CAN GOVERNMENT-BY-MARKET BE DEMOCRATIZED?

Sylvain LAURENS, Lobbyists and Bureaucrats in Brussels: Capitalism's Brokers (Routledge, 2018)

In history up to the present it is certainly an empirical fact that separate individuals have, with the broadening of their activity into world-historical activity, become more and more enslaved under a power alien to them [...], a power which has become more and more enormous and, in the last instance, turns out to be the *world market*.¹

Marx thought that modern government turns out to be, in the "last instance," merely the bureaucratic face of the "world market." He also thought that, for everyday people, recognition of this state of affairs requires discovery—because that which governs in the *first* instance is, of course, the state, which does not advertise itself as a means of government by capital, for capital. If Marx was right, then the popular belief that there is a hard line between markets and states becomes one of capitalism's greatest achievements: regardless of whether democratic forces expand state powers over markets or market powers over states, capital still wins. But since government-by-market ultimately governs in *no one's* interests, Marx foretold of crisis periods in which the deep, mutually constitutive relationship of markets and states emerges as an undeniable fact of the world order.

This, alas, has not come to pass on either side of the Atlantic. In the United States the ruling class is, indeed, ruling, and from its powerful podium has spread the word that, for capitalists anyway, things are looking up. In January 2018 the American president informed the World Economic Forum in Davos that "[t]here has never been a better time to hire, to build, to invest and to grow in the United States."² Hailing tax cuts and the scaling back of "crushing anti-business and anti-worker regulations" imposed by "unelected bureaucrats," the president assured his audience that "those days are OVER" [*ibid.*]. With the summary displacement of unelected technocrats with unelected military generals, financiers, business moguls and presidential loyalists, plus the passage of tax legislation that heavily favors the very

¹ Karl Marx, "The German Ideology," *in* Tucker 1978: 164 (italics in original).

² World Economic Forum, 2018, "President Donald Trump's Davos Address in

Full" [https://www.weforum.org/agenda/ 2018/01/president-donald-trumps-davos-address-in-full-8e14ebc1-79bb-4134-8203-95efca182e94/].

486

Stephanie L. MUDGE, University of California – Davis [mudge@ucdavis.edu] European Journal of Sociology, 59, 3 (2018), pp. 486–494—0003-9756/18/0000-900\$07.50per art + \$0.10 per page ©European Journal of Sociology 2018. doi: 10.1017/S0003975618000346 wealthy—pushed through by the Congressional leadership of a party that most American voters like even less than its (also unpopular) rival—capitalist America is, indeed, great again.

European responses to the president's good news bore the imprint of deep anxieties over the European project on the one hand and a liberal European future on the other. German and French leaders rebuked the American president for his divisive rhetoric, if not necessarily his economic policies. Others set a more constructive tone. The German economist and founding WEF Executive Chairman Klaus Schwab, for instance, identified business leaders as forces of positive change and called on them to promote "qualitative easing" in pursuit of "inclusive growth".³ The theme that capitalism needs to be softened and social contracts restored was newly prominent in Davos.

Of course, one can reasonably ask: what does this mean, exactly? The call for "qualitative easing" indicates a blurring of the categories of markets and politics. Occasionally the boundary collapses altogether. Let's consider, for instance, a contribution at Davos from Philippe Roger Donnet—Chief Executive of Generali, President of the MIB School of Management in Trieste—on the matter of what Europe could do. Bemoaning the EU's lack of a "compelling and ambitious vision," Donnet encouraged Europe to pursue "high-value-added factors": common service sector policies to promote "knowledge-driven productivity," unified rules on e-commerce, data protection, and privacy in order to close "the labour productivity gap between the EU and the United States;" a "capital markets union;" and "strategies governing the knowledge-based sector;" thus restoring the "European Dream".⁴

It would seem that, when Europeans dream, it is in the dialect of (technocratic) markets. This is arguably a far more complex phenomenon than the naked victory of class power. But grasping the imbrication of European technocracy and markets is at once more difficult and (perhaps) more important, precisely because "Eurocracy"⁵ seems to have a certain law of gravity despite its ever-changing formation: it tends to absorb, attenuate, and reorient initiatives with

⁴ Philippe Roger Donnet, 2018, "The World Needs a Leader, Europe Should Step

³ Klaus Schwab, 2018, "The World Needs 'Qualitative Easing' and Business Must Lead," World Economic Forum 2018 [https://www.weforum.org/agenda/2018/01/ the-world-needs-qualitative-easing-andbusiness-must-lead/].

