

Markets as social conversations

An essay on the markets' contribution to civility and to a civil society on European soil

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FIRST DRAFT

This essay is intended as a contribution to a wide conversation between people of different disciplines and ideological inclinations. The core aim of this paper is to underline the centrality of markets in shaping a civil society, in its broad sense, and in developing the civil disposition (civility) which accords with the working of the institutions of a civil society. It then goes on to explore a large and complex topic, namely, the role of markets, sometimes in connection with governments and (to a lesser extent) with a web of voluntary associations, in shaping the current European process, and doing so in such a way as to bring European society and polity to match up as closely as possible to the normative ideal of a civil society (understood in that broad sense).

Furthermore, I suggest that the logic of this historical process is one of aiming at a moving target which oscillates between two variants of that civil society, between what I call the liberal and the corporatist/statist modalities. Lastly, as a sort of afterthought, which may or may not facilitate our conversation, I fall into the temptation of suggesting ‘what should be done’ to handle that contest, as I sketch out a eulogy for a politics of moderation. I’m also interested, here and there, in hinting at a self-reflective understanding of different views on civil society as they are anchored in different historical contexts.

In section 1, I start by making use of a moral story as a simplifying device to illustrate my point and to help us put things in perspective. The European process of the last fifty years has been a response to the tragedies of the two world wars of the 20th century; but it will not be a satisfactory response which puts this past to rest unless we interpret it correctly. The (rather stylized) ‘Gothic tale’ of the German experience, in two episodes, may help us to put the horror of the past within a larger historical context and transform it into a lesson for the future, not only about the merits of peace and democracy, but also about the free market as a crucial part of what a civilized civil society is all about.

In section 2, I argue in favor of using a broad conception of civil society, which comprises several sets of institutions, namely, markets, limited governments subject to the rule of law and accountable to their citizens, and an array of voluntary associations, as well as certain moral dispositions. More particularly, I argue for an interpretation of civility as a moral disposition to be acted out within all these institutions. Then I outline a view of markets as social conversations, as sources of civility and the morality of the extended orders, and as character-forming (moral) institutions.

‘Civil society’ is taken as, firstly, an analytical model that may help us to understand the events of European politics and social processes over the last two to three centuries; secondly, as a normative model that we may be inclined (following a certain cultural tradition) to hold as one we’d wish to see realized; and thirdly as a heuristic model that may make it easier for us to grasp the meaning that a number of social actors (who belong within that tradition) have given, and continue to give, to their participation in those processes.

In section 3, I return to the European situation. I look into some of the ways in which markets, governments, citizens and (up to a point) voluntary associations interact with each other, and pull and push the current process in different directions. Then I suggest that there are a number of variations within the range of Western-style civilized societies, and in particular, European ones, organized around a polarity between the two ideal types of ‘liberal’ versus ‘corporatist/statist’ societies.

1. An introduction: a Gothic tale in two episodes

Following in the footsteps of von Mises and Rossellini

Let me start by telling you a story which is a plausible account of a complicated, and quite revealing, piece of European history, and may even be a true explanation of it, although I’m not making a case for the truth of it. I merely tell it as a moral story to illustrate my perspective and the saliency of the themes I’m interested in. My story comes from two witnesses of the German saga covering the period from, say, the mid 19th century to the mid 20th century; each of whom incorporates his own biases in his testimony.

Germany’s drift towards a ‘national-and-socialist’ order in von Mises’ account

In von Mises’ classic account of German political developments leading up to the Nazi regime, he stresses the slow build up of a convergence of sorts between the views of the left and right concerning the primacy of the state in the social order, as opposed to the more spontaneous way of working of an order of freedom (Mises 2002 [1944]). Mises makes the point that conservatives and socialists came closer and closer together in pushing for state intervention in the economy, and for an understanding between state officials, business associations and unions around ideas of protectionism, regulated markets, and a welfare state. As a corollary to all that, they joined ranks in a worldwide contest for a package of goals that variously included natural resources, foreign markets, cultural supremacy and a vital space, all more or less loosely interconnected. Conservative nationalists and socialists could fight but they could also come together at critical times as there were deep elective affinities between them concerning those

goals. Meanwhile, the liberals equivocated, withdrew to a defensive position, made concessions, felt lost in an 'icy landscape', and receded into gloom punctuated by bursts of euphoria and appeals to an unlikely charismatic power, as the case of Max Weber possibly illustrates. The results were war, a sense of loss of direction, and on-going political violence which led to a new and even more horrible episode of violence and war.

Mises emphasizes that the Nazis' success was built on those experiences as they developed from the second half of the 19th century onwards, and cannot be understood unless it is seen as the final stage of an unfolding drama that drew most of Germany (not just any one section) with it. Of course, in his view, a large part of the responsibility for this drama hinges on the liberals' lack of conviction in failing to stick to the principles of an order of freedom encompassing, first and foremost, the market economy, as well as all the rest; and in their inability to persuade their fellow countrymen to do the same.

The next vignette takes place in the immediate postwar, seen through the eyes of a foreign artist intent on giving us his testimony of the event. Let me repeat, I'm not trying to make a plausible story stand in for established, so-called scientific truth: it serves me just as well as a moral story to illustrate my point.

Germany's social disintegration through Rossellini's eyes

Next stop is a rare Italian film, "*Alemania ora zero*" by Roberto Rossellini, filmed in the spirit of the Italian *neorealismo* of the 1940s, a sort of *cinema verité avant la lettre* with a touch of a Pascalian or Augustinian Catholic view of human nature. In fact, this is an eye-witness account of a hugely demoralized society. Germany has just suffered an absolute and crushing defeat. In a devastated Berlin, the name of the game is now survival, and survival pitches a childish-looking boy of twelve against all the odds. The boy wanders from one place to another in search of shelter. People sharing an apartment reject and manipulate each other, they resent being close to an ill person and, in due course, gather around his dead body, anxious to get rid of it while saving the garments for further use. Fittingly, people gather in the street around the corpse of a dead horse eager to get a piece of meat from it. Adolescents come around in a display of exploitative behavior by stealing from each other. Small children playing in the streets reject the boy wanderer. The inner circle of his family is made up of a lamenting father, an aimless girl and a fearful older brother, with the boy as the only plausible chance for the survival of them all. When he happens to cross paths with his former teacher, he's exposed once again to a lesson in the ways of the jungle, and to the 'survival of the fit' rhetoric of Nazi days. Putting together his teacher's lessons, which may resonate from his own school days, and his sick father's endless lamentations about being a burden on his dysfunctional family, leads the boy to kill his father and then commit suicide.

This gruesome tale stands up by virtue of the documentary likeness of the movie. The sequences are brief and stark. The camera moves fast and follows the boy moving intently and aimlessly among the ruins, looking for some kind of emotional shelter. But society has collapsed. German society has not just been defeated. It has vanished. Through Rossellini's pitiless eyes, the time is not for preaching but just for looking. He looks for a society. Instead, he finds a series of social black holes, and the boy is just swept away by and whirled down to the bottom of one of them.

Now, there is a twist to this. For the fascinated viewer of the movie, it is a story about the ultimate consequences of totalitarianism for social cohesion, and for individuals' chances of a humane and decent life. German history, by pushing the tendency towards an over-inflated political center to extremes, removed the ability of ordinary people to give direction to their lives. Once they cease to be 'organized from above', they seem not to know how to engage with each other, to develop mutual trust, to weave social bonds or to organize their lives 'from within' or 'from below'. Watching this movie from the perspective of time past, we now know that this 'icy landscape' of lost hopes was replaced by a quite different one... not much later and in a very short time. The result was not merely an 'economic miracle' but also a 'social miracle'. A society emerged which, even though mired in guilt and gloom, was able and willing to work hard, pull together, abide by rules of mutual toleration and to look destiny in the face.

The real twist to the story is that this happened, and happened suddenly and decisively, once the decision was taken and implemented by a Minister for Economics, Ludwig Erhardt, to change the rules of the economic game. He took a gamble on an open, free market economy, and let the spontaneous forces of supply and demand work their way through that very same frail and demoralized society of "*Alemania ora zero*". A social morality of sorts came about, say, for the sake of the argument, 'instantly'.

A happy ending of sorts

Erhardt achieved this with the support of a German Chancellor with very limited political authority at the time, and by taking advantage of the crucial fact that the highest political authority of the moment, that is, the American military commander, was caught in a lapse of absence. The rule of the primacy of politics was thus honored in the breach. Politics made a graceful entry onto the stage only to efface itself and leave the way open for individuals to play their game of endless, ever-renewed, mutually advantageous economic exchanges. And in so doing they built up a lively society, a fabric woven of mutual trust, by their very deeds, without 'phrases', much as Molière's Monsieur Jordan spoke prose without being aware of it.

What's the moral of the story? To put it simply: the German journey into a nightmare was caused by several generations' accumulated loss of direction. By this I mean their denial of the basic tenets of the good, old liberal historical project, namely, the project of a self-governing society as epitomized by free, open markets and a limited and accountable government, and their support for a social order characterized by the subordination of society to a political leadership presiding over one form or another of state-managed capitalism. Extreme forms of both internal and external violence came in the wake of this historical drift. By contrast, regaining a degree of humane society (and of civility) required people to undo the work of those generations, which they did in remarkably little time. The crucial thing for them was to reinforce the link between a liberal democracy, a market economy and a plural society. This is the combination that stands at the heart of a civil society, understood in its broad sense.

2. Civil society and markets

2.1. Back to civil society in its broad sense, contexts of understanding and varieties of the public sphere

Back to civil society in its broad sense

Many of the current uncertainties and ambiguities regarding the expression ‘civil society’ come from the current academic practice of severing the link between (a), on the one hand, its narrow, restricted use, which denotes voluntary associations (non-governmental organizations, social networks or movements), and may also include these very same sets of agents as they engage in a particular type of action defined by ‘civility’, meaning one that is performed according to certain formalities (in the absence of physical violence and in a spirit of tolerance), in pursuit of certain goals (somehow linked to a ‘common good’) and in a certain setting (within, or in connection with, a ‘public sphere’): what, I’ve called a ‘minimalist’ use of the term; and (b), on the other, the broader (‘generalist’) use of the term which was constructed some time ago, and was familiar to 18th century Scottish philosophers and used to refer to the whole of a certain kind of society (Pérez-Díaz 1995, 1998). By contrast, in my view, the link between this systemic whole and its components, including free markets and voluntary associations, should be at the heart of our inquiry and should be taken as our starting point .

