Paul M. Pitman
Department of History
Columbia University
April 1995

French Sectoral Strategies and the Diplomacy of European Integration during the 1950s¹

This paper argues that French efforts to harness the Federal Republic's military-industrial potential through sectoral integration schemes played a significant role in the process of European integration during the period best known for a major breakthrough in general economic integration, the common market. In the years following the failure of the European Defense community (EDC), Paris sponsored proposals to pool armaments production under the Western European Union (WEU), to merge national atomic energy industries in Euratom, and to cooperate with Italy and Germany in developing atomic weapons. These initiatives complemented French positions in the negotiations regarding a six-power customs union, an OEEC-wide Free Trade Area, and the restoration of convertibility. To be sure, such attempts at military integration failed to produce significant practical results. However, their mere existence influenced what we now consider to have been more fruitful negotiations regarding the European economic order in important ways. For example, as I explore below, recent research indicates that in the fall of 1956 hopes that the Euratom powers would be capable of producing

¹ Draft--please do not cite without permission of author.

atomic weapons helped seal Franco-German compromise on the Rome Treaties. When, and if, additional relevant archival material is made public, we will be better able to weigh the relative significance of such episodes. I submit, however, that it is already clear that any satisfactory account of European integration during the 1950s must take into account the peculiarities of the Continent's military-industrial order.

Readers familiar with the historical literature on European integration may find provocative the suggestion that French sectoral schemes continued to influence integration diplomacy throughout the 1950s.² According to standard accounts, Paris played a leading role in the Schuman and Pleven plans but lost the initiative after the National Assembly refused to approve the ratification of the European Defense Community (EDC) in August 1954. Memories of the political battle over the European Army supposedly compelled policy-makers to eschew further efforts at military integration, while the distortions caused by the High Authority's management of the coal and steel industries reinforced business opposition to sectoral approaches. As a result, during the second half of the 1950s, once the Federal Republic had been securely linked to the West through membership in NATO, the process of European integration returned to the safer road leading towards commercial integration, the basis for today's European Union. From this point on, those responsible for Western security supposedly repudiated European frameworks and put their efforts into improving the functioning of Atlantic

organizations such as NATO. Lurking behind this narrative is the facile notion that economic integration and security cooperation could now follow separate paths, respectively European and Atlantic.

Studies of French policy towards Europe after May 1955 thus focus on French reactions to Dutch initiatives in favor of a European trading zone. Considerable attention has focused on Paris's reluctant decision to agree to the common market in the fall of 1956, a decision that has been explained by diplomatic historians as a response to the crisis in the Atlantic Alliance symbolized by the Suez Crisis and, by economic historians, as the outcome of long-standing debates regarding the terms under which the French political economy would participate in the international market.3 The apparently futile French attempt to use Euratom to finance an isotopic separation plant has often been depicted as more of a hindrance than a help in the Brussels negotiations. In short, existing scholarship implies that Paris influenced the crucial phase in the construction of Europe as much by its reluctance to acquiesce in generally acceptable solutions as by any positive initiatives.

What does recent historical research have to offer to students of European integration? Like its companion pieces, this paper offers a partial answer. In general we should resist the temptation to emphasize the novel implications of unexpected discoveries without considering how they can be reconciled with inherited interpretive frameworks. But my purpose here is not to

provide a balanced survey of the Fourth Republic's foreign economic policies and their influence on the evolution of the European order. Rather, I will single out one neglected aspect of integration diplomacy; I hope that its significance will be judged in the context of other related problems, such as the establishment of a customs union, the restoration of convertibility, or Britain's role in European affairs.

Atlantic Rearmament and Military Integration Plans to integrate the Continent's strategic sectors can perhaps best be analyzed in the context of European rearmament, the political and economic consequences of which have only recently begun to attract sustained historical attention. The relative paucity of studies on defense economics in the 1950s, no doubt largely conditioned by pessimism regarding the availability of archival material, may also result from a tendency to extend interpretations originally designed to account for the characteristics of the postwar reconstruction years to cover the following decade. Recent studies on the expansion of the European arms industries, the macroeconomic effects of the Korean War boom, and the diplomacy of mutual assistance have traced some of the complex linkages between domestic policy-making and international structures. 4 However, it still remains to be seen how the reconstitution of Europe's military industries affected ongoing transitions in domestic settlements or how these adjustments may have interacted with shifts in the Atlantic

system. The remarks that follow can raise only some of the issues implicated by French proposals to integrate Europe's revived strategic sectors.