Up," World Economic Forum, January 17, 2018 [https://www.weforum.org/agenda/ 2018/01/the-world-needs-a-leader-europeshould-step-up/].

⁵ Didier Georgakakis and J. Rowell, eds, 2013, *The Field of Eurocracy: Mapping EU Actors and Professionals* (Basingstoke, Palgrave Macmillan).

the modifiers "social" or "democratic" in ways that dovetail with the desires of the markets.

Thankfully we have Sylvain Laurens excellent book, Lobbyists and Bureaucrats in Brussels: Capitalism's Brokers (or: Les Courtiers du capitalisme: milieux d'affaires et bureaucrates à Bruxelles), to help us think about this curious state of affairs. Laurens book seeks to show via archival documents and oral histories, Commission and business association annual reports, an impressively large statistical database on the composition of European business associations since the 1960s, and interviews with lobbyists, Commission officials and parliamentary assistants—that the coincidence of European technocratic language and the categories of international business is no mistake. Building on the work of Didier Georgakakis, Pierre Bourdieu and others⁶ [Bourdieu 1994, 2005, 1985], Laurens' analysis shows that Europe can be thought of, with less hyperbole than usual, as something very much like the entity that Marx envisioned: a government by capital, for capital that speaks in the language of the market.

Right away, this way of thinking about Europe clarifies matters. Only in such a world could it make sense, in these troubled times, to mobilize Euro-technocratic terminology that situates business leaders and market-making as the road to Europe's salvation. Indeed, if Laurens is right, the rules of Euro-speak allow for little else.

How did this come to pass? In a welcome break with the ahistorical and noncritical thrust of "EU studies"—a body of "ultra-specialised work" that "has literally eclipsed previous studies that used the classic tools of the social sciences" [6]—*Capitalism's Brokers* develops a deeply critical, historical, field-theoretic analysis of the relationship between European bureaucracy (the European Commission) and business lobbyists. These should be understood not as two distinct worlds, Laurens argues, but rather "a system of social relationships that structurally, and over the long term, excludes a large proportion of citizens from political decision-making" thanks to its "relative autonomy" from "politics and political parties" [1, 7]. Laurens' study is emphatically *not* about the "public-private" relationship, which

(3-4); Pierre Bourdieu, 1985, "Delegation and Political Fetishism," *Thesis Eleven*, 10-11: 56-70; P. Bourdieu, 1994, "Rethinking the State: Genesis and Structure of the Bureaucratic Field," *Sociological Theory*, 12 (1): 1-18; P. Bourdieu, 2005, *The Social Structures of the Economy* (Cambridge, UK and Malden, MA, Polity Press).

⁶ Didier Georgakakis and M. De Lassalle, 2007, "Genèse et structure d'un capital institutionnel européen, Les très hauts fonctionnaires de la Commission européenne," *Actes de la recherche en sciences sociales*, 166-167: 38-53; Georgakakis and Rowell 2013, cf. infra; Didier Georgakakis, 2009, "The Historical and Political Sociology of the EU: What's New in France?," *French Politics*, 7

hinges on the assumption that there is a meaningful line to be drawn between the two—one which, as Laurens notes, historical scholarship on state formation has long rejected [5]. In the case of Eurocracy, Laurens argues that if we fail to grasp the fundamental fact that this line has no practical reality, we cannot grasp its peculiar nature.

The advantage of a relational perspective is on full display here. When approaching a governmental form with fluid business-bureaucratic ties built into its very core, the notion of a "private" exterior versus a "public" interior can only mislead. As a case in point, Laurens points out that journalistic takes at-a-distance might single out lobbyists as the principle means by which business—that is, "private" interests—exerts a corrupting influence on European legislation and rule-making, but this casts lobbyists' influence as somehow secret, hidden, or unusual. The more important fact, Laurens argues, is that lobbyists' involvement at every step of European policymaking is entirely ordinary [4].