This is why, in this paper, I stick to the broad, or generalist use of the term, much in line with Ernest Gellner, in *Conditions for Liberty: Civil Society and Its Rivals* (1994). Gellner was attracted to use of the term civil society in a broad sense because he was attempting to contrast a Civil Society with Closed Societies of different kinds: not only tribal societies (of the kind that political philosophers such as Popper or Hayek had in mind in contradistinction to their Open, Abstract or Great Societies), but also Marxist or Muslim Societies. Gellner’s aim was to make a sharp distinction between those societies in which a fusion of economic, political and ideological hierarchies dominate the rest of the population, and Civil Societies, defined by the institutional pluralism of their economic, political and socio-cultural spheres.

Historians of political thought (see for instance Pocock: 1999) have taught us that theoretical shifts, discoveries and re-discoveries, innovations and deviations from the norm should be seen in context; and social scientists (both sociologists and anthropologists) have urged us to look at the contexts of plausibility of different cultural constructs and social interpretations of reality. In general terms, the current context of plausibility of a generalist view of civil society is provided by two interconnected developments. First, the wave of transitions to democracy *cum* the emergence or reinforcement of market economies in different parts of the world in the 1970s and 1980s, and, second, the sense of an impending crisis that led up to the final collapse of the socialist experiments (authoritarian politics *cum* socialist economies *cum* weak ‘civil societies’ in the narrow sense of the term) in the Soviet Union and Central and Eastern Europe in the late 1980s.

Now, if this *combined* emergence of a liberal democracy and a market economy, while mutually reinforcing each other, encourages a rediscovery of civil society in its broad sense, then we can expect ‘local’ rediscoveries of that generalist view to replicate themselves over and over again under current historical conditions. More and more societies will experiment with different ways of putting together a liberal democracy, a market economy, and the other essentials of civil

society (the rule of law, the array of voluntary associations, and a civil disposition; which I shall have more to say about in due course).

[See a discussion of a specific local context (Spain from the mid 1950s through the mid 1980s) of discovery, or recovery, of a generalist view in Pérez-Díaz 1993, and 1997: 167-209.]

Contrariwise, a Marxist or semi-Marxist tradition may try to renew itself by finding new ways to formulate a radical critique of a ‘system’ of ‘market-and-state’ alien to and removed from ‘society’. From that viewpoint, a theory of civil society in a broad sense, which insists on the fit between markets and a liberal democracy (and may even include voluntary associations as a *fitting* part of the whole), is viewed with suspicion. However, the current context of plausibility of this ‘critical’ view may be somewhat frail. While such a critique may become entrenched for a while in those academic circles and their connected political milieus which are reluctant to accept, in an explicit and thoroughly consistent way, the historical demise of socialism, we may conjecture that it is more than likely that it will run out of steam once the reservoir of totalitarian societies and polities, China, Russia, and also Cuba, North Korea and Vietnam, ‘withers away’, provided these countries take the road towards some *variant* of a mutually reinforcing combination of a market economy, a plural society and a representative polity.

This conjecture may be given some added verisimilitude by the fact that the expectations put on the social movements that have tried to take on the role of protagonists of a historical project under the guise of a ‘civil society’, as the prime movers in a new type of society, have had a limited life span in countries such as those of Central and Eastern Europe. Possibly, the best hope for many of these associations and movements is to adapt and come to an understanding of themselves as part of a complex system of checks and balances inherent in a civil society in its broad sense, which may counteract the uncivil proclivities of arbitrary government, corrupt firms and overly domineering cultural institutions. If this were to be the case, then the social activists of the past would have to come to a (benign, semi-ironical) self-understanding of what they did during the democratic transitions, similar to Hume’s view of the role of the religious enthusiasts of the past, as they had been quite successful in challenging the rule of a ‘priestly caste’, while harboring over-inflated views of their own protagonism.

Amplifying my point and returning to my argument: the local context of the Scottish philosophers’ view of civil society as a whole

Our modern ancestors’ tradition of civil society in its broad sense points to an understanding of the institutional and cultural setup of our modern Western-style contemporary societies as more or less workable ‘approximations’ to an order of freedom. The main institutions are a market economy, a limited government subject to the rule of law and accountable to an alert citizenry engaged in more or less continuous public debate, and an array of voluntary associations. All of them rest on a fairly wide spread of cultural dispositions among people to exercise and enjoy their personal freedoms while respecting those of others, and being responsible for doing so.

The name ‘civil society’ was taken from a distinguished, millennial tradition dating back to classical times, but it was rethought and reformulated to mean precisely that: the institutional and cultural arrangements of an order of freedom under modern conditions, the freedom of ‘the modern’, to quote Benjamin Constant’s formula. What is crucial is that at the heart of the matter is the idea of a self-governing society, of free people engaged in non-violent coordination of each

other's activities in pursuit of their own goals, with only the minimal, but effective level of violence required for getting rid of internal bullies or external invaders, eager to take over or to conquer? (warrior politicians, inquisitorial clerics and intellectuals, totalitarian parties, etcetera).

My point is that, by the 18th century, such an order of freedom was *not* merely an abstract, de-contextualized normative and/or analytical model to be contrasted with historical reality, as a desirable world. As Pocock (1999: 2, 20, 310) suggests, this 'model' came relatively close to being the historical horizon, the plausible, attainable reality of Europe during the 18th century. It had become a system of states in which governments engaged in some sort of dialogue with significant segments of their subjects-citizens; religious and political dissent was gradually permitted, markets and commercial transactions spread, and a cultivation of manners tended to prevail among increasing numbers of the educated, wealthy sectors of society, which gave encouragement to the ambitious elements in the rest of it. In the '*longue durée*' view of Braudel (1990: 114), for instance, a giant step forwards took place as a mosaic of 'micro-cosmos', of small worlds almost enclosed upon themselves, opened up to extended, spontaneous orders of exchanges of all kinds. This was, to all intents and purposes, a very long, slow development still in process in most parts of Europe during the 20th century (see later).

So, 'civil society' means a model which would satisfy James Buchanan's requirements of having a reasonable degree of 'realism and relevance', apt to be applied meaningfully to the 'here and now' of the conditions of the time, with the proviso that we should never equate the model with the whole reality before us, with its usual (relatively) heavy doses of violence and fraud. Alternatively, we can ask ourselves the question: was that model 'really relevant' in the same way and to the same degree in the different parts of 18th (and 19th) century Europe?

Varieties of public spheres, and the 'symbiosis' of state and society versus the separation between state and (civil) society (and markets)

Koselleck (1988, 2002) points to the fact that the 'public sphere', which is a crucial component of a civil society (see later), came into being in radically different modalities in the UK compared to the continent (and with significant variations between the countries in question: France, Germany or others). The crucial difference between the British and continental public spheres lay in the different ways in which their governments, or states, and societies interacted. It was reflected in the differences of public opinion regarding their institutional settings, their main criticisms of their societies, their self-understanding, and their understanding of what politics is all about.

In the UK, the bridges between public opinion and the political classes were frequently and regularly crossed: there was no neat separation of the two worlds. Pocock (1999: 164) has referred to this situation as one of a symbiosis of state and society. If the Habermasian theory of a separation between the two ever applied to continental Europe (a big 'if'), what's clear is that it did not apply to the UK. There, there was an ongoing, fluid communication between court, country and city; which, in due course, led to the rise of a massive press readership, the development of political parties with a relatively large following (Pocock 1999: 165), and, over time, to a culture of mass consumption attuned to continuous changes in taste (Campbell 1987). Under these circumstances, the criticism of the intelligentsia could be turned into responsible political action as their political opinions became part and parcel of actual politics and policy,

and they were judged by their effects on all avenues of life, by a public of attentive peers, listeners and debaters.

By contrast, in continental Europe, intellectuals either tended to be cut off from the mainstreams of power, or were marginal to them, and their public debate tended to be conducted in a parallel world of salons, cafes and universities, for instance. Of course, there was overlapping, contact and mutual influence. But the logic of the debates tended to be quite different in the sphere of power and in the sphere of the intelligentsia, one was of effective politics, versus one of criticism unburdened by the constraints of real politics (Kosellek 1988: 11), supposedly following the tenets of the ethics of conviction, to take Weber's terms.

Civility in politics, demonstrated mainly through political deeds

Just as the public sphere acts as a bridge between state and society in a well functioning civil society, civility appears to be a necessary disposition of individuals' performances both within the state and in society at large. 'Civility' affects all forms of people's behavior in every institutional realm of civil society.

To begin with, it is required in politics, and its presence or absence will qualify the level of violence that may be part of, or implied by, political performances. Thus, violence in the form of defense of the city against foreign enemies is neither marginal nor accidental to a civil society. On the contrary, it belongs at the heart of it. It epitomizes civic virtue. Readiness to actually fight and die for the city understood as an order of freedom (Pericles' words), and not just talk about it, is the mark of a true member of a civil society.

'Fight for it, don't just talk about it': Demosthenes' repeated warnings to his fellow citizens revolve, again and again, around this very distinction, since failure to understand it and to translate it into actual deeds was to weaken the Athenians' resolve against the one-man rule of the Macedonian king and make them unable to take crucial decisions (Jaeger 1945: 156). The critical distinction here is between an un-civic or uncivil, endlessly deliberative society, an aggregate of chattering classes unable to fight decisively at the right time, and a civil society composed of individuals ready to stand up against a threat to their liberty.

