



**EDITORIAL**

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I am delighted to report that the Fourth Biennial Conference of the European Community Studies Association held in Charleston, South Carolina from May 11-14 was a major intellectual success. Approximately 400 scholars and practitioners from Canada, the United States and Europe (east and west) participated either as paper givers, discussants or members of an interested audience. The panels seemed to stimulate a great deal of discussion both in and outside the meeting rooms. I would like to give David Cameron, the Program Chair, and the other members of the Program Committee an especially warm thank you. Above all, however, I would like to thank the ECSA members who delivered such high-quality papers. Many of the American attendees commented to me on how much the participation of Canadians and Europeans added to the vitality and intellectual life of the Conference. We are especially grateful to the German Marshall Fund of the United States for helping to fund the participation of Europeans, east Europeans in particular.

One of the highlights of the Conference was the luncheon speech given by Mr. Carl Bildt, the former Prime Minister of Sweden and currently a Member of Parliament. Mr. Bildt's overview of European affairs was titled "The Emergence of a New Europe." He stressed the historic importance of enlargement for the future of the EU, and its implications for the capacity of the EU to address the instability which is still a potential danger in the formerly socialist states of eastern Europe.

Two other plenary sessions were also held. One considered "The Road to and From Maastricht: The Theoretical Debate." I would like to thank Wolfgang Wessels and David Cameron for their intellectual and organizational contributions to this very successful discussion of academic perspectives on European integration and policy making. The second plenary on "Regional Futures and Transatlantic Economic Relations," was presented by Miles Kahler of the Council on Foreign Relations and the University of California-San Diego. Professor Kahler's presentation represented the culmination of a process of research and writing which has included sessions with policymakers in both Washington and Brussels, as described in the Winter 1995 ECSA Newsletter. The presentation argued that the United States has adopted a regional strategy to complement its traditional multilateral perspective. Professor Kahler also argued that the institutional changes which are being considered within the EU will have implications for transatlantic relations. Such implications have not been thoroughly analyzed, according to Professor Kahler, and his paper offers several alternative scenarios for thinking about the linkage between institutional

change and transatlantic economic relations.

The analysis was widely perceived as thought-provoking and as contributing in important ways to the policy discourse on transatlantic relations. All ECSA members will receive a complimentary copy of the published monograph within the next few months. The US-EU Relations Project was generously funded by DGI of the European Commission and the German Marshall Fund of the United States.

A very welcome new dimension was added to the Conference by the annual meeting of the EU depository librarians, which was held in conjunction with the ECSA Conference. The meeting of the depository librarians was sponsored by the European Commission Delegation in Washington, DC and organized by Barbara Sloan, Head of Public Inquiries at the Delegation. The librarians were able to attend many ECSA panels, and thereby become more familiar with academic research on the EU. I hope that the partnership between ECSA and the depository librarians will become a tradition.

Given that the depository librarians are working to keep abreast of the revolution in information technologies, it is perhaps only appropriate that ECSA itself has agreed to publish a CD-ROM with Ellis Publications which will contain many of the papers presented at the Conference. Ellis Publications includes EUROCAT and SCAD among its many offerings on the EU. All paper givers will receive an invitation to include their paper in this collection. Further details and purchase information will be included in the Fall ECSA Newsletter.

The success of this Conference and the activities flowing from it would have been impossible without the generous financial support of the Delegation of the European Commission,

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## Conferences and Workshops

### **The Politics of European-Japanese Relations in the Mid-1990's**

December 14-15, 1994 University of Reading, UK

The University of Reading's Department of Politics and Graduate School of European and International Studies organised a Workshop on The Politics of European-Japanese Relations in the Mid-1990's at the University of Reading on 14 and 15 December 1994. The Workshop, which was organised in co-operation with the Institut für Europäische Politik, Bonn, and the Institute of Developing Economies, Tokyo, was partly financed by the European Commission and various other organisations. Participants included academics and practitioners mainly from Europe and Japan. Topics covered included recent political developments in Japan; their implications for Japan's new role in the world; the question of the UN Security Council seat; and, the implications of the Korean Crisis of 1994. For more information, please contact the Workshop organiser, Dr. Stelios Stavridis, Department of Politics, The University of Reading, Whiteknights, PO Box 218, Reading, RG6 2AA, UK; Fax: +44 1734 753833.

### **Pan European Conference in International Relations**

September 13-16, 1995 Paris, France

This Conference will be held at the Fondation Nationale de Science Politique. For more information, contact A.J.R. Groom, Rutherford College, University of Kent, Canterbury, Kent CT2 7NX; e-mail "MS8@UKC.AC.UK"

### **The Revision of the Maastricht Treaty in 1996**

September 14-16, 1995 The Hague

This symposium is organised by the Asser Institut (Institute for private and international Law, international arbitration in trade matters and European Law). The discussions will result in a publication "Suggestions for the revision of the Maastricht Treaty". The main topics on the agenda are: the framework of the Revision Debate: international agreement or European constitution, the overall legal model, European citizenship and human rights, democracy and transparency; general institutional questions: efficiency of decision making, the question of democratic representation, the instruments of Community law and the hierarchy of norms, the future role of the Court Justice; the powers of the Community and the Union: division of powers, Economic and Monetary Union, Common Foreign and Security Policy, Justice and Home affairs. For more information, contact Alfred E. Kellermann, TMC Asser Institut, Alexanderstraat 20-22, Postbus 30461, NL-2500 GL's-Gravenhage, tel(+31) 070-3420300, fax(+31) 070-3420359.

### **Fall 1995 Colloquia Sponsored by the European Institute of Public Administration**

In preparation for the Intergovernmental Conference (IGC) of 1996, the European Institute of Public Administration intends to organize two colloquia in the Fall of 1995. The first, "**A New Role for Parliaments in an Evolving European Union**", will be held September 8-9, 1995 in Athens, Greece. This Colloquium will offer a forum in which members of national parliaments and

members of the European Parliament can meet representatives of other European institutions and academic experts to debate the changing role of parliaments within the EU, with a view to the forthcoming work of the IGC. For more information and to obtain registration forms, contact Ms. Araceli Barragán, Programme Organization, tel +31 43 296 325, fax +31 43 296 296.

The second Colloquium, "**The European Union's Common Foreign and Security Policy: The Challenge of the Future**", will be held October 19-20, 1995 in Maastricht, The Netherlands. The first day of this seminar will bring together high-level representatives of the major institutions involved with European security, such as the European Council, Commission and Parliament, and the WEU and NATO. On the second day a series of panel discussions will address the major issues relating to the European security agenda. For more information and to obtain registration forms, contact Ms. Jeannette Zuidema, Programme Organization, tel: +31 43 296 204, fax +31 43 296 296.

### **UACES Autumn 1995 Conferences**

The University Association for Contemporary European Studies (UACES) will be sponsoring a number of one day conferences this Fall. They include:

- Integration within a Wider Europe: First UACES Research Conference, Birmingham, 18-19 September 1995
- The Regions, Leicester, 6 October 1995
- Evaluating the French EU Presidency, 27 October 1995
- Social Europe, London, 24 November 1995
- Governance of the EU, Manchester, date to be confirmed
- Aspects of Business in European Integration, London, date to be confirmed

The standard price for UACES one day conferences is £30 for members, £40 for non-members. For more information, please contact Susan Jones, UACES Secretariat, King's College London, Strand, London WC2R 2LS, UK; Phone/Fax +44 171 240 0206. Readers should also note that the 1996 UACES Annual Conference will be held at the University of Leeds, from 3-5 January.

### **Conference on Access to Justice in the European Union**

September 26, 1995 Brussels

For more information on this event, contact Denis Waelbroeck, Cahiers de Droit Europeen, Tel 32.2 627 14 11.

### **Atlantic Economic Society**

October 8-11, 1995 Williamsburg, VA,  
March 12-19, 1996 Paris, France

Authors should submit 2 copies of at least a 500 word summary and a submission fee of \$49 for AES members (\$59 for non-members) per paper. All accepted participants will be responsible for their own expenses, including the conference registration fee. Submit papers and requests to serve as chair and/or discussant with number and name of interest area to: Atlantic Economic Conference, Campus Box 1101, Southern Illinois University, Edwardsville, IL 62026-1101; Phone (618) 692-2291; Fax(618) 692-3400.

## **The European Trade Union Movement at the End of the Nineteenth Century**

October 12-14, 1995 Paris

To commemorate the centennial of the Confederation Generale du Travail, the Centre de recherches d'histoire des mouvements sociaux et du syndicalisme (CRHMSS) plans a conference in Paris, October 12-14, 1995, focusing on three "models" of working class organization which were already in place by the end of the nineteenth century: British trade unionism; French revolutionary syndicalism; and Germany's socialist and centralized labor organizations. The conference is organized jointly by the CRHMSS, the Friedrich Ebert Foundation (Bonn), and the Institute of Social History (Amsterdam).

A thematic outline of the conference is contained in the CHRMSS Bulletin, no. 1 (1994), which may be obtained by writing to: CHRMSS, 9, rue Malher, 75181 Paris.

### **German Unification 5 Years Later: An Interdisciplinary Perspective**

#### **First Annual Graduate Student Conference**

November 11-12, 1995 Center for German and European  
Studies, Georgetown University

The CGES Graduate Student Conference will be held in Washington, D.C. and will explore the effects of reunification on Germany, other individual European countries, and the European Union. Members of the Washington metro-area academic and professional communities will participate as panel chairs. For more information, contact Joanna Ritcey at the Center for German and European Studies at Georgetown University at (202) 687-5602, or fax to (202) 687-8359.

### **New Approaches to European Union Studies: The European Union and the Transformation of European Politics A Graduate Student Workshop**

December 7-10, 1995 Center for European Studies  
Harvard University

The European Union has experienced a renaissance of interest following the Single European Act and the Maastricht Treaty on the European Union. The forty-five years of European experience in economical and political integration provide a rich history through which some of the most fundamental issues in the disciplines of political science, modern history, sociology and economics can be examined. The objective of this workshop is to promote research on European integration that addresses important theoretical debates central to border disciplines. The workshop will bring together advanced standing graduate students from North American universities to present and discuss their dissertation research. Faculty will provide commentary on student presentations and participate in a roundtable discussion: "European Integration: Model, Example or Exception?"

Applications addressing the following themes are particularly encouraged: European Integration and the Transformation of Domestic Politics; European Integration and the Changing Political Economies of Europe; Institutional Analyses of European Integration; Constructivist and Ideational Analyses of European Integration; The European Union and the Global System; and Germany and the New Europe: Hegemon or Partner?

Participation in the workshop will be limited to advanced doctoral students at North American universities, and is by invitation only. Proposals should clearly relate research on the European Union to broader theoretical questions central to the fields of comparative politics, international relations, modern history, sociology or economics. For consideration, complete applications must be received by October 13, 1995. To request an application, please contact the Center for European Studies, Harvard University, 27 Kirkland Street, Cambridge MA 02138. Applications will include an application form, and a five page workshop paper. Travel and accommodations for participants will be provided by the Program for the Study of Germany and Europe, Center for European Studies, Harvard University.

### **Tenth International Conference of Europeanists: An Open Agenda for a New Europe**

March 14-17, 1996 Chicago, Palmer House Hilton

The Council for European Studies (CES) invites proposals for its 10th biennial Conference of Europeanists, to be held in Chicago at the Palmer House Hilton. Paper and panel proposals must be postmarked by October 10, 1995; prospective participants should contact the CES office for application forms.

The Program Committee encourages submissions by historians and social scientists of all disciplines, including those deploying quantitative techniques, who seek to address matters of broad concern to students of Europe, East and West. While members of the Program Committee will endeavor to commission panels on the themes noted below, we ask prospective participants to add their own projects to an open agenda. As the Council has done in the past, it will attempt to provide travel subsidies of \$400 per paper-giver or discussant traveling from Europe and \$250 to paper-givers who are graduate students. In either case, no application is needed.

Themes around which the Program Committee will attempt to commission panels include the following: Aging and Its Consequences; Agricultural Development: Decline and Debate; Boundaries and the New Territoriality in Europe; Citizenship; Class Decomposition: The Disappearance of Class as an Analytic Category; Collective Memory and the Construction of Post-Liberation Identities, 1944-1989; Constructing Markets, including the European Union; Corruption and the New Public: Studies in Comparative Scandals; Gendering the Welfare State; Left-Wing Liberalism in Eastern Europe; Long-Term Unemployment; Politics and Film; Privatization and Property; Protestant Fundamentalism in Europe, East and West; Reception of European Theory in the US; Security in the Post-Cold War Era; Social Protest in Europe, East and West; and Transformation of Social Democracy.

For application forms and further information, contact the Council for European Studies, Box 44 Schermerhorn, Columbia University, New York, NY 10027; Phone (212) 854-4172.

### **The European Firm in the Global Economy**

April 4-6, 1996 Thessaloniki, Greece

For a list of topics on which proposals for papers could be made, please contact Prof G Papadiodorou, TEI, Economic Society of Thessaloniki, Tel 00 30 31 791 206 or Fax 00 30 31 791 180.

## **Historiography and Nation Building: France, Germany & Italy**

April 9-11, 1996 Cardiff, Wales

For information on this event, contact Dr. S. Berger, School of European Studies, University of Wales, Cardiff, Tel 01222 874 000 x5405.

## **A Changing Europe in a Changing World: Urban and Regional Issues**

April 11-14, 1996 Exeter, UK

Proposals for papers or requests for more details to: Kathy Wood, University of Durham, Fax 0191 374 2456, E-mail: "Kathy.Wood@Durham.ac.UK"

## **Redesigning the European Idea**

April 21-24, 1996 University of Canterbury, New Zealand

This is a joint conference organized by the European Community Studies Association of New Zealand (ECSA-NZ) and the Contemporary European Studies Association of Australia (CESAA). The main theme is the 1996 ICGs and "Redesigning the European Idea"; however, proposals for papers in the general area of European Studies are also welcome (in politics, economics, law, history, philosophy and languages). The organisers hope to be able to assist a limited number of participants in funding travel costs. The deadline for paper proposals is January 15, 1996.

Please direct paper proposals and all inquiries to the conference organizer, Dr. M. Holland, Department of Political Science, University of Canterbury, Private Bag 4800, Christchurch, New Zealand; Fax 03 364 2007; E-mail: "M.HOLLAND@pols.canterbury.ac.nz".

## **Third ECSA-World Conference**

May 23-24, 1996 Brussels

The Third ECSA-World Conference will deal with "The European Union in a Changing World." A June 13, 1995 meeting of the Conference Steering Committee in Brussels has established the following Working and Regional Groups:

### WORKING GROUPS

1. Europe and the World Economy: Competitiveness, Competition; Investment
2. Trade Relations
3. Monetary Policy and Capital Markets.
4. Challenge and Instruments of Foreign and Security Policy
5. Europe and the International Migrations

### REGIONAL GROUPS

- 1.. The EU and Central and Eastern Europe (including the NIS)
2. The EU and the Mediterranean Countries
3. The EU and North America
4. The EU and Asia
5. The EU and Latin America
6. The EU and Africa

To accommodate representation from the twenty-eight national ECSAs in ECSA-World, participation in the Conference is very limited. Paper proposals in the areas of the Working and Regional

Groups should be approximately two pages in length. Proposals and a brief curriculum vitae should be sent to the ECSA Administrative Office, 405 Bellefield Hall, University of Pittsburgh, PA 15260; Fax (412) 648-1168; E-mail: "ECSA@VMS.CIS.PITT.EDU". **Proposals must be received no later than September 25, 1995. Please note that only U.S. citizens and permanent residents should forward proposals to the ECSA-USA office in Pittsburgh. Citizens of other countries should contact their national ECSA for information on proposal procedures.**

Partial funding may be available for Conference accommodations. Invitations to the Conference will be made after a meeting of the ECSA-World Conference Steering Committee in Brussels on October 19, 1995.

## **Memory and History: European Identity at the Millennium**

August 19-24, 1996 Netherlands

Further details for this Conference are available from Dr. Debra Kelly, School of Languages, University of Westminster. Tel (+44) 0171 911 5000, Fax 0171 911 5001.

## **Fifty Years after Nuremberg: Human Rights and the Rule of Law**

October 1996 Storrs, Connecticut

For more information on this Conference, contact Henry Krisch, Dept. of Political Science U-24, University of Connecticut, 341 Mansfield Rd., Storrs, CT 06269-1024; Fax: (203) 486-3347; E-mail: "henryk@uconnvm.uconn.edu".

## **Grants and Fellowships**

### **ECSA Graduate Fellowships Awarded**

ECSA has awarded three Graduate Fellowships leading to the M.A. degree for the 1995-96 academic year. The Graduate Fellows are:

**Laura Adleman**, who will attend the M.A. program in European Integration at the University of Limerick, Ireland. Ms. Adelman has a double major in Sociology and Political Studies at Pitzer College, Claremont, CA.

**Maegon Barlow**, who will attend the M.A. program in Contemporary European Studies at the University of Sussex, UK. Ms. Barlow is a Political Science and International Relations major at the University of Pittsburgh.

**Christopher Vore**, who will attend the M.A. program in European Studies at the College of Europe, Bruges, Belgium. Mr. Vore has earned a B.A. (Public Policy and French) and M.A. (Public Policy) from Brigham Young University.

ECSA is grateful to the Office of Press and Public Affairs, Delegation of the European Commission, Washington, DC for its generous support of these Fellowships. The positions at the University of Limerick and the University of Sussex were established in 1993 and 1994, respectively, and carry an award of approximately \$12,000 toward tuition and living expenses. The

Fellowship at the College of Europe has been established for the 1995-1996 academic year in honor of "50 Years of Transatlantic Cooperation for Peace and Democracy," and carries an award of approximately \$15,000 toward tuition and leaving expenses.

**Jacques Delors Dissertation Fellowship  
Commemorating 50 years of Transatlantic Cooperation  
Awarded at European University Institute**

With support from the Office of Press and Public Affairs, Delegation of the European Commission, Washington, DC, ECSA has awarded the inaugural Jacques Delors Dissertation Fellowship. This Fellowship commemorates 50 years of transatlantic cooperation, and enables an advanced graduate student to pursue coursework and dissertation research at the European University Institute in Florence, Italy. The Fellowship provides tuition and approximately \$14,500 towards transportation and living expenses.