The transition from economic to military containment generated strategic, fiscal and industrial problems that would animate Western international relations until the end of the Cold War. Following the outbreak of the Korean War, attention shifted away from integrating trade and payments under the Organisation for European Economic Co-operation (OEEC) and the US Economic Cooperation Administration (ECA), and towards harmonizing defense expenditures and armaments production, the purview of the North Atlantic Treaty Organization (NATO) and the ECA's successor, the Mutual Security Agency (MSA). In economic terms it was eminently sensible to limit the overall cost and restrict the inflationary potential of rearmament by sharing out the defense burden in accordance with patterns of resource allocation and comparative advantage. 5 However, NATO never provided an effective framework for economic cooperation, in part because the United States, reacting to the OEEC's failure to distribute Marshall Plan aid effectively, chose to grant military aid on a bilateral basis, in part because the explosive growth of military production created intractable industrial and security problems. By 1952, to be sure, NATO members had agreed to the Annual Review process for dividing the defense burden on the basis of shares of national income (an arrangement that incidentally helped spread the use of Keynesian national accounting techniques). But the Europeans

remained far from satisfied with merely providing troops and taxes; they demanded a substantial share of armaments production, which was widely expected to promote the development of high technology industries. The MSA's Off-Shore Procurement (OSP) program financed a rapid expansion in the European defense base, but bitter struggles between competing national industrial programs stymied efforts to rationalize European, not to mention Atlantic, military production.⁶

France, the only country on the Continent which attempted to rebuild an autonomous armaments industry, offers a striking example of the contradictory effects on the West European economies of increased militarization. Not counting extensive external aid, during the first half of the 1950s France's defense expenditure ran at over 10 percent of gross domestic product, which strained the labor market, threatened to scuttle civilian production targets, and weakened export performance, which finally lead to the suspension of import liberalization towards OEEC countries in February 1952.7 At the same time, national procurement and OSP orders rapidly expanded France's arms production capacity, especially in the aircraft sector. France needed to increase arms exports (presumably in Western Europe since the United States government pursued a nearly autarkic procurement policy) to maintain the trade and payments balances and sustain its most promising and prestigious high-technology enterprises.

The disposition of German heavy industry continued to be one of the keys to the European economic order. The West European powers had hesitated to countenance the reestablishment of the Ruhr armaments industry, but the maintenance of occupation restrictions on military production released German industry to concentrate on export markets--at the expense of other European producers. The economic clauses of the EDC treaty offered one answer to this dilemma by giving the European allies influence over the distribution of German armaments expenditure. Under this plan the EDC Commissariat would have managed a common arms budget, established a joint research and development program, and placed orders directly with firms in member countries.8 In effect, arrangements for regular consultation with industry representatives meant that the Commissariat would have ended up supervising a European armaments cartel. In addition, the Commissariat had the authority to restrict arms imports into the community and presumably would have sheltered Continental military production from British and North American competition. These provisions no doubt explain discreet support for the EDC from French and German organized industry.9

Military integration, although dependent on the development of the European order as a whole, obeyed a logic distinct from that governing general economic integration. Here I will merely mention three characteristic aspects. First, given its generally high start-up costs and sharply increasing returns to scale, the defense sector seemed a prime candidate for mutually beneficial

consolidation, a sector seemingly custom-made for functional integration. 10 Yet European solutions invariably included symbolically charged controls on military technologies, designed primarily to restrict the sovereignty of the Federal Republic but which would affect all participants to some degree, which stiffened resistance to French proposals. Second, military integration proposals dramatically raised the issue of the state's role in the economy. Of course, in many Western countries the enterprises to be europeanized had been the target of intensive state intervention if not outright nationalization dating back to the depression and war years (in these cases sectoral integration would not expected to strengthen the state directly). Yet the case of the Federal Republic proved different: one of consequences of the Korean War boom had been a partial reconstitution of German corporatism and the rejection of the EDC provided an opportunity to reestablish a liberal military procurement system. 11 Indeed, many feared that French proposals for pooling arms production--or atomic energy--might shift the balance of the European market economies towards dirigism, cartelization, and inflationary financing. Third, the constitution of an integrated Continental armaments industry represented a geopolitical choice in favor of Little Europe as opposed to formulae open to British or North American participation. French sectoral strategies would have to address such economic, ordnungspolitische, and geopolitical considerations.

