

# Europe and Nation Coming In From The Cold

Gorbachev, global interdependence and Europeanisation are the new motors of international change. Thatcherism is being left behind. The Left, argues **Martin Jacques**, must abandon its island mentality if it is to help shape the new world

**B**ritain has been a highly internationalised country for some two centuries. Its economy has been very dependent on trade: its imperial history rested on an extraordinary involvement with large parts of what we now describe as the Third World: its language is the most international of all languages. The product of this history is a paradox. Britain possesses to this day a highly internationalised economy and a very developed web of international commitments. Yet this is combined with a powerful insularity, a strong sense of xenophobia, much of which is a product of the unequal and dominant relationship which Britain once enjoyed as an imperial power, economically, militarily and culturally.

This sense of insularity and xenophobia has been under pressure throughout the postwar era as a result of Britain's irresistible relative decline. But it now faces a new set of pressures. They are not specific to Britain, but threaten to remake the world of the 90s, and indeed the 21st century, in very new terms. Not least they will profoundly undermine the postwar international settlement — the special relationship with the US, the old East-West relationship, the commitment to a notion of Britain as a powerful nation-state — which has framed Britain's foreign policy throughout the postwar period.

**There are three major forces here that we can distinguish, although which obviously overlap. Firstly, there is the growing trend towards internationalisation and globalisation. This is not new. It has been a persistent tendency since the 50s, as evidenced by the growth of the international firm. But the capitalist crisis in the 70s gave it a new meaning and momentum. It accelerated the trend towards global markets; it stimulated the development of leading-edge technologies such as semi-conductors, robotics and microchips whose production and markets were highly internationalised; it paved the way towards a far more global monetary system. These developments have greatly enhanced the economic interdependence of national economies such that it is no longer possible for the average European nation-state to pursue national economic policies in the old way, because of the spill-over effect from other economies.**

Although this trend towards globalisation is most obviously economically-driven, it cannot be reduced to the economic either in its causes or in its effects. Take for example the growth of an increasingly internationalised culture, with the spread of satellite television or the growth of English as an international language. We live in an era in which Paris, with the opening of the Channel Tunnel, could feel almost as close to London as Manchester; when events in one part of the globe can be brought live to your sitting room; where foreign travel, even to Third World

destinations, has become commonplace; when a nuclear meltdown in one country affects a whole continent; where the corruption of oceans can affect the balance of our planet's ecosystem. In short, globalisation is accompanied by a new sense of global intimacy and interdependence.

This tendency towards globalisation has been accompanied by a parallel, often conflicting tendency towards localisation. As power moves upwards from the nation-state towards larger international units, be it the international firm, regional entities like the EC, or transnational organisations such as the IMF and Nato, so there is also a countervailing pressure, whose roots are various, for it to move downwards. Regions and cities have acquired their own economic leverage with international firms, with the decline in the power of the nation-state and the rise of more intense global competition for inward investment. There is a new search for identity and difference in the face of impersonal global forces, which is leading to the emergence of new national and ethnic demands. The most striking example of this trend within Britain is the slow erosion of the 'British' identity as it is besieged by the rise of Scottish, and to a lesser extent, Welsh nationalism, though in this instance it is also a revolt against the antiquated British state with its extraordinary degree of centralisation.

The second new pressure we can identify is the break-up of the old bipolar world which dominated the postwar international scene until it began to lose some of its purchase in the early 70s. The decline of this bipolar settlement was postponed by the onset of the second cold war at the end of the 70s, which resulted from the cold-war mentality of Reaganism and the immobilism and backwardness of Brezhnevism. The emergence of Gorbachev has now transformed that situation.

Gorbachev heralds the break-up of the bipolar world, the blocs in their old inert form, and the bloc mentality itself. The Soviet Union has abandoned its military/hegemonic ambitions in the Third World and it is now evident that it intends to allow the East European countries to more or less go their own way. Gorbachev heralds a world of interdependence where the old autarchic bloc mentality has no place, where nations and peoples must not just co-exist but interact and co-operate, where relations must be informed by universal human values. Of course, we should not forget that the turn by the Soviet Union away from the bloc ideology is also driven by its economic difficulties. The fact is that it can no longer afford to live in the old way, spending enormous sums of money on the armed forces, and intervening outside its own borders when it felt its own hegemonic aspirations were threatened.

