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Conference

**The Institutional Transformation in European Political Economy:
A sociological account of the role of competition in the European social economy**

Copenhagen Business School
Department of Business and Politics
Kilen, Kilevej 14
2000 Frederiksberg (Room K146)
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François Hollande received strong support from several member states when he called for the establishment of an economic government for the Eurozone last spring.¹ Why are states more willing to defer competences to the European or even international level in the field of economic policy than in other areas? To what extent does such re-scaling of competences reorganise the distinction between the economy and other segments of society? This distinction is a key feature of capitalist societies, just as it has been a major object of sociological study throughout the history of the discipline (e.g. Bourdieu, 2000, Durkheim, 1930 [1992], Foucault, 2008, Habermas, 1987 [1981], Luhmann, 1988, Marx, 1909, Parsons and Smelser, [1956] 2001, Polanyi, 2001 [1944], Simmel, 1996[1901], Weber, 1999).

The conference, organised within the framework of the European Research Council Project: ‘Institutional Transformation in European Political Economy – A Socio-Legal Approach’ (www.ITEPE.EU) invites papers which draw on these sociological perspectives with a view to making them fruitful for studying the role of the market and its regulation in the process of European integration. What would a United States of Europe as an “imagined community” (Anderson, 1991) look like if its nucleus was essentially an economic government?

Transformation through competition

In their seminal book on EU competition law, Michelle Cini and Lee McGowan identify

¹ www.euractiv.com/euro-finance/italian-minister-backs-hollandes-news-519835.

competition policy as ‘the most important organizing principle in the capitalist world’ (Cini and McGowan, 1998: 2). Along the same lines Stephan Wilks, another EU competition expert, considers EU competition policy the key dimension of the ‘economic constitution’ (Wilks, 2009).

However, this emerging international expert community in competition law and policy hardly pays any attention to the societal implications of competition as an organising principle and how it is part of a wider re-organisation of the distinction between the economy and other segments of society. Furthermore, they provide little information about the power relations and exploitation organised through competition. The workshop addresses this shortcoming, and invites contributions which draw on accounts of (economic) sociology with a view to outlining the societal implications of this organising principle for European integration and the power relations it establishes.

Both mainstream and critical scholars point out the crucial influence of ordo-liberalism on EU competition law and policy (Bonefeld, 2013, Vauchez, 2011, Dale and El-Enany, 2013, Lovdahl Gormsen, 2005: 9, Marengo, 2002: 303, Gerber, 1998: 264).² Ordo-liberalism, better known in the English-speaking world as the Freiburg School and developed by scholars such as Walter Eucken, Franz Böhm, Alexander Rüstow, Wilhelm Röpke and Alfred Müller-Armack, emphasises the role of the state in ensuring competition. Michel Foucault’s *Studies in Governmentality* help us to better grasp the normative orientation of this sub-current of liberalism, its idea of society, the individual and the state (Foucault, 2008). Competition and its underlying non-discriminatory provisions are not so much seen as reality but rather as a formal organising principle of society, a mode of abstraction which essentially remains an *eidos* but with real consequences for society (Müller-Armack, 1978: 327, Foucault, 2008: 120). Accordingly the principle of competition is not restricted to economic policy. It also includes social policy oriented towards what Rüstow calls “vitalpolitik”, which aims to activate the individual with a view to securing the vitality of an entrepreneurial society (Rüstow, 1957).