Likewise, a focus on Commission officials is equally misleading, since "EEC officials have always actively sought to interest the business communities in what was happening in Brussels" [10]. Indeed, Laurens' historical analysis of the Commission's formation convincingly tracks its emergence as "a closed administrative world that included lobbyists" who, even today, "still spend much of their time deploying specifically European administrative, juridical and institutional capital" in order to steer Commission decision-making [10-11]. In other words, lobbyists don't wield the power of *capital*, but rather the power of *administration*—or a specifically European "bureaucratic capital" [85]—to achieve their aims.

And so, via a rich historical analysis of how the European Commission was born on the basis of "entanglement" with business, which "played a key role in structuring the new administration" thanks to the direct encouragement of Commission officials, Laurens shows that the dispositional coincidence of lobbyists and Commission officials expresses a triadic complex of "unbroken relations between the administration, interest groups and businesses," of which "lobbying" is merely "a moment" [14, 32]. From there, for this reader, four themes stood out.

The first is that the European Union (EU) is a government by business, for business, to which the European Parliament at best lends a democratic sheen. Here Laurens makes the particularly interesting argument that lobbyists are not forces of "politicization," but rather seek to "maintain certain issues in a state that appears technical or logistical" and thus "non-negotiable" [126]. He also notes that, even if an NGO or some other political force manages to intervene in Parliamentary processes, lobbyists will have been directly involved in the initiation and drafting of the legislation and, after it is passed, will again be involved in the revision and amendment process prior to implementation [127]. This is bolstered by lobbyists' privileged ability to navigate and manipulate the internal politics of the Commission (that is, politics that are inscrutable to everyone else), especially by taking advantage of strong relationships with the relatively more powerful economic Directorates (Commerce, Energy, Competition and Enterprise).

This brings us to a second theme, which is that lobbyists generate, deploy and control the supply of training, data and expertise in ways that pre-empt and corral initiatives that might otherwise run against their interests. Laurens highlights that business is itself a key source of technical data, which serve "the twin uses of excluding lobbyists with more modest resources and providing the desk officer with turnkey elements that can become standards," and is also an important basis of the training of MEPs [130, 144]. The control of the data that is used to define standards becomes, for lobbyists, a means of wielding the regulatory power of the Commission in ways that favor large businesses: business association staff "often promote technical mechanisms enabling the 'better distribution' or 'better traceability' of goods exchanged in order to eliminate competitors who cannot afford to make the necessary changes." Business' ability to reach into the Eurocracy in order to define and measure production standards thus shifts the terrain of commercial competition into "a technical or scientific arena"-one in which the largest players are particularly advantaged [156-157].

A third theme, by extension, is that the fluid social complex that links business lobbying and European officialdom is not a pluralist ecosystem, equally open to all sorts of players. Rather, Laurens martials data on global companies, their relative representation in Brussels and elsewhere (DC, Davos, China), lobbying expenditures, EU subsidies and contracts, employer federation memberships and other "lobbying tools," and more to build a fascinating map of how the EU favors former national or European champions on the one hand, and US-based multinationals on the other [62-81]. He convincingly shows that, over time, Brussels emerged as "a site of power the structures the markets in which companies based in Europe or North American operate," such that the major power axis extends from companies like BASF, BMW, Danone and Michelin on the one hand, to Coca-Cola, Microsoft, and General Motors on the other [65, 77-79]. Noting that this is not a world that small businesses and start-ups can easily negotiate, Laurens' analysis here offers insight into the conflicted politics over Europe as a business-supporting driver of growth versus a suffocating regulatory behemoth. It turns out, depending on how a company is situated with respect to the field of Eurocracy, it is both.

And finally, for all of these reasons, Europe tends to be a social and democratic black hole, capable of absorbing, rewiring, and domesticating democratic or "social" initiatives so that, however they originate, they end up serving the interests of business—and especially the interests of large, multinational European and American firms.

Inevitably, this rich analysis raises curiosity as to how it can or should be situated with respect to the vast literature on state formation, which has always had trouble with—or has simply avoided—Europe.

