DISCOURSE THEORY AND THE STUDY OF IDEOLOGICAL (TRANS-)FORMATIONS: ANALYSING SOCIAL DEMOCRATIC REVISIONISM

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Abstract

The discourse theory of Laclau and Mouffe, it is argued, is a model of discursive conflict: Political conflicts are understood as struggles between conflicting discourses that strive to impose their own system of meaning. This article starts by outlining this model as a theoretical framework as well as a set of instruments for political analysis. First the main theoretical concepts are spelled out and clarified. The article then turns to the issue of the rearticulation of the social democratic ideology during the 1990s. The so-called 'crisis of social democracy', a crisis that necessitated a transformation of this political project, is outlined together with some of the articulatory practices through which the renewal of social democracy took shape and the discursive background against which it has been articulated. To illustrate the contingency of the articulatory process, the article concludes with a summary of some contested assumptions of the new social democratic model. The overall aim of the article is to illustrate the feasibility and the added value of discourse theory for political research.

Keywords: Discourse theory; Conflict; Ideology; Democracy.

1. Introduction

This article starts by outlining the discourse theory of Laclau and Mouffe as a theoretical framework and a set of instruments for political analysis. The main theoretical concepts are spelled out and clarified at length: Discourse, antagonism, dislocation and hegemony. After giving a theoretical overview of this model of discursive conflict, the article then turns to the issue of the transformations of the social democratic ideology during the 1990s. Drawing on analyses of authors that have been working from within discourse theory or related fields, the article's aim is to outline the crisis of social democracy that necessitated a rearticulation of this political project, as well as some of the articulatory practices through which the renewal of social democracy took shape and the discursive background against which it has been articulated. In order to illustrate the contingency of the articulatory process - that is, the impossibility of a final closure of meaning - the article winds up with a summary of some contested assumptions of the new social democratic model. Overall, the article seeks to demonstrate the feasibility and the added value of discourse theory for concrete political research by applying it to a field of study that, up to now, has primarily

been approached from within the framework of political economy.

2. A model of discursive conflict

The discourse theory of Laclau and Mouffe (1985 et seq.) is epistemologically grounded in post-structuralist constructivism. It can be regarded as a model of discursive conflict, as it seeks insight into the antagonistic relationship between discourses. Political theory as a framework, says Mouffe (2000: xi-xii), should enable us to come to terms with the conflictual nature of politics and the ineradicability of antagonism. Our knowledge and understanding of the world is socially constructed through discourse. Discourse is simultaneously the human method for understanding and interpreting the world and the limits of a full understanding of that world. Since discourses are not self-contained nor unitary they get penetrated by elements of other discourses. This interaction is understood as a struggle between conflicting discourses, where each strives to impose its own system of meaning (Philips 1998: 851). Power strategies are linked to antagonistic struggles over meaning and both are mutually modified through articulation (Laclau & Mouffe 1985: 105).

The main characteristic of articulatory practices - that is, of any practice that establishes a relation among discursive elements, thereby modifying the identity of these elements - is the construction of 'nodal points' (cfr. Lacan's 'point de capiton', master signifier) that partially fix meaning (Laclau & Mouffe 1985: 105,113). In line with the Lacanian concept of 'suture', Laclau and Mouffe (1985: 142) state that a fully sutured society is simply impossible (see also: Laclau 1990: 211-212; Torfing 1999a: 307). The fixation of meaning is always partial because of the 'openness of the social' (Howarth 2000: 102). This incompleteness of articulatory practices generates a surplus of meaning available for new articulations and is referred to as the 'field of discursivity' (Torfing 1998: 89). There is always a surplus of elements that can get absorbed by a discourse (i.e. articulation) or get withdrawn from it (i.e. disarticulation).

Laclau and Mouffe differentiate between 'contingent elements' in a discursive field and 'necessary moments' articulated into a particular discourse. "Whereas particular discourses are partial fixations of social meaning, discursive fields are characterized by a 'surplus of meaning' that can never be fully exhausted by any specific discourse" (Howarth 2000: 103; see also Laclau & Mouffe 1985: 111-113). The contingency of the discursive field enables a permanent renegotiation of meaning: "[it] is, at once, the condition of possibility and impossibility of the partial fixation of meaning, [constituting] a field of undecidability which constantly overflows and subverts the attempt to fix a stable set of differential positions in a concrete discourse" (Torfing 1998: 89). Or in the words of Howarth (1998: 274): "[t]he impossibility of a final closure of meaning opens the space for all social practices to be articulatory, that is, to constitute new meanings and identities [...]". "[Yet] a discourse incapable of generating any fixity of meaning is the discourse of the psychotic" (Laclau & Mouffe 1985: 112).