The influence of this line of thought on the European architecture comes particularly well to the fore in relation to the concept of the social market economy. Müller-Armack has developed this concept, which interrelates an economic order based on competition with a social order (see also Ebner, 2006, Joerges and Rödl, 2004, Ptak, 2009). Together these two orders help to integrate society as a whole and to create « common attitudes and value norms without which society cannot exist » (Müller-Armack, 1978: 327). The concept of the social market economy has

² For a more critical note see AKMAN, P. and KASIM, H. 2010. Myths and Myth-Making in the European Union: The Institutionalization and Interpretation of EU Competition Policy. *Journal of Common Market Studies*, 48, 111–132, BUCH-HANSEN, H. and WIGGER, A. 2010. Revisiting 50 Years of Market-Making: The Neoliberal Transformation of European Competition Policy. *Review of International Political Economy*, 17, 20-44.

become a key point of orientation for the EU, with the Treaty of the European Union (TEU) listing the establishment of “a highly competitive social market economy” (Art. 3) as one of its major goals. This also has implications for the way the economic and social orders are interrelated and for the (national) statehood the EU promotes.

Focus of the workshop

The workshop aims to facilitate dialogue between more empirically and more theoretically oriented research on the role of competition as an organising principle of the European integration process. In more theoretical areas, the workshop is particularly interested in contributions which deepen our understanding of competition as a mode of social integration. What type of social relations and power relations are organised through competition and non-discriminatory provisions? Contributions may draw on economic sociology and Governmentality Studies. Keywords could include modes of comparison and abstraction, commensurability and non-price competition. Other accounts might draw on the notions of economisation (Callon), depersonalisation (Simmel, Weber), fetishisation (Marx), organic solidarity (Durkheim), colonisation (Habermas), or reification (Adorno). The papers should further develop these ideas with a view to accounting for the societal dimension of the European competition regime at different levels and in different policy fields. To what extent does the Europeanisation of competition (rules) undermine existing social ties while establishing new, transnational ones? What insights do we gain into the role of the European single market/social market economy and its regulation in establishing European society? What transformation of the distinction between the economy and other segments of society can be identified at the national level, and how is this related to European integration?

Services of general interest

In more empirical areas, the workshop invites papers examining the re-articulation of the distinction between the economy and other segments of European societies notably in the context of the EU’s regulation of “services of general interest”. Erika Szyszczak et al. speak of a ‘silent revolution’ and consider these new EU rules as a “nucleus of an emerging social European private law” (Neergaard et al., 2013: 6). Services of general interest cover a broad range of activities, from the large network industries (such as energy, telecommunications, transport, audiovisual broadcasting and postal services), to education, water supply, waste management, health and social services. These different services are classified as being of general interest since they play an important role in promoting social and territorial cohesion and are therefore subject

to specific public service obligations (see Protocol 26, Lisbon Treaty). The EU has established rules for the organisation and public funding of these services. Its provisions also frame the modalities of selection of the service providers, in case the provision is outsourced, and establish, in more general terms, the regulatory framework concerning the types of providers, access to and the quality of the services.

With the introduction of the idea of “services of general interest”, the EU has initiated a European debate about which of these services are considered to be economic and which of them remain outside the EU competition regime. This has direct implications for the role competition plays. Services of general interest can be services of general economic interest. Once defined as economic services, they are essentially subject to EU internal market and competition rules. Only limited possibilities of derogation exist, despite the specific public service obligations related to this type of services. However, even if they are considered to be non-economic services of general interest (such as higher education or healthcare) they may still fall under the non-discriminatory provisions of the freedom to provide services and EU citizenship provisions notably when remuneration is involved (Lenaerts, 2012: 1250). Hence, competition and non-discriminatory provisions play a crucial role in this European endeavour to reform the member states’ public services, services which have been vital for establishing the nation as an imagined community.

Up until now, the implications of EU regulations for this type of public services have predominantly been analysed by legal scholars. What is missing is a sociological account of this “silent revolution” that extends competition as an organising principle to new spheres traditionally related to public services, and by doing so is likely to establish new, transnational social bonds.

Framework and practicalities

The objective will be to pursue a common publication immediately after the workshop. It is planned to turn the conference papers into a special journal issue. Negotiations with different journals are currently taking place. Participants are invited to submit papers of 7000 – 8000 words by the 5th of June 2014. Expenses for travel and accommodation will be covered.

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