Divisive Forces

Nationalism and globalization in the context of the Eurozone crisis

Frederik Hasle

September 15th 2012

Abstract: Nationalism has surprised academics by reemerging strongly in an increasingly globalized world. In spite of the perceived weakening of state sovereignty that supranational institutions supposedly entails, national voices are becoming ever louder in the European Union member states. National interests have assumed a central place in the rhetoric of national leaders and new radical nationalist movements are rising. This project investigates the modern conditions for nationalism, especially its relation to globalization, in an attempt to understand their interaction and the prospects for their continued societal influence. The methodological approach is a dialectical process that contrasts theories of nationalism and globalization while regarding the different approaches within International Relations that guide them. Nationalism and globalization, according to this project, cannot be disengaged from context and history. This approach produces arguments based on human sense-making processes that can explain the persistence of nationalism and pose counterarguments to a widespread understanding of nationalism as a purely negative phenomenon. The cross-examination of nationalism and globalization leads to an analysis on the role of nationalism in the formation of the European Union. This analysis builds the foundation for a second analysis that considers the international response of Germany in the Eurozone crisis. The hesitant response of Germany has raised the question if their postwar era of pro-European leadership is coming to an end. On the background of the dialectic analysis this project is able to offer an in-depth explanation taking German identity and its historic relationship to the European project of integration into account.

STANDARD FRONTPAGE
FOR
EXAMINATION PAPERS

To be filled in by the student(s). Please use capital letters.

Subjects: (tick box)	Project	Synopsis	Portfolio	Thesis X	Written Assignment

Study programme:	Culture, Communication and Globalization	
Semester:	10th	
Exam Title:	Master Thesis	
Name and date of birth/ Names and dates of birth of group members:	**Name(s)**	**Date(s) of birth**
	Frederik Vilhelm Hald Hasle	14.04.1986
Hand in date:	15th September	
Project title /Synopsis Title/Thesis Title	Divisive Forces – Nationalism and globalization in the context of the Eurozone crisis	
According to the study regulations, the maximum number of keystrokes of the paper is:	192.000	
Number of keystrokes (one standard page = 2400 keystrokes, including spaces) (table of contents, bibliography and appendix do not count)*	181.200	
Supervisor (project/synopsis/thesis):	Sandro Nickel	

I/we hereby declare that the work submitted is my/our own work. I/we understand that plagiarism is defined as presenting someone else's work as one's own without crediting the original source. I/we are aware that plagiarism is a serious offense, and that anyone committing it is liable to academic sanctions.
Rules regarding Disciplinary Measures towards Students at Aalborg University (PDF):

http://plagiat.aau.dk/GetAsset.action?contentId=4117331&assetId=4171389

Date and signature(s):

* Please note that you are not allowed to hand in the paper if it exceeds the maximum number of keystrokes indicated in the study regulations. Handing in the paper means using an exam attempt.

Table of contents:

Introduction

Introduction

Ever since the birth of the nation-state, the task of uniting and forming a society around specific cultural and historical values has been a core objective of statehood. Of course, in modern nations with a long national history the national values can be experienced as so deeply ingrained that the state may often have to adhere to them rather than actively attempting to reshape them. In fact, this represents one of the key dilemmas of nationalism – that the nation and the state are rarely congruent[1]. In other words, nationalism is not merely a tool of statehood, but a societal force which rests on principles that are intrinsic to the nation-state. This is an important point to make, because nationalism, at a simple glance, may in fact appear to be enacted in a top-down manner. This understanding is derived from observing some of the most dramatic, aesthetic and totalitarian forms of nationalism, which often resulted in bloody and traumatizing struggles of domination and ethnic superiority. According to Malcolm Anderson (2000), many of the generation who suffered, and resisted, Nazism and Fascism went on to become fierce opponents of nationalism (p. 39). It is a great pity for nationalism that its most pronounced and visual forms are also the ones with the most negative connotations, for this hinders an appreciation of positive aspects of nationalism in society and may produce an inherent resistance to national projects. In an interviewed published online at the University of Oslo's homepage, the influential writer on nationalism Benedict Anderson, has defended nationalism stating that: *"I must be the only one writing about nationalism who doesn't think it ugly[…] I actually think that nationalism can be an attractive ideology. I like its utopian elements"* (as cited in Khazaleh, 2005: "Without shame no nationalism" section, para. 9)[2]. The concept can indeed be polarizing owing to its wide variety of societal and historical reference points, but one must accept that it can take many forms for better or worse. This is crucial today, where nationalism must coexist with conflicting projects of broader cooperation and integration.

Owing to the globalizing mechanisms of modernity and the state relinquishing of absolute sovereignty in internal matters, citizens are experiencing and reacting to a redefinition of the nation-state. A growing perception that its power to act in the best interests of its subjects is deteriorating is having severe political and socio-economic consequences. After years of general economic progress in the European Union the onset of economic crisis has struck right into these national worries and given impetus to the rise of national sentiments. Nationalism had actually been declared defeated already (again), this time due to its inability to exercise control in the economic developments facilitated by global

---

[1] There are a few, but compelling examples of nation and state project becoming coeval. This is found in the integral nationalism of the first part of the 20th century (Delanty & O'Mahony, 2002, p.

[2] https://www.uio.no/english/research/interfaculty-research-areas/culcom/news/2005/anderson.html retrieved 07-05-2012

markets. Coupled with the weakening of the power of the nation-state some had predicted the time of nationalism at an end. Its resurgence since the end of the Cold War has widely challenged this point of view and actualized the importance of further studying. It seems to indicate that nationalism has found new expressions and that the nation-state will not simply be overturned by the formation of a global civic society.

While nationalism is a force that works internally in the nation-state it should certainly not be regarded as a concept only of internal importance. It has a differentiating aspect to it, demarcating cultural traits of one nation from the other. It may also be induced or inspired by other nations. As a cultural and ideological backbone the very same unifiyng qualities it has at home, may bring conflict on the international scene. What is truly interesting in the age of globalization is that the projects of nation-states are increasingly depending on cooperation on an international scale and nations are becoming increasingly interconnected. This challenges core principles of nationalism, which were initially focused on the benefit of the single nation-state and depending on the absolute sovereignty of the nation. This was linked to the secularization by which the state emancipated itself from the supervision of the church (Kohn, 1944, pp. 188-92). The broader institutional integration of the EU also bears a semblance to the unifying project of nationalism, but as a further layer which may shake other ones. Therefore, studying the thrival of nationalism in the post Cold-war setting, including its interaction with global developments, directly intersects with the future prospects for these developments.

During the Eurozone crisis Germany has, perhaps not with its full intent, come into somewhat of an informal leadership role in steering the Union through and attempting to come up with mutually pleasing solutions. The key role of Germany in the European project is not new, in fact, a historic study of the development of the European Union will show how German influence was crucial to its formation and structure. In this development, the German experiences with nationalism and its repairing of relations following the Second World War were of critical importance. The Eurozone crisis has incited a massive public backlash against the prospect of further European cooperation. Economic regression and unemployment has led to questioning of the viability and efficacy of a united Europe. The question of national sovereignty has ignited as economic sanctions are being imposed upon member states – meanwhile they question the actual benefits of membership of the Union. The Eurozone crisis represents the worst challenge to the legitimacy of the European Union in its history and questions its fundamental ability to further the interests of all member states.

Problem Field

Problem field

This project is inspired by observing the resurgence of nationalism in the wake of the Cold War and the seeming contradictions in reconciling it with global developments. Nationalism and globalization seem to suggest opposite trajectories of international development, but perhaps this conception is blinded by popular discourse that oversimplifies their societal interactions. Certainly, nationalism and globalization are strongly contested subjects within International Relations theory. This calls for an in depth examination, and in the case of nationalism, a historical one which aims to connect it to the formation and development of the European Community/Union. In this project the entrance point is not to defeat or supersede nationalism, but firstly to study it as a societal principle. Only when it is theoretically grounded, and when its interaction with globalization is researched, can its role in international relations be considered. This reemergence of nationalism will be examined from a European perspective and in the light of the recent Eurozone crisis. Here we find the other main research topic of this study; how has Germany come into such a central role in the Eurozone crisis? Germany's historic entanglement in the European project of integration will be studied in parallel with the impact of nationalism on this project. Additionally, the manner in which it has met the issue of rising expressions of nationalism will be studied. This leads us to the main question;

- ***Why has nationalism seen a reemergence during the recent Eurozone crisis, and how has the European Union and especially Germany met the challenges posed by this development?***

In order to answer these main questions, the following sub-questions must be answered:

- ***How can nationalism be conceptualized in modern nation-states under the influence of globalization?***

- ***How did nationalism influence the formation of the European Community/Union?***

- ***Which role has Germany had in the formation of the European Community/Union?***

The main question should be qualified a bit further. When speaking of "nationalism", there will also be a focus on its associated phenomena: national identity, national interests and national unity. As stated there will be a focus on the development in the course of the

recent Eurozone crisis, but the question will also be studied in the wider context of the project of the European Union, respectively the general project of European integration. Moreover, when speaking of challenges as a consequence of the reemergence of nationalism, I particularly have in mind the consequential challenges to the project of European cooperation and integration.

Methodology

Methodology

The primary objectives of this study require both a critical examination of theories dealing with nationalism and a synthesis/reworking of them that takes modern forces of globalization into account. Different theoretical approaches, or perhaps simply conceptual ones[3], to nationalism have always been closely interwoven within the academic field of International Relations (IR). Though the study of IR generally has been much more academic than the study of nationalism nationalism (which has been preoccupied with history) through most of their related developments, it is not only the case that nationalism studies were influenced by IR theory. International Relations scholars of the age that moved idealism/early liberalism to realism in the first half of the twentieth century were deeply influenced by the World Wars and their association with nationalism. Some disavowed the rights of small-nations to self-determination, because they were not economically and politically viable in an international environment where the powerful ruled the day (Pryke, 2009, p. 93). Furthermore, the expression of nationalist sentiments was considered irrational and a danger to the greater world order. Thus, nationalism first pushed IR studies toward a focus on state power and self-interest and subsequently came to be seen through this lens alone. Indeed, IR studies are very affected by their contemporary conditions and they come to reflect international and societal developments themselves. In order to understand the dialectic of nationalism and international relations then, it becomes pressing to examine the most relevant theoretical strands within the field. This correlates well with the analysis of the Eurozone crisis, since it also involves a historic perspective.

The academic field of IR basically concerns itself with producing theories with power of explaining "why" certain things happen on the international scene. This is no small achievement. Any event on the international scene can be seen from a vast array of perspectives and is influenced by different factors such as: political economy issues, the role of international law and institutions, ideas of maximizing power, personal reputation of actors involved, constructing an idea of 'others' to strengthen internal bonds of identification etc. International Relations theory consists of a wide variety of theoretical approaches, each with their own assumptions and focus. They are not necessarily in opposition (though some most assuredly are), but they each offer different explanations according to their world view (Smith, 2007, pp. 2-3). The theories deemed most relevant to this study will be summarized and compared below.

---

[3] Most scholars of the Cold War era considered nationalism a doctrine or ideology or simply a set of ideas. Nationalism was regarded as an instrumental factor in causing the atrocious events and destruction of societies that took place in the first half of the twentieth century. Consequently it came to be seen as an irrational set of ideas to overcome in 'post-national' states (Anderson, 2000, p. 2).

The basic method of this study is an examination, then, of those main tenets within IR and nationalism theory that bear on the problem formulation, whilst striving to adapt and rework them as may be required for better answering the research questions presented in the problem formulation. This dialectic process involves analyzing contradicting theories that can expand the possibilities for interpreting the phenomena in question. I work from the assumption that context and historical factors are important to understanding international relations, as social constructivism advocates. Consequently, the project will feature an in-depth examination of culture and identity and their conditions of existence between contrasting forces of nationalism and globalization. The project focuses on the Western world and all considerations of societal aspects like modernity and industrialization are seen through this lens.

Realism

Realists proceed from the assumption that sovereign states are the principal actors in the international system. They aspire to achieve economic and military power and their actions in international affairs are guided by these goals. The international system in itself is characterized by anarchy (there is no central authority) and uncertainty about the intentions of others. Consequently, states operate in a world of ceaseless security competition where it only makes sense to adhere to their own self-interest (Mearsheimer, 2007, pp. 73-74). Becoming a great power is the ultimate goal, because great powers are the main actors in the world and not dependent on others for protection. However, alliances with other states is a necessary evil which is liable both to prevent but also to provoke conflict. States must observe the balance of power carefully, while they look to take advantage of each other (Lebow, 2007, pp. 55-56). Realism broke sharply with idealist conceptions of international relations, which held states morally and ethically accountable to produce a set of institutions, procedures and practices that could prevent, or at least contain, war in the international system. Realists criticized this approach for being unsystematic and value laden in its implementation of 'global' morals (Kurki & Wight, 2007, p. 16). Even though realism denied ethics and morals a salient role in international relations, their role in different streams within realism varies, as will be explored in the coming sections. The devastating effects of the World Wars of the twentieth century upon international order were influential in shaping realism as an approach to IR. As a study, it is no surprise that it became preoccupied with war and security and subordinated other factors to this. For example, economy is mainly important because it allows for a bigger military.

Classical realism

As the name suggests, classical realism is inspired by historical events, epochs and scholars going all the way back to ancient Greece. It contains the Greek notion of 'hubris' and deriving from this concept, it comes to regard power as a goal in itself which imparts a

capacity for self-destruction upon states and societies. It follows then that the pursuit of power must be contained and that it is entwined with the values and norms of social life (Morgenthau, 1948, pp. 17-18). Classical realism problematizes the quest for power by attributing it a self-defeating quality. Furthermore, managing the balance of power on an international level has contradictory implications for peace. For status quo to be upheld, the status quo powers have to maintain alliances that can meet 'imperialist' challengers. This balance in itself is dangerous however, because it can intensify tensions and inspire status quo powers to become expansionist or launch preemptive strikes. Wars and conflicts disturb the balance of power, but they are not isolated events that simply dismantle the balance. The outcome of wars is still very influenced by the greater international balance of power which serves to preserve the existence of states, small and large, that are part of the political system (Morgenthau, 1948, pp. 155-9, 162-9; 1958, p. 80).

The fact that power interacts with social life is stressed in the importance attributed to 'community' or 'social life' in classical realism. There is no dichotomy between domestic and international politics – they are all inseparable from social life and subject to the same aspects of human nature. The struggle for power and the need for protection permeate all levels of social interaction (Morgenthau, 1948, pp. 17-18; 1958, p. 49). In domestic matters the struggle for power is controlled and ritualized in laws, institutions and social norms, but on the international scene it is untamed. This parallelism between the driving forces in domestic and international affairs means that upholding the identities and norms that communities enforce are critical to uphold order both at home and abroad. Morgenthau (1948) considers Europe of the eighteenth century "one great republic" with common standards of "politeness and cultivation" and a common "system of arts, and laws, and manners" (pp. 159-66). In his view, it was the unraveling of a shared ideology and interests between the principal powers that caused the breaking down of community in the twentieth century. This is opposed to epochs where "some common sense of honor and justice" induced leaders to moderate their ambitions (Morgenthau, 1948, pp. 270-285). It follows that states bound by a common culture, conventions, and personal ties restrain the unchecked pursuit for power in its ends and its means. Classical realism leaves room for the importance of morals and ethics as they constitute parts of a culture. One might discern a commitment to integration and cultural homogeneity in this stream of realism, but its focus on the self-serving nature of states and their reliance on a stable community makes this commitment difficult to envision.

Structural realism
Where classical realism regarded power as a goal intrinsic to human nature, structural realism (or neorealism) sees it as a means to an end – that of survival. It is only due to the specific structure of the international system that states are forced to seek power. It is of little consequence if a state is democratic or autocratic, because the international system

creates the same incentives for all. In this conception, cultural differences and varieties of regimes are non-vital to the way in which states acts toward each other. Two strands of thought have emerged in answering the question: how much power is enough? According to the defensive realists, states should not attempt to maximize their share of world power, because the system will punish them for it. Offensive realists, to whom Mearsheimer himself belongs, believe that states are well served by seeking to maximize power and, if the circumstances favor it, pursue hegemony (Mearsheimer, 2007, p. 72).

It seems apparent that ethics and morals are irrelevant to structural realism – survival, as a basic need, trumps any such concerns. States are defined as rational actors (albeit imperfect) rather than cultural or emotional ones. Maintaining their territorial integrity and the autonomy of their domestic political order are prime concerns to their continued survival (Mearsheimer, 2007, p. 74). Structural realism is hardly a very useful theory for researching the impact of national identity and interests in the Eurozone crisis. However, it needs mentioning because it may have been influential in the study of nationalism. This, in turn, may have further implications on how states have treated the national question in international relations.

Liberalism
The shared assumption of all liberal theories within International Relations is that domestic actors or structures are highly influential to the foreign-policy identities and interests of states as well as their actual behavior in international relations. The explanations for international outcomes must be found in the actors, institutions and practices of the state – and not on the international level itself. Accordingly, the regime is crucial to the liberal theories. These theories were in large part inspired by the proposition that democratic states keep peace among each other (Panke & Risse, 2007, p. 90). The liberal lost their potency faced with the ethic catastrophes of World Wars and by the failure of the League of Nations in the inter-war period. Even though a widespread democratization took place following the Second World War, the anarchic state of international relations and the power struggle between Communist East and Capitalist West prevented liberal theories from gaining ground. However, the détente period of the 1970's and the rise of the European Community as a supranational organization paved the way for a comeback of liberalist thought in IR. A multitude of approaches emerged within the field that can be distinguished in terms of rationalist and constructivist approaches (Panke & Risse, 2007, p. 91).

The rationalist line of thought is a positivist approach based on methodological individualism. It regards actors as strategically rational beings who calculate ends and means and acts to maximize (or optimize) their given interests. According to this view, social structures are not influential to the actor. Institutions alter the strategic choices and possibilities, rather than shape the interests or identities of actors (Panke & Risse, 2007, p.

92). It is not unfair to say that this theory neglects the systemic level so much that it holds little promise for analyzing the interplay of national interests and identities with the German leadership in the Eurozone crisis. Consequently it will not be developed further.

Social constructivism rests on the ontological assumption that human agents do not exist independently from their social environment and its collectively shared systems of meaning (comparable to 'culture'). Social reality is constructed and reproduced through the interaction of human agents on a daily basis. In this process culture is created, reproduced and changed. In social constructivism neither agency nor structure is prior to the other – rather, they are mutually constitutive (Adler, 1997, pp. 324-5). In a sense, social constructivism is opposed to the very idea of ontological reality; instead it proposes a constructed reality. As such, it criticizes static or causal[4] world representations and emphasizes the possibility of change. The policy interests of actors are subject to change through, for example, communicative action. Institutions, as a part of the social environment, can influence actors' identities and policy interests (Panke & Risse, 2007, p. 92).

Liberal approaches can be further distinguished by assuming an actor-centered or structure-centered approach. In the former, the impact of domestic politics is considered vital to the foreign policy of the state. The interests of the state reflect interests, beliefs or identities of domestic groups – all liable to change over time. Therefore, the actor-centered approach within liberal theory focuses on the *"ideational constellation of domestic groups and the processes through which they influence substantial policy interests of national decision-makers"* (Panke & Risse, 2007, p. 92). The structure-centered approach is more concerned with the domestic polity than domestic politics. States are still the main actor in this conception, but they are differentiated based on the properties of their internal polity; their political structure (type of regime), economic structure (e.g. capitalism versus command economy) and domestic social structures (commonly shared convictions on truth, rightfulness, or appropriateness). It is crucial to effective cooperation and maintaining peace that states develop likenesses (Panke & Risse, 2007, p. 93). These approaches are not mutually exclusive, but lend themselves well to an eclectic approach. The actor-centered approach lends itself well to analyzing public involvement and debate in the countries affected by the Eurozone crisis. It also provides a theory that can explain sudden or gradual shifts in public opinion associated with crisis situations. The structure approach is useful for considering the European project of integration and looking at the historical development of the European Community/Union.

---

[4] This is the case for the most critical versions of social constructivism – such as poststructuralism, which is entirely anti-positivist. More conventional constructivists do not deny the epistemology of positivism, which lends itself to hypothesis testing, causality and explanation. They seek a middle ground between rationalist and poststructuralists recognizing the mutual dependencies of both individualism and structure (Fierke, 2007, pp. 172-73).

Both the actor- and structure-centered approach will be combined with a social constructivist perspective. For one thing, this is well suited to analyzing aspects of globalization that have frustrated the discipline of International Relations. Earlier conceptions of the sovereign state actor operating in an anarchic international system are difficult to reconcile with the idea of the "end of the nation-state" supposedly enforced by globalization and by supranational communities that bring a measure of order to the anarchy. Especially the theories that consider the state the main actor (realism and neorealism) have been challenged by globalization, and in turn asked questions that are critical of globalization itself (Hay, 2007, pp. 268-9). Social constructivism, with its emphasis on communicative and discursive practices, is able to shed light on the processes of globalization, not to mention on the social construction of globalization itself. In international relations negotiations, communicative practices of seeking consensus of understanding about a situation have provided a means to challenge the validity claims of any causal or normative statement. This means that states must justify the validity claims of their interests before the community and be prepared to change their interests in light of the better argument. Another way to regard discursive practices is in their ability to establish and maintain power relationships: *"Who is allowed to speak in a discursive arena, what counts as a sensible proposition, and which meaning constructions become so dominant that they are being taken for granted?"* (Risse, 2007, pp. 131-32). The analytical capabilities of social constructivism can serve to explain how the special position of Germany in the Eurozone case is created discursively. For this reason, and others mentioned above, this project will rely on social constructivism as a meta-theory to support liberal theories of International Relations.