2.1. The presence of the 'Other'

Contrary to the traditional notion of social antagonism - i.e. a confrontation between social agents that already possess a fully constituted identity - Laclau and Mouffe insist that social antagonisms occur because social agents are unable to attain fully their identity (Howarth 2000: 105). An antagonism occurs when "[t]he presence of the 'Other' prevents me from being totally myself" (Laclau & Mouffe 1985: 125). "[T]his 'blockage' of identity is a mutual experience for both the antagonizing force and the force that is being antagonized" (Howarth & Stavrakakis 2000: 10). Thus, antagonisms simultaneously form and destabilize identities: They are mutually constitutive, yet threaten one another. Social formations too are constituted through the construction of antagonistic relations, by which political frontiers between social agents establish themselves (Howarth 1998: 276). Furthermore, as Howarth (2000: 106) contends:

"[antagonistic relations] reveal the contingency and precariousness of all identity and social objectivity, as any identity is always threatened by something that is external to it. Their role is thus constitutive of social objectivity, as social formations depend upon the construction of antagonistic relations between social agents 'inside' and 'outside' a social formation [...] In this way, antagonisms reveal the boundaries or political frontiers of a social formation, as they show the points where identity can no longer be stabilized in a meaningful system of differences, but is contested by forces which stand at the limit of that order."

To account theoretically for the construction of antagonistic relations that structure the political space, Laclau and Mouffe (1985: 127-134) introduced the 'logic of equivalence and difference', a logic that operates through the construction of a chain of equivalential identities among different elements: Identities are been brought into line with one another and placed vis-à-vis a purely negative identity that is seen to threaten them. In this respect the Derridean notion of a 'constitutive outside' is a significant concept: i.e. "[t]he constitutive limits of a discourse are constructed in relation to its threatening outside, [w]hich blocks the identity of the inside, but is nonetheless a prerequisite for the construction of the identity of the inside" (Torfing 1999a: 299).

This is how Laclau (1988: 256) himself has illustrated the notion of an equivalential chain: "[f]or instance, if I say that, from the point of view of the interests of the working class, liberals, conservatives, and radicals are all the same, I have transformed three elements that were different into substitutes within a chain of equivalence." The logic of equivalence thus functions by "[a] system of differences [...] instituting a political frontier between two opposed camps" (Howarth & Stavrakakis 2000: 11). The logic of equivalence is a logic of the simplification of political space, as meaning is being reduced to two antagonistic poles; the logic of difference is a logic of its expansion and increasing complexity (Laclau & Mouffe 1985: 130). "Whereas the logic of equivalence splits a system of differences, the logic of difference consists in expanding a system of differences by disarticulating existing chains of equivalence and incorporating elements into an expanding order" (Howarth 1998: 276-278). An often quoted example of this is the Black Consciousness Movement in South Africa during the 1970s. It articulated a resistance discourse that managed to link together a set of ethnic, racial, class, gender and political differences against the dominant apartheid order. "[D]ifferent positions were rendered equivalent by reference to a common 'white racism', which was the 'constitutive outside' of

the movement" (Howarth 1998: 277; for more detail see Howarth 1997).

2.2. The 'never-closed-gap'

Laclau and Mouffe use the category of subject in the sense of 'subject positions' within a discursive structure: "[s]ubjects cannot [...] be the origins of social relations [...] as all 'experience' depends on precise discursive conditions of possibility" (Laclau & Mouffe 1985: 115). "[A]ny 'concrete individual'", Howarth says (1998: 278), can have a number of subject positions [and] at any point in time, might identify herself, or be positioned as, 'black', 'working class', 'Christian' and a 'woman'." Social agents thus are identified and/or identify themselves within a discursive structure. At issue here is the complex between agency and structure: "Laclau argues that the actions of subjects emerge because of the contingency of those discursive structures through which subjects obtain their identity" (Howarth 1998: 278). On the one hand there is "[t]he inability of structures to achieve final closure [...], and on the other hand, the inability of the subject to be sovereign and complete with a closed identity. [T]his 'never-closed-gap' is precisely the condition of the possibility of political life. It is here that we find the tension between agency and structure [...] which is the domain of the political" (Sayyid & Zac 1998: 253).

A 'dislocation' is "[a] destabilization of a discourse that results from the emergence of events which cannot be domesticated, symbolized or integrated within the discourse in question" (Torfing 1999a: 301). A dislocation is an event that cannot be symbolized by an existent discursive order, and therefore function to disrupt that order (Howarth 2000: 111). Discursive structures provide subject positions. Consequently, the dislocation of an existing discursive order causes an identity crisis for those subjects positioned within that discursive order. The structure from which the identity derives has been put into question because of the dislocation, which reveals the contingency of the identities partially fixed by a discursive structure. Howarth (1998: 278) says:

"It is this 'failure' of the structure, and of those subjectivities which are part of such a structure, which 'compels' the subject to act. In this sense, the subject is not simply determined by the structure [nor] does the subject [simply] constitute the structure. The subject is forced to take decisions - to identify with certain political projects and the discourses they articulate - when social identities are in crisis and structures need to be rearticulated. It is in the process of this identification that political subjectivities are formed. Once formed, and stabilized, they become those subject positions which 'produce' individuals with certain characteristics and attributes."

Hence, dislocations are not exclusively traumatic experiences, they are productive too: "[i]f on the one hand they threaten identities, on the other, they are the foundation on which new identities are constituted" (Laclau 1990: 39). In the moment of dislocation it becomes possible to rearticulate the social order: i.e. to repair the dislocated order in a certain way, to reconfigure social relations in certain ways, to construct new sorts of antagonisms, with the effect of producing new types of subjectivity, new forms of action and agency.