**James I. Walsh** of the School of International Service, American University has been selected as the Jacques Delors Fellow for the 1995-1996 academic year. Mr. Walsh will continue work on his doctoral dissertation, which compares how domestic politics and institutions influenced British, French, and Italian exchange rate policy and positions toward Economic and Monetary Union from 1978 to 1993.

**ECSA Dissertation Fellowships Awarded**

With funding from the Ford Foundation, ECSA has awarded four Dissertation Fellowships for the 1995-96 academic year. These Fellowships provide \$2,500 for dissertation related expenses. The 1995-96 Dissertation Fellows and their dissertation topics are:

**Brian Hanson** (Department of Political Science, MIT), "The Effect of EU Membership on Domestic Politics: Trade Policy in Europe"

**Robin B. Hodess** (International Relations, University of Cambridge), "A Comparative Study of the Role of the Media in European Integration in Britain and Germany, 1985-1991"

**Patrick O'Hagan** (Department of European Politics and Society, Oxford University), "Between Protectionism and Free Trade: EU Agricultural Policy Toward Central and Eastern Europe since 1990"

**Christina R. Sevilla** (Department of Government, Harvard University), "Multiple Membership in International Institutions: German and British Compliance with Multilateral, Regional and Bilateral Commitments"

**ECSA Curriculum Development Grants Awarded**

With support from the Office of Press and Public Affairs, Delegation of the European Commission, Washington, DC, ECSA has awarded five Curriculum Development Grants for the 1995-96 or 1996-97 academic years. These grants are designed for the creation of new courses on the European Union, or for the expansion of existing courses to include new material on the European Union. The following individuals and their sponsoring institutions received Curriculum Development Grants of up to \$3,000:

**David M. Andrews**, Department of International Relations, Scripps College, Claremont, CA

**Robert E. Breckinridge**, History/Political Science Department, Saint Francis College, Loretto, PA

**Michel Gueldry**, Division of Foreign Languages, Monterrey Institute of International Relations, Monterrey, CA

**Hugo M. Kaufmann**, European Union Studies Center, City University of New York

**Adria J. Sankovic**, Frederick K. Cox International Law Center, Case Western Reserve University, Cleveland, OH

**Fulbright Scholar Awards For  
U.S. Faculty and Professionals  
General Information for 1996-97 Competition**

Since 1946, the Fulbright Program has offered faculty, professionals, teachers, and students the opportunity to conduct research, teach, or study abroad and to make a major contribution to the growth of mutual understanding among countries and individuals. The 1996-97 program year marks the 50th anniversary of the Fulbright Program. Over 31,000 U.S. scholars have traveled the globe as Fulbright lecturers and researchers since the beginning of the program.

The competition for 1996-97 awards includes grant to over 135 countries. Awards range from two months to a full academic year, and many assignments are flexible to the needs of the grantee. Virtually all disciplines participate: openings exist in almost every area of the arts and humanities, social sciences, natural and applied sciences, and professional fields such as business, journalism, and law. Multicountry research is offered in many world areas.

For further information and application materials on all Fulbright Programs, including those listed below, contact the Council for International Exchange of Scholars, 3007 Tilden Street, N.W., Suite 5M, Box GNEWS, Washington, DC 20008-3009. Telephone: 202/686-7877. Internet (application requests only): "CIES1@CIESNET.CIES.ORG".

1996-97 Fulbright programs include the following opportunities:

**Organization for Security and Cooperation in Europe Regional Research Program.** One award is available for an established scholar or a promising younger scholar to conduct research for up to ten months during the 1996-97 academic year on a project that relates to the missions and goals of the Organization for Security and Cooperation in Europe. The research may take place in any of the 51 European participating states. Preference will be given to proposals requiring work in two or more countries, including at least one location in eastern Europe or the states of the former Soviet Union. The grantee will be expected to participate in at least one OSCE-related program at OSCE offices in Warsaw or Vienna. Interdisciplinary proposals are welcomed, and scholars from a variety of different disciplines are encouraged to apply, including those from political science, law, sociology, media studies, economics, European history, art history, environmental sciences, architecture, urban planning, education, geography, and public administration.

The wide range of interests and activities of the OSCE allows

for an equally wide range of possible research topics. Proposals should, however, be focused on topics of direct current interest to the OSCE. Such topics include: the peaceful management of change in Europe, including the political, economic and cultural roots of change, mechanisms and dynamics of handling a major historical transition period and the role the OSCE can play in it; the role of the free, independent media in developing democracies, including their possible contribution towards advancing political stability and ways in which the OSCE can encourage their development; the mechanics of free market forces and their role in the promotion of long-term economic stability; and the role of preventive diplomacy and crisis management in maintaining political stability. The application deadline is August 1, 1995.

**Research Awards in European Union Affairs.** Up to four awards are available for research on European Union affairs. Preference will be given to projects focusing on the organization of the EU, particularly on the process on institution building. Other topics related to the EU will also be considered.

Interdisciplinary proposals are welcomed. Projects may be based at EU headquarters in Brussels or at an appropriate academic institution within the EU. Project site and travel arrangements are to be determined according to the scholar's individual project. Grantees will have full access to EU resources and individuals in Brussels, as well as to libraries in academic institutions within the EU.

Applicants should submit documentation demonstrating contacts with archives or individuals to be involved with the proposed research. Collaboration with EU institutions is welcomed. Language competency or arrangements for translation may be required, depending on individual projects. Grants may range in length from three to ten months during the 1996-97 academic year. Applicants must be U.S. citizens at the time of application and should have the Ph.D. or equivalent professional qualifications. The application deadline is August 1, 1995.

**Fulbright European Union Scholar-in-Residence Program.** Institutions are invited to submit proposals to host a European Union (EU) official or an academic from an EU-member country who specializes in EU affairs as a resident fellow for one or both terms of the 1996-97 academic year. Under an arrangement with the EU, up to 4 grants will be available to bring an EU official or scholar to an American campus for the purpose of strengthening expertise in European Union affairs. The resident fellow will give guest lectures and conduct seminars as appropriate, consult with faculty and students on research, engage in collaborative study, and provide outreach to neighboring institutions and the local community. The resident fellow is not expected to teach regular course offerings.

The awards are made available under the auspices of the Fulbright Scholar-in-Residence Program. All submissions will be reviewed by an academic panel convened by the Council for International Exchange of Scholars (CIES) and nominations forwarded to the EU, which will select the U.S. host institutions and propose EU officials/scholars for the positions.

The EU resident fellow will receive salary and other benefits from the European Union, while Fulbright Scholar Program will provide partial maintenance support here in the U.S., health insurance, and international travel expenses. The host institution is expected to engage in cost sharing and would contribute to the support of the visiting scholar by providing a salary supplement and/or other services, in the form of housing, use of a car, office space, supplies, research and secretarial assistance, computer time, free use of campus and community facilities, travel

expenses and fees for professional meetings, or any combination of the above. The application deadline is November 1, 1995.

**1996-97 Fulbright German Studies Seminar.** This is a four-week seminar in Bonn, Berlin, and parts of eastern and western Germany on German society today, including the political, social, and economic institutions of Germany and their recent history and current development. Applications are invited from professors of German, history, political science, and other humanities and social sciences related to the seminar topics.

Ph.D. generally required; however, candidates for the Ph.D. who hold full-time teaching appointments and meet other requirements are also eligible to apply. Applicants must be U.S. citizens. The seminar is conducted in German. Community college faculty are encouraged to apply. The application deadline is November 1, 1995.

### **1996 German Marshall Fund Research Fellowship Program**

The German Marshall Fund of the United States offers grants for research that seeks to improve the understanding of significant contemporary economic, political and social developments involving the United States and Europe. Projects may focus on either comparative domestic or international issues. Projects should establish the potential importance of *their findings* either by comparative analysis of a specific issue in more than one country, or by an exploration of that issue in a single country in ways that can be expected to have relevance for other countries.

A Fellowship is intended to allow the recipient to work on research full time, without teaching, administrative or other substantial professional responsibilities, during an academic term or up to one year. Projects of three months or less are not eligible for consideration. Within a fixed maximum (\$30,000), the Fellowship will help meet, but cannot exceed, a recipient's current income. Approximately 11 awards will be made in 1996.

Completed applications must be postmarked no later than November 15, 1995. Submissions will be reviewed by established scholars from various disciplines. An independent selection committee will make recommendations to the Fund. The Fund will announce awards by letter on March 15, 1996.

For application forms and additional information, please contact: The German Marshall Fund of the United States, 11 Dupont Circle, Washington, DC 20036; Tel (202) 745-3950.

### **German Marshall Fund Announces Research Fellows Selected in 1995**

Twelve scholars have been awarded Fellowships by the German Marshall Fund of the United States in support of up to one year of research on economic, political and social developments involving the United States and Europe. The Research Fellows were selected from a pool of 85 applicants. Each Fellow will receive up to \$30,000, plus travel expenses. The Fellows are:

**Mabel Berezin**, Department of Sociology, University of Pennsylvania

**Thomas Ertman**, Center for European Studies, Harvard University

**Robert Fishman**, The Helen Kellogg Institute for International Studies, University of Notre Dame

**Harvey Goldman**, Department of Sociology, University of California, San Diego



**John Hagan**, Department of Sociology, University of North Carolina, Chapel Hill; Faculty of Law, University of Toronto  
**Elizabeth Heineman**, Department of History, Bowling Green State University  
**Harry Katz**, New York State School of Industrial and Labor Relations, Cornell University  
**Thomas C. Kohler**, Boston College Law School  
**Donald P. Kommers**, Robbie Professor of Law and Government, University of Notre Dame  
**Margaret Somers**, Department of Sociology, University of Michigan  
**Carl Strikwerda**, Department of History, University of Kansas  
**Dwayne Woods**, Department of Political Science, Purdue University

### **The Alexander von Humboldt Foundation Opportunities for International Research Collaboration**

The Alexander von Humboldt Foundation of Bonn, Germany, provides highly qualified individuals of all nationalities the opportunity to conduct research in Germany. The Foundation's North American Office in Washington, D.C., distributes information on collaborative research support programs to North American scholars. Since 1953 the Foundation has enabled more than 3500 scholars from the United States and Canada to participate in such programs.

The Research Fellowship Program provides support to non-German scholars who have earned a doctorate and are under 40 years of age for the conduct of research in Germany in all fields of scholarship for periods of 6 to 12 months. For the past several years, approximately 70 American scholars have been selected annually in worldwide competition. The Humboldt Research Award provides internationally recognized scholars with the opportunity to spend between 4 and 12 months conducting research at German institutions; candidates for awards may be nominated by eminent German scholars and previous awardees. The Feodor Lynen Fellowship Program enables German scholars under 38 years of age who have a doctoral degree to spend as many as three years at the home institutions of former Humboldt fellows and awardees. The Max-Planck Award permits internationally recognized German and non-German scholars to conduct long-term, project-oriented cooperative research; only senior officials of German research institutions may nominate candidates. The Bundeskanzler Scholarship Program provides the opportunity each year for as many as 10 promising young Americans who demonstrate the potential of playing a pivotal role in the future relationship between Germany and the United States to spend a year in Germany on research projects of their own design.

Qualified individuals are encouraged to apply for these programs. For more information about the Alexander von Humboldt Foundation and its programs, please contact Dr. Bernard Stein, the Alexander von Humboldt Foundation, Suite 903, 1350 Connecticut Ave., N.W., Washington, D.C., 20036; (202) 296-2990; fax:(202)833-8514.

### **Deutscher Akademischer Austauschdienst (DAAD)**

DAAD is a private, publicly funded, self-governing organization of institutions of higher learning in Germany. All DAAD grants are available to faculty and students in Canada and the United States. Unless otherwise stated, participants must hold Canadian or U.S. citizenship and must be full-time members of

Canadian or U.S. colleges or universities at the time of application. Permanent residents should inquire about eligibility, DAAD offers funding for the following:

- Grants for German Studies Program
- Grants for Study, Research and Information Visits to Germany
- Grants for courses in German Studies and Language in Germany
- Annual Grants
- Other programs

There are grants for team teaching, guest lectureship, summer language courses, research grants for both graduate students and faculty, full-year grants, among many others. Each program has different deadlines and eligibility requirements. Those interested should contact the DAAD directly for information at: DAAD--New York Office, 950 Third Ave., 19th Floor, New York, NY 10022; Phone (212) 758-3223; Fax (212) 755-5780.

## **Research News**

### **New Standing Group on European Level Interest Representation**

The European Consortium for Political Research has approved an application for standing group status for a network focused on the study of European level interest representation. The aim of the group is to enable a wide community of mature and young scholars to develop, through exchange opportunities proffered by permanent status, a theoretical basis for European interest group studies, focused on meso level governance and collective action at the European level. The award of standing group status involves a small amount of seedcorn money, and the opportunity for a structure to network/meet and develop activities in any way members choose.

The group would be pleased to hear from anyone working on European level interest representation not yet in contact. A newsletter will be circulated shortly. Please contact: Justin Greenwood, School of Public Administration and Law, The Robert Gordon University, 352 King St., Aberdeen AB1 2FL, Scotland; Tel: UK (0)1224 262910; Fax: UK(0)1224 262929; E-mail: "LASJG@Merkland.rgu.ac.uk".

### **ECPR Standing Group on the European Union**

This is a newly established Group which aims to support the development of the field by serving as a structure of information, promotion and coordination of research efforts. It will monitor the state of investigation on EU politics and signal neglected aspects. A wide range of topics are of interest to the Standing Group, for example: institutions and decision-making systems, political forces and processes, policies, common foreign and security policy, Union-state relations, integration theory and union development.

The immediate aims of the group are: to publish a directory of specialists; to establish an informal newsletter which can diffuse information on research (in progress and accomplished), books and reviews, scientific meetings and conferences, schools and courses, data banks and archives, available research funds,

etc.. The Standing Group will also collaborate on the organization of workshop proposals on EU politics.

For more information, contact: Professor Fulvio Attina, Dipartimento di Studi Politici, Università di Catania, via Vittorio Emanuele 49, I-95131 CATANIA, Italy. Tel: (+39) 95 532 866/645; Fax: 95 533 128.

## Program Announcements

### USIS Speakers Program

The U.S. Information Service (USIS) is sponsoring a Speakers Program involving U.S. Embassies and Consulates throughout Europe. The USIS seeks speakers capable of giving the American perspective on EU Affairs, the U.S.-EU relationship, the transatlantic alliance, and related issues. To qualify for the Speakers Program, individuals must have established travel plans in Europe. The USIS will provide compensation for the costs of travel within Europe, daily maintenance, and a modest honorarium. ECSA members traveling from the United States will find this an excellent opportunity to increase their understanding of European perspectives.

Individuals interested in this Program should fax the following information, **well in advance of their travel dates**, to the U.S. Mission to the European Communities in Brussels at (32.2) 512.57.20:

- a) planned European arrival and departure points;
- b) dates of availability;
- c) an abbreviated curriculum vitae;
- d) brief descriptions of topics that you find suitable for discussion; and
- e) fax number(s) where you may be contacted.

### Institute for European Business Administration (IEBA)

The Institute for European Business Administration (IEBA) offers programs in European Union and International Business and Management. The Summer Intensive in European Affairs provides for a graduate level (five week) and an undergraduate (three week) format. This intensive is the most significant program of its type providing for significant insight into the commercial, managerial, and political essence of the European Union and the global trade system. Topics broadly range from mergers, acquisitions, joint ventures in the EC to strategies for multinationals, the GATT, European Trade Law, public procurement opportunities available to U.S. companies, history of the EC, etc. The program setting is in one of Europe's most significant and ornate medieval commercial and political centers in the city of Ghent. Our location is dynamic Flanders provides for a living laboratory, with access to the central and cognitive nervous system of the new Europe. Program features include lectures by high ranking EC officials and multinational managers. Field trips to EC institutions in Brussels, Luxembourg and Strasbourg are included. Graduates are awarded the Diploma of European Affairs. For more information, contact Mike Nikkel, North American Office, I.E.B.A., 744 International Blvd. # 79, Houston, Texas 77024.

### Masters Degree in European Social Policy Analysis

This course supported by the ERASMUS and TEMPUS programmes of the European Community provides: the opportunity to study at different European universities, each of which has a specific expertise in the field of European social policy; an integrated curriculum which is the product of close cooperation between the universities involved; a Master's degree which is endorsed by a board representing all of the participating universities; a focus on the new issues which are being placed on the European agenda by the creation of the Single European Market in 1992 and the changes in Central and Eastern Europe; a training in social policy analysis in a European context, which is relevant not only to those who intend to pursue a career in comparative social policy research, but also to the social policy administrators and decision-makers of the 1990s and beyond, who will to an increasing extent be working in a European environment.

Participating universities include St. Patrick's College, Maynooth Ireland; University of Bath, UK; Roskilde University, Denmark; Vienna University of Economics and Business Administration, University of Ljubljana, Slovenia; University of Crete; University of Barcelona; Universidad Complutense de Madrid; Universidade Tecnica De Lisboa; and Tilburg University, Netherlands. Further details and application forms can be obtained from The School Administrator, School of Social Sciences, University of Bath, Bath BA2 7AY, UK; Tel 01225-826839.

### European Community Studies Association - Canada

Steps are being taken to establish a European Community Studies Association in Canada. An organization meeting was held during the Canadian Political Science Association meetings, University of Quebec at Montreal (UQAM) June 4-6, 1995.

ECSA-Canada will be in interdisciplinary organization. The goal is to bring together scholars interested in the history, economics, and politics of the European Union and its impact on European society, government, and politics. The aim is not to duplicate but rather to compliment the activities of the European Community Studies Association in the United States.

If you are interested in hearing more or becoming a member, please contact Steven Wolinetz, Department of Political Science, Memorial University, St. John's, Newfoundland A1B 3X9, CANADA; Phone (709) 737 7413; E-mail: "ECSAC@MORGAN.UCS.MUN.CA".

