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IL DIFFICILE CAMMINO DELL'EUROPA UNITA
THE DIFFICULT PATH OF UNITED EUROPE

2o CONVEGNO ITALIA-USA
CITY UNIVERSITY OF NEW YORK, MAY 14-15, 1987

Il volume è pubblicato con il contributo del Consiglio Nazionale delle Ricerche
PRESENTATION

The second joint conference of the Political Science Faculty of the University of Pavia and the Center for European Studies, City University of New York was convened May 14-15, 1987 at C.U.N.Y.'s Graduate School on the topic «The Difficult Path to the Unity of Europe». The organizers, alert to the developments that lead to the 1992 unification of the Common Market, believe the papers presented at these conferences will contribute effectively to focusing the debate.

In addition to those from the two planning universities, there were scholars from Tufts University, Columbia University, State University of New York at Albany, and the University of Reading (England) who participated.

The papers delivered discussed obstacles and aids along the thorny path to Common Market unity both disciplinary and interdisciplinary. Among the subjects addressed were the possibility of formulating a European Community Foreign Policy and an analysis to indicate that a consistent implementation of a single common policy in immigration within EEC could be a step toward a citizens' Europe. The economic ramifications of the movement toward unity were outlined as monetary unification with game-theoretic considerations and the relation on international economic cooperation and convergence to a European Monetary System. Also, trade competitiveness and technology were described as they have impact on the Common Market, and the trade interests of the United States were elaborated as they will be affected by the enlargement of the European Community.

However, the historical perspective was not neglected since a paper was presented on the early pre-EEC efforts at integration in Europe. Lest we forget past and present hurdles to unity, a paper was delivered on anti-European Community sentiment in Denmark, West Germany, Great Britain and France, interpreting the results of recent polls.

Consequently the theme of this second conference was displayed in economic, political, political economic, historical, and sociological dimensions. Other dimensions remain to be explored either to begin or to complete. The cultural aspect, for example, was shown in part by papers on European higher education read at the 1986 joint conference in Pavia.
There remain many topics for discussion at possible future joint meetings regarding the Unity of Europe, e.g., the financial services sector emphasizing banking and securities, information telecommunications and data processing, i.e., how will Europe 1992 be a different environment for business? Other subjects may be consequences of 1992 Unity for law, for media including journalism, television, film, for language instruction, relation to an emerging new international order, impact on Comecon.

Still, the accomplishments of the 1986 and this 1987 joint effort, the organizers believe, have been beneficial, beyond expectations, «to the ongoing discussion of the unity of Europe.»

HENRY WASSER
Director Center for European Studies
City University of New York

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RELAZIONI
IL DIRITTO COSTITUZIONALE DEI POPOLI EUROPEI
E L’UNIFICAZIONE POLITICA
DEL VECCHIO CONTINENTE

di PIETRO GIUSEPPE GRASSO

1. Omogeneità delle forme di Stato e di governo nei Paesi aderenti
alle Comunità Europee.

Per insegnamento comune, presupposto necessario di ogni unione
federale è l’omogeneità degli Stati membri, quanto al principio politico
fondamentale, alle istituzioni di governo, al diritto costituzionale in ge-
nere. Enunciazioni esplicite in tal senso si possono riscontrare nelle carte
costituzionali di molti ordinamenti federali (1). Come esempio celebre è
da menzionare l’art. 4, sez. 4, della Costituzione di Filadelfia (2).
L’omogeneità dei principi politico-costituzionali può essere conside-
rata altresì come condizione preliminare per l’eventuale fondazione di
nuovi ordinamenti federali in futuro. Il discorso si propone, in parti-
colare, per quanto concerne gli Stati aderenti alle Comunità Europee, il
cui fine proclamato è di addivenire ad «una unione sempre più stretta
fra i popoli europei» (3). Occorre quindi una ricerca comparata fra i
sistemi di diritto pubblico interno degli Stati oggi membri delle Co-

Istituto di Studi Politico-Giuridici, Università di Pavia.

(1) Enunciazioni analoghe si riscontrano nel diritto pubblico degli Stati
federali del Continente europeo. Ad esempio sono da menzionare le seguenti Co-
istituzioni: Confederazione svizzera del 1874 (art. 6); Germania 1919 (art. 17);
Repubblica Federale Tedesca («Legge fondamentale») del 1949 (art. 28).
L’omogeneità di omogeneità politica risulta proclamata anche nelle Costituzioni
degli Stati socialisti, per i quali è accolta un’organizzazione di tipo federale, come
l’U.R.S.S. (Cost. 1977, art. 76). Vi sono però notevoli differenze quanto ai nessi
sistematici di carattere giuridico e politico. Nella presente esposizione perciò sono
considerati solo ordinamenti di democrazia costituzionale e liberal-democratici.

(2) È appena il caso di ricordare che nelle celebri pagine del Federalist
(oz. al n. 39) si può notare come, nella concezione originaria, fosse stato attri-
buito un significato ben definito e specifico all’espressione «forma di governo
repubblicana», compresa nell’art. 4, sez. 4, della Costituzione degli Stati Uniti.

(3) Nel testo sono riferite le parole scritte in apertura del Preambolo del
«Trattato che istituisce la Comunità Economica Europea», firmato a Roma il
25 marzo 1957.
munità. Stando alle definizioni generali di diritto positivo, non do-
rebbero esserci dubbi, poiché in detti Paesi sono accolte le stesse forme di
Stato e di governo. Nella parte occidentale del Vecchio Continente sono
proclamati i principi della democrazia costituzionale, ovvero (come scritto
nel «legge fondamentale» della Repubblica Federale Tedesca,
agli artt. 18 e 21) dell’ordinamento liberaldemocratico. E poi stabilito
il governo parlamentare, in quanto vi ha un potere esecutivo collegiale,
ossia un Consiglio dei Ministri col proprio Premier, distinto dal Capo
dello Stato (Re o Presidente della Repubblica) e subordinato, per la
permanenza in carica, al voto di fiducia del Parlamento. Queste indicazioni
hanno carattere preliminare e generico, e perciò non consentono di com-
prendere gli aspetti più specifici, propri dell’organizzazione dei singoli
ordinamenti. Nelle trattazioni teoriche si è dimostrato che sotto la gene-
rica denominazione forma di governo parlamentare vengono ricompresi
più figure in realtà differenti, tanto da esigere classificazioni e quali fi-
cazioni particolari.

2. Uniformità di nomenclatura e di stile fra le costituzioni scritte degli stessi Paesi.

Notevole uniformità di nomenclatura e di stile si riscontra fra i
testi delle costituzioni scritte statute nei regimi liberaldemocratici euro-
pei. Proprio perciò, dall’esame comparato di detti testi era stata ricono-
sicata la possibilità di desumere un «diritto costituzionale comune» (4).

Va aggiunto che negli stessi Paesi continentali oggi aderenti alle
Comunità, tranne che in Belgio, Lussemburgo e, forse, Olanda, sono in
gvore costituzioni «razionalizzate». Con questa espressione si vuole
significare l’intenzione di regolare in modo esplicito, con disposizioni
estese e minuziose, la struttura complessa dei pubblici poteri e delle
procedure secondo le quali essi operano. In particolare si era creduto di
disciplinare compiutamente le deliberazioni concernenti il voto di fidi-
cia, sfiducia o censura nei confronti dei Ministri, componenti del Ga-
binetto. Indicative sono a proposito le denominazioni di «governo par-
lamentare razionalizzato» o «parlamentarisme rationalized». Sì era inoltre
pensato d’includere, nella carta, i principi per ogni parte del diritto
costituzionale, oltreché le premesse di tutti gli altri rami del diritto
positivo. Le analogie fra i testi «razionalizzati», diffusi in Europa nei
periodi successivi alle due grandi guerre, avevano indotto uno studioso
insigne del diritto comparato, Boris Mirkine-Guetzevitch, a parlare di

costituzioni «prodotti in serie» (5). Anche questa osservazione vale a
confermare l’uniformità, quanto alle espressioni esterne, del diritto pubb-
lico dei popoli europei.

Lo stesso modello di costituzione parlamentare razionalizzata se-
guita ad incontrare favore, poiché fu riproposto nei Paesi usciti dalle
ultime esperienze dei regimi autoritari, come: la Grecia, nel 1975;
Il Portogallo, nel 1976; la Spagna, nel 1978. Particolarmente signifi-
cativo è il caso della Spagna dopo Franco, poiché il passaggio dallo Stato
autoritario alla democrazia costituzionale avvenne nella maniera più
pacifica ed indolore, quasi per evento naturale. Il regime anteriore non
aveva subito gravi scosse fino alla morte del Caudillo e la successione
nell’ufficio di capo dello Stato avvenne secondo le regole da lui stabiliti
e con la collaborazione di uomini designati a garantire la continuità del
passato. Mentre un sistema appariva ormai storicamente esaurito, un certo
modello di carta costituzionale mostrava di godere ancora di credito.

3. Questioni concernenti la formazione di usi e convenzioni istituzio-
nali estranee ai testi formali.

L’ordinamento britannico va considerato a parte, poiché manca di
un documento costituzionale organico, paragonabile ai testi continen-
tali. I principi del regime liberaldemocratico e la forma del governo ivi
risultano stabiliti soprattutto da consuetudini, usi, pratiche, convenzioni.
Il caso britannico solleva però un problema assai generale (6). Errore
è immaginare che mediante un unico atto giuridico formale sia sempre
dato di fissare, in modo definitivo, un assetto istituzionale compiuto. E
provato dall’esperienza che la lettera dei testi costituzionali, di per sé,
molte volte ha valore solo di programma. Alle proclamazioni solenni
devono seguire le attuazioni, le quali in misure diverse riescono sempre
differenti dalle previsioni. Anche laddove sono vigenti carte costituzionali
estrese e complesse, vengono a formarsi consuetudini, pratiche, usanze,
convenzioni, più o meno discordanti da quanto enunciato per iscritto.
Al fine d’inquadraire simili fenomeni, alcuni studiosi hanno accolto con-
cetti di costituzione in senso «matricale» o «sostanziale», ovvero di
«diritto vivente», intesi ad indicare realtà distinte dalla costituzione
in senso «formale», scritta. In espressioni del genere è avvertita l’esi-
genza che norme ed istituti elaborati per via di consuetudine od altro fatto

(4) M. HAVRIQU, Précis de droit constitutionnel, Paris, 1929 (rist. an.), p. 263.

(5) B. MIRKINE-GUETZEVITCH, Le costituzioni europee, trad. it., Milano,
1954, pp. 15 ss., 15 s. («Saggio sintetico»).

(6) C.F. PETERS, Constitutional Government and Democracy, Boston,
1950, p. 137 (trad. it. Governo costituzionale e democrazia, Vicenza, s.d. ma 1963,
p. 196).
storico, anziché rimanere isolati e sparsi, abbianoeffettivamente a coordinarsi in un certo equilibrio stabile.

Le questioni qui sopra accennate si propongono per i Paesi europei contemporanei, secondo quanto avverto in autorevoli insegnamenti. La concezione fondamentale delle istituzioni accoste nelle costituzioni scritte, anche in quelle più recenti, risale al secolo XIX ed ha riferimento ad una realtà politica, sociale, economica, che oggi non esiste più (7). Legislati e governanti quindi sono indotti a procedere oltre le linee segnate nella carta fondazionale e ad escogitare nuovi strumenti e criteri operativi adeguati al presente. Ancora non è dato di discernere l'istaurazione di nuovi stabili assetti ed equilibri costituzionali. Per molti segni si riconosce che i popoli della parte occidentale del Vecchio Continente stanno attraversando un periodo di transizione, con movimenti non sempre distinguibili, senza chiara visione di mete future (8). Contro simili osservazioni non vale addurre che dalla grande espansione economica e diffusione del benessere, per quegli stessi popoli è conseguita una notevole stabilità di rapporti sociali e di governi. Si tratta di condizioni dovute, per gran parte, a fatti estranei agli ordini costituzionali ed indipendenti dalle forme politiche (v. oltre, al n. 8).

4. Tendenza al particolarismo ed all'isolamento nella pratica e nella teoria del diritto costituzionale.


A proposito è significativo che per le indagini specifiche dedicate ai singoli ordinamenti in particolare non siano più tenuti in gran conto gli insegnamenti e studi di diritto comparato (9). In passato, non di rado, in caso di controversie e lacune nel diritto costituzionale interno di uno Stato si cercava di rimediare con l'atteggiare, oltreché ai testi costituzionali e legislativi, anche alla prassi ed alla dottrina di altri Stati. Ad esempio così avveniva per quanto concerne la forma di governo parlamentare, la rappresentanza politica, l'organizzazione e le procedure delle Camere elettive.

Anche la scienza del diritto costituzionale denota inclinazioni alla chiusura. L'ordinamento di ciascun singolo Stato viene preso in esame come una grandezza isolata. Si evita quindi il confronto con i risultati della dottrina giuridica di altri popoli, pure se governati sotto regimi simili. Un tempo invece, fra gli studiosi italiani ed anche di altri Paesi, la dottrina germanica del diritto pubblico del periodo anteriore alla prima guerra mondiale aveva avuto una funzione di propedeutica, di avviamento alla riflessione sui presupposti e tecniche fondamentali.

A ben riflettere, pare da escludere che le suacennate propensioni all'isolamento ed al «particolarismo» costituzionale siano dovute ad un qualcuno ritorno al nazionalismo ed allo statalismo. Poco o nullo è il favore che simili visioni ideologiche incontrano oggi nell'Occidente europeo. Questa pura sommaria osservazione dei fatti potrebbe suggerire motivi di riflessione circa le difficoltà a progredire nella via dell'unificazione continentale.