Dislocation theory, as an internal part of discourse theory, is a negative ontological framework that specifically focuses on elements of negativity inherent in human experience, on elements of rupture and crisis threatening and subverting the field of social

objectivity. Dislocation theory is based on the assumption that understanding social reality is not equivalent to understanding what society is in a descriptive sense: "[w]hat prevents it from being what it promises to be is the force of dislocation; which is also - this is the crucial part of the analysis developed here - what generates new ideological attempts to reach this impossible goal" (Stavrakakis 2000: 100-101): That is, to stabilise the field of social objectivity.

"[Ideology], in a broad sense as encompassing all meaningful constructions [...] through which social reality is produced and our [political] actions within it [...] acquires cause and direction. Ideological constructions of reality attempt to provide a final symbolisation of the world around us and thus articulate themselves 'on the basis of closure', of the fixation of meaning, [in spite of] the impossibility of any ultimate suture. The ideological is thus constitutive of our constructions of reality, since there is no reality without some sense of closure. [A] rigorous theoretical approach to the analysis of ideology has to take into account the fact that ideological construction emerges in a dialectic with something that exceeds its symbolic and imaginary boundaries. The fantasy - the illusion - supporting all ideologies is that they can master this excessive element." (Stavrakakis 2000: 101)

The way political projects attempt to suture dislocation is by articulating a chain of signifiers (previously belonging to other, now dislocated discourses) around new nodal points. These nodal points, says Stavrakakis (2000), get accepted as incarnating the ultimate fullness of meaning. Therewith they are suitable to hegemonize a discursive field and appeal (as an object of identification) to audiences: Electorate, party members, public opinion, and so on.

2.3. To master the political arena

"The success of any political project is measured by its ability to fix meaning, at least relatively, within a specific context. This is what discourse theorists call hegemony. The apparent closure of a discursive field is the outcome of strategies designed to achieve hegemony. [Yet] the hegemonic project which aims to 'close the gap', to master the political arena by means of complex manoeuvres, can never be intirely successful. [A]t the same time, a hegemonic discourse involves the creation of a certain stability of meaning. Traditional politics relies on this stability, insofar as political actors require a certain space, albeit limited, where uncertainty can be circumscribed, as in the case [...] of elections, parliamentary politics, or voting systems in international bodies." (Sayyid & Zac 1998: 261-262)

A consensus, any consensus, or any common identity for that matter, cannot exist without the establishment of a frontier. A political discourse articulated by a hegemonic project is delimited by particular political frontiers resulting from the expansion of chains of equivalence (Torfing 1999a: 109). The very identity of any group depends on the existence of a constitutive outside: There cannot be an 'us' without a 'them' (Mouffe *forthcoming*, p. 12). The constitutive outside of a hegemonic articulation contains that which has been suppressed and/or ignored by the hegemonic articulation and constitutes the very identity that gives form to the hegemonic articulation (Torfing 1999a: 124-125).

Hegemonic articulation is the process of the social construction of truth. Prosperous strategies of hegemonic articulation enable the hegemony of a specific discourse. The Gramscian notion of hegemony not only indicates dominance and force, but above all

'common consent': The broad public acceptance of the political leadership and authority of a particular social group is actively pursued. In this sense hegemonic articulation can be regarded as a movement from the particular to the universal: I.e. the particular concerns and interests of a particular political category or class are articulated as if they were the universal concerns and interests of an entire society. This practice of hegemonic articulation is the practice of politics itself (Torfing 1999a: 69-71). "Hegemony is an articulatory practice that constructs an organic ideology in the shape of a collective will, providing a surface of inscription for different subject positions" (Torfing 1991: 59). "Hegemonic practices are an exemplary form of political activity that involves the articulation of different identities and subjectivities into a common project" (Howarth & Stavrakakis 2000: 14). Thus, to hegemonize is to construct the dominant meaning.

Ideological elements are contingent elements within a discursive field: I.e. they have no necessary meaning. It is a hegemonic articulation that is putting together these elements into a moment of a discourse, through the creation of antagonism between social groups, so that some elements get included and some excluded: I.e. the drawing of a political frontier. Social antagonism - the antagonism of those who are discursively constructed through this constitutive logic - is an inevitable aspect of hegemonic articulation, that is, of politics.

Three further clarifications. First, not all projects with hegemonic ambitions succeed. Here Laclau (1990) introduced a conceptual and gradual distinction between 'myth' and 'social imaginary', both hegemonic in their ambitions. The conditions for the emergence of myth is that of a structural dislocation (Laclau 1990: 61). "Myths construct new spaces of representation that attempt to suture the dislocated space in question. [They] function as a surface of inscription for a variety of social demands and dislocations" (Howarth & Stavrakakis 2000: 15). In the moment of a dislocation, where identities are shattered, new forms of political subjectivity can occur, as subjects identify with new possibilities: E.g. the 'New World Order'. This 'New World Order', as an example of a myth, has two components: It responds to the crisis of the current situation by offering a concrete solution to solve the crisis; at the same time it is universalistic in its pretensions, since it promises the idea of a complete order as such. The degree to which the universalistic element of the myth can be expanded into a horizon which incorporates many different antagonisms and identities, will turn the myth into a social imaginary: i.e. "[an] absolute limit which structures a field of intelligibility" (Laclau 1990: 64).

