Financial Times columnist Gerard Baker is most clear about this: ‘Even if the transatlantic brickbats of the last year are replaced with bouquets and billets-doux, how America views a single Europe will never be the same again. A Europe united under its traditional Franco-German leadership would have been a catastrophe for US political and military ambitions in the last year. Now, as Europe concludes its deliberations on a constitution and the role of a common foreign and security policy within it, the US can no longer be a sympathetic observer’, Baker 2003. This is reflected by the recent activities of groups like the Heritage Foundation and the American Enterprise Institute, which are openly collaborating with British Eurosceptics in order to address the perceived threat to ‘vital American strategic interests’ posed by the proposed European constitution and the loss of an ‘independent’ British foreign policy entailed by a common European foreign policy. See Studemann 2004.

Transnational Capitalism and the Struggle over European Integration

BASTIAAN VAN APELDOORN

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Reviewed by MICHAEL KEANEY

The events of 11 September 2001 have accelerated political processes already on course even prior to the assumption of power by the second Bush administration the previous January, whilst starting others that compound these. Put simply, the emergence of the European Union as a strategic rival to the United States, as opposed to a strategic partner, has most graphically been underlined by the diplomatic impasse involving the governments of France and Germany, on the one hand, and the US, on the other, over Bush’s policy of régime change in Iraq. While resentment and even partial resistance towards US hegemony has long been characteristic of French political élites, the real surprise for many observers was the unequivocal rejection of any endorsement of military action by the German Chancellor, Gerhard Schröder. Certainly, it rescued an otherwise lost election for Schröder in September 2002, and, while provoking unprecedented friction between Germany and the US, most expected Schröder to placate the Bush administration by diluting his antiwar stance following the election. This did not happen. Instead, helped by the strong opposition to the war from French President Jacques Chirac, Schröder’s stance hardened to the point of refusing to countenance military intervention, even with the sanction of the United Nations, which Chirac had promised, in any case, to veto in support of continued UN-administered weapons inspections. Even with the invasion completed in April 2003, both still insisted upon the primacy of the UN in any reconstruction of Iraq, against US wishes.

This is a far cry from the EU’s origins as a US-supported, Cold-War bulwark against the perceived threat of Soviet expansionism. Selective French exceptionalism aside, the making of an Atlantic ruling class was the central achievement of post-1945 US

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hегемони.2 According to this view, the New-Deal redistributionist policies of Franklin Roosevelt were institutionalised, first in the US and thereafter in Canada and Western Europe, subject to the mediation of each state’s laws and to each territory’s socio-cultural practices. Fordist mass production and mass consumption, Keynesian demand management, corporatist employment relations, and the expansion of the ‘welfare state’ were definitive aspects of a capitalism predicated on the nurturance of national productive capital by the respective states, which acted to restrain finance capital by imposing various regulatory restrictions and prohibitions that enabled productive capital to concentrate on expansion.

The reasons for the collapse of the Keynesian welfare national state (KWNS) and the concomitant rise of neoliberalism and its emergent state form, the Schumpeterian workfare post-national régime, have been recounted by many.3 One early manifestation of the crisis of the KWNS was the expansion of US productive capital into Western Europe during the 1960s and 1970s. This provoked both alarm and extensive enquiry into the newly ascendant, primarily US corporate form – the multinational enterprise (MNE).

Raymond Vernon’s product cycle theory and that of the Marxist ‘monopoly capital’ school explained the expansion of MNEs in terms of the saturation of domestic markets and the potential for expansion abroad.4 Vernon’s more conventional portrait of foreign direct investment (FDI) decisions as driven by straightforward cost calculations, augmented by attention to the multifarious barriers to trade that characterised the international economy during this period, was complemented by Baran and Sweezy’s underconsumptionist reading of the US economy – most prescient at a time of apparently endless growth. Soon, others were noting the less appealing aspects of multinational enterprise. Stephen Hymer’s analysis of MNEs showed them expanding where they possessed ownership advantages (monopolistic or oligopolistic) over indigenous firms. These derived essentially from the inherent advantage of a very large domestic market, often giving US companies a better access to capital, and therefore greater strength in new product development, differentiation and marketing. Hymer himself saw this as a continuation of strategies employed by US companies a century earlier, when they ‘developed a multi-city continent-wide marketing and manufacturing strategy’.5

Before long, the dramatic rise in US FDI was prompting analysts to ponder the apparent threat to national sovereignty posed by MNEs. Again, Vernon was among the first to deal with this issue in depth, along with Robert Gilpin,6 but their

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2 Van der Pijl 1984.
3 Most recently by Bob Jessop, the author of the designations employed here. See Jessop 2002.
6 See Vernon 1971, 1977, and Gilpin 1976. Vernon’s book, although entitled Sovereignty at Bay, was, in fact, a cautious but no less affirmative welcome for a new era of declining importance for the nation-state. Gilpin, on the other hand, predicted grave problems for the US economy as more productive capital under US ownership was transferred or established elsewhere.