**But the pressure for change in this context does not come from the Soviet Union**

alone. The US can no longer afford to be the kind of hegemonic power it was in earlier decades. Already, by 1975 and its defeat in Vietnam, it was evident the US could no longer afford such large-scale military involvement. Reagan attempted to revive US ambitions, but economic reality, notably in the form of the twin deficits, is forcing it to retreat. Over the next decade we will witness a process by which the US slowly disengages itself from the kind of commitments it has sustained in Western Europe in the postwar period. This is partly because it can no longer afford them. But two other factors are also working here: the growing independence and power of Western Europe itself, and the fact that the locus of international economic power is shifting eastwards to the Pacific Rim, notably Japan and newly-industrialising countries like Taiwan and Singapore, with states like China and India in the background, thereby pushing American sights westwards across the Pacific rather than eastwards over the Atlantic.

Now the breakdown of the bipolar world is undermining the assumptions of British postwar foreign and defence policy. These involved Britain being an integral, and in some senses senior, partner in the Nato alliance, directed against the Soviet Union. But the Soviet threat as previously conceived is palpably disappearing before our very eyes. In the 90s, assuming that present trends are sustained, the cold war will no longer be an adequate basis for the formulation of the main contours of our foreign policy. This will mark a shift of epochal dimensions.

**T**he third pressure which is transforming the shape of the world, and Britain's place within it, is the trend towards Europeanisation. This is of course not new: it started in the 50s. But it stalled in the 70s, and has now acquired a new momentum with the move towards a single market in 1992. The process of Europeanisation can be seen in the long run as mainly a response to internationalisation on the one hand and the decline of the nation-state, and specifically the European nation-state, on the other. It is the failure to appreciate this long-term historic reality on Left and Right, which has made Britain such a belated and reluctant actor on the European scene. It is now clear that the growth of the European Community is set to transform the very shape of our continent and profoundly weaken the traditional European nation-state, which historically defines in many respects the very notion of the nation-state itself. 1992 will be a key moment in this process. Not least, like Gorbachev, it is a symbolic moment as well as a real one, helping us to understand the underlying processes and thereby also serving to hasten their development.

Thatcherism's relationship to these three pressures has been fundamentally regressive. Its most positive

**'While Thatcher has skilfully sought to do business with Gorbachev, she has stubbornly clung to the old cold-war framework'**



aspect was the recognition in the 70s of the new international competitive pressures and the need for Britain to adapt to a new international division of labour. But this was combined with a championing of the old chauvinistic, bulldog little-Englandism. Similarly, while Thatcher has skilfully sought to do business with Gorbachev, she has stubbornly clung to the old cold-war framework and been the foremost advocate of its greatest military symbol, nuclear weapons.

Finally, Thatcherism has always been the reluctant European — for two main reasons. Firstly, at its core Thatcherism is an ideology of little-Englandism. It is the latter which frames its strategy. It always thinks first in terms of nation-state. Now that is palpably no longer possible. It is therefore the reluctant European, unable to generate any kind of European strategy of its own. Secondly, Thatcherism knows that when it comes to the EC it is out of step. Only in Britain is neo-liberalism so rampant and unadulterated when it comes to government strategy.

**T**hatcherism can only be properly understood in the context of the paradox raised earlier: that while Britain is in some respects a highly internationalised society, that internationalisation has been shaped and distorted by narrow national chauvinism and supremacism, an increasingly misplaced notion that Britain is best and knows best. Thatcherism's commitment to internationalisation is basically economic, to the free play of international market forces. In the political and cultural domains, Thatcherism is determinedly nationalistic, racist, patriarchal and parochial. One of the most striking examples of this is Thatcherism's protective attitude towards the apartheid regime in South Africa. Nothing more clearly symbolises Thatcherism's relationship to Britain's imperial past and its racist legacy.