Second, hegemony is always possible but can never be total (Sayyid & Zac 1998: 262). A successful hegemonic project not only succeeds in making its proposed logics and rules the 'natural' rules of the community, and its proposed limits the 'natural' limits of the community, it also needs to deactivate the resisting discourses of the other projects against which it is struggling: "[b]y the way in which its limits are constructed, a successful hegemonic project [also] creates rules for dealing with resistance" (ibid.).

Finally, hegemonies do not remain so forever. They will become dislocated: That is, they will eventually fail to provide a convincing and legitimate model of the world as perceived.

2.4. *The empty signifier*

To construct a political movement is an attempt to hegemonise many different agencies and subjectivities within a given socio-political context. Demands and identities are split. Yet there is the possibility to unify them by forming a set of equivalences in their struggle against a common antagonist. What binds us together are our common antagonist practices. To the extent that a movement is able to unify a broad range of continuities together into a common project, the signifier of that project (e.g. Black Movement, Third Way, New World Order, etc.) functions as an empty signifier. Adding ever more elements to a chain of equivalence implies that it will gradually empty the signifier of its content: "[t]he more the chain expands, the more differential features of each of the links will have to be dropped in order to keep alive what the equivalential chain attempts to express" (Laclau 1996: 208). By providing a common language and a common identification for a wide range of groups, that which signifies an alliance gets eroded. So the stability that is provided to the different subject positions (e.g. students, workers, etc.) and the meaning of a common identity is purely negative, in the sense that it is given by its opposition to something. In sum, to construct a hegemonic project is to construct and stabilise a field of meaning, by constructing empty signifiers which can stabilise a coalition/consensus and hold it together.

3. The crisis of social democracy and the modern welfare state

Over the course of the last three decades European social democratic parties (s.l.) have been confronted with a series of challenges that have had a serious impact on their ideological orientation and their programmatic commitments. A rough outline to start with.

In 1971 the Nixon government abandoned the convertibility of the US Dollar, one of the cornerstones of the Bretton Woods system, to ease the pressure of the Vietnam war on the US budget. As a result of that capital markets became once again free markets, with no anchorage at all. The oil crises of 1971-1973 and the stagnation of the economy it triggered off, increased the pressure on government to reduce public spending. Front runner was the British prime minister James Callaghan (Labour), who, as early as 1976, converted to a monetarist austerity policy aimed at reducing inflation and budget deficits. Eventually, all western government followed the same path: One by one they have given up on their standard Keynesian, Fordist and Beveridgean formula through which they regulated their national economies until then.

From the late 1970s onward the national Keynesian welfare state and the post-war consensus became subject to severe criticism. At that time, most of the social democratic parties, identifying themselves with this Keynesian welfare state, often failed to provide an immediate and sufficient answer to the socio-economic and political crisis, both theoretically and in terms of government. While the European social democrats were going through a period of severe depression - ideologically as well as in terms of elections - we witnessed a severe attack on the post-war consensus by a neoliberal offensive, initiated by Thatcherism and Reaganomics throughout the 1980s. As a result social democrats were put on the defensive and the neoliberal paradigm got increasingly adopted in all European welfare states. Due to the rise of this renewed governance paradigm we saw a gradual withdrawal of state intervention within the economy. By the late 1980s the crisis of social democracy was proclaimed and the inevitable decline of social democracy became widely accepted. Ralf Dahrendorf, Giddens' predecessor at the London School of Economics

(LSE), even went as far as announcing "the end of the social democratic century". The collapse of communism, evidently, contributed even more to a climate of growing disorientation and despair.

What I have briefly reviewed so far is the crisis of the social democratic paradigm itself. The socio-economic conditions underlying the success of post-war social democratic reformism gradually gave way from the mid 1970s onwards: Continuous mass unemployment, a general de-industrialisation of society, the crisis of Fordism, new political issues and new 'post-material' values that found their way to the political agenda (e.g. ecology, multiculturalism) and so on. One account in particular has been put forward to explain the electoral malaise of the social democrats. It suggests that the redistributed prosperity that social democracy has achieved throughout the post-war period, might actually be the very reason for its decline. Since large sections of the working class were incorporated in a broad middle class, leaving behind non-social-climbers, the social democratic electorate continuously changed and split up into various societal groups with particular interests and expectations towards social democracy and politics in general (Cuperus & Kandel 1998: 11-28). In other words, post-war consensus politics has resulted in a socio-structural modification of society, but this, however, has reduced the size of the electoral base of the traditional social democratic parties. Maria Telò (1998: 41-48) concludes from this that social democrats were thus urged to reposition their parties - that is, to reconsider their political position and identity - in order to maintain core support and to extend their appeal to new electoral divisions which are predominantly middle class.

Indeed what we saw from the early 1990s onward was that social democrats responded to these developments with an ideological and programmatic reorientation which has lead them to occupy the political centre. Especially the market-oriented groups within these parties headed for a rearticulation of the social democratic discourse, which in particular boiled down to a rejection of the remaining 'socialist' priorities and an introduction of several elements of economic liberalism. Exemplary here is the revision of the highly symbolic Clause IV of the Labour platform in 1995 which contained the following passage:

"[T]o secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and exchange and the best obtainable system of popular administration and control of each industry or service."