Theory

Nationalism – theoretical developments

In the following chapter we will briefly look back at nationalism studies before taking a more in depth look at contemporary studies.

Early conceptions of nationalism

In early studies of nationalism up until 1918 the event of forming a nation-state was so closely entwined with nationalism that it was treated only in this regard. The persistence of nationalism in society was not explained theoretically, but instead nationalism was seen as an element of national history. Scholars of the era were interested in the effects and merits of nationalism as a doctrine, but neglected to produce a theory that could account for nationalism in general (Lawrence, 2005, p. 17). In the inter-war period, the academic interest in nationalism rose to new levels and it was made subject of explicit and general analysis. By the end of the Second World War in 1945, E. H. Carr famously published the book *"Nationalism and after"*, which title brilliantly illustrates the idea of the time that nationalism was now a defeated doctrine. So even though the inter-war period and the actual World Wars had brought new attention to nationalism, it was still treated in a historic light rather than as an integral part of the nation-state. With the perception of the defeat of nationalism, the subject was not developed as an independent area of study for decades and remained a topic of national history. This state of affairs was also furthered by the relative stabilization of the international order taking place in the aftermath of the Second World War (Delanty & O'Mahony, 2002, p. 135). Other conceptions considered it as a modern, irrational doctrine, which scholars still linked to the formation of nation states (Breuilly, 2006, p. xx). Another influential group which deserves mention is the Marxist thinkers, who also did not preoccupy themselves with nationalism. This is because one of their prime assumptions of the *"withering away of the state"*, lessened the importance of state-related concepts of national identity and nationalism as a movement (Delanty & O'Mahony, 2002, p. xii).

Gellner's functional conception

In 1983 Ernest Gellner proposed an entirely new conception of nationalism as a political principle of congruency between the political and the national unit. His theory holds that when the congruency is violated, nationalist sentiments of anger arise, which can turn into nationalist movements. In turn, satisfaction is achieved by the upholding or restoration of congruency (Gellner, 1983, p. 1). Gellner was opposed to the historical treatments of nationalism, which emphasized ideas or doctrines of individual thinkers as the driving force in spreading nationalism. He argued that while nationalism does indeed produce nations, this is only due to nationalism being a function of modernity, enabled by the new

social conditions of the industrial age. *"But nationalism as a phenomenon, not as a doctrine presented by nationalists, is inherent in a certain set of social conditions; and those conditions, it so happens, are the conditions of our time"* (Gellner, 1983, p. 120). The strength of Gellner's theory is apparent, as it provides an explanation of nationalism as a constant part of society working as a stabilizing force between state and nation. Also, it accounts for the ability of nationalism to 'slumber' (when the congruency is fulfilled) or become clearly visible in movements and revolution (when the congruency is violated).

The change of social conditions that Gellner refers to, are those found in the transition from pre-industrial (mainly agrarian) to industrial society. His point is that the new society that was developing required a new social organization, especially in terms of structure and culture, since the living conditions of all people were radically reformed. The static nature of preindustrial society, where social stratification defined the structure, favored cultural differentiation rather than homogeneity to reduce conflict between strata (Gellner, 1983, p. 9). In contrast, industrial society was dynamic and growing, and ordinary people now had a new mobility both labor wise and to some degree socially. People's role in society could no longer be determined only in terms of structure, instead a shared cultural identity had to be born to provide a common reference point. A main facilitator in this process was of course schooling and literacy, which became more institutionalized and general rather than specialized in order to meet the new demands (Gellner, 1983, pp. 24-26). One of Gellner's important points is that the industrial society is one of *"perpetual growth"*, meaning that it is irreversibly committed to continued progress and continuous development. It follows that it depends on the intricate division of labor and governance that only the presence of the state allow for. Thus, there is no alternative to the state in industrial society (Gellner, 1983, p. 5). The state is dependent on the unifying quality of the nation, and therefore the projects of both must be combined[5]. Nationalism finds it expression in this societal condition, as a need for cultural homogeneity (Gellner, 1983, pp. 38-39). There is strong explaining power behind Gellner's deterministic conception of nationalism, especially in explaining how nations come into being, but empirical problems may be detected between industrialization and nationalism. Firstly, if nationalism is so rooted in one event, that of industrialization, how can we account for dramatic changes in the national values in already industrialized countries? Or how can the same society make rapid shifts between different kinds of nationalism[6]? Perhaps the most problematic explaining point for Gellner,

---

[5] However, some remarkable examples of nations without states do exist, such as Catalonia, The Basque Country or Wales in Europe (Delanty & O'Mahony, 2002, p. 127). In Germany, several federal states exist (*Länder*) with autonomy in four key areas: education, broadcasting/culture, health and police. Consequently, Germans often identify closely with their particular *Land* (James, 1998, p. 10).
[6] Breuilly provides an example of this: *"The same people in East Bengal could, over a period of some forty years, shift from secular all-India nationalism in the 1930's to Muslim separatist nationalism in*

which he conceded himself, is how nationalism can exist without industrialization, and in fact become an instigator of industrialization in itself. In the Soviet Union, Marxism made nationalism an ideology of industrialization, which questions the basic assumption that industrialization is a prerequisite for nationalism (Breuilly, 2006, p. xxxix).

Variety and commonality in forms of nationalism

With the many and varied forms of nationalism that have developed, one can rightfully question if Gellner's functional conception leaves room for explaining why nations do not develop along a similar path? However, one must recognize that his theory makes no claims as to the specific direction and expression of nationalism in individual countries. The similarities for Gellner work on a structural level, but the development of a specific culture is unique to every society. He does suggest that the formation of a unified culture is built upon an existing cultural wealth, but this is transformed and reinvented in an arbitrary an unpredictable manner. The most common effect of this process is actually a rather deceptive illusion of imposing high culture on society, when, in fact, it elevates the low culture and transforms it into a high culture, and in this process imbues it with a universalistic appeal so that the common man is able to relate to it (Gellner, 1983, p. 56). A popular national value such as equality (in the sense of egalitarianism) certainly does not have its origins in the aristocracy's way of life. There is a strong sense then, that for nationalism to be successful, the values spread by it must contain the implication of serving the common man and strengthening the nation as a whole.

A modern nationalism?

The pressing dilemma for nationalism today is the challenge to the above idea of the single strong and self-serving nation. Modern nations are increasingly codependent and willing, or pressured, to compromise their sovereignty while accepting foreign control and restrictions on themselves to attain membership of transnational unions and institutions. If the concept of "perpetual growth" is indeed unavoidable, then an inward-looking nationalism may no longer be the most beneficial way to maintain progress – it may indeed be partly counter-productive. Gellner's concept of nationalism reflects this dilemma, but one should note that he was writing in the relative stable Cold-war period and before many of the technological innovations in the "post-modern" world became widespread. The demise of the Soviet Union and new communication technologies have once again produced new social conditions, which are more suited to nationalist mobilization (Delanty & O'Mahony, 2002, p. 136). Additionally, nationalism is emerging in new forms, sometimes across nations, but equally often with a less pervasive grip on society than earlier. Even

---

the 1940's to Bengali nationalism in the 1960's with the culture 'other' being identified as the British, the Hindus and the Urdu speakers of West Pakistan respectively." (Breuilly, 2006, p. xxviii)

though Gellner's theory seems inadequate when applied to contemporary society, the basic concept of upholding congruency is highly relevant today. Modern nations have to figure out how they will position themselves and redefine their state projects to manage the conflicting developments. Thus, it is not only the academic understanding of Gellner that is challenged, but nations themselves must also adapt and rethink their stance on nationalism while using it for good in society. While Gellner's theory on nationalism is useful in highlighting this problem, it is clear that the ideological aspects of nationalism deserve more thought in order to understand its interaction with modern society. Furthermore, we need a better understanding of different forms of nationalism along with the conditions for their formation and existence.

Exploring the ideology of nationalism

Delanty and O'Mahony (2002) proceed from a sociological angle emphasizing modernity as the crucial element in introducing nationalism. In accordance with Gellner's conception they see the need for the state to legitimize itself as the producing project of nationalism. However, from this fundamental observation their theoretical delimitation of nationalism takes another trajectory, which emphasizes ideas of modernity as shaping and enabling forces of nationalism. Where Gellner focuses on industrialization, Delanty and O'Mahony focuses on ideas adopted from the European Enlightenment such as that of self-determination and its influence one modes of thought and the organization of civil society. The ideas central to nationalism will be explored in the following chapter.

To Delanty and O'Mahony nationalism is firmly connected to the process of sense-making and providing meaning to our everyday lives. It is a discourse of collective identity with the common good as a focal point. As a discourse, it receives significant attention and support in society because it holds the potential for greater levels of political power and cultural influence. However, as any discourse it is a phenomenon which is always challenged by competing ideas and which is only supported as long as it has societal backing. Indeed, today there is both a greater need and a greater challenge toward nationalist discourse than ever, because of the increasing differentiation and pluralization of societies (Delanty & O'Mahony, 2002, p. 30-31). This social-constructivist perception of nationalism stresses both potentials for it to arise out of social conflict, and at the same time it suggests instability to the phenomenon. Furthermore, it implies that social change is process-oriented and that the context or historical situation affects whether change occurs and how it occurs. While nationalism works as an integrative force, it faces a daunting and enormous challenge in encompassing an entire population. In fact, a situation of permanent revolution more adequately describes nationalism, since the integration of some is often at the expense of others.

Integration and differentiation

The idea of permanent revolution is one that Delanty and O'Mahony derive from the idea of an intrinsic conflict of modernity, which several streams of sociological scholars view as the most important social dynamic of modernity. Some noteworthy examples are: Marx' focus on the conflict between labor and capital; Weber's instrumental rationality versus value rationality; Durkheim's mechanical and organic forms of solidarity; Tönnies' conflict of community and society; Simmel's conflict between objective and subjective culture, the list goes on (Delanty & O'Mahony, 2002, p. 29). The point here is not to suggest one of these to be true; rather it is to exemplify the focus on conflict and the multifarious ways to conceptualize it. These views need not always exclude one another, therefore, in this spirit one could add the major contradiction affecting nationalism is one of integration and differentiation. Modern society is faced with an increasing differentiation, which Alexander defines in terms of a gradual specialization of institutions. *"In this process, familial control over social organization decreases, political processes become less directed by the obligations and rewards of patriarchy, the division of labour is organized more by economic criteria than by reference simply to age and sex, community membership reaches beyond ethnicity to territorial and political criteria and religion becomes increasingly abstract and generalized and begins to become disentangled from its involvement in other spheres."* (as cited in Delanty & O'Mahony, 2002, p. 30). In addition to this, the interconnectedness of institutions across national boundaries and the expectation of increasing participation on the global scene deserve mention. Furthermore, these key trends, which are facilitated through modern communication systems and global production systems, also pose a threat to the sovereignty of nations. This will be dealt with in greater detail in a later chapter. The developments causing differentiation all challenge the ability of a nation to maintain the cultural homogeneity upon which membership of the nation may be defined. The strength of nationalism is to work as a counter process to this differentiation, upholding cohesion by providing a discourse of a shared cultural model (Delanty & O'Mahony, 2002, p. 30). This model ensures a stable base of values for society, but being a social construction it is unstable in itself, constantly challenged from inside or outside. Ethnic movements within multi-ethnic states may have divergent values, which they cling to and wish to make the basis of social integration instead. Immigrants may be perceived as a threat to the historic and traditional values of society, or a population group may rise in revolt against current conditions aiming to cause social change. Thus, nationalist mobilization may be either of a protective and preserving nature or of a transformative nature.

Disenchantment and psychological emptiness

One of the intellectual projects of modernity was the rationalization of culture, which removed or hollowed out central traditional sense-making perspectives. The rationalization of culture was a focal point to Max Weber, who regarded modernity as an instigator of growing formalization and disenchantment. By disenchantment, Weber

understood the withdrawal of substantive forms of meaning in face of reason and scientific modes of explanation (Delanty & O'Mahony, 2002, p. 34). Indubitably, the most affected sphere in the Western world was religion as the church was separated from the state in the secularization process. This view proposes modernity as a force eroding tradition and religion, however, this dialectic between modernity and tradition fails to recognize the fact that modernity also recreates traditions and religions[7]. The disenchantment of modernity created a psychological emptiness, which needed to be filled since humans are not entirely rational beings. Modernity introduced nationalism to the world, which acts as a re-enchantment providing normative and affective meanings to civil society: *"Nationalism gains credence as a meaning-generating response to a world that has lost its cosmological anchorage"* (Delanty & O'Mahony, 2002, p. 35). This, coupled with the important role of legitimizing the state, is a crucial factor in explaining the persistence of nationalism in society.

The nation as an imagined community
The propagation of and adherence to a shared national culture face the immense challenge of encompassing societal groups spatially divided and clustered within smaller societal units with their own distinct cultural traits. Benedict Anderson dealt with this issue in his famous book *"Imagined Communities"* (1983), wherein he postulated that the nation is in fact an imagined political community (p. 6). This is due to the impossibility of knowing every member (or even coming close to) of a nation, yet having the feeling of being part of the greater community. Thus, nationalism cannot only be based on first-hand experience, but rather it exists as an abstract concept enabling complete strangers to feel an immediate shared connection. Anderson's point was not that nationalism fabricates or falsifies – or, to put it more bluntly; that we are living on a lie. He claimed that all communities based on more than face-to-face contact are of an imaginative character. The primary means for distinguishing communities should be the style in which they are imagined, and not their genuineness/falsity (Anderson, 1983, p. 6). Another key concept of Anderson is that the nation is imagined as limited in the sense that it is exclusive and different from other nations.

The contrasting nature of nationalism
Nationalism is charged with internal tension causing it to be simultaneously integrative and excluding. Delanty and O'Mahony write about nationalism: *"It is an expression of the power of ideas, even of ideologies, a text rather than a structure."* (Delanty & O'Mahony, 2002, p. 41). The implication of this is that cultural ideas generated and used by collectivities, rather than specific social situations may be a bigger force in the dynamics of nationalism. The imperative of producing a collective identity, which one can relate to, may

---

[7] Notably, Delanty and O'Mahony (2002) claim several studies have shown that the persistence of Islam in modernity was not in spite of modernity but because of it (p. 34)

be more important to people than creating one which advances society. This can help explain why some people or societal groups prefer a life of relative poverty in the name of ethnic or national dignity (Delanty & O'Mahony, 2002, p. 41). Furthermore, it illuminates the tensions of nationalism, as the interests of state and the common citizen may be at odds. The one-directional idea of perpetual growth is also challenged by this conception, or at least nationalism may not be the unwavering pillar of support of this principle as Gellner proposed. To fully understand nationalism then, one must investigate both the societal situations and cultural context it is placed in. This calls also for a historic view, since a culture is in constant development and is reconstructed by relying on historical and geographical knowledge from the past.

A further discussion of the modes of though important to modernity can be found in appendix 1.

Eras of nationalism

Nationalism has a dormant and elusive quality to it, making it difficult to manage and at times hard to observe. Its unpredictable nature is due to its complex interaction with several spheres of society such as ideological systems, institutions and social relations – not to mention external influences. Yet, some historic trends can be detected in the potency of nationalism, relating to the stability of international relations and social integration in society. In times of fragmentation and dislocation, nationalism gains in potency and shaping power and vice-versa in times of stability (Delanty & O'Mahony, 2002, p. 133). It is possible to, albeit with some fluctuations, to discern between four main historical eras of nationalism. First, the period from ca. 1770 to 1870; second, the period from 1870 to 1945; third, the period from 1945 to ca. to 1989; and, fourth, the period from 1989 to the present.

The first period finds its onset in the ideas and events surrounding the French Revolution[8] and the Enlightenment. These historic events were driven by a middle-class with a growing self-awareness seeking to assert itself, while the proletariat was only a peripheral actor. Even though the French Revolution was a dramatic and destabilizing event, the period actually became one of relative stability for nationalism. This was due to the established ruling class (correctly) perceiving nationalism as potentially dangerous to their continued position of power, motivating them to act against and curtail it. The Congress of Vienna concluded in 1815 can be regarded as a strong counter reaction to the rights of nations in

---

[8] There is some argument as to whether nations existed before nationalism. Certainly ideas of a shared cultural heritage reminiscent of a national consciousness and national sentiments can be observed in peoples such as the Jews and the Chinese long before modernity introduced nationalism as a recalcitrant force in society (Anderson, 2000, p. 3). However, these nations were not formed around the state-nation dialectic involving the common man in the polity. In this project, nationalism is regarded in this light and therefore earlier examples of nations are not relevant.

its attempt to legitimize monarchs as rulers. The countermeasures instituted to maintain the international order had a key role in containing the forces of nationalism in this period (Delanty & O'Mahony, 2002, p. 133).

By 1870 the barriers that had been erected against nationalism in the international order had withered considerably caused in large part by the rise of a Prussian-dominated Germany in the heart of Europe and by the creation of overseas empires. The interstate settlement of 1815 was undermined by nations increasingly seeking their own interests rather than maintaining a joint harness on the international scene. This period was marked by the two World Wars and is considered as one where practices and ideas of nationalism got out of hand (Delanty & O'Mahony, 2002, p. 134). In particular, an integral nationalism grew forth, which elevated the nation and sought to place it as coeval with the state. Therefore, it demanded complete obedience and found its home in totalitarian, fascist regimes such as Hitler's Germany, Mussolini's Italy, Japan since 1912 and the Soviet Union by the end of the period (Delanty & O'Mahony, 2002, p. 126). The rise of these extreme forms of nationalism must also be seen in the light of the treaty of Versailles and the Bolshevik revolution. These events excluded the major powers Germany and the Soviet Union from prominent positions in the interstate order, and can be regarded as a violation of the principle of self-determination (Delanty & O'Mahony, 2002, p. 134).

The end of the Second World War signaled the end of a highly turbulent and ideologically damaging period for nationalism, to which was assigned the blame for the terrible events which transpired. A period of relative subdued nationalism ensued, in which it was also held in check by the deadlock state of the Cold War (Delanty & O'Mahony, 2002, p. 135). The conflict of the two superpowers of the Soviet Union in the East and the United States and their allies in the West dominated the international scene, and founds its manifestation directly in the division of Germany in East and West. These superpowers both commanded an extreme capacity for destruction in their nuclear arsenals. It was not a time for nations to make bold moves on their own, since they depended on the "bigger brother" to protect them and because of the desire to prevent actions which might escalate the conflict. The kind of nationalism which became prevalent in this period was state-patriotism, reconstructive nationalism and a cultural nationalism of everyday life. These forms of nationalism were relatively peaceful and focused on rebuilding the trust between citizenry and political institutions (Delanty & O'Mahony, 2002, p. 122).

With the end of the Cold War and the demise of the Soviet Union the restraining conflict of the two super powers ceased its grip on nationalism, and the world entered once again a period with greater opportunities for national movements. This current period has also been marked by new ethnic conflicts, regression in absolute prosperity in many parts of the world, the rise of Islamic movements and an increase in relative poverty among sections of the population in the developed, industrial world. This increased fragmentation and

inequality have led to new forms of nationalism taking center stage such as ethnic nationalism, religious nationalism and radical nationalism. A banal nationalism has also grown forth, which is characterized by cultural affinities, but lacking the democratic project of civic participation. The proliferation of several forms of nationalism in society coupled with the banal nationalism disentangling the nation and state projects has been contributing factors to a declining commitment to democracy. Furthermore, it has complicated the matter of producing a model of a shared cultural identity. On the other hand, transnationalism has opened possibilities for social integration on a wider scale around universal topics (Delanty & O'Mahony, 2002, p. 136-37).

Nationalism and globalization

As it has been noted in the previous chapter, nationalism has been faced with new conditions since the process of globalization radically transformed means of human interaction, world markets and international relations towards the end of the twentieth century. Just as is the case for nationalism, there exists an ongoing debate regarding the origins and longevity of globalization. However, whether we consider globalization to be a long-time feature of society, which has seen a rapid acceleration over the last twenty to thirty years, or as a new feature altogether, it is undeniable that it has played a key role in political and economic developments on a world wide scale. A more relevant issue to clarify pertains to the effects of globalization within different spheres, such as economic and cultural, since the focus of studies on globalization can vary greatly between distinct academic areas. In sociologist Anthony Gidden's famous book "*Modernity and Self-Identity*" (1991) globalization is explained in terms of the new living conditions and the identity projects of people living in modern society[9]. In contrast, globalization is conceived in relation to its influence on state and capital by economist Kenichi Ohmae in his books *"The Borderless World* (1990) and *"The End of the Nation State"* (1995). However, there are compelling cases of overlap between economic and societal spheres spurred on by recent global events. The financial crises of the USA and subsequently the Eurozone are the prime examples of such cases. One crucial case to the study at hand would be the Greek government debt crises of 2010 that brought into question the sustainability of the Eurozone as one joint region. A closer analysis of the crisis, which also involved key negotiations between Germany and Greece along with the other Eurozone members, will be made later. Suffice it to say for now that the austerity measures imposed by the Eurozone in return for a rescue package in several installments were met with strong resistance and uprisings in Greece. The economic entanglement and perceived meddling of the Eurozone in what Greeks considered internal problems was met with a feeling of national sentiment. This example perfectly illustrates why it is necessary for this project to strive for a theory which encompasses the dialectic between economic and societal factors.