## Teaching News

### Free Educational Videos on the EU

The following videos from the European Union are available free of charge for instructional purposes:

1. **Implementing Common Policies** (running time 47 minutes); Contains "The Union and its Regions", "The White Paper: Europe Toward the 21st Century", "The Treaty on the European Union", and "1992 and Beyond".
2. **International Cooperation** (running time 59 minutes); Contains "Extraordinary Partners: The European Union and the United States", "PHARE, the EU Aid Program for Eastern Europe", Lome Mark Four: Stability in a Changing World".



3. **Business/Economics** (running time 53 minutes); Contains "Europe World Partner", "The ECU for Europe", "Eastern and Central European Countries and the EU", "1992 and Beyond", "The White Paper: Europe Towards the 21st Century".
4. **Environment** (running time 50 minutes); Contains "The EU and the Environmental Control of Chemicals", "The Environment", "The Environment at the Center of EU Policy".
5. **European Union Historical Overview** (running time 56 minutes); Contains "Jean Monnet: Founder of Europe", "Who Runs the Union?", "Towards a European Union", "A Growing Europe."

Requests should indicate video subjects in order of preference (first choice, second choice, etc.) as supplies are limited. To order these videos, please contact:

The European Union  
 c/o Video Placement Worldwide  
 P.O. Box 58142  
 St. Petersburg, FL 33715-9976  
 Fax: 1-800-358-5218

### **Decision-making in the European Union: a Hypermedia Learning Tool**

This CD ROM tool, produced by the University of Bath, Centre for Research in European Social and Employment Policy and Centre for Continuing Education, will be comprised of three pathways. First, a hypothetical narrative of a piece of legislation making its way from proposal by the Commission to implementation by the member states and a challenge in the European Court of Justice. Along the pathway, students may take detours to video clips of officials at the different institutions talking about the different stages of the process in greater detail. Second, a set of three case studies of Brussels pressure groups: the agricultural lobby, the environmental lobby, and the lobby for the elderly. Students will be able to access clips of interviews with officials at both European pressure groups and the institutions they lobby. Third, a journey along the road to membership for the Central and East European states. This pathway will explore the advantages and disadvantages for the EU of expanding eastward. Here students will be able to listen to representatives from prospective new member states, as well as from the EU, discussing the challenges of the next decade.

The CD ROM will hopefully be completed during the Autumn of 1995. For more information, contact Alan Jacobs or Graham Room at School of Social Sciences, University of Bath, Claverton Down, Bath BA2 7AY, UK; Phone (+44) 1225 826826; E-mail "hssamj@bath.ac.uk".

## **Essays**

### **The 1996 IGC - A Challenge for Europe**

Dr. Fraser Cameron  
 European Commission  
 Directorate General IA  
 External Political Relations<sup>1</sup>

#### **Introduction**

The intergovernmental conference (IGC) scheduled for 1996 will pose a number of major challenges for the European Union (EU) and its outcome will have a profound effect on the future course of European politics. When the leaders of the EU decided at Maastricht in 1991 to hold an IGC in 1996 it was with a rather limited agenda in mind. But in the past year, and specifically under the pressures of the most recent and potential future enlargement of the EU to include perhaps 20-30 member states, the agenda has been stretched considerably. At this stage, there is no agreement on the agenda, nor on when the IGC should start - not to say when it should conclude. This is because at present there remain fundamental differences of opinion between some key member states as to the desirability and necessity of making significant reforms to the structure and operation of the EU. Perhaps the two most sensitive areas will be institutional reform and changes to the pillar structure involving the common foreign and security policy (CFSP) and Justice/Interior issues.

The question of institutional reform was raised in early 1992 in connection with the prospect of enlargement to a number of EFTA countries. But the Danish "no" in the referendum of May 1992 effectively killed the prospect of institutional reform for the EFTA candidates even though there was an attempt by the UK government to raise certain institutional issues in the spring of 1994, prior to the conclusion of the negotiations with Austria, Sweden, and Finland. The CFSP has hardly been a conspicuous success story but the UK and France seem determined to maintain the pillar structure and avoid any contamination by resort to community procedures.

This brief article outlines the range of possible agenda items for the IGC, examines the current political debate about the future shape of Europe and concentrates on two priority areas of institutional reform and reform of the CFSP.

#### **The Agenda**

The Treaty on European Union (TEU) contained a number of dispositions concerning the 1996 IGC which have been supplemented by decision of the European Council. In the TEU, there is reference to a possible revision of Titles V (CFSP) and VI (Interior and Justice) as well as new areas of community competence (article B); defence (article J4); extension of the field of co-decision (article 189B); hierarchy of norms; and the possible inclusion of civil nuclear protection, energy and tourism

<sup>1</sup>The views expressed in this article are personal and do not commit the Commission in any way. Paper originally presented to the ECSA Conference in Charleston, South Carolina on May 12, 1995.

within Community competence.

In 1996 the EU is also scheduled to take important decisions concerning moves to a single currency, even though EMU as such is not on the IGC agenda. The Corfu European Council in June 1994 decided to establish a Reflection Group, to begin work in June 1995, with a broad mandate to consider IGC issues. The Corfu European Council also made a direct link between the next enlargement and the IGC when it stated that "the institutional conditions for ensuring the proper functioning of the Union must be created at the 1996 IGC, which for that reason must take place before accession negotiations begin" with countries of central and eastern Europe.

The Reflection Group was further instructed to prepare options on some of the most sensitive issues including the "weighing of votes in Council, the threshold for qualified majority decisions, the number of members of the Commission and any other measure deemed necessary to facilitate the work of the institutions and guarantee their effective operation in the perspective of enlargement." It is also worth emphasising that the European Council specifically singled out the Mediterranean "mini states", Cyprus and Malta, as being involved in the next enlargement, a decision which reinforces the institutional dimension of the IGC.

### Enlargement

Even before the EU has had time to digest the three new member states, Austria, Sweden, and Finland, attention is focusing on the next enlargement. As regards central and eastern Europe, there are two applications on the table - from Poland and Hungary - and all the others which have, or will soon have (i.e., the three Baltic states and Slovenia), association agreements have indicated their intention to follow suit. The Swiss and Turkish applications remain on the table as well as the previously mentioned applications from Cyprus and Malta. An EU with perhaps 25-30 member states looms on the not too distant horizon.

It is impossible to give an answer to the oft mooted question as to when the east Europeans will be ready for membership because no one can predict the speed and future course of political and economic reforms in those countries. At present there are several governments in the region with ex-communist participation which in some cases has led to a slowing of the reform process. For its part, the EU has adopted a "pre-accession strategy" designed to assist the east European states meet the requirements for membership, notably through adopting measures outlined in the forthcoming Commission White Book concerning participation in the Internal Market. It seems inevitable that lengthy transition periods will be required for at least some of the central and east European states. But there will also be some adjustments necessary on the EU side including adaptation of the CAP and the Structural Funds. The criteria for membership, however, are reasonably clear and include stability of democratic institutions, a functioning market economy able to compete in the Union, acceptance of the *acquis communautaire* (that is, all EU legislation to date) and acceptance of the future aims of the Union, including EMU.

As mentioned above, European leaders added to this list the question of institutional reform. But before turning to this issue it is perhaps worth addressing the perennial question of Europe's frontier. There would appear to be little advantage in trying to

define the border of the European Union at this stage. To the north, west and south there is no problem. To the east the geographic border of Europe lies at the Ural mountains but the Urals are not even an internal border of the Russian Federation. It is difficult to imagine Russia ever joining the European Union because amongst many reasons in size alone it is several times bigger than all current members of the Union taken together. The future orientation of Ukraine is less certain but it too is suffering major economic problems which would seem to preclude any prospect of membership of the Union in the foreseeable future. In former Yugoslavia only Slovenia so far has managed to make a clean break from its past. Others may follow which demonstrates the impossibility of drawing hard and fast lines now as to who should not be considered as future members of the Union.

### The Debate on Europe

The prospect of a considerably enlarged EU in the not too distant future has sparked off a vigorous debate on the future shape of Europe. The debate was opened with the publication in September 1994 of the controversial Lamers paper calling for a hard-core Europe. This proposal brought a swift response from John Major in his Leiden speech and various statements from French leaders asserting the need for some "variable geometry". The contrast in style (and substance), particularly between the CDU paper and Major's speech is striking. The German paper draws attention to the critical juncture in European integration created by the collapse of the Soviet Union, the necessity of bringing some eastern European countries into the European Union and of building a stable economic and security framework to cover both those which will, in time, join the Union and those - most crucially Russia - which will remain outside. The Union's response, the paper argues, will show whether it is able and willing to become the main pillar of a continental order, alongside a democratised and once again stable Russia, and in alliance with the USA. The paper goes on to state that because of its position, its size and its close relations with France, Germany bears a special responsibility to promote an integrated wider European order. If Europe were to drift apart Germany would once again find itself caught in the middle. Germany thus needs an integrated Europe to reassure its partners in the West and East that it has no plans to seek a *Sonderweg*.

In stark contrast, the Major speech lacks any comparable sense of urgency or history. Russia is mentioned only in passing. America's partial disengagement from Europe not at all. The two key concepts of the speech are the permanence of the nation state and the need for a maxim of flexibility. Given the internal divisions within the ruling Conservative Party it is most unlikely that there will be a coherent UK strategy at the IGC. Indeed, such is the negative stance of the UK, there is already speculation that the IGC may not start, or at least not start the serious negotiations, until after the next UK elections which must be held sometime before April 1997.

The debate is already beginning to display some contours and a number of key questions have been raised. First, what vision do governments have of Europe? There is a world of difference between the idea of a United States of Europe and a loose free trade area. The vision of a United States of Europe was once part of the manifest of the CDU but it has since been dropped. It is perhaps still held by some starry-eyed idealists but it is highly

doubtful whether Europe will ever develop into a Union akin to the American model. More practical questions relate to the degree of integration and which policy areas should be dealt with at the European level and which at national or regional level. Second, how to organise an enlarged Union of 20 or even 30 members on the basis of democracy, fairness, transparency and efficiency? Apart from the institutional aspects (treated below) the EU needs to respond to the very obvious fears of ordinary people expressed during the Maastricht debate of a European Union not properly subject to democratic accountability, centralist in nature and with very opaque decision-making structures. Further integration of Europe will be in jeopardy if these issues are not resolved. The same can be said for fairness and efficiency. States join the Union because it gives them added value. It increases their influence and provides a greater opportunity to achieve their policy aims or, to put it another way, it increases their real sovereignty. But if member states consider that they no longer receive any real benefit from the Union, or that the voting system has become seriously inequitable, then some members might ask why bother to stay in the club.

Third, is it right that the slowest ship should hold up the rest of the convoy? Or should those that are already, willing and able to push ahead at a faster pace be allowed to do so? This is at the heart of the debate on a multi-speed Europe, sometimes called variable geometry - but which should not be confused with Europe à la carte. Europe à la carte is rather like the mystery game "Murder à la carte" in which someone always gets killed. In the case of Europe, the à la carte approach would almost certainly mean death of the Union.

### **A Multi-speed Europe**

As a way out of the dilemma between widening and deepening there have been calls, notably in the Lamers paper, for a multi-speed Europe. To some extent such a Europe already exists. The UK has an opt out on the Social Chapter and EMU. Denmark (and Ireland) on defence. Not all countries have signed up for the Schengen Agreement which deals with immigration procedures. Indeed the underlying assumption behind the move towards economic and monetary union which was agreed at Maastricht is that not all member states will be able to join in the first wave. Such divergence is of course likely to increase as the Union enlarges and is probably unavoidable.

Thus the principle of a multi-speed Europe has already been agreed. The majority view in the Union is that all members should move ahead together wherever possible but if a smaller group wishes to push ahead towards closer integration then they should be allowed to do so. There was perhaps a misunderstanding about this issue in the German paper. It did not propose a closed hard core but rather one open to others wishing to commit themselves to closer integration. A few years ago some member states were competing for opt outs. Now, to judge from those wishing to join the hard core, the competition is for opt-ins.

The difficulty of a multi-speed Europe lies in the institutional framework for such an Europe. The current institutions are based on all members participating in all policy areas (pace the one or two known opt-outs). If this opt out system were to expand and there were varying circles of members the institutional problems would be horrendous. For example, there might be a six-strong

hard core accepting all policies; nine accepting most but not all; twelve accepting half; sixteen accepting a quarter; and so on. It would be a nightmare; clearly further thought has to be given as to how such a multi-speed Europe would operate in practice. Other rather more controversial proposals have been aired including the idea that future constitutional amendments to the Union's treaty base should enter into force when 80% of the EU's population and member states have ratified; that there should be provision for a member state to leave the Union and even provision for a member state to be suspended and ultimately expelled. The reasoning is that the EU based on the rule of law and if there are member states who blatantly refuse to implement or comply with EU law then there should be some stricter sanction than a mere fine.

### **Institutional Reform**

To maintain the ability to act and to make an enlarged Union more democratic the CDU paper calls for a federal Europe based on the principal of subsidiarity. One of the reasons for the considerable hot air surrounding the debate on Europe is due to misconceptions about the word "federal". Many who read the UK press seem to believe that federalism means centralism. On the continent, however, the basic federal principal is defined as "as much unity as necessary, as much diversity as possible." Federalism is actually synonymous with subsidiarity because it implies a system whereby decisions are taken at the lowest possible level. In practical terms this would involve a decision-making structure rather like the Germans involving Brussels, Bonn and Munich. It does not mean that the nation state will disappear. But, as the Lamers paper argues, it does not require a rethink of the concept of national sovereignty and some minimal agreement on the operation of the principal of subsidiarity. In an increasing interdependent world the very idea that a nation state can deal with all problems is untenable. The financial markets are transnational, security issues are transnational, environmental issues are transnational, crime is increasingly transnational.

It is equally an illusion that the most efficient way to deal with these problems on the international level is by the inter-governmental method. The albeit short record of operating pillars II and III is hardly a recommendation for this approach. If the Union were to relapse into this type of cooperation then it would inevitably suffer the impotence of institutions such as the OECD, OSCE and Council of Europe which are organised on an inter-governmental basis. The Single Market is a good example of how member states agreed the legislative framework for the 1992 programme by working within a supranational framework, i.e., using majority voting to reach decisions. There can be little doubt that an enlarged Union would be paralysed unless there was a significant extension of majority voting to other areas.

It would certainly increase the legitimacy of such a move if the voting system in the **Council**, where all major decisions are taken, were reformed to allow more for population size. The present system allocates 10 votes to Germany (80 million) and 2 votes to Luxembourg (3,000,000 thousand) - a ratio of 5 to 1 when the population ratio is more than 200 to 1. The accession of further minnow such as Malta and Cyprus or three Baltic States will accentuate this problem. On the present system these five states, with a combined population of less than 5 million, would have the same voting strength as the UK with more than ten times

the population. If the larger member states are not to run away with the ball and perhaps establish their own club then it will be essential to make some adjustment to the allocation of votes in the Council, perhaps using some form of double majority with more weighting for member states with larger populations. There will also have to be some reform of Council working methods if the system is not to grind to a halt. As regards the **European Parliament (EP)** there is a strong case for putting a ceiling on the number of seats regardless of how many new members there will be and again allocating seats more in accordance with population. The German paper calls for increased powers for the EP, a move which Major flatly rejected in his Leiden speech, thus demonstrating the difficulty of achieving agreement on this issue. The first task, however, must be to simplify the legislative involvement of the EP. It is ridiculous that there are no less than seven ways in which the EP may be involved in the passage of the EU legislation. It is also important that the MEP's demonstrate that they are able to use their newly-won powers in a sensible, constructive manner. Another priority task is to evolve a cooperative working relationship with national parliaments is not a zero-sum game. There is plenty of useful work for both to do in terms of setting the European debate, controlling Ministers and the Commission and exercising their respective budgetary powers.

Turning to the **Commission** there is a general agreement that the IGC should examine the appointment process and the number of commissioners. The fuss surrounding the veto of M. Dehaene and the subsequent appointment of M. Santer revealed fundamental flaws in the nomination system. When the Financial Times writes that the emergence of a Pope is more transparent than the system to find a new President of the Commission then it is surely time to make changes. To avoid such a situation in the future one could consider involving the EP at the nomination stage: perhaps drawing up a short-list from names proposed by member states and then voting on the candidates. This would be far more open and democratic than the current system.

On taking over as President of the Commission, M. Santer was faced with the unenviable task of trying to find interesting jobs for 20 Commissioners. This was a difficult job and could become a total impossibility if after subsequent enlargements there are 30 or more Commissioners. In principle everyone accepts the need to reduce the number of Commissioners. The question is how to do it? There have been proposals to introduce a rotation system based on constituencies but it is difficult to see how this would operate in practise. It would be extremely difficult if not impossible to secure agreement either on the composition of the constituencies (UK/Ireland? Spain/Portugal?) or the nominees. Others suggest de-nationalising the Commission. In other words introducing a system of nominating or even electing, perhaps just 12-15 commissioners, again from lists drawn up by the EP following consultations with member states. Ultimately there is a logical argument for the President of the Commission to be elected directly by the citizens of the Union. This could be done in parallel with the elections to the EP. The advantage of such a system is that it would be quite transparent and at a stroke it would eliminate the democratic deficit. Perhaps for those reasons it is unlikely that such a system will be introduced for a long time.

The end of the Cold War has dramatically changed the strategic situation of the European Union. The Soviet threat has disappeared. The US is gradually disengaging from Europe and concentrating on domestic issues. In these changed circumstances it is clear that Europe will have to take on more responsibility for its own security. With 380 million people, with a combined GNP ahead of the US, with the largest single market in the world, as the most important player in international trade, as the main source of development assistance and humanitarian aid to the third world, the European Union simply cannot avoid taking increased responsibility in world affairs. The mechanism to promote this increased responsibility is the Common Foreign and Security Policy (CFSP) but as this policy area was set up outside the Community framework, i.e., on the inter-governmental lines, it has been largely paralysed by the unanimity principle. The result has been that some member states have established smaller groupings to deal with particular problems, e.g., the creation of the Contact Group to deal with Bosnia and the Union has failed to develop a strategic approach to major foreign and security policy issues.

