor in the social and labour-market reform in contemporary Europe it is regional economic integration rather than the globalisation of EU-European economies that is the relevant causal factor. This in turn suggests that the process of labour-market and social reform in which much of contemporary EU-Europe is currently engaged is rather more complex and contingent than is conventionally assumed to be the case. It also suggests the limited value of much of the existing literature which simply assumes that the relevant context in which to situate questions of welfare and labour-market reform in contemporary Europe is that of globalisation. This, we suggest, distorts the competitive pressures to which European economies are exposed, with potentially alarming consequences for the formulation of public policy.

6. Our most recent work suggests that interaction effects between, on the one hand, deepening European economic integration/interdependence and, on the other, the specific institutional architecture of EMU go a long way to explaining the (documented) effects invariably attributed to globalisation in the existing literature. This is, for instance, the case for the widely-debated crisis of Nordic social democracy in the 1990s.

7. Theoretically and empirically our research demonstrates the dangers of assuming the existence of a single ‘European’ social model as a common starting point. Indeed while useful for some purposes, conceptualising social provision in terms of a small number of internally coherent and distinct ‘regimes’ can also be misleading. Instead, individual states’ policy configurations can be located at points along a variety of relevant dimensions (such as the decommodification index discussed above). Our research shows that European social models have not, as is often assumed, simply converged or been exposed to a process of dual convergence. Though common tendencies can be identified these have tended to be implemented at different paces, leading to divergent not convergent outcomes. These cut across conventional ‘regime’ classifications.
8. EU political processes also influence national social models, providing common pressures with divergent consequences. Thus the OMC builds on and tends to spread emergent national tendencies towards welfare ‘activation’, but takes sharply distinct forms in various states. The development of juridified EU social rights and social regulation (compounding national and EU tendencies to the judicialisation of politics) also create pressures on traditionally programmatic forms of social provision in the member states. The consequences may become clear only in the longer term, if initial programmatic responses of states to such instruments (e.g., the Framework Equal Treatment Directive) are challenged. Analysis of the Commission’s responses (such as the Governance White Paper) show them to be heavily marked by defence of institutional prerogatives.

9. Despite the paucity of evidence for the globalisation of EU-European trade, foreign direct investment and finance, perceptions of globalisation and the global competition between (social) models continue to inform public policy making both at member-state and Commission level. Detailed analysis of the contours of that discourse at national and European level, however, reveals the distinctiveness of the strategic contexts within which rhetorics of globalisation and European integration are deployed.

10. The invocation of globalisation as a justification for economic reform (labour market reform, especially) seems to be related to the cleavage structure of the polity concerned. Thus, in countries where the religious cleavage is dominant, social democratic parties are less likely to invoke globalisation as a means to mobilise cross-class coalitions; in countries where the class-cleavage is dominant such appeals are more prevalent. Moreover, the degree of popular support for the process of European integration appears to have a significant bearing on the appeal to globalisation and European integration processes as the proximate cause of the need for welfare retrenchment/labour market reform.

4.2. External Recognition and Publications

1. The project team has a series of published and forthcoming articles arising from the project in journals such as Economy and Society (Watson), European Law Review (Wincott), Government and Opposition (Hay), Journal of Common Market Studies (Wincott), Journal of European Public Policy (Hay, with Rosamond), New Economy (Watson), New Political Economy (Hay, Wincott), Public Administration (Wincott), Review of International Political Economy (Hay, Hopkin, Watson), Review of International Studies (Hay) and West European Politics (Hopkin, Wincott).

2. Watson was commissioned by the Institute for Public Policy Research to write an article on the capitalisation of the ‘new economy’ for their journal New Economy, following on from his work on the embedding of the ‘new economy’ within the European economic space (published in Economy and Society).

3. Hay’s work with Ben Rosamond on the discourse of globalisation and European integration was published as a lead article in the Journal of European Public Policy. A further article on the deployment of such discourses within the Commission is in the final stages of preparation for submission to the Journal of Common Market Studies. Hay’s theoretical article, laying out core aspects of the theoretical basis of the project, was published in the Review of International Studies and was awarded the BISA/RIS prize for the best article published in the journal in that year.