Modernity and individuality
Giddens (1991) believes that the living conditions in modernity have caused an increased individuality, because people living in the developed world are faced with more choices and changes in society. The increased freedom to make choices in a society encompassing ever more sub-cultures necessitates a continuous meaning-making process. People are no longer automatically assigned a role and meaning through traditions and rituals, and even things that were taken for granted before are now considered decisions that reflect on

---

[9] It should be noted that Giddens does not overlook economy, but in this particular work it has a marginal role. In other of his works he focuses on the political aspects of globalization.

every individual's personality. This dynamism of modernity is facilitated by three main aspects of globalization:

1. *"The separation of time and space: the condition for the articulation of social relations across wide spans of time-space, up to and including global systems.*
2. *Disembedding mechanisms: consist of symbolic tokens and expert systems (these together = abstract systems). Disembedding mechanisms separate interaction from the particularities of locales.*
3. *Institutional reflexivity: the regularized use of knowledge about circumstances of social life as a constitutive element in its organization and transformation."* (Giddens, 1991, p. 20)

According to Giddens, the institutions of modernity such as industrialism, capitalism and surveillance have become much more dynamic. This has accentuated the pace of social change and affects standards of behavior and social practice passed down through history. Before modernity took hold personal identity was much more stable and anchored in the structures of kinship, religion and tradition. Certain rites of passage marked transitions in life and allowed society to assign a person with a new role and provide meaning to this. This provided people with what Giddens, following R.D Laing, calls 'ontological security' and which can be defined as*: "a sense of the stability of the human 'being' in relation to the natural and created world"* (Giddens, 1979, p. 219) Before modernity, individuals did not have to spend a great deal of thought on changes in their life situation. In modernity, the transitions are rapid and have a dynamic character. Therefore the individual must continuously be reflective and make sense of changes on his or her own. Some important consequences of this is that individuals are more critical and able to assume different points of view, but individuals are also less trusting and plagued by existential doubt. Giddens claims that the multitude of choice and uncertainty associated with it has given rise to an increased demand for trust relations. Due to the greater uncertainty that comes with a more critical mind set (amongst other factors), the trust afforded to any institution, person, case etc. has become critical to our decision making and to our attitude towards it. One arena where this has made a marked and visible impact is of course in politics, where media coverage has evolved both emphasizing and furthering this state of affairs. Let us for a moment digress from the adjoining of societal and economic aspects in relation to nationalism and instead consider the implications of Giddens' theories of modern identity affected by globalization on a variety of topics associated with nationalism.

The dark side of nationalism
First, it should be noted that Giddens has in fact dealt more closely with nationalism, in particular in his two-volume installment *"A Contemporary Critique of Historical Materialism"* from 1981 and 1985. He defines nationalism as *"the existence of symbols and beliefs which are either propagated by elite groups, or held by many members of regional,*

ethnic or linguistic categories of a population and which imply a community between them"
(Giddens, 1981, pp. 190-191). One of the key distinctive points of this definition is the
focus on the social integration power of nationalism through means which do not require
face-to-face interaction between people. This can be derived from his use of the term
'imply' above, giving Giddens definition a certain resemblance to Benedict Andersons
conception of 'imagined communities' from 1983. Giddens links nationalism and national
sentiments closely with ontological security, claiming that the rise of expressions of
national sentiments is one way in which ontological security is maintained. Despite the
power he hereby ascribes to national sentiments as part of society, he never proposes that
they are so intrinsic to collective identity as to form a constant means of identification. It is
in times when the ontological security is in danger of breaking down altogether that
nationalist sentiments appear most to provide a strong collective identity directed toward
common purposes. He writes: *"Regressive identification with a leader-figure and with the
symbols represented by that figure or comprised in his or her doctrines, carries with it that
essential feature of nationalism, whether benign or malignant, a strong psychological
affiliation with an 'in-group' or differentiation from, or rejection of, 'out-group'."* (Giddens,
1981, p. 195) Following this argument, it becomes clear that Giddens is concerned with the
regressive nationalism that can lead to totalitarian regimes, warfare and the differentiation
of in- and out-groups. Perhaps, this is to be understood on the backdrop of Giddens attempt
to produce a non-economic reductionist theory of state-power, wherein he argues for the
point that violence and war are vital to understanding the nation-state. But this line of
argument can be empirically criticized for taking its starting point in a modern condition of
the ontological (in)security and using this to explain past events. Admittedly, many wars
and conflicts of history find their beginnings in a situation where the collective identity has
been threatened, but this can hardly be attributed to the same challenges that modernity
poses to self or collective identity. Giddens offers a credible theory for understanding the
psychological processes at work, when very passionate national identification occurs in
secular-rationalist societies, such as was the case for the Falklands/Malvinas war
(Tomlinson, 1991, p. 86). But Philip Schlesinger critically observes that Giddens conflates
the subjects of national identity with nationalism:

*"One of the oddities of this account is that Giddens nowhere makes an explicit distinction
between nationalism and national identity [...] Nationalism, one may agree, is a particular
kind of doctrine, but the term tends to carry the sense of a community mobilized (at least in
part) in the pursuit of a collective interest. National identity may be invoked as a point of
reference without thereby being necessarily nationalistic [...] once the political boundaries of
the nation state have been achieved, a national identity, with all the accompanying mythico-
cultural apparatus, may be in place and not necessarily identical with nationalism as such."*
(Schlesinger, 1987, p. 253).

Opposed to the instantaneous and reactive nationalism proposed by Giddens, this definition seeks to establish a constant link between identity and the national. In this conception, national identity usually (but not always, it can still surface in the manner Giddens describes) operates on a routine level and forms an important basis of interaction in society. Schlesinger makes a convincing point in claiming that there are crucial psychological and political distinctions to be made between showing support for a nationalist leader, cheering at the national football team, standing for the national anthem or simply the feeling of coming home after arrival from another country. However, his assertion that national identity affects our routine behavior would be strongly contested by Giddens. According to Giddens, the routine of modernity is replacing cultural attachments with habitual practices inferred by the commodification of social experience under capitalism (Giddens, 1991, p. 197). Giddens considers capitalism one of the main institutional dimensions of modernity. It causes a 'commodification' of social experience, which affects the project of the self, due to the understanding of labor as a commodity and the standardization of consumption patterns, promoted through advertising. The project of the self becomes entangled with market-governed freedom of choice, because the capitalistic market emphasizes individual rights, responsibilities and freedom of choice. In this framework, consumption and individual wants become self-enforcing, because they are a sign of freedom of self-expression and simultaneously a constituting part of self-identity (Giddens, 1991, pp. 196-197). Thus, we can make the crucial inference that economic growth and continuous (economic) expansion are perceived as necessary in order to realize the project of the self in modernity.

Culture and identity

The imperative of capitalism towards continued growth and prosperity attacks and overrides cultural traditions that are perceived as non-profitable and as a hindrance to progress. The daily-life routine practices derived from these traditions are replaced by habitual routine practices, such as commuting, working, shopping and so on[10]. Tomlinson (1991), drawing on Giddens, takes this to mean that the public sphere, which is the realm of habitual experience, has become drained of *"meaningful immediate public cultural identities"* (p. 87). He proceeds: *"My statement, earlier, that I am less likely routinely to identify with other English people as fellow nationals than as family, friends and so on may be taken as a reflection of this attenuated public cultural realm"* (Tomlinson, 1991, p. 87). Here we find the counter-challenge to the criticism raised by Schlesinger that Giddens neglects to distinguish national identity from nationalism – in this view the modern social experience of the public cultural realm does not rely on such cultural resources that are contained in national identity. The public sphere as a context for forming cultural identities

---

[10] To Giddens, traditional routine practices sustain meaning; habitual routine practices do not.

is simply too devoid of meaning[11]. Rather, Giddens regards nationalism as a 'distant imagining' that allows for a feeling of belonging to a spatially spread 'community' – it is distant from mundane existence and accordingly national identity is generally in the background of most people's lived experience (Giddens, 1985, p. 216).

Because of the attenuation of the public realm, Tomlinson holds that cultural experiences in this sphere with a multinational component like working for a multinational company, eating lunch at McDonald's or shopping for Levis are not perceived as a threat to our sense of national identity (Tomlinson, 1991, p. 87). This is an interesting counter-argument to critics of globalization, who claim that national culture and as a corollary national identity are under attack from the increased intermingling of distinct cultures (proponents of this criticism will be discussed later on). This critique of globalization will be taken up shortly, but first the matter of national identity must be examined closer. In a more recent publication Tomlinson (2007) argues for the resilience of cultural identity in the face of globalization. He claims that the understanding of globalization is based on exaggerations of its universalistic properties as an enforcer of dominant cultural, economic and political discourses of the West. The processes of globalization are hardly ever, literally global in their reach and have become simplified in their cultural significance and interactions via the proliferation of the above mentioned exaggeration (Tomlinson, 2007, p. 148). Identity, in Tomlinson's view, should not only be seen as an existential possession, and identity-construction is not necessarily a universal feature of human experience. Tomlinson provides an example of this point presented by David Morley, who in commenting on Roger Rouse's study of Mexican labor migrants to the Unites States, points out that these people *"moved from a world in which [...] identity was not a central concern, to one in which they were pressed [...] to adopt a particular form of personhood (as bearers of individual identities) and of identity as a member of a collective or 'community' [...] which was quite at odds with their own understanding of their situation and needs"* (as cited in Tomlinson, 2007, p. 162). Though identity-formation has unquestionably come to have a major impact on the way of life in modernity, this observation made by Morley suggests that the identity-building project of modernity operates on a fundamental level and not in terms of particular values. It is a focal point to Tomlinson that globalization often becomes a victim of an "ethnocentric projection" in which it is seen as a universalizing impetus passing off certain particular, local beliefs and values as universal ones. He denies a simple causality between globalization and culture such as "the impact of globalization on culture", because they do not afford culture its own efficacy and gives a false impression of the relation between culture and globalization. Instead, he proposes that the universalizing aspect of globalization is *"an institutionalized mode of social being"* and without any substantive

---

[11] Giddens considers the 'private' sphere of family and sexual relations, or the essentially representational sphere of 'mass ritual' contexts in which cultural identities are much more likely to be formed (Giddens, 1981, p. 194).

cultural content (Tomlinson, 2007, p. 163). Then, globalization may not be such a 'one way street', but instead it allows for an increased number of cultural values, norms and ideas to enter into the life of the individual. But this view is challenged by empirical evidence pointing to convergence around some cultural global phenomena. Pryke (2009) provides a couple of examples, which also highlight the importance of the internet as a platform for self-expression and outreach – a factor which Tomlinson might not have fully anticipated in his 1991 conception of the public realm[12]. Pryke points to the success and subsequent export/import of television shows like *Pop Idol* and *The X Factor* (several reality series could be added to the list), claiming that they have led to direct youth video expression on Youtube and Facebook the world over (p. 125). Thus, they have both been adopted as a common reference point for enjoyment and artistic expression and they have led to a new appreciation and support of amateur performance. Yet, while this clearly problematizes the notion that globalization does not spread particular values, it remains a valid point of Tomlinson that global-local assessment of culture often overlook the two way dialectic and varied adaption/reception of global trends. Though McDonalds has spread to most of the world, consumption patterns in this fast food chain vary greatly between countries and certain national adaptations possess unique characteristics[13]. The fact that cultural phenomena spread by globalization are not simply integrated into cultures at face value has been taken a step further by some authors, who claim that global expansion is actually bringing greater cultural diversity. One proponent of this theory is Tyler Cowen (2004), who argues from a business perspective that: *"The creative destruction of the market is, in surprising ways, artistic in the most literal sense. It creates a plethora of innovative and high quality creations in many different genres, styles and media. Furthermore, the evidence strongly suggests that cross cultural exchange expands the menu of choice, at least provided that trade and markets are allowed to"* (Cowen, 2004, p. 18). Cowen objects to the idea of a "purity" of cultures. They have always been influenced by external inputs and alarms of cultural leveling are not a concept foreign to history. A poignant example of this is found in late medieval Europe, where the ruling authorities foresaw that the rise of printed Latin would displace local alternatives. However, the translation into a universally understood language allowed for the wide dissemination of books by writers of various periods to new audiences, thereby introducing new cultural elements (Pryke, 2009, p. 137). Anderson (1983) has shown how the dissemination of books starting with the Bible during the reformation was a precursor to the Enlightenment Age. This was so, because it started a

---

[12] Instant means of communication and online access can be seen as breaking down divisions between the public and private, because we are able to maintain a simultaneous presence in both realms.

[13] The reverence of cows in India posed a fundamental challenge to installing McDonalds (the world's largest user of beef) in the Indian market. McDonalds responded by creating Indians versions of their products; Big Macs became "Maharaja Macs" – which contained mutton instead of beef (Hill, 2009, p. 103).

process that unraveled the hierarchical order of societies, which had assigned to the clergy a monopoly on truth claims and a position of superior beings to rulers (monarchs) (Anderson, 1983, p. 36). The unraveling of this hierarchy gave a crucial impetus to the idea of equality, propagated during the Enlightenment Age and institutionalized in the nationalism born out of it. In a way, nationalism can be traced back to a project of introducing new cultural elements into a society and transforming it. There is more to suggest that national identity was never just a "national" matter, but also created out of interplay between nations. In this vein, Pryke criticizes Urry for presenting nations of "yesteryear" as essentially endogenous and stable. To the contrary, Pryke claims that already in the formative period of national cultures of the late nineteenth century did global influences play a major role in shaping these national cultures. He mentions: free trade, rapid developments in communication systems, empire and migration as global influences (Pryke, 2009, p. 126).

Globalization as a catalyst for expressions of nationalist sentiments
In her paper on "Migration and the Rise of the radical right" (2010) Montserrat Guibernau outlines a multitude of ways in which identity has been affected by economic and cultural aspects of globalization. On that background she attempts to understand the rise of the radical right as a political entity. First of all, the re-structuring of the world economy has led to insecurity and uncertainty in the economic sphere of people's lives. Capitalist principles have pushed aside feelings of solidarity and equality in favor of competition and individualism. The capitalist principles have resulted in the displacement of manufacturing industry away from industrialized Western countries, while immigrants are filling the ranks of the nation's work force. For this reason a growing number of low-medium skilled workers are facing unemployment. Amongst them there exists a perception that immigrants are "stealing" their jobs (Guibernau, 2010, p. 5). On a cultural level, the ability to navigate successfully in a global environment and take advantage of global technologies is creating a growing divide. A substantial lower class is forming at the bottom, which is stuck due to its inability to adapt to modern dynamic society. Additionally, Western nations are becoming more diversified due to an increase in immigrants belonging to cultural, ethnic and religious minorities settling there. The new cultural values they introduce to society are perceived as "alien" and as posing a threat to national cohesion, national culture and a national "way of life" by certain sections of the population. At the same time, a sense of distancing from the political life is taking place, due to a perceived loss of sovereignty and transparency in the new layers of governance introduced by international institutions, corporations and associations (Guibernau, 2010: 9). According to Guibernau, these factors cannot be separated, and, while important, the economic aspect has been assigned too much importance on its own in the formation of what we might consider resistance identities. Rather, these economic, cultural and political aspects of globalization have resulted in the anomie of significant sections of the population, who feel unwanted or

unappreciated and suffer from a lack of self-esteem. This condition leads to a resurgence of an ethnic nationalism, preserving national identity and raising self-esteem, while being implicitly racist and anti-establishment (Guibernau, 2010, p. 7). National identity then, in this conception, is seen as a resistance identity enabling a sense of self-worth via a feeling of ethnic superiority and protection of national identity from foreign influences. This is a very modern account, with strong explaining power in regard to the rise of ethnic nationalism and recent global (economic) developments. Yet, it suffers from a lack of positioning of nationalism in general in society. National identity becomes subordinated to ethnic nationalism and reduced to a vile and racist way that only people under psychological material pressure would turn to. As previously argued, national identity is important to experience a connectedness with the state as an entity which guarantees equality, rights, political influence etc. Perhaps, such inclination to treat nationalism and national identity simply as purely negative or hostile is because it makes them easier to deal with; in this conception they are always to be fought and banned from influence over society. However, all societies depend on certain common beliefs and ideals whether benign or malign – without such they fall into anarchy. In defining the Etatism that replaced medieval universalism, Kohn (1944) remarked: *"This new loyalty lacked the emotional fervor of religion; the State without the inner glow of religion or nationalism was "a cold monster""* (p. 188). Consequently, the masses stuck to the emotional forms of religion until nationalism provided an alternative. Guibernau (2010) points to the fact that national identity must contain components capable of generating emotional bonds – civic values and principles are insufficient to fostering a sense of solidarity (p. 14). The modern nation-state has proved to be one of the most effective organizations of society to couple emotional and civic values, and until (if ever) a viable alternative is found, we had better learn to work within the confines of nationalism for better or for worse.

Resilience and permanence of national identity
In the second volume of his trilogy *The Information Age* (1997) Manuel Castells engages in a thorough analysis of *The Power of Identity*. He argues that our identity is strongly grounded and that it offers firm resistance to the power of the global capital owing to *"the widespread surge of powerful expressions of collective identity that challenge globalization […] on behalf of cultural singularity and people's control over their lives and environment"* (Castells, 1997, p. 2). The emergence and growth of social movements based on what one might consider identity positions, (gender, sexuality, religion, ethnicity, nationality) are clearly transnational in scope and vision, all of which seems to affirm Castells' point of view[14]. They also represent another crucial development, which will be studied later – that

---

[14] One might make the counter-claim that certain identity positions are spread and institutionalized via globalization. For example, the commercial success and widespread of pornography could potentially shape common, predictable and ritualized expressions of sexual desire (Pryke, 2009, p. 125). However, the diversity of social movements and the freedom of people to adhere to a

of a more fragmented society. This notion of identity being strengthened in opposition to economic inequalities fostered by globalization is contested by Tomlinson (2007), who argues that Castells overlooks the fact that identity construction is institutionalized in globalization itself. Moreover, one might argue that such identity positions allow people not only to reject aspects of globalization, but also national values. So, while we may conclude that identity is not simply a canvas for globalization to brush over, the power of modern identity is to be found in its critical and reflective nature. Tomlinson regards national identity as more of a permanent feature of society. It is a cultural construction enabled by regulatory and socializing institutions of the state, above all: the law, the education system and the media. Furthermore, it is reproduced in everyday activities and symbolism and reinforced by media[15]. From a social constructivist perspective, this conception of national identity seems fitting and goes a long way toward explaining the recalcitrance, or resilience, of nationalism. While agreeing with Giddens that national identity is not usually in the foreground of our lived experience, it does however work on a sub-conscious level providing a basis for interaction. It seems fitting to recount Gellner's perception that nationalism provides an immediate identity that allow us to interact with strangers. This takes the form of expectations towards strangers, and is in a sense imagined, but as soon as we engage in actual interaction the imagined quickly becomes real (whether confirmed or denied). Especially, nationalism equips us with expectations toward the civil nature of others, because it is connected to organized society and law (enforcement). Tomlinson (2007) also concedes that the nation-state system is primarily responsible for institutionalizing the organization and policing of social territory (p. 160). Therefore, I would argue that very ability to interact via our expectations toward others is facilitated by the nation-state system, and by our apprehension of ourselves as members of this system.

Cultural homogenization and national unity

Returning to the aforementioned critique of globalization and cultural homogenization, it should be noted that this critique assumes multifarious views of the threat to national culture/identity. There exists a rather banal critique resting on a romantic idea of national historic culture perceived as a permanent and unchanging aspect of the nation-state now under attack from foreign influences. This conception is often advocated by the New Radical Right parties, appealing to groups of the populace who feel threatened by immigration and by the dynamics of globalization in society (Delanty & O'Mahoney, 2002,

---

personal combination of the ideals they express cannot be overlooked as a serious challenge to the universalizing power of globalization.

[15] Benedict Anderson (1983) provides a most illuminating example of the 'mass ritual' of reading the newspaper in the morning. Though an isolated activity in *"the lair of the skull"* the knowledge that the exact same activity is replicated by fellow, yet unknown kinsmen assures the practitioner of his belonging to the national community (p. 35).

pp. 148-9). It can be strongly refuted for mythologizing national history as the "natural way" of a nation-state, when this is in fact a social construction and because nation-building is an ongoing process (Pryke, 2009, p. 129). Yet, despite these confounding critic remarks, this view persists in significant sections of the populace. One must agree that globalization has accelerated the process of societal change along with the potential for intercultural connectedness – the question is if this is to be feared in terms of its impact on national unity and cohesion. Historically speaking, several compelling and controversial examples of the advantages of a strong sense of national unity can be found. Unfortunately, they are most as a ruled marred by aggression and come to be detrimental to other nations and peoples (in fact, they have often caused nationalist sentiments of opposition to rise amongst their foes as well, backfiring on themselves). Certainly, the ability of the Napoleonic Empire or of the Third Reich[16] to direct and inspire people toward a common nationalist goal resulted in a marked increase in industrial production output. In fact, the Second World War saw a significant increase in both research and industrial production across countries – ranging from development of nuclear weapons to telecommunication and new appliances of medicine[17]. While national unity was of great benefit to these countries in some regards, it turned out to be highly damaging in others. Ultimately, it lead to soured relations with surrounding countries and the nationalist projects of conquest undertaken became their own downfall. These are of course extreme examples of nations that had undergone or been subjected to highly destabilizing events prior to the rise of nationalism – respectively, the French revolution for the Napoleonic Empire and WW1, the humiliating concessions of the Versailles treaty and the hyperinflation of the Weimar Republic for the Third Reich. In these cases, national unity involved a strong principle of supremacy and hostility towards other nationalities. From these cases, it becomes clear that national unity cannot be measured only in terms of economic or industrial advantages, but that there is an ethical aspect to consider as well. Of course, this is very well established, it even seems very likely that the strong, pathos-appealing rejections of nationalism of today indicate that nationalism is being weighed on its ethical rather than its economic properties (rational). On the other hand, national unity is presented as desirable and as a worthwhile pursuit in multinational states: Anderson (2000) describes the relative success (until the final stages of their existence) and the necessity of the multinational states of USSR and Yugoslavia of maintaining unity (p. 64). He claims that when national unity finally began to fall apart, nationalism became an important contributing factor in the collapse of both regimes. In the case of Yugoslavia, the breakup became particularly virulent and bloody as the successor states aspired to build new policies dominated by their own ethnic group. Years under communist rule had evolved the relations between the

---

[16] Even though it has to be mentioned that this national unity was at the expense of some ethnic groups.