5. Decadenza dello Stato nazionale sovrano come ordinamento storico dei popoli europei.

È da ricordare che i popoli dell'Europa moderna e contemporanea avevano notato il proprio modo di essere e la propria dimensione politica nello Stato, inteso come tipo di organizzazione storicamente individuata e circoscritta (10). Si è scritto anche che: «Lo Stato nazionale, sovrano e locale era divenuto l'entità politica modello » (11). I testi delle costituzioni formali erano stati concepiti come intimamente connessi a quel tipo di organizzazione. Del pari, la democrazia costituzionale ancora viene definita come una delle forme di Stato contemporanee. Dopo la seconda guerra mondiale divenne palese che lo Stato nazionale, come ordinamento proprio dell'Europa continentale, era ormai in decadenza (12). Si riconosce che un tale ordinamento oggi riesce inadeguato...


(12) In Italia, fra i primi ad avvertire la decadenza dello Stato come forma storica tipica dell'unità politica, fu il filosofo e giurista Giuseppe Capponi, ad es. negli scritti Dubbi sulla Costituzione e La fine dello Stato nazionale, ora in Opere, VI, Milano, 1959, p. 105 e p. 121.
alla soddisfazione dei fini già considerati suoi propri essenziali: difendere la comunità nazionale dagli attacchi esterni; assicurare l'ordine pubblico all'interno della società; garantire all'individuo il pacifico esercizio delle sue attività e dei suoi diritti.

La decadenza si manifesta, in particolare, nell'ordine spirituale e morale. E da ricordare, a proposito, che, prima ancora di venire in essere come realtà storica, lo Stato fu oggetto di lunghe elaborazioni teoriche e concettuali nelle opere di molti studiosi. Alle stesse visioni teoriche si ricollega la massima secondo cui qualsiasi grande istituzione (quindi anche lo stesso Stato) ha necessità di fondarsi su propri presupposti ideali (15). Ma già alla fine della prima guerra mondiale era venuto meno l'elemento spirituale che aveva vivificato la civiltà giuridica del Vecchio Continente, ed in particolare il suo diritto pubblico. Il quale elemento era stato riconosciuto in una «fede» nel pensiero, nella ragione, nella libertà, diffusa fra i ceti colti ed anche fra le popolazioni (14). Dopo una così grande catastrofe continentale, la luce di quella fede animatrice appariva se non proprio spenta, almeno parzialmente crepuscolare. Oggi paiono prevalere sfiducia e scetticismo, stati d'animo che non giovan più affatto al raggiungimento di più alte meta. Anche se a priori nulla è da escludere, alcuno potrà pure pensare che non più illuminata dalla sua cultura e dalla sua tradizione giuridica, l'Europa sarebbe altra cosa da quella che fu.

Contemporaneamente divenne palese «il crollo del sistema politico europeo» e del corrispondente assetto di relazioni giuridiche internazionali, fondato appunto sulla coesistenza fra Stati (15). Pure divisi sotto governi diversi e talora contrapposti, «i rigorosi popoli del continente» nei secoli scorsi avevano saputo darsi regole per il loro rapporti reciproci (16). Essi popoli erano percorsi ad «esprimere tanto le loro caratteristiche nazionali quanto una comune coscienza europea» (17).


Le osservazioni che precedono paiono avvalorare i dubbi sollevati da alcuni studiosi circa la capacità dei vecchi Stati europei occidentali a portare a compimento oggi un processo d'integrazione. Secondo la direttiva segnata nei documenti delle Comunità sinora operanti risulta che l'esplicita unificazione politica sovranazionale dovrebbe consentire per accordi fra gli aderenti. Ma la fondazione negoziativa di un nuovo organismo superiore o federale è atto che implica pur sempre un'elevata consapevolezza e capacità di decisione politica nei soggetti contraenti (18). Alla decadenza dello Stato come tipo di ordinamento ed apparato dei poteri, non sembra proprio fare da contrappeso o da fattore di compensazione, nel corpo sociale, alcuna forza spontanea rivolta all'unificazione del Vecchio Continente. Anzi, all'interno dei popoli europei, agiscono tendenze al particolarmismo ed alla dissoluzione. Il discorso vale specialmente per i partiti politici, i quali pure invocano a propria giustificazione ideologie con pretese universal, non circoscritte ad una sola nazione o ad un solo Stato.

Va certo riconosciuto che per i regimi liberaldemocratici è essenziale il dibattito tra più opinioni e programmi, con la possibilità effettiva di alternanza nel governo fra i rappresentanti d'indirizzi diversi. Altra però è lo stato di fatto in molti dei Paesi continentali, in quanto vi operano raggruppamenti oligarchici complessi, solidi, sostenuti da un proprio seguito di clientèle. Alla concezione casuista dello Stato come ordinamento sovranato e legittimo del popolo unito, vengono a contrapporsi «poteri di fatto», che pretendono obbedienza in nome di proprie premesse ideali o con lo scambio di servigi, sempre secondo scopi proprie. Il noto giurista e politologo francese, Georges Burdeau, nel descrivere la condizione di alcune nazioni europee, ha parlato di sopravvivenza di «uno Stato languente in mezzo ad un'attività politica estremamente intensa» di organismi da esso separati (19).

7. Le spinte sociali antiunitarie nei Paesi delle Comunità: a) il ritorno a periodi di guerra civile.

Secondo un insegnamento autorevole, la politica interna degli Stati europei contemporanei oscilla fra due poli opposti (20). Da un lato è da registrare il ritorno ai conflitti estremi, condotti al limite della guerra civile. Dall'altro si mira a risolvere tutta l'azione dei pubblici poteri

(14) Nel senso soprannominato von Caygours. Dubbio, cit., p. 106 s. E da ricordare anche che Julien Freund (La fine, cit., p. 99 ss) considera la fine della razionalità propriamente del Rinascimento come carattere decisivo della decadenza odierna dell'Europa.
(15) U. Holborn, Storia dell'Europa contemporanea (trad. it. dell'originale The political Collapse of Europe), Bologna, 1965, p. 5 ed anche passim.
(18) Per le affermazioni infra nel testo si può ricavare l'indispensabilità di considerazione circa la formazione negoziativa di costituzioni di tipo federale in forza di accordi tra più Stati indipendenti e sovrani, di Carl Schmitt, Verfassungslehre, Berlin, 1957, p. 61 ss.
(20) G. Caygours, Su alcuni bisogni dell'individuo contemporaneo, in Gerye, V, Milano, 1939, 508 ss.
ed uffici nella soddisfazione dei bisogni immediati dell’esistenza e del benessere materiale. In questa seconda direzione i partiti operano col farsi fautori delle richieste di categorie e gruppi particolari. A ben riflettere, si tratta di due momenti di una stessa realtà, pur se contrari. L’alternarsi dei conflitti interni e della routine dello Stato assistenziale si può riconoscere nelle vicende successive, dal 1945 ad oggi, della Repubblica francese, della Repubblica italiana e, per certi aspetti, del Regno del Belgio (21). Per ragioni diverse i movimenti nell’una e nell’altra direzione si rivelandoo incoercibili col permanere di un ordine superiore, come il sistema di diritto pubblico tradizionale, inteso a consentire una composizione armonica degli interessi individuali e generali.

Per le spine alla guerra civile è dimostrato che la stabilità delle istituzioni viene meno e perciò si compongono trasformazioni radicali anche delle costituzioni scritte. È noto che la Quarta Repubblica francese cadde perché incapace a fronteggiare la ribellione dei coloni in Algeria, sostenuta da molte unità delle Forze Armate. Seguì l’avvento della Quinta Repubblica sotto la guida del generale De Gaulle. Fu allora che la Costituzione del 1946 venne sostituita dalla Costituzione del 1958. In Italia, a causa della contrapposizione tra i Governi di centro ed i socialisti, in concomitanza con la guerra fredda, la Costituzione repubblicana promulgata nel 1947 rimase, nella maggior parte, disapplicata per anni. E l’assunzione arrivarono successivamente, a peggio a peggio, con tanti ritardi, in forza del ritorno ad accordi fra i partiti di centro e le sinistre. Pure se dovute a discordie tra gruppi etnici, innovazioni profonde furono apportate anche alla vecchia Costituzione monarchica del Belgio. Ivi si mira a superare la concezione statale unitaria, per instaurare un assetto dualista, con unità territoriali distinte e spartizioni di potere fra i vari organi rappresentativi, tra le due comunità vallone e flanminga. Come controprova delle esperienze ora menzionate, si potrebbe discernere un enorme strumento escogitato per prevenire la guerra civile, nel divieto di costituire partiti avversi all’ordinamento liberaldemocratico, sancito nella «legge fondamentale» della Repubblica Federale Tedesca (art. 21).

8. b) la riduzione della vita pubblica alla mera soddisfazione di bisogni materiali.

Per contro, la diffusione della prosperità, del confort, della sicurezza sociale sì è dimostrata idonea a determinare nei Paesi europei oc-

(21) Com’è risaputo, le vicende e crisi costituzionali del Belgio, ormai da tempo, sono dominate dal conflitto tra i due maggiore gruppi linguistici, valonti di lingua francese e flanminghig di lingua olandese. Vi ha quindi differenza dalle discordanze dovute a contrasti ideologici tra parti avversi.
come quel significato potrebbe essere mantenuto in un contesto del tutto «spoliticizzato».

L’esame critico del diritto pubblico dei popoli europei fa palesi difficoltà, se non incapacità, a conservare un tipo di ordinamento già da tempo stabilito in una dimensione circoscritta, quanto a spazio e numero di persone. Altro è dimostrare la capacità negli stessi popoli di concorrere, in modo fattivo, alla costruzione di un ordinamento di tipo nuovo, assai più esteso e complesso (26).

Summary — In the member Countries of the European Communities are accepted the same forms of State (constitutional democracy) and of government (parliamentary). Among the written constitutions of those Countries there exists also a fundamental uniformity of nomenclature and of style. From a formal point of view, therefore, there seems to be the characters of homogeneity deemed necessary to a federal union. In the practice and in the theory of constitutional law, there appear, instead, tendencies to «particularism» and to the isolation of each member state system. It would not be correct to detect in such tendencies signs of new estatist and nationalisms. In fact, the decadence has to be admitted of the national State «sovereign», meant as an historically identified type of juridical system and of political unity. On the other hand, among the peoples of the Old Continent spontaneous sufficient signs of bent towards new forms of unification do not appear. The political parties act as close bodies and separate. Home politics seems to waver between two opposite directions, both irreconcilable with the unity and the order of the old constitutionalism: the possibility of a return to civil war, through ideological or ethnic conflicts; the reduction of every public activity to the mere meeting the demands for ever greater material welfare.

Riassunto — Nei Paesi associati alla Comunità Economica Europee sono accolti le stesse forme di Stato (democrazia costituzionale) e di governo (parlamentare). Fra le costituzioni scritte di tetti Paesi vi è poi una uniformità fondamentale di nomenclatura e di stile. Sotto l’aspetto formale paiono quin-
BRINGING IN THE OLD WORLD
TO REDRESS THE BALANCE OF THE NEW:
A EUROPEAN COMMUNITY FOREIGN POLICY?

by GLENDA G. ROSENTHAL

This paper could also be entitled "Europe: Observer or Participant?". Its purpose is to explore and in part challenge the assertion being made with ever increasing frequency that, on most issues of international politics today, the views of the Western European nations go largely, either unheard or unheeded or both unheard and unheeded by the Superpowers (1). Observers of international politics are disturbed by an alleged imbalance between the size, combined gross national product, cultural wealth and political experience of the countries of Western Europe on the one hand and, on the other, the loudness of their voice in the international arena. Most then go on to lodge a second complaint: that "on most of the great issues of the day... the United States pursues its own policies almost entirely without regard for European opinion, and usually without serious consultation" (2).

These two closely related sources of distress are based on a pair of assumptions that come quite naturally to Europeans but require closer examination in a broader context. The first is that there is something amiss with a system in which a direct correlation does not exist between what many scholars and almost all practitioners believe to be the components of power and the exercise of power. Indeed, the Luard article makes a similar observation about the status of Japan: "Europe today is almost as much as Japan taken for granted; and, like Japan, Europe therefore plays a role far too slight for its real potential weight measured in economic strength, military power, population or diplomatic experience and expertise" (3). The second assumption relates to the notion

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(1) Evan Luard's provocative article, A European Foreign Policy? "International Affairs", vol. 62, n. 4, Autumn 1986, pp. 573-582 was primarily responsible for this effort to examine in greater detail some of the assertions currently being made about Europe's role in world affairs.

(2) ibid., p. 573.

(3) ibid., p. 580.
that because there is a formal partnership between the United States and most of Western Europe in the NATO context, then, automatically, there should be consultation between the United States and Western Europe (or at least the larger countries of Western Europe) on well nigh all major international issues, whether they are specifically covered by NATO or not.

Rather than bemoaning what is perceived to be the unjust and diminished fate of Western Europe and looking for political and institutional solutions that may possibly correct the purported imbalance, we would be better occupied in looking at the facts of the case in order to determine whether or not the complaint is indeed justified. Obviously it would be a very large task and one well beyond the scope of this brief discussion paper to examine a full range of issues in world politics over an extended period of time in order to determine the extent to which Western Europe 1) has taken initiatives in the international arena; 2) has been consulted by the United States; 3) has been listened to by the United States when it has been consulted and 4) has been ignored or flouted by the United States when it has either taken initiatives or been consulted. All that will be done here (and admittedly this is just scratching the surface) will be a first cut. Two problem areas on the world scene will be examined over a relatively brief time span (the 1980s) to determine the extent and nature of Western European involvement in those areas. In order to diversify the enquiry as much as possible, one of the areas chosen, the Middle East, is one with which Western Europe has maintained long-standing historical associations and multiple commercial connections; the other, Central America, presents an almost direct contrasting image. This is a region in which the United States has been so heavily involved for so long, whereas Western Europe has had negligible political ties and insignificant commerce with it that Central America has, legitimately I believe, been deemed to be in the United States' sphere of influence. After presenting the data in these two cases, we will be in a better position to make a determination as to whether or not Western Europe is as quiescent, passive and submissive an actor on the world stage as has been asserted.