Moreover, civility affects the very conduct of war and may be translated into forms of fighting. For instance, Frederick II's tactics of using troops in close formation is a statement of sorts about the ruler's deep distrust of his own army of soldiers who were supposedly inclined to escape if given half a chance. Making them stand in close ranks together reduced their opportunity to exit the battlefield. In contrast, 'trust' in ordinary soldiers was to be a mark of the citizen armies of revolutionary France, at least for a while; and this allowed for a mobility and tactical flexibility that empowered them to win.

And, of course, civility is part and parcel of the violence involved in the task of enforcing law and order in a civil society. Just because public business is conducted in a civil manner in no way makes the police, or police work, accidental or marginal or external to the functioning of a civil society. In fact, civil society could not exist without basic defenses against internal bullies and external invaders. There is an inescapable Hobbesian component in any understanding of what a civil society is about, insofar as peace and security are basic preconditions for liberty. Hence, from the perspective of the members of a civil society, police work is not the work of 'aliens':

policemen do 'our' work. This is the reason why, in a well-ordered civil society, the police force is supposed to be trusted and respected, and is assumed to deserve people's willing collaboration in the performance of its duties. Of course, in 'real life', police forces may or may not act in a proper manner. They may act with civility or brutality, in a way befitting their role in the maintenance of a civil society or in a way which erodes or destroys it.

By the way, Ferguson's remarks on the role of a militia should be not seen as indicative of a contradiction between a civil society and the need for defense, but as a discussion of the forms of defense most fitting to a civil society, and the different ways in which this defense can be provided by a standing army (Smith's preference) or by a popular militia, or both (Pocock 1999: 348ff.).

These considerations could be extended to the whole range of state activities. They could be applied to the performance of civil servants in the fulfillment of their duties and in their rapport with the public; as well as to political parties' handling of their mutual relations, and relations with their constituencies. In each case, civility is a crucial and essential standard to be applied to them. It establishes the difference between a society of deferent subjects and one of free and self-reliant citizens who look their public authorities in the eye. Depending on the degree of civility in politics, we find ourselves on a continuum that goes from a political game played between loyal adversaries, to an insidious and irate clash between irreconcilable enemies bordering on civil war. That is how important it is.

Limited governments, and a self-governing society

In a civil society, the government is supposed to rule subject to society's advice and consent, and to be sensitive and responsive to public opinion. This is not merely a matter of elections, referenda or parliamentary votes. It's rather a process of continuous accommodation to a largely self-governing society. The government should be kept on a short leash, and it should submit to the basic principle that, in an order of freedom, society is not to be led in any particular direction. In such an order, everybody is free to choose his/her own goals in life, and the institutional system, of which government is part, is there in order to allow individuals to pursue altruistic or self-interested business of their own choosing, unimpeded. The public arena may be populated by a number of collectivistic or semi-collectivistic characters eager to meddle and make busybodies of themselves concerning others' choices; but a proper civil government should be intent on keeping the playing field even and open to all avenues of life, and being particularly respectful of how individuals decide, on their own, which ones to follow.

Now, civility is not so much about persuading people as it is about allowing people room for maneuver in order not to be persuaded if they choose not to be. The spirit of civility is not that of the disputatiousness that may prevail in meetings of academic scholars or religious sectarians, or in lawyers' courts. It's a conversation, open and fairly erratic, which is interrupted by fits of distraction and absentmindedness, during which people stop talking to engage in manifold activities in the real world. It's not an eager dispute to be settled by a majority vote, so that the right definition gets enshrined in the group's proceedings, the winners impose their definition, there are implicit threats of silencing and ostracism, followed by splits, etcetera. It's more in the manner of what Victorian writers (think of Trollope, for instance) understood as 'civility', namely, a mild disposition to settle for a truce, that allows for conversation to go on in a spirit of accommodation, self-restraint, curiosity and understanding.

Governments may be encouraged by a deferent, submissive, insecure public opinion to take the lead and engage in authoritarian politics and policies. But, contrariwise, governments may also be tamed, and made to understand their crucial yet limited role in a civil society by a more freedom-oriented public opinion in many ways. And a government may even react favorably to these social intimations, and lend a helping hand in the construction of a civil society.

Demarcating the limits of governments by means of the media, citizens and voluntary associations, all influenced by the environment of a market economy

Markets, the media, voluntary associations, and informed and monitorial citizens may do the job of taming governments in two ways: by making clear the limits of politics; and by providing people with experiences which, if shared, can add up to the makings of a demos which holds the government to account.

The media can do the job of limiting the state only to the extent that they do not depend on the government's largesse and good will, and to the extent that there is a lively market place for newspapers, broadcasting, Internet and other media. Voluntary associations can do so only if they are not ancillary to political parties and central, regional or local authorities. Citizens can stand up to their rules, and effectively hold them to account only if they develop a sense of politics as a 'political exchange' with the political class. This exchange must be made on the basis of politicians' success in arguing and handling the specific issues that citizens are sufficiently knowledgeable of, and not their tendency to sell their identity labels, general ideological blocs or holistic policy packages.

Now, let me offer some (risky) generalizations about our current situation (in Western societies) in this regard. First, the media have tended to focus on the national scene. The effects of this have been mixed. On the one hand, there has been a tendency to dramatize local politics, thereby inflating their importance, as if the future hinged on the results of a forthcoming political election. In the same vein, the introduction of such a level of noise in the proceedings means that the ordinary citizen has easily been confused, thus enhancing the role of politicians as 'professionals of the public good'.

On the other hand, an ambivalent attitude by the media towards politicians reluctant to yield to the media's influence, together with a taste for partisan politics, has led to the spread of feelings of suspicion vis-à-vis the political class, hence cutting politicians down to size (Cowen 2000: 169). The hyping-up of charismatic traits attributed to politicians of the media's liking and the denial of those same traits in those on the other side of the political divide, given the variety of the media's partisan sympathies, has led to a lowering of people's expectations. The end result is a mixture of confusion and detachment that translates into a long term erosion of captive constituencies and an increase in the volatility of the vote; so much so that the ostensible class differences of the past, which gave some plausibility to people's identification with the representatives of their class, have gradually lost their salience.

The relative decline of parties has allowed for two inter-connected developments, the rise of voluntary associations and that of the monitorial citizen (Schudson 1999), thanks to the fact that the parties have gradually taken a back seat in the conduct of most public debates.

People seem to have freed themselves from habits of deference to leaders and parties, possibly empowered by a rise in self-confidence due to economic affluence and more schooling and information. The rise of voluntary associations has taken place in the guise of non-governmental organizations, quite different from hierarchical organizations such as the established churches, parties and unions which, for more or less prolonged periods of time, were (or still are) supported by public authorities with public money and public privileges. They try to make their voice heard in public debates, and thus to express the identities and put forward the interests of local or sectorial constituencies, and to articulate their views on some aspects of the common good.

The way they do their job varies considerably, and no doubt many of them work in tandem with governments and are heavily dependent on them (Bayart 2004: 70ff.). At the same time, they reflect the extreme cultural diversity of both modern and pre-modern societies in ways that make it hard to claim that these organizations of 'civil society' do no more than fulfill a role as instruments or collaterals of the strategies of governments and economic agents of all sorts.

Monitorial citizens are a variant of the informed citizens of an idealized past, according to Michael Schudson (1999). They decline to know everything and make no pretense at showing an intense interest in all sorts of things public. They know that to master, or even to become familiar, with the details of any public issue takes an inordinate amount of time and energy. As Schudson indicates, just reading and studying the reports that make up the dossier for the completion of a road of regional interest, affecting a number of local communities and economic sectors, may take months.

As any pretense to know the totality, the whole of the situation, vanishes, ordinary people may be inclined to reenact a milder version of the existential angst in the post-war situation I alluded to à propos of Rossellini's movie. The world collapses not just because of a catastrophic war but because there is no way to solve even a local problem in full knowledge of its causes and its ramifications, and the consequences of different courses of action. This is a well known, familiar feature of the human condition which some enlightened people lost sight of for a couple of centuries. Karl Jaspers' humble appreciation of what can be said and done when we accept and recognize that we're less than the 'involving whole' we're in and which we can never apprehend (1946: 178), and that not even being part of a successful mass party (or a 'society of knowledge' for that matter) can change the limits to our knowledge, makes for a different kind of good citizen. He will have to focus on the task at hand, and accept there is only limited, partial knowledge to bear on the here and now, to which he must be faithful.

2.2. Practices and morals: markets as social conversations, sources of civility, upholders of the morality of the extended orders, and educational institutions

The civilizing effects of free markets: some basics, and some caveats

Depending on what the real actors choose to trade, and how they do it, the effects of the markets may be civilizing, or they may not. Thus, the markets for hired assassins, sex-slaves, child prostitution, homes to park the unwanted elderly, the invasion of privacy, dissemination of lies, weapons of mass destruction or drugs, are all thriving markets, and markets which may have, or do have, a profound and long-lasting un-civilizing effect. All we can say is that under ‘normal’ historical conditions experience shows that letting *most* markets ‘run (relatively) free’ tends to have civilizing effects in the long run, assuming that their game rules exclude violence, fraud or collusion between groups of political and economic entrepreneurs, and also assuming that, most of the time, ordinary people are passably honest and decent. The (relative, partial, limited) cognitive realism and moral decency of the many, under ‘normal conditions’, may be the result of a very long evolution of the human species. That has led to the survival of many societies based mostly on a number of ideas and institutions: the family, private property, ‘civil’ rules such as adherence to contracts and fulfillment of promises, and the like: variations of the core rules of a spontaneous order of freedom, which include the operation of (largely) free markets. ‘Civil society’ is a late representation of this set of ideas and institutions, under modern conditions.

Markets as social conversations: words and deeds, explicit statements and practices

Having said this, markets can have a civilizing effect on both governments and on citizens and ordinary people in a number of ways. They may work as social conversations. However, the way such conversations take place is mainly through an exchange of performative utterances and deeds, accompanied by only partial explanations and occasional exhortations, rather than through an exchange of explicit verbal statements.