Most, if not all, European social democratic parties have adopted, in the course of the 1990s, a social-liberal synthesis as their 'governing philosophy': A pragmatic Third Way which defines itself largely by antithesis with an under-specified set of beliefs labelled 'old-fashioned state socialism' and 'free market neo-liberalism'" (Rustin 1998: 7). The political practices of parties and governments that have converted to the Third Way differ considerably from the post-war approach. This sparked off a number of political and academic debates on, among other issues, the definition of the Third Way and its ideological roots, the relative significance ascribed to ideological, electoral, socio-economic, demographic and other elements, on the denotation of the Third Way in a continental European political context, and so on.

3.1. Negotiated economies

In the following section the aim is to outline the socio-economic framework through which Third Way discourse has rearticulated the welfare state. This outline will primarily refer to the 'negotiated economies' of continental European countries (i.e. the 'Rhine' model) and the Scandinavian welfare states. These welfare states came into existence due to the accomplishments of prosperous social democratic parties (i.e. incl. Christian democrats), who, to a large extent, identify themselves with the welfare state.

A discourse theoretical approach of the welfare state deviates from the mainstream sociological and political-economic approaches, in that it focuses on the semantic frame of reference, the cognitive dimension of negotiated economies and the interplay between cognition and institutes. Its primary attention goes to the consensus- or compromise-oriented processes of these negotiated economies, that draw upon a plurality of perspectives, legitimizing campaigns, an active public debate and a continuous (re)formulation of socio-economic problems and solutions, in an iterative process that involves a multitude of actors with distinct concerns and claims: e.g. unions, state actors, business associations. "The most crucial choices", says Klaus Nielsen (2001: 6), "are often made in the preceding process of discourse formation rather than at the neo-corporatist negotiating table."

The articulation of the post-war welfare state, according to Torfing (1991, 1998, 1999a, 1999b), can be regarded as a response to the proliferation of social antagonisms caused by the dislocative events of the 1930s. The strength behind the expanding welfare state discourse at that time, was its ability to articulate a social imaginary enabling a quasi-infinite integration of identities as legitimate differences (Torfing 1991: 86): "[it] provided a space of representation for social and economic demands as legitimate differences and displaced all social antagonisms to its constitutive outside. [And] it is held together [...] by its exclusion of both left and right extremism, which is seen as a threat to its universalist and rationalist pretensions" (Torfing 1999a: 130). That is, left and right extremism were equated by emphasis of what they had in common: I.e. their preference for conflict (versus consensus), their preference for radical change (versus gradual reformism); their particularism (versus the universalism of the welfare state). Thus, the discursive background for the construction of the welfare state was provided by the Great Depression. It has formed the basis of the acception that the economy of free entrepreneurs had to be protected from itself in order to survive (Hobsbawm 1995: 319): An unrestricted capitalist market is unable to reproduce itself. The welfare state's foremost concerns are the socio-economic and political conditions of the reproduction of its citizens. In this sense it serves as a subversive supplement of the free market. The welfare state is conceived in terms of its articulation of a historic bloc capable of generating a high level of welfare and social harmony: A socially responsible state, an organised capitalist market economy and a civil society of private associations and households. The inter-societal matrix of the modern welfare state can thus be described in terms of the institutional forms of societal governance as they were conceived by Keynes, Ford and Beveridge (Torfing 1998: 166-167; Torfing 1999a: 227-228).

Fordism attempts to increase the production of relative surplus value by rationalizing the production process: I.e. time-and-motion management, vertical integration, differentiation of the labour process. This provoked a dispute over the minimum amount of time in which a job could be done. Setting the norm low will increase profits, if it is set

high, workers comfort and protection will increase. An economic and a social rationality oppose one another: Profit maximalisation versus social protection. "The outcome was the articulation of the Fordist system with the discourse of social rights, later epitomized by the Beveridge report" (Torfing 1999a: 236). What further persuaded the workers to support the introduction of Fordism was the indexing of real wages to rising productivity rates. However, the Fordist compromise did not eliminate the class struggle, it merely displaces it to the level where wages and production norms are negotiated. Both employers and unions bid for the favour of a state that has to preserve its republican neutrality. This is the background that makes clear why the state enthusiastically embraced the Keynesian doctrine. Keynes saw the social as a means to stimulate the economy in times of recession: Cfr. 'deficit spending'. A prosperous economy, on the other hand, is the means for sustaining the pursuit of social policies that enhances workers well-being and availability.

"The discourse of Keynesianism articulated the economic and the social rather than allowing one to prevail over the other. This articulation was a direct consequence of the economic policy of demand-management. The economic and the social are conjoined in a circular mechanism, [they] are articulated in and through the economic intervention of the state." (Torfing 1999a: 237).

It is thus the state that has the ultimate responsibility for the progressive development of society. In other words, the state was a nodal point in the complex process of societal regulation (Torfing 1991: 89).