French Sectoral Integration Strategies

The postwar French policies towards European economic questions, and thus towards Germany's place in Europe, rested in large part on sectoral initiatives. The European Coal and Steel Community proved to be the only such scheme which achieved significant practical results -- if only the "success of a failure," to borrow John Gillingham's expression. 12 But repeated setbacks did not suffice to discourage proposals for a green pool (agriculture), a white pool (pharmaceuticals), or an air transport pool. Unlike trade liberalization or currency convertibility, most sectoral integration plans provoked little opposition in French policy-making circles. Even in the case of the conflict over the EDC, it was the political and military aspects of the Treaty of Paris, rather than its economic clauses, that attracted opposition. 13 Moreover, just as farm interests supported the Europeanization of agricultural protection, so proposals for integrating aerospace and armaments production could count on solid backing from the French military and the "statist-modernist" wing of the French Patronat. During the early 1950s sectoral integration had been associated with federalist hopes, but after the failure of the EDC French policy-makers attempted to achieve favorable settlements in particular sectors without engaging mechanisms that would lead to further dilutions of French sovereignty. At the same time, French sectoral strategies shifted from attempts to restrict German industrial power to efforts at building a Franco-German partnership that

could resist what the French denounced as Anglo-Saxon hegemony in the Atlantic system.

Debates on foreign economic policy often set liberals in the Quai d'Orsay and the Ministry of Finance against the Ministry of Industry and the so-called technical ministries, even if all accepted the need to dress France's desiderata in European garb. Of course, the near consensus in favor of sectoral settlements, as opposed to trade liberalization and currency convertibility, corresponded to the French model of planning and economic modernization. Thus in commercial negotiations Paris put forward proposals aimed at establishing frameworks suitable for "accords de spécialisation," another form of sectoral deal. Indeed, even in presentations to the Managing Board of the European Payments Union—a group ostensibly concerned primarily with macroeconomic policy—French representatives often referred to policies designed to address the difficulties of particular sectors.

Building a European armaments community suited the needs of the nascent French "military-industrial complex," and especially the French aircraft sector, which alternately embraced nationalist, Atlanticist and Europeanist strategies. In the early postwar years the French aircraft industry pursued an autarkic policy under the leadership of Communist Air Minster Charles Tillon. Building on the technological and industrial legacy of wartime collaboration, the French attempted to design and produce the full range of civilian and military aircraft required by

consumers in the French Union. Starting in January 1947, however, under Radical Air Minister André Maroselli, French air policy began to move towards a more Atlanticist orientation. The French government now decided to purchase advanced British and American aircraft to equip Air France and the French Air Force. French producers were forced to specialize in branches in which they could compete on world markets, a decision which resulted in a sharp cut in employment. The new industrial policy, imposed over vigorous domestic opposition but with significant Marshall Plan aid, was codified in the five-year plan for aviation approved in August 1950, which guaranteed stable funding for a small number of prototypes.¹⁵

Just when French aircraft producers had been forced to accept a modest role within the Atlantic system, the prospect of German rearmament appeared to offer new chances for expansion within a European framework. As early as July 1950, industry representatives began to lobby for the creation of a European aircraft community. Some ambitious schemes even called for building a vast aircraft complex at Colomb-Béchar in Algeria, linking a renewed Franco-German community to the dream of Eurafrica. In returning to a European framework, French industrial visionaries had virtually come full circle since 1940, except that this time Paris could hope to maintain the upper hand over firms in occupied Germany. Paris's rejection of the EDC, in large part caused by opposition from those branches of French industry that would have been disadvantaged by the proposed

procurement system, reopened the problem of supplying the German military, and with it the question of the governance of Europe's high technology industries.