Putting statements in contexts of actual behaviors is not only a requirement for understanding historical authors, according to the advice of some of the cultural historians of the day, such as Pocock, Skinner and others. It’s also a requirement for understanding the scope and relevance of public debates of the day, and thus providing our analysis of the public sphere with depth and meaning.

If the heuristic device that we apply to literary texts is applied to an analysis of statements articulated in the public space, then this space should not be treated as if it were the locus for a de-contextualized debate among abstract debaters. The debaters should not be abstracted from what they are actually doing in the performance of their duties and the pursuit of their interests, enmeshed within a web of specific social relations. Their statements should be taken as problematic utterances that must be interpreted by looking at the gestures, deeds and actions of those individuals in a particular situation: as their responses to a variety of signals, and, often, as their ‘spot decisions’, which ‘speak for themselves’, in response to understood situations.

The fact that most decisions made by entrepreneurs, investors, managers, employees, distributors and consumers come accompanied by little or no explicit justification, does not mean they do not count as human communication; or that they do not embody and express reasons, diagnoses,

meaningful responses and predictions, based as they are on local, practical, tacit knowledge of the utmost importance.

Markets do respond to and limit the fantasies, or (at times) corroborate the right aperçus of politicians, civil servants, media pundits or academics. They refute ill-conceived policies, or expose their shortcomings, by means of capital movements, product or employment decisions, and shifts in patterns of consumption. And they do this, day in day out, every minute, provided, of course, they are allowed to do it by the absence of political constraints.

This 'primacy of practice' applies both to markets and to social networks of giving and receiving. To markets, because they act as procedural mechanisms whereby the relative scarcity of goods and services is discovered and communicated, which allow for multiple examples of action, doing rather than talking, observing and emulating behavior, imitating what is successful and avoiding what is not. But also to social networks, as MacIntyre shows (1999: 14ff.) when he refers to a "practical knowledge of thoughts and feelings of others which arise from complex social interactions... as a matter of responsive sympathy and empathy elicited through action and interaction... and involve pre-linguistic recognitions", what would justify the importance of those very networks of giving and receiving as sources of morality.

Markets 'speak'

Emma Rothschild (2001: 8ff.) reminds us of Turgots's words: free commerce is "a debate between every buyer and every seller", in which individuals make contracts, listen to rumors, discuss the values of one another's promises, and reflect on "the opinion and the reality of risk". She also indicates how Smith describes exchange as a sort of oratory: "the offering of a shilling, which to us appears to have so plain and simple a meaning, is in reality offering an argument to persuade one to do so and so as it is for his interest... And in this manner every one is practicing oratory on others through the whole of his life".

Market transactions can be seen as part of an endless, society-wide, even 'global' conversation which encompasses an 'infinite' number of bilateral transactions within an ever wider network. At different moments of the economic process, exchanges take place between people that are in themselves like 'unuttered verbal statements', performative speeches or tacit discourses.

To take just a few examples. The engineer employs a discourse of applied science, applied economics and so forth, to his task of fitting things together and making them work (Hapgood 1993: 28). In doing so, he's just one among many technicians, skilled and not-so-skilled workers involved in the design and production process, who talk to each other by way of what they actually do. This conversation is surrounded by 'talk' of a similar kind with the salesmen, and through them with the consumers of the product in question, as well as with the financiers, and through them, with the stock markets and other sources of capital.

Just by buying a product, the consumer sends a signal, and a very complex and wide-reaching signal at that, to many agents and institutions. But beyond that, in the very process of deciding to buy, he has done no more than reach a conclusion as the result of a conversation which is part and parcel of the workings of the micro-society of which he is a member, together with other family members (Perez-Díaz 2000: 27ff.), colleagues, friends, neighbors, and so forth.

The peasant-farmer who buys a piece of agricultural machinery does so in the context of a family conversation: maybe he responds to his boy prompting him to do so because otherwise he may as well pack up and go elsewhere. The same farmer, performing in the same complex role of *pater familias*, may buy a household appliance within a similar conversational context with his wife and daughters, eager to lighten their workload, and live up to the standards of modern life.

Now, to ‘downgrade’ these conversations to private affairs of little consequence for wider society is to miss the point. ‘Markets speak’ means ‘people speak’ (that is: express preferences, analyze situations and make forecasts) by exchanging goods and services and information’, thus creating a conversational space.

For instance, markets have created, or strongly contributed to the creation of, a European common space. They have checked the protectionist, inward-looking tendencies of the economic structures of every country, and they have made people all over Europe more alert to each other and to the opportunities originating among their neighbors. They have largely replaced competition through war, that is, by way of death, rape, torture, invasion, humiliation and other displays of aggressive behavior, by the more peaceful endeavor of competition through trade and investment. And this they have done generation after generation for the last fifty to sixty years.

At the other extreme, markets can also enhance communication within the boundaries of increasingly smaller social settings, such as business organizations. For instance, employees may spend part of their working day trading on futures of their company: on the future of sales, product access, supplier behavior, procedures (Kiviat 2004). This proves that useful information is embedded within a group which can be drawn out and organized via a market place. This may well be the way management, or leadership, is downgraded within firms, and partly replaced, or complemented, by people ‘speaking’ not through their union representatives but in a direct and possibly quite eloquent way.

Civility and morals, and a tale of two morals: the morality of the small world and of the extended orders

Our shared experience on a national, European or a global scale, furthered by the markets, creates the basis for a spread of the morality of the extended orders, which is a basic component of civility. The argument runs as follows.

Hayek (1983: 18) suggests we live in two different worlds to which different morals apply. The trick is to know when to apply each of these to differing circumstances, and how to make them more or less compatible with each other in inescapably mixed, not to say messy, real life situations.

The morals of the small world are those which apply to networks of families, friends and close acquaintances, tribes and villages, and possibly to traditional segmentary or modern closed societies (to follow Gellner’s hints: 1994). MacIntyre’s (1999) views on networks of giving and receiving, in which he appropriately finds a prominent role for voluntary associations (‘civil society’) as a source of morality, also apply here. So do Boettke’s and Rathbone’s (2004) remarks on reputation as a disciplining mechanism for associations and face-to-face communities. This ‘small world’ has been the main setting, and therefore the dominant context of reference, for ordinary moral behavior in most of Europe throughout the second millennium

A.D., till well into the 20th century, and it continued to be so in predominantly rural areas (probably comprising more than half the population in France, Italy and other countries) well into the second half of that century: being, in Braudel's terms (1990), a mosaic of 'micro-cosmos'.

Large social ensembles were understood by analogy with that small world. A family, or a village writ large, would become a people's nation, a nation-state intent on acting out the sort of solidarity of the small world, with its appeals to brotherhood, possibly to a strong *pater familias*, and to a common goal and shared substantive values, as well as to trust circumscribed to the national community, and a corresponding fear of strangers or aliens. It could become a *Folkhem*, and give rise to the Myrdals' views of a maximalist welfare state in which "the most important task of social policy is to organize and guide national consumption along different lines from those which the so-called free choice follows", aiming at "a socio-political organization and control not only of the distribution of incomes but also of the focus of consumption within families" (quoted in Rojas 2001: 16). It could also adopt the form of a 'therapeutic society' in which the state's interference is complemented or replaced by an army of meddlers and 'virtuecrats', eager to tell others how to behave and which values they should adopt, much as Edgley and Brisset (1999: 215ff.) suggest may be the case, up to a point, in certain social milieus in the US.

Now, from the viewpoint of a morality of extended orders, the extension of the morality of the small world beyond its proper small world boundaries qualifies for the attribute of uncivility. The above mentioned examples all indicate different varieties of uncivil behavior. Contrariwise, for those who think the morality of the small orders is the only possible one, the extended order may look like a jungle. They may think the 'law of the jungle' applies to the markets (quotations to this effect come from representatives of both the left and the right), although, in actual fact, the law of the jungle and that of the market are diametrically opposed to one another, as gains made at another's expense by seizing their property contrasts with gains achieved by serving another through peaceful cooperation (Rothbard 1970: 1325ff.). There can be no doubt that mafia-dominated markets or markets distorted by corrupt collusion between politicians, media moguls or unscrupulous entrepreneurs, in other words, those that are distorted by some fusion of political, ideological and economic hierarchies obey the 'law of the jungle'; but these are uncivil markets and a part of social systems which are, in Gellner's words, rivals (or enemies) of civil society.

However, it is trust and not fear that is the normal disposition of those who participate in well functioning markets: trust in the quality of the products, in the contracts that bind employers and employees together, in the rules of lending and borrowing, and in the game rules of corporate governance, etcetera. Otherwise markets could not function, and would come to a stop.

Let me insert a literary vignette to illustrate my point. You may remember Joseph Conrad's *Typhoon*, and the predicament in which MacWhirr, the captain of the ship, finds himself when the typhoon approaches. Much to the surprise of the narrator, and out of character, MacWhirr, a man of deeds and not of words, explains himself and what he's about to do. In a rather free version, his explanation could run as follows: "I see the typhoon coming but until it hits us I cannot weigh the danger it involves. At the same time, I'm under an obligation to make the trip profitable, keep an eye on the costs and save coal, and how could I explain my taking a costly detour to avoid a danger I cannot measure? On the other hand, I must trust my contractors to

have provided me with a solid steamer, built with the strength to sail the high seas; and the builders, carpenters and other tradesmen who made the different parts of the ship to endure: they will not let me down". MacWhirr's motto could be: 'In men I, and we, trust'; that is, in their commitment to do their work properly, in the social arrangements, contracts and mutual promises which stand behind their personal endeavors. This includes trust in people we know personally, but also trust in a worldwide division of labor, in an abstract world of professional obligation, commercial honesty and social arrangements of many kinds.

Of course, we need all the words Conrad can provide us with to understand the players and the situation they respond to, but for MacWhirr himself, we gather, most of the words were not needed, as he rather would let his deeds speak for themselves, or else they came out of his lips as "broken shouts".