[17] For a list of technological advances of WW2, see http://www.learnnc.org/lp/editions/nchist-worldwar/6002 last visited 20-08-2012

states as a response to economic and political change. Enmities had formed due to the perception of exploitation and unfair advantages[18]. Though the USSR was an oppressive regime, Anderson somewhat sarcastically remarks, it was oppressive in equal measure. As the tight state grip slowly started to loosen under Kruschev (1953-64) and even more so with Brezhnev (1964-82), and in the last stages of Tito's rule in Yugoslavia, the local national elites who ran the constituent republics of the USSR and the Yugoslav Federation absorbed power away from the central government. Anderson (2000) makes a critical connection between this loss of cohesion and corruption: *"Despite occasional purges of the Communist Party, these elites became increasingly corrupt, and some adopted a lavish lifestyle. Corruption, clientelism and nationalism were closely associated as the party leaderships defended their own power base"* (p. 69). Furthermore, he argues that the nations under communist rule emerged badly afflicted by the communist experience, not simply to return to their former selves. The corruption of and lack of trust in political institutions has lingered there, making it difficult for the former East-bloc countries to catch up with the western ones.

National identity construction and a positive national unity
Another interesting example is found in Thomsen and Nikola's Canadian centered piece from 2006: *"Keeping the peace and national unity".* Therein, they stress the importance for Canada of producing a sense of shared cultural background that can unite the polyethnic populace and overcome the problem of lacking a particular historical creed or ideology (Thomsen & Nikola, 2006, p. 851). Canada has constructed a national identity for people to tap into focused on being a peacekeeping nation, adept at handling intercultural matters/conflicts. The idea for this focus can be traced to their external engagements in peace keeping missions, which resonated internally and provided an ideological backbone for the discursive construction of a national identity. As such, an internalization process has resulted in Canada now being an example of a multicultural country promoting unity in diversity. In this connection, Thomsen and Nikola make an interesting point about the interplay of external relations and national identity. They claim that foreign policy is a prime area for the apprehension of national identity amongst the public, because the ideas and values expressed in this arena are naturally put into relation to others. This juxtaposition of an "imagined" national identity and foreign identities becomes clearer, because it contrasts differences in outlook between the nation and others (Thomsen & Nikola, 2006, p. 852). While Thomsen and Nikola focus on the power of the state to convey national ideas and values via mediated foreign policy, the other side of the coin is that the

---

[18] According to Anderson (2000): *"The richer nationalities, such as the western Republics of Yugoslavia considered that they were being unfairly taxed to support both the bloated central government, and the poorer, undeserving eastern regions. These feelings became bitter and divisive because of the huge disparity of GDP per capita which was a high as 7:1 between Slovenia and Macedonia – similar regional disparities were found in the USSR"* (p. 69)

state may come under scrutiny and attack at home if it is perceived to represent the nation poorly in international matters. The ways in which German national identity factor into the political negotiations and the way in which the nation is represented in the Eurozone crisis will be a point of explicit analysis.

The intricate connection between nationalism, national identity and national unity
There are accounts critical of national unity as well. Berila Beth (2005) has in her article *"Unsettling Calls for National Unity: The Pedagogy of Experimental Multiethnic Literatures"* criticized post 9/11 literature in the USA for producing a national identity that violently "others" multiethnic voices and experiences . However, there is a clear tendency for national unity to be treated with an appreciation of both positive and negative impacts on society, unlike nationalism which few academics seem willing to defend (though those who do so are of academically recognized stature – such as Benedict Anderson and Ernest Gellner). National unity seems to be regarded as generally desirable, and especially multicultural societies need to strive for it. However, it is not necessarily thought of as a process of cultural homogenization. The cultural mosaic of Canada is an example of this, but even Stalin and Lenin believed that the unity of the USSR could be maintained by promoting cultural and economic developments of nations[19]. They enforced tight control in all fields but cultural and linguistic ones (Anderson, 2000, p. 65). This uneven treatment of nationalism and national unity is based on a misconstrued dichotomy between the two, in which nationalism is seen as an extreme (ethnic), morally dubious form of national unity liable to bringing great social turmoil to the nation and others. This conception fails to consider a general connection between nationalism and national unity. A useful term to introduce in this regard is that of "banal nationalism", coined by Michael Billig (1995). In his oft-quoted work he argues for the omnipresence of nationalism, reinforced on an everyday minute basis by banal nationalism; the continuous routinized flagging of national symbols, images and references to the nation. Billig states that:

 "… there is something misleading about the accepted use of the word 'nationalism'. It always seems to locate nationalism on the periphery. Separatists are often to be found in the outer regions of states; the extremists lurk on the margins of political life in established democracies, usually shunned by the sensible politicians of the centre. The guerrilla figures, seeking to establish their new homelands, operate in conditions where existing structures of state have collapsed, typically at a distance from the established centres of the West […] All

---

[19] To Stalin and Lenin this was not a goal in itself but a means to an end. Following Marxist ideology, they regarded the multinational state as a stage on the path to building an international socialist society (Anderson, 2000, p. 65). Marx and Engels were of the notion that national differences would be undermined by a single world market and referred to nations only in terms of contemporary political concerns (Pryke, 2009, p. 24-25). This disregard for theorizing on nations and nationalism in a systematic sense meant that Marx and Engels did not anticipate the resistance that national bonds would pose to the formation of a transnational workers class struggle.

these factors combine to make nationalism not merely an exotic force, but a peripheral one. In consequence, those in established nations – at the centre of things – are led to see nationalism as the property of others, not of 'us'" (p. 5).

According to Billig, nationalism cannot be confined to the peripheries, but it persists in the interaction and structures of everyday life, where the citizenry is constantly reminded of their national place in a world of nations. Due to the familiarity and routine nature of this reminding, it comes to work at a sub-conscious level, not even registered as a reminding. Thus, our daily habits reaffirm our understanding of ourselves as belonging to a nation-state providing a source of national identification. Billig urges the reader to remember that despite an apparent weakening of nationalism in favor of globalization, nationhood is still being reproduced and still constitutes a threat, because it can erupt into violent nationalism (Billig, 1995, p. 8-9). This tells us that Billig is not out to defend nationalism in any way. However, his social constructivist positioning of nationalism inadvertently suggests that it can take many forms and that it can change via discourse. It should not be rejected out of hand. Furthermore, it means that there is a permanent quality to nationalism which upholds national unity.

Relying on Billig's conception of nationalism, it is seen to be required as a societal principle to construct and maintain an idea of the nation, a national identity and therefore constitutes a prerequisite to attaining national unity. While Billig focuses on the threat of forgetting this persistence of nationalism, another danger is if people start rejecting the symbols and social practices of nationalism in societyon the grounds of perceiving them as a support for the nationalism of certain loud groups in society, most prominently the New Radical Right. If people equate any expression of national identity as a support for such groups, and consequently seek to distance themselves from this point of view, then national unity is certainly in distress. The divide between supporters of the New Radical Right and its detractors would only serve to exacerbate the challenge of forming a national identity around which national unity can be achieved. What they should attack is not nationalism itself, but the conception of national identity presented by the New Radical Right.

Delanty & O'Mahony (2002) have suggested that 'banal nationalism' gains ground in countries where the relation between state and nation is troubled, for instance, Australia, because it produces a sort of cultural nationalism rather than a civic one (thus removing focus from a weak relation between state and nation) (p. 130). This is problematic, because many of the positive aspects of nationalism are the civic ones connected to statehood (equal rights, adherence to democracy etc.) and because ethnic nationalism is more concerned with cultural difference. An uncanny scenario can be imagined, where the weakening of the nation-state under globalization and the increasingly strained relation between state and nation in many countries result in more nationalisms heading down this

path. If this is the case, special attention should be paid to developing the kind of cultural nationalism that encourages unity in diversity, which seems much more suited to navigate global markets and produce a multicultural society that can manage cultural differences.

Contrasting views on cultural homogenization

Returning to the issue of cultural homogenization, a more serious academic critique than that of the New Radical Right is presented by Benjamin Barber (1995) in his book *"Jihad vs. McWorld"*. He focuses on the dual forces at work under globalization, which are creating a momentum that is *"tearing the world apart and forcing it reluctantly together at the same time"* (Barber, 1995, p. 3). Expanding American business is spreading its cultural icons putting the world on a trajectory towards greater cultural homogenization. In Barber's rather dystopian depiction, the dual forces of the conjuncture, with their common disregard for the freedoms and rights guaranteed by nation-states, will inevitably destroy democracy. While Barber was right in predicting a clash between American hegemony and Muslim culture, his account suffers from the exaggerations of the hyperglobalists made in the 1990's. There is simply little empirical evidence to support the claims – in fact events such as the Arab Spring points to globalization enabling the rise of democracies (or at least incipient democracies) rather than destroying them. A quite different theory is proposed by historian Alan Milward (2000) in his research and statistic heavy work *"The European Rescue of the Nation-State"*. He claims, that far from an antithesis existing between the European Community and the nation-state, the evolution of the European Community since 1945 became a bedrock for the nation-state to reassert itself as an organizational concept. The gist of the argument is that the survival of the nation-state depended upon its ability to offer its citizens security and prosperity. This could only be achieved via the process of integration of the Western European nation-states. Milward is opposed to the idea that this integration 'weakened' the nation-state. In fact, he believes it was only made possible in the first place by a thorough reform of the nation-state, which created a new consensus as the basis of its legitimacy and made it possible for it to extend its functions and ambitions in relation to its citizens and thereby reassert itself as the fundamental unit of political organization (Milward, 2000, pp. 2-3). The interdependency of the Western European nation-states for a successful economic recovery after the Second World War was recognized in the Marshall-plan. Crucial to this premise was that the stagnating effects of the industrial disarmament of Germany on intra-European trade became ever more pronounced (Balabkins, 1964, pp. 208-209). Milward (2000) agrees in saying: *"West Germany was the pivot on which the increases in foreign trade, investment and prosperity turned"* (p. 223). His argument centers on the economic reconstruction of Europe and the benefits of the Western European nation-states of reducing trade barriers and engaging in economic cooperation. However, the opposite situation of economic hardships experienced due to integration would pose a severe challenge to the nation-states stability. The period which Milward focuses on (the first edition of his work was published in 1992) was

generally one of significant economic progress. It was one where integration of the EU was perceived as a great success and as a benefit to national interests. However, following the reunification of Germany, enlargements of the EU into the former East-bloc countries and the economic crisis of 2007 have brought the EU project into question (Newman, 2010, pp. 152-153). Still, it remains a valid point that the nation state has not only lost influence by entering European arrangements of integration. Milward has proven this to be untrue. Evidently, there exists a perception of the European Union as an entity divorced from the nation-state, seemingly with a will on its own. Guibernau refers to a 'political alienation', causing people to experience the globalized structures of governance as foreign and inducing a feeling of powerlessness (p. 7). While membership of the EU and adherence to its treaties do entail a partial loss of sovereignty in internal matters, it also entails influence over matters affecting all member states. This simple fact often seems overlooked, perhaps due to the complexity of EU decision making itself or perhaps because of lacking media attention. Another factor could be that the people simply 'care' less for the EU than they do for their own country. An attempt has been made to produce European symbols, such as a flag, an anthem, a European patrimony of historic town and sites, and a Europe day. So far, little success has been achieved in producing a sense of European solidarity and identity that comes close to matching national sentiment (Anderson, 2000, p. 45).

The New Radical Right

The presentation of the 'modern' nation-state of the New Radical Right as a natural historic unit, based on unchanging principles can easily be refuted. Nevertheless, several parties representing this political view have achieved success in garnering public and electoral support in Western countries[20]. In fact, the term "radical right" may be somewhat of a misnomer, since there is growing evidence of leftist elements in their discourse often coupled with a firm rejection of the allegation that they are promoting a racist or fascist ideology[21]. Additionally, the new radical right differentiates itself from historical forms of European fascism by adopting an economic liberalist stance and by accepting the constitutional framework. Therefore, these parties and movements represent new anti-systemic formations that go beyond the older right and left. They are lacking in any

---

[20] New Radical Right Parties have managed to enter into coalition governments in Austria, the Netherlands, Italy, Switzerland and Denmark in recent years (Guibernau, 2010, p. 4).

[21] They base their opposition to immigration in social rather than cultural or biological issues. This is underlined by their advocacy of cultural separatism, an ideology respecting cultural differences and the right to develop one's own culture freely just as long as these rights are exercised in one's own country. This also serves to differentiate their discourse from those of nineteenth-century colonialism or Nazism (Evans, 1996, p. 45).

coherent ideological programme[22] (unlike fascism, which had an intellectual appeal in its early forms and influenced the project of modernity by promoting values such as technology, the primacy of the state and charismatic leadership). Instead, they focus on public appeal while separating themselves from fascism and other thematically related ideologies with negative connotations. However, shared among them is a strong expression of xenophobia and intolerance (Delanty & O'Mahoney, 2002, p. 149). The background for the rise of the New Radical Right must be found in changes in the social lives of people caused by globalization processes. The main changes according to Guibernau (2010) have already been introduced in the chapter "Culture and Identity", but a quick recount may be in order:

1. **Economic insecurity and uncertainty in everyday life** owing to capitalist principles dominating world markets. Manufacturing is being displaced and the labor market is becoming more mobile threatening job security.
2. **Cultural anxiety** due to the challenges of adapting and managing life in a dynamic, technologically advanced society. Immigration and multiculturalism causes cultural clashes and generates a fear of loss of national cohesion, national culture and national 'way of life'.
3. **Political alienation** because of the experience that new layers of governance introduced by international and transnational institutions, corporations and associations undermine the traditional role of the nation-state. The increased complexity results in lack of transparency and is associated with corruption and other problems. This leads to the perception that the new layers are causing a progressive erosion of democracy (Guibernau, 2010, pp. 5-8).

From the negative socio-economic qualities these changes attribute to globalization one can find the background of the rhetoric of fear employed by the new radical right. According to Guibernau: *"The new radical right presents itself as an alternative to traditional political parties and founds its discourse on a critique of democracy, a protest against elites and a concern about the cultural preservation and integrity of national identity understood as part and parcel of European identity. It justifies itself by appealing to the image of a world hostile to western values and culture"* (Guibernau, 2010, p. 13). It is a rhetoric which appeals to groups who feel that globalization, and in particular immigration, poses a threat to their culture, their security and job opportunities coupled with a personal feeling of being down-prioritized, unappreciated and even unwanted by the state. The discourse of the new radical right (with a few variations) addresses these fears in a very direct manner and

---

[22] Exceptions do exist; one noteworthy example is the European New Right. Their ideological programme is to be found in the writings of Alain Benoist and the movement known as GRECE. See Holmes (2000) and http://home.alphalink.com.au/~radnat/debenoist/index.html Last visited 15-08-2012

seeks to reinforce them by underlining cultural differences and the non-viability of multicultural societies. In their view, multiculturalism promotes the destruction of individual cultures – nations are better off remaining ethnically pure (Guibernau, 2010, p. 13). They proclaim themselves as 'defenders of the homeland' with an aggressive anti-elite rhetoric based on "the common sense of the people". The title 'defenders of the homeland' finds its political expression in the 'national preference principle', advocating priority access of citizens to social welfare and to the protection of their own culture and language, compared to foreigners. Some parties of the radical right, such as the Front National in France, endorse this principle to an extent where the preservation of national identity is deemed of superior importance to the achievement of economic goals (Guibernau, 2010, p. 12). Another main pillar in their program, one that is specifically anti-EU, is to carry out a democratic reform to restore the power and sovereignty of the nation-state from its entrapment in EU politics. Clearly, growing support for the new radical right poses a threat to the stability of the European Union.

The new radical right has invented the term ethnopluralism in an attempt to offer another perspective on racism and defend the ideological base of their politics. In their view, cultural diversity is to be respected and preserved. In creating multicultural societies this principle is violated, because this mixing leads to a 'leveling down' and eventual destruction of culture and identity (Guibernau, 2010, p. 15). However, a few immediate observations problematize a policy of cultural separation. Firstly, multicultural societies are already a fact of life in Western Europe – hence, cultural separation would entail societal upheaval and expulsions. Even if we regard it as factually based, the very claim that multiculturalism brings about destruction of culture and identity is likely by itself to lead to increased antipathy and hatred towards minority groups existing in society. In turn, they would come to feel ostracized, possibly retaliating, and lacking the ambition or conviction to contribute to and work within the laws of civil society. Finally, the need for a global consciousness, or at least international cooperation, in dealing with global problems such as climate change and terrorism seems to necessitate a cultural understanding that cannot be fostered via cultural separatism.

The new radical right draws a majority of its supporters from the lower middle class workers and from the self-employed (Mudde, 2007, pp. 135, 225; Norris, 2005, p. 147). However, the group is not homogenous and also includes well-educated middle class people, who are more concerned with the threat immigration poses to national identity than with economic issues. Moreover, the new radical right-wing parties have been very successful in some of the most prosperous countries in Western Europe, such as Austria, Norway, Denmark and Switzerland. Since the motivation for supporting the radical right range from economic worries to fears of cultural leveling, the profile of the new radical right voter cannot easily be determined (Guibernau, 2010, p. 8). Furthermore, the fact that

the radical right grew in popularity in a time of prosperity seriously challenges the notion that rising support for the radical right is inextricably linked to growing levels of unemployment and increasing dissatisfaction among low-skilled and low-qualified workers (Norris, 2005, p. 257). However, Guibernau does concede that *"…the global economic downturn has accentuated the economic as well as the political and cultural concerns that drive people toward the new radical right"* (p. 12). According to Guibernau, one of the main reasons for their growing popularity is the failure of mainstream parties to accurately respond to and dispel the fearful messages spread by the radical right – another reason is the media. Mainstream parties have shown a tendency to dismiss the radical right as "politically incorrect" and even as fascist, critically underestimating the extent to which their arguments have resonated with particular sections of the public. Guibernau is adamant that governments should pay more attention to informing the public about the measures and laws that are in place to ensure their rights and manage migration and integration (Guibernau, 2010, p. 16).

Fragmentation within nation-states

The new radical right represents one of three new kinds of "extreme" nationalisms induced by processes of globalization. Especially in the former communist countries a radical ethnic nationalism has manifested itself and in Asia a radical religious nationalism. The radical ethnic nationalism bears some semblance to the nationalism of the radical right, but it is more post-communist in form, centered on a strong state and military. The extreme nationalisms in general share a characteristic of commanding only a relative minority support (Serbia under Milosovic being an exception). They also share this characteristic with other types of violent nationalisms, such as extremist separatist movements and terrorist organization with nationalist ambitions (e.g. IRA, ETA, FLNC)[23]. Delanty & O'Mahoney (2002) note that the emergence of such extreme nationalisms that adhere to exclusive particularism, on the one side, and the simultaneous emergence of cosmopolitan expressions of community adhering to inclusive universalism, on the other, is one of the paradoxes of globalization (pp. 146-150). This paradox encapsulates a key dynamic of modernity which has already been touched upon a number of times. In Barber's account of dual forces of globalization (1995), he offers this image of conflicting loyalties: *"Iranian zealots keep one eye to the mullahs urging holy war and other cocked to Rupert Murdoch's star TV beaming in Dynasty and the Simpsons from hovering satellites"* (p. 3). This is a telling example of cultural hybridity, emphasizing the interspersion of cultures (in this imagining, an undertone predicting conflict may be discerned). The case of Appadurai's globalization as a 'cultural laboratory of diversity' is a strong argument for the coexistence of different

---

[23] IRA (Irish Republic Army), ETA (*Euskadi To Askatasuna,* 'Euskadi and Freedom', the Basque nationalist movement), FLNC (*Front de liberation nationale de la Corse)*

cultures – and one which regards this as a positive development. Though one can criticize Appadurai for assuming that migration is taking place on a scale greater than ever before, Pryke (2009) makes the keen observation that globalization is likely causing greater movement within nation-states rather than between them (p. 149). While Appadurai is optimistic that this will lead toward the eradication of nationalism, the rise of the new radical right challenges this view. Guibernau (2010) is also more pessimistic, arguing that globalization has caused a growing economic inequality within societies. This in turn, generates resentment and fragmentation (p. 6).