Here the works of Michel Foucault, Timothy Mitchell, Sarah Quinn and Damon Mayrl come to mind, all of whom treat the delineation of state boundaries as contingent and variable historical achievements-but, so far, this literature has not extended to Europe [Michel Foucault, 1980, "Questions on Geography," in Power/Knowledge (New York, Pantheon); M. Foucault, 1991, "Governmentality," in Graham Colin, Gordon Burchell and Peter Miller, eds, The Foucault Effect: Studies in Governmentality (Hemel Hempstead, Herts, Harvester Wheatsheaf: 87-104).; Timothy Mitchell, 1991, "The Limits of the State," American Political Science Review, 85: 77-96; Timothy Mitchell, 1999, "Society, Economy, and the State Effect," in State/Culture: State-Formation after the Cultural Turn, edited by George Steinmetz (The Wilder House Series in Politics, History, and Culture, Ithaca and London, Cornell University Press); Damon Mayrl and Sarah Quinn, 2016, "Defining the State from within: Boundaries, Schemas, and Associational Policymaking," Sociological Theory, 34 (1): 1-26.]. Duly noting that "[t]he scholarly analysis of the state is liable to reproduce in its own analytical tidiness" an "imaginary coherence and misrepresent the incoherence of the state in practice," Mitchell's particular emphasis on the stateeconomy distinction, and the role of expertise therein, is akin to Laurens' concerns [Mitchell 1999: 77]. Damon Mayrl and Sarah Quinn, meanwhile, pick up on the well-established importance of "associational policy forms" in American state formation—that is, policies that build on and incorporate civic and non-profit organizations and local networks—to consider how policymakers select associational policy forms (or not), manipulating state boundaries in the process [Mayrl and Quinn 2016: 3].⁷ Here one wonders, in particular, how the historical formation and present-day dynamics of Eurocracy compare with the prominent role of business in American associational policymaking.⁸

One also wonders how we might situate Laurens' analysis with respect to various institutionalist works that track the ways in which "economy building in capitalist societies is part and parcel of state building," including in the European case.⁹ Does it merely flesh out the specificities of an economy building-state building relationship that we find in any political order, or does it tell us something about Europe that makes it fundamentally special? We are mostly left to work through such questions on our own. But doing so requires building on exactly the kind of analysis that Laurens has generously provided.

Among the most interesting possibilities here is the re-incorporation, at long last, of Marxian political economy into the analysis of state formation in general, and of Europe in particular—which, among other things, was sidelined with the rise of "EU studies", as Laurens notes.

Well before Europe was reinvented as a "single market" Fred Block pointed to the many "subsidiary mechanisms" of ruling class influence over the state, including lobbyists who "apply pressure on the state for certain kinds of lucrative contracts, for state spending in certain areas,

The Role of Voluntary Associations in American's Political Past and Present (Chicago, IL, Chicago University Press).

⁸ E.S. Clemens, 2010, cf. supra.

⁹ Neil Fligstein and Iona Mara-Drita, 1996, "How to Make a Market: Reflections on the Attempt to Create a Single Market in the European Union," *American Journal of Sociology*, 102(1): 1-33; see also Frank Dobbin, 1994, Forging Industrial Policy: The United States, Britain, and France in the Railway Age (New York, NY, Cambridge University Press); S. Steinmo, K. Thelen, and F. Longstreth, 1992, Structuring Politics: Historical Institutionalism in Comparative Perspective (Cambridge, Cambridge University Press).

⁷ D. Mayrl and S. Quinn, 2016, cf. infra. See also Elisabeth S. Clemens, 1997, The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890-1925 (Chicago, IL: Chicago University Press); E.S. Clemens, 2006, "Lineages of the Rube Goldberg State: Building and Blurring Public Programs, 1900-1940," in Ian Shapiro, Stephen Skowronek and D. Galvin, eds, Rethinking Political Institutions: The Art of the State (New York, NY, New York University Press); E.S. Clemens, 2010, "From City Club to Nation State: Business Networks in American Political Development," Theory and Society, 39 (3): 377-396; E.S. Clemens and Doug Guthrie, eds, 2010, Politics and Partnerships:

for legislative action in their favor, for tax relief, for more effective action to control the labor force" [Block 1977: 12-13].¹⁰ Block's description of the summary effect was very close to what Laurens describes: subsidiary channels render "those who run the state more likely to reject modes of thought and behavior that conflict with the logic of capitalism" [*ibid.*]. Prefiguring the kind of lobbyist-official relational networks that Laurens describes, Block also highlighted the direct "recruitment of ruling-class members into government service" and "private policy-making groups that have a powerful impact on the formulation of government policies"—people who are not "typical of their class" because, like Eurocratic lobbyists, they "look at the world from the perspective of state managers" [Block 1977: 13]. In some ways, as Laurens notes, he is merely picking up where Marxian lines of inquiry left off—which should leave us wondering what was lost in the interim.