Title V of the TEU was of course a compromise between the "Europeans" and the "Atlanticists", between those advocating a *communautaire* approach and those preferring the inter-governmental method. It is perhaps worth recalling the principle points agreed under Title V. On the positive side the TEU abolished the old EPC restriction about discussing the military aspects of security. The CFSP was to be all embracing. There was provision for Joint Actions, a legal commitment for all member states, acting by unanimity, to pursue a certain policy. There was also provision for "common positions" and indeed provision for majority voting in the implementation of agreed policies.

As the TEU has only been in force for eighteen months it is perhaps premature to make a definitive judgment on CFSP, but a preliminary assessment would certainly justify the concerns which President Delors expressed following the Maastricht negotiations about the pillar structure and adherence to the unanimity principle. So far CFSP has proved to be little improvement on EPC. Member states have shown a lack of political will to make effective use of CFSP. Despite the single institutional framework (article C) the new inter-governmental arrangements have not led to a more coherent approach to external affairs. Dialogue partners find the institutional arrangements bizarre. For example, in some transatlantic discussions, the US Secretary of State sits alone on one side of the table. On the other side are fifteen Foreign Ministers, a Commissioner and a representative from the Council CFSP Secretariat.

There are also serious structural flaws. Above all continuous adherence to the principle of unanimity has led to delays and inaction in policy areas of major interest to the Union. There is no proper mechanism for conceptual planning and analysis. There are constant disputes over competence and financial arrangements for CFSP and there is a lack of coordination between the (too many) players in the CFSP game. As result CFSP has come under criticism for doing too little, too late. Its first Joint Actions (monitoring elections in Russia and South Africa) were modest in the extreme. The Stability Pact was a

more solid action but it hardly provided the EU with a major international profile.

Given the poor performance of CFSP to date there are likely to be demands for changes including:

**-conception:** there is a need to establish a planning and analysis capacity at the Union level which would be tasked with identifying vital common interests, assessing priorities and preparing alternative courses of action.

**-proposition:** there is no driving force in CFSP comparable to the role of the Commission in Community business. The rotating Presidency operates essentially on a short-term agenda giving focus to its own priorities. There is also confusion as to whether policy initiatives should fall under Community or CFSP competence. A stronger role for the Commission would go some way to alleviating these problems.

**-decision-making:** making important decisions are postponed or avoided, e.g., Macedonia and Slovenia, because of strict adherence to the unanimity principle. Such behavior is catching and also encourages some member states to operate outside Union structures. In light of the future enlargement of the Union there is thus an urgent need to secure some reform, perhaps on the model "consensus minus one." At the very least member states should live up to the existing treaty commitment that "to the extent possible, member states will avoid preventing a unanimous decision where a qualified majority exists in favour of that decision."

**-representation:** the outside world is confused as to who speaks for the Union in CFSP. The formulas are many: the Presidency, Presidency/Commission, the Troika, the Fifteen. Whilst the Presidency was granted increased responsibilities in the Treaty there is the problem of maintaining coherence. Given the Commission's competences under Community business it would make sense to move to a dual Presidency/Commission representation.

Defence is perhaps the most sensitive area and it is unlikely that there will be any substantial movement in this front, although there has been some debate on the merits of establishing a fourth pillar for defence. The UK and France are keen to boost the role of the WEU but disagree on whether or not it should come under the EU single institutional framework umbrella. US support for the concept of a European Security and Defence Identity (ESDI) and a Combined Joint Task Force (CJTF) may have some impact on the debate but most European states will be reluctant to take any steps which may involve an increase in defence expenditure.

## Conclusion

There is a huge gap between the positions of some of the major players. The British are fond of stating that the 1996 IGC will be akin to a 5,000 mile car service inspection whereas some influential German politicians are calling for a complete overhaul and possibly a new engine. There remains some time before ministers have to agree on the agenda and timing of the IGC but at present it seems as if it will be difficult enough reaching agreement on these relatively simple matters. As far as the major issues outlined above are concerned the prospects at present for reaching agreement can only be described as bleak. But then the prospects in 1985 of Mrs. Thatcher signing up to the Single Act, the most radical treaty change since the Treaty of Rome, were also rather bleak. The history of the EU demonstrates that hard decisions are usually only taken at the last minute and when there is a major challenge. No one can dispute that the 1996 IGC will be the major challenge for the future of Europe.

## The Commission, Enlargement, and the IGC

Desmond Dinan  
Center for European Community Studies  
George Mason University

The Commission's fortunes, which have fluctuated throughout the Community's history, are again at a low ebb. Never without an image problem, the Commission is widely viewed, in Sir Leon Brittan's words, as "a secretive, self-inflating bureaucracy bent on over-regulating the lives of (the EU's) citizens just to keep its staff in business." Beleaguered by hostile public opinion, jealous national parliaments and governments, assertive regional authorities, and an aggressive European Parliament, the post-Maastricht Commission lacks confidence and authority.

The Commission's present plight—largely a legacy of its late 1980s' activism, the Maastricht Treaty debacle, and Jacques Delors' leadership and managerial styles—is potentially more serious than any of its previous predicaments. Public scrutiny of the Commission, and skepticism about its role and activities, is relatively new and likely to endure; national parliamentary interest in the Commission is equally novel although not yet as marked; national governments have always had a quasi-adversarial relationship with the Commission; regional authorities (as well as the new Committee of the Regions) are eager to expand their limited involvement with the Commission, and the European Parliament senses an opportunity to increase its growing oversight of the Commission's composition and operations. These developments need not be entirely to the Commission's disadvantage, but in view of next year's InterGovernmental Conference (IGC) they could pose a threat to the Commission's traditional independence and role.

Unlike previous IGCs, which were convened to revise the Treaties as a result of economic and political developments that had a positive impactor could have had a positive impact on European integration, the 1996 IGC is mandated by a previous Treaty revision, largely to assess the institutional implications of that revision. Just as the Maastricht Treaty was characterized as a treaty too soon, the 1996 IGC can also be described as a conference too soon. The delay in implementing the Maastricht

Treaty means that by 1996 the Treaty's institutional provisions will have been in operation for only three years, and the nature of the delay—the ratification debacle—means that governments and EU institutions are wary of convening another constitutional conference.

Looming enlargement to the east, which the Maastricht Treaty's framers could not have predicted even four years ago, has given the IGC a sense of purpose and a degree of urgency it would otherwise have lacked. For the IGC is no longer simply about fine tuning Maastricht, but about devising an institutional structure that will make a Union of twenty-some members both manageable and relevant, and capable of completing the Maastricht agenda (EMU and EPU). Everyone accepts that future rounds of enlargement will be qualitatively different than anything experienced in the Community's past—notably the Mediterranean enlargements of 1981 and 1986. Indeed, a more reasonable concern about the IGC is that impending enlargement may still be too distant to jolt the member states into undertaking meaningful institutional reform.

This essay examines the Commission's likely contribution to the IGC, and the IGC's likely outcome for the Commission, in the context of the Commission's current weakness and the imminence of enlargement. Before looking ahead, however, it is instructive to reflect on the Commission's advocacy of administrative and institutional reform, and of deeper integration, during previous enlargements.

#### **Enlargements Past ....**

Contrary to the Commission's expectations and efforts, previous enlargements have not resulted in a marked increase in the Community's competence or a radical reform of its institutional structure. Historically, the Commission lobbied member states to deepen integration and improve decision making on the occasion of enlargement, lest wider mean weaker. The Commission succeeded to some extent in 1985, at the IGC that led to the Single European Act (SEA), by linking the member states' desire to complete the single market with the possible adverse institutional impact of Portugal's and Spain's impending accession. As a result, the SEA extended qualified majority voting and strengthened the Community's commitment to economic and social cohesion. But the Commission could not have prevailed without the member states' prior commitment to the single market program. In other words, enlargement was far from being the main catalyst for institutional and policy change.

By contrast, enlargement has had a striking impact on the Commission itself. The most obvious change has been in the college of Commissioners, which grew from nine, to thirteen, to fourteen, to seventeen, and finally to twenty between the time of the Community's first enlargement in 1973 and the Union's first enlargement in 1995. Without a corresponding increase in the Community's/Union's competence, successive Commission Presidents have urged member states to revise the practice of appointing one Commissioner per small country, and two Commissioners per large country. But the presumed political advantages of appointing one or two Commissioners each always proved too valuable for national governments to forego.

The Commission's increasing size, without a commensurate increase in the number of important portfolios, corroded the Commission's cohesiveness and undermined its much vaunted

collegiality. Instead of describing a relationship between a cohesive group of Commissioners, each with responsibility for a slice of Community competence of approximately equal weight, collegiality disguised a growing disparity between Commissioners of greater and lesser political importance. The Commission's occasional political success depended on a strong President's ability to exploit favorable economic and political circumstances, including member state support for deeper integration, although at a cost of exacerbating divisions between de facto first and second-class Commissioners. Events in the mid-1980s, and Delors' Presidency, are the most striking examples. Moreover, as George Ross has shown, a powerful presidential cabinet is another essential ingredient.

Enlargement has also resulted in a marked change in the civil service's composition, but not in its size. That is because, with the exception of the last enlargement, the Commission generously bought out existing officials whose posts were needed for officials from the acceding countries. For budgetary reasons, the Commission decided to depend on natural wastage, spread over a three year period, to open up posts for officials from Austria, Finland, and Sweden. Regardless of the approach taken, however, as a result of assigning officials from new countries to existing or previously planned posts the civil service has grown at the same rate during enlargement as at other times. As for the Commission's character and internal operations, enlargement has meant an influx of new languages, cultures, and administrative styles which may have increased operating costs and reduced efficiency, but which have not seriously impaired the institution's functioning. Successive enlargements have strengthened the role of English as a first, and *the* second, working language, although French administrative practices and procedures still predominate.

Far from presenting an opportunity to streamline the Commission—as Roy Jenkins had hoped when he authorized the Spierenburg Report on Commission reform in 1979—enlargement has invariably resulted in the splintering of existing Commission departments in order to accommodate not only Commissioners (and their portfolios) but also senior officials (Directors General and Directors) from acceding states. The proliferation of Directorates General and other departments, the relative immobility of officials among them, and the centralization of decision making undoubtedly reduce the Commission's effectiveness. Although reform of the Commission's civil service does not require an IGC, major restructuring and senior personnel changes need member state approval. Eager to protect national fiefdoms and promote their own officials, national governments have never undertaken a root and branch reform.

Thus, enlargement has had a marked impact on the Commission's size and collegiality, and on the civil service's composition and structure, while providing only a limited opportunity for administrative reform, and an equally limited opportunity for the Commission to leverage deeper integration and better decisionmaking procedures. In general, the Commission has muddled through enlargement, sacrificing efficiency, coherence and collegiality, while relying on a strong presidency and presidential cabinet to promote its political agenda, when the political and economic circumstances were right.



#### .... And Enlargements Future

The Commission's internal structure and working methods will not be on the IGC's agenda, but the Commission's poor public image and declining political fortunes, as well as the demands of enlargement, make it imperative for the Commission to address these problems immediately. Already the Santer Commission is attempting to improve administrative efficiency and, within the limits of the Commission's own freedom of action, restructure its services. Yet it is difficult to foresee far reaching reform. Here the lessons of previous enlargements are most instructive and, to some extent, reassuring. Future enlargements will result in more official languages, but in no more than the existing three working languages (English, French, German); future enlargements will bring into the Commission officials from many more countries, further encumbering the institution's bureaucracy, but not to anywhere near the point of collapse.

As for the size of the college, radical change is both unlikely and undesirable. Although the question of "national representation" on the Commission will undoubtedly consume a lot of time and energy at the IGC, radical reform is not necessarily in the Commission's interest. Indeed, it is arguably more important for the member states, their citizens, and the Commission to have direct, high level channels of communication via "national" Commissioners, than to go through the politically painful and essentially unrewarding exercise of reducing the Commission's size. In the event, despite dire warnings about the unmanageability of a college of more than the existing number of Commissioners, and imaginative proposals to limit the college to ten or twelve, national governments are unlikely to surrender their right to appoint one Commissioner each. In the end, with the exception of tiny Cyprus and Malta which doubtless will be obliged to forego the appointment of a Commissioner, and the large member states which will probably give up their second Commissioners, the current system of selecting Commissioners will likely remain the same. Thus, in a Union of twenty-five states, the Commission would have twenty-three members, only three more than at present. Most important, the Commission will likely retain sufficient flexibility to excel politically when favorable external circumstances coincide with an inspired presidency, as happened a decade ago.

As a result, the Commission will function much as it does now, with a group of undeclared but easily identifiable "core" Commissioners, supported by powerful Cabinets, setting the Commission's agenda and launching major initiatives. In such a quasicollegial system, the President will play an increasingly important role. The practice of Parliamentary approval of the Commission President-designate, introduced in the Maastricht Treaty and first used (with near disastrous consequences when he won only slim support) at the time of Jacques Santer's nomination, has the potential to strengthen the presidential office. An institutionally stronger presidency, a forceful Presidential Cabinet, and a small group of powerful Commissioners are essential for the Commission's survival and success in the post-IGC, post-enlargement period.

Politically, the 1996 IGC should provide an opportunity for the Commission to do what it has tried to do during previous enlargements: leverage the impending accessions in an effort to achieve greater power for itself, institutional reform for itself and for the Union, and deeper European integration. But prevailing

circumstances will severely limit the Commission's options for the foreseeable future. Although Jacques Santer claims that the present Commission is politically influential because it contains more than the usual number of former senior ministers (including prime ministers), it is unlikely to make the kinds of demands or launch the kinds of initiatives at the 1996 IGC that characterized the Delors Commissions' contributions to either the 1985 or 1991 IGCs. Undoubtedly the Commission would like to see Maastricht's three pillars replaced by a unitary structure, and wants at least to become centrally involved in more effective pillars II and III. However, given the current backlash against supranationalism and against the Commission, Santer surely realizes the political and public relations danger of making such proposals, for which there is little support in national capitals.

Instead, the Commission will likely focus during the next few years on making the most of the Maastricht Treaty, including using its right of initiative in CFSP, and on trying at the IGC to achieve important but unglamorous objectives in the sphere of openness and transparency, such as reducing the number of legislative procedures (currently an astonishing twenty-three) and simplifying the Treaties' impenetrable language. Acutely aware of its vulnerability to charges of elitism and technocracy, the Commission will also strive to strengthen its indirect accountability to the public, something which Santer feels that his Commissioners' high political profiles in their own countries is already helping to do. Finally, in the name of efficiency, the Commission will reassert its right to full implementing powers, originally conferred on it by the SEA but never granted by the Council.

Far from taking bold policy and institutional initiatives, therefore, the Commission will be on the defensive during the IGC. One of the Commission's greatest challenges will be to deflect some member states' demands, first made during the 1991 IGC and bound to be repeated in 1996, that the Commission be shorn of its exclusive right to initiate Community legislation. In 1991, the Commission successfully argued that a unique "European" perspective, free of excessive national influence, warranted the continued exclusivity of its right of initiative, which largely defines the Commission's position in the Community's institutional system. Five years later, however, with national governments more resentful of the Commission's position and eager to maximize their influence over the legislative process, the Commission may not be so fortunate.

The European Parliament's efforts to exert greater influence over the Commission's appointment and greater oversight of its operations will also worry the Commission. For much of the Community's history, Parliament and the Commission were cast as allies against the Council. Although still having more in common with each other than with the Council, Parliament and the Commission are increasingly at odds, substantively and procedurally. Parliament's investiture of the Commission, granted under the Maastricht Treaty and first exercised in 1995, generated unnecessary tension between the institutions. With Parliament now pushing for an independent approval procedure for each Commissioner, politically if not constitutionally the Commission is in danger of ceding institutional primacy to Parliament and the Council. As things now stand, Delors' pugnacious approach to Parliament in 1985 was in striking contrast to Santer's timidity in 1995.

The Commission may also face calls from the UK

government for its legislative, judicial, and executive powers to be "unbundled" and assigned to separate, newly created agencies. A more widely supported and reasonable demand at the 1996 IGC, however, will be the emasculation of the Commission's directorate general for competition (DG IV) and the establishment of an independent EU cartel office. Although bound to induce a territorial, defensive reaction, such a proposal is not necessarily detrimental to the Commission's interests. Logically, the development of EU competition policy should lead to the setting up of an independent office responsible for antitrust issues, along the lines of the Bundeskartellamt. Claus Dieter Ehlermann, DG IV's formidable director general, recently argued in favor of such a development—but not just yet. If pressed by a majority of member states, the Commission is likely to endorse his idea that a decision in principle to establish a cartel office be taken at the IGC, but that its implementation be deferred until the EU's political development made it more likely that such an office could operate independently—at least manifestly more independently than DG IV.

In response to these challenges and, in some cases, outright assaults, the Commission could make a constitutional argument in favor of preserving the integrity of the Union's unique institutional structure. This will be all the more pressing in view of possible pressure at the IGC to go beyond the Maastricht Treaty's institutionalization of variable geometry with respect to EMU and social policy. Acutely aware of the risks to European integration and to European institutions of such a development, the Commission is deliberately playing down the prospect of radical change. Should it happen, however, the Commission, supported by Germany and some other states, will advocate preservation of the Union's single institutional structure.

Apart from constitutional and institutional principles, the Commission is likely to be judged at the IGC on its mixed record of administrative ability, legislative initiation, treaty protection, and budgetary management. Aware of these political realities, and eager to allay public criticism, Santer is striving to improve the Commission's performance, and develop close connections with national parliaments and regional authorities and bodies. Citing the subsidiarity principle, the Commission is more selective than ever before in its choice of legislative proposals, and more thorough in their preparation. The Commission's petulant reaction last year to the Court of Auditor's critical report contrasts sharply with Commissioner Gradin's and Commissioner Liikanen's determination this year to put the Commission's financial house in order. Significantly, both Commissioners come from the new Scandinavian member states. As for some of its new responsibilities under the Maastricht Treaty, the Commission is playing a crucial and deliberately understated role in the move toward EMU. Proud and protective of its reporting and surveillance responsibilities under the Treaty's EMU provisions, the Commission does not want the EMU debate reopened at the IGC.