Another important consideration is the actual positioning of the individual towards new, non-local cultural inputs. Deterritorialization has caused the ties of local cultures to weaken which, in turn, has made individuals less dependent on 'fitting' into or belonging to a local culture. The proliferation of foreign cultural artifacts and practices via media, immigration etc. provides for a greater variety of sub-cultures, and at the same time, the technologies of global connectivity makes it much easier to find and participate in these. Even though a distinction must be drawn between rural and urban society here, the increasing movements of young people towards the big cities will only reinforce this condition. Yet, locality remains influential to our cultural understanding and interpretation. The very biological constitution and material circumstances of human beings keep most of us, most of the time, locally situated. Our basic demands for security and for some sort of everyday routine necessitates a primordial cultural attachment to localities. The geography of our immediate surroundings affects our ability to live certain lifestyles. Therefore, local cultures will persist in the face of globalization and continue to provide a lens through which to interpret and locally 'adopt' foreign cultural elements. The influence of globalization on identity is better understood in terms of theories that consider an amorphous identity, such as Zygmunt Bauman's writings on what he calls 'liquid modernity'. What characterizes liquid modernity is an ambiguous and chaotic social existence, in which one can shift from one social position to another, in a fluid manner (Bauman, 2000, p. 7). One might argue that this is a sort of inner fragmentation, running parallel to societal fragmentation. On the other hand, while the local condition comes to encompass more sub-cultures and varieties of beliefs and expressions, these sub-cultures are often transnational in scope. The style and music of Hip-hop and breakdancing for example, have become popular in countries the world over. It follows that on an international scope we are not simply witnessing a fragmentation of cultures into smaller varieties, but the interspersion of global and local cultures.

Fragmentation is a word to be used with care, since its connotations are of a destructive nature; as in splitting something which is whole. But the very nature of (multicultural) societies are by definition somewhat fragmented. To consider fragmentation of societies as inherently and exclusively negative would therefore imply an actual denouncement of

multicultural societies. Just as was the case for national unity, fragmentation must be seen in the light of other social and cultural phenomena. The most critical point is perhaps that the institutionalized identity of liquid modernity implies an openness and tolerance that allow further fragmentation. It also suggests that we are able to navigate and be a part of different cultures. Being part of the hip-hop lifestyle does not mean that one is giving up a sense of national identity then. However, if nationalism itself becomes fragmented then this poses a serious threat to national unity. This is what we are witnessing in the case of extreme nationalisms, in that they conjure one particular image on national culture, which receives some public backing but also meets fierce detractors. Thereby the meaning of national identity becomes diluted.

The decline in the legitimacy of nation-states

Ohmae (1995) puts forth the proposition that the nation-state has lost its ability to exert control over economic matters. He focuses on four main aspects in which the relationship of states and capitalism have changed:

1. *"**Financial investment** is no longer geographically constrained*
2. ***Industry** is more global in orientation as firms are less inclined to strike deals with governments*
3. ***Information technology** allows companies to operate in various parts of the globe.*
4. ***Informed consumers** buy products and services from across the world" (Ohmae, 1995, pp. 2-5).*

Because of these transformations, Ohmae claims that nation-states have become lost most of their capacity to control national economy and instead regions of economic activity existing across borders or in key zones of nation-states are becoming the new modus operandi. He regards national borders as misleading and outdated, referring to them as a "cartographic illusion" (Ohmae, 1995, p. 5). This notion of an artificial construction can also be discerned from Ohmae's point that regions opposed to states also formed economic hubs back in the medieval ages[24], that is, before nationalism took hold. Ohmae takes the declining sovereignty of the nation-state in economic matters and the diluted meaning of national borders as a sign of the end of the nation-state. It is hard to overlook the narrow focus on economic matters in this account, which opens a critique of Ohmae's theory for neglecting to include cultural, political and historical aspects in his understanding of the nation-state. Certainly, it seems a gross simplification to proclaim the end of the nation-state from such a one-dimensional view. The nation-state retains significant power in domestic matters and even though it has lost control over highly important economic

---

[24] Ohmae (1995) mentions Tallin, Riga and Danzig as well as the Italian city-states. A longer list including contemporary examples is on p. 80.

aspects, one could argue that it now has a new task of creating the best possible conditions for its national economy to participate in regional growth. Despite these severe criticisms, Ohmae's general observations on the relationship of state and capitalism cannot be discounted, and neither can the question of the diminished power of the state. Traditionally, the state ceding autonomy could be seen as an anti-authoritarian move in favor of democracy, but this perception does not seem to be the prevalent one in EU-countries. On the contrary, a growing distrust towards governments and an experience of erosion of democracy seems to have taken hold of populations across the Eurozone.

Tom Nairn is one author who makes this claim. In an article in which he foresees the resumption of Scottish independence, he remarks on the faltering of democratic reform under New Labour: *"'Modernization' of this kind has generated a UK climate recognizable enough in many other parts of the neoliberal world: generalized scorn and despair of politics and politicians, and mounting anguish about what the country now means, in a shrinking world-web that somehow renders identity more, rather than less, important"* (Nairn, 2007, p. 125).

The weakening of the nation-state under globalization has been markedly felt in large nation-states that group several smaller nations under an overarching political structure. This owes much to the possibilities for the smaller nations, such as Scotland and Catalonia, to assert themselves within the structures of the EU. In the case of the United Kingdom, the traditional belief in the state as a strong, independent actor in a centralized system of government only exacerbates the inconsistencies with the cooperative confederalism of the European Union. France, likewise favoring a strong state which grants enormous executive powers to the president, has also struggled with the ability for the state to uphold this status within the framework of the European Union (Bulmer & Jeffery, 2010, pp. 129, 158). However, the trajectories of France and Britain's participation in the EU could not have been any more different. Where Britain staunchly resisted moves to consolidate political decision making power and at times seemed committed to thwart the development of the EU[25], France, at first, attempted to assume a proactive leadership role for itself. This can be regarded as a nationalistic move to reassert itself after its disastrous involvement in the Second World War, and as a means to curtail Germany (Anderson, 2000, p. 40). Involvement in the European Union was quite a different case for Germany, because of extensive institutional similarities between semi-sovereign Germany and the European Union. The cooperative federalism of Germany with its weak central coordination and

---

[25] The United Kingdom's participation in the European Community/Union has been compared to that of the classroom troublemaker. It was characterized by an uneven attendance record and self-exclusion from the monetary union. In foreign policy matters the UK would often turn to Washington and Anglo-American relations first. This role has gradually subsided over the period of Labour rule since 1997, owing to changes in the global world order and within the EU (Bulmer & Jeffery, 2010, p. 114).

politically empowered regions (Länder) seemed a much better 'fit' with EU layers of governance. This has been working in Germany's favor for most of the European Union's existence. However, signs that this alignment is subsiding have been evident since the late 1990's. These developments, along with the Franco-German relation which has become central to the European Union, will be researched in greater depth in the analysis. In smaller nations within the European Union, a greater concern has been the possibility of marginalization. This fear surfaced clearly, when the Danes rejected the 1991 Maastricht treaty in a referendum. Only the negotiation of new opt-outs from the single currency, defense, European citizenship and Justice and home affairs convinced the Danes to reverse their decision. The prime topics of national debate in Denmark were about loss of democratic control and accountability (Anderson, 2000, p. 44).

Guibernau's theory on political alienation explains why the perception of a decline in the power of the nation-state, despite variations in intensity, is affecting the entire EU. The entanglement of national governments and policies with further layers of governance has made political processes incomprehensible and distant from the general public. A sense of powerlessness is induced from this alienation from the political system. Politicians are perceived as more concerned with maintaining their own status and privileges than serving the interests of the nation (Guibernau, 2010, p. 7). Recalling Giddens' point about the increasing importance of trust-relations, this is certainly a worrying trend for the continued ability of the national governments to govern the nation. This development is divulged in an increasing focus on and interest in the personal lives of politicians. Naturally, this interest has quickly been taken up as a tool for politicians to brand themselves and produce a public persona. A side effect with potentially severe ramifications is that political parties are becoming more populist than idealist in 'seeking' out the votes. This has resulted in traditional left-right wing parties moving towards the center and at times resulting in a conflation of political standpoints. In order for the illusion of an alternative to be upheld in this scenario, the politicians may find themselves resorting to personal attacks and platitudes.

The question of whether the new supranational institutions are undermining state sovereignty requires a closer examination of the concept of sovereignty. Compelling arguments have been made that such a perception is rife in large sections of the public, but this may be a misconstrued reflection of reality. While there can be no doubt that the sovereignty of nation-states has been affected immensely by their tying together in international institutions, this could be regarded as a development of the very concept of sovereignty. Paul Taylor (2003) is a proponent of an alternative understanding in which sovereignty is linked to the current circumstances of the state, including the predominant expectations about its emerging role. He claims that the reason for the widespread public perception mentioned above is a classic understanding of the role of the nation-state as a

state-actor. In this role, the nation-state retains exclusive control of all internal matters and outside actors are not to interfere in domestic policies of other states. Accordingly, the nation-state has no role in regards to the rights of individuals in other states. This was the predominant view through most of the Cold War, where the maintenance of order amongst states was put before the goal of achieving justice for individuals. For this reason, unsavory right-wing regimes in Latin America were tolerated by the US on the basis that they were anti-Soviet. With the end of the Cold War a gradual shift toward a more humanitarian role of the nation-state as a guarantor of individual needs and rights emerged. This included both individual political and civil rights, as well as the right to basic means of life support. Intervention and involvement in internal affairs of states came to be not only accepted but morally expected, because individuals the world over had rights in common and had obligations to each other. It was a new scenario in which national interests were well served by adhering to humanitarian goals in order to ensure a good reputation in the United Nations. These developments between moral action and national interests were crucial to encouraging an "opening" of nation-states towards further integration (Taylor, 2003, pp. 22-27). The relation between the moral course of action and national interests in international matters is often muddled. What is good for the nation and what is good for Europe has become a dividing topic of the Eurozone crisis and has led to strong expressions of the national preference principle.

Of course, the strong economic incentives are not to be overlooked in the process of European integration, but we will return to them shortly. In Taylor's view then, sovereignty has become linked to participation and the right to participate in the institutions and arrangements of international community. This has become a much more important aspect of sovereignty than the traditional right to exclusive management of any single function (Taylor, 2003, p. 52). A strong addition to this argument would be that the ability of the nation-state to support an increasingly globalized national economy is strengthened via its partaking in international institutions and agreements.

In regard to economic considerations, Taylor emphasizes their role in causing an increasing regionalization. Predictions that globalization would lead to one global economic system were confounded during the Cold-War and in its aftermath[26]; instead a high degree of regionalization took place. The New International Economic Order of the mid-1970's failed to achieve its global approach, prompting developing states to look for alternative solutions. They turned to regionalization in the absence of anything better. In the European Community/Union regional trade was encouraged, and has in fact been growing relative to other trade channels since the 1960's. One goal was to produce a framework within which social democracy could persist. This involved reducing American world hegemony and

---

[26] At least it was realized that common regional markets would be the first step to global free trade (Taylor, 2003, p. 10).

cultural influence, while strengthening the ties between European democracies (Taylor, 2003, p. 132). The European Union is both a political, economic and cultural project in which the European nation-states have invested resources and future developments. Therefore, its good fortune reflects back on all participants and its viability is affirmed by the positive development of all its members. Still, it was created to further the interests of the European nation-states and national interests continue to be a prime concern of the member states.

Economic nationalism

The adherence to national interests has become intrinsic to what economists have named 'economic' nationalism. Bulmer, Jeffery & Padgett (2010) consider the victory of Gerhard Schröder's Red-Green coalition in 1998 as a new phase in the development of German democracy in which nationalist interests were rearticulated into the German agenda. They state: *"Schröder was unapologetic in defining Germany's interests in international cooperation as national, in a terminology and with a vigour that would have been unimaginable under Kohl. His accession to power marked a generational change in leadership away from those whose formative experiences had been in the foundational phase of German-European symbiosis"* (Bulmer et al., 2010, p. 9). This course has been picked up by his successor Angela Merkel, though her approach and rhetoric have been more subtle (Bulmer et al., 2010, p. 9). Economic nationalism is conceived as a negative phenomenon by most modern economists, because it erects 'barriers to globalization' and disturbs the free flow of market commodities. It is associated with protectionist reactions of national government to the threat of economic recession and/or international developments that constitute a threat to their domestic economies. This implication of state-intervention and corporatism has made it a favorite target of attack amongst advocates of natural workings of the market – especially neoliberal economists. In his book 'Why Globalization Works' (2004), Martin Wolf attempts to establish that free-market capitalism is a foundational pillar to individual freedom and democracy. One of his main points is that liberal democracy prevents war, because it allows for harmonious relations based on prosperity that do not contain the dangers and uncertainty of fighting wars to achieve economic advantage (Wolf, 2004, pp. 30-33). He believes that the rise of nationalism derailed humanity from a path towards freedom, prosperity and peace that it was headed for in the nineteenth century. This came about because the interests of the nation superseded the principles of individual liberty and market freedom leading to protectionism and corporatism. Ultimately it led to the resurgence of pre-modern imperialist ideas and destructive wars (Wolf, 2004, pp. 37, 125). This account suffers from a range of conceptual and empirical problems. Firstly, Wolf's use of Britain as a protagonist in this story is complicated by its integration of imperial markets for raw materials and product sales. These ventures were undertaken with a bayonet in hand, and did involve closing down

local manufacturers in some instances[27]. A more contemporary example would be the astonishing growth of several Third World countries – in particular South Korea and Taiwan – in the postwar period. These countries enacted policies that effectively prohibited foreign imports through exorbitant tariffs and outrightly prohibited them in some cases as well (Pryke, 2009, pp. 62-63). In despite of this, Wolf's theory is included because it represents a contemporary view of economic nationalism as entirely regressive. The value of economic nationalism has been vindicated somewhat by modern economists however, who regard some protective measures to be a benefit to securing developing economies against exploitation and other sorts of crises. One of the historically influential figures in the forming of the economic policies of the European Economic Community was Friedrich List (1789-1846). He challenged the universal benefits of free trade and advocated for protecting infant economies before they could engage in free trade. To him, protectionism was a necessary precursor: *"The system of protection, inasmuch as it forms the only means of placing those nations which are far behind in civilisation on equal terms with the one predominating nation, […] regarded from this point of view appears to be the most efficient means of furthering the final union of nations, and hence also of promoting true freedom of trade"* (as cited in Pryke, 2009, p. 69).

Historically, a major retrenchment to world economy took place in the 1930's in the wake of economic crisis and bankruptcy. As faith in the world market plummeted nation-states focused instead on economic autarchy. International debtors made the most marked shift, as fascist and authoritarian regimes won ground based on a nationalistic rhetoric of restoring the nation (Pryke, 2009, p. 72). The international carnage that followed is still connected to economic nationalism. However, as it has earlier been argued, national interests were always present in the formation of the European Union. Moreover, there is a strong conviction in the developing world that protectionism can induce maturing of markets in a period where they would not be ready for world trade. Calls for the lifting of protective measures in this case could be seen as self-serving acts of superior nations looking to take advantage of a weak and unorganized economy. Within the European Union, economic nationalism can certainly be considered a challenge, but it can hardly be challenged on moral grounds, since the EU could itself be criticized as a sort of regional 'nationalism'. The fact that trade is encouraged internally and has been growing since the 1960's supports this view.

---

[27] Pryke mentions as one example the shutting down of Indian cotton-making workshops in the late eigteenth and early nineteenth century by the East India Company in order to secure export markets for British manufacturers in England (p. 61).

Analysis Part 1

Analysis Part 1

The analysis is divided in two parts. The first part is focused on a historical analysis of the formation and development of the European Community/Union with special regards to the role of nationalism. The purpose is two-fold: firstly, answering the question of how Germany's involvement influenced the European project and how her own role developed in this process. Secondly: providing a framework for analyzing German leadership in the Eurozone crisis and providing insight into political and social conditions since the end of the Cold War that can account for the reemergence of nationalism. This is the focus for the second part of the analysis, where the actions/reactions of the German government during the crisis will be studied in connection to challenges posed by nationalism. Special attention will be given to the response of Germany to the Greek government-debt crisis.

Part 1: The European Community/Union and Germany
The idea of a supranational Europe has antecedents stretching back to the congress of Vienna held in 1814-1815 at which ambassadors of European states convened to form treaties aimed at forging a peaceful balance of power in Europe. The direct cause for this need was the disturbances to the international order caused by the French Revolution, the subsequent Napoleonic Wars and the dissolution of the Holy Roman Empire. If we regard the French Revolution as the ideological starting point for nationalism, then the very first joint conference of European states can be regarded as a counter-reaction to this phenomenon. It was also in this period that the German philosopher Immanuel Kant (1795) first suggested that the presence of democracy and international organizations are vital to peacekeeping among states (pp. 107-43). However, the strong European states (Great Britain, France and Russia) were still enjoying a position as great powers during the nineteenth and early twentieth century. Instead of bonds solidifying, they unraveled along with the balance of power in Europe. This was in large part facilitated by the aggressive emergence of a united German nation-state with strong militant characteristics in 1871. Even though its founding father Bismarck managed to dampen fears and establish himself as the "ehrlicher Makler" (honest broker) in European negotiations, the 'German Question' loomed in the background. "What should be Germany's role in Europe" was the concern of the great powers, which feared German expansionist ambitions. The aggressive foreign policy adopted by Bismarck's successor emperor Wilhelm II created a tense international atmosphere which contributed to the outbreak of the First World War in 1914 (Thomas, 1998, p. 197-98).

By the end of the First World War Europe lay in ruins and relations between Germany and the victors had become marked by bitterness. In the Treaty of Versailles in 1919 Germany was humiliatingly blamed as the perpetrator of the mass-destruction and forced to pay severe reparations to the victorious nations. Curiously, nationalism was not regarded to be

at fault, on the contrary: *"Nationalism, as part of a universal ideal, apparently triumphed at the end of the First World War when national self-determination was accepted in principle, if not always practice, for allocating territory in the peace settlements"* (Anderson, 2000, p. 2). The failure of The League of Nations, formed in the aftermath of the First World War to ensure peace, may to some degree be connected to this adherence to national self-determination. The main reason for its failure however, is probably the rejection of the US senate of The League of Nations in 1920 (Anderson, 2000, p. 15)[28].

In Germany, the new Weimar Republic quickly lost public support in its acceptance of the humiliating Versailles treaty and due to socio-economic developments. Namely, in paying the reparations of The First World War, Germany was struck by a paralyzing hyperinflation causing national economy to spin out of control. In order to fund the war Germany relied entirely on borrowing, which led severe inflation already during the war. After the war the economy deteriorated into hyperinflation when Germany started printing bank notes en masse to buy foreign currency in order to pay reparations (Fergusson, 2010, pp. 10-16, 36). The degradation of civil society inflicted by hyperinflation has left a clear imprint on German monetary policy. Out of the social turmoil arose a demand for a sound, stable currency. The "safeguarding of the value of the currency" became a guiding principle to German monetary policy in the aftermath of The Second World War and throughout its involvement in European economic cooperation (Hetzel, 2002, p. 30). The public support for a stable currency in despite of rising unemployment in the years 1973-83 speaks much of the adherence to such a monetary policy. When the European Monetary Union was created, Germany was required to abandon the German Mark, which had become the symbol of its economic success in Europe since the end of The Second World War. In the eyes of the German public this could only be justified by organizing the EMU around the German Bundesbank's model of stability (Hetzel, 2002, pp. 45, 54). In the analysis of the Eurozone crisis it will be considered how this concern of monetary stability has affected Germany's attitude.

The widespread unpopularity of the Weimar Republic in Germany allowed the NSDAP (Nazi Party) to come to power and proclaim the Third Reich in 1933. It was a violently racist and anti-democratic party committed to an extreme ethnic nationalism proclaiming the superiority of the Aryan race. It defied the Treaty of Versailles and initiated a military mobilization with the aim of embarking on a programme of territorial expansion in Europe. In 1939 this lead to the outbreak of the Second World War which was to become the costliest war Europe had ever experienced. With the defeat of Nazi Germany in 1945,

---

[28] This rejection owes to the isolationalist strand of American nationalism, so in a way, nationalism can still be considered the main cause for the failure of The League of Nations. American isolationalist nationalism holds that involvement in matters outside the Western hemisphere should be avoided, because they will lead to pointless expenditure and possible contamination of American culture (Anderson, 2000, p. 15).

Germany reached its lowest point in history – militarily, economically and ideologically broken. Her international standing was seemingly beyond repair. The allies (the United States, the Soviet Union, Great Britain and France) seeking to break up Germany for good, partitioned the country into zones of occupation (Thomas, 1998, p. 198-99). Nationalism was deemed the enemy of all civilized states and condemned for leading to terrible war crimes. It is on this backdrop that the European Community/Union was formed.

Formation of the European Community
In the immediate aftermath of the Second World War the solution to nationalism was to 'denazify' Germany and to dismantle what remained of her industrial apparatus. However, two critical factors to the future of Europe soon came to overshadow this need. First were the growing tensions between the liberal democratic West, under United States protection, and the Communist east, under the Soviet Union, and the concurrent ideological struggle between liberalism and totalitarianism. Second, and very related to this, was the realization that the successful economic recovery of Western Europe could not be achieved without German industry. The United States feared that an economically suffering Europe would be susceptible to turn to Eastern communism and responded by implementing the Marshall-plan of economic aid and lifting the economic sanctions imposed on Germany. The goal was to initiate a European economic integration that would serve as a bulwark against the spread of communism. European calls for integration after The Second World War were at first inspired by transcending nationalism, but soon attained an additional purpose in protecting against territorial expansion of the Soviet Union – a threat which seemed very real from 1946-53 (when Stalin still ruled the Soviet Union). The superpower rivalry between the United states and the Soviet Union known as the 'Cold War' would come to dominate the international arena from 1948-85, coinciding with the project of European integration (Anderson, 2000, p. 10-11; Thomas, 1998, pp. 198-99).