The morality of the markets: not as ethica docens but as ethical life

The morality of the market is not an *ethica docens*, that comes to us in the form of a moral discourse which can be articulated in a series of verbal statements and taught and debated about. It is like an actual, patterned behavior, an ethical life. It is a morality that is embedded in actual mores, habits and dispositions, and the cluster of dispositions, a moral character, that results from continuous moral practice.

The dispositions encouraged by proper and continuous involvement in the markets tend to be those of self-possession and self-reliance, readiness to assert our rights and respect for the rights of others, attentiveness to others' needs, trust and service, fulfillment of promises and contractual duties, an inclination to follow game rules while simultaneously taking the risk of making considered acts of dissent or deviance from established practice, paying the price for making mistakes or reaping the profits from the new opportunities opened up by the initial act of defiance (Barry 2001, Williams 2004). They point to a life of peaceful coexistence, of live-and-let-live, with a minimal core of basic values that must be shared since otherwise all these exchanges would be impossible to replicate or to sustain, but unencumbered by excesses of moralism of either a superstitious or an enthusiastic nature.

Now, let's take, for instance, the experience of Spaniards as they've found themselves engaged in the European markets for the last decades as an example; although what I say about them could be applied *mutatis mutandis* to most European peoples. Spaniards have been manual workers in France, Germany, the Netherlands and Switzerland; they have become familiar with the British, Germans and Scandinavians having a second home on the Mediterranean coasts and in the Canary Islands, and with the French and other Europeans holidaying everywhere. These experiences have created a corpus of implicit background assumptions which would underlie attitudes of mutual toleration, an absence of xenophobic sentiments, and mutual, rational expectations of proper behavior as producers, consumers, home-owners, and banks' customers and borrowers, etcetera. This has created elective affinities, bases for mutual understanding and empathy for each other's predicaments in an increasingly larger variety of situations, in the absence of which there will be fear and mistrust.

The shared experiences which may provide the basis for a European demos come from these basic, everyday experiences, together with a certain familiarity on the part of educated people

with the 'third world' (or 'world three', in Popper's sense of the term) of a shared high culture which has played and still plays a crucial role in Europe's self-understanding.

Markets as educational and character-forming institutions: in the way from superstition to enthusiasm to moderation

As already indicated, markets help to spread the morality of extended order and they make people self-reliant and alert to others' wishes, propensities and abilities. In doing so, markets may be instrumental in pushing society along the road that leads them from superstition to enthusiasm and, finally, to moderation. (repetition) Superstitious people follow the lead of magical manipulators, be they charismatic leaders or priests. Markets make people use their intelligence to make their own decisions. They accustom them to independent decision making, obviating the need to defer to a higher authority in order to find their way.

At the same time, markets are great equalizers. In a way, their influence converges and combines with that of political or religious enthusiasm. Puritans, for instance, are supposed to have helped 'liberate' society from its superstitious domination by priests. But then comes a time of moderation probably facilitated by markets which eases society away from the excesses of political and religious enthusiasts. Along the way, markets are supposed to cool people's heads, make them more rational and, at least, more prone to use a kind of instrumental rationality that erodes much of the halo around priestly kings.

Markets also educate people in the sense of making them used to the idea that they are expected to pay a price for their mistakes. There is no easy way out from the consequences of a mistaken decision; others may be quick to expose and exploit them. It's the name of the game, and has to be accepted. Lessons of 'realism' happen all the time. The 'principle of reality' applies at any time. No dream-time while waiting for the next election, the next book, or the next gathering of the 'chattering classes'.

The usual way of escaping from reality is cut off; and this may cause a hardening of the heart, an injection of courage. The 'usual way' is fear, followed by the need to reduce the appreciation of danger in order to avoid the feeling of fear, and finally a denial of the danger, to the point of 'not naming' it. Markets do not perhaps encourage people to face danger, but they certainly make them clearly aware of the specific dangers that they are trying to escape from. They may be compatible with specific fears of specific dangers, but do not plunge people into a diffuse sense of angst. The 'usual way' whereby people's clouded thinking makes them unfocused and unable to ask questions or set priorities, and therefore incapable of facing up to reality is thus radically curtailed. Markets focus people's minds.

3. Civilizing the European process

Tying the knots of the argument together, and qualifying the markets' contribution to the formation of a demos

My Gothic tale suggested that Europe lost direction because it lost sight of the idea of a civil society in its broad sense. Liberalism lost confidence in itself. A number of critiques of an order of freedom, from the right and the left, with strong collectivistic and authoritarian overtones, made their mark. Most of the intelligentsia either wrote the music or danced to its tune. The result was a drift in the direction of authoritarian politics and heavy state intervention in the market economy, feverish nationalism, and then fascism and corporatism and socialism followed by nazism and communism and total war. Returning to the tradition of civil society, rising out of that descent into madness, and abandoning the pretenses of moral and intellectual progress attached to that sorry journey would thus seem to be a pre-requisite for coming to our senses.

To a great extent, this is just what Western Europe has done in the last half century, but with only a confuse self-understanding of exactly what she was doing. Significantly, it has been done by deeds, and in setting most institutions right, rather than articulated in statements and theories. As Marc Lilla (1994: 133) has said, “throughout the decades long process of political and economic liberalization [after the Second World War], liberal thought was almost wholly absent from continental Europe”. Lilla asks himself “does this matter?”, and responds, possibly with some hesitancy, “perhaps not”. Well, I rather think it has mattered and that it does still matter a lot. It's reflected in many weak spots, uncertainties and misunderstandings that affect the viability of the European process, the construction of a European polity, the existence of a European public sphere where basic European policies are debated and agreed on, and the creation of civic virtue among a European demos.

Now, as already indicated, markets can civilize people into becoming citizens to the extent that they make them develop self-reliance, awareness of other people's needs, respect for contracts and promises, and compliance with the rules of peaceful cooperation and competition, and so forth. Nevertheless, they do not make them citizens of any one demos *in particular*. In fact, the implicit drive in the functioning of the markets is to reach out beyond all boundaries. Therefore, if the task at hand is the formation of a particular polity, there is a need to complement the work of the markets, which will make people into citizens in general, with that of political, cultural and social enterprises, and entrepreneurs, which are determined to shape them into citizens of a particular polity, with a particular identity and with precise boundaries. This requires an interplay of markets and other institutions.

3.1. The mixed civil record of the interplay of European markets, governments and voluntary associations

A looking-glass view of the European process: politicians' mixed input into the formation of Europe

Sometimes, politicians are like the kings and queens on the other side of Alice's looking-glass, in Lewis Carroll's classic (1994 [1872]): they run out of breath just to stay in the same place. Regarding the European process, quite a few of them have followed Alice's advice to herself of 'let's pretend', and they have pretended to lead a process in which they have mostly trailed

behind and even, to a great extent, caused to slow down for years, as they are still doing, with a helping hand from a sizable part of the cultural elites. This is evident in their sometimes strenuous efforts to make a European demos nearly impossible in all but words.

This is easily understood as, so often, political and cultural elites' conditions for survival and prosperity mostly depend on their firm grip over local captive constituencies of a national character. Politicians are familiar with the game rules for acceding to state power within the boundaries of nation states, and this is the field where they tend to play. Cultural elites look for the success dependent on a linguistic community, or a well established network of personal and institutional connections which builds up within local and then national settings with their well known sources of public and private patronage. Only a limited segment of cosmopolitans look to wider horizons, but even then, these are based on fairly personal connections to such an extent that their cosmopolitan sets replicate the intricate face-to-face relationships and behind-the-scenes gossip of the small, local worlds from which they come. The same applies to the cosmopolitan, European-wide political elites, anchored as they are half in the small world of Brussels- Strasbourg and half in their original locations.

In contrast, irrespective of what the politicians may say, ordinary Europeans have been engaged in a process of European 'historical formation' from the bottom up, which is substantially different from the European 'political construction', for several decades now,.

To begin with, in order to travel and do business they have adopted a lingua franca that allows them to communicate with each other, and with the rest of the world, without the intermediary assistance of their ubiquitous political and cultural elites. This is 'English', which has become common currency for all Europeans from a diversity of linguistic communities and competes openly with local vernaculars. English provides us with a language which tends to reduce people's proclivities to talk nonsense and to lose themselves in rhetoric and unfathomable meanings, it levels the playing field between elites and ordinary citizens, and favors clear, unequivocal, focused communication. It may leave people whose mother tongue is not English wanting, if and when they try to go beyond a certain range of feelings and thoughts. But it may well do for the functioning of the 'superficial order' (Oakeshott 1996: 32), that is, an order of freedom, which leaves the depths of ultimate commitments and emotions untouched, ready to be expressed in whichever language is most familiar to us for that task. Though this may limit the scope of our audience, if our commitments and emotions are true, where is the need for an 'enlarged audience'?

Be that as it may, the increasing European trade in industrial goods and services has been of crucial importance. This was encouraged by US policy after the war, and reluctantly agreed to by European governments, all the more so since the policy shift of the 1980s, and following Lord Cockfield's White Paper of 1985 and its subsequent implementation. Liberalization of capital flows duly followed. And then, the terms of competition policy adopted by the Commission and some of the rulings of the Court, particularly those upholding the principle of mutual recognition, seemed consonant with that liberal trend.

But the point is, what governments and the supranational European institutions have done in other crucial respects has been just the opposite. Leaving aside agriculture, the main area of policy to look at, from this perspective, is that of labor markets.

Loukas Tsoukalis (1991: 135, 156) contrasts the grand declarations about free movement and labor as a right enshrined in European treaties with the limited movement of the European labor force in reality. The key lies in the details: the non-transferability of social security payments, no mutual recognition of degrees or professional requirements, no information about jobs through a properly functioning labor exchange, the linguistic factor, and the shortage of available housing. In the background looms what is almost a consensus view among politicians and civil servants, unionists and academics, that labor mobility is, as Tsoukalis puts it, “politically and socially undesirable” (156).