Finally, the Commission could use its indispensable role in the Union's current and future enlargements to strengthen its tenuous position at the IGC. Already, the pre-application and application stages of these enlargements have involved the Commission in extensive preparatory work, culminating in the 1995 White Paper. After the IGC, during the negotiation stage of enlargement, the Commission's skills as a broker and facilitator of compromise agreements will be essential for a successful

outcome. The Commission's independence of other institutions and of the member states, and its espousal of genuinely European interests, are vital for its mediatory role. As much as any other factor, the imminence and importance of future enlargements will strengthen the Commission's claim at the IGC to remain at the center of the Union's institutional system, in full possession of its existing powers and prerogatives.

## **The European Monetary Union and Its Virtuous Dynamic**

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As the *Economist* has recently observed, "slowly but surely the building blocks of European Economic and Monetary Union are falling into place."<sup>1</sup> Evidence of this is the new boost to monetary union given by the heads of government of France and Germany, the entry of the Northern members, and, last but not least, the tensions following the weakening of the dollar during the early months of 1995.<sup>2</sup> All the factors appear, to many observers, to promote steps toward an acceleration of the single currency. This picture contrasts with the Exchange Rate Mechanism (ERM) crises of 1992 and 1993, the Maastricht referenda, and the political elections in several European countries which have caused some doubts to be raised about the future of the Maastricht Treaty. What is mainly surprising, however, is that, though the monetary turbulence have severely hit many member economies, causing Great Britain and Italy to withdraw from ERM (September 1992) and the loosening of the exchange rate band (August 1993), member governments have continued to comply with the Maastricht convergence criteria.<sup>3</sup> It is even more surprising if it is recalled how demanding the criteria for admission to the EMU actually are.

In fact, the Economic and Monetary Union (EMU) is a challenging objective aimed to put pressure on both old member countries and new entrants to meet some important requirements of economic convergence. It is designed to lead to the creation of a single currency and reduce the differentials among the member countries, with a scope which is economic but also political. A failure to reduce these differentials may hinder the monetary union and the political union as well.<sup>4</sup>

This short article attempts to outline the rationale of the EMU, the related enforcement mechanism, and the way the admission criteria are working to push a founder member, Italy, to join the core countries on the track to monetary and political union.

### **The EMU's Rationale**

The rationale of the EMU is based on two interrelated processes. First, the process of integration and liberalization of a market economy on a European scale, set out in the Single European Act. Second, the process of monetary unification, which aims at achieving price stability and binding rules for budgetary policies. The overarching framework of the European political economy may be summarized as:

1. A single market within which persons, goods, services and capital can move freely.

2. Competition policy and other measures aimed at strengthening market mechanisms.
3. Common policies aimed at structural change and regional development.
4. Macroeconomic policy coordination including binding rules for budgetary policies.<sup>5</sup>

This last element, macroeconomic coordination, includes the basis of the prospective EMU. It also raises doubts and difficulties among politicians and economists of the Union. Many fear that only well-off countries will meet, on the scheduled dates, all the binding rules included in the convergence criteria and so enjoy the benefits of a single currency.

In fact, the EMU includes a fine tuned set of rules and procedural steps, which are explicitly engineered to sterilize the negative externalities which professional economists predict when a monetary union is settled between countries with wide differentials in economic and monetary performance.<sup>6</sup> It is still uncertain, however, how many countries will be able to satisfy the agreed standards on the fixed dates set out in the Treaty for the issue of a single currency. On the other hand, the monetary discipline drawn up in the Treaty commits every prospective member state to price stability and central bank independence, putting pressure on member governments to introduce policies to maintain public deficit at reasonable levels and to sustain, over time, virtuous public finance objectives. With this in mind, the architects of the EMU have played a preeminent role setting out a few but demanding "convergence criteria" which are meant to bolster governments' resolve when facing fragmented and sheltered interests at home. Among these architects were the governors of the European central banks, and first among them the officials of the German Central Bank (BUBA).

Satisfying the convergence criteria is slated to be a fundamental requisite, which cannot be negotiated even in settings such as that of the Inter-Governmental Conference (IGC) scheduled in 1996. Coincidentally, the Treaty sets out in the second stage (1994) the in-waiting European Monetary Institute (EMI), whose higher coordination policies are meant to be the necessary institutional arrangements for the creation of the ultimate goal of EMU: a centralized and indivisible monetary policy managed by a European Central Bank.

The EMU is a three-stage process (see box 1) in which all the participating states will agree in the third stage, scheduled potentially for 1997 or at the latest 1999, to setting up an operational European Central Bank and a single currency. The first two stages are referred to as transition periods in which, even if important technical operations have been set up, the member countries still retain their own prerogatives.<sup>7</sup> Such a gradualist approach versus a shock approach has been criticized by several economists. In De Grauwe's opinion:

There is no economic case for stretching the transition to monetary union. The gradual Maastricht approach serves a political objective, i.e. it makes it possible to postpone political conflicts(..) A monetary union, if desired, could be achieved in the short run (the shock approach) without any of the convergence criteria(..) These convergence criteria only serve a political necessity. They allow Germany to restrict the number of countries that are going to participate in the union, so that it can keep a dominating position in the monetary policy making process.<sup>8</sup>

### Box 1

#### The Three Stages of Economic and Monetary Union

The Maastricht Treaty on European Union set the following timetable for Economic and Monetary Union (EMU), in three stages:

**Stage One** began on July 1, 1990. Capital controls were to be abolished and progress was to be made toward the convergence of economic criteria, including budget deficits and price stability.

**Stage Two** began on January 1, 1994. Central banks are supposed to achieve "full independence", and member states are to achieve "sustainable convergence" of economic criteria.

**Stage Three** foresees, for those states able and willing to join EMU, a European Central Bank (ECB) conducting a joint monetary policy, and the Ecu becoming a common currency. Member states meeting the necessary convergence criteria will automatically join EMU by January 1, 1999; this could happen as early as January 1, 1997, however, if seven member states qualify and decide to continue to Stage Three.

Whatever motivation may have inspired the three-stage design and the convergence criteria, the transition period is not so long and not so superfluous as some economists suggest. Architects of the EMU have designed the transition period so that it is possible to accomplish some important objectives. Two of these objectives are particularly important: 1) member states should attain a high degree of economic convergence; and 2) member central bankers should achieve the necessary coordination and independence of national governments so as to create the institutional and operational environment of the ECB.

#### The Enforcement Mechanism and the Threat of Exclusion

As a mix of economic, financial, and political motives, the Treaty's major *raison d'être* is to reduce, the inter-(and intra-) member economic differentials which hinder the possibility of setting up a credible monetary unification. For that purpose, the Treaty provides member governments with a set of imperative objectives aimed at overcoming the resistance of their domestic constituencies. These objectives supply member governments with the leverage of the risk of exclusion. By allowing the exclusion of non-complying countries from the third stage, the EMU distinguishes itself from previous monetary projects, and introduces a policy with club-like logic,<sup>9</sup> in which admittance is permitted only under conformity judgment. Admission to the third stage, in which the European Central Bank and a common currency are expected to be established, will reward the member countries which have performed in a virtuous way, while the excluded countries will surely face a lowered rating of their public debt and further depreciation of their national currencies.

By avoiding the political negotiations and asserting that those objectives included in the convergence criteria are unavoidable, the EMU should also be seen as a new approach to the creation of supranational institutions. The apparent aim is to provide the region with institutions which enjoy the highest level of international credibility. The admission criteria and the

evaluation of the required assignments have been arranged to cast-off: 1) the philosophy of unanimity which had in previous decades hindered the construction and functioning of the supranational settings, and 2) the practice of political negotiation, which has severely delayed the process of European integration with the stops and goes of its member states.<sup>10</sup> In short, this means that the process of creating monetary institutions is based on a selective procedure, intended not only to reduce the differentials, but also to equip the region with the most credible institutions.

Notwithstanding the monetary turbulence of the last three years (1992-1995), there is evidence that admission criteria have been met in an increasing number of member countries,<sup>11</sup> and even among the new entrants. The latter have often adjusted to the economic and financial criteria of the Treaty long before their formal membership.<sup>12</sup> Some ex-communist countries eager to join the Union, such as Slovenia, are implementing adjustment policies regarding public deficit cuts and harmonizing inflation-rate targets.

Why have governments agreed to, and continue to support, a project which many economists and a number of political analysts believe is burdening them with a severe monetary discipline and which will eventually cause a loss of monetary sovereignty?

The vast literature on the European monetary union offers a wide range of explanations. From a systemic-structural point of view, it is suggested that European members have agreed to monetary union because of structural interdependence created with the growth of intra-regional trade and the enormous amount of transactional costs it produces.<sup>13</sup> Instead, a realist and policy-oriented approach is particularly valuable as it has the merit of isolating once and for all the time-consuming economists *problematique* about which of the possible monetary alternatives is best for the European region.<sup>14</sup> The policy approach has shown that the only possible alternative, the monetary union leading to the single currency option, together with the creation of the European Central Bank, was deliberately chosen to offset the growing imbalance between the German D-Mark and the other European currencies.<sup>15</sup>

Another analytical approach focuses upon the role of Central Bankers and of the Bundesbank, both in accelerating the conversion to macroeconomic discipline and in dictating the content and timetable of the EMU.<sup>16</sup> This approach is particularly valuable as it emphasizes the importance of a new set of actors in the creation of institutions in the European Union. By challenging both the primary role often attributed to the Commission, and the inter-governmental approach which is reputed to have managed the major advancement of European unification in the last 15 years, this approach demonstrates how the central bankers, led by the German Central Bank (BUBA) have set out the rules and the enforcing mechanism for the creation of the first generation of transnational institutions in the region.<sup>17</sup>

Whatever Machiavellian or Kantian explanations are offered for the adhesion of member countries to managed exchange rates, under the ERM<sup>18</sup> and EMS,<sup>19</sup> and later to the convergence criteria of the EMU, there is evidence that the inflation-averse behavior of several European countries would not have succeeded without the external discipline enforced by the inclusion/exclusion mechanism. It is true that European members have shifted dramatically from an average inflation rate of 7.2% in 1978, the year before the European Monetary System (EMS) was instituted,

to a rate ranging from 2.7% in Germany to 12.0 per cent in Italy, at the end of 1986; in fact, average EMS inflation has fallen to 2.4%. The range had narrowed considerably: -0.2 per cent in Germany and 5.9% in Italy.

Tables 1 and 2 provide more recent information on the status of the convergence criteria:

**Table 1**  
**The Twelve and Maastricht, 1993-1994<sup>1</sup>**

	<u>Inflation<sup>2</sup></u>	<u>Interest<sup>2</sup> Rates</u>	<u>Deficit<sup>3</sup></u>	<u>Debt<sup>4</sup></u>
Belgium	<b>2.5</b>	<b>6.5</b>	5.4	138
Denmark	<b>2.1</b>	7.4	3.6	78
France	<b>1.7</b>	<b>5.6</b>	4.8	<b>45</b>
Germany	<b>2.1</b>	5.5	3.0	50
Greece	9.8	21.2	17.7	114
Ireland	<b>2.7</b>	<b>6.3</b>	<b>2.3</b>	93
Italy	<b>3.3</b>	8.8	9.0	116
Luxembourg	<b>3.0</b>	<b>6.5</b>	<b>0.3</b>	<b>10</b>
Netherlands	<b>2.4</b>	<b>6.0</b>	3.5	83
Portugal	5.1	10.6	5.3	69
Spain	4.6	7.8	6.6	<b>56</b>
United Kingdom	<b>3.2</b>	<b>6.4</b>	4.6	<b>53</b>
Austria <sup>5</sup>	2.6			
Finland <sup>5</sup>	1.6			
Sweden <sup>5</sup>	2.5			

<sup>1</sup>Figures in bold indicate when the Maastricht criteria have been met.

<sup>2</sup>Forecast for 1995 (Source: Reports of the Commission, May 1994).

<sup>3</sup>Public sector deficit as a share of GDP, budget year 1994

<sup>4</sup>Outstanding public sector debt on GDP

<sup>5</sup>Source: Eurostat, Luxembourg, January 1, 1995.

**Table 2**  
**The Europe of the Fifteen: Forecasts for 1996**

	<u>Government debt as % of GDP</u>	<u>Government Balance as % of GDP</u>
Austria	67.4	-3.9
Belgium	132.3	-3.9
Denmark	75.4	-1.2
Finland	64.6	-1.1
France	52.8	-3.9
Germany	58.1	-2.4
Greece	116.2	-10.2
Ireland	80.8	-2.6
Italy	124.4	-8.1
Luxembourg	7.8	1.5
Netherlands	77.1	-2.5
Portugal	70.7	-4.7
Spain	65.2	-4.8
Sweden	85.7	-5.8
United Kingdom	51.5	-2.9

Source: European Commission, first semester 1995.

The external discipline set out in the Maastricht Treaty, with the formal requirements of satisfying the convergence criteria, and the positive trend of relative exchange rate stability experienced by the core countries' currencies have also helped to create the idea of a two-speed Europe. The first group of countries (Germany, France, Austria, Benelux plus Denmark and Ireland), are known as "core" countries. These countries are in turn led by a "hard-core", formed by Germany, which has set the

standard of almost all the binding criteria, plus France and the Benelux countries. The core countries are expected to be ready to undertake "greater integration and closer cooperation" and will probably join the third stage on the established date in 1997. The second group of peripheral countries, which include Italy, the United Kingdom, Spain, Portugal, Sweden and Finland, offer limited evidence of being able to satisfy the convergence criteria. These countries will not be able to take part in the third stage until they meet the agreed parameters. The hard core-countries, however, must not be a closed circle. As the CDU-CSU Report suggests, the third stage "must be open to every member state willing and able to meet its requirements."<sup>20</sup>

**Table 3**

**The State of Economic Convergence 1994-95  
as measured by average yearly rates**

	Current account as % of GDP		Gross National debt as % of GDP		Inflation	
	94	95	94	95	94	95
	Germany	2.9	2.4	51.0	59.4	2.8
Netherlands	3.8	3.5	78.8	78.8	2.3	2.4
Luxembourg	1.3	1.6	9.2	9.8	2.3	2.5
Belgium	5.5	4.7	140.1	138.7	2.6	2.5
France	5.6	4.9	50.4	53.4	1.7	1.9
Ireland	2.4	2.0	89.0	83.7	2.8	2.7
Denmark	4.3	3.0	78.0	78.0	1.8	2.1
Italy	9.6	8.6	123.7	126.8	4.0	3.5
Spain	7.0	6.0	63.5	65.8	4.9	4.5
United Kingdom	6.3	4.6	50.4	52.4	2.5	2.9
Portugal	6.2	5.8	70.4	71.7	5.5	4.6
Greece	14.1	13.2	121.3	125.4	10.8	9.5

Source: EU Commission, November 1994. Figures in bold indicate data meeting convergence criteria.

**Is the Maastricht Discipline too Severe to Comply With?**

In a controversial document circulated in fall 1994, a group of think-tankers close to the German Christian Democratic Party wrote the following:

The core countries must convince all the other members of the EU - in particular founder-member Italy, but also Spain and of course, Great Britain - of their unreserved willingness to involve them more closely as soon as they have overcome their current problems and in so far as they themselves are willing to work towards the common objectives. The formation of a core group of countries is not an end in itself but a means of reconciling the two conflicting goals of widening and deepening the European Union.<sup>21</sup>

As an example of a country pressured by the Maastricht discipline, Italy shows evidence of both success and failure. Success was achieved with the rate inflation in the years before the Treaty was signed, for there was a dramatic reduction in the inflation rate in Italy between 1979-1986 (from nearly 20% in 1980 to 9% in 1986), and certain structural factors were reduced too, as shown in Table 4.

**Table 4  
Diminishing monetary wages, labor cost, and  
consumer prices in Italy, 1990-1993 (in %)**

	<u>GNR</u>	<u>LC</u>	<u>CP</u>	<u>GRR</u>
1990	10.5	10.7	6.5	3.8
1991	8.6	8.5	8.0	2.2
1992	4.9	5.7	3.5	-0.3
1993	3.1	3.7	1.2	-1.3

GNR: gross nominal revenues; LC: labor cost; CP: consumer prices; GRR: gross real revenues.

However, the success in reducing inflation has not been matched by a similar downward trend in public deficit. In fact, during the Ciampi government (1993-1994) the fall in the rate of inflation, due to decreases in nominal wages, labor cost, and consumer prices has been offset by Italian Unions with an increasing burden of public debt. Indeed, what the Italian economy gained by abolition of wage indexation (*scala mobile*) which resulted in the lower rate of inflation, was lost by increasing social charges which caused public deficit to rise by 14.4% in 1993, by 16.85% in 1994, and by 18.2% in 1995, with the ratio of public debt/GDP of 143%.<sup>22</sup> Many economists argue that the huge public deficit has prevented the Italian economy benefiting from the decline in inflation, as there continues to be a crisis of credibility of the lira which continues to produce severe negative consequences on the Italian currency. The problem of public deficit is the real stumbling block on Italy's road to full participation in the third stage of European Monetary Union.

**Notes**

<sup>1</sup>The Economist, November 19th-25th 1994. p. 91.

<sup>2</sup>In a recent interview Mr. Helmut Kohl has urged a strengthening of German commitment to a European single currency at the scheduled date of 1997 in order to face the dollar crises, see Financial Times, April 21.

<sup>3</sup>See Andreas Bush, "The Crisis in the EMS," Government and Opposition, Fall 1993.

<sup>4</sup>See the CDU-CSU "Reflections on European Policy," Bonn September 1 1994. "In the monetary field (...), there are strong signs that a hard core of five countries is emerging. They (together with Denmark and Ireland) are the ones which come closest to meeting the convergence criteria stipulated in the Maastricht Treaty. This is especially important since monetary union is the cornerstone of political union(...)", p 7.

<sup>5</sup>Committee for the study of Economic and Monetary Union (1989) "Report on Economic and Monetary Union in the European Community" para 22. To a certain extent this is also the case for the EMS as it may be considered a "quasi-monetary union".

<sup>6</sup>For a recent assessment of the OCA theory see, Lorenzo Bini Smaghi and Silvia Vori, Rating the EC as an Optimum Currency Area, Banca d'Italia 1993.