One final caveat should be mentioned before moving on to the case studies. Ideally, in conducting this enquiry, in order to obtain a total picture, it would be valuable to examine initiatives and policies pursued by individual Western European countries as well as those pursued by what is nowadays synonymous for Western Europe as a whole, i.e. the European Community. However, in this context, systematic enquiry will be limited to joint actions undertaken by the 12 members of the European Community, either under the Treaty or in the framework of the broader system of European Political Cooperation.

The First Case: Central America.

In an article published in July-1983, Hugh O'Shaughnessy of the Financial Times and the London Observer, in response to a suggestion that Latin America would find in the European Community «an ally and a supporter of the aspirations of its populations to freedom and dignity», wrote (4):

«Some skeptics, perhaps especially skeptics in the United States, might see... just another example of crass geographical ignorance in order to draw a discreet and elegant veil over the unsatisfactory state of affairs obtaining between Europe and Latin America. It might further be argued that the position of the United States in Latin America is so strong economically and, therefore, politically, that European aims and, more particularly, European ability to influence events were little more than an irrelevance. For several generations now Latin America has been seen as Washington's 'back yard' - or, latterly, since the conflict in Central America, Washington's 'front yard' ».

O'Shaughnessy then went on to suggest that the poor relations between the two regions had been caused, or at least exacerbated by an ill-defined, but nonetheless real, feeling on the part of the Latin Americans that Europe pays them less than their fair attention in a number of fields, from the economic to the cultural». Nevertheless, by 1983 the Europeans were making a start on improving their image. In mid-June, European Community leaders, meeting in Stuttgart for the triannual European Council session, released the following statement:

«The heads of state and Government confirmed their close interest in developments in Central America. They are deeply concerned at the economic and social conditions in many parts of the region, at the tensions which these create, and at the widespread misery and bloodshed. They are convinced that the problems of Central America cannot be solved by military means, but only by a political solution springing from within the nation itself and respecting the principles of non-intervention and inviolability of frontiers. They, therefore, fully support the current initiative of the Contadora Group. They underlined the need for the establishment of democratic conditions and for the strict observance of human rights throughout the region. They are ready to continue contributing to further development in the area, in order to promote progress toward stability» (5).

This summit statement affirming support for the Contadora Group, which had been formed only six months before at a meeting of the foreign ministers of Colombia, Mexico, Panama and Venezuela to launch a proposal for a negotiated solution to the Central American conflict, was followed in September 1983 by a meeting, on German and Dutch initia-


(5) Ibid, my emphasis.
tives, between some foreign ministers of the European Community countries and the President of the European Commission with their counterparts in the Contadora countries to discuss the possibility of initiating political negotiations among all the parties in the conflict in Central America. In other words, the Europeans, with the exception of the British who articulated some reservations about the Community approach, had adopted a very different stance on Central America from that of the Reagan Administration. Not only was there a sharp difference in what was perceived to be the root of the problems there — the Europeans emphasizing the degree of social injustice and repression and the lack of political participation rather than the American focus on Soviet or Cuban designs — there was also a clear cut European statement opposing U.S. military intervention in Central America. Moreover, the European Community was seeking to adopt an independent policy in Central America to help bring about a negotiated solution that would diminish the possibility of U.S. intervention.

The real turning point, with action replacing rhetoric, came in late September 1984 when the foreign ministers of the 10 European Community countries and those of Spain and Portugal met for two days in San José, Costa Rica with the foreign ministers of the member countries of the Central American Common Market (Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador) and the Contadora Group countries. The meeting came closely on the heels of a peace-seeking mission by Costa Rican President Luis Alberto Monge and was largely engineered by Monge and the German foreign minister, Hans-Dietrich Genscher. It is clear from Genscher’s statements both during the meeting and afterwards that he wanted to see the development of regional integration in Central America and the establishment of cooperation between Western Europe and Central America on a region-to-region basis, somewhat along the lines of the growing contacts between the European Community and ASEAN (Association of Southeast Asian Nations). This cooperation, Genscher pointed out, had also been a German initiative. At the close of the San José meeting the participants issued a broad-ranging, 21-point communiqué which covered both political and economic issues. Among the main points covered by the final communiqué were:

— the need for the intensification of cooperation between Western Europe and Central America in order to halt violence and instability in Central America and allow for the area’s economic development;

— the convening of other meetings at regular intervals and at different levels between European countries and the countries of Central America;

— support for initiatives taken by the Contadora Group and a call for them to lead to an overall agreement;

— the readiness of European countries to aid Central America in solving the debt problem;

— recognition of the need for strengthening of cooperation between the two groups of countries in specific sectors such as rural development and trade promotion;

— the need to develop and diversify trade, particularly by simplifying the generalized preferences scheme and expanding its advantages;

— a promise by the European Community to do everything it could to develop the Central American region through multilateral action and giving priority to regional projects, social projects and projects to help those of the area’s population who had been obliged to leave their homes;

— promotion and protection of European investment in Central America and promotion of contacts between business and public and private funding instruments in both regions;

— recognition of the need to give an institutionalized form to reciprocal relations; this would be done through an ad hoc group made up of delegates of each government, under the aegis of the Economic Council for Central America, which would act in coordination with the Group of Heads of Mission of the Countries of the Central American Isthmus (GRUCA) in Brussels. The communiqué therefore filled out in some detail the way in which the participating countries saw the development and pace of future contacts.

It is interesting to note that at the time several well known commentators pointed up the intensely political and relatively modest economic significance of the San José meeting. As Emanuele Gazzo, founder of Europe Bulletin, underscored in an editorial published on October 3, after referring to signs of improvement in United States-Soviet relations:

«What happened was that the United States and the Soviet Union entered a new “zone” where their political relations are likely to be changed. This transformation could lead them to a common search for a modus vivendi with less conflict and less danger than we know today. There is no doubt that it is in Europe’s interest to encourage this search. There are various ways in which we could go about it. Principally and most naturally we could do this through NATO. It could also be done by maintaining a concrete political presence in “sensitive”»

(7) Ibid.
regions, where we would be welcomed not as a 'third force', since we are part of an Alliance, but as a stabilizing element, and as a catalyst for this 'authentic non-alignment' which makes such an important contribution to the cause of peace" (9).

By the fall of 1983 the quickening pace of European Community-Central American relations was arousing considerable comment (10). Luigi Boselli, Head of the E.C. Delegation for Latin America in Caracas, in an article entitled « E.C. Boosts Ties to Latin America », made the following observation:

« If attention — perhaps one should say political attention — is the keyword in Euro-Latin American relations, then a remarkable change has taken place in the last two years. Neither O'Shaughnessy nor any other outstanding expert on the region could have foreseen the upsurge of European interest for Latin America that has characterized the last 15 to 20 months » (11).

On November 11-12, 1985, the economic and political dialogue initiated in San José was institutionalized in Luxembourg with a second ministerial conference having the same participation as the first. The signature of a Final Act institutionalizing the political dialogue between the European Community countries and those of Central America and of a five-year cooperation agreement between the E.C. and the countries of the Central American Isthmus were important concrete steps. But, just as important was the tone and substance of the comments made by leaders on the two sides, all of which emphasized the need for peace, cooperation and respect of human rights in Central America and pointed to the fact that Europe was ready and able to play a role of its own wherever this was politically suitable and could be achieved in practical terms. Also underscored was Europe's readiness to eliminate destabilizing factors wherever possible in order to increase the chances of peace.

On February 9-10, 1987 the European Community and the Central American countries held the third « San José style » ministerial session in Guatemala City. At this meeting the E.C. reaffirmed its support of the Contadora process. Calling the Contadora initiative « the Latin American chosen means for finding solutions to the regional crisis », the Community, along with the other participants, stated its « conviction that peace could not be brought about by force ». In line with the steps taken at the two previous meetings (San José in September 1984 and Luxembourg in October 1985), at the 1987 meeting the participants backed a proposal for a Central American parliament, and the European
delegation called for cooperation between that body and the European Parliament. On the economic side, the European Community confirmed its commitment to increase substantially its aid to Central America, with an emphasis on regional projects and economic integration. It also agreed to help the Central American states diversify production and stabilize their export earnings. These commitments were written in to two final communiqués — one political, the other economic — that were issued at the close of the meeting. The economic cooperation agreement between the European Community and the six Central American states which emerged from the Guatemala City meeting entered into force on March 1, 1987.

This latest meeting and agreement brings us up-to-date with European Community action vis-à-vis Central America. What is the assessment of this most recent set of initiatives? On the overall, most observers appear to have come rather reluctantly to the conclusion that there has some decline in general E.C. involvement and political initiatives. This is undoubtedly in part a response to the intensification of hostilities throughout the region and the ever brighter spotlight cast on events in Nicaragua by the United States. However, what should not be neglected is the fact that, at a time of greatly renewed tensions in Central America, the European Community was considered instrumental in bringing together the foreign ministers of Costa Rica, Guatemala, Honduras, Nicaragua and El Salvador for the first time in eight months. This, despite the exclusion of Nicaragua from a meeting of Central American ministers called by the Costa Rican president on February 15, 1987. By the opposite token, on the Community side, only Belgium, the Netherlands, Denmark and Spain (in other words, not a single one of the « top tier » Western European states) were represented by their foreign ministers at the Guatemala City meeting, while the other eight member states sent lower ranking officials. European Commission representative Claude Cheysson, at a press conference at the close of the meeting, also expressed regret that the Twelve had not taken more daring initiatives at San José and reiterated the importance attached by the Community to the election of a Central American Parliament. There were clear signs of frustration on the European side at the failure to make any headway in solving the regional political struggles. As Belgian foreign minister and president of the E.C. delegation Leo Tindemans commented at the beginning of the meeting: « There will be no solution to economic difficulties and latent open conflicts in this part of the world if there is no firm political will in Central America to seek answers. No foreign aid, no goodwill, no political support can substitute for this imperative and basic element: political will to seek peaceful solution ». Mr. Tindemans said that to obtain this they must « maintain a genuine dialogue, not only among

(9) Ibid., n. 3940, October 5, 1984, author's emphasis.
(10) See above, pp. 3-4.
Central American countries, but also among the parties and factions that are ripping each other apart. (12)

In contrast to the failure to make headway on political issues, the economic cooperation agreement concluded between the Community and the Central American countries is an interesting one on several levels. The agreement underlines the need for financial and technical assistance to the economies of all the Central American states (13). Indeed, it specifically designates regional integration schemes as worthy of special priority. The Community reaffirmed its commitment to increase substantially the total volume of aid in all forms to the Central American countries. However, even before the agreement went into effect, the European Community had almost doubled its aid to the signatory countries from 41.1 million ecus in 1984 to 76.9 million in 1985 and roughly that figure in 1986, the emphasis being on regional cooperation in each of the three major projects underwritten by the E.C. The amounts of economic aid involved are, as one author suggests, insignificant from the point of view of the region’s needs, and by comparison with the flow of aid coming from the United States. But, given the present constraints on European finances, the decision to increase them is an important political statement (14). Thus we see the E.C. clearly taking a step in an independent direction and moving in almost direct opposition to the United States’ politically selective aid-giving policies, a not insignificant move on the part of the Europeans in the context of the present enquiry.

The Second Case: The Middle East.

A description of European Community activity with respect to the Middle East and, above all, the Arab-Israeli conflict during the 1980s must be delineated by two landmark events: the Venice Declaration of June 13, 1980 at the beginning and, at the end, the Brussels Declaration of February 23, 1987. It is important for the purposes of this paper to look closely at the two declarations and the background to them since it will help shed some light on an exceedingly complex part of the international scene and give us another cluster of indicators to the role of the European Community in that region.

The resolution adopted by the Nine in the European Council in Venice in June 1980 embodied four key principles:

— the Palestinians must be allowed to exercise fully their right to self-determination;
— the PLO had to be associated with any peace settlement;
— the Nine were prepared to monitor a Middle East peace settlement, with troops and observers;
— contact would be made with all the parties, including the PLO, to determine the form of a European peace initiative.

At their February 1987 meeting in Brussels, the E.C. foreign ministers reiterated the principles of the Venice Declaration and backed a proposal for an international peace conference on the Middle East under the auspices of the United Nations. The peace conference, in which they declared they were prepared to play an active role, should be open it was maintained, to any party able to make a direct and positive contribution to the restoration and maintenance of peace and to the region’s economic and social development. (15) The E.C.’s current posture on this issue was further underlined at the March session of the European Parliament by the adoption of a resolution supporting the Twelve’s initiative to back the calling of an international peace conference on the Middle East and inviting the foreign ministers, through the political cooperation process, to “continue to pursue with fervour the realisation of this important objective.” The adoption of this resolution followed the withdrawal of a Liberal-sponsored amendment which stated that the Soviet Union could not take part in such a conference before having re-established diplomatic relations with Israel (16).