5. Hay and Wincott have been commissioned by Palgrave to write a text, arising from the project, on *Welfare in the New Europe* in Helen Wallace’s series. Watson has also been commissioned by Palgrave to write monographs on *Foundations of International Political Economy* and *Globalisation and General Equilibrium Economics* (the latter in Roger Tooze’s new series on Critical Political Economy). Two of these manuscripts will be delivered in 2004. Wincott’s manuscript *Politics, Law and European Union* will be delivered in 2003.

6. During his sabbatical year at ANU in Canberra, Marsh presented a series of papers arising from the project at ANU and at the Universities of Auckland and Wellington in New Zealand and Melbourne and Queensland in Australia.

7. The first issue of a new journal, *Comparative European Politics*, edited by Hay, Rosamond and Martin Schain (New York University) has recently appeared. In July 2003 a new editorial team including Wincott takes over the *Journal of Common Market Studies*. Since the start of the project Hay has been promoted to Professor of Political Analysis at the University of Birmingham.

4.3. **Detailed Progress**

4.3.1. The geography of economic integration in Europe – gravity models

A series of important research findings have emerged from this analysis. A paper is currently being prepared for the *American Political Science Review* (Hay and Watson), with papers already accepted for publication in *Review of International Political Economy* (Hay) and *Comparative European Politics* (Watson – with a response by Hall and Soskice). A summary of our research findings was commissioned for the *Financial Times* (Hay). Having consulted widely about the most appropriate means to differentiate empirically between regionalisation and globalisation of economic relations, the project team used gravity models to examine the changing significance of geographical proximity to the trading relations of EU-European economies. With the help of Grahame Thompson at the Open University and Michael Storper at UCLA we have assembled data on the trading relations of each of our case economies. Work on each country case with the (interesting) exception of Finland demonstrates, quite clearly, that over the time-frame conventionally associated with globalisation, these economies have seen a quite consistent de-globalisation of their external trading relations. This is associated, in cases like the UK, with a process of decolonisation and, in all cases, with a process of Europeanisation. Accordingly, gravity models (assuming an exponential decay of trade with distance) become, over time, a better fit with the import and export data of all of our country cases excepting Finland. This conclusion stands in marked contrast to the predictions of the globalisation thesis which continues to inform public policy.

This has important implications for arguments about the competitiveness of different European social models. For whether the competitive environment in which EU-European economies are situated is seen to be global or merely EU-European makes a very significant difference to the strategies appropriate to secure or re-secure competitiveness. Given that the context in which the future of European social models is discussed tends to be one couched in terms of globalisation, this is a most important finding.
We have now extended our analysis to foreign direct investment and have, again, assembled a substantial amount of data. Analysis to date of that data shows a very similar – and, arguably, even more significant and counter-intuitive – finding. In the light of the evidence from the gravity models for trade discussed above, it might seem plausible to suggest that the regionalisation of the external trading relations of EU-European economies is, in part, a result of the growth of inter-regional foreign direct investment. In short, there is no need to trade over great distances in a global economic system in which foreign direct investment is possible. Interestingly, however, the empirical evidence we have thus far analysed suggests a process not of globalisation but of de-globalisation of foreign direct investment in recent years. Thus, whilst FDI might well be seen as a proxy for trade over distance, the pace of integration of EU-European economies with respect to FDI (as for trade) would seem to be greater than that for the integration of EU-European economies with the rest of the world. This is further evidence of de-globalisation, not of globalisation.

Whilst gravity models cannot be extended to the analysis of financial integration in the same way (the data simply does not exist), Watson has engaged in a detailed analysis of the degree of integration of financial markets in contemporary Europe. This reveals that despite the desire to promote precisely such a process of integration, a series of largely insurmountable institutional obstacles persist. There is precious little evidence, then, for the European – let alone the global – integration of financial markets, despite the prevalence of that view in much of the existing literature and, indeed, in much public policy discourse. European capital markets are far from perfectly integrated either across space (i.e., between one country and another) or across sector (e.g., between primary and secondary stock markets and the venture capital market).