There is a final, and pressing, contemporary question raised by this book—namely, whether, at this point, government-by-capital can be democratized at all. On this count Laurens, perhaps needless to say, is pessimistic. In the end, an upshot of his analysis is that Weber was right: capitalism and bureaucracy get along just fine and, once they've joined forces, democratic movements are no match. A "change in the political field" cannot hope to intervene in, much less overcome, "the critical mass represented by an administration comprising tens of thousands of individuals and exercising regulatory power" [207]. The European Commission was a force of stability in the 1950s, withstood major transformations since the 1960s, and was an "indispensable [...] tool for establishing this [the neo-liberal] political project over the long term" [208]. If, in Brussels, there is no meaningful public-private distinction to be made, then there is no meaningful European public sphere from which a political intervention might be launched.

Anyone who has spent any time in Brussels or at the Commission or, indeed, has ventured to the *ec.Europa.eu* website in search of points of access into European public debates, only to find an invitation to "consult" on the "future of Europe" by completing a survey¹¹—will see that Laurens has a point. But there is a difference between unlikely and impossible—and I am not convinced that it really establishes impossibility.

Indeed, there is another way of thinking about the implications of Laurens' analysis—which suggests that Eurocracy is special indeed,

¹⁰ Fred Block, 1977, "The Ruling Class Does Not Rule," *Socialist Revolution*, 33. ¹¹ https://ec.europa.eu/commission/future-europe/consultation-future-europe_en, accessed 21 September 2018. not because it is "intergovernmental" or "supranational" but rather because it comes very close to the purebred capitalist state that Marx described. In this case, however, perhaps European administration is more vulnerable than it seems.

If it is true that Eurocracy is what you get when a governing administration is born in a democratic void, then couldn't one conclude that, compared with national administrations, it is relatively defenseless? And given that possibility, isn't the task to do exactly the kind of analysis Laurens has done-that is, an analysis that methodically exposes the practical falsehood of the market-state oppositionand then use that exposure to inform strategies for the multiplication, widening, and intensification of democratic routes into European government? If so, although Laurens expresses skepticism with respect to recent calls to "democratize Europe"-in particular, by Stéphanie Hennette, Thomas Piketty, Guillaume Sacriste, Antoine Vauchez, and others, who have proposed the creation of a Euro Area Parliamentary Assembly as a counterpart to the Euro Group, among other things¹²—one could argue that this effort, which would extend a democratic channel into the heart of Europe's rapidly expanding apparatus of financial government, may have more potential than he allows.

STEPHANIE L. MUDGE

¹² Antoine Vauchez, 2016, *Democratizing Europe* (London, Palgrave Macmillan); Thomas Piketty, 2017, "What would a democratic Euro Zone Assembly look like?," Le blog de Thomas Piketty, March 22, 2017 [http://piketty.blog.lemonde.fr/2017/03/22/ what-would-a-euro-zone-assembly-look-

like/]; Stéphanie Hennette-Vauchez, Thomas Piketty, Guillaume Sacriste and Antoine Vauchez, 2017, "European Parliamentary Sovereignty on the Shoulders of National Parliamentary Sovereignties: A Reply to Sébastien Platon," *Verfassungsblog* (blog), March 26, 2017 [https://verfassungsblog.de/ european-parliamentary-sovereignty-on-theshoulders-of-national-parliamentary-sovereignties-a-reply-to-sebastien-platon/]; T. Piketty, 2018, "Democratizing Europe begins with ECB nominations, A collective initiative by Michel Julia Cagé Aglietta, Stephanie Hennette, Anne-Laure Delatte, Guillaume Sacriste, and Antoine Vauchez [http://piketty.blog.lemonde.fr/2018/01/29/ democratising-europe-begins-with-ecbnominations/].