3.2. *Stagflation*

What is habitually referred to as 'the crisis of the modern welfare state' is seen, from a discursive perspective, as a general crisis of the stable articulation between these three institutional orders. The continuous segregation of the production process and the introduction of new production techniques resulted in a continuous differentiation of the work force in terms of working hours, wages and competences. All this consistently weakened the collective power base of the trade unions and undermined the Fordist compromise. The economic recession initially increased the demand for economic state intervention, but further state involvement required an increase of financial resources through taxation, which amounted to a general disincentive to work and invest (Torfing 1991: 89). This might suggest, as Claus Offe (1984) remarks, that economic state intervention has created more problems than it has solved: "The state is trapped in a paradoxical situation in relation to the economy since it can neither withdraw nor become further involved" (Torfing 1991: 89).

The crisis of the modern welfare state is a threefold crisis of the classist, etatist and productivist legacy of the Left: The proliferation of new social movements undermined the privileged role of the proletariat; the failure to restore the conditions of economic growth and social harmony brought central state planning into question; and, finally, the crisis of Fordist model of growth and the growing awareness of the threat of an ecological disaster caused by industrial mass production made economic growth as a goal in itself no longer supportable (Torfing 1998: 80-81). This is what has previously been appointed as a

dislocation: I.e. events that cannot be symbolised by an existent discursive order, therefore functioning to disrupt that order (Howarth 2000: 111). The simultaneous occurrence of inflation and unemployment in the early 1970s dislocated the Keynesian orthodoxy which proclaimed that 'stagflation' would never occur (Torfing 1999a: 301).

"The crisis of the modern welfare state, [however], was not only a crisis for the Left [but] a general crisis for all the traditional hegemonic agents, since [at this point] neither the state, the trade unions, nor the organized forms of capital were capable of resolving the crisis and thereby able to bring about a new stable hegemony" (Torfing 1998: 81). This organic crisis of the post-war settlement resulted in a growing number of floating signifiers: Signifiers who lose their traditional meaning or get overflowed with meaning, because they are articulated differently within different discourses (Torfing 1999a: 98-99, 301). A dislocation produces a growing number of floating signifiers and intensifies the political struggle between social agents over the authoritative response to societal dislocation. Hegemonic struggles seek to redefine the dislocated framework as they negotiate over the terms of a new compromise. The hegemonic struggles at the level of political discourse will produce a response to what is perceived as the major sources of crisis and dislocation (Torfing 1999a: 240-241). It is precisely this growing discursive instability that opens new possibilities for the political process of social recomposition.

3.3. 'Government is the problem, not the solution'

So from the 1970s onward the discourse of Keynesian demand management was dislocated. It stopped to provide an adequate explanation for the socio-economic and political events that occurred and consequently got discredited, thereby opening a discursive space that enabled new hegemonic articulations (Torfing 1999a: 240, 301). The intra-societal regulation of the post-war welfare state called for an urgent rearticulation. Keynesian rescue attempts were followed by monetarist neoliberal efforts to roll back the state: I.e. Thatcherism and Reaganomics. Stuart Hall (1983, 1991), among others, has made influential analyses of the hegemonic strategies applied by Thatcherism during the late 1970s and early 1980s. The first and foremost objective of Thatcherism was to transform the British Conservative Party from a 'one nation Toryism' and supporter of the welfare state, to a fervent advocate of a free market economy and a radical contestant of the post-war consensus. Hall reveals how the hegemonic project of Thatcherism, that was structured around the nodal points of a 'free market' and a 'strong state', has articulated a new discursive formation oriented towards the reorganisation of the British society. Against the background of the structural dislocation of the welfare state during the 1970s, Thatcher succeeded in establishing an alternative power bloc, whose constitutive outside was provided by a chain of equivalence that equated Labour with the centre politics of the Heath government. Labour was identified with an excessive and inefficient social state, wasting 'the wealth of the nation' at the expense of 'self-supporting ordinary people'. 'The man in the street' was portrayed as a victim, while Thatcher lined up with the people. Therewith, says Hall (1991: 122), Thatcherism had neutralised (i.e. disarticulated) the antithesis between the people and the power bloc, as the following quote exemplifies:

"My fear is that we should have such a socialist state by then that people would be almost afraid to

vote for another party in case they might lose their jobs. I would still have enough faith in the British people to surmount that. I think that the British people are fed up with a Labour Government not only because of tax but because they reckon Labour is damaging the spirit of Britain. I was brought up to believe that we were a people who acted very much on our own initiative, on our own common sense. It's that which is being damaged, and it's that which people don't like. They want their children to have the best of their inheritance, and so do I."

Thatcher, interviewed by Eddison & Nevill 1978)

Another characteristic nodal point of the Thatcherite discourse of the mid-1980s was formed by the notion of 'Englishness' or 'Britishness'. With it Thatcher established herself as a strong defender of particular English grandeur. This privileged and restrictive cultural attribute was thereupon articulated through a pro-individualistic and anti-collectivistic discourse, that subtly linked 'those who live off solidarity' with the marginal position of ethnic groups within British society. What Hall's analysis illustrates is hegemonic articulation at work: A political discourse articulating equivalential chains, positioning subjects, drawing political frontiers and fixating meaning.