Despite their Europeanist rhetoric, the Schuman and Pleven Plans had emphasized controls on German heavy industry, but arms collaboration proposals put forward after the failure of the EDC emphasized building a more positive relationship with the Federal Republic as a way to resist the hegemony of the Anglo-Saxons. In this respect, the Mendès-France government's proposal to establish an arms pool under the WEU marked a significant turning point. 17 Indeed, during the fall of 1954, Mendès-France--best known for his efforts to tie Great Britain to the Continent -proposed building a Franco-German industrial entente centered on joint military production programs. 18 At the Quai d'Orsay, the pool proposal was put forward as a way to achieve a favorable settlement in the armaments sector without engaging functionalist mechanisms that might lead towards a common market or a single currency, which were seen as dangerous steps towards a unified political authority. 19 After the arms pool proposal was rejected in the spring of 1955, French political, military, and industrial leaders continued promote wide-ranging military collaboration.²⁰ This quest for military-industrial partnership with Bonn would have to overcome the bitter heritage of former conflicts as well as the attractions of bilateral relations with the United States and Great Britain. As a result, it would not be until the 1956

crisis in NATO that the Federal Republic would agree to take the first real steps towards a Little European strategic community.

The Treaties of Rome and the Search for an Independent European Deterrent

Since the time of the Suez and Budapest crises, it has often been suggested that loss of confidence in the Atlantic Alliance helps explain the breakthrough in the negotiations regarding the European Communities. 21 Diplomatic historians have focused on the dramatic meeting between Adenauer and Mollet held in Paris on 6 November 1956--just at the moment when the United States forced the French and the British to suspend military operations meant to retake the Suez Canal--during which the two statesmen overcame the deadlock in the Brussels negotiations. Economic historians of the process of European integration, notably Alan Milward and his associates, have discounted high politics and explained integration policies in terms of long-standing responses to the economic challenges faced by the European polities. 22 I will now arque that Continental responses to the nuclearization of Western strategy, and in particular the French and German desires to acquire nuclear strike capabilities, also facilitated the compromise on European integration. Of course, in theory these alternative approaches could be easily reconciled in a narrative that would demonstrate that the temporary confluence of the ongoing process of economic integration and the exigencies of the strategic sector both contributed to the conclusion of the

Treaties of Rome, while the spectacle of the apparent powerlessness of the West European states in the Middle Eastern and East European crises encouraged public support for European union. (I return to this point in my conclusion.)

By the winter of 1954-55 the nuclearization of NATO strategy had decisively changed the stakes in European military integration. In August 1954 French strategists responded to the NATO's "New Approach Studies," which had concluded that it would be necessary to use nuclear weapons against virtually any conventional attack on NATO forces, by arguing that Europe needed to develop an independent nuclear capability. A European deterrent force, developed under French control on the basis of German industrial potential, could at once improve Europe's standing within the Atlantic Alliance and reinforce the American nuclear quarantee. Of course, French nuclear weapons would also maintain the favorable strategic balance within Western Europe even after the Federal Republic was rearmed with conventional weapons. By September 1954, if not before, the French military leadership proposed to the government that a Continental European grouping develop a "European bomb."23 Starting in the spring of 1954, the Commissariat à l'énergie atomique (CEA), responsible for both civilian and military applications of atomic energy, attempted to establish bilateral relationships that would provide technological assistance, financial support, and supplies of fissile materials. In particular, the French sought assistance in constructing an isotopic separation plant which would produce the enriched uranium needed for the French bomb program. But the search for partners proved frustrating: first the British and then the Germans rejected French overtures. As a result, the French determined pursue their goals under the aegis of the negotiations on Euratom, a proposal which had been originated by technocrats concerned with maintaining France's access to an inexpensive supply of energy.²⁴

In the Spaak Committee talks on the common market and Euratom which began in July 1955, the French government vigorously argued that a treaty on Euratom should be concluded without waiting for an agreement on the common market. Paris's main problem was to gain support from the German government, which was divided over nuclear cooperation. Although the Foreign Ministry stood behind the Euratom initiative, the minister responsible for atomic energy, Franz-Josef Strauss, backed by German industrial interests, strongly opposed key elements of the plan such as supranational controls and monopoly ownership of fissile materials, favoring instead direct ties with British and American industry. 25 German hesitations strengthened the hands of those who wanted to maintain the link between the two communities lest the French turn their back on the process of general economic integration once they achieved their goals for the atomic energy sector.

Historians generally credit the Guy Mollet government with changing the French stance towards the common market negotiations. But the French position at the Venice Conference in

May 1956, and the French government's declarations during the July 1956 parliamentary debates on Euratom, indicated that the atomic energy community remained a higher priority than commercial integration. Indeed, the Mollet government waited until September 1956 before formulating French demands on the common market, and when the full French position was finally presented in Brussels, the negotiations quickly deadlocked.