<sup>7</sup>The Bundesbank in its statement of February 1992 maintains this argument: "In line with the thinking of the Bundesbank, the regulation for the transitional phase provide for responsibility for monetary policy remaining at the national level until the entry into the final stage of EMU, the main tasks assigned to the European Monetary Institute to be established at the beginning of 1994- i.e. strengthening monetary policy coordination and organizing the preparation of the final stage-are to this extent limited". Quoted in, Lorenzo Bini Smaghi, Tommaso Padoa-Schioppa and Francesco Papadia, "The Transition to EMU in the Maastricht Treaty," May 1994, forthcoming in Essays in International Finance, International Finance Section Department of Economics,

Princeton University.

<sup>8</sup>Paul Be Grauwe, "The Political Economy of Monetary Union in Europe," The World Economy, V.16, n.6 November 1993, pp.653-661. For the point of view of a policy analysis, see Wayne Sandholtz, "Choosing Union: Monetary Politics and Maastricht," International Organization, 47,1, Winter 1993.

<sup>9</sup>B. Eichengreen, Ch Wyplosz, "The Unstable EMS," Brookings Economic Activity, Washington 1993.

<sup>10</sup>On the stop-and-go of the European integration process see Gerald Schneider and Lars-Erik Cederman, "The change of tide in political cooperation: a limited information model of European integration," International Organization, N. 48, 4, Autumn, pp. 633-662.

<sup>11</sup>Only six out of the majority of eight countries will be able to form the monetary union at the first deadline of 1997. They are Germany, France, Luxembourg, The Netherlands, Denmark and Austria. Nevertheless, the data show a generalized trend in lowering the rates of inflation, the percentage of public deficit compared to GDP in all 15 countries. Report of EU Commission, November 1994.

<sup>12</sup>That is the case for Austria, Finland and Sweden. The phenomenon has been conceptualized as "anticipatory adaptation." The notion is a case for unilateral strategy a policy pattern which sees a "country's unilateral adoption of a set of norms associated with membership in an organization prior to its actually being accorded full status of a set in that organization, or even receiving guarantees of entry." The case is studied in relation to Eastern European countries after the fall of the Communist regime, but is well known in Western and Northern Europe. See Haggard, Levy, Moravcsik, and Nicolaidis, "Integrating the Two Halves of Europe," in Robert Keohane, Joseph Nye and Stanley Hoffmann (eds), After the Cold War, International Institutions and State Strategies in Europe, 1989-1991, Harvard University Press, 1993.

<sup>13</sup>For a systemic point of view see, David M. Andrews, "Capital Mobility and State Autonomy: Towards a Structural Theory of International Monetary Relations," International Organization, 47,1, Winter 1993.

<sup>14</sup>Wayne Sandholtz, "Choosing Union: Monetary Politics and Maastricht," International Organization, 47, I, Winter 1993.

<sup>15</sup>W. Sandholtz, *ibid*.

<sup>16</sup>David Cameron, "Transnational Relations and the Development of European Economic and Monetary Union," in Thomas Risse-Kappen (ed), Bringing Transnational Relations Back In: Non-State Actors, Domestic Structures, and International Institutions Cambridge: Cambridge University Press, forthcoming.

<sup>17</sup>Miriam L. Campanella, "Getting the Core. The European Monetary Institution-Building in the 90s," April 1995.

<sup>18</sup>For the ERM see, Robert Minikin, The ERM Explained, London: Kogan Press, 1993.

<sup>19</sup>Introduced in March 1979, the European Monetary System (EMS) represents an attempt to create an area of exchange rate stability among members of the European Community, for most members undertook to limit the fluctuations in their exchange rates to plus or minus 2.25% of the agreed central rate for their currencies (ERM). See Francesco Papadia and Fabrizio Saccamanni, "From the Werner Plan to the Maastricht Treaty: Europe's Stubborn Quest for Monetary Union," in A. Steinherr (ed.), 30 Years of European Monetary Integration. From the Werner Plan to EMU, London: Longman, 1994.

<sup>20</sup>CDU-CSU, "Reflections on European Policy," Bonn, September 1994, p.7.

<sup>21</sup>CDU-CSU Fraktion des Deutschen Bundestages, Reflections on European Policy, Bonn September 1994.

<sup>22</sup>P. Gabero, "L'Italia di fronte al debito e all," integrazione monetaria europea, Torino, 1994.

## Fortress Europe: Real or Imagined?

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Since final ratification of the Single European Act, the notion of Fortress Europe has gone through a number of ups and downs. In this article we briefly report on a survey of Colorado manufacturers, designed to ascertain their views of the impact of the single Internal Market on their ability to do business in Europe.

### Background

In 1988-1989, as the world became aware of the Single European Act, and the concept of a Single Internal Market to take effect at the end of 1992, concerns tended to be general, based principally of what was known, or rumored, of the various directives which were being considered. The prospect that reciprocity, for instance, might require that U.S. banks could do business in Europe only if U.S. banking laws were aligned with those in Europe became a symbol of other dire possibilities.

As the directive development process went forward it became apparent that some of the early concerns about barriers were unfounded and that, to a large degree, the European Commission was committed to a Europe which did not plan to retreat behind a wall of tariff and non-tariff barriers. New concerns arose, however. In the early 1990's, for instance, the world became aware of ISO 9000, a unique standard designed to assist buyers in their pursuit of quality assurance from their suppliers. Despite the fact that ISO standards are promulgated by the International Organization for Standards, with truly multi-national representation, many, particularly in the United States, saw ISO 9000 as a European action designed to shut non-European manufacturers out of Europe.

Today, most U.S. firms have come to view ISO 9000 in a more positive light and, in fact, some firms with a totally domestic orientation have adopted ISO 9000. Nevertheless, other events have continued to cause concern. Early editions of the United States Trade Representative's report identified a number of concerns, including national treatment of European subsidiaries of U.S. companies, standards, and rules of origin as well as reciprocity. Discussions during the Uruguay round concerning agricultural products did little to allay fears about barriers to trade. In late 1994, an article in The Columbia Journal of World Business titled "Fortress Europe: Will the EU Isolate Itself from North America and Asia?" suggested there is a growing danger that the EU could turn inward.

Despite the above, there has been considerable evidence to suggest the Europe was not becoming a fortress. As the dollar weakened, the U.S. trade balance with Europe swung to strongly positive. The experience of individual manufacturers seemed to indicate that, in the main, Europe was viewed in a favorable light. Questions remained, however. What aspects of doing business in Europe were problematic? And, what was the view of manufacturers as to the future impact of the Single Internal Market on their ability to do business in Europe?

To address these questions a questionnaire was developed and mailed, in late 1993, to 500 manufacturing firms in Colorado.



In the following section we report on the areas of investigation and the results of the survey, based on the responses of 65 firms.

### Areas of Investigation

In this study we focused on three areas. First, the global views of respondents as to the relative difficulty of doing business in Japan, Europe and the United States. Second, the views of respondents with respect to issues identified by the U.S. Trade Representatives relative to EC 1992. Finally, respondents' views as to the extent to which various commercial factors were problems in doing business in Europe and the impact on these factors of progress toward completion of the Single Internal Market.

We first asked respondents to indicate their views of the relative difficulty for U.S. firms to business in the European Union versus the United States, and then in Japan versus the United States. We asked similar questions for European Union firms and for Japanese firms. Mean responses are shown in Table 1.

**Table 1**

#### Difficulty of Doing Business: US, EU, and Japan

##### Currently

US Firms: EU vs. US	3.17
US Firms: Japan vs. US	3.77
EU Firms: US vs EU	2.34
EU Firms: Japan vs. EU	3.52
Japanese Firms: US vs. Japan	2.88
Japanese Firms: EU vs. Japan	2.46

##### After SIM Completion

US Firms Doing Business in EU	2.28
Japanese Firms Doing Business in EU	2.36

5=Much more difficult, 3=About the same, 1= much easier

As indicated, U.S. firms found doing business in the European Union only slightly more difficult than in the US but found doing business in Japan considerably more difficult. In terms of completion of the Single Internal Market, respondents feel that upon completion it will be somewhat easier to do business in the United States than in their home markets.

We next asked respondents their views as to the importance of resolving various trade issues, identified by the United States Trade Representative with respect to the European Union. Mean responses are shown in Table 2:

**Table 2**

#### Relative Importance of USTR Issues

Issue	Mean
Reciprocity	4.05
Standards	4.03
National Treatment of Subsidiaries	3.97
Intellectual Property Issues	3.88
Testing and Certification	3.75
Quantitative Restrictions	3.56
Harmonization of Health & Safety Measures	3.47
Rules of Origin	3.43
Public Procurement	3.10
Civil Aviation	2.87

5=Extremely important to resolve, 1= not at all important

At the head of the list is reciprocity. While this issue has apparently been resolved with respect to banking, it is clear that it is seen as the issue with the greatest potential to cause problems for U.S. firms in Europe. While no issue was seen as unimportant, problems with civil aviation are clearly of less consequence.

The remainder of the study asked respondents their views as to the problems with a number of commercial factors which have the potential to make doing business in Europe more or less difficult. We asked them to specify the extent to which the factor is currently a problem and then their view as to the extent to which the factor would be a problem in 1996, when it might be expected that progress toward the Single Internal Market would be substantially complete. The factors considered and the mean of the responses are shown in Table 3.

**Table 3**

#### Problems of Doing Business in the EU: Importance and Change

Factor	1993	1996
Short Term Exchange Rates*	3.11	2.91
Medium Term Exchange Rates	2.88	2.77
Long Term Exchange Rates*	2.66	2.44
Language Differences	2.37	2.37
Overall Cultural Differences	2.57	2.49
Org. Buyer Differences (E)	2.71	2.66
Org. Buyer Differences (E vs. US)	2.93	2.84
Preference for EU goods	3.30	3.25
Access to Distribution*	3.11	2.83
Credit Problems*	2.69	2.52
Contractual Problems*	2.75	2.54
General Legal Problems	2.87	2.75
Access to Promotion Media	2.19	2.09
Access to Market Data*	2.50	2.24
European Discretionary Income	2.56	2.58
Cost of Selling	3.13	2.97
European Firm Competition	3.38	3.45
Japanese Firm Competition	2.72	2.67
U.S. Firm Competition	2.63	2.67
Expansion of EU	2.03	2.06
Anti-dumping Actions*	2.10	2.29
Meeting Product Standards	2.80	2.75
Meeting ISO 9000	2.87	2.83
Meeting Metric Requirements	2.19	2.16

5=Major Problem, 1= No Problem, \*=significant at .05

Of the 24 factors considered, only five showed statistically significant differences. Of interest, however, was the consistent pattern of improvement for all factors except discretionary income, expansion of the European Union and anti-dumping actions. This pattern suggests that we can make some reasonable inferences as to the respondents views about the future of the European Union, even though the average improvement was quite small.

#### Conclusion

Based on the evidence of this study, it seems fair to conclude that Colorado manufacturers view the move toward the Single Internal Market in a positive light. Currently, doing business in the European Union is seen as only slightly more difficult than doing business in the United States and the exception is that it will be less difficult after completion of the Single Internal Market.

We interpret the pattern of responses shown in Table 3 to confirm that the overall impact of the Single Internal Market will not be great but that for most business related factors it will be favorable. Particularly encouraging are the positive changes with respect to short term exchange rates, access to distribution, reduction in contractual problems, and access to market data. Concerns about the prospect of anti-dumping actions seem consistent with much of what manufacturers are experiencing globally and the apparent trend to use such actions as a substitute for tariff and other non-tariff barriers. As such, this concern may be a general one, not specifically directed at the European Union.

None of the foregoing is to suggest that there are no issues between the United States and the European Union. As indicated in Table 2, resolution of all the issues identified by the United States Trade Representative, except civil aviation, is viewed as being of medium or greater importance. In addition, and depending on the particular industry, we expect that a number of other issues may be troublesome to certain manufacturers. That there are issues needing resolution, however, is significantly different than the notion of Fortress Europe as an isolated economic entity, or a Europe bent on becoming a parochial regional economic power, deliberately erecting trade barriers to achieve such an end.

## European Studies and the Internet

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The Internet (Net) offers a great opportunity for students of European integration to acquire information from numerous sources. The Net can be searched primarily in two ways.

First, through Gopher search. This is a text-only format that contains full-text news and document material on every conceivable topic. Gopher searches are the means of access most often used.

Second, through World Wide Web (WWW or W3). Invented five years ago, the Web's popularity has grown tremendously in recent months. The Web consists of thousands of 'home pages' which are individually constructed screens with a title, information (including advertisements and resource guides but also some rather pointless items), as well as icons, graphics and links to other home pages. Page topics range from 'Godiva Chocolate', to 'Software Parks in India', to the 'History of Cheese'. Users can easily become lost as each successive page leads to many more of equal or greater interest.

The Net's pages are not indexed, so users must use the general search engines (Web Crawler, Wandex, Lycos) to retrieve information. A search engine is a tool used to conduct keyword searches on the Web. In conducting a search on a keyword such as 'European Union', using a search engine is similar to electronically searching library databases. As in the library, however, there is a multitude of Web sites related to the EU. Unless you have time to search, they can be very difficult to find.

Under the direction of Desmond Dinan and Jamie Coniglio at George Mason University, I have constructed a home page that will guide students of the EU to relevant resources. The page is designed as a springboard to homepage sites from the EU, across

Central and Eastern Europe and into Russia. Up-to-date information is included on the Commission, exchange rates, technical policies, programs and more. Some of the links include:

- 1) Europa. This is the European Commission's home page. It includes the Commission's composition, work program, document access, President Santer's speeches, etc.
- 2) Aege Europe. This page of a European student organization includes paper discussions and its online magazine.
- 3) I'm Europe. EC page with information on the electronic information market, the European Parliament and the Economic and Social Committee.
- 4) ECHO. A research guide with access to over 20 on-line databases.
- 5) Other research pages include: CORDIS; ESPRIT; and the Fourth Framework Programme.

There are approximately ten on-line news sources, including:

- 1) Der Standard. (Austria)
- 2) The Irish Times. (Ireland)
- 3) Eindhovens Dagblad. (The Netherlands)
- 4) St. Petersburg Press. (Russia)

Other related sites include:

- 1) Geneva International Guide - leads to international organizations and institutions.
- 2) International Affairs - leads to related subjects, organizations and texts.
- 3) National Trade Data Bank - a U.S. Department of Commerce comprehensive trade database.

To reach the Center for European Integration Studies (CEIS) at George Mason University page, log on to a Web Browser and open the URL (Uniform Resource Locator) or the address of the page. Our address is - <http://www.ii.gmu.edu> - which leads to the International Institute home page. Select the 'Centers' option, then choose 'CEIS' and you will be surfing in Europe.

For researchers who have Internet access but lack a graphics Web browser, type 'lynx' instead of 'gopher' at your prompt and the identical sites will be available in text format.

Since this is an initial attempt at indexing the European Studies related galaxy of the Internet universe, please send your ideas, criticisms and site additions or suggestions to: "dhouser@gmu.edu" or "aclnode@gmu.edu". Happy hunting!

## Book Reviews

**Jean Monnet: The First Statesman of Interdependence.** François Duchêne, New York and London: W.W. Norton & Company, 1994.

**Ein Markt -- Eine Währung: Die Verhandlung zur Europäischen Wirtschafts- und Währungsunion.** Wilhelm Schönfelder and Elke Thiel, Baden-Baden: Nomos Verlagsgesellschaft, 1994.

Prior to the 1996 intergovernmental conference (IGC), a necessary debate about the future institutional structure of the European Union is taking shape. These two volumes provide historical perspective and practitioners' insight into that debate. It is relevant to consider the origins of the Community, and its institutions, from the vantage point of one of its Founding Fathers, Jean Monnet. It is also useful to assess the contributions of his approach to the Community during its evolution on the path to Union. These books can be used in the classroom to emphasize both the changing and *sui generis* nature of European integration and the negotiation dynamics that define the Union's character.

François Duchêne, a British correspondent in Paris prior to his work for Monnet, gives us much to consider. His volume is at once a well-researched biography of Jean Monnet and a rich historical account of European construction from the end of World War II until the late 1970s. The book is divided into two parts. The first chronicles Monnet's actions during his youth working for the family cognac business, his endeavors on behalf of the Allied cause in Europe during 1914-1945 and the creation and early development of the European Community. The early years were among Monnet's most creative. The cornerstone of his later experiences with the European Coal and Steel Community and the European Economic Community was laid by the trials and tribulations of Monnet's first achievements. These achievements were impressive: promoting cooperation between Britain and France concerning war supplies during the First World War; serving as deputy Secretary General of the League of Nations at thirty-two; and contributing to the success of the "Victory Program," which supplied American weapons equipment to the Allies on the Continent during World War II. The second part of the book paints a vivid portrait of Monnet's legacy. Monnet is presented as a world citizen whose vision of unity transcended physical and psychological borders. He is also described as a person who understood the value of changing the context of the situation by transforming the basic facts. Monnet's consideration of the Franco-German relationship after the devastation of the Second World War and his formulation of the Schuman Plan exemplify this approach. Finally, there is a portrait of Monnet

as a leader capable of transforming world events by introducing an alternative to the system of balance of power in Europe. Three themes dominate throughout this volume: creative genius; the role of Europe in the world; and Monnet's unique approach to negotiations.

Monnet's creative genius was illustrated by his innovative plans for international cooperation among sovereign states. Duchêne explains that Monnet operated on the basis of the utility principle--the pooling of scarce resources to achieve the greatest good for the greatest number. His favorite tool was the "balance sheet" which Monnet used to weigh the positive and negative aspects of each step in any given project. Each of his ideas illustrated the extent to which the role of Europe in the world was Monnet's over-riding concern. The Community was the main beneficiary of his resourcefulness. An impassioned advocate of a strong partnership with the United States, Monnet advanced the European cause by maintaining the support of key policy makers in Washington for his ideas. In his era, foreign policy was made more exclusively by a small group of policy elites on both sides of the Atlantic. The influence of interest groups on foreign policy making was not as strong as today. This explains in part Monnet's need to persuade the powerful and to organize negotiations by focusing on the interactions among a small group of persons seated at the table.