The calls for a united Europe lead to the establishment of the Organization for European Economic Cooperation in 1948 and NATO in 1949. But at this point a disagreement over the scope of the project sparked a parting of the ways. The so called 'fathers of Europe' – Monnet, Schumann, Adenauer, de Gaspari, Spaak – believed that the only way to supersede an antagonistic Europe and lay the foundation for peaceful relations was to create a European level of government. But Churchill, who had spoken in favor of integration at first, was unwilling to accept European cooperation if it compromised state independence and sovereignty (Anderson, 2000, pp. 39-40). The British aversion to a supranational Europe was inspired by the wish to preserve global power status – an ambition which had clearly failed by the 1960's. It was to become decisive for Britain's engagement in European economy and politics, but not in the sense of halting the project. In an ironic twist of fate, it served to keep Britain from influencing the organizational formation of the European Community/Union (Bulmer & Jeffery, 2010, p. 125). Even though nationalism was declared

defeated, the British resistance to the European project was clearly inspired by a national pride. Britain however, like the other victors of The Second World War, referred to themselves as patriots rather than nationalists. This was a rhetoric move to produce an 'other' and thereby strengthen national identity. In this view, nationalism is presented as a particular sort of political pathology, which provokes tensions and conflicts (Anderson, 2000, pp. 17-18).

Even for the founding fathers of Europe, there were clearly national interests spurring them on. France sought to restrain Germany, while Italy wanted to participate in Northern European trade dynamism and to be treated on equal footing with the other European states (Anderson, 2000, p. 40). No other state was in such a precarious situation as West Germany however. The newly formed Federal Republic of 1949 was facing three main issues.

- The pressing need to develop peaceful and productive relations with its neighbors, especially France.
- The security threat of a divided Germany located at the dividing line between West and East. Atomic weapons were located on either side and targeted on both German states.
- The lack of public commitment of the West Germans to the new state. The German people lacked pride in their political institutions and saw it as a temporary solution pending German unification. (Bulmer, Jeffery & Padgett, p. 2010, 3)

For Adenauer, European integration became the very means to overcome these problems and restore faith in West Germany – both in the eyes of the citizenry and on the international scene. He sought to attain full sovereignty[29] by strictly pursuing 'Westpolitik'. This entailed three foreign policy objectives; *"a sense of community with the Western powers, extreme aversion to the prospect of Communist rule and commitments to the "European idea" in place of a discredited nationalism"* (Richardson, 1966, p. 11). With this rhetoric and a policy of externalizing all policy fields that could be Europeanized (coal, steel, agriculture, trade barriers) he sought to regain the confidence of the West that would allow for international rehabilitation. It was a remarkably successful strategy; the economic 'miracle' of the 1950's can largely be attributed to the opening of trade among "The Six". The Federal Republic had become a core trading partner with its habitual enemy of France and was a member of all the new institutions of European and transatlantic cooperation by 1958. Interestingly, the ability of Adenauer to prioritize European integration to such an extent that he almost subordinated the state to this goal was made

---

[29] The Federal Republic of 1949 was a semi-sovereign state. It was not allowed a military (until 1955), it had no defense ministry at first, and all foreign policy it conducted required allied approval (Thomas, 1998, p. 200)

possible by the broken national identity in Germany: there was no conflict with the idea of sovereignty in the already semi-sovereign Federal Republic and no sense of superiority of own values compared to other states. The success of this pro-European strategy turned the European project into a pillar around which to establish a new sense of national self-esteem. It went from being a strategic calculation of statecraft to an intrinsic value to the Federal Republic (Bulmer et al., 2010, pp. 4-5).

The Cold War and the European Community
The bipolar structure of world power during the Cold War, with the superpowers of the United States and the Soviet Union facing off, was to become influential to the development of the European Community. This conflict, and its associated threat of nuclear war, overshadowed all other concerns in international relations. The Western states had to align their foreign policies with the interests of the United States, on which they relied for protection against the Soviet East. This subjected role of the Western European states was clearly revealed in the joint British-French-Israeli involvement in the Suez Crisis of 1956. In a response to the Egyptian decision to nationalize the channel they undertook military intervention without the support of the United States or the United Nations. The United States, The Soviet Union and the United Nations responded by reprimanding them severely and demanding a ceasefire. It was a politically disastrous engagement especially for Britain and her attempt to cling to superpower-status (Varble, 2003, p. 92). Furthermore, it highlights the suppressed status of nationalism – there was little room for independent movement on the international scene among the Western European nation-states embroiled in the conflict. On the Eastern side, the satellite states of the Soviet Union had practically no political room at all under the totalitarian Soviet rule. Nationalism was pragmatically perceived as an expression of allegiance to one or the other superpower (Anderson, 2000, p. 11). Yet, the notion that nationalism had been defeated and that nationalism did not affect the development of the European Community would be conceptually at fault. Even though the United States and the Soviet Union considered themselves patriotic, the Cold War could be considered a clash of American and Russian nationalism. This renaming was can be seen as an attempt to substitute an encumbered term, but retain a concept that can affirm the positive attachment to one's own nation. Furthermore, there were clearly nationalist interests involved in the development of the European Community. In the individual countries the banal nationalism that serves to preserve a sense of national identity persisted and flourished (Anderson, 2000, pp. 11-19). The Federal Republic was an exception to this case, because of the terrible legacy of nationalism there and because it was acknowledged that the international community would react negatively to any expressions of German nationalism. Instead, the German population in the Federal Republic was unified by the desire to rebuild and to put the twelve years of the Third Reich behind them. In the German Democratic Republic the crimes committed were interpreted as a purely Western responsibility (Kaufman, 1998, p.

126). One of the primary ways in which the Cold War affected nationalism in Europe was by suppressing conflicts of 'national interests' between the countries under protection of or subjected to the two superpowers. According to structural realism the basic need for survival is the main determinant in international relations – indeed, for most of the Cold War this seemed to be the case. However, the growth of the European Community, with its adherence to democratic principles and a Western way of life also implied a project of domestic alignment. The creation of the Steel and Coal Community (1951) by the founding fathers of Europe way key to initiating this process, which would bring a measure of order to the anarchy of the international system (Anderson, 2000, p. 39). Another important consequence of the Cold War was that nationalism had very different conditions in the West and in the East. The free countries of the West were able to seek legitimacy for their states (especially the Federal Republic) – this in turn, depended on economic growth and collective security arrangements facilitated by cooperation. Owing to its democratic and liberal values the nationalism of the West is often referred to as a civic nationalism. On the other hand, the Soviet Union was a single-party state that relied on an authoritarian regime and military power to govern. Its satellite states were very limited in their ability to pursue their own state projects; thus, the common man was far removed from political influence. As Guibernau (2010) has argued, this leads to political alienation and distrust in the political system. Because of the weak link between the people and the state in the East German satellite states, nationalism became cultural rather than political in nature. The nationalism of the East bloc is often referred to as an ethnic nationalism, even though one must differentiate it from the modern form of ethnic nationalism expressed by the new radical right. Stalin and Lenin made it a stable of The Soviet nationalities' policy to recognize the existence of nationalities and allow the free development of the national and ethnic minorities (Anderson, 2000, p. 64). Whether it was the strong and ruthless central power or the different conception of self-determination (or both) in the Soviet Union that kept national/ethnic conflicts in check for most of its existence is hard to determine. What is clear though, is that the dissolution of the Soviet Union reignited a virulent radical ethnic nationalism in the post-communist Eastern Europe. The cultural and ideological divide between Western and Eastern Europe that had been born out of the Cold War experience has posed new challenges for the project of European integration. In the coming chapter the trust in the political system between West and East Germany will be compared.

The success of the European institutions from the 1950's to the 1980's consolidated their position as important supranational links to achieve economic growth and maintain positive relations. They were not seen as a threat to state independence, in fact they were considered to have been instrumental in restoring the legitimacy of the European states. They had restored their ability to provide security for their own citizens, reducing their dependence on the United States. It was the established view that national interests were advanced by European integration. This perception was strengthened by the relative

weakening of Britain compared to the members of the European community. Britain finally sought membership of the European Economic Community (EEC) in 1973.

The Federal Republic managed to put an end to the occupation regime and attain membership of NATO in 1955. After successful years of 'Westpolitik' under Adenauer a new foreign policy was adopted by the Willy Brandt government of 1969: 'Ostpolitik'. Brandt considered it vital to normalize relations with the Eastern neighbors and proceeded to conduct a policy of rapprochement with the East. Thereby he wished to deter the vulnerability of Central Europe to superpower rivalries and restore the cultural bonds between West and East that would one day make unification possible. His successor Helmut Schmidt (1974-82) continued this policy and sought to make it compatible with Adenauer's 'Westpolitik'. The final chancellor of the Federal Republic Helmut Kohl (1982-98) returned to 'Westpolitik' once again, but by this time the goals of 'Ostpolitik' had largely been achieved and relations had been normalized. This return brought Germany closer to the United States and helped secure their support for German reunification when this prospect suddenly became a reality in 1989. Furthermore, he determined to pursue European integration and build close ties with French President Francois Mitterrand, who shared this ambition (Thomas, 1998, pp. 203-06).

The economic miracle in the Federal Republic and the newfound stability attained in Central Europe spread a certain admiration and confidence in the 'West German Model'. German-patented institutional models became a much valued asset that inspired the structures and framework of the European institutions. Bulmer, Jeffery and Paterson (2000) list: *"the domestic experience of multi-level parliamentary democracy […] the framework for monetary stability policed with unrivalled success by the Bundesbank […] industrial standards in the single market programme; labour market practices in the social chapter; opening up EU-level decision-making to regional actors through the EU committee of the Regions; and at a more fundamental level a commitment to the emulation of the principles of German constitutional democracy at the European level"* (as cited in Bulmer et al. 2010, p. 7). From the mid-1980's and into the 90's this pattern of institutional 'export' continued apace embedding the German political systems into the heart of the European Union. This resulting congruence of German political life and the German polity with the EU provided a framework conducive to German actors and interests in this period (Bulmer & Jeffery, 2010, pp. 120-24)[30].

---

[30] See also appendix 2 for a schematic comparison in congruency between Germany, Britain and the EU.

Europe since the end of the Cold War and German Reunification

The reunification of Germany and the collapse of the Soviet Union were historic turning points in the twentieth century that redefined the context of international relations. The overwhelming threat of nuclear war faded[31] and the bipolar world division came to an end. At the same time the careful fostering of friendly relations and economic interdependence amongst the Western European nations meant that war between them had become impossible to imagine. The overshadowing need for security against a common enemy had lost much of its importance, and instead multilateral cooperation came to be increasingly measured on an economic and social scale. This was felt for the first time at negotiations of the 1991 Maastricht Treaty. Government leaders in the EU were taken aback by the popular reaction to the treaty and the difficulty in successfully passing it. The British negotiated an 'opt-out' of the single currency, the Danes rejected the treaty at first and in France it was barely approved after President Mitterrand had campaigned strongly in its favor. The rejections of the treaty bore significant nationalist considerations. There was an appeal to the national preference principle that the treaty was to the benefit of some countries that needed it to reform their economic and political systems whereas 'we' did not. Others expressed fears that it would cause an influx of immigrants and others again claimed that the treaty provided a framework for German domination. It necessitated a turn in the approach towards the rhetoric and states aims of foreign policy, where 'what is good for Europe' became subordinated to national concerns (Anderson, 2000, pp. 43-45).

When the people in Eastern Germany took to the streets in political demonstrations in October 1989 without meeting Soviet resistance it initiated a process that would lead to the reunification of Germany. Events unfolded quickly in Germany and in November the Berlin Wall that had come to symbolize the divide between West and East was breached. Kohl seized upon the opportunity to call for the reunification of Germany to fill the European power vacuum exposed by the demonstrations. The reunification was formally declared on 3 October 1990 and whereby Germany obtained Adenauer's goal of full sovereignty (Thomas, 1998, p. 207-08). The dissolution of the Soviet Union culminating in its collapse in 1991 were unforeseen events that had not been predicted by International Relations scholars of realism that focused on the power struggle between East and West. This conception had difficulty in explaining the magnitude of change Gorbachev made in Soviet foreign policy. Realists held that the collapse of the Soviet Union was caused by its economic decline and that the New Thinking of Gorbachev was an inevitable reaction to this degradation. However, this deterministic, materialist explanation overlooks the fact that Gorbachev's policies of radical reform were supported by few of the Soviet elite and it

---

[31] The year 1985 is usually seen as the end of the Cold War, because of Gorbachev's counter-revolution of Soviet foreign and domestic policies. He sought to transform the Soviet Union into a modern state that promoted a friendly international environment so that it would not need to rely on repression and central authoritarian rule (Snyder & White, 2011, p. 127)

overlooks the ideational components these reforms contained (Snyder & White, 2011, pp. 128-29). The constructivist position is able to account for the personal role of Gorbachev and the correlation between Soviet foreign policy and domestic reform. Gorbachev sought to transform the Soviet Union ideologically, which according to constructivism requires contending discourses to flourish. To him, the Soviet foreign policy became a means to promote his domestic agenda by constructing a new Soviet identity via interactions with other states. Soviet identity should no longer be based on class struggle and the idea of a hostile outside world. Instead, the view of a friendly and benign world, in which the Soviet Union was a model for peaceful coexistence of nationalities and ethnic groups, should justify domestic reforms (Snyder & White, 2011, pp. 128-31). The reforms Gorbachev sought entailed: *"... a dramatic reduction in the role of the military, a decentralization of the command economy, openness and empowerment of new groups historically marginalized in Soviet domestic politics (groups outside the party), and an effort to play a leading role in promoting global integration, thereby legitimating the Soviet regime and gaining it external support for his domestic-reform agenda"* (Snyder & White, 2011, p. 132). While successful in achieving global recognition and support, his reforms did not manage to save the Soviet Union. Instead they became a vehicle for nationalist assertion that ultimately played a critical role in the collapse of the Soviet Union. The new foreign policy focus also offers an explanation as to why the demonstrations in East Germany that led to the fall of the Berlin wall went unanswered.

In Germany the initial expectations to the cost of unification would prove drastically underestimated and obsessed with political and economic problems, neglecting social, cultural and psychological ones (James, 1998, p. 4). Since the German unification a growing divide has come into existence between the German domestic and European politics caused by the domestic effects of German unification and their interaction with EU. Firstly, the economic budgetary implications of absorbing the former East Germany have proven much more extensive than first calculated. Despite Government pouring billions of marks into the former GDR to modernize its economy and promote social development the Eastern Länder still remain poorer than the West, draining the German economy. The level of unemployment in the East was twice as high as in the West in 2009 (Kubicek, 2011, p. 85). Distributional conflict within Germany has sharpened as a result and the federal system has become target of competing territorial interests. These interests have caused several reforms of the federal system in an attempt to change it to the benefit of competing territories. This fundamental shift towards a local/regional preference principle has become externalized in the German relation with the EU inter alia through: *"protectionist protests against perceived over-regulation by the European Commission; a growing willingness to articulate and pursue a narrowly national interest in EU matters, for example on the EU budget; and in advocacy of the constitutional restriction of EU competence"* (Bulmer et al., 2010, p. 8). On top of that, the EU-level changes introduced after 1989 have

brought market liberalization into areas like services where Germany has not traditionally been strong and it has brought new competitive challenges introduced by the eastern enlargement of the EU. In international matters of security new expectations have arisen for the EU and especially Germany to take an active role, while migration and transnational crime pose pressing challenges to the state with the most borders in the EU (Bulmer et al, 2010, p. 8; Bulmer & Jeffery, 2010, pp. 127-33). The once so advantageous symbiotic relationship of the EU and Germany is now challenged at its core by issues deriving from expectations toward Germany and from domestic issues mirrored in German EU involvement.

The reunification brought new personal and civic freedoms to former East German citizens, but the sudden disappearance of the political system and life in the GDR almost overnight proved a bigger challenge to integration than expected. Over the roughly 40 years of division of Germany two distinct peoples with different values had emerged owing to differing educational systems, life experiences, government propaganda etc. Even though the protests of 1989 show that the Easterners had rejected the fundamental tenets of the GDR's socialist systems, it did not mean that they were willing and able to adapt the Western model in its totality. As the costs of reunification started to reveal themselves to be much higher than expected and the promises of 'blossoming landscapes' in the East, as uttered by Kohl, did not come to pass, resentment and tensions between West and East emerged. Germans started speaking of 'die Mauer im Kopf' (the wall in mind) to describe the persistence of cultural, social and ideational differences (Kubicek, 2011, pp. 85-88). The Easterners went through what one might refer to as an identity crisis fostered by the sudden disappearance of the GDR and characterized by personal anguish and political confusion. 'Ostalgie' the nostalgia for some elements from the GDR spread to certain segments of the population. The ALLBUS (General General Social Survey) conducted every other year has researched the question of identification with the former East Germany since 1991:

Table 1:
Levels of Identification with the former East Germany % of respondents

Level of Identification	1991	2000	2008
Strong	12.3	21.2	20.8
Fairly strong	30.9	47.9	44.3
A little	30.1	23.0	21.9
Not at all	26.6	7.9	13.0
Sample size	1494	730	626

Source: ALLBUS 2008, online data, available at http://www.gesis.org/en/services/data/survey-data/allbus.

Note: Responses of "do not know" or "cannot say" were dropped from the analysis. The sample size for all surveys is sufficient to conduct statistical analysis.

Even though one might expect that the younger generations who had experienced most of their lives in reunited Germany would cause the prevalence of Ostalgie to fade, assessments that the German economy has suffered from unification correlates with the identification of the GDR providing a means for the persistence of Ostalgie. It finds its expression as a longing and reimagining of life in the GDR presenting it as a simpler and more tranquil period (Kubicek, 2011, pp. 89-95). Thus, it is not necessarily a trend that is revolutionary or political in nature – but should be seen as an expression of the 'lost' identity of the GDR. Yet, table 2 seems to indicate that it has a certain political impact.

Table 2: Level of Trust in Political Institutions

Institution	Trust Among All Surveyed	Trust Among All East Germans	Trust Among Those Who Identify with the GDR
Federal Government	3.67	3.40	3.29
Bundestag	3.64	3.28	3.18
Constitutional Court	4.78	4.41	4.30
Political parties	3.10	2.94	2.84

Source: ALLBUS Survey, 2008. Table reports mean scores on a scale of 1-7, with 7 being a high degree of trust.

Combing the results of table 1 and table 2 empirical evidence appear suggesting that the legacy of the communist experience still marks East Germany. Furthermore, the continued presence of 'Ostalgie', defined as level of identification with the Former East Germany, only reinforces this lack of trust in political institutions. Furthermore, nostalgia for the old system has manifested itself in electoral support for the Party of Democratic Socialism (PDS), later 'Die Linke' (The Left Party), that traces its roots to the GDR's Socialist Unity Party. General distrust of the federal government has a strong correlation to an intended vote for the Left Party among those who identify with the GDR (Kubicek, 2011, pp. 89, 97-98). The Left Party of today is no longer as revolutionary and undemocratic as it was in 1990, so supporting it does not equate being opposed to the German democratic system. But one effect that may be crucial to German political life is that rising support and respect for the Left Party has brought SPD electoral support to a maximum of ca 35 percent. The other traditionally strong political party CDU/CSU has not achieved over 40 percent at the polls since 1994. This coupled with disaffection with the party state in Germany challenges party legitimacy. It has also had consequences for political leadership where the chancellor must balance between being party and government leader (Bulmer et al, 2010, pp. 9-13).

Analysis Part 2

Analysis part 2

In the second part of the analysis the implications of nationalism in the Eurozone crisis will be studied in-depth. For this purpose I consider the Eurozone crisis largely coeval with the ongoing (as of September 2012) European sovereign-debt crisis that thrust the seventeen Eurozone member states into financial instability and recession (with variations) starting from late 2009-early 2010. The chapter is focused on the German response to the crisis and the corollary role this response suggests for Germany in the leadership of Europe. First, an outline of the crisis focusing on the issues particularly relevant to nationalism will figure. This will be followed by a closer analysis of the German leadership and the underlying reasons for its decisions in the crisis. I will focus on its decisions in two areas; the role of economic stimulus as a European response to the economic crisis and the need for a European initiative to solve the banking crisis in Eastern Europe. In both areas Germany has vested interests relating to the importance of the export market, but other aspects of national identity has interfered in the course taken. The German actions have frustrated Europe and have been understood as a deviation from the well-established pro-European path of Germany. However, chancellor Merkel has remained adamant that the goal is to save the European Union, dramatically stating; *"If the euro collapses, then Europe and the idea of the European Union will fail"* (Müller, 2011, para. 1). Such conflicting perceptions and statements have brought into question the German commitment to Europe and raised allegations that Germany is to blame for the severity and persistence of the crisis. The analysis will end with an examination of this attack on the German ambitions in Europe.

The Eurozone Crisis and National Interests
The Eurozone crisis was born out of the reaction of European governments to the financial and credit crisis of 2007-2009. Private and government debt levels around the world had been rising in this period owing to; 1) the rescue operations of the national banking systems and the stabilization funds; 2) the stimulus packages to prevent a further meltdown of the type experienced in the Great Depression of the 1930s; and 3) the extensive tax revenue losses due to the meltdown of the real economy, the rise of unemployment, and the decline in incomes (Grauwe, 2010). In February 2010 the weakest economies in the Eurozone periphery (Spain, Portugal, Ireland and in particular Greece) were ailing initiating debates about the need for bailouts (Anand et al., 2012, pp. 9-12). The period of 2002-2007 had significantly increased the amount of savings available on a global scale, while simultaneously providing easy credit conditions that encouraged high-risk lending and borrowing practices. However, there was considerable variation in the way in which European countries involved in the crisis borrowed and invested the money. In the case of Greece, the money went into very generous wage and pension benefits for public workers (Young & Semmler, 2011, p. 7).