Mollet, a convinced Europeanist, who, in his investiture speech, had called on the Euratom powers to unilaterally renounce the right to produce nuclear weapons, probably opposed the nuclear bomb program; and certainly he seemed an unlikely champion of a European deterrent. But Mollet proved too weak to head off those in his government who backed the bomb, and, after several heated interministerial discussions in March and April 1956, the government revised its position on Euratom's prohibition of military uses of atomic energy. This awkward revision in the socialist government's security policy reflected both the frustration of Mollet's efforts to gain support from the British, the Soviets and the Americans for French policy in Algeria and the interplay between the inertia of the foreign policy establishment and the exigencies of parliamentary politics.

The 1956 NATO crisis strengthened French and German perceptions of shared strategic interests, a circumstance that would favor progress in the European negotiations. During the spring of 1956 it had become clear that disagreements over policy

towards out-of-area conflicts, support payments for troops stationed in the Federal Republic, and the strategic consequences of increasing dependence on nuclear weapons, had generated serious strains within the Alliance.26 In this context, the socalled Radford Crisis of July 1956 -- set off by a New York Times report regarding plans attributed to Admiral Radford, Chairman of the United States Joint Chiefs of Staff, to make substantial troop cuts and to withdraw ground forces from Europe--spurred a thoroughgoing reconsideration of West German defense strategy.²⁷ As one authority put it, the Federal Republic's political leadership finally seemed to grasp the implications of the strategic situation they had put themselves in by joining NATO. A cabinet discussion on 20 July 1956 shows that ministers felt that the Federal Republic should seek to increase its influence in NATO, in order to pressure its allies to retain conventional options, while Chancellor Adenauer noted that if Western strategy continued to switch over to nuclear weapons, the Federal Republic would have to reconsider its 1954 engagement to renounce the production of atomic, bacterial and chemical weapons. 28 From this point on the Federal Republic's Europapolitik would be intimately tied to questions of nuclear strategy.

The Radford crisis also provided an opening for those forces in the French government that sought German backing for a "European" deterrent. Now the French provided strong support for German criticisms of American and NATO strategy. 29 And in private talks, French military officials indicated that they felt the

European allies should cooperate to break the nuclear monopoly of the Anglo-Saxon powers.³⁰ Such discreet approaches may have encouraged the Bonn authorities to reconsider Paris's continued efforts to revive bilateral arms collaboration.³¹

French diplomacy picked up steam in September 1956. Early in the month the French government approved a comprehensive negotiating position on Euratom and the Common Market, a position put forward in Brussels by Maurice Faure, the minister charged with European affairs. Faure also travelled to Berlin and Bonn to present his case to German ministers, linking progress in European integration to Franco-German armaments collaboration and hinting that the French might sanction German acquisition of nuclear weapons. 32 Meanwhile, in the run-up to the Suez operation. Mollet somewhat inconsistently attempted to reinforce entente with London while intensifying rapprochement with Bonn. Thus, in a meeting with British Prime Minister Anthony Eden, the French Premier proposed reviving Jean Monnet's June 1940 proposal to merge the British Commonwealth and the French Union. 33 But at the end of the month, in talks with Adenauer, Mollet argued for Franco-German cooperation both in completing the Brussels negotiations, the success of which would encourage British participation in European affairs, and in reviving seven-power cooperation under the WEU.34 French policy-makers, long aware of London's lack of support for French policies in Europe, and now frustrated by London's inconsequential approach to the Suez

invasion, may have already decided to bet on the Franco-German axis.

Paris's campaign for German support in the European policy soon paid off. In public, Adenauer continued to stress the need for full British participation in European affairs, but in the negotiations on the EEC and Euratom, he staunchly supported "Little Europe."35 In cabinet meetings held in early October to determine the German position regarding the Brussels negotiations, Adenauer imposed acceptance of the main French demands, overriding stubborn opposition from Economics Minister Erhard and Atomic Energy Minister Siegfried Balke. One of Adenauer's main justifications for his position was the argument that Euratom needed to achieve the capability to produce nuclear weapons as soon as possible--exactly the sort of possibility that the French had been hinting at since the summer. 36 This suggests that Adenauer may have been willing to aid the French nuclear weapons program (or that he may have been willing to hint as much in order to gain concessions from his European and Atlantic partners). Whatever his motives and calculations may have been, the Chancellor's stance in the debate on European policy in the fall of 1956 clearly links his response to the changes in NATO strategy to his support for cooperating with Paris in issues of regional economic integration.