In order to achieve his goals, Monnet invented a unique approach to negotiations. As Duchêne points out, this approach was most obvious during the Schuman Plan conference in 1950. The six states involved in the conference, France, Germany, Italy, Belgium, the Netherlands, and Luxembourg, participated in more of an open conversation than a classical negotiation. As the German representative, Walter Hallstein, noted, "Monnet incarnated the spirit of European solidarity." The general Community interest was defined in an attempt to go one step beyond respective national interests. More importantly, the goal of the Schuman Plan conference was to "create something," namely, the European Coal and Steel Community (ECSC). Monnet's approach to negotiations earned him a lifelong reputation as "Mr. Europe." But after the failure of the European Defense Community on the floor of the French National Assembly in August 1954, Monnet resigned as president of the High Authority of the ECSC and returned to private life. Thereafter he used the Action Committee for the United States of Europe, an imposing transnational lobby, to gain access to heads of state and government who were able and willing to implement his ideas. The Action Committee's resolutions aimed to commit member political parties and labor unions to a strategy for unity. For Monnet, this Committee, which represented societal interests, had to have institutional force. Labor unions were included because Monnet felt they represented the broad masses and thus had a sense of general interest.

Although Monnet worked with elites his entire life to advance European unity, his was a civilian approach. As Duchêne explains, this approach was much closer to the outlook of the citizen than that of the bureaucrat. Monnet worked on the assumption that all parties would benefit from European unity. He used the language of business, of community and of civil politics to make his case for closer integration among the Six. The fact that national parliaments, in which many of the Action Committee's members sat, had greater influence on policy making than is the case today served as a means to maintain general

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public awareness of integration. Monnet was sincere in his belief that "We are united people, not forming a coalition of states." However, the essence of Community policy was, and remains to the present day, highly technical and therefore incomprehensible to the average citizen. The evolution of Community policy making throughout the 1970s and 1980s was in the direction of increased bureaucratization. The centralization of decision making among political leaders in the European Council and the distance from national parliaments and publics became even greater. Also absent were talented personalities like Pierre Uri who could draft treaty language that was presentable to national publics. Thus the Community became more distant and diverse. The resulting "democratic deficit" was striking and the search for the general interest became even more difficult.

As the shorter Schönfelder/Thiel volume explains, however, in the late 1980s the Community regained a certain forward momentum after nearly two decades of stalemate in Council voting procedures. Its leaders then adopted the Monnet approach to negotiate a treaty on European economic and monetary union (EMU). Ein Markt--Eine Währung is a valuable addition to the growing literature on the EMU conference because it presents both the internal bargaining among German actors in Bonn and the diplomacy of the German delegation to the IGC in Brussels. Each of the steps leading up to the actual Maastricht negotiations in 1991 are outlined with significant attention focused on the work of the Delors Committee and the prenegotiation phase. It was in the definition of a three stage concept for EMU, and the introduction of a European currency as the point of departure for further integration, that the work of the Delors Committee most resembled Monnet's approach. As Schönfelder and Thiel point out, the role of Delors was crucial as a "hinge" between the Delors Committee, consisting of central bank governors and three independent experts, and the ECOFIN Council. Like Monnet, Delors was content to let others make use of, and take credit for, his ideas.

Ein Markt--Eine Währung has the additional advantage that one of its authors was involved in the formulation of German interests regarding EMU in Bonn. The other is an expert on European monetary affairs who explains developments in her chosen field with clarity and ease. Thus, each of the more difficult issues in the negotiation process is treated in turn with both the German positions and those of the other member states explained in detail. This volume is well-organized with a chapter at the end devoted to the EMU provisions in the Treaty on European Union. The reasons why EMU is in the German interest are presented in a balanced way. Less attention is paid, however, to an explanation of the underlying reasons behind the strong German public reaction against Stage Three of EMU or the ways in which the Treaty's contents can be made clearer to the public. Negotiators and analysts involved in Union affairs have drawn the conclusion that the closed manner in which Maastricht was negotiated proved to be a costly error for the integration process. Yet there is no mention made of ways to address this fact in light of the 1996 Revision Conference. The fact that another approach is needed, which takes popular feelings into account, remains relevant for practitioners and for those trying to understand the various directions taken by the integration process.

If this review seems to be more of a resume than a critique, this is because I hope it will incite an American audience to read these books and to consider both the achievements of an extraordinary individual and the enduring nature of his

contributions to European integration. Monnet worked with the Americans and against the odds to unify Europe. His emphasis on persuading elites had much to do with the way in which foreign policy was made in an earlier era. If Monnet was alive today, would he recognize the need to modify the emphasis on elites and to persuade the people that the European Union is relevant to their daily lives? This is clearly a rhetorical question, but it is worth asking given the role that others like Jacques Delors or a revised Action Committee might play in the present context. One way to promote a public debate on the European Union is to make people more aware of the nature of its negotiation processes and the salient policy issues. The relevance of these volumes to this debate and to classroom teaching is due to the fact that each can be used in courses that involve model simulations of negotiations in the European Union. Duchêne's consideration of the Monnet approach during the Schuman conference can provide an interesting contrast in style to classical intergovernmental conference diplomacy. The Schönfelder/Thiel volume teaches students about the need for levels of negotiation in IGC diplomacy, namely, personal representative, ministerial and heads of state and government. This book is written in German, but an English translation may be published. In any case, it provides important material for those who write case studies in English on European Union negotiations.<sup>1</sup>

After reading these books, students can play out differences in decision making and negotiation styles during model simulations. The 1996 Revision Conference is one simulation topic to which students can apply the insights in these volumes, for example. Both texts can also be used as supplementary readings in more general courses on the European Union.

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<sup>1</sup>Colette Mazzucelli, "A Decision in Dublin, An Agenda in Rome: Convening Parallel Conferences on European Union, (Washington, D.C.: Pew Case Study Center, Georgetown University, 1995).

**Organized Interests and the European Community. Justin Greenwood, Jürgen R. Grote, and Karsten Ronit, editors. London: Sage, 1992.**

This edited volume addresses an important but somewhat neglected aspect of recent research on the European Community: the relationship between organized interests and the "Europeanization" of markets and politics. The editors stress the "symbiotic" relationship between the EC and interest groups, viewing politics and markets as a "dialectic process" rather than asserting a single line causation from economic developments to political outcomes. Organized interests are conceived in a broad sense, considering not just formal associations but also other representative outlets such as individual firms and arrangements in individual sectors. Each of the case studies thus disaggregates interest representation into domains, sectors, firms, and/or territories because of the extensive number and variety of actors engaged in interest intermediation at the transnational level. The introductory and concluding chapters provide an overview of relevant literature on organized interests and European integration, outline the central themes addressed in the case studies, and offer some conclusions about the patterns and future direction of interest aggregation and mobilization at the EC level.

The volume represents a multifaceted approach to the study of organized interests at the EC level in that the case studies focus on both sectoral and national organizations at more than one level of analysis, including the subnational, national, and European levels. The six individual chapters deal with telecommunications; the pharmaceutical and biotechnology sectors; consumer electronics; small enterprises; peak associations of business; and the labor movement.

The introductory chapter contains a useful review of relevant literature on interest group theory which stresses the impact of transnationalization on the mobilization and aggregation of organized interests. The editors challenge some of the assumptions of recent research about the relationship between interest groups and the EC which tend to polarize into either the pluralist or corporatist traditions. The case studies reveal a mixed pattern of interest organization, with evidence of both pluralism and corporatism at the EC level. Chapters on the pharmaceutical and biotechnology sectors and the consumer electronics industry show that there are neo-corporatist elements in some domains and sectors at the EC level, while chapters on small firms and the peak organizations of capital and labor demonstrate their absence.

The multilevel approach of the case studies permits some conclusions about the relative importance of the national vs. EC level for interest intermediation. The case studies show that while the national route to influence is still significant, the EC level is gaining in importance and in some cases even predominates. In biotechnology, pharmaceuticals, and consumer electronics, for example, the European level is just as, or more important than the national level, indicating the dangers of focusing solely on the national level because of the supposed obstacles to collective action by national associations on the EC level. In fact, the editors conclude that the "Brussels strategy" of interest articulation is likely to become even more important because of the increased significance and competence of the Commission and the shift to majority voting in the Council of Ministers. The national route to influence is more uncertain when governments can no longer veto measures unfavorable to domestic interests. Nevertheless, some sectors, such as telecommunications, continue to rely on national channels of influence because of the early national orientation of firms in this sector. In telecommunications, interest associations take on a "horizontal and network-like" character, resembling "policy networks" more than "Eurocorporatism." The case studies also reveal the myriad forms that interest intermediation may take as well as their different levels of development. In high technology sectors, such as pharmaceuticals, large multinational firms can be important actors pressing for desired outcomes at the transnational level. Here, the dominant role of multinational firms has facilitated the transnational replication of national level patterns of interest intermediation. Because of the newness of the biotechnology domain, the structure of political exchange on the transnational level developed before the national level.

Chapters on the peak associations of business and the labor movement point to the importance of "national legacies" for explaining patterns of transnational interest organization and mobilization. Although it is easier for capital to organize transnationally than it is for labor, peak associations of business have not had a significant impact in representing interests at the European level. For business, sectoral associations are far more important, and they account for the superior ability of business to press its interests at the European level. Business has a variety of

coordination strategies available while labor has mainly national or peak level coordination at its disposal. Opportunities for individual firms to further their interests also shows the variation within business strategies. In short, business has been able to organize and mobilize its interests much more effectively and for a longer time than labor. Although the process of transnationalization is of utmost importance to labor, it has not been very successful at organizing on the EC level. The inability of labor to effectively define its role on the European level also accounts for the underdevelopment of the "social dimension" in European integration.

The chapter on the structure of small firm interests in Germany and Italy fits less well with the other case studies, but provides the useful service of focusing on subnational levels of influence. Diverse national patterns of governance in Germany and Italy present obstacles to transnational collective action by small actors such as craft associations, complicating the prospects for developing a small enterprise strategy at the EC level.

Overall, this edited volume is a useful and perceptive collection of research on the constraints and opportunities facing organized interests seeking to influence policy outcomes on the EC level. The chapters by Cawson on consumer electronics and Greenwood and Ronit on pharmaceuticals and biotechnology are particularly good. Unfortunately, other chapters suffer from unwieldy prose, excessive detail, and uneven copy-editing. A chapter on agricultural interest organizations would have strengthened the collection and added more weight to the editors' conclusions. This volume will be of interest to scholars specializing in the study of interest groups in the EC, and the subject matter is likely to take on increased salience given the recent EU membership of three states (Sweden, Finland, and Austria) in which corporatist arrangements are highly developed.

**Karen Anderson**  
**University of Washington**

**Mary Troy Johnston. The European Council: Gatekeeper of the European Community. Boulder: Westview Press, 1994.**

During its two decades of existence, the European Council has established itself as the highest decision-making authority in the European Community. In partnership with the Commission, the European Council spearheaded the dynamic progress of the EC over the last ten years. Though the Council was not among the original institutions created by the Treaty of Rome, it nonetheless quickly became central to the routine business of the EC. Mary Troy Johnston orients her examination of the Council's history around the question of how its powers have evolved in relation to the other institutions of the Community. She assesses the effect of the Council on the EC's decision-making structure. Has the Council led national governments to reclaim some of the sovereignty they ceded in signing the Treaty of Rome? Or, has the Council's intergovernmentalist approach been tempered by a process of "Europeanization?"

Johnston begins her study with the origins of the Council in the 1960s and 1970s. The summits held during this period were motivated primarily by external factors. De Gaulle and Pompidou were instrumental in mobilizing support for periodic meetings. They viewed the summits as necessary for formulating responses to international challenges such as the 1973 oil shock and as

means of establishing an independent European voice in the "high politics" of security policy making. International economic and political pressures intensified throughout the 1970s and 1980s, providing a powerful argument for the continuation of these summits on a regular basis through the creation of a European Council.

The impetus for establishing the Council came not only from external factors, but also from within the Community. During the 1970s, policy making within the EC was foundering badly. Major agreements over politically sensitive issues such as the CAP and the budget were too difficult to be settled through the normal channels outlined in the Treaty. The painstaking technical approach to decision making was not suitable for the problems facing the Community. Enlargement also created a challenge by making it more difficult to reach consensus. Constitutional and institutional reforms, such as economic and monetary union and plans for political cooperation, were proposed and then abandoned. The Council, uniting all the heads of government, combined the political authority and democratic legitimacy needed to cut through the blockages in the decision-making process. Thorny issues more difficult to resolve at lower levels could be referred to the Council, the ultimate decision-making authority. The establishment of the Council brought an infusion of dynamism to EC policy making. As Johnston argues, the Council has "succeeded in motorizing the EC, not by replacing the Commission's motor, but by systematically bringing political force to bear on a necessarily tedious decision-making process."

Of course the Community's problems were not immediately solved by the advent of the Council. The Council grew into its role, evolving along the way. To illustrate its operation in practice and the way it has developed, Johnston takes as her two cases the British budget dispute of 1980-84 and the negotiation of the Delors Plan from 1987-88. In both cases, very treacherous issues which had proved intractable earlier on were settled through a series of detailed negotiations by the Council. Both cases involved tough distributive conflicts over the shape of the budget, which had the potential of stalling more important decisions over the constitutional and institutional evolution of the Community. With the British budget dispute out of the way, the 1992 internal market program could be undertaken. After the Delors Plan was passed, the bold reforms embodied in the Maastricht Treaty began to be negotiated in intergovernmental conferences.

The differences between the way the Council negotiated the two settlements point to the changes in its relations with other EC institutions over the course of the decade. The Delors Plan was concluded with less difficulty as a result of the familiarity with complex technical matters which the Council developed by regular cooperation with the EC bureaucracy. The Delors Plan settlement was also achieved less painfully because of actions taken by the Commission. The Commission put together a coalition of supporters for the plan through a judicious distribution of rewards and benefits. In this respect, the Council has learned to work more closely with the Commission, incorporating the Commission fully into its proceedings and yielding the reins of leadership to the Commission where necessary.

Based on her analysis of these two cases and of the Council's evolution, Johnston concludes that the Council has not had the decentralizing, undermining effect on the other EC institutions

that integrationists initially feared. In fact, integration has proceeded along with intergovernmentalism as the Council and Commission have cooperated more closely. The Council has become bureaucratized in a sense, enmeshing itself with supporting EC institutions such as the Council of Ministers, the Commission, and national bureaucracies. Heads of government have been "Europeanized" to some degree as they are socialized into adopting a Community perspective through their frequent meetings on EC business and through their collaboration with other Community institutions. At the same time, the Commission has shared its formerly exclusive right to initiate policy in the EC, primarily with the rotating presidency of the Council but also with individual member states in the Council. Balancing this loss of power to the member states, the Commission has come to influence the outcomes of bargaining in the Council by guiding the formation of coalitions, instead of just determining the agenda as was originally intended. Johnston delves into the minutiae of institutions and procedures surrounding the Council to amply support her theoretical conclusions.

Johnston does not give full credit to the Council alone for reviving EC decision-making and for launching the Community into the decade of dynamic change from the Single European Act to Maastricht. She recognizes the Commission's active involvement, and in particular the leadership of Jacques Delors. Individual leaders such as Kohl, Mitterrand and even Mrs. Thatcher were instrumental in driving the process. The enlargement of the EC aided the Commission in its task by increasing the range of coalitional possibilities it could call upon in the Council to circumvent opposition to a proposal. The generally favorable economic circumstances in the EC for most of the 1980s also made distributive compromises simpler as long as high rates of growth continued.

These ancillary conditions which permitted many of the EC's recent successes are now changing in the 1990s, prompting Johnston to raise questions about future trends. Deep recession over the last few years makes reaching agreement on economically sensitive issues troublesome as member states return to a narrower focus on their own self-interest. Even if political elites remain committed to the European project, their electorates may not share their bold visions for the future of the Community. The Maastricht ratification process clearly demonstrated the dangers of the lack of democratic legitimacy in the largely closed decision-making process of the Council. The new Commission will also be an unknown quantity, and Jacques Santer seems unlikely to continue Jacques Delors' vigorous leadership style. Further enlargement will diversify the voices in the Community and may make the process of building consensus more difficult, especially if one looks beyond the present round of enlargement to the expected incorporation of Poland, the Czech Republic and Hungary. Britain has indicated that voting rules in a larger Community will be a contentious subject. The European Parliament will probably continue to demand an expansion of the cooperation procedure in policymaking at the expense of the Council and the Commission, a demand that has found sympathy among the European public. Finally, the expansion of the Union's competency to include formal cooperation in foreign policy and defense creates new responsibilities for the Council. Since the Council has spent much of the last two decades learning how to negotiate "low politics" technical issues such as the budget and agriculture, it may now return to its origins and shift back to a



more political role as it leads the Union toward common policies in the "high politics" of foreign policy and defense cooperation.

**Michael Gallagher**  
Cornell University

**Robert Leonardi and Raffaella Nanetti (eds). Regional Development in a Modern European Economy: The Case of Tuscany (London: Pinter Publishers, 1994).**

As the European Union commits itself more deeply to internal cohesion and consequently the reduction of inequalities between its wealthier and less fortunate regions, interest in the economic performance of regional economies has blossomed. The edited volume by Leonardi and Nanetti comfortably melds into this burgeoning literature on regional economic performance and presents a consistent argument for the importance of political institutions in promoting positive [regional] economic outcomes (p.6). Within this broader framework, Leonardi and Nanetti's latest volume centers itself upon the following question, "what explains the success of Tuscany's development, and what are the prospects for the future of other intermediate peripheral areas such as Tuscany in Italy and other regions in the European Union?"

The choice to discuss the Tuscan model is determined by the familiarity of the editors with Italian regional politics as well as the potential lessons which the Tuscan case affords for other peripheral regions. Without either a historically dominant sector or a splendid infrastructure, Tuscany managed to emerge from a relatively backward region in Italy following the Second World War to one of the more wealthy, dynamic regions in Europe. As Leonardi and Nanetti's 1990 volume on Emilia-Romagna argued, flexible specialization and industrial districts were a vital ingredient in this success. The emphasis upon cultural and institutional factors shaping development in Tuscany make this a valuable contribution to the literature.