Quite often, the effects of the barriers to labor mobility across Europe are compounded by those of the barriers between insiders and outsiders. The fact is that most (but not all) of Europe has ended up with a social and economic model of labor participation with a hard and fast differentiation between insiders and outsiders in the labor market, so that, by comparison with the US, the participation of women (in quite a number of countries), old people, youngsters and immigrants is lower, while insiders enjoy a higher degree of stability on the job, higher wages and shorter working hours (Gordon 2004). Some observers seem to think this is the result of a ‘collective choice’ for ‘capitalism with a human face’. It is hardly a ‘choice’ for most of the unemployed, the prospective immigrants and the potential new entrants into the labor market.

Some of the regulations and ways of life hindering the development of a unified European social space

What the European labor markets ‘say’ is that there is no such a thing as a unified European social space and a European demos, at the heart of which we might find people sharing a common experience of ‘producing’ a material and cultural world. Neither should there be such a core of citizen-producers, according to those people who adopt the ‘consensus view’ of keeping labor mobility at bay, and playing by the rules of heavily regulated national labor markets, bound by local regulations and local welfare arrangements. Whoever comes ‘here’ should submit to the local game rules. The ostensible talk may be different (talk about European mobility, for instance), but it is the markets, regulated in a non-liberal way and subject to pressure from the unions, which do the ‘real talking’.

Note that, to a significant extent, the linguistic, educational and media markets, for instance, say something of a similar kind. These markets seem to be heavily subject to non-liberal ideas and corporatist pressures which suggests that the general idea is to keep ‘captive audiences’ under the control of cultural, and political, elites, as if the ‘imaginary collective’ of these elites fails to reach much beyond the ‘master-plan’ of the 19th and 20th centuries: the world as seen through the lens of the nation-state system which emerged from the Westphalia settlement.

The fact is that many among these cultural and political elites have not accepted the facts of life, including the fact that English is becoming the lingua franca of the *populus Europaeus* in their everyday dealings. Refusing to acknowledge this ‘fact’ is tantamount to saying: ‘we’ want to have ‘our’ people under control. From this follows the policy of ‘cultural exception’, used as a code-word for a protectionism useful to cartels eager to play their hand in the conduct of

European politics through their influence on local politicians, and for local ‘cultural worlds’ anxious to avoid judgment on the part of an ever wider public in a free market of ideas and cultural forms.

In a way which is largely consistent with the principle of the primacy of the local scene in the cultural world, educational services are only subject to an all-European market discipline to a minimal degree. Each national educational system usually depends heavily on public subsidies and carefully stakes its survival on maintaining the institutional status quo; and every educational organization cultivates its niche within it and tends to play safe. Consequently, the ‘system’ tends to generate a large number of non-market oriented, like-minded students who are used to living off their families’ allowances and public subsidies, risk-averse and eager to be protected while pretending they harbor libertarian, antinomian impulses.

Some moves in the direction of a court society, and a cloisonnée (partitioned), segmented society

Looked at from an inter-country viewpoint, it would seem that European mobility is only of interest to certain kinds of people. Given the barriers to labor mobility I have already referred to, it is hardly relevant to active economic citizens at all, i.e. the people who would want to participate in the work and politics of the place where they settle permanently. The core populations stay home. For them, the horizons of their lives are all local: their work, their language, their social acquaintances, and their everyday rituals.

By contrast, it seems to be of far more interest to people such as retirees, tourists and students. Retirees want a place to rest, usually at a safe distance from real, busy life. They may be curious observers, mostly detached denizens of the countries they reside in. Tourists and international students are *oiseaux de passage*; they come to enjoy the physical and human landscape, and to ‘have an experience’ they may treasure and tell back home. Further down the scale towards marginality and social exclusion we also find non-European migrants, trying to make ends meet with a series of precarious jobs under difficult conditions, and then there are the gray zones of semi-legal or illegal networks. At the top end of the scale, we also find people on the move throughout Europe: politicians, entrepreneurs, diplomats, media stars, cultural elites, and top civil servants. These people may belong to elite cosmopolitan networks, and feel vaguely at home in most countries. At this level, there may be a European outlook to be developed, a European discourse, and possibly the actual building up of an exemplary center, or a web of privileged locations, possibly a proxy of a court society. Of course, these people want to play at the European ‘court’ while keeping things under control at home, so they have to commute to their ‘country houses’.

Thus, in a sense, we’re back to a post-modern version of a pre-modern society, which combines features of the 13th and 17th centuries. Back in the early middle ages, there was a *cloisonné/partitioned* society, with itinerant cosmopolitans and vagrants, and a series of solid cores of vernaculars ‘tilling the soil’, so to speak. But European society now also has, if not a central court, at least a network of exemplary centers, dispersed but interconnected. Time will tell whether or not this kind of arrangement will lead in the direction of an open, fluid society, with relatively easy social mobility in all directions which will at least affect a sufficiently large critical mass of Europeans with a world of shared experiences.

Now, the current webs of voluntary associations may have different effects on that process. It should be pointed out that they may either favor or hinder the development of a unified European

space. Most associations usually start local, remain local and focus on local issues. In fact, being local is a normal trait of voluntary associations, as their leaders' accountability can only really be judged at the local level by people who know them or know of them, as there is no alternative mechanism, no 'prices' or 'benefits', to give us an impersonal, general basis with which to measure their performance (Stringham and Boettke 2004). This local trait could reinforce European society's *cloisonnement*, or partitioning. At the same time, as these associations try to reach out and enlarge their horizons, they might find themselves entangled (though not necessarily) in the workings of the court society. This could happen if they were to enter fully into the court rituals of conferences and seminars, or into mobilizations orchestrated by a minority of activists with intense feelings and easy, sympathetic contacts in the media, which counted on the support of select circles at the court.

The problematical making of a European demos: the attempt by some to have a European polity without a European demos

In the end, a civil government requires a demos that limits its power and holds it accountable; and a demos requires a modicum of shared experiences in which sentiments of mutual trust have been allowed to develop and take root. The attempt by many to envision a European polity, or state, *without* a demos can be interpreted in a number of different ways.

It may be the result of a misunderstanding that does however contribute to a surreptitious process of creating an unaccountable, and possibly unlimited, political power that lives in a different world, a network of insiders including lobbyists, politicians, experts, economic powers, magnates with their retainers of lawyers, media experts and clerics. These belong in a social configuration of supranational authorities, with their courtiers, who are trying to free themselves from the original state-imposed treaties, in search of the self-sufficiency of an Aristotelian prime mover. Here we are approaching, again, the simulacra of a court society, trying to keep its distance vis-à-vis the rest of society while presenting itself as an exemplary center, and projecting its radiance all over the place.

Now, talk of condominiums, consortiums, asymmetrical schemes, variable geometry and so forth may help people to 'feel' the complexity of current institutional arrangements, and provide them with 'names'. However, it also hinders them from a clear and distinct understanding of the hard core of these arrangements, namely, the development of a different social world, which speaks a different language, and uses obscure and oblique ways to handle their problems. This is also suggested by facts such as that the European Court is said to have created precedents which have been crucial for the development of the process, and have pushed it in a federalist direction while 'avoiding the limelight', in other words, while keeping ordinary citizens in the dark; and that the European regulations that have piled up consist of more than half the legislation of European states, but in a way that goes largely unnoticed by the European public (Blundell and Frost 2004).

Alternatively, it may signal a willingness to use the situation for the purpose of advancing a variety of national agendas, supposedly backed by the corresponding national *demos*. For instance, some Germans may try to salvage their welfare state; some French may have another try at regaining their lost grandeur; some British may attempt to protect their special relationship with the US.

Lastly, it may express a suspicion and a sense of uneasiness about what a European demos might do in the future, considering the not-so-remote past. This suspicion can easily take hold among people used to a view of the demos as split between two ‘classes’ or historical projects, caught up in a deeply adversarial game, a clash of world views. This makes for a view of politics as based on the distinction between friend and foe, and as defined by fear and by the need for overcoming that fear.

Now, given the store of bloody memories and old resentments which is the most somber part of the European heritage, with the recent experience of extreme nationalisms, and two genocidal forms of totalitarianism still fresh in European minds and hearts, there may be a certain apprehension about what European politics has in store for us in the future, and about what may politics come to mean in a hastily unified European demos, led by uncertain political parties and a disconcerted intelligentsia, in a climate of increasing insecurity in view of the fact Europe is losing ground in the world at large and knows it.

Europe’s recent experience: a drama in the making

Against this background, let us try to locate some of the current policy debates regarding the way markets should operate in Europe. The fact is, markets for goods and services, and latterly capital, have gradually enlarged the range of self-governance within European society, and placed limits on the states of the European nations and on the European supranational institutions so that they act principally as regulatory agencies that smooth out the functioning of the largely self-regulated market economy. Of course, qualifications have to be added, and there are many ways in which a generally sensible competition policy can help current trends in the rules of corporate governance, markets for corporate control, and markets of managers to evolve for the better.

Just a cursory review of recent news on ‘money and investment’ in any European economic newspaper shows that firms are easily tempted to inflate results or reserves, or to breach the rules of competition at the expense of shareholders, customers or dealers, probably to the benefit of managers and directors, by taking advantage of the carelessness of external auditors, independent directors, banks and regulators (see, for instance, recent coverage of the cases of Ahold, Shell, Parmalat, Peugeot by *The Wall Street Journal Europe* in the last weeks of July, 2004). Reducing firms’ opportunism requires different corrective mechanisms and measures, and experts on all sides have been discussing the matter. In the end, it is a matter open to experimentation and debate, and dependent on many social and cultural factors which should be examined on a case by case basis. The general tendency, however, is clearly running against the well established tradition of insider trading, collusion, opacity and cozy relationships between firms, civil servants and politicians, with lawyers acting as intermediaries between the private sector and the state, while the media and judges look the other way, and the public is kept in a state of blissful ignorance. ‘Running against the tradition’ requires a combination of liberalization, which should lead to open competition, and sensible regulation, which should lead to transparency.