Despite the German cabinet's decision to negotiate on the basis of the French position the negotiations on the EEC and Euratom faced continued difficulties. Indeed, the Paris Foreign

Ministers conference of October 20-21 failed when the French and German representatives were unable to reach a workable compromise on harmonization of social policies and ownership of fissile materials. The French and German heads of government--negotiating above the heads of their partners in the Brussels talks--overcame this deadlock during their famous Paris meeting at the peak of the Suez Crisis, during which the Germans also agreed to French proposals regarding closer cooperation in weapons development, under WEU auspices if possible, on a bilateral basis if necessary.³⁷

In retrospect, of course, the French agreement to go ahead with the EEC seems more important than the German decision to support Euratom. Indeed, the French design for Euratom failed in the short run: when the United States offered to supply nuclear fuel to Euratom on the condition that the Europeans return used fuel for reprocessing, the Six agreed not to build an isotopic separation plant. Nonetheless, in the months and years following Suez, the French and the Germans continued to explore joint development of nuclear weapons. Indeed, in the winter of 1957-58, the French, German and Italian Defense ministers reportedly agreed to build an isotopic separation plant, to develop a nuclear-capable rocket with a range of about 1,500 kilometers, and, according to some reports, to cooperate in producing nuclear warheads.

Negotiations regarding the integration of the Continent's strategic sectors ran as a discreet counterpoint to diplomacy of general economic integration. Sectoral integration and general economic integration obeyed distinct economic logics, and the two processes followed different trajectories, but they influenced one other at crucial points. Ironically, although promising sectoral projects never actually amounted to much, hopes regarding military cooperation appear to have opened the way for decisive progress towards integration of the European political economies. By the same token, Western Europe's general economic and political orientation -- and especially the ongoing macroeconomic cooperation instituted by the European Payments Union (a particularly important forum for Franco-German partnership) -- conditioned the delicate sparring over international regulation of military production. In short, in the post-reconstruction transformation of the European order, at least two distinct integration processes, obeying different political and economic logics, influenced one another in an apparent illustration of Ernst Bloch's <u>Ungleichzeitigkeit</u> (nonsynchronism).

In concluding I put forward three general observations.

1. I am arguing that restoring seemingly incongruous elements to the familiar upbeat narratives of European integration provides a richer, more satisfying account, but I am also aware that introducing such discordant elements raises new interpretative difficulties. The story of cooperation in military

production suggests that it is not particularly useful to separate "economics" from "high politics," the <u>Primat der Innenpolitik</u> and the <u>Primat der Außenpolitik</u>, as explanations of national policies. Indeed, such distinctions draw our attention away from issues such as the economics of military production or the strategic implications of regional trading arrangements. I believe that similar conclusions might be extracted from much recent work on European integration.⁴⁰

- 2. Keeping the military sector in the story of European integration contributes to current efforts to frame what we know of the process of integration (assuming for a moment that it was one process) within plausible historical contexts. The story of French—and European—responses to shifts in Atlantic strategy has the advantage of clarifying alternative geopolitical solutions to the problems that faced the Atlantic world in the aftermath of reconstruction. In this way, the history of military integration fits in with recent analyses of the choices between Little Europe, OEEC Europe, and an Atlantic frameworks for commercial and monetary cooperation.
- 3. Finally, I would suggest that the emerging record of the international regulation of the armaments sector casts new light on the process of European integration during the 1950s—and on its place in the postwar settlement. It is stimulating to note just how often the story of European military production shows that, at various points, the French and Germans found it attractive to cooperate in a common effort to resist Anglo—Saxon

hegemony. Simultaneously, the international regulation of military production remained an arena for conflict between Paris and Bonn over discriminatory control mechanisms, alternative approaches to market regulation, and efforts to favor national champions. Again, such a reinterpretation would fit in with an approach according to which European integration and Atlantic cooperation reflected an ongoing tension between, on the one hand, mutually-beneficial international cooperation and, on the other hand, competition between national models of domestic political economy.