Even if the Brussels Declaration is followed by little more concrete action than the Venice Declaration (and the last few weeks’ diplomacy suggests that this may be the case in light of fierce Israeli opposition to such a conference), the independent posture adopted by the E.C. immediately following Camp David in the first instance and yet again after seven years of American and Israeli objections to Venice should be emphasized. Camp David had elicited very mixed responses from the Europeans. In a statement issued on September 19, 1978, the E.C. called Camp David ‘a further major step towards (an overall) settlement’ and the Europeans promised ‘their strong support to all efforts to achieve it’ (17). Further, this support was reiterated at the United Nations General Assembly a few days later. However, E.C. backing for the agreement evaporated very quickly. Immediately after the Israeli-Egypt peace treaty was concluded, the E.C. issued a communiqué on March 26, 1979 which has been described as ‘cold and reserved’ (18). By mid-June a statement

(14) DU&K&. op. cit., p. 92.
(18) Ibid., p. 141.
was issued in which the E.C. disassociated itself from the peace treaty. It harked back to the 1977 London Declaration in calling for a Palestinian homeland; it described Israel’s policy in the occupied territories as the main stumbling block in the way of a global peace settlement and it also called Jewish settlements in the occupied territories illegal. Between them and the Venice meeting the Europeans were pressured from all sides. The Arab countries, through France, Great Britain and, to a certain extent, West Germany, urged the E.C. to play a more active role. On the other side, the Americans and the Israelis did all they could to prevent the Europeans from issuing a statement which would begin a process that diverged from Camp David. The Carter Administration presented the European initiative as an act of open hostility toward the United States and urged the Europeans to wait on the grounds that tripartite autonomy talks were to get off the ground soon. In part the American pressure was successful in that the declaration ultimately issued in Venice was much more moderate than had been expected earlier (19).

Opinion on the import of the Venice Declaration in the context of European policy motives tends to differ. On the one hand, Greilshamer and Weiler maintain that: “The move was thus not only in ideological-declaratory terms but also an attempt to move from a passive reactive policy to a more active one” (20). Allen and Smith, however, offer a somewhat different explanation:

> On the face of it, the European Declaration on the Middle East... can be seen as a direct reaction to the United States-sponsored Camp David process. However, the tensions that the Declaration both reflected and generated fit a pattern of transatlantic disagreements on the Middle East which can be traced back as far as Suez in the case of Britain and France and to the Middle East War of 1967 for the rest of Western Europe... the Venice Declaration can be seen as a culmination of ten years of European cooperative attempts at a Middle East policy and not, simply in terms of Camp David > (21).

After several rather unproductive visits to the Middle East, first by President of the E.C. Council Gaston Thorn to Jerusalem and Beirut (to meet with Yasser Arafat despite the objections of the Danes and the Dutch) during his term in the second half of 1980, and then by Dutch foreign minister Van der Klauw when he assumed the presidency of the E.C. Council in the first half of 1981, it became abundantly clear that almost none of the parties to the conflict was enthusiastic about the European initiative. The Israelis clearly were bitterly hostile to it, particularly with what was perceived to be European legitimation of the PLO. In the United States, the new administration under President Reagan was slow in developing a Middle East policy but, so long as it had been defined, insisted that the Europeans should not move ahead. Even the PLO did not look favorably on the European moves. In January 1981, Yasser Arafat declared: “Who said there had been a European initiative? Nobody talked about it. What there was was a political statement at the time of the Venice Summit” (22).

Despite the apparent lack of enthusiasm, the Europeans continued for some time to send their emissaries to the Middle Eastern capitals and sound out the various parties. In the spring of 1982, according to some press reports, the Europeans were on the verge of a major step forward. In May, just before the outbreak of the war in Lebanon, President of the Council Leo Tindemans had put the final touches to a document to be submitted to the European Council which embodied new ways to implement the Venice Declaration and, in particular, make it more acceptable to the Israeli government. The outbreak of the war, however, effectively put paid to any further European action within the context of Venice or going beyond it. Thus, this year’s Brussels Declaration and other moves by the European Community to step up contacts with the Arab states stand out in high relief against a background of nearly five years’ inactivity (23). Whether this can be sustained remains to be seen. There are some signs that both the regional and international environments may provide contexts conducive to more European activity in the region. Even the two parties most likely to raise objections reacted rather differently, initially at least, than during the post-Venice period. The PLO has been enthusiastic and asserted that the European Community should play a leading role in organizing an international peace conference. On the Israeli side, a foreign ministry spokesman expressed the hope that the European initiative would help relaunch the peace process. Moreover he welcomed the fact that the Brussels statement did not explicitly mention the PLO although it did refer explicitly to the Venice Declaration (24).

The crucial question remains of course how far can the United States go along with the Europeans’ expressed intentions. There has been very

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(19) According to Greilshamer and Weiler (p. 142), President of the E.C. Council Emillo Colombo had explained to Edmund Muskie that the Europeans did not want to oppose Camp David but only wished to be constructive.

(20) Ibid., p. 144.


(22) Quoted in Greilshamer and Weiler, op. cit., p. 152.

(23) It has been reported that meetings have been planned at the ministerial level between the E.C. and both the Arab League and the Gulf Cooperation Council using the «trolka» formula (past, present and succeeding presidents), «Europe» Bulletin, n. 4507, March 12, 1987 and n. 4510, March 16/17, 1987.

little public comment to date on this. Are we going to witness a continuation of the situation so well summarized by Allen and Smith?

"Relations between the EPC [European Political Cooperation] and the US in the Middle East context are bedevilled by a paradox which shows no signs of disappearing. The disparity continues between, on the one hand, the obvious common interest of both the Europeans and the Americans in a Middle East settlement and, on the other, the enduring tensions and suspicions which have attended their activities over the past decade. The Europeans have feared (and still fear) that American policies will suffer from ignorance or naivety, from a tendency to over-simplify complex issues, and from an obsession with the supposed Soviet threat to the Middle East at a geopolitical level. It is often implied that the Americans are therefore liable either to ignore European needs and counsel or to attempt to recruit the Europeans singly or collectively into risky and probably self-defeating enterprises. It is equally clear that American policy makers suspect the Europeans, and fear that initiatives taken at the European level will undermine the credibility of their own policies at the global and the regional levels. This mutual accusation of irresponsibility, disloyalty or misdirected idealism lies at the core of much American thinking about the validity of European activism in the Middle East." (25)

Allen and Smith go on, correctly I believe, to conclude that problems between the United States and Western Europe over peacemaking in the Middle East must be placed in the rather delicate context of over all European-American relations at a particularly sensitive period in their history. Sensitivities over both trade and Europe's role in the Atlantic Alliance, coupled with mutual suspicions and accusations do not bode well for a meeting of the minds on the Middle East. By the opposite token, the fact that the Middle East has «come to serve as a test-bed for some of the most fundamental and continuing uncertainties about the respective roles of the United States and Western Europe in the international system» (26), and that a resolution of the conflict there is presumably the final goal of both entities, could just be enough (put in its most optimistic light) to tip the scale and at the very least permit Western Europe to serve a useful role as «honest broker» as many have suggested it can do (27). This, I submit, appears to be the path currently being followed.

Conclusions.

This paper was designed to test in a very modest way the prevailing notion that:

«Europe today is almost in the position which the United States held before 1914: a political force of substantial power, whose voice is nonetheless scarcely

heard on the international scene. Since 1914, after thirty years or so of coexistence between the two, the US voice has become progressively louder, while that of Europe is now scarcely audible at all. But Europe too has something worth saying on the great issues of the day. The dialogue on those questions should no longer be monopolized by the superpowers. The time has come to call in the old world to redress the balance of the new» (28).

The two limited case studies described above produced rather mixed results. In the case of Central America, a region where Western Europe's geographical, historical, commercial and political interests have been quite minimal until very recent times, and where the Interests of the Superpowers, above all those of the United States, are enormous, we have observed, paradoxically, Western Europe playing a steadily increasing role and one that has from the outset diverged from that of the United States. In contrast, in the Middle East, where all the major interests are in common, the European Community has flip flopped; not just in the 1980s, but throughout its existence. It is possible to ask, along with Allen and Smith, «Where would the Europeans be in their response to Arab demands if there had not been a Camp David process to attempt to refine? ». «It is to the US», they assert, «that all parties turn when there is need for immediate practical solutions... The Europeans can perhaps be relied upon to issue Declarations and provide token observer forces but it is the Americans who are required to risk their reputation and their overall strategic design» (29).

I take issue, however, with the Allen and Smith evaluation on one level. They, along with a number of other European scholars, assert that it is the European Community's lack of effective policymaking and policy coordination instruments and structures that are responsible for its relative impotence. But, after years now of cranking up, the system of European Political Cooperation is finally moving along the road and we are beginning to see the results, not so much in those areas like the Middle East where the interests of the individual member countries of the European Community are deep rooted and divergent, but precisely in regions like Central America where Western Europe enters somewhat virginal and untainted and with more room to maneuver. No one is suggesting that the European countries are suddenly going to produce negotiated peace settlements in either Central America or even less in the Middle East like the proverbial rabbits out of the magician's hat. What is being asserted though is that the European Community is now equipped with some of the tools to enable it to make an independent, original and constructive contribution to problem-solving and conflict resolution in the international arena.

(26) Ibid., p. 146.
(28) Ibid., p. 582.
Riassunto — L'articolo si propone di verificare l'ipotesi frequentemente fatta in questi ultimi tempi secondo cui le aspirazioni dell'Europa occidentale sono sempre meno ascoltate dalle grandi potenze, soprattutto dagli Stati Uniti, ed esiste un contrasto fra il peso potenziale dell'Europa occidentale in termini di componenti del potere, quali forza economica, popolazione, esperienza diplomatica e competenza, e il suo peso attuale nell'arena internazionale. Quantunque i dati esaminati siano stati limitati (sono stati studiati due casi) e si riferiscano solo agli anni Ottanta, sono stati ricavati alcuni risultati molto interessanti.

Le due aree difficili studiate sono state il Medio Oriente e l'America Centrale. Tuttavia, allo scopo di ampliare il campo dell'indagine, sono stati scelti i casi che presentavano contrasti piuttosto forti. Nel Medio Oriente l'Europa occidentale ha rapporti storici di lunga data e molti legami commerciali; l'America Centrale può essere giustificato riferendosi alla sfera d'influenza degli Stati Uniti, con pochi scambi commerciali e poche legami politici con l'Europa occidentale. In questa analisi, quantunque sarebbe stato desiderabile esaminare individualmente le azioni dei Paesi dell'Europa occidentale, solo le azioni collettive intraprese dalla Comunità Europea in ottemperanza al Trattato di Roma o al sistema di cooperazione politica sono state prese in considerazione.

Un'analisi dettagliata degli studi condotti ha prodotto risultati piuttosto confusi. Nell'America Centrale, l'Europa occidentale sembra stia svolgendo un ruolo politico ed economico sempre più importante. All'opposto, nel Medio Oriente, tutti i partiti si rivolgono ancora in ultima analisi agli Stati Uniti, nonostante che gli europei facciano dichiarazioni e formano forze simboliche. Al contrario, molti osservatori, tuttavia, la non attribuisce la colpa di ciò agli strumenti politici e alle strutture inefficienti. Siafferma che dove esiste un certo spazio di manovra, come nell'America Centrale,

la cooperazione politica europea comincia a produrre risultati, sebbene molto modesti. Si sottolinea che la Comunità Europea è ora in possesso di alcuni strumenti che le permettono di impegnarsi in modo indipendente e costruttivo nella soluzione dei problemi e nel superamento dei conflitti negli affari internazionali.

Summary — The article sets out to test the assumption frequently made these days that Western European wishes are being heeded less and less by the Superpowers, especially the United States, and that there is a disjunction between the potential weight of Western Europe in terms of such components of power as economic strength, population, diplomatic experience and expertise and its current weight in the international arena. Although the data tested were fairly limited (two case studies were made) and applied only to the 1980s, some quite interesting results were obtained.

The two problem areas studied were the Middle East and Central America. However, in order to expand the scope of the enquiry the cases were chosen in order to present rather stark contrasts. In the Middle East, Western Europe has long historical associations and many commercial ties; Central America may justifiably be deemed to be within the United States' sphere of influence and there has been little trade and few political ties between it and Western Europe. In this analysis, although it would have been desirable to examine the actions of individual Western European countries, only joint actions undertaken by the European Community under the Rome Treaty or the Political Cooperation System are taken into account.

A detailed analysis of the case studies produced rather mixed results. In Central America, Western Europe appears to be playing an increasingly important political and economic role. In contrast, in the Middle East, all parties still turn to the United States in the final analysis although the Europeans issue declarations and provide token forces. Unlike many observers, however, the author does not lay the blame on ineffective policy instruments and structures. It is asserted that, where there is a certain room to maneuver, as in Central America, European Political Cooperation is beginning to produce results, albeit quite modest. It is suggested that the European Community is now equipped with some tools to engage in independent and constructive problem-solving and conflict resolution in international affairs.
A COMMON POLICY ON MIGRATION: A STEP TOWARDS CITIZENS’ EUROPE

by MARIA PIA BELLONI

1. Introduction.

More than 13 million people have moved into the E.E.C. in search of a job. In the early 80's it was estimated that 27% of them came from other member States, and with Spain and Portugal, this proportion rose to about 40%. In 1986 the non-communitarian migrant workers were 7 million, thus accounting for 60% of all migrant workers in the E.E.C. They were Turkish, Algerians, Moroccans, Tunisians, Libyans, Syrians, Portuguese, Spaniards and Greeks (1). This foreign population is, above all, concentrated in Northern Europe; 87% live in Germany, France, Great Britain or Belgium. The EEC's southern countries (Spain, Portugal, Italy, Greece), on the contrary, receive only 5% of the aliens living in the Community. Only in four States (Belgium, Spain, Ireland, Luxembourg), are the foreigners from other E.E.C.'s countries more numerous than those from Third World countries.

Whether from within the Community or from without, most migrant workers were recruited during the «golden 50's and 60's» by European firms facing acute labour shortage.

Today, in the E.E.C.'s countries, the climate is very different (2). Since the mid-'70s, the pattern of migration has been transformed by a series of structural changes such as a slowing down of economic growth, the shortage of jobs, the development of new technologies and also by a change in migratory trends (3). In 1975, the five European countries characterized by a very high immigration (Germany, Belgium, Holland, France and Great Britain) recorded more emigration than...
immigration (— 237,000), while in 1977 the balance between emigration and immigration was restored and in 1980, again, immigration became more important than emigration (+ 327,000).