Europe’s historical record has been one of the gradual liberalization of trade in industrial goods and services, but not in agricultural products or capital flows, which were closely controlled by national authorities for a long time till a policy reversal took place over the last fifteen to twenty years (it is still incomplete). Neither has there been much progress in the liberalization of labor markets or any corresponding reassessment of the welfare system.

However, the current situation defies easy generalizations. Local conditions vary and there may be cases in which the state has been instrumental in bringing about sensible changes. In the case of the Netherlands, for instance, some observers have referred to a ‘Dutch miracle’ (Visser and Hemerijck 1997), which suggests an ability to reform, and even to partially liberalize with a broad social consensus. The facts reveal a more mixed picture. The government was able to get the unions’ backing for a policy of wage moderation, and this could be presented as a corporatist achievement. The reform of social security, however, required an alliance of Christian democrats and social-democrats to overcome the unions’ opposition. And changes in labor market policies were possible only because the government could appeal to a wide network of social agents, and lastly to public opinion, thereby circumventing the corporatist insiders.

In contrast, let’s take a look at another case which has been quite a successful European economy with a corporatist mode of coordination for a long time (Hall and Soskice 2001), but not so successful, however, over the last ten to fifteen years, as suggested by the following examples.

A decade ago, it was a common assumption among European politicians that if Europe was on the fast track to economic integration, then Frankfurt would be its financial capital and the busiest stock exchange on the Continent. Ten years on, it’s been pointed out (Pearlstein, 2004), Frankfurt has failed to realize its ambition, and more German investment banks are in London than in Frankfurt, while foreign investment banks and houses have scaled back their presence in this city or left town entirely. Observers point to ‘laws and traditions’ that have kept German banks fragmented, low in the rankings when measured by profitability or market capitalization (reflecting high cost structures and portfolios bulging with below-the-market loans) and disadvantaged by Germany’s lack of interest in capital markets or the culture that goes with them.

German Chancellor, Gerhard Schroeder, may have declared it ‘unpatriotic’ for good German companies to outsource work to Eastern Europe, but Volkswagen and many other German (and other European) companies have discovered that they can hire skilled workers at a quarter of what it costs back home in places like Slovakia and the Czech Republic. A series of discoveries such as this seems to have added momentum to a trend of diminishing worker entitlements, leading to longer hours and wage concessions in Daimler-Chrysler, Mercedes and many other companies (Power and Walker 2004).

For years, Germany, like many other countries, has been losing manufacturing jobs to China and other low wage countries, but its engineering sector remained a safe haven. Now these engineering jobs are beginning to move abroad as well, as the case of Siemens illustrates. This company has found engineers in China who are only one fifth as expensive as their German counterparts, work as many as 25 hours a week *more*, are about ten years younger and turn out to be just as good. This will not be an easy trend to reverse just because Schroeder has declared 2004 to be ‘the year of innovation’ and unveiled plans to upgrade 10 German universities to ‘elite status’ when, given stagnant growth and increasing deficits, the government has been forced to trim federal support for research and development (Karnitschin 2004).

The point is, German firms’ initial hopes and the German government’s hesitant moves suggest a growing awareness of the need for liberal, market-friendly policies which run up against, and

are slowed down by, the inertia of various corporatist arrangements. In the short run, political success may well accompany those who are cautious enough not to push things too strongly on either side; and politics may well consist of a sequence of short-term political successes for quite a while.

3.2. The European process as a hybrid due to the interplay of two ideal characters: the liberal and the corporatist/statist variants of a civil society

Europe as a battlefield between two contrary organizing principles: a 'liberal' Europe versus a 'corporatist/statist' one

Throughout most of the second half of the 20th century, totalitarian Europe had become a thing of the past, and of the East. Western societies have become wedded to an order of freedom, and the main political contest takes place between rivals who share a commitment to a market economy and a liberal democracy. We may say it takes place between two variants of a civil society in its broad sense, depending on the way markets are regulated or coordinated. They may be subject to a market-friendly kind of regulation that allows them as much self-coordination as possible, in line with the model of the spontaneous extended orders, or they may be regulated by states prone to engage in social pacts and active intervention in the economy. As this new battle goes on, we see a confusion of forms, a patchwork of local games and a number of contradictory processes, à la Tolstoy (of *War and Peace*). To sum up and simplify: it is a battle between two ways of life and understanding politics and society that may be described as follows.

The liberal model, and some of its limits

Europe could be organized as a liberal polity and society with the state subject to the rule of law, and mostly limited to playing a strong role in maintaining and defending an order of freedom (free open markets, a plural society), with (in general) only a subsidiary role in other areas. Corporate actors would be reduced in size and influence, and hopefully there would be a lively public sphere and a critical mass of virtuous citizens, ready to engage in public debate, to defend their city and to take public authorities to account.

One implication of the above considerations is that we are confronted by a society with a strong *egalitarian* component: there is a strong institutional and cultural bias towards equality before the law and the judiciary system, equality between citizens and authorities, equality between individuals (and families, and voluntary associations) and powerful corporate actors (parties, unions, churches, media and academia, professional colleges). We all stand on a par before the city and the law no matter what our wealth and social status may be. At the same time, it is an *open and fluid* society, in which people move freely, and frequently, across territories, social spaces and cultural identities as they see fit. I'm merely not saying that they are allowed to move on principle, but that they do actually move in fact. This suggests a society that, while being 'open and fluid', has a significant sense of community (a communitarian component): free individuals become free citizens once they realize that their individual freedoms are rooted in the laws (institutions or customs) of the city, in the absence of which there can be no individual freedoms.

At the same time, this kind of liberal polity and society may have a strong sense of identity and therefore a traditionalist bias. This will mean that the people and authorities are proud of a

cultural heritage which, while it may be extremely complex and a composite of many contrary sub-traditions, will generally be understood as a heritage linked to the emergence of an order of freedom that makes this liberal polity and society proud of itself, self-aware of its *diferentia specifica* regarding other kinds of society, and unwilling to tolerate pockets of illiberal communities within its own borders. This common heritage (at least partly) explains (a) the dynamism of the public space: there can be no fluid civil conversation without tacit agreements on basic and procedural values which are the result of shared experiences that are part and parcel of that common heritage; (b) a state that is strong on defense: there is no way a state can be strong on defense if people don't have a strong sense of their own identity, and are willing to defend the basics of their way of life against foreigners who would prefer not to adapt themselves to this way of life but to erode it; and (c) the fluidity of society: otherwise its fluidity would exacerbate fragmentation and anomie, as a mobile and fluid society needs to be held together by common values and a common heritage.

In real life, however, these traits are connected to each other in a loose way. Those so-called liberal polities and societies that actually exist are messy entities, and the connections work to a greater or smaller degree depending on historical conditions. For instance, a real-life liberal society may drift towards increased public spending and state interventionism, get stuck in an internal conflict between 'two-nations' (two castes, two antagonistic classes, two ideological blocs), be weak on defense or face a passive citizenry.

The corporatist/statist model, and some of its (courtly, partitioned) variations

A contrary ideal type is a European polity and society understood, to a large extent, as an 'association-enterprise' (Oakeshott's terms: 1975) which would be managed by a set of public authorities engaged in redistributive and welfare policies, and in the handling of the economy (the traditional social-democratic and social-conservative policy style). The managers are the equivalent of a club of (hopefully) benevolent and enlightened insiders, made up of the political classes, media, clerics, unions and professional lobbies, intellectuals and experts. Such a state would tend to increase the general scope of its activities, and in the process of doing so it is to be expected that it will not be overly insistent on the accountability of the public authorities, it will have a limited need for demanding, critically minded and independent citizens, who would tend to bypass their representatives and social leaders, and may be therefore all too easily willing to accept that Europe moves to the stage of supranationality even without a robust European demos and a properly developed European public space.

This may or may not (depending on conditions I cannot dwell on at this point) go hand in hand with a *cloisonnée*, partitioned society combined with a court society, namely, a core of insiders standing over a large periphery of segmented populations, the way I've referred to already. If and when it does, we would find cosmopolitan circles at the top, on the wisdom of which much of the European peace and prosperity would supposedly depend. But such a court society would also generate a number of mini-courts spread all over, with the corresponding practices and mentality of Parisian salons à la Madame Verdurin, offering standards of taste and correctness, and good connections. At the same time, segmented populations relatively isolated from one other might occasionally feel free to nurture their small differences regarding their neighbors and tend to become more and more focused on local affairs.

This European society would be a deeply hierarchical society full of invisible barriers to mobility. In it, local elites are eager to keep their captive constituencies, and to keep competitors at arm's length. This may apply equally to parties, intellectuals or the media, unions, and welfare state bureaucracies, which would insist on focusing people's attention and civic energy on local problems, on protectionist policies for local cultural industries, on managed labor markets or on local welfare provisions that make labor mobility unlikely. This may also apply to economic corporate actors acting in concert with state authorities and unions, just following the game rules of statist and corporate nation-states.

In a paradoxical way, this kind of Europe may interpret the past as something to be overcome by 'progress', and be rather ambivalent about her own heritage. She does not easily find reasons for affirming her own identity, which tends to be left open to whatever happens as the result of never-ending experiments in living.

In real life, however, and not in the virtual world of ideal types, the corporatist, statist inner circles of society live with, and off, product and capital markets which still work largely according to their own logic, and this puts limits to how far they can go. Thus, the segmentation of the labor markets comprises a series of concentric circles with a protected insider's market at the center, but with less and less protected workers in the outer rings, shading into a grey zone of unregulated employment practices which, in turn, exercise pressure in favor of a more unified, homogeneous labor market. In fact, within the political establishment, social-liberals or conservative liberals, who have been trying out 'third way' policies for a century, do attempt to introduce a modicum of 'the market' into the public sector, over and over again,. At the same time, they deal with a restless world of voluntary associations and social movements, many of which are reluctant to come under the aegis of state or local officials, churches, corporate actors or the dominant economic players. This, also, introduces a margin of flexibility and openness into the social landscape.