But what informs Thatcherism has also left its mark more generally on our political culture. It could hardly have been very different. After all, we are speaking here of at least 200 years of history. The Left is no exception. It too has been marked by the paradox of a shared imperial past. It remains strikingly insular in its character. The Labour Party, for instance, has always been remarkably ignorant of what is happening in other West European countries, not least in terms of the thinking and experiments of the Left. This insularity has tended to blind it to the process of internationalisation. In the face of Europeanisation, it sought refuge for a long time in the arms of national sovereignty. It misread which way history was moving.

**The impact on Britain of the three pressures we have outlined will be profound. Firstly, it will, over the course of the 90s, force some kind of transformation in Britain's foreign policy. Secondly,**



and more fundamentally, it will radically alter the meaning of, and distinction between, foreign and domestic, the international and the national.

The starting-point here must be this new balance between the national and the international. The trend towards internationalisation means that power is now frequently located outside the realm of the nation-state. There is no point in the Left seeking to resist this trend, which has been its instinct in the past. It must go with the grain of internationalisation, which has acquired fresh momentum since the crisis of the 70s. The outcome of this process can be progressive or reactionary, depending, in the time-honoured phrase, on the balance of political forces.

Let us take a relatively neglected example of the problem: the international firm. It would, in general, be ineffective and positively harmful to nationalise the relevant branch of the international firm operating in this country, and thereby rip apart the fabric of worldwide economic ties and deepening co-operation between national economies. The problem posed by

the international firm — which, lest we forget, dominates the internationally competitive sector of our economy — cannot be resolved at a national level. The socialisation of the international firm, whatever this might precisely mean in practice, has to be thought of in regional or even global terms.

**A**s far as Britain is concerned, undoubtedly the key dimension in this new division of labour is Europe. An increasing range of questions which were once dealt with at national level must now be conceived of in terms of the European Community. It makes little sense to think of key environmental problems like acid rain in national terms. For some, like the ozone layer, not even a European response is adequate: only a global approach can hope to match the scale of the problem. For major industries like telecommunications, there is no longer any such thing as a national solution. A European perspective is essential.

The evolution of this European dimension, however, remains highly problematic. The Thatcherite view, expressed most cogently in the prime minister's Bruges speech, conceives of the EC as little more than a giant free market. It wants to restrict the role of the EC institutions, and minimise social intervention and regulation. In this, for a combination of reasons, it is unlikely to succeed.

But equally, the Left is certainly not in the driver's seat. Social Europe is still more of a dream than a reality, lagging well behind the 1992 prospectus of a single market. Moreover, as the EC institutions acquire more power, which they undoubtedly will over the next decade, their unaccountable nature will pose an increasingly important democratic problem. So far, the democratic problem has largely been seen in terms of national sovereignty versus Brussels. But the real question will increasingly be the accountability of the EC institutions. Here there are real dangers. The EC could evolve as a mighty oligarchy with the peoples of the EC countries having precious little control over what they do. Alternatively, a different picture could begin to take shape, with a far more powerful European Parliament and an elected Commission. Of course, EC institutions which enjoy a popular mandate will also enjoy far more authority and therefore further undercut national sovereignty. But that is the choice which the European Left should make.

**The point to stress here is that the future of the EC remains open-ended. Its evolution will be a continual process of contestation. Social Europe is one area. The democratic deficit is another. The question of whether or not the EC acquires its own defence capacity, and what that might be, is a further example. Then again there is the future composition of the EC. Will the EC expand to embrace the EFTA countries, Cyprus, Morocco**

**'The EC could evolve as a mighty oligarchy with the peoples of the EC countries having precious little control over what they do.'**



and Turkey, for instance? If it does, it will become a very different organism from what it is now, embracing a very different ethnic and religious conception of Europe. Further, there is the question of the relationship between the EC and Eastern Europe, which has been thrown into the melting-pot by Gorbachev's renunciation of the traditional client relationship between these states and the Soviet Union. Will the EC become in effect the engine-room of European growth and cast those states around it into some kind of subordinate and second-class relationship, or will Europe acquire an increasingly cohesive and pluralistic character, that of a common European home?