The Thatcherite revolution, however, was not based on a vision of a new socio-economic settlement (Torfing 1999a: 238). Rather, Friedman's laissez-faire monetarism and the rational choice theory of Hayek's Austrian School, together with influential platforms that promoted privatisations and deregulations (e.g. Adam Smith Institute, Institute of Economic Affairs), were merely attempts to recycle a previously dislocated liberal orthodoxy: Cfr. the Wall Street Crash of 1929. If Thatcherism was successful it was in part because of its ability to rearticulate, in its favour, the popular resentment against the shortcomings of social democracy, due to their lack of understanding of the forms of subordination that were not principally of an economic nature (Mouffe 2000: 123; see also Laclau & Mouffe 1985).

3.4. Toward Schumpeterian workfare: The paradigm shift

At the end of the 1980s and early 1990s new political strategies matured and eventually took on labels such as the 'Third Way' and the 'social investment state'. What these strategies aim at, generally speaking, is to reform the Keynesian welfare model to what became termed a 'Schumpeterian workfare regime' (Jessop 1993; Jessop, Nielsen & Torfing 1999; Torfing 1999b). Whereas the Keynesian welfare state aims at full employment through counter-cyclic demand-side intervention within a relatively closed economy, a Schumpeterian workfare regime promotes permanent innovation and structural competitiveness through supply-side intervention within a relatively open economy (Torfing 1999a: 238; Nielsen 2001: 8-11). In Keynesianism, the advancement of domestic demand is achieved through the generalisation of consumption norms to all citizen of the nation and through the encouragement of collective consumption in favour of the Fordist compromise. Hence, the socio-economic policies of the Keynesian welfare state were linked to the progressive institutionalization of social and economic rights. The Schumpeterian model, on the contrary, tends to subordinate socio-economic policies to the requirements of labour market flexibility (Torfing 1999b: 372-373). Public social expenditure is treated as a cost of production, rather than as a source of domestic demand. Whereas in the Keynesian model the nation state was regarded as the most important

horizon of action, in the Schumpeterian model the significance of other spatial scales and supra- and subnational governance networks increases: Cfr. globalisation, 'multi-level governance' etc.

3.5. *Politics without adversaries*

Toward the end of the 1990s it became obvious that social democrats had regained their confidence. By then left-wing governments or left-led coalition governments ruled in most European countries. Since New Labour won the British general elections in 1997, the notion of a 'Third Way' in politics has rapidly emerged throughout the member-states of the European Union and elsewhere. According to its defenders (Giddens 1998; Blair 1998; Hombach 2000), the Third Way is a modernised or renewed social democracy that aims to reconcile (rearticulate) the neoliberal emphasis on economic efficiency and vitalism with the traditional left concern with equality and social cohesion. It is an attempt to develop a (left of) centre political philosophy that responds to the big changes transforming our world: Globalisation, the rise of a knowledge economy, individualisation and so forth. From this angle, the political ideas and principles that underpin the Third Way thus derive from changing socio-economic and political circumstances that forced a revision of both the post-war social democratic revisionism and the new liberalism of the 1980s (Giddens 1998: 1-26).

Within Third Way philosophy there is a dominant conviction that the old left-right distinction thus became meaningless (Giddens 1998: 37-46). Nowadays there seems to be a broad consensus about the growing irrelevance of those categories.

"[T]he basic tenet of the third way [...] asserts that, with the demise of communism and the transformation of society with the advent of the information society and by globalisation, the adversarial model of politics has become obsolete - that what we need is a politics 'beyond left and right', a politics no longer structured around social division and without the us/them opposition" (Mouffe 1999).

By positioning themselves at the political centre, says Mouffe (1999), social democrats and other left-wing parties abandoned their struggle for equality, which has always been at the core of social democracy. This view is shared by Joël Krieger (1999: 26), who says that the politico-ideological project of the Third Way is featured by its rejection of the egalitarian tradition of the Old Left, as it was reflected in their redistributive policies. According to Michael Rustin (1999: 8), social democracy "[A]lways had capitalism as one of its antagonists, and its task to confront [...] the systemic problems of inequality and instability generated by capitalism." The third way is precisely social democracy under the hegemony of liberal-democratic capitalism, says Žižek (2000b): I.e. deprived of its minimal subversive sting, excluding the last reference to anti-capitalism and class struggle.

3.6. *Globalisation and its critics*

"The most crucial step in constructing the logic of the Third Way is the claim that, in a knowledge-based economy, the action that is needed to make Britain [or any other country for that matter] more

competitive in the global market is also the action that is needed for greater social justice." (Fairclough 2000: 43)

Third Way politics is conceived as an acceptance of the inevitability of free market capitalism, while the state keeps on using its remaining powers to ameliorate the worst effects of that system. Accepting that there is no alternative for the neoliberal world order, Third Way adherents became convinced "[t]hat unless [countries] can reach the standard of performance of its global competitors, in virtually every aspect of life, there is no hope of achieving lasting improvements in well-being [...]. This frame of thinking is shaping most fields of government policy [today]" (Rustin 1998: 7).