This increase in the migratory current was due to the fact that migrants already established tended to stay and the families tended to join the workers in the place of work. The immigrant communities, especially from Third World countries, have increasingly taken the characteristics of a permanent feature in the host countries: an almost equal number of the sexes, a constantly growing second and even third generation, the aging of the first generation. Moreover, on the basis of the regions of origin, one can observe that political-economic reasons are the cause of this population’s movement.

That is often the case for Eritreans, Iranians and Afghans, all who are obliged, more and more frequently, to seek refuge in the democratic Europe. The emigration from many countries has often been forced and the refugees’ flight is not an ‘unforeseen consequence of the events’, but a clear governmental choice. Anyway, from now on, in the E.E.C. countries the issue is no longer population movements, but rather, the integration of aliens; this objective is complicated by the steepening of racial tensions and the growth of xenophobic feelings while, faced with spiralling unemployment, the Member States of the Community, since the mid-70’s, have halted or restricted the recruitment of foreign workers.

2. Brief summary of common action on migration.

From a legal point of view, Community nationals have a special position in that their migration rights are protected by the Community legislation under the Treaty of Rome (4). Artt. 48-49-51 of the Treaty, for example, foresee the progressive development of the free circulation of migrants in the E.E.C. countries; artt. 117-118 stress the need for a close collaboration between the Member States in the social field; art. 121 is concerned with the common programmes for the migrant workers’ social security, while artt. 123-127 created a Social Fund to support the employment and the mobility of communitarian workers.


As a consequence community migrants, in theory, do not need a work permit and can make claim for a five-year permit which is automatically renewable even after their retirement, and all discrimination is forbidden, whether relating to jobs, wages, working conditions, housing, education or vocational training. On the contrary, for migrants from Third World countries, existing Community provisions seem absolutely insufficient and inappropriate (5), and the extension of the communitarian citizens rights to these workers can be considered as an exception.

The non-communitarian citizens, for example, have no right to free movements nor to stay or to work; their protection only depends on international or bilateral agreements between the E.E.C. and Third World countries.

As for international protection, the several agreements concerning Human Rights could indirectly be referred also to the migrants. First of all we can mention the U.N. Declaration of Rights and the Pact on Civil and Political Rights, or the Pact on Economic, Social, Cultural Rights, or the Agreement on the Prohibition of Racial Discrimination, or the I.L.O. Conventions 91-100-138.

Also at the European level many agreements foresee, in a general way, the protection of aliens, such as the Nordic Council, the European Free Trade Association, the Organisation of Economic Co-operation and Development the Economic Union of Benelux countries. As for direct protection at Community level it is worth mentioning the I.L.O. Conventions n. 97-143-86-111-150, or the Council of Europe Conventions, the European Establishment Convention, the European Convention on Social Security, the Social Charter or the Convention on the Legal Status of Migrant Workers. The Establishment Convention is based on the principle of equal treatment of the citizens of the contracting parties; the subjects dealt with are essentially entry, residence, expulsion, establishment in the sense of engaging in profit-making activities, the recognition of civil rights, personal and property rights, juridical and administrative guarantee.

The Social Charter is the basic convention in the economic and social sectors; but a close examination of such conventions shows their limitations and shortcomings, compared with their ambitious aims and considering the lack of effective guarantees for safeguarding the rights concerned.

As a consequence, all the above non-communitarian migrants' rights are now feebly protected. For instance, as far as the non-indirect protection by U.N. is concerned, the lack of a control of its actual application is evident (6). At a European level, the rights protected by the Council of Europe are reserved only to the citizens from contracting countries, which obviously limits their application (7). Therefore, the protection of economic and social rights, while becoming more and more important for the aliens and their families is still an unsolved problem.


It is worth mentioning, however, that there exist no problems of integration into the E.E.C. for the citizens from the French "overseas" departments, who have the status of communitarian citizens, on the basis of Treaty of Rome, Part IV, artt. 131-136 (8), while the non-discrimination principle, in the matter of establishment or work, is also affirmed in the Convention of Yaoundé' (1963) and of Lome' (1979-1985).

In contrast, thousands of migrants from other countries can get a relative protection only by virtue of bilateral agreements with the E.E.C.

For example, the agreement of association E.E.C.-Turkey (1962) and the additional protocol (1970) proposed free circulation in the Community's member States. But these provisions have never been applied and although in early 1986 the Commission proposed new initiatives to normalize the relationships with this country, progress has been extremely poor because of economic, social and, recently, also political problems (9).

Between the E.E.C. and Maghreb's countries (10), in contrast, there exists non agreements on the free movement of workers, but only a mutual non-discrimination principle for work conditions, wages and, in general, for the social security has been established.

Yougoslavia, too, is linked to the E.E.C. with a social agreement relevant to migrant workers (11). The E.E.C.'s engagement is oriented also towards the Middle East countries; the rights of workers from that region have got some protection by the Joint Declaration relative to the principles governing the living and working conditions of migrant workers, adopted in Damascus in 1978, within the framework of the Euro-Arab dialogue.

Unfortunately, these agreements with Mediterranean, African of Eastern countries have different characteristics from each other and do not constitute an organic framework for a communitarian policy on migration (12).

Following this lack of a common approach, the rights of migration are governed by different agreements, often aimed at safeguarding the E.E.C.'s countries' interests.

Moreover, the migratory policy is often a cause of conflict between Member States, not only for political-economic reasons, but also for contrasts and for uncertainties on the interpretation of Community law. For example, the decision taken by the Commission (8.7.1985) to establish a programme of consultation between Member States on migration from Third World countries has been violently contested by Germany, France, the Netherlands, Denmark and England, claiming that the E.E.C. Commission cannot make binding decision for member states; this is in contrast with art. 118 of the Treaty of Rome, which states that the Commission must promote a close collaboration between the E.E.C.'s countries in the social field.

The European Parliament, supporting the interpretation of the Commission applied to the Court of Justice against the Member States' attitude and the Court, on 19.2.1986, accepted the claim. We are now waiting for a decision.

Moreover we can underline that the European Parliament's engagement in defence of the non-communitarian migrants' rights has
always been very strong, especially towards Arab citizens, targets of cruel xenophobia. In fact, on 11.9.1986 the E.P. adopted a Resolution on the intolerance against Arab migrants, recommending to the E.E.C.'s countries the respect of the Treaty's ideals (13).

The E.P. also adopted three Resolutions on the common migratory policy (14) and a Resolution concerning the obstacles to the free circulation of Third World workers in E.E.C. countries (15).

But in spite of the European Parliament's intervention, at the E.E.C. level, now there is confusion, uncertainty, even selfishness, fed by the growing power of the single Member States and by the decreasing importance of the Commission, while the E.P. calls for a deeper power (16). The conflict between the Council and the Commission on the determination of a common migratory policy provides further evidence for a progressive decline of the principle of sovrannationality in the Community system. This disquieting attitude is certainly one of the causes of the present E.E.C.'s immobility which might be overcome through a Treaty revision, but only with the support of a new solidarity among the Member States.

This solidarity is absolutely necessary today in the field of migratory policy. In fact, whether they come from Community or Third World countries or from former colonies, immigrants face the same problems: inadequate social and educational infrastructures, housing shortages as migrant families are increasingly reunited, difficulties of cultural integration, uneasy relationships between the national and aliens' communities, and potential competition on the labor market (17). Further initiatives are necessary, while the Community's legislation must be improved and adapted to changing circumstances, not only in order to form a people's Europe, but also in the respect of Human Rights, that is to say, for democracy's sake.

4. Basic Commission guidelines in migratory policy.

A recent study on national migration policies of Member States has revealed common trends, although with varying degrees.

Above all, a freeze or consolidation and, in certain cases, a more and more frequent reduction in the number of immigrants from non-member countries who are allowed to settle; the strong commitment to fight status; and at last, the adoption of policies favoring the insertion and the integration of the alien's families (18). …

In this perspective and starting from the assumption that a migratory policy at a European level may gradually take shape as a fundamental part of the movement for a European citizenship (19), the E.E.C.'s Commission considered it fundamental that the free movement of persons should gradually become accepted in its broadest sense, beyond the concept of a Community employment market.

In the light of these considerations the Commission presented on December 18, 1974, an « Action Programme in favour of migrant workers and their family members » on the basis of which, in February 1976, the Council adopted a Resolution that not only stated the need for the adoption of rules inspired by the respect of equal treatment and equality between nationals and aliens, but also stressed the importance of a concertation of the different migratory policies (20).

Moreover, at the 22 November 1976 meeting, the Council confirmed the importance of an appropriate consultation that would facilitate the adoption of a common policy by the Member States.

Furthermore, an important step towards the integration of migrant workers was the 25.7.1977 Resolution by the Council that made it compulsory to teach the language of the host country to the children of Community migrant workers and to encourage to teach the language and culture of their country of origin, within the framework of cooperation with the country of origin (21). In March 1985 the Commission presented a programme for a communitarian policy of migration with the aim in facing the problems of migrants from Third World countries. The European Parliament, too, in its Resolution of 9.5.1985 (22) favored an

(15) O.J. C 176, 14-7-1986.
(18) This policy consists in an increased effort on behalf of second generation in more intensive programmes of education, training and social advancement; a fight against xenophobia and racism; a programme to avoid economic and social problems in the event of a return to the country of origin.
(19) E.E.C.'s Bull. 7/77.
(20) E.E.C.'s Bull. 3/76.
(22) O.J. C 194-1989.
immediate extension to the migrants from Third World countries of the social advantages already granted to the Community's ones.

5. Sectors of intervention.

Moreover, after fifteen years of free movement of workers (23), it is clear that the Communitarian law must take account of new migration trends and conform accordingly to the spirit of that « People's Europe » recommended by the European Council (24). For example, especially for the E.E.C.'s migrant workers, it should be necessary to adopt in the appropriate legal form provisions defining the precise scope of the exception to the free circulation principle stated by art. 48 of the Treaty of Rome, relating to employment in the public service (25) to take account of the interpretation given by the European Court of Justice. Besides, Directive 68/560 must be modified in order to ensure the extension of stay of an involuntarily unemployed worker. The right of residence should be extended to all communitarian citizens whether or not they are working.

A clear communitarian definition of the limits of 'public order, national health and national safety' should also be recommended to prevent any abuse. At the same time art. 45 of Regulation n. 1612/68 should be applied so that the mutual recognition of qualifications go beyond the diplomas recognized within the framework of the freedom of establishment (26).

The up-take of Community provisions into national law by the central authorities is, on the whole, satisfactory enough, but there are sometimes gaps in the application of Community legislation. In several cases, for example, there is a lack of familiarity with the Community legislation in both the law courts and the Administrative Departments of Member States, to the prejudice of Community provisions. But it is absolutely necessary that the Member States gradually develop a policy to integrate also non-communitarian migrants and their families.

(23) The European Convention on Migrants Workers, prepared by the Council of Europe (24-11-1977) foresaw the quality of treatment between migrant workers and nationals, on condition that they are contracting parties of the Convention. Until now France, Germany (5-5-1982), the Netherlands (12-1983), Portugal (11-3-1979), Spain (6-5-1980), Sweden (5-6-1978), Turkey (19-5-1981) have ratified this Convention.


(26) O.J. C 264, 4-10-1983.

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This policy must not only overcome the trends towards discrimination, even racism sometimes, in the host country's population; it must also overcome certain obstacles to permit a real integration. This is particularly true in the case of the uncertainties for the issue and the renewal of residence and work permits, for the procedures for reuniting families, conditions governing naturalization, language, vocational training, education, cultural adaptation, health and housing. In fact, in order to play their part in the society and in working life, an immigrant worker and his family members must, first of all, acquire an adequate knowledge of the language of the host country.

Particularly difficult is the situation of immigrant women (27). First of all, their language training has not received sufficient attention, despite the efforts of many voluntary organizations and certain local authorities. As a result, these women experience great difficulties in finding their place in the society. Day to day business travel, health care and dealing with their schooling suffers very much. Access to vocational training is virtually out of question, while the jobs they obtain are often restricted to poorly paid position in the secondary and tertiary sectors (28).

These considerations do not undervalue the important role of the country of origin's language and culture in the social integration of immigrant workers and their families, where successful integration depends on the interrelationships between the host culture and the culture of origin.

Besides, large migrant minorities cling to their language and culture: in this context bilingualism and bi-culturalism could represent a necessary instrument in the integration process mainly for young people. In fact, migrants aged under 25 represent between 40 and 50% of the total foreign population; they are faced with two cultural environments and with the difficulties linked to the search for an identity of their own (29).

The future of the children of non-communitarian migrants essentially depends on their education, which is fundamental for improving their knowledge of the language of the host country and of their country of origin (30).


(30) The European Social Fund supports a range of national schemes both public and private for vocational training, and social integration. Nearly 200,000
In fact, the Council Directive of 25 July 1977 (977/486) on the education of migrant workers' children could represent a step towards the permanent recognition of these children's education by granting the child of an immigrant citizen of a Member State the right to free tuition and promoting courses of the language and culture of the country of origin (51).

The Council Directive also expressed the political will that Member States should provide all migrant children, also those from Third World countries, with equal educational facilities. Actually, in spite of these legal provisions, more than 100,000 immigrant children end their compulsory schooling without qualification and are excluded from vocational training courses.

Social security for migrant workers plays a very important role in the migration policy as a whole, and in the choices of migrant families, for example where to have their children educated, the immigration of family's members, investments in housing or their possible return home in the event of unemployment. In this sector Communitarian legislation now needs to be regularly updated and efforts are absolutely necessary to simplify this legislation (32).