The volume is subdivided into three sections concerning Tuscany and the European Union, Tuscan economic and industrial structures, and specialization in the Tuscan economy, respectively. Leonardi's first chapter on the role of Tuscany in the European Community serves the dual role of introducing the layout of the text plus introducing the major theoretical arguments to the book in a well-crafted article. Leonardi proposes that three factors, namely the increased pace of European integration, the emergence of regional governments, and the rediscovery of the subsidiarity principle by the EU have shifted regional survival strategies to the EU level. However, success at the EU level is predicated upon particular institutional arrangements at the local level. The chief theoretical contribution of such an article is to refute popular claims in the development literature which propose the inability of regions to gain entry into the core. Leonardi's work opens up two avenues for the scholar: the relationship between regional corporatism and economic growth, and the challenges of economic integration on corporatist arrangements. His piece is thus a fitting introduction to the book.

Shari Garmise continues the argument for the importance of regional institutions as a cornerstone of regional economic growth in her second chapter on economic convergence. At the foundation of regional economic success are three pillars: industrial districts and flexible specialization, political subcultures, and a civic society.

The third and final chapter in the introductory section focuses upon the effects the European Community has upon regional decision making. Nanetti shows how this influence has been considerable and poses the single largest challenge to Tuscan development. Nevertheless, economic integration allows regions to carve out their own niches of cross-regional economic cooperation, an area in which Nanetti show Tuscany to have taken the lead.

Chapters four through eight provide the historical case studies necessary to illuminate these theoretical claims. Giacomo Becattini's contribution on the development of light industry in Tuscany proposes that a combination of exogenous and endogenous shocks to the textile industry and a subculture of diligent small entrepreneurs gave this region the opportunity to develop a marketable, flexible niche exporting quality textiles. His chapter is one of the most interesting in the book in its discussion of the historical precedents and uncertain nature of regional economic growth. Fabio Sforzi continues the focus on the historical underpinnings of the Tuscan model by emphasizing the more recent trends which have produced a network of industrial districts in the urban countryside.

Chapters six through eight focus upon particular cases of industrial districts and flexible specialization, namely the cases of Prato and Santa Croce. Gabi Dei Otatti's piece argues that a combination of the dismantling of the vertically integrated textile mills combined with public policies favoring decentralization produced the foundation of the industrial district in Tuscany. Marco Bellandini and Marco Romagnoli emphasize the contemporary challenges for Prato. Unlike previous eras in which new styles of textiles replaced older designs, a condition in which Prato's flexibility afforded itself an advantage, the textile industry is now in a world-wide slump. Nevertheless, Bellandini and Romagnoli underscore the advantage of decentralization combined with specialization and information sharing (i.e. industrial districts) in coping with structural change. Ash Amin's contribution on the case of the San Croce industrial district stresses the importance of regional networking.

The final section of the book emphasizes specialization in the Tuscan economy with special attention to agriculture, culture and its role in the EU. This section is the weakest in the text, partly because it lacks the continuity of the previous two sections and partly because it is questionable how the chapters by Cianferoni and Florida contribute additionally to the arguments established in the text. However, Leonardi's contribution reinforces the central theme of the necessity for networking and demonstrates how Tuscany would be poised to establish such networks within the European Union based upon its present system of industrial districts.

In my opinion, the merits of this edited work are twofold. First, it attempts to wed the recent international political economy contributions of authors such as Piore and Sabel, as well as Kern, who write about the second industrial divide and flexible specialization, with those authors who focus on the cultural prerequisites for economic growth. Second, the authors, especially Leonardi, show in great detail how the European Union fundamentally challenges regional strategies for economic development and the choices for economic success in the 1990s. The edited work of Leonardi and Nanetti reminds the reader of the growing regional level within the European Union and the possibility of a regionalization of industrial policy making in the

upcoming decades.

Though the contributions of this volume are noteworthy additions to our comprehension of regional economic development and the challenges of European integration, two reservations much be made. The first is the lack of adequate discussion of the political and cultural factors necessary for flexible specialization and industrial districts. The volume tends to assume that political institutions (namely industrial districts) are intrinsic to economic development. My contention is that the political dimension of this process is underdeveloped. Does the fact that both regions studied by Leonardi and Nanetti (Emilio-Romagna and Tuscany) were governed by the PCI (Communist Party of Italy) influence the strategies of industries, the civic-mindedness of society, the amenability of the regional authorities towards cooperation, or the necessity to adopt a regional economic strategy? My second concern has to do with the generalizability of the Tuscan model. Scholars interested in questions of regional development patterns will wonder if the experience of Tuscany can be replicated elsewhere. Leonardi's introductory chapter hints that Tuscany may have been advantaged by its relatively decentralized industrial structure. However, is this or any other condition a necessary prerequisite for the Tuscan model of development?

The two concerns I have regarding the volume should not in any way detract from the value of this text for students of Italian politics, international political economy, regional development, or European integration. Though primarily aimed at a relatively specialized audience of those interested in development, Italy, and European integration, it could enhance courses on international political economy or economic development to include this volume on the reading list. Moreover, it outlines the challenges of European integration and the possibilities for regions to adapt to this development. In this manner, it is invaluable reading for the student of regional politics and/or European integration. Finally, the bibliographies of the first three and final chapters are helpful (though not all encompassing) for the scholar interested in regional economic development in the European Community.

**William Kottmeyer**  
University of Washington

## **Publications**

### **The State of the European Union, Volume 3** **Available Soon!**

The State of the European Union, Volume 3 will be published in September 1995 by Lynne Rienner Publishers with the partial support and sponsorship of ECSA, the Ford Foundation and the Delegation of the Commission of the European Communities, Washington, DC. The volume is co-edited by Carolyn Rhodes of Utah State University and Sonia Mazey of University of Cambridge.

This collection of essays, the third biennial volume since 1991, updates readers about major developments in European integration during the past two years and offers a set of analytical perspectives that enhance our understanding about European integration in general. Anyone who follows European integration

with interest, who likes to be up-to-date, and who values analysis in a comparative context will find this volume very useful. The volume will be available for \$49.95 from Lynne Rienner Publishers, Inc.. As in the past, ECSA members will receive a 20% discount.

### **1995 ECSA Conference Papers** **to be Published on CD ROM**

In conjunction with Ellis Publications of Maastricht, The Netherlands, ECSA will be publishing a CD-ROM of papers presented at the 1995 ECSA Conference in Charleston, South Carolina. The CD ROM will contain as many papers as possible - permission request letters are now being sent to individual authors - with keyword search software and abstracts of the papers. ECSA members will receive a substantial discount on the CD ROM, which will hopefully be available in October or November of 1995. Specific price and order information will be included in the Fall 1995 ECSA Newsletter.

As in the past, a collection of abstracts for conference papers will be mailed to all ECSA members before the end of the Summer. This collection, which is supported by the Office of Press and Public Affairs of the European Commission Delegation, Washington, DC, will contain an order form for purchase of individual conference papers.

### **University of Pittsburgh** **Center for West European Studies** **Policy Paper Series**

The Center for West European Studies is publishing and distributing a new series of policy papers on issues facing government and business leaders in Western Europe. The papers will be short (no more than twenty pages in length) and will offer clear, concise and informed introductions, mainly to issues in the field international political economy. They will contain the minimum of jargon and the barest academic apparatus. Contributors from all disciplines will be welcome. The intended audience for the papers include U.S. scholars and students specializing in Western Europe, as well as members of the business, diplomatic and legal communities and media. The papers will be distributed free on demand: authors will receive 25 free copies in lieu of an honorarium. Initially, three papers will be published each year.

Inquiries about this series and manuscripts for review should be submitted to the series editor, Prof. Martin Staniland, at the Graduate School of Public and International Affairs, 3N29 Forbes Quadrangle, University of Pittsburgh, Pittsburgh, PA 15260 USA; tel (412) 648-7656; fax (412) 648-2605; e-mail "Mstan@vms.cis.pitt.edu".

### **European Union Report:** **Newsletter on Policy and Politics in the New Europe**

*European Union Report* will be launched in January 1996. It will be published in Washington, DC with three elements: 1) a 15 to 20 page fortnightly Report, combining a detailed analysis of the main policy developments in Brussels with reports on Council of Ministers meetings, European Parliament committees and plenary sessions, and European Council sessions; 2) a 20 to 30

page quarterly Supplement, on the history and prospects of a particular area of European Union policy-making, such as Economic and Monetary Union, environmental policy, competition policy and Foreign and Security policy; and 3) an index with a thorough key-word cross-referencing system, updated quarterly. After six-months, the Reports, Supplements and Index will be available on-line. Depending on the exact format, an annual subscription for the Reports, Supplements, and Index should be in the \$400-\$600 range.

For more information, contact the editor, Simon Hix, at: European Union Report, c/o Simon Hix, 156 Ogden Avenue, Dobbs Ferry, NY 10522; or by email at: "HIX@DATACOMM.IUE.IT".

### Short List of Recent Books on the EU

- Bernadine Adkins. *Air transport and E.C. competition law*. Sweet and Maxwell, 1995.
- Mike Artis and Norman Lee. *The economics of the European union: policy and analysis*. Oxford University Press, 1994.
- Roger Blanpain. *European Labour Law*. Kluwer Law and Taxation Publishers, 1995.
- Christopher Bright. *Business law in the European Economic Area*. Clarendon Press, 1994.
- Frank Brouwer, Valerio Lintner and Michael Newman. *Economic policy making and the European Union*. Federal Trust, 1994.
- Clive H. Church. *European union and European Community: a handbook and commentary on the post-Maastricht treaties*. Harvester Wheatsheaf, 1994.
- Lord Cockfield. *The European Union: creating the single market*. Wiley Chancery Law, 1994.
- Peter Coffey. *The future of Europe*. Elgar, 1995.
- Commission of the European Communities. *Archives in the European Union: report of the Group of Experts on the Coordination of Archives*. Office for Official Publications of the European Communities, 1994.
- Stephen Cooney. *American industry and the new European Union*. National Association of Manufacturers, 1994.
- Richard Corbett, Francis Jacobs and Michael Shackleton. *The European Parliament*. Cartermill Publishing, 1995.
- Desmond Dinan. *Ever closer union?: an introduction to the European Community*. L. Rienner Publishers, 1994.
- Andrew Duff, John Pinder and Roy Pryce (eds). *Maastricht and beyond: building the European Union*. Routledge, 1994.
- C. Folmer, et. al. *The common agricultural policy beyond the Macsharry reform*. Elsevier Science, 1995.
- Phil Harris. *European Business and marketing: strategic issues*. Paul Chapman Pub., 1994.
- C. Randall Henning, Eduard Hochreiter, Gary Clyde Hufbauer (eds). *Reviving the European Union*. Institute for International Economics, 1994.
- Martin Holland. *European integration: from community to union*. Pinter Publishers, 1994.
- Finn Laursen and Sophie Vanhoonacker(eds). *The ratification of the Maastricht Treaty: issues, debates, and future implications*. M. Nijhoff, 1994.
- Wolfgang Lecher(ed). *Trade Unions in the European Union: a handbook*. Lawrence & Wishart, 1994.
- Robert Leonardi. *Convergence, cohesion and integration in the*

- European union*. St. Martin's Press, 1995.
- T. David Mason and Abdul M. Turay (eds). *Japan, NAFTA and Europe: trilateral cooperation or confrontation?* St. Martin's Press, 1994.
- P.S.R.F. Mathijssen. *A Guide to European Union law*. Sweet & Maxwell, 1995.
- Robert Miles and Dietrich Thranhardt. *Migration and European integration: the dynamics of inclusion and exclusion*. Fairleigh Dickinson University Press, 1995.
- Brent F. Nelsen and Alexander Stubb(eds). *The European Union: readings on the theory and practice of European integration*. L. Rienner, 1994.
- Thomas Pedersen. *European Union and the EFTA countries: enlargement and integration*. St. Martin's Press, 1994.
- William Pitt. *More equal than others: a director's guide to EU competition policy*. Hemel Hempstead, 1995.
- Anne Ramsey. *Eurojargon: a dictionary of European Union acronyms*. Capital Planning Information, 1994.
- John Redmond(ed). *Prospective Europeans: new members for the European Union*. Harvester Wheatsheaf, 1994.
- Elmar Rieger and Stephan Leibfried. *Globalization and the Western Welfare State: An Annotated Bibliography*. Centre for Social Policy Research, Bremen in cooperation with Mannheim Centre for European Social Research and the Social Science Research Council (US), 1995.
- Joachim Schuster. *EG am Scheideweg: Perspektiven der europaischen Wirtschaftsund Whahrungsunion*. P. Lang, 1994.
- Beverly Springer. *The European Union and its citizens: the social agenda*. Greenwood Press, 1994.
- Marcel Storme(ed). *Rapprochement du droit judiciaire de l'Union europeenne*. Kluwer Academic Publishers, 1994.
- Paul J.J. Welfens(ed.). *European monetary integration: EMS developments and international post-Maastricht perspectives*. Springer-Verlag, 1994.

## Association News

### Election of New Executive Committee: James Caporaso Selected as Chair

As the result of a ballot of the ECSA membership completed in April, the following seven individuals will serve on the 1995-1997 Executive Committee of ECSA:

- David Cameron**, Department of Political Science, Yale University
- James Caporaso**, Department of Political Science, University of Washington, Seattle
- Leon Hurwitz**, Department of Political Science, Cleveland State University
- Carl Lankowski**, School of International Service, American University
- Pierre-Henri Laurent**, Department of History, Tufts University
- Carolyn Rhodes**, Department of Political Science, Utah State University
- Alberta Sbragia**, Center for West European Studies, University of Pittsburgh

The Committee took office at the ECSA Conference, May 11-14 in Charleston. The Committee elected James Caporaso as Chair. Leon Hurwitz was re-elected Treasurer, and Carl Lankowski was re-elected Secretary.

### **Pierre-Henri Laurent Selected as Editor for State of the European Union, Volume IV**

The Executive Committee has selected Pierre-Henri Laurent (Department of History, Tufts University and member of the ECSA Executive Committee) as one of the editors for volume IV in the State of the EC/EU series, which is scheduled for publication in 1997. A co-editor for the volume will be selected shortly. A guideline for submission of chapter proposals will be included in the Fall 1995 issue of the ECSA Newsletter.

### **Credit Card Payments Now Accepted**

Payment by credit card is now be accepted for ECSA membership fees. As indicated on the membership application and renewal form at the back of the *Newsletter*, both VISA and Mastercard may be used. Credit card facilities will provide many members with a more convenient form of payment and should be particularly helpful for ECSA members residing outside of the United States.

### **Grants Received**

European Commission, DGI for support of 1995 US-EU Relations Project.

The German Marshall Fund of the United States for support of 1995 US-EU Relations Project and travel subsidies for European participants in 1995 ECSA Conference.

The Office of Press and Public Affairs, Delegation of the European Commission, Washington, DC for M.A. Graduate Fellowships at the College of Europe, University of Limerick, and University of Sussex and the Jacques Delors Dissertation Fellowship at the European University Institute; Curriculum Development Grants, ECSA Newsletter, and Administration; and the 1995 ECSA Conference and Conference abstracts.

### ***Editorial continued from page 1...***

Washington, DC and the German Marshall Fund of the United States. I would like to take this opportunity to thank them for their support of the Conference and of ECSA more generally

Finally, I would like to thank the other members of the 1993-1995 Executive Committee and the members of ECSA for their support during my tenure as Chair. I am delighted to welcome Professor James Caporaso of the University of Washington, Seattle, as my successor. Professor Caporaso is a highly respected scholar of European integration, and of international relations more generally. I am certain he will provide ECSA with first-rate intellectual and programmatic leadership.

### **Dr. Marcello Buzzonetti Remembered**

ECSA notes with sadness the death of Dr. Marcello Buzzonetti, the Secretary General of the European University Institute (EUI) from 1973 to 1995. Dr. Buzzonetti was instrumental in establishing ECSA's 1995-1996 Jacques Delors Dissertation Fellowship at the EUI. Dr. J. Blondel, Professor of Political Science at the EUI, composed the following statement in honor of Dr. Buzzonetti:

Marcello Buzzonetti, who died suddenly in May 1995, was a central figure in the life of the European University, of which he had been the first and only Secretary since its creation in 1973. Born in 1926 in Rome, Marcello Buzzonetti had studied at the Law Faculty in Rome and earned a laurea in 1951. For a few years, he worked for the Italian government. He moved to Brussels in 1959 to work, first for Euratom, and subsequently for the European Economic Community, as it was then known. He was asked in 1973 whether he wished to return to Italy to participate in the creation of a social science graduate school, to be known as the European University Institute, which was to be set up by agreement of the nine countries which then constituted the Community. He accepted with enthusiasm and his name was from then on wholly associated with this new venture, which he contributed to shape more than any other.

Dr. Buzzonetti's role at the Institute was formally first to set up and subsequently to run the administration, not an easy task in an institution which, as the European Union, has professors, administrators, and students coming from nine and subsequently twelve countries. But the administrative functions of Dr. Buzzonetti were only one part of his work. A large part of his activities were concerned with negotiations, often very complex and very long, with the Italian government and with the Brussels authorities as well as with the governments of the Twelve. The EUI has had the great fortune of being located in two beautiful buildings near Florence: these have been bought by the Italian government and placed at the disposal of the Institute; major works of renovation and transformation were of course needed. None of this would have been accomplished as smoothly and as quickly without the diplomatic skills and great patience of Dr. Buzzonetti.

Yet this is not all. Marcello Buzzonetti had a vision for the Institute: he always wanted it to look beyond the borders of Europe and thus to serve as a bridge between the Twelve and the rest of the world. He therefore instigated and pursued ceaselessly a policy of agreements with higher education institutions in a variety of countries, from the United States to Japan and from Eastern Europe and Russia to Latin America. This policy amply paid off, the Institute having developed its reputation well beyond the confines of Western Europe.

Marcello Buzzonetti is being sorely missed and will long be missed. But in the sorrow of his departure one can at least note that he did magnificently succeed in achieving the task he had ascribed to himself, namely that of giving the Institute a key place among social science graduate schools in Europe and the world.