This list of issues is far from exhaustive. But it serves to indicate how the parameters of the EC's development remain indeterminate. What is clear is that both the Left's traditional defence of national sovereignty and the Thatcherite commitment to the EC as a free market have little purchase on the future of the EC. More generally, the process of Europeanisation undermines the traditional line of division in our political thinking between the international and the national, and must, at a minimum, transform at least the form of the paradox described earlier.

**T**here is one further point worth making here. A key problem facing the Left if it wishes to be a serious protagonist in the European process is that culturally it remains deeply national in character. Compared with capital, the unions have found it extraordinarily difficult to develop international forms of co-operation, action and organisation. Socialist and communist parties, whatever the internationalist rhetoric, remain deeply national institutions. And while that remains the case, it is difficult to see the Left becoming a powerful actor on the EC stage. That concerted forms of action on a European as opposed to national stage are possible is borne out by the peace movement in the early 80s and the green movement in the last few years. But what a Europeanisation of the culture of labour movements might mean, remains a virtually undiscussed question.

Europeanisation does not exhaust the question of Britain's relationship to the internationalisation process. It provides a new frame, a new context. But the EC still remains an institution with limited powers. Moreover, there are many problems which cannot be resolved at a regional level. New global problems, notably the ecological threat, not least in the Third World, require new forms of co-operation which go well beyond what is achievable on a regional basis. The problem of North-South must also be seen in this light. Clearly, the EC can undoubtedly make a contribution to this problem, one it has largely avoided making in the past. But it also requires new global agreements, for example a general moratorium on the payment of Third World debt, or a

global agreement by the advanced countries, East and West, to assist the Third World countries in the search for a CFC substitute.

Similarly, new global possibilities, notably in the scientific and technical sphere, space research being an obvious example, necessitate new and different forms of global co-operation. It is unclear what forms such global and multinational co-operation might take, but immediately they suggest two things. Firstly, the role of the United Nations and its agencies could be greatly expanded. Secondly, the process of global co-operation should not be viewed as one confined to intergovernmental channels, but as a conversation between societies.

**T**he third pressure alluded to at the outset was the end of bipolarism and the emergence of a more multipolar world. The breakdown of the old East-West division drives a horse and carriage through the postwar international settlement. What will emerge to replace it remains to be seen. One of course cannot rule out some kind of regression, linked to Gorbachev's own position in the Soviet Union. But assuming this does not happen, then the most obvious casualty, in the British context, must be the Right. The whole basis of our foreign and defence policy is now under enormous pressure. What is needed is a new disarmament initiative from the Left which combines unilateral, bilateral and multilateral measures.

The three processes outlined at the beginning — internationalisation, Europeanisation and the breakdown of the old bipolar world — will transform Britain's relationship with the world outside of itself and therefore its own identity. The political effects are already visible. At the end of the 70s, and indeed into the early 80s, Thatcherism succeeded in setting the political agenda in this area, as in so many others. At the end of the 80s, it no longer looks like that. It is on the defensive in relation to Europe. It is on the defensive in the face of the Gorbachev crusade. It has sought to ride the green tide, but looks distinctly uncomfortable with it.

It is difficult to avoid the observation that the Left is now presented with a historic opportunity. At least two of the forces now under way, namely Europeanisation and the end of the cold war, are serving to weaken Thatcherism. Internationalisation is more ambiguous in its impact. The paradox between on the one hand Britain's internationalisation on the one hand and its xenophobia on the other could potentially find a new and more progressive resolution. But it is not inevitable. Just as Thatcherism was a reactionary settlement of this contradiction in the context of the internationalisation dynamic of the 70s, so the Right could transform itself again. The question is whether the Left can come to terms with these momentous new forces and carry through its own intellectual and cultural revolution. •