Another sector that needs the E.E.C.'s action is that of civil and political rights in the host country (33). These rights depend upon the acquisition of nationality. The right of association which implies freedom to organize, to assemble, to publish and propagate political opinions and the right not to be expelled for exercising these freedoms is, in fact, of fundamental importance in the promotion of the participation of migrant workers in the life of the host country (34).

Preventive measures, information, and education in health and hygiene are clearly the mile stone of any policy aimed at meeting the particular needs of an immigrant population. The living conditions of Third World countries migrant workers, in general, worse than those of nationals or communitarians. The Community's objective should be to provide Third World workers and their families with the same security Community nationals, whether or not their situation is regulated by bilateral agreements, association or cooperation agreements or by national laws.

migrants were helped in 1983, but more needs to be done. See « Recueil d'Infor-
(31) Contrary to the frequent prejudice it is necessary to substain and not to suppress the links with the culture and language of origin. In fact, successful inte-
gration depends on achieving an interrelationship between two societies bilingualism
and multiculturalism often represent an underestimated source of enrichment.
(32) E.E.C.'s Bull. 3/76.
(33) E.E.C.'s Bull. 7/76.

Indeed, the Commission stated that workers in the same objective situation cannot be treated differently on the basis of nationality, while the Council encouraged consultations between Member States and the Commission in the field of migratory policy, with regard to Third World countries. Unfortunately, national interests and the 'immobility' of the E.E.C.'s institutions have so far made any attempt of a common approach in this sector useless.

Finally, there are certain categories of people (frontier, seasonal workers, teachers, workers in social or cultural sectors, nomads 'au pair') for whom, existing Community provisions appear completely insufficient. The refugees, in particular, that constitute an increasing proportion of the volume of migration from Third World countries are now in a very difficult situation (35). This social, economic and legal position calls for concern and in the case of those admitted under the U.N. Convention of 1951, for consideration by the Commission of Member States in application of the Joint Declaration of 25.3.1964 to the purpose of the granting of the right of free movement within the Community after a certain period of residence (36).

6. Illegal migration.

The number of illegal migrants is by nature impossible to determine, also because of those, on the one hand, who prefer to ignore their existence and on the other hand, because of those who are ready to swell the statistics artfully, feeding xenophobic fears of the 'terrorist's syndrome' (37).

(35) Many of these who are obliged to leave their country on the basis of the U.N.'s definition cannot be considered as refugees. This definition conceptually in fact, only the persons subject to a « well-grounded fear of persecution ». In contrast, the Organisation for African Unity has admitted a « less restrictive definition, so that the 'refugee's qualification' can be justified also in case of exterior aggression, military occupation, and any events that disturb the public order ».
(37) A. Zolberg, State-formation and its Victims: Refugee Movements in Early Modern Europe, in « N.J. », Berrill, Blockmans, Rosenthal eds, Beyond Pro-
gress and Development: Proceedings of the Symposium on Macro-Political and So-
mission on Human Rights, 6 /CN/6/1503, 31-12-1981; Sources: R. A. Zolberg, So-
cial Conflict and Refugees in the Third World: the Cases of Ethiopia and Afghan-
istan, report presented to the American Political Science Association, Washington DC, 1984; World Refugees Survey 1984, New York and Washington DC US Com-
mittee for Refugees, 1984; J. Carlin, New International Initiative in Responding to Refugees, in In Defense of the Alien, New York, Center for Migration Studies, 1984; Expulsion
However, the volume of this workforce in the Community is considerable, its growth having been fed, for example, by the development of the ‘parallel’ or ‘submerged’ economy and by work in the ‘black market’.

The media have been unmerciful towards these clandestine workers. These aliens, in fact, have been always considered as a ‘danger’ for the Community’s countries’ social stability. Moreover, nobody has ever underlined the fact that this ‘workers’ commerce’ is supported by many organizations and that clandestine immigration represents an economic advantage for a large field of interests. Aware of the negative effects of these movements on the national workforce, the Commission presented to the Council a proposal for a Directive on the harmonisation of laws in the Member States to fight illegal employment. This proposal is aimed at strengthening the cooperation among Member States in the campaign against illegal migration and clandestine employment by the adoption of appropriate penalties and the protection of workers’ rights relating to the work they have already carried out. But concrete results still appear far to come.

7. The return to the countries of origin.

As for the return to the country of origin, there should be no matter of compulsion, whereas it is too often a renewed exile for the second generation immigrants (38). In any case, the countries of origin frequently have no jobs to offer. In fact, emigration strictly depends on the more general problem of development. Without a correct take-off of the Third World’s economy, not only the immigrants’ return will represent a problem, but also the ‘brain drain’ — the emigration of highly skilled manpower from these countries — shall have dramatic characteristics (39). The UNITAR reports (40) confirm that there exists a strong migratory trend of skilled manpower from less developed to more developed countries. For example, between 1964 and 1969 Greece


(38) POLLAIN-WIDIM, Problèmes spécifiques posés par les migrants de la deuxième génération, Strasbourg, Conseil de l'Europe, 1980.


lost 35% of its engineers, 27% of its scientists and 25% of its doctors (41). On the basis of a UNCTAD analysis, Pakistan, for example, loses each year 50 to 75% of its doctors, while 1984 statistics estimate the total loss of specialists from Third World countries to be between 400,000 and 500,000 workers, as a consequence of the absolute lack of labor’s offer. Immigration countries for these workers are the E.E.C. and the U.S.A.

As a consequence, for the second and third generation young migrants, born and educated in the host country, a return to their own country creates new, difficult integration problems. For this reason young people who fail to adapt to their family’s country of origin should be allowed to return to their host country.

An improvement in the condition of return is mostly dependent on a reinforcement of bilateral cooperation between the countries concerned, particularly so as regards access to employment and the safeguarding of the capital that has been repatriated. The Community’s action in this area could complement those that the Member States introduce bilaterally with emigration from Third World countries and the UN programmes in this field.

This action in favor of migrant workers and their families does not need, at the E.E.C. level, a special financial support, but it should be sufficient to increase and modify the use of funds already available for immigrant populations at a national and Community level. In fact, the European Social Fund (ESF), whose tasks were reviewed by the Council’s decision of 17th October 1983 (83/516/E.E.C.) could provide assistance for a very wide-range operation. The fund could support actions in the vocational training field, as well as actions designed to facilitate the transfer and integration of migrant workers and their families.

Conclusion.

On the background of a troubled social and economic climate, the promotion of migrants’ rights, whatever their country of origin, is one of the Community’s main social objectives. Moreover the migratory policy is faced with many difficulties at either national, Community and international level. At the national level, for example, the application of the Community legislation into national law is yet imperfect and limited; the protection of foreigners, essentially founded on generic humanitarian
principles often does not consider the social-economic aspects of their integration at all, while the Community law does not apply to relations between the States and its citizens, arising from different rules and not incompatible with the Treaty's principles, it would be absurd to deny Community citizens those rights enjoyed under Treaty law by national citizens. The duty of the E.E.C. should be, on the contrary, the harmonization of their legislation and in any case to apply them accordingly with the spirit and the principles of the Community law.

Besides, for Third countries migrants, there is a double attitude: on the one hand, the effort to make families' reunion easier although within strict limits; on other hand the trend to reject new extra-Community workers. The result is that migrants from Third countries (and often Community nationals, too) are often marginalized, becoming an element of instability.

As for illegal migration, the situation is, if possible, worse. In fact, illegal workers are often skilfully exploited on the national « black market » and cause xenophobic attitudes.

At the E.E.C.'s decisional level, too many programmes of a common policy for migration (particularly for extra-E.E.C. migrants) have failed because of too many contrasts and uncertainties. We can mention, for example, the institutional immobility fed by the tensions between Commission and Council, or by a limited role of the European Parliament.

Only the E.E.C. Court of Justice seems to be able to contribute to a clarification in the migratory policy. Many times indeed the Court, encroaching the reserved national field, overcoming a Community law's gap, transformed itself into a very useful « making law » instrument. Maybe just from this innovating juridical-political attitude of the Court could spring very important consequences on the general community system.

If the Court will continue to interpret the Treaty's principles in a functionalist rather than in a restrictive way, all the 'new policies' that now have any references in the Treaty, may get a chance of being applied in a scheme of precise rules.

At the international level, we have seen that numerous agreements are devoid of any concrete effectiveness and now they are also inapt to solve the problems of the new migratory trends'.

A solution for the community migrations would be in the respect of Treaty's principles. But a Treaty's revision, a clarification of the decisional mechanism, a stronger and more active E.P.'s role are all desirable, too.

As for Third countries' migrants a solution can be found only in an international collaboration's context. This migration has its roots in a precarious development of many Regions. So, unlike the engagement in favour of Community's workers, in this case, the E.E.C. does not just assure the E.E.C.'s Treaty's respect, but also to try to define an organic programme of development's help, in the framework of a new international Convention on the protection of all migrants' rights.

Such, above all, the necessity to overcome racist attitudes is evident. These are a very serious obstacle to the Citizens' Europe and to the affirmation of the ideals of equality and of democracy all over the world.

Riassunto – I Paesi della Comunità Economica Europea si confrontano attualmente con un fenomeno migratorio molto diverso da quello degli anni '50-'60. I migranti di oggi, infatti, provengono, per lo più, da Paesi terzi, tendono a stabilirsi definitivamente con la famiglia nel Paese che li ospita, sono costretti a lasciare, sempre più spesso, il proprio, oltretutto per motivi economici anche per ragioni politiche. Inoltre, a crescere occupazione e sicurezza nel Paese dell'area comunitaria non sono solo lavoratori non qualificati, ma anche tecnici altamente specializzati. Questa « fuga di cervelli », fenomeno molto recente, è destinata a costituire un ulteriore fattore di freno del decollo economico delle aree più povere e rappresenta un inequivocabile punto interrogativo sulla validità dei programmi in atto di aiuto allo sviluppo. Accanto alla persistente difficoltà di determinare, sulla base di statistiche attendibili, la consistenza di queste nuove migrazioni e di definire le caratteristiche, si affianca, comunque l'urgenza di tutelare i diritti dei migranti, delle loro famiglie e, quindi, indirettamente, anche dei rispettivi Paesi d'origine. Pertanto, a livello giuridico, sia eso nazionale, comunitario e, più generalmente, internazionale, il quadro è desolante, non essendo mai stato pienamente favorito lo sviluppo di concreti e decisivi interventi, mentre, in diversi Stati membri, si assiste, sempre più frequentemente, ad episodi di razzismo, accompagnati dalla chiusura parziale o totale delle frontiere. D'altro lato le iniziative promosse dalla CEE sono spesso disattese anche a causa di incomprensioni tra i « partners », mentre i numerosi accordi internazionali, da tempo esistenti, risultano privi di efficacia per la mancanza di un sistema di controllo che ne garantisca l'effettiva applicazione. Infine gli accordi bilaterali tra la Comunità Economica Europea ed i Paesi d'emigrazione si sono rivelati insoddisfacenti per costruire un'organizzazione politica migratoria, tendendo, piuttosto, in non pochi casi, alla diffusione di interessi particolari, ed evidenziando i limiti e le incertezze di un meccanismo decisionale comunitario che andrebbe, senza indugi, modificato. La tutela giuridica dei migranti extra comunitari rappresenta, dunque, una vera e propria « sfida » per l'Europa; il mancato raggiungimento di un accordo per la soluzione di questo problema, dalle molteplici implicazioni, taglierebbe credibilità non solo a quel'Europa dei cittadini » da più parti sollecitata, ma renderebbe certamente più ardua l'affermazione dei principi di democrazia e di uguaglianza verso i quali tende da sempre, il processo di integrazione europea.

Summary – The countries of the European Economic Community are currently confronted with an immigration phenomenon very different from that of the fifties and sixties. In fact, most immigrants today come from the developing (Third World) countries, tend to settle with their families in the guest country indefinitely and, more and more
frequently, are forced to leave their own homes not only for economic but also for political reasons. Moreover, it is not only unskilled workers but also highly specialized technicians who are seeking employment and security in the Common Market countries. This ‘brain-drain’, a very recent phenomenon, is bound to constitute a further factor holding back the economic take-off of the poorer areas and to represent a disturbing question mark regarding the validity of the assistance programmes towards the development realized up till now. Alongside the persistent difficulty of determining, based on available statistics, the consistency of these new immigrations and of defining their characteristics, is, in any case, the urgency of protecting the rights of immigrants, of their families and therefore, indirectly, also of the respective countries of origin. Unfortunately, on a legal level, including the national community and, more generally, the international level, the picture is distressing. The development of concrete and decisive interventions has never been fully favoured while, in various states, citizens partake more and more frequently in episodes of racism, accompanied by the partial or total closure of the borders. The initiatives promoted by the EEC are often disregarded also because of a lack of understanding between the ‘partners’.

The numerous international agreements, in existence for some time, become ineffective for the lack of a system of control which would guarantee their effective application. The bilateral agreements between the European Economic Community and the countries of emigration have proved themselves unsuitable for the construction of an organized immigration policy, tending, rather, in many cases, towards the defence of particular interests and proving the limits and the uncertainties of a Community decisional mechanism which should be modified without delay. The legal protection of extra-Community immigrants therefore represents a real challenge for Europe. The failure to reach an agreement on the solution of this problem and its multiple implications would remove the credibility not only of that ‘Citizens Europe’ being pressed for from many directions, but would certainly render more difficult the affirmation of the principles of democracy and equality towards which the process of European integration has always tended.

Alfred Marshall exhorts in the Appendix C of his Principles:

«...it is the duty of those who are giving their chief work to a limited field, to keep up close and constant correspondence with those who are engaged in neighbouring fields. Specialists who never look beyond their own domain are apt to see things out of true proportion; much of the knowledge they get together is of comparatively little use; they work away at the details of old problems which have lost most of their significance and have been supplanted by new questions rising out of new points of view; and they fail to gain that large illumination which the progress of every science throws by comparison and analogy on those around it» (1).