The Eurozone responded in May 2010 with a rescue package of €750 billion and by creating special purpose vehicles (notably the EFSF: European Financial Stability Facility) to issue bonds or other debt instruments with the aim of ensuring financial stability over Europe (Young & Semmler, 2011, p. 7). This was followed up by more treaties and pacts imposing fiscal restraint on banks, commitments towards managing a balanced budget and political reforms to increase fiscal strength and competitiveness. In order to comply with these demands the weaker countries have been forced to adopt ever more austerity measures. The interdependencies of the economies in the Eurozone have produced a situation where financial contagion threatens, that is, economic collapse in one country crucially affects the others because it puts external debt at risk to defaults and recession. On top of that, the single currency of the Eurozone compounds this threat due to destabilizing effects in one member state affecting other members.

In the debate surrounding the Eurozone crisis national interests have become a centerpiece of critical examination of the involved member-states. Government politicians have not missed out on the public skepticism towards the European project and are making sure to incorporate attention to this in their rhetoric – whether for or against European integration. The sustainability of the Eurozone is being weighed against the divergent national interests of member states and differences in their economic systems, but also against social and cultural aspects embedded in their national identity. As the historic engine and supporter of European integration, Germany's role has received special attention. There has been much criticism of an apparent missing German commitment, an interpretation discerned from the hesitant German response and reluctance to implement economic stimulus to kick-start European economy (Newman, 2010, p. 157). At the same time, a number of critics have suggested that Germany is a financial beneficiary of the Eurozone at the expense of the peripheral states, and that German actions to keep the Eurozone intact are solely a question of national interests. The rescue packages and bailouts have been accompanied by new strict regulation in fiscal policy – an area in which states were supposed to retain their sovereignty within the EU. Consequently, sovereignty and democratic practices are threatened resulting in the rise of nationalist sentiment and questions to the efficacy of the EU structure.

The German Response
The process of reaching consensus on the rescue-package was an arduous, uncoordinated affair that has been criticized for its slowness in responding to such an acute problem. The focus of this critique was on Merkel's hesitant intervention, which some claim made the rescue package more expensive because the failure to address uncertainties in the Eurozone markets drove the credit default swaps of government securities to ever greater heights (Young & Semmler, 2011, p. 8). This pattern of caution and letting the situation develop before taking action was not only present in the initial German response, but has

come to define Germany's stance on intervention in the crisis (Newman, 2010, p. 157). In other member-states this has been interpreted as a lack of commitment and as reluctance to assume a leading role in the EU to solve the problems. This impression has been reinforced by public debate in Germany that brought up questions of national differences. Above all, there was a juxtaposition of profligate Greeks living above their means versus the industrious, thrifty and honest Germans (Rosenthal, 2012, p. 53). German taxpayers felt that they were being asked to pay for the irresponsible Southern European 'party' and lifestyle of over-consumption with the money earned over years of tough reforms of their own labor market and social welfare system (Young & Semmler, 2011, p. 8). Such adherence to national identity and national interest (though one may make the objection that this was really self-interest) vividly suggests that attachment to national identity trumps and undermines any sort of European solidarity. Along with Merkel's hesitant and mixed response towards creating the rescue packing it raises questions as to the German commitment to save the Eurozone and suggests that Germany's foreign policies have taken a nationalistic turn.

In the Cold War era German foreign policy was guided by the concept of "Einbindungspolitik" (the policy of cooperative self-binding). Under the auspices of said approach Germany rigorously pursued multilateral cooperation within Europe in spite of the detracting effect on her room for independent political movement. However, the debates and arrangements conducted in the EU forum since the onset of the Eurozone crisis (but subtlety starting already after the reunification) suggest a marked departure from this concept. Germany has expressed its unwillingness to continue integration at any cost and has adopted a more critical attitude towards potential free riding by other members. This is a historic shift, which also represents a change in the German national identity, where the core value of European integration is losing potency. In determining the cause of the both the global and the Eurozone crisis, German policy makers perceive cultural differences to be a root cause – certainly a challenging perspective to multilateral cooperation. In the case of the global crisis they focused on irrational practices of risk and investment promoted by the United States as a main cause in overheating the world economy. The German stance to restore the global economy opposes 'quick fixes' and investments that may be seen as unreliable. In the case of Europe, Germany considers missing budget discipline in the Southern periphery as the main cause behind their economic woes. This view is contested by the affected countries. They point instead to international investors who worsened the crisis by speculating against the bond prices (Young & Semmler, 2011, p. 17). One clear example of the German cautionary fiscal policy of risk aversion came concerning the use of stimulus to restore the global and European economy. U.S President Barack Obama was in favor of large scale domestic spending packages as a means to kick-start global economy. Chancellor Merkel on the other hand, staying true to her conservative approach, opposed any measures that would increase

debts and denounced such strategies for their short-sightedness (Young & Semmler, 2011, p. 18).

Based on economic self-interests in Germany the response to the stimulus package may seem surprising. Germany is heavily dependent on European consumers to purchase its exports making it vulnerable to reluctant consumer practices that economic crisis usually inflicts. Indeed, by late 2009 exports had fallen by roughly 20 percent from their 2008 level and over half a million workers had been put on short hours[32] (Newman, 2010, p. 157). In light of these threats to German economy it seemed reasonable to assert that the quick recovery of the Eurozone was very much in Germany's self-interest. However, the course of action taken suggests that other non-materialistic concerns may have been influential.

Taking up a constructivist position we may consider the impact and transformation of ideas within a society in relation to political decision making. According to Newman (2010) situations of uncertainty imparts a reliance on belief in interest construction (pp. 152-53). That is to say, when leaders are exposed to unexpected events and they find themselves without means to calculate the probability that a particular action will result in a particular outcome, there is a tendency that they refer to their core beliefs. The often unintended side effects of policy making attest to the high level of uncertainty in this area. In the case of Germany the adherence to multilateralism fostered during the Cold War left a clear imprint on the German beliefs that were apparent in the pro-European rhetoric of Kohl at the time of reunification. But we need to go further back than that to understand why reunification became a turning point. The interwar experiences of inflation and the subsequent rise of the Third Reich were so devastating to Germany that their causes became anti-essential to constructing a new national identity. In particular factors like rapid inflation, high public debt and quick political change influence the narrative of political debates in Germany. Instead, as a counter-measure to such socio-economic developments, German policy making stresses caution, incrementalism and monetary stability. As the West German model proved its success during the Cold War these principles became firmly embedded into the political value system. It is reinforced by a decentralization of political decision making power involving several levels of governance. The fact that these principles are still guiding German monetary policy is clear in this statement of Merkel from 2009: *"As the head of the German government, I am most concerned by the debate in Germany, where people are worried about accumulating debt, and about the possible inflationary consequences"* (Benoit, Peel & Bryant, 2009). Another main influence on the German beliefs is derived from the experience of reunification. It took place with little preparation and with an almost complete switch from system to another in the GDR foregoing core German principles of incrementalism and caution. The process was essentially un-German

---

[32] Short hours in Germany is a political welfare device to protect job security where Government pays ca. 60 percent of the wage bill to prevent job cuts (Newman, 2010, p. 157).

(Newman, 2010, p. 156). The mounting deficits and escalating unemployment of the following years confirmed and reinvigorated the beliefs in policy conservatism. It also had another critical effect which was to detach the symbiotic relation of Germany and the European Union in the eyes of the public. This detachment should not be seen as a complete rejection of the EU, but a certain Euro-skepticism has taken hold in Germany in which national interests are not necessarily aligned with the EU project.

The resistance to the stimulus packages can be explained in terms of these guiding principles to German economic policy. Above all, Germany believed that pumping enormous amounts of money into the global economy would only exacerbate the problem by causing inflation. Merkel expressed the German fear of this problem in warning that it would cause *"crisis after the crisis"* (Benoit et al., 2009). The German understanding of the problem was that it was loose monetary policy in the United States that was the triggering factor for the global crisis. Accordingly, they held that economic stimulus would augment the crisis and that restraint in spending was the correct measure. Another issue was that of control. Germany feared that stimulus packages would undermine the Stability and Growth Pact of the Eurozone. This would be counterproductive to Germany's intended course of action, which involved expanded regulation of the financial services sector (Newman, 2010, p. 159). The German response to the crisis seems almost to reimagine the ghosts of hyperinflation and its dire consequences. Germany stood fast in their conservative approach in spite of the bemoaning reaction of the United States and other members of the Eurozone, and despite the potential ramifications to national economy of a hurt export market. This is best understood on the basis of deeply rooted national assumptions that were embedded in national identity through narratives of historic events.

Another case in which Germany's behavior is difficult to explain purely from the angle of self-interest is the banking crisis in Eastern Europe. Up to the global crisis Eastern European economies had been steadily improving and maintained healthy currencies leading Western banks to grant out foreign denominated loans to East European citizens. However, the global slowdown hit the Eastern countries hard and resulted in a reevaluation of their currencies that instantly increased loan payments. It was a drastic reversal of fortune that saw double digit declines in GDP in several new member states. When East German countries pleaded their case for bailout, Germany firmly opposed and sent mixed signals on her commitment towards the region in case the situation worsened. Germany also opposed a quick introduction of the euro to the Eastern member states, which were instead forced to seek help from the IMF. This course of action may seem puzzling considering the importance of the Eastern countries to the German export market. The Czech Republic, Hungary and Poland accounted for a bigger portion of German sales than export to the United States did in 2007. Having the affected countries turn to the IMF instead of implementing regional rescue packages, as it was done in the early 1990s, also

represents a turn away from the classic Einbindungspolitik (Newman, 2010, p. 159-60). The German response was motivated by a resistance to encourage risk-taking. As previously argued, German policy makers regard irresponsible practices in loan and investment to be primary causes of the crisis. Furthermore, the reunification experience highlighted problems of revitalizing Eastern economies with monetary injections. The shift in emphasis away from the classic tenets of European integration can also be understood on the basis of generational change in leadership. To the leaders that had lived during the horrors of wartime European integration was the means by which to overcome the slaughters of Verdun and Stalingrad. But since Schröder this memory is no longer a personal one resulting in the scales on which the importance of European integration is measured to tip towards other concerns (that seem increasingly self-serving in nature).

A Self-serving Germany?

The question of Germany's willingness to save the Eurozone is further complicated by economists who argue that the monetary structure of the Eurozone benefits Germany at the expense of the peripheral member states. Their line of argument centers on the adoption of the euro as a single currency and its adverse effects on the Southern European economies contrasted with the advantageous effects to German economy. According to their argument, Germany has pursued a "beggar-thy-neighbor" policy that has asymmetrically divided Europe into a healthy core consisting of Germany, Austria and the Netherlands and a suffering southern periphery. They focus on two underlying reasons for this mechanic; Firstly, the peripheral countries entered the EU at unfair exchange rates. Secondly, through wage moderation Germany has had the real effect of devaluation (which is otherwise not possible with a single currency) because it has resulted in a slower rise in unit wage costs. According to the most outspoken of these critics, the Eurozone is purely designed to benefit Germany and allow it to exercise power in Europe. (Rosenthal, 2012, pp. 55-60; Young & Semmler: 2011: 2). The economic debate over the benefits of the euro will not be developed here, but I will note that there are contrasting views that go so far as to suggest that Germany does not benefit from the euro[33].

When the Eurozone crisis struck it quickly revealed deficiencies in the structure of governance in the Eurozone. While Germany has been blamed for the slow response, the troublesome matter of reaching consensus among 17 member-states each affected in different ways by the crisis was certainly a crucial factor. Economists pin the structural problem down to the contradiction of having a monetary union (common currency) without a fiscal union (e.g. common taxation, pension and treasury functions). Consequently, governments are unable to devalue their currency and forced to find other means to restore weak economies (Anand et al., 2012: 13). This represents a restriction in

---

[33] For a contrasting viewpoint I refer to: Hans Werner Sinn (2010) *Rescuing Europe.* Special issue CESifo forum 11, available at http://www.cesifo-group.de

the sovereignty of member-states, but one all member-states willingly agreed to. However, during the Eurozone crisis the bailouts of Greece have been conditional to austerity packages and other demands. One can appreciate the reasoning behind this, certainly it was required for public support for such packages, yet it suggests that the sovereignty of states is critically challenged by the crisis. This was only made blatantly clear when the then prime minister of Greece Papandreou's calls for a referendum on the latest EU bailout agreement on October 31st 2011, was met with disapproval by France, Germany and the institutions of the European Union. The pressure that was exercised by them on Papandreou questions the state of democracy and sovereignty in Europe (Rosenthal, 2012, p. 60). The uprisings and social turmoil in Greece must be understood in this context.

The German backed proposals of ever more regulations in fiscal policy can also be seen as an attempt to reshape Europe in a German image. Critics who believe Germany is now more interested in a German Europe than a European Germany claim that Germany is abusing the crisis to exert control and reduce the sovereignty of other EU member states. According to Rosenthal (2012) the insistence on keeping Greece in the Eurozone does not make sense from an economic perspective and must be seen as a political choice. He concludes that the point of the European Monetary Union was a tool for political hegemony. It was never intended to provide a framework for fair competition and growth, but rather to make the peripheral countries dependent and amenable to reforms that would undermine their sovereignty. The real goal was to consolidate power in order to challenge the United States for global supremacy. In this explanation, the reason for 'chaining' Greece to the Eurozone is the fear that it will initiate a domino effect – not because the Euro is destabilized, but because a prosperous Greece outside the Eurozone would provide a model that could inspire other member states to break free (Rosenthal, 2012, p. 61). This account is taken directly out of the school of structural realism that explains international relations on the basis of power. It can be criticized within its own framework for painting the smaller states as lacking willpower and agency of their own. If the Eurozone was so obviously causing their impoverishment at the benefit of a 'healthy core' would they not be able to challenge this and to leave without detrimental effects to their economy? Considering the uprisings in the suppressed satellite states in the Soviet Union it would seem easy for the Eurozone members to proclaim their independence from its structures. The Eurozone must by definition benefit all member states in some way to make participation a worthwhile endeavor for them. Nonetheless, it does seem a fair and objective point that the response of the Eurozone to the crisis has been guided by German principles. This does not seem entirely unreasonable considering that the institutional structure of the EU is also based on German models. One might argue that it only makes sense to adopt German measures within a German inspired framework. But the question is if this naturally implies that Germany seeks dominance or if it is actually believed to be the best course of action for Europe?

In accordance with the realist line of argument, the intervention of Germany in order to save the Eurozone could only be considered an egotistical move based on self-interests. One can rightfully ask if this does not put Germany in a dilemma, where any action it takes is interpreted through a rationalist, self-centered point of view. The problem is, if everything is done out of self-interest, the point of calling it out becomes redundant. Even when Germany was pro-European this was also in its own self-interest. It becomes a tautological statement to say that a state acted out of self-interests, when this is one the core premises of the theory itself. No one can be held accountable for anything in this circular reasoning. We must be able to regard the importance of ideas and values in order to measure actions. If we consider aspects of national identity, we may understand Germany's actions in the light of deeply rooted national beliefs. That is not to propose that this is an alternative to self-interests; I would argue that they are practically inseparable. But what is in one's own self-interest is dependent on meaning that is socially and historically embedded. One such concept is that of sovereignty which usually equated the independence of the state and freedom in its capacity to make decisions. However, this conceptualization has its origins in a time before supranational organizations that enable institutions of global governance came into being. If we regard sovereignty as a measure of state influence and control, we must reevaluate it in todays interconnected world, where nation-states are increasingly affected by decisions made in other nation-states or in these institutions. If this the understanding of sovereignty does not change this development will continue to violate the congruency between the state and the nation. Consequently, nationalism will be awoken in its reactive, protective form that most often implies exclusion and ideas of ethnic supremacy.

Conclusion

Conclusion

I started this assignment by considering some of the puzzles and paradoxes that exist in the relationship between nationalism and globalization. This was presented in terms of a relationship between contradictory forces that seem poised to clash and conflict with each other. Specifically, the forces of nationalism and globalization were in question. In order to follow this dialectical process a theoretically grounded conceptualization of both was needed. That is to say, I attempted to regard them both in terms of their underlying societal properties in order to produce a theoretical understanding that could account for their varied effects and manifestations. Nationalism is not simply one particular set of ideas and globalization is not only a process of American cultural hegemony. The persistence and remarkable variation in the forms of nationalism, along with the multifarious and intricate effects of globalization, easily dispel such empirically selective conceptualizations. In analyzing theories of nationalism I proceeded from the assumption that predominating theories within the academic discipline of International Relations in different eras would be critical to the understanding of the role of nationalism. Thus, theories of IR were included that would allow competing ideas of nationalism to be analyzed on this background. Indeed, nationalism was closely linked to the notions of war and power for much of the twentieth century due to the critical influence of the realist theoretical paradigm. The theoretical understanding of the place of nations and nationalism in history is closely linked to social conditions of specific eras. This has had unfortunate implications for its prospects of an academic treatment. Its associations with racism, ethnic cleansings, supremacy etc. have caused many researchers to shy away from it and treat it as a cultural construction to prevent and overcome. This stands in stark contrast to the notion that national unity generally is a good thing that states should seek to achieve. This misconstrued relation fails to consider that the construction of a national identity that allows for national unity is only made possible by the social interactions that produces, reproduces and invents a shared national cultural history (or myth). Nationalism is that very expression of cultural constructions and symbols that generate an apprehension, even though it is imagined, of belonging to the same nation-state. In forming nation-states, nationalism was a proactive force that brought equality and broke down hierarchical systems and it continues to be a guarantor of the equal worth of citizens. Unfortunately, the power of its integrating ideology often implies to its adherents that they are members of an elite group, superior to other peoples or nations in some respects. This tendency towards exclusion and ethnic supremacy dominates the discourse about nationalism and finds its modern societal expression in the rise of the new radical right. Their reactive, protectionist and historic nationalism actually reinforce this discourse, thus making the construction of a national identity more difficult. Globalization has problematized nationalism by creating more culturally diverse societies in which the locality has smaller importance than before.

On the political level it has affected the sovereignty of states, diluting them by inducing a separation between domestic and international governance. While this may not reflect an actual reduction in state power or influence, there is strong evidence that it is perceived in this manner. However, nationalism has proved more resilient in the face of globalization than many expected – this seems to suggest that national cultures can exist besides transnational cultures. Some fear that nationalism will provoke a breakdown of the international order, especially in the light of financial crisis.However the interdependencies of the modern market are also so great that this would amount to an economic Armageddon. A more positive outlook for nationalism is one which realizes that cultural differences are quintessential to its existence and learns to appreciate the coexistence of cultural differences in society on this background.

In the analysis I focused on the impact of nationalism in the formation of the EU (and vice-versa). Its importance to this project must not be underestimated, since the European Community was established as a countermeasure to nationalism. As it proved economically successful this became an additional purpose that encouraged further integration. In Germany it became intrinsic to restoring a sense of national identity and self-worth. With the end of the Cold War it seems that the threat of nationalism at the time had been defeated and national interests in the project became more economic in nature. However, the congruence between the European institutions and Germany's domestic structure started worsening after reunification. Because of Germany's pro-European stance and because the EU is built around German institutional models looked to her for leadership when the Eurozone crisis struck. However, the German response was muted and seemed to be opposed to its economic self-interests in some cases. Reunification had elevated long-held beliefs about policy conservatism that now challenge the postwar multilateral policy frame. In this project I proceeded from the assumption that the historical context is indispensable to understanding causal relations on the international scene. By adopting this view and a social constructivist approach it became possible to understand the seemingly irrational German response and to challenge critics that accuse Germany of losing sight of the European vision and following a narrow path of self-interest.

Bibliography

Adler, E. (1997). Seizing the Middle Ground: Constructivism in World Politics. *European Journal of International Relations,* 3/3, 319-63.

ALLBUS (German General Social Survey) 2008.
Data available at http://www.gesis.org/en/services/data/survey-data/allbus

Anand, M. R., Gupta, G. L., & Dash, R. (2012). The euro zone crisis: Its dimensions and implications. Retrieved 20-08-2012 from http://ideas.repec.org/p/ess/wpaper/id4764.html

Anderson, B. (1983). *Imagined Communities: Reflections on the Origin and Spread of Nationalism.* London, UK: Verso.

Anderson, M. (2000). *States and Nationalism in Europe since 1945.* London, UK: Routledge.

Appadurai, A. (1996). *Modernity at Large: Cultural Dimensions of Globalization.* Minneapolis, MN: University of Minneapolis Press.

Balabkins, N. (1964). *Germany Under Direct Controls: Economic Aspects of Industrial Disarmament 1945 - 1948*. New Brunswick, NJ: Rutgers University Press.

Barber, B. (1995). *Jihad vs. McWorld.* New York, NY: Times Books.

Bauman, Z. (2000) *Liquid Modernity.* Cambridge, UK: Polity Press: Blackwell Publishing Ltd.

Benoit, B., Peel, Q., & Bryant, C. (2009, March 27). We all want to put the global economy back on its feet. *Financial Times.* Retrieved 28-08-2012 from http://www.ft.com/intl/cms/s/0/d9956408-1b06-11de-8aa3-0000779fd2ac.html#axzz26HaDp6ts

Berila, B. (2005). Unsettling Calls for National Unity: The Pedagogy of Experimental Multiethnic Literatures. *Melus,* vol. 30 (2), pp. 31-47.