The key issue here is how to create sustainable conditions of economic improvement in global markets without sacrificing the basic solidarity or cohesion of our society. 'Getting competitive' seems to be the answer. The terminology is familiar by now: "[W]e need market economies with competitive strength, and this can only be brought about by loosening constraints and liberating the supply side of economies. We need also societies which include all citizens [...]. Useful as individual competition is in the economy, it has to be tempered by solidarity in social relations" (Dahrendorf 1999). Adaption and reorientation are the order of the day, says Elliott (1999: 2-5). Hence an approach that combines neoliberal economic policy with social democratic social policy, accepting the needs of global markets but adding key elements of social well-being.

So one issue that arises concerns the scope of choice in political economy and the parameters of governmental freedom for manoeuvring, particular with regard to global economic forces. Within the ongoing debate on the Third Way, globalisation is often reduced to a process that exposes the entire world to market pressures, and these can only be successfully mastered in terms of enhanced competitiveness. The potential to shift portfolio and speculative investments rapidly across the world entails that financial markets can exercise a kind of veto power over national economic policies. Hence, globalisation necessitates governments to accept the rules dictated by financial markets and to adapt to the investment priorities of business corporations.

In the version offered by Giddens (1998), globalisation is a reality that has transformed the space of operations and the reach of national economies. It has generated a number of novel sociological changes that have major political consequences: For instance, the kind of workforce required in a globalised and knowledge-driven economy is very different from that of the Fordist production pattern. For the OECD economies, Giddens says, there is a good deal of evidence that points to a fall in demand for unskilled and a rise in demand for skilled labour. In particular, the importance of human attributes, such as intelligence, communication skills, creative talents and imagination, has increased substantially.

There is, however, also a considerable amount of controversy about this globalisation thesis as such. During the 1998 NEXUS debate on the Third Way the Oxford scholar Stewart Wood firmly disagreed with those persisting that governments are constrained by forces beyond their control, thereby compelled to swim with the global tide:

"The search for a third way is [...] premised on unquestioned assumptions about globalisation. We are told that the age of active government is over. That policy options are radically circumscribed by developments in world markets. [T]hat comprehensive welfare states are no longer sustainable in their post-war incarnations. But there are a host of academic researchers who question whether

these assertions are really true. [T]here are numerous researchers [...] disputing the idea that trade interdependence and increased capital mobility automatically result in convergence on a single model of market capitalism in which the state's policy autonomy is radically curtailed."

Stuart Hall (1998: 9-14), to name one, says that in the case of New Labour, it is "[I]ts commitment to a certain definition of globalisation which provided the outer horizon as well as the [...] legitimacy to Mr Blair's whole political project. New Labour understands globalisation in very simplistic terms - as a single, uncontradictory, uni-directional phenomenon, exhibiting the same features and producing the same inevitable outcomes everywhere. [N]ew Labour does deal with globalisation as if it is a self-regulating and implacable Force of Nature. It treats the global economy as being, in effect, like the weather." Former Labour representative David Marquand tends to share this scepticism: "the globalisation thesis is only relevant politically [...] if it shows that there are things governments used to be able to do which - because of globalisation - they now cannot do. To the extent that it is the claim of the globalisation theorist, the claim is - at best - exaggerated" (Nexus 1998).

So, while Third Way ideologists habitually refer to a profoundly altered context within which policy is articulated, there is also a view among academics and analysts that the particular significance of globalisation is overstated in many political analyses. With this in mind the 1998 NEXUS debate concluded "[t]hat changing political ideas, aspirations and experience were a more important force behind the development of the Third Way than globalisation per se."

4. Conclusion

The case of the renewal of social democracy clearly illustrates how modes of societal regulation are escorted by discursive change. These discursive changes are caused by social forces entering into a hegemonic struggle with one another over the authoritative response to a given crisis. Economic and political problems manifest themselves within an interdiscursive field that is interpreted from different perspectives by a variety of competing social forces, producing different discursive strategies. Events that can no longer be situated within an accepted social discourse, such as that of the Keynesian welfare state, bring about a dislocation of the dominant frame of meaning. The dislocation of such a framework, according to Discourse Theory, produce a number of floating signifiers which intensify the political struggle between social forces, and thus urge them to redefine this frame of meaning. A hegemonic struggle is therefore initiated at the level of political discourse. These political discourses propose responses to what is perceived to as the sources of the dislocation. Alternative social paradigms, such as that of the Third Way, are put forward and subsequently serve as the foundation for the negotiation of new compromises. In this sense the Third Way is a political discourse that is constituting the present social transformation.

What the analysis above tries to demonstrate is "[that] people act upon discursive constructions of the 'real world' rather than upon the hard facts themselves. Or, rather, they act upon what is constructed as facts in and through discourse. Moreover, our actions are not governed by a logic of consequence but rather by a logic of appropriateness which is imbedded in discursive frameworks of meaning and knowledge as well as in sedimented

forms of rules, norms and procedures" (Torfing 1999a: 241). It is precisely this dimension of the social process through which meaning is established that is absent in most political analyses implemented from within the dominant paradigm of political economy. Paying hardly any attention to articulatory practices they thus run the risk of missing the characteristic feature of negotiated economies: I.e. the process through which consensus as such is created.

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