Such exhortation, to all appearance so reasonable, even though sometimes questioned in theory and in any case too often disregarded in practice (2), should be (paying due attention to the technical contents relevant to the various subjects) a natural candidate for the role of guiding principle of every theoretical reflection on topics of European construction. It does not seem to me realistic, however, to affirm that this is really how things stand, namely that an adequately multidisciplinary approach to these themes is actually adopted: the state of «facts» of Europe in relation to the state of reflections on Europe appears in fact to be, at present, something very similar to a well organized system of antinomies. There are in particular:

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(2) For example, Norbert Elias remarks that: «We are used to separate the world from a conceptual point of view following to a large extent the boundaries among the different scientific disciplines» (my translation from N. Elias, Uber die Zeit, Arbeiten zur Wissenssociologie II, Frankfurt am Main, Suhrkamp, 1964, chapter 16).
that not so much (and in any case not only) the traditional disciplines, although suitably linked, appear to-day the most proper for facing the order of problems, for the treatment of which seem instead to be able to provide efficacious supports analytical approaches referring, in particular, to the systems theory, the game theory and the control theory.

* * *

It is just from the theory of game-like behaviours and situations, meant (following Harsanyi) (4) as those "... where the outcome depends not only on the actions of one rational decision maker but rather on the actions of two or more rational decision makers (players) with possibly divergent interests", that the most up-to-date literature in the matter of strategic approach to the economic policy theory under alternative exchange-rate systems draws powerful interpretative tools, of relevant interest to those intending to reflect on some basic problems of the European construction, particularly (but necessarily not exclusively) from the monetary point of view (5). I insist "not exclusively" because, even if we limit ourselves (and indeed it is not a small limitation) to the economic aspects of an integration process, it is necessary to bear always in mind the different degrees of intensity with which the economic integration appears and which, in growing order, go from the simple preference trade association to the free exchange area to the customs union to the common market to the economic union properly called, which in its turn goes through growing degrees of intensity, from the harmonization of some economic policies to the pool of all economic policies and to the common currency. Naturally,


it is only in respect of a manualistic schematization that it is justified to refer to the above situations as to stages chronologically successive, each of which is primed after the completion of the preceding. In historical cases, and the statement is theoretically and practically relevant just in the case of the European construction, things are different. Its present stage of realization, after thirty years from the Rome Treaties, has characteristics common at least with the last three stages cited and in particular with some of the potential contents of the last: every partial investigation, specially if it refers to stages characterized by greater intensity of integration, must therefore take into consideration the reality of «mixed» states of fact which bring about, as such, potentialities of tension and of contradiction just due to the contemporary presence of situations, and therefore of institutional profiles as well, in relative delay and of others in relative anticipation. The state of interdependence among systems (meant as influence that two or more economies exercise reciprocally at the margin the one over the other) correlated with the state of the integration, namely one of the stages identified above or rather one of their possible empirical combinations (where the concept of integration refers necessarily to any one tendency of the prices of single homogenous goods and services to converge towards equality independently of the system, integrated and/or «integrating», where they are produced) comprises in any case an international monetary system, namely a system, formal or informal, of exchange-rate rules which govern the utilization of the different currencies for the settlement of international transactions of every type. Just at this point, in the interrelation identifiable between interdependence and international monetary systems, one can emphasize the point both of the static characteristics and of the dynamic process of integration. The system of the interdependencies is inclined in fact to express and to shape a monetary regime not functional to its own characteristics: but the monetary regime, in its turn, contributes to determine (fundamentally according to its being based on fixed, flexible or managed exchange-rates) the nature itself of the interdependence among systems and therefore also, and in a determinant measure, scope and potentialities of the economic policies. Thus we are in the face of a circular problematic structure, where the international monetary regime is endogenous in respect of the structural characteristics of the systems and of the policy makers' preferences but at the same time the nature of the interdependence and therefore the context of the game-like behaviours, and consequently the effectiveness of the policies, are endogenous in respect of the international monetary regime. The weight of the stochastic variables and of the possible game-outcomes (besides the never sufficiently emphasized importance of the institutional and normative structures) in defining punctually and dynamically such links of interrelation, recall in an alarming measure the Hegelian idea of the «bad infinity» literature, therefore, is enriching with interesting typifications, as those which form the skeleton, for example, of the works of Hamada, Oudiz, Oudiz and Sachs, Canzoneri and Gray, Giavazzi and Giovannini (6). Driven out of the models, the «bad infinity» tends, nevertheless, to reappear, as it is quite reasonable to expect, every time the theoretical schemes are compared with the empirical evidence, in our case with the state of facts of the European construction process. An analytical set of tools useful to get out of the circular problematic structure, a real vicious circle, identified above is just provided by the strategic approach made practicable by the application of the game theory. It is a question of hypothesizing, following Hamada, two stages, real round, of game. The first (which, however, we could suppose to be preceded by a zero level game, preliminary and of a constituent nature, with the object of deciding to engage or not in the first level game (but there the «bad infinity» reappearing immediately) has as its object the choice of the game rules (the international monetary regime); the second has instead the object of the game itself (the economic policies in which the game of the decision makers is carried out under the chosen regime). The first is a game on the rules, the second a game within the rules. The first game sees drawn up, schematically, the traditional alternative monetary structures: that of fixed exchange-rates (in which the pure game rule imposes on the non-reserve currency countries the obligation to intervene in the markets in defence of the respective exchange-rate parities), that of flexible exchange-rates (in which we can single out the game rule consists in forbidding such interventions) and finally that of managed exchange-rates (in which the game rule consists in leaving to the decision maker a more or less predetermined scope — itself part of the first level game — as regards times and modalities of the interventions in defence of the exchange-rate parities).

various typologies of convertibility for the different categories of transactions, to the coordination of the economic policies, to the common currency issued by a sole central bank (element which implies the maximum integration, namely the real monetary union). The complication stems from the fact that the elements of the cost-benefit calculation which the rational decision maker is supposed to carry out in setting up the game rules, just costs and benefits of the monetary integration, are precisely function of the degree of intensity which the integration itself has already reached and in which the decision makers find themselves plunged. Costs and benefits in their turn of various nature, from the cost (the basic one) represented by the sacrifices in terms of independence of the economic policies, to the benefit (one of the numerous imaginable) represented by the reduced (at the limit nil) exchange-rate uncertainty. Such benefit, as in general the others linked with each of the possible levels of the monetary integration, is characterized by the fact of enjoying at least one of the basic properties of public goods, that of the non-rivalry in the consumption (the enjoyment of the goods by a member does not diminish the enjoyment of the same by the others): it does not enjoy instead the other property of public goods, that of the non-exclusiveness from the consumption, since the relative benefits tend to be cornered by the member countries. The cost that each decision maker is aware of having to take upon himself, namely the limitation and in prospective the loss of the monetary «sovereignty» is instead quite «private»: to bear it will be the single participants in the game.

From the nature of costs (private) and of benefits (public) of the monetary integration stems therefore a sort of built-in asymmetry of the preference system of the decision maker. Such asymmetry, which conditions his game behaviour, strengthens and characterizes in a temporal sense (assuming as a consequence the structure of an intertemporal preference system) on account of the objective tendency of the economic costs of the monetary integration to precede chronologically the relative benefits. The game behaviour of the decision maker is thus characterized by a systematic short-sightedness, by a built-in preference for the present, which superimposes over the already emphasized variability (as regards contents and intensity) that costs and benefits show just on account of the state of facts of the monetary integration and of the relative modalities of realization, but also of the openness of the economic system, besides the state of facts in respect of the integration of the markets from the real point of view. If it can even be hypothesized that the deepening of the integration process modifies in the course of time the relative weight of the elements in comparison, increasing the one of the benefits and decreasing that of the costs, it seems reasonable to affirm:
1) that the existence of a certain degree of short-sightedness of the decision maker introduces in any case of the game in conspicuous elements of caution, favouring the adoption of regimes of compromise and to some extent «median», which the game scheme of the «battle of the sexes» hypothesizes as the most probable solution of our first level game and which the European experience (from the Werner Plan to the «snake») to the European Monetary System seems to verify;

2) that the fact that game on the rules and game within the rules (upon which I shall briefly dwell later on) do not as a rule take place (and in fact did not take place in the case of the European construction) successively but in large measure contemporaneously, brings in the unification process important elements of elasticity but of instability as well, characterized by a high degree of reversibility of all the processes involved. The second level games are played in fact while the first level game remains open and this occurs because, under mixed international monetary regimes and in the presence of behaviours characterized by a systematic bias in favour of the present, each decision maker tends to retain (to make use of it in function of his own position in the game context and of the evolution of the one and of the other) a great power of rediscussion of the rules: this may happen, on the other hand, because the zero level game (the constituent) in its turn, has never been closed, and the space of the decision makers' sovereignty remains therefore ample.

3) that theoretical importance is gained by every spurring action (internal or external to the structure of each decision maker) aiming at lessening the degree of short-sightedness of his behaviour during the taking place of the first level game, acting on the mechanisms of the formation of the evaluation of costs and benefits of the monetary integration.

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The joint utilization of the interpretative models elaborated by the game theory and of some well-known hypotheses in respect of market behaviours (real game behaviours) in oligopolistic contexts (9), allows to outline in its essential terms the second level game scheme, namely the economic policy game under each of the alternative monetary regimes, in particular of those relevant to the European construction. First of all, the second level game can be assimilated to an n-person non-zero sum game, namely one in which the sum of the payoffs which are drawn by the players depends on the game outcome. As regards the game there are:

1) cooperative solutions characterized by the fact of beingPureto-optimal, namely such that the position of each participant is better at the end of the game than it was at the starting;

2) non-cooperative solutions (the typical structure of «the prisoner's dilemma») in which the players (in our case the participants in the economic policy game) act in various measures independently of one another: either assuming as a datum the action (strategy) of the other (the solution of the game leads to the so-called Cournot equilibrium, generalized by Nash with reference to the game theory), or assuming as a datum the other's reaction (the solution of the game leads to the so-called Stackelberg equilibrium, in which one of the two hypothetical players assumes the behaviour of the leader and the other, as a consequence, that of the follower).

If the game theory and that of the oligopoly provide valuable tools (but in some measure «neutral» from the point of view of the contents) for the analysis of the decision makers' behaviour, it is of course the macroeconomic theory the one qualified to elaborate systems (multiple, unfortunately, and in some cases alternative) of relations among variables with reference to which identify and evaluate the alternative game outcomes under alternative international monetary regimes. By means of the joint application of such schemes, or groups of schemes, the literature is able to identify, naturally under more or less stringent hypotheses with more diversified contents, the essential nature (although simplified), in terms of economic outcomes, of the combinatorial hypotheses which can be formulated. What is the game solution (in terms of the decision makers' welfare) in case of non-cooperative behaviour with leadership (Stackelberg equilibrium) under fixed exchange-rate regime and in a pure Keynesian context (namely with fixed prices and variable output)? And what is instead the solution in case of cooperative behaviour under flexible exchange-rate regime and in a pure monetarist context (namely with variable prices and fixed output)? And what is the solution in case of non-cooperative behaviour without leadership (Cournot-Nash equilibrium) under managed exchange-rate regime and in a «mixed» context?

The reference to the flexible exchange-rate regime should in theory be extraneous to our theme as, by definition, contradictory in respect of the monetary unification hypotheses, at any rate in the final configuration of this. And also in practice we could legitimately consider such regime to some extent marginal in respect of our specific sphere of interests, although certainly not of the international context in which it evolves and by which it is indeed heavily conditioned. We can in
fact roughly assimilate the present European situation to one in which — though in the context of revocability deriving from basic constitutional insufficiencies already recalled — the monetary agreements in force imply an already reached (even if structurally precarious) belief as regards the long term prevalence of the benefits accruing from the exchange-rate stability (with all the relative implications in terms of real integration) over the costs in terms of the economic policies autonomy of the participants in the agreements.

The reference to the flexible exchange-rate regime is however useful in any case both for its evident relevance at international level and as ideal-structure to compare as a contrast with game situations and behaviours of the alternative exchange-rate regimes. In a monetarist context (the reference to this although a quite non-realistic context — as to the opposite one, likewise non-realistic — is useful at least inasmuch as both constitute ideal-structures which the systems involved in the game can — all or some, synchronizingly or asynchronizingly — approach) there is no space, at least in the long term, for conflicting monetary policies: a real game problem, therefore, does not exist. In a Keynesian context, instead, it is only in the absence of international capital mobility that problems of conflict are not posed and consequently no contrast exists between the outcomes of cooperative and non-cooperative behaviours. The more Keynesian is the economic context, the more the liberalization of capital movements tends to favour, therefore, the rising of potential situations of conflict, thus bringing about the emerging of the convenience of cooperative behaviours. The rising of conflicts implicit in the contemporary presence of exchange-rate flexibility and capital mobility in a Keynesian context is therefore a strong argument in favour of cooperative behaviours: just as the impossibility of, or the difficulty in, assuming them constitutes, at parity of economic structure and of monetary regime, a strong argument in favour of the establishment, or the maintenance, of controls on capital movements. However much of Keynesian there is in the European economy and however much flexibility is present in the European exchange-rate regime, the programs of liberalization of capital movements bring about a need for cooperative monetary policies. Finally, in « mixed » structures, where the decision makers pursue objectives both in terms of prices and output, not even the exchange-rate flexibility protects the system from external shocks when these alter the terms of trade. Such shocks tend to be imported in a stagflationary form: also in this context, therefore, potentialities of conflict arise and, consequently, spaces of convenience are opened to cooperative behaviours.