Such work on the integration of European capital markets has fed into further analysis of the Lisbon Special European Council and, in particular, the aspirations for a European ‘new economy’ that featured so prominently as part of the Council agenda. Watson has shown that the US-style ‘new economy’ to which Lisbon aspired is embedded within a particular institutional complex which EU-Europe neither has (in the case of US capital market structures) nor may wish to have (in the case of US labour market structures). As with others of the team’s findings, this suggests that the image of an increasingly homogenised economic space – in this case, a truly global ‘new economy’ – is much less compelling than it is made to appear in public discourse. At most, the trajectory of Europe’s ‘new economy’ is likely to be the aggregation of a number of distinct, and distinctively national, ‘new economies’; none of which may be directly comparable to the American model. These finding have been published in *Economy and Society* and *New Economy*.

4.3.2. Discourses of globalisation and European integration

Despite such evidence of the de-globalisation of EU-European economies (certainly with respect to trade and foreign direct investment), the discourse of globalisation and assumptions about the global nature of competition between nations continue to inform public policy-making in contemporary Europe. A key aim of the project has been to provide the first systematic mapping of such discourses at both a national and a European level. Here the project team has worked closely with Ben Rosamond’s related OEOS
project at Warwick. The first stage of the analysis, based on interviews and an analysis of primary materials (speeches, policy documents and, where possible, internal memos and papers), was confined to Britain, France, Italy and Germany. The result was a co-authored paper in the *Journal of European Public Policy* (and a more extended working paper in which more of the empirical material is presented). The second stage was to extend the analysis to the mapping of discourses of globalisation within the European Commission. A similarly co-authored paper is in the final stages of drafting for the *Journal of Common Market Studies*. In a third stage of the analysis in which Hay, Kuisma and Smith are currently engaged, as well as supplementing the qualitative data we already have on Britain, France, Italy and Germany, we are extending the analysis to Ireland, Finland and Norway. Our aim is to produce an edited volume mapping such discourses and their translation into policy. Draft chapters will be presented at a major conference within the next 18 months. To further extend this work, we intend to apply for additional funds, with collaborators at Warwick, Sheffield and Newcastle, to develop a qualitative survey of elite political attitudes to globalisation, European integration and the relationship between the two in Britain, France and, potentially, Ireland.

Discourses of globalisation are prominent not only in the pronouncements of politicians and other leading opinion formers; globalisation has also penetrated the professional discourse of social scientists. Watson has studied the significance of dominant economic ideas in this respect, attempting to chart the way in which the generally unquestioned status of economists’ abstract models of ‘ideal’ economic circumstances has reinforced the plausibility of orthodox accounts of globalisation. In an article in the *Review of International Political Economy* he shows how political discourses of globalisation and dominant economic theories of credible policy-making have provided mutual legitimation for one another within the context of policy shifts designed to grant additional independence on interest rate decisions to central bankers. This argument will be further developed in a single-authored monograph for the Palgrave Series on Critical Political Economy.

4.3.3 The future of (the) European social model(s)

The project team’s work on European social model(s) has proceeded on two main tracks. The first is comparative, and has focused on the nature of national social models in Europe. The team has found it necessary to re-evaluate the conceptual basis of comparative social policy and welfare state analysis. This work has sought to clarify the defining characteristics of the welfare state, a strangely ignored question in the existing – voluminous – literature, in order to provide a foundation on which to define the common national features of the European social model. If the welfare state is rigorously defined most existing ‘welfare states’ fail to qualify as such – even allowing for a choice of defining criteria. A major product of this line of analysis is Wincott’s paper published in *New Political Economy* in 2001. This paper had an immediate impact, leading to a debate in Social Policy and Administration between Veit-Wilson, Atherton and Wincott. A further application of these ideas, integrating the national and EU level, was published in *Le Banquet*, the journal of the Centre D'Etude et de Reflexion pour l'Action politique in Paris.
The second strand of this research has focused on the European Union level. Here the new ‘open method of coordination’, named at the Lisbon European Council meeting, has been the main focus of attention. A paper delivered by Wincott to a panel on New Policy Instruments at the ECSA-USA conference in May 2001 has already been widely cited (before publication in Public Administration in 2003). It led to invitations to participate in a workshop held at the ETUC in Brussels organised by the European Social Observatory and to join an application to the ESRC’s Research Seminars Competition on the OMC (result expected later this year). The objective of this work is to place the OMC in the context both of comparative welfare state theory and the evolving national experience of social policy as well as the existing pattern of EU social policy. In the former case, the emphasis is on the significance of trends towards ‘activation’ of welfare policy at the national level. The latter focuses on the relationship between the ‘social regulation’ produced by traditional ‘Community Method’ policy processes and the developing scope of the OMC in the social policy field which member states have long been reluctant to submit to the Community Method. Particularly in the context of monetary union, the pressure for a ‘Union level’ social policy debate and process has grown, while states remain reluctant to extend Community Method processes in these areas. Our research in this area is focusing on the question of the extent to which the OMC may offer a viable alternative mode of governance. This theme has also been the main focus of Wincott’s work with Neil Kinnock and has formed the basis of several publications including articles in the Journal of Common Market Studies, EUSA Review and a co-edited book, Accountability and Legitimacy in the European Union (Oxford University Press). This last publication led to an invitation to participate in an on-going application directed by the University of Amsterdam on ‘Accountability of Civil Society Groups Participating in New Forms of EU Social and Economic Governance’ to the EU’s Framework Programme VI.