Thus, the efforts made by the statist/corporatist elites to organize Europe around a center or a set of exemplary centers, and persuade the public to accept their views, is expected to be met with limited success. Besides, these very statist-corporatist leaders share the liberals' commitment to a liberal democracy and to the rule of law. This may make them timid and inconsistent in their occasional attempts to think of the law as an instrument for their political projects, to play a strong hand at the politics of charismatic leaders or vanguard parties, to resort to the politics of resentment when the time comes to appeal to corporate or class-based voting, or to make a selective use of the judiciary and the police in order to get their support for their political projects.

A hybrid

This battle of ideas and institutions has been going on for a very long time under different guises, and will continue. It has had, and may have, in the future, a variety of outcomes, but a final victory for either of the two organizing principles is highly unlikely, at least in the foreseeable future, and in view of the rapport de forces. The likely outcomes are: an uneasy coexistence between sectors of social life organized in different ways, mutual influences, compromises, and hybrids. In the meanwhile the debate will go on, and, regarding the way to conduct it, we can weigh up two kinds of considerations.

On the one hand, there are good ('subjective' and 'objective') reasons to try to simplify matters. First, delineating the fault-lines of the European political community may be convenient for focusing people's minds and, thus, for the development of a European public space.

Second, all the basic issues are interconnected: anti-liberalism *versus* liberalism in economic and social policies; a de facto unaccountable supranational power with a cosmetic/rhetorical public space *versus* well-known and truly accountable state-national authorities, with a lively public space, or, in other words, government by enlightened insiders *versus* an open polity of skeptical and virtuous citizens; low awareness of a different civilizational identity and being soft on defense and internal security *versus* high awareness of a specific historical heritage and strong on defense; and an open and fluid society *versus* a court society, with opaque establishments at the center, and a segmentary society of locals everywhere else. With the possible addition of anti-Americanism *versus* Atlanticism. Such are, indeed, the main fault lines of the political community throughout Europe.

On the other hand, there are also good ('subjective' and 'objective') reasons *not* to make things 'too simple'. First, because the starting point, the 'here and now', is a general confusion mixed up with dramatic memories, which are still too painful to have been digested. Given this, we should not create inflated and unrealistic expectations about our ability to persuade each other. Ideas come all mixed up with emotions and interests, and are usually the last to change. This is why ideas move at a slower pace than reality, so to speak. We have to know how to live with a high level of confusion, to tolerate each other, to be patient, and to allow time and practice to sort out the worst confusions. Let us not forget that we find contrary impulses at work in every nation, social class, church or cultural world, and that the connection between the 'battle of ideas' and party contests in every local scenario, and all over Europe, could not be more loose or contingent.

Second, as Oakeshott (1996: 107, 120ff.) suggests, political moderation requires us not to fully embrace either side in the battle, and to be attentive to the excesses of both the politics of skepticism and the politics of faith. Our hearts may (or may not) be closer to 'liberalism' and therefore to a rather skeptical view of politics but, in any case, our minds should be open to the merits of the contenders in each particular circumstance. And we might as well keep our deepest commitments for other things.

4. Post-script: a eulogy of the politics of moderation

Playing the game of politics in between the two polar ideal characters

Adam Smith made a distinction between the principles of jurisprudence, morals and the economy, and the prudential assessments conducive to maxims, not axioms, of 'police' and political economy. Government by consent implied respect for public opinion; and for public opinion possibly even when it was dominated to a large extent by the thoughts and feelings of many ignorant, superstitious or enthusiastic fanatics. This is why, in the conditions of the time, there had to be room to make the compromises needed for living in peace, if possible in a settled peace, but at least in peace. It was assumed peace would win time, and time was of the essence to change that same public opinion and direct it along the path of enlightenment.

This might be the reason why Smith was not eager to engage in a losing battle in favor of his friend Hume's appointment as a professor at the University of Edinburgh, by saying that "I should prefer David Hume to any man for a colleague; but I am afraid the public would not be of my opinion; and the interest of the society will oblige us to some regard to the opinion of the public" (Campbell and Skinner 1982: 46). This was, no doubt, also the reason why Smith was on such good terms with the Glaswegian commercial world which had profited substantially from mercantilist and protectionist policies (63ff.), despite the fact this went against the grain of his own teaching and writings. Even more, this was possibly why he himself sought a position as a Commissioner of Customs (199ff.), that is, putting him in charge of enforcing those very protectionist measures.

You can call it prudence or moderation. It's just the kind of sensible discrimination between levels of reality that allows for upholding a liberal view of where a long term historical trend is going or should go, while at the same time holding a more accommodating view of what's to be done in the 'here and now' in which we find ourselves. There should always be room for preferring a 'second best' policy that may last and insure peace, as a concession to the muddled thinking and feeling of the public, rather than sticking to a 'first choice' policy that may generate a backlash and be confined to historical limbo. This is all consistent with the positions taken by those Whigs of the late 17th century who may be seen as the immediate spiritual ancestors of the enlightened Scots of the following century, as shown in Oakeshott's (1996: 122) favorite character, Lord Halifax in his *Act of Trimming*. There, he suggests that the government should take the position of a trimmer on a boat and accommodate its weight in it, to the right or left, the front or the rear, so as to keep the boat afloat and sail on an even keel.

Concessions to prevailing opinion are needed, and since prevailing opinion may mean people displaying a significant aversion to exercising their own freedom or accepting the risks and costs inherent to it, or to respecting others' freedom, while, contrariwise, being ready to put their fate in the hands of their political, ideological hierarchies, it is necessary to try to find ways in which this preference may be given expression and channeled through institutions which will still restrain them from destroying the basics of an order of freedom.

Alternation between a more or less liberal, and more corporatist/statist version of an order of freedom should be taken as a 'fact of life'. It is probably as far as we can go under present conditions: oscillating between a 'first choice' solution and a 'second best' solution. And then observing the complicated ways in which the 'first choice' may get corrupted over time and is replaced by a 'second best' which may be purified by adversity before it drifts the usual way, or vice versa. Both of them are amenable to getting better or worse depending on unforeseeable circumstances. And then seeing how the game goes on and on with no end in sight.

One drawback for a politics of moderation is that it is not attuned to a view of the current generation as one endowed with an extraordinary historical mission, other than avoiding irreversible disaster, or to an understanding of the present as a stage in a historical progress, or to a climate of feverish 'endless overcoming' (or should we say of *bogus* endless overcoming?), by which, say, liberalism would have been superseded by socialism, and socialism by communism, and communism by postmodernism, or by which liberalism and socialism together would find their (inevitably superseding) synthesis in 'the third way', etc. Measured against these exacting, and charming, standards, a politics of moderation may well be found wanting.

In need of time

Anyway, with or without a deliberate politics of moderation, hybrids are to be expected, since building a European demos from the bottom up will take an inordinate amount of time. Think of the monitorial citizen I just referred to: he/she would need months of hard work and study just to master the dossiers of a single local policy. Here we are talking of people who, in order to be 'Europeans', would need to become familiar with a range of (twenty?, thirty?) entirely new existential settings, with the living experience of so many other national groups, so as to be able to decipher the signs of the background assumptions that lie within those groups' everyday experiences, and that the members of those groups take for granted.

Now, years of working and living in those other countries, in each one of them, would be needed to do even only part of the job. Knowing and using others' languages, frequent personal or business communications, reading, travel, symposia, casual encounters and family connections would no doubt help. But we are talking of sharing a common collective identity, one which would at least approach the American way, even while it left room for other ethnic, cultural identities which would be subsumed in the larger one.

In Europe, it took about a millennium to build the European nations, plus the speeding up of that process in the last two centuries, in what today's historians call the age of nationalism. It also took a lot of strong-arm tactics to do it: wars, compulsory military service, religious and political enthusiasts including legions of priests, teachers and intellectuals of many varieties; plus the motivational drive of unabashed collective narcissism and unbounded aggressiveness against neighbors and rivals.

Now most of these tactics are off limits. The 'will to power' that stood behind that combination of intense feelings of love and hatred is largely discredited. The current political game in Europe excludes that mixture of nebulous primeval myths, hallucinatory practices, domineering elites and submissive masses of the past. Such a combination is allowed only on the margins, and left to feed the revival of the many smaller quasi-nations that populate Europe, eager to escape to the past and to have a last opportunity to vent their resentments against the European nations they became part of during the last half-millennium before it's too late. Even so, these smaller quasi-nations can afford to engage in this endeavor because the stakes are so much lower than in the past. Back then, the sado-masochistic tendencies of the nationalist masses found their accomplishment in war: in killing and dying for a cause *en masse*. Now it's just a matter of street disorders, loud talk, and, if things go too far and feelings run high, of a few terrorist killings made with little risk and at a safe distance. The appalling massacres of the 'good old times (as in 'la guerre du 14/18' 'which was the preferred war in George Brassens' song) are not on the agenda.

Today, to 'invent Europe' as a supranational political construct is not that easy. As I have just pointed out, the folk nationalisms of 'every region in town' tend to erode the European process, while feigning to reformulate it. Markets may civilize the European process, as we have seen, but at the same time they tend not to respect either national or European boundaries. On the foreign policy front, things don't look too promising either: the European public and elites, used to living under US protection for several generations, share a benign, careless view of the world and a diffuse sense of both the potential threats against them and their own interests. Under these

circumstances, the building of a European demos, though doubtless a very worthy task, will also be a very difficult and lengthy affair.

In the meanwhile, just taking one step after another will require the efforts of both: of the enlightened elites, at the top, prone to imposing a self-centered view of the task, and to imposing some measure of order from the top as they see fit; and of the strong-willed individuals at the bottom, intent on doing their own thing without superior or external guidelines or supervision, and thus inclined either to foster spontaneous, extended orders, or to explore collusive practices with the powers-that-be at the expense of the public. So far, they are both needed, and both will be with us, with their inherent duality at heart. Hence, no doubt, this will be a time for endless ‘trial and error’, and hybrids of all sorts.

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