Billig, M. (1995). *Banal Nationalism.* London, UK: SAGE.

Breuilly, J. (2006). Introduction. In Ernest Gellner, *Nations and Nationalism*. 2nd ed. Oxford, UK: Blackwell Publishing. (Original work published 1983).

Bulmer S., & Jeffery C. (2010). Does Congruence Matter? Germany and Britain in the European Union. In S. Bulmer, C. Jeffery, & S. Padgett (Eds.), *Rethinking Germany and Europe: Democracy and Diplomacy in a Semi-Sovereign State* (pp. 113-138)*.* London, UK: Palgrave Macmillan.

Bulmer S., & Jeffery C, & Padgett, S. (2010). Democracy and Diplomacy, Germany and Europe. In S. Bulmer, C. Jeffery, & S. Padgett (Eds.), *Rethinking Germany and Europe: Democracy and Diplomacy in a Semi-Sovereign State* (pp. 1-21). London, UK: Palgrave Macmillan.

Castells, M. (1997). *The Power of Identity. The Information Age: Economy, Society and Culture, Volume II.* Oxford, UK: Blackwell Publishing.

Cowen. T. (2004) *Creative Destruction: How Globalization is Changing the World's Culture* Princeton, NJ: Princeton University Press.

Delanty, G., & O'Mahony, P. (2002). *Nationalism and Social Theory*. London, UK: SAGE Publications.

Evans, M. (1996). The Languages of racism in contemporary Europe. In B. Jenkins, & S. A. Sofos (Eds.), *Nation and identity in contemporary Europe* (pp. 30-49). London, UK: Routledge.

Fergusson, A. (2010). *When money dies: the nightmare of deficit spending, devaluation, and hyperinflation in Weimar Germany*. New York, NY: PublicAffairs.

Fierke, K. M. (2007). Constructivism. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 166-184). Oxford, UK: Oxford University Press.

Gellner, E. (2006). *Nations and Nationalism.* Breuilly, John, (Ed.) 2nd ed. Oxford, UK: Blackwell Publishing. (Original work published 1983).

Giddens, A. (1979). *Central Problems in Social Theory: Action, structure and Contradiction in Social Analysis.* London, UK: Macmillan.

Giddens, A. (1981). *Power, Property and the State. A Contemporary Critique of Historical Materialism, Volume I.* London, UK: Macmillan.

Giddens, A. (1985). *The Nation-State and Violence. A Contemporary Critique of Historical Materialism, Volume II.* Cambridge, UK: Polity Press.

Giddens, A. (1991). *Modernity and Self-Identity: Self and Society in the Late Modern Age.* Cambridge, UK: Polity Press.

Grauwe, P. (2010, May 19). Fighting the wrong enemy. *Vox: Research-based policy analysis and commentary from leading economists*. Retrieved 27-08-2012 from http://www.voxeu.org/article/europe-s-private-versus-public-debt-problem-fighting-wrong-enemy

Guibernau, M. (2010). *Migration and the Rise of the Radical Right: Social Malaise and the Failure of Mainstream Politics.* Policy Network Paper. This paper forms part of Policy Network's research Programme on "Managing migration in times of economic turbulence. Retrieved 26-07-2012 from http://www.policy-network.net/

Hay, C. (2007). International Relations Theory and Globalization. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 266-287). Oxford, UK: Oxford University Press.

Hetzel, R. L. (2002). German Monetary History in the Second Half of the Twentieth Century: From the Deutsche Mark to the Euro. *Federal Reserve Bank of Richmond Economic Quarterly,* vol. 88 (2), pp. 29-64.

Hill, C. W. L. (2009). *International Business: Competing in the Global Marketplace.* 7th ed. New York, NY: McGraw-Hill.

Holmes, D. (2000). *Integral Europe: Fast-Capitalism, Multiculturalism, Neofascism.* Princeton, NJ: Princeton University Press.

Hynek, N., & Thomsen R. C. (2006). Keeping the Peace and National Unity: Canada's National and International Identity Nexus. *International Journal,* vol. 61 (4), pp. 845-858.

James, P. (1998). The new Germany eight years on. In P. James (Ed.), *Modern Germany: Politics, society and culture* (pp. 1-12). London, UK: Routledge.

Kant, I. (1983). To Perpetual Peace: A Philosophical Sketch. In T. Humphrey (Ed.), *Immanuel Kant: Perpetual Peace and Other Essays on Politics, History, and Morals* (pp. 107-143). Indianapolis, IN: Hackett Publishing. (Original work published in 1795).

Kaufman, D. (1998). The Nazi legacy: coming to terms with the past. In P. James (Ed.), *Modern Germany: Politics, society and culture* (pp. 124-140). London, UK: Routledge.

Khazaleh, L. (2005, December 15). Interview with Benedict Anderson. Translated by Matthew Whiting. Benedict Anderson: "I like nationalism's utopian elements". *University of Oslo*. Retrieved 07-05-2012, from https://www.uio.no/english/research/interfaculty-research-areas/culcom/news/2005/anderson.html

Kohn, H. (2005). *The Idea of Nationalism: A Study in its Origins and Background.* Calhoun, Craig (Ed.). New York, NY: Macmillan. (Original work published 1944).

Kubicek, P. (2011). The Diminishing Relevance of *Ostalgie* 20 Years after Reunification. In K. Gerstenberger, & Braziel, J. E. (Eds.), *After the Berlin Wall: Germany and Beyond* (pp. 85-103). New York, NY: Palgrave Macmillan.

Kurki, M., & Wight C. (2007). International Relations and Social Science. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 13-33). Oxford, UK: Oxford University Press.

Lawrence, P. (2005). *Nationalism: History and Theory*. Harlow, UK: Pearson Education.

Lebow, R. N. (2007). Classical Realism. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 52-71). Oxford, UK: Oxford University Press.

Mearsheimer, J. (2007). Structural Realism. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 71-88). Oxford, UK: Oxford University Press.

Milward, A. (2000). *The European Rescue of the Nation State.* (2nd Ed). Berkely, CA: University of California Press. (Original work published in 1992).

Morgenthau, H. J. (1948). *Politics among Nations: The Struggle for Power and Peace.* New York, NY: Alfred A. Knopf.

Morgenthau, H.J. (1958). *Decline of Domestic Politics*. Chicago, IL: University of Chicago Press.

Mudde, C. (2007). *The Populist Radical Right in Europe.* Cambridge, UK: Cambridge University Press.

Müller, H. (2011, June 10). Uncommon Currency: A Possible Scenario for the End of the Euro. *Spiegel Online.* Retrieved 27-08-2012 from http://www.spiegel.de/international/europe/uncommon-currency-a-possible-scenario-for-the-end-of-the-euro-a-790352.html

Nairn, T. (2007). Union on the Rocks? *New Left Review, 43.* Retrieved 15-07-2012 from http://newleftreview.org/II/43/tom-nairn-union-on-the-rocks

Newman, A. L. (2010). Flight from Risk. Unified Germany and the Role of Beliefs in the European Response to the Financial Crisis. *German Politics and Society,* issue 95, vol. 28 (2), (pp. 151-164).

Norris, P. (2005). *Radical Right: Voters and Parties in the Electoral Market.* Cambridge, UK: Cambridge University Press.

Ohmae, K. (1990). *The Borderless World: Power and Strategy in the Global Marketplace.* London, UK: HarperCollins.

Ohmae, K. (1995). *The End of the Nation State. The Rise of Regional Economies.* London, UK: HarperCollins.

Panke, D., & Risse, T. (2007). Liberalism. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 89-108). Oxford, UK: Oxford University Press.

Pryke, S. (2009). *Nationalism in a Global World.* Liverpool, UK: Palgrave Macmillan.

Richardson, J. L. (1966). *Germany and the Atlantic Alliance*. Cambridge, MA: Harvard University Press.

Risse, T. (2007). Social Constructivism Meets Globalization. In D. Held, & A. McGrew (Eds.), *Globalization Theory: Approaches and Controversies.* (126-147). Cambridge, UK: Polity Press.

Rosenthal, J. (2012). Germany and the Euro Crisis: Is the Powerhouse Really so Pure? *World Affairs, May/June 2012,* (pp. 53-61).

Schlesinger, P. (1987). On National Identity: Some Conceptions and Misconceptions Criticized. *Social Science Information,* vol. 26 (2), pp. 219-264.

Smith, S. (2007). Introduction. Diversity and Disciplinarity in International Relations Theory. In T. Dunne, M. Kurki, & S. Smith (Eds.), *International Relations Theories: Discipline and Diversity* (pp. 1-12). Oxford, UK: Oxford University Press.

Snyder, R., & White, T. J. (2011). The Fall of the Berlin Wall: The Counterrevolution in Soviet Foreign Policy and the End of Communism. In K. Gerstenberger, & Braziel, J. E. (Eds.), *After the Berlin Wall: Germany and Beyond* (pp. 127-148). New York, NY: Palgrave Macmillan.

Taylor, P. (2003). *International Organization in the Age of Globalization.* London, UK: continuum.

Thomas, N. (1998). Germany and Europe. In P. James (Ed.), *Modern Germany: Politics, society and culture* (pp. 196-212). London, UK: Routledge.

Tomlinson,J. (1991). *Cultural Imperialism: A Critical Introduction.* London, UK: Pinter Publishers Limited.

Tomlinson, J. (2007). Globalization and Cultural Analysis. . In D. Held, & A. McGrew (Eds.), *Globalization Theory: Approaches and Controversies.* (148-168). Cambridge, UK: Polity Press.

Varble, Derek (2003). *The Suez Crisis 1956.* London, UK: Osprey.

Wolf, M. (2004). *Why Globalization Works.* New Haven, CT, Yale University Press.

Young, B., & Semmler, W. (2011). The European Sovereign Debt Crisis: Is Germany to Blame? *German Politics and Society,* issue 97, Vol. 29 (1), (pp. 1-24).

Appendix

Contents:

1. Modes of thought in modernity
2. Congruency chart comparing Germany, Britain and the EU in the mid-1990s and mid-2000s.

1)

On modes of thought in modernity:

Three important cultural aspects of modernity related to nationalism will be highlighted: those of knowledge, power and the self. All three aspects are, above all, influenced by the discourse of radical freedom, which empowers people as agents of change (Delanty & O'Mahony, 2002, p. 6).

In modernity, knowledge is no longer the exclusive domain of priestly or political elite, but becomes more and more autonomous of the state. As the need for specialization increased, new professional sites of research emerged forming the disciplines independently contrary to the earlier unified systems of thought. One might say that science was "liberated" and no longer subjugated to "higher" orders with a monopoly over truth claims (Delanty & O'Mahony, 2002, pp. 6-7). This is critical for nationalism, since it depends on the freedom of thought to challenge and participate in the state-formation project that the autonomy of science grants. This allowed for people to feel included in the process of forming and maintaining the nation so that it might be representative of them. One should not mistake this autonomy of science as an anarchic state, where ideas arbitrarily penetrate society from anywhere. While a specialization process went on, a simultaneous integration process appeared in education making it more generic to ensure a shared cultural base. In Germany, where the small courts were too weak to impose a national culture, academics were elevated to the 'interpreters' of the nation. Prussian professors held the title of "Kulturträger" – a custodian of culture. Thus, the academic project and state project became closely entwined and historians were assigned a dominant role in writing the history of the nation (Delanty & O'Mahony, 2002, p. 17). This production of a body of historical and geographical knowledge offered a basis for constructing a national culture. In the German case, according to Elias, the absence of a central authority led to a bourgeois and academic culture, in which authoritarianism, bureaucracy, discipline and conformism became core traits of the national culture (as cited in Delanty & O'Mahony, 2002, p. 67).

The autonomy of science also reflected back on civil society as an autonomous constellation. The reason for the strength of this equation can be retraced to the birth of nationalism in the Enlightenment project, in which science acted as the illuminating force lifting people from their ignorance. This brings us to the emancipatory nature of knowledge, which was the motto of the Enlightenment from which it drew its public appeal. If anything, the Enlightenment can be described as the time when people learned that it was possible to "think outside of the box" and to critically reflect on the organization of society. Knowledge was no longer the repository of the elite or ordained from a higher power, but due to the conception of knowledge as questionable it became a subject of political reproduction and contestation (Delanty & O'Mahony, 2002, p. 7).

Finally, knowledge assumed a universal quality in modernity, meaning that science sought to produce universal explanations. This had the counter effect of making the claims of science disputable and often mutually opposing making room for relativism as an inescapable fact of science. The Enlightenment was by no means a straight forward process as is evident in the schism which appeared between universalistic tenets of rationalism and positivism on one side, and on the other, the particularism of feelings and emotions promoted in the romantic and historic quest of the Enlightenment. According to Delanty and O'Mahony: *"This ambivalence at the heart of modernity would be of great significance for nationalism, which was the paradigmatic example of the use of universalistic ideas to justify particularism"* (Delanty & O'Mahony, 2002, p. 7).

Another important change which modernity brought with it relates to the concept of power. Strydom argued that many notable theorists such as Lefort, Castoriadis, Habermas and Foucault regarded power as a discursive phenomenon in modernity: *"Power is expressed in publicly constructed discourses where it may be legitimated or challenged but is always contingent and therefore indeterminate"* (as cited in Delanty & O'Mahony, 2002, p. 8). Consequently, the state project does not in itself constitute the discourse of nationalism, because power is not one-directional. It is increasingly dependent on finding resonance in the identity projects of the now enlightened public – a public with varying and changing living conditions. The attitude of the public towards the state-project is crucial for the governance and organization of society. Both in cases where the state-project received absolute support or when it had no support at all drastic outcomes have often followed. Thus, stability is not necessarily confined to one end of the spectrum, but relies also on other contributing social factors: crisis, external relations, historical events etc. In modern Western society diminishing support for democracy and a growing trend of distrust towards governmental institutions can be detected (Anderson, 2000, p. 93; Delanty & O'Mahony, 2002, p. 137), which has the dangerous prospect of undermining the ability of these to act on own initiative and forcing them to always cater to public opinion.

The final cultural aspect of modernity to highlight is the understanding of the self. The modes of thought influencing knowledge in modernity also affected this aspect in substantial ways, giving rise to the reflective self. As an emancipated and autonomous being, the subject attained a new value as the measure of all things. With this understanding came the concept of self-determination and the questioning of a "natural order". The idea of the self-worth of the subject and the ability to take a critical stance is the also the reason why power becomes discursive. Several ideals that are now considered integral to civil society have their roots in the new conception of the self, including equality, universal human rights and popular sovereignty (Delanty & O'Mahony, 2002, p. 8). Nationalism was paramount to embedding these values culturally, since it became associated with the idea of a political community and democratization. Thus, the popular

appeal of nationalism derives from this revival of the *demos*, a community where all are granted equality as members of the polity (Delanty & O'Mahony, 2002, p. 12). Membership of the nation is not discriminatory; it attributes all an equal value as human beings.

2) Retrieved from (Bulmer & Jeffery, 2010, pp. 122-23, 131-32)

Table 8.1 Germany, Britain and the EU – (In)congruences in the Mid-1990s

	European Union	Germany	Britain
Constitutional Order	• Cooperative confederalism requiring dense intergovernmental coordination between member states and EU institutions, with a subordinate role for parliaments at EU and national levels and initial points of access for regional governments • First Pillar: EU legislation sets legal framework, with implementation the responsibility of the member states, as policed by Commission and ECJ • Second and Third Pillar: EU operates primarily in intergovernmental mode • Initial moves away from constitutional symmetry to 'differentiated integration'	• Cooperative federalism requiring dense intergovernmental coordination between federal and Länder governments, extended in early 1990s also to EU policy-making • Division of labour between federal legislation and implementation by the Länder • *Rechtstaat* tradition with emphasis on formal rules and legal rather than political resolution of disputes • Historical context surrounding framing of Basic Law imposes constraints on (unilateral) external action, privileges multilateral cooperation	• Highly centralised system of government based on the doctrine of parliamentary sovereignty • Emphasis on national sovereignty attached to tradition of unilateral external action, key bilateral relationships, especially with the US, and ad hoc alliances • Common law tradition (except Scotland) and tradition of self-regulation • Absence of a formal consolidated British constitution.
Norms and Conventions	• Preference for consensus decision-making even where majoritarian rules apply	• Institutional pluralism establishes high veto potential, requiring large degree of consensus between decision-makers	• Majoritarian decision-making based on winner-takes-all electoral system
Patterns of Governance	• *Acquis communautaire* sacrosanct • Emerging emphasis on importance of subsidiarity • Procedural differentiation across the three pillars • Extensive sectoral differentiation within EC pillar and limited central coordination, producing discrete patterns of governance in each major policy sector	• Tendency to incremental policy change and high degrees of continuity • Weak central coordination and extensive sectoral differentiation of policy-making, also externalised into EU policy • Additional territorial differentiation through special measures for east Germany	• Adversarial political tradition enables substantial policy change over the short term • Relatively strong central coordination across policy sectors, establishing sense of national interest in EU policy
Policy Profile	• Emphasis on free market strengthened by 1992 Single Market programme and given teeth by tougher competition policy… • …alongside more interventionist mechanisms in environmental policy, the structural funds and, in particular, agriculture • Commitment to monetary cooperation deepens with decision to proceed to EMU • Emerging capacities in external (CFSP) and internal (JHA) security	• Emphasis on free market principles, especially in areas of strength such as manufacturing… • …combined with protectionist tendencies elsewhere, including agriculture and services, and more generally in support of economic development in east Germany • Commitment, through Bundesbank, to strongly anti-inflationary monetary policy • New EU roles in external and internal security open up scope for evading historical constraints in domestic arena	• Strong, neo-liberal emphasis on free market across economic sectors, including agriculture and services • Fundamental mismatch between EU budget and the UK resulting in episodic diplomatic clashes • Mixed and, in the early 1990s, strongly negative experiences of alignment with German/EU monetary policy • Focus on national sovereignty in external and internal security

86

Table 8.2 Germany, Britain and the EU – (In)congruences in the Mid-2000s

	European Union	Germany	Britain
Constitutional Order	• Cooperative confederalism requiring dense intergovernmental coordination between member states and EU institutions, with a significantly strengthened role for the European Parliament. Growing emphasis on consultation of national parliaments and regional governments • Pillar structure remains broadly unchanged • 'Differentiated integration' becomes routine • New governance mechanisms with less formalised policy coordination, including Open Method of Coordination	• Cooperative federalism challenged by growing divisions between Länder and levels of government; modest federalism reform focused on 'disentanglement' of legislative roles in 2006 • *Rechtstaat* tradition with emphasis on formal rules and legal rather than political resolution of disputes • Historical context surrounding framing of Basic Law has a less pervasive influence; inherited commitments to multilateral cooperation now complemented by growing willingness to emphasis national interests	• Centralised system of government based on the doctrine of parliamentary sovereignty • Emphasis on national sovereignty attached to tradition of unilateral external action. • Wide-ranging programme of domestic constitutional reform • Asymmetrical devolution, with increasingly differentiated policy practice across the UK. • Independence for Bank of England • Greater practice of partnership government within the UK
Norms and Conventions	• Preference for consensus decision-making even where majoritarian rules apply • *Acquis communautaire* sacrosanct • Strong emphasis on subsidiarity	• Institutional pluralism establishes high veto potentials, requiring high degrees of consensus between decision-makers, though with a tendency to gridlock as distributional conflict makes compromise solutions difficult	• Majoritarian decision-making based on winner-takes-all electoral system • Adversarial political tradition enables substantial policy change over the short term • The above apply to UK level; devolved governance is typically reliant upon coalitions or power-sharing.

Table 8.2 (Continued)

	European Union	Germany	Britain
Patterns of Governance	• Procedural differentiation across the three pillars • Extensive sectoral differentiation within EC pillar and limited central coordination, producing discrete patterns of governance in each major policy sector • Sectoral differentiation increases with new governance mechanisms like the OMC and inclusion of new actors, notably regional governments	• Weak central coordination and extensive sectoral differentiation of policy-making, still externalised into EU policy • Additional territorial differentiation through special measures for east Germany, and pressures for more general territorial differentiation through federalism reform	• Relatively strong central coordination across policy sectors, establishing sense of national interest in EU policy • More pro-active UK role in EU policy-making • Upgraded emphasis on bilateralism within the EU
Policy Profile	• Single Market extended to include services with more neo-liberal, less interventionist approach mainstreamed by the Lisbon Strategy • *Acquis* extended geographically by enlargement • New emphasis on decentralisation of policy in some areas, notably agriculture • EMU established • Growing capacity in external affairs, including environment/climate change, development aid and trade as well as ESDP • Growing capacity in internal (JHA) security, notably after 9/11	• Emphasis on free market principles challenged by: lower-cost competition post-enlargement; difficulties in reforming high-cost social policies amid policy gridlock; and protectionist tendencies • Failure to contain post-unification budgetary challenges runs up against constraints of EMU rules and creates new sensitivities about net contribution at EU level • Increased projection of foreign and security policy through multilateral EU mechanisms • EU policies in JHA in part conflict with protectionist labour market policies	• Continued emphasis on liberalising markets across economic sectors, including agriculture and services • Further projection of economic goals at EU level (Lisbon Strategy) • Commitment to humanitarian interventionism in foreign policy • Support for security and defence cooperation within EU but not at cost of bilateral relations with USA (cf. Iraq war) • Emphasis on internal security after 9/11 and 7/7 terrorist attacks • Unwillingness to join single currency