5. Activities

a. Practitioner engagement

We continue to develop an extensive range of practitioner and user-group contacts in Britain and beyond.

Wincott’s role as special advisor to Neil Kinnock on EU governance has provided the project team with a direct channel for the dissemination of its research findings within the Commission. Wincott has also participated in two events organised by the Cabinet Office – the first a roundtable discussion on European Governance bringing together academics and policy-makers organised by the CMPS, the second a workshop on the Transposition of European Regulations into UK Law mainly involving business people and policy-makers organised by the Regulatory Impact Union. He also participated in a session for policy-makers, business people and academics on Governance in Europe organised by the British Council in Brussels together with the Centre for European Reform and the ESRC’s Future of Governance Programme. Finally, Wincott has established contact with the European Social Observatory in Brussels after being invited to participate in a workshop with academics, think tank researchers (particularly from the Fondation Notre Europe) and representatives of the social partners.
Hay’s work on the performance of different labour-market regimes under conditions of regional/global economic integration has been taken up directly by the working group on labour markets of the Enquête-Commission of the German Parliament, ‘Globalisation and the World Economy – Challenges and Answers’. As a consequence all positive references to the US as a model of labour-market/welfare reform for EU-Europe were removed from the final report to the German Parliament. The conclusion reached by the working group was that reached in our own work – that far from being a competitive burden, the welfare state is a competitive necessity for the German economy (as it is for other EU-European economies).

Watson was commissioned by the Institute for Public Policy Research to write an article on the capitalisation of the ‘new economy’ for their journal New Economy. In addition to this, the project team have been commissioned to write a number of pieces summarising and applying their research findings for a wider audience. These have included pieces for the New Statesman, the Financial Times, La Revue Banque, EUSA News and European Review. In addition two policy pieces have been written for the Political Quarterly. An interview with Hay on globalisation was recently published in the Chinese Economic Observer (the major Chinese language business newspaper and the self-styled Chinese equivalent of the Financial Times). This is part of a series of interviews with ‘leading commentators’, like Kenichi Ohmae, on globalisation.

In October 2000, Lothar Funk, a member of the project team organised an important conference of practitioners and academics from Britain and Germany on ‘Anglo-German Perspectives on the Third Way/Die Neue Mitte’. Two papers were presented by the project team at the conference, both of which appear in an edited collection to which the conference gave rise.

Watson has presented elements of the project’s work to a number of non-governmental organisations, including the Tobin Tax Network (co-ordinated through War on Want), Oxfam and ATTAC.

Hay will present the keynote opening address to the first meeting of the Globalisation and Europeanisation Network in Education (GENIE) in Cyprus in July, presenting the key findings of our research to a group of academics and users. Small and more specialist user-group seminars will be used to follow this up at the same conference, providing the opportunity for more direct and informal practitioner engagement.

Provisional research findings have been presented, throughout the period of the award, at a series of practitioner seminars and workshops within and beyond the One Europe or Several Programme on the Fundamental Charter of Rights, EU governance, ‘the new economy’, the Lisbon Special European Council and the future of European social democracy.

Finally, the move of the Department of Political Science and International Studies at Birmingham into the new European Research Institute building has facilitated the process of practitioner dissemination, for it is a key aim of the ERI to provide an interface between academic debate and the practitioner community. A series of workshops and seminars are planned, on issues like the merits and demerits of British entry into
the Single European Currency and the reform of the institutions of EU governance, in which the project team is actively involved.

5.2. Academic Engagement

Papers have been presented at a large number of conferences over the duration of the project. In 1999 papers arising from the project were presented at an IPSA special group conference, the British Association for the Advancement of Science, BISA, APSA, a conference ‘Journee D’Etudes Sur La Troisieme Voie’ (Sciences Po, Paris) and at the University of Osnabruck. In 2000, papers were presented at the PSA (4), Council for European Studies (2), UACES in Budapest, IPSA in Quebec City and conferences at the International Institute for the Sociology of Law, Bilbau, Johns Hopkins University (US), and the Universities of Bradford, York and Sussex. In 2001, papers were presented at the ECSA-USA in Madison (2), at the opening conference of Harvard’s Center for European Union Research, at the PSA (2) and at a conference in Sheffield on multi-level governance. During his sabbatical year at ANU in Canberra, Marsh presented a series of papers arising from the project at ANU and at the Universities of Auckland and Wellington in New Zealand and Melbourne and Queensland in Australia. Seminar papers were also presented in Bath, Sheffield, Warwick and Queen’s University, Belfast. In 2002, papers were presented at APSA (2), ISA (2), BISA, Council for European Studies (4), PSA (3), Italian PSA, the European Urban and Regional Studies Association (Barcelona) and at conferences at Wake Forest, the European University Institute (Florence), Bristol, Warwick and Tampere Peace Research Institute. Hay presented a plenary address to the British Universities Industrial Relations Association. In 2003, papers have been presented at the ISA and at the LSE (2), De Montford University and the University of Trento and will be presented at the ANU and the University of Melbourne.

An international conference on Ideas, Institutions and European Politics was hosted by the project team in June 2001, with funding from the British Academy. A second conference is planned for later this year. Papers will be assembled in an edited collection contracted to Continuum.

Additional funding was secured from British Academy and CNRS to support an extension of one specific aspect of the project – the comparison of British and French attitudes to the European social model and the new economy. A series of seminars is ongoing in Birmingham and Paris, involving academics and practitioners.

6. Outputs

6.1 Already Published


6.2. Publications forthcoming


6.3. Publications in preparation


7. Future Research Priorities

Three major future research priorities emerge from the current research project and are likely to form the basis for future funding applications. First, to supplement the qualitative material that the project team has assembled on the discursive construction of the (perceived) economic imperatives associated with globalisation and Europeanisation, it is important to survey elite political attitudes to globalisation and European integration in greater detail. No work of this kind, using a questionnaire-based methodology, has yet been conducted. We have already made contact with potential collaborators at Warwick, Sheffield and Newcastle and intend to submit an application for research funding within the next 12 months for a detailed study mapping elite political attitudes to globalisation and European integration in Britain, France, Ireland and Sweden.

Second, the interaction between European economic integration, on the one hand, and the institutional architecture of EMU, on the other, has emerged as a key explanatory factor in our research. This suggests the utility of a series of comparisons between social democratic regime types that are and are not members of the Eurozone and liberal regimes that are and are not members of the Eurozone. Discussions are already underway with potential collaborators in Amsterdam for a project exploring the differential impact of EMU and European integration more broadly on the space for social democratic alternatives in contemporary Europe. Any such project would draw in the expertise on the Nordic case of Magnus Ryner, a recent appointment in POLSIS.
Third, Nicola Smith has recently submitted an application (to the British Academy) which seeks to further develop the research agenda and methodology established by the research team (and already applied in her work on the Irish case) to the emergent liberal market economies of East Central Europe. This project will look at the Czech Republic, Hungary and Ireland, considering the degree to which the recent history of the Irish economy offers lessons for policy-makers in the Czech Republic and Hungary.

In addition to these major lines of research which follow directly from the project here described, Dan Wincott has been a leading figure in the joint Birmingham/Sussex bid for an ESRC Priority Network on the Future of Europe. This is the only European network bid to be shortlisted. Were it successful it would involve many of the existing research team. Wincott is also involved in an interdisciplinary bid for an ESRC Research Seminar on the Open Method of Coordination. The result of this application is awaited. Finally, he is involved in an EU-FP VI bid on ‘Accountability of Civil Society Groups Participating in New Forms of EU Social and Economic Governance’, led by Jelle Visser and Daniela Obradovic at the University of Amsterdam.