Even if from a flexible exchange-rate context there emerges under determinate structural hypotheses (particularly in the case, quite realistic, of « mixed » economic systems) a need for cooperative behaviours, such need results nevertheless emphasized under a fixed exchange-rate regime, the one implicit in the final configuration of a monetary union. The literature (10) on the outcomes of the second level game under a fixed exchange-rate regime when the decision makers pursue objectives in terms both of output and of the reserve increases (a Keynesian context, therefore, but similar conclusions are reached with reference to a monetarist one) clearly demonstrates, in fact, the superiority, for all the players, of cooperative solutions (where however to the cooperative equilibrium corresponds a plurality of possible solutions) in respect of possible non-cooperative solutions (with or without leadership), although the economic nature (inflationary or deflationary) of the latter does not appear predeterminable. It is likewise demonstrated that with the increasing of the number of decision makers, the probability of leadership equilibrium grows and consequently of suboptimal game solutions: thus the need grows, but likely also the difficulty, in obtaining cooperative behaviours from the players. But it is also demonstrated that the communication among decision makers (excluded from the game scheme of the type « prisoner’s dilemma ») lightens in some indeterminable extent such need: some space, therefore, opens to a sort of consultation theory inasmuch as partial substitute for the cooperative game (but only partial, at least for the ascertainment propensity to leadership equilibrium in a game scheme with numerically growing players, besides the possibility of cheating behaviours, always present in a context of « sovereign » decision makers) (11).

In « mixed » structures, finally, external shocks tend to be imported according to symmetrical modalities (external recessive shocks bring about internal repercussions recessive as well): there emerges therefore, also in this case, the superiority of the cooperative game, and in a still greater measure in respect of the flexible exchange-rate regime, owing to the greater number of links of interdependence which characterizes the relations among economic systems due to the existence of fixed exchange-rates.

There remains the managed exchange-rate regime (to which it seems can be assimilated the present world-wide system) which characterizes to some extent, although with not uniform modalities, the European decision makers in their mutual relations as well. The plurality of policies (both monetary and of exchange-rates) available, characteristic of such

(10) See in particular K. Hamada, op. cit.
(11) For an interesting collection of texts of the declarations made at the conclusion of summit meetings that have followed one another in the last twelve years, from the one of Rambouillet in 1975 to that of Tokyo in 1986, see Economic Summits 1975-1986. Declarations, Istituto Affari Internazionali, Rome, 1987.
regime, reduces the potentialities of conflict in respect of the fixed exchange-rate regime, just by reason of the possibility of bringing about exchange-rate policies as well. On principle, such possibility has the effect of making compatible conflicting policies, but opens in its turn new potentialities of conflict, bringing about again the convenience of cooperative games inasmuch as the decision makers carry out in fact conflicting policies (all deflationary, for example) varying the exchange-rate. Once again the type of game (cooperative or non-cooperative) played proves to be more important than the exchange-rate agreement in force, even if it remains true that the choice of the exchange-rate regime is made more or less convenient just by the intentions of game: but there appearing once again, and in addition jointly, circularity and «bad infinity».

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In this last affirmation are implicit, after all, many even though schematic and provisional, conclusive considerations concerning the European monetary unification. Importance of the norms which regulate international capital movements; propensity to leadership equilibrium (it is by now usual to identify West Germany as protagonist of a game solution a la Stackelberg).(12); practice of consultations and limited possibility of variations of exchange rates as substitutes for cooperative games; practice of realignment as an instrument for the management of the consequences of non-cooperative behaviours. These are some elements of a complex system of interrelated facts and behaviours, of contemporary games at many levels, in an international context (13) which shows on a larger scale the same problems, but others as well, which conditions the solution of European problems, being in its turn, but only to a limited extent, conditioned by the latter. But if at the core of the problem stands, as the most up-to-date literature seems to emphasize, the more or less cooperative nature of the decision makers' behaviour, then its solution (besides the analysis of the reasons for its, for the present, unattained solution) must nevertheless be referred to the basic constitutional insufficiencies which I have mentioned before and which hinder

(12) On this point see, for example, P.C. Padoan, Il Sistema Monetario Europeo, Paper presented at the meeting on «La CEE e l'Industria italiana», Pavia, 3-4 April 1987.

(13) On this fundamental theme I shall simply refer to the proceedings of some seminars held during recent years. See in particular A.W. Hoxha (ed.), Exchange Rate Regimes and Policy Interdependence, International Monetary Fund, Washington, D.C., 1983 (which collects the proceedings of a seminar organized jointly by the National Bureau of Economic Research and by the International Monetary Fund in August 1982) besides The International Monetary System and Economic Recovery and Europe and the Dollar both in «Theme », Economic and Financial Papers edited by San Paolo Bank, 1983 (which collect the proceedings of two seminars held in Turin, respectively in March and June 1984).

the setting down of rules suitable for making inescapable (not only possible) cooperative behaviours: namely, they hinder the emerging of a real European decision maker, which amounts substantially to the same thing.

Riassunto — Il a. mette in evidenza come la teoria dei giochi abbia fornito negli ultimi anni alla teoria della politica economica in sistemi di cambio alternativi significativi strumenti analitici per lo studio delle conseguenze del comportamento dei decision makers in campo economico: il processo della costruzione europea, in particolare quello dell'unicazione monetaria, rappresenta quindi un importante campo di applicazione degli strumenti analitici elencati dalla teoria dei giochi. Dopo aver sottolineato la natura strutturalmente circolare delle relazioni fra interdipendenze, interazioni e regime monetario internazionale, l'a. si sofferma su alcuni risultati raggiunti in letteratura dell'approccio analitico che consiste nell'assumere il processo di unificazione monetaria ad una successione di due rounds di gioco: la scelta della regola del gioco, cioè del regime monetario internazionale e il gioco stesso, che consiste appunto nelle politiche economiche poste in essere dai decision makers sotto il regime preesistente. Dopo essersi brevemente soffermato sul problema della natura e delle caratteristiche dei costi e dei benefici dell'unificazione monetaria, l'a. passa in rassegna differenti configurazioni di gioco derivanti dalla combinazione di comportamenti alternativi sotto regimi di cambio alternativi e sotto ipotesi macroeconomiche alternative. Si dimostra che il tipo di gioco (cooperativo o non cooperativo) adottato è più rilevante del regime di cambio in vigore, anche se la scelta di quest'ultimo è a sua volta funzione delle intenzioni di gioco. Vengono infine formulate alcune schematiche conclusioni, particolarmente di ordine istituzionale, rese possibili dall'applicazione dell'approccio strategico illustrato al processo di unificazione monetaria europea.

Summary — The a. underlines how the game theory, in the last years, has provided the economic policy theory in alternative exchange-rate systems, with significant alternative analytical tools for the study of the consequences of the decision makers' behaviour in the economic field: the European construction process, in particular the one of the monetary unification, represents therefore an important field of application of the analytical tools elaborated by the game theory. After emphasizing the structurally circular nature of the relations among interdependence, integration and international monetary regime, the a. dwells on some results reached in literature by the analytical approach consisting in assimilating the monetary unification process to a succession of two rounds of game: the choice of the game rules, namely of the international monetary regime, and the game itself, which just consists in the economic policies set up by the decision makers under the chosen regime. After a brief account on the problem concerning the nature and characteristics of costs and benefits of the monetary unification, the a. reviews different types of game stemming from the combination of alternative behaviours under alternative exchange-rate regimes and under alternative macroeconomic hypotheses. It turns out that the type of game (cooperative or non-cooperative) adopted is more relevant than the exchange-rate regime in force, even though the choice of this latter is in its turn function of the players' intentions. Finally, some schematic conclusions are drawn, particularly of an institutional type, made possible by the application to the European monetary unification process of the strategic approach previously described.
1. INTRODUCTION.

My present analysis deals with international economic policy coordination and cooperation among the US, Europe, and Japan, which plays a prominent role in present discussions of economic policy.

My study will also refer to the related topic of convergence of economic developments and policies, a concept that has figured prominently in discussions of exchange rate determination and stability and in the deliberations that preceded the establishment of the European Monetary System (EMS).

Disappointment with the international monetary regime (1) and its undesirable repercussions in the real sector during recent years has led to calls for abandoning — or at least modifying — the present arrangement of predominantly floating exchange rates of the major currencies (2).

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(1) "International monetary regime" is defined here as a set of formal or informal rules that govern international financial relations and determine the form of settlement of international transactions (trade and investments) through the use of national or international media of exchange.

(2) Debates about and plans for a new international monetary order are nothing new; indeed, they have been occupying economists for decades. The frequency with which these debates take place is not necessarily an indication of the validity of the underlying presumption that reform is needed or that it would improve upon the existing international monetary arrangement. Frenkel observes that during most of the past twenty years special sessions of the American Economic Association's annual meetings were devoted to this topic. See Jacob A. Frenkel, The International Monetary System: Should it be Reformed?, "American Economic Review", 77 (May 1987): 205.
Under the present exchange rate arrangement, some exchange rates have fluctuated wildly, though not necessarily always erratically, among the major currencies — the US dollar, the pound sterling, the Japanese yen — and between these currencies and those of the European Monetary System (EMS). In addition, the DM continues to play a special role, despite Germany’s membership in the EMS.

Instead of producing national independence in the pursuit of domestic economic policies and smooth monetary and real adjustments, fluctuating exchange rates have led to substantial misalignments among the major currencies during the first half of the 1980s. Since exchange rates have a pervasive impact on real domestic and international variables, exchange rate misalignments have become closely intertwined with the issues of domestic economic growth and unemployment rates and the resurgence of protectionism.

Because of these unanticipated alleged failings (4) of the flexible exchange rate regime, economic summit meetings and political and economic policy debates are focusing on the need for greater cooperation and coordination (5) of economic policies among the major industrial countries, and on the possibility of revamping the international monetary order to reduce currency fluctuations and to forestall a major global recession or depression that might cause the collapse of the international economic system.

There is a danger not only for the industrialized countries but for the world economy that disagreements and noncooperative behavior could produce a worldwide recession and possibly a collapse of a good part of international trade and investments. The OECD warns that even the downward revisions of its December 1986 forecasts (6) may prove overly optimistic if currency market turmoil and protectionist sentiments continue to prevail.

I shall first define the concepts and problems of coordination and cooperation and analyze some of the major policy issues of the last few years. In this context I shall address the question whether coordination and cooperation alone can solve the problems, as has been contended. One will have to raise the question whether the call by the US for greater policy coordination and cooperation is what it purports to be, or rather is a code word for a less-than-cooperative behavior by the main economic power. Some, however, have suggested that international coordination should remain incomplete and that independent monetary policy continue to prevail to assure non-inflationary policies by the monetary authorities (7).

My paper is divided into two major parts. The first part deals with theoretical aspects of coordination, cooperation, and convergence. The second part examines a number of events related to cooperative and noncooperative behavior and to various aspects of the European Monetary System and asks whether the European Monetary System and its Exchange Rate Mechanism (ERM) could serve as model for reforming the international monetary system.

II. COORDINATION, COOPERATION, AND CONVERGENCE.

A. Coordination.

1. International Aspects. — International coordination implies that policy makers pursue their national objectives while accounting for rational expectations of the actions and reactions of foreign countries (8). Coordinated strategies thus require the recognition of policy interactions in a linked system of national models with two possibilities: (i) economies respond passively to influences which are exogenous, are transmitted through trade and financial flows, and are incorporated in the policy effects; (ii) if, on the other hand, policy

(3) The present monetary system is more complex than is generally stated. It is a hybrid international monetary arrangement in which several arrangements coexist: some exchange rates fluctuate individually, such as the Canadian dollar or the British pound sterling; some currencies are pegged in a cooperative arrangement such as the EMS; other countries (the Scandinavian nations) have chosen a basket of currencies for pegging theirs; and others, such as Southeast Asian countries, still peg their currencies to a single currency — the dollar.

(4) "Alleged failings" (a) since it is not certain that it is the international monetary system itself rather than domestic policies that produced undesirable results. See the discussion of domestic policy mixes below. One could argue that a system is defective, if policy mixes that are desirable from an internal point of view can bring an international system down. I think that such reasoning misses the mark.

(5) Despite differences in the definitions of 'cooperation' and 'coordination', they are closely related and are frequently used synonymously.

(6) The OECD has revised downward its December 1986 growth estimates for the industrial countries from 2.75 percent to 2.25 percent for 1987 and 1988. It now estimates US growth in 1987 between 2.5 percent and 2.75 percent and Germany's at 1.5 percent (1987) and 2 percent (1988), and Japan's growth is estimated to amount to 2 percent in both years (not taking into account the latest Japanese expansionary budget proposals). The OECD predicted a 'likely persistence of slow growth, high unemployment, and large current account imbalances', "Wall Street Journal", June 19, 1987.


makers abroad actively pursue their own targets in response to exogenous influences, their reactions must be incorporated in the decision process. For coordination to occur, information about each other's preferences and constraints must be exchanged (9).

2. Domestic Considerations. — The definition quoted at the beginning of this section reveals the difficulties inherent in international policy coordination. One must not, however, underestimate the complexity and difficulties for domestic monetary-fiscal policy coordination (10). For example, in the US there are many different centers of economic policy determination: some are constitutionally anchored, like the separation of power between the president and congress in the US, and the federal, state, and local authorities in the US and many European countries. Other obstacles to coordination stem from the structure of administrative and advisory bodies such as the Treasury, the Office of Management and Budget, the Council of Economic Advisers, and the White House staff assisting the president's formulation of macroeconomic policy (11).

On the other hand, monetary policy, in the US and some other industrialized countries is statutorily only indirectly under the influence of the government. The theory of bureaucracy stresses, however, that even though central banks might (by law) be outside the political process, the appointment procedure and especially the power of re nominating the chairman of the Federal Reserve Board leaves the President with considerable influence over the central bank (12). Congress has ultimate control over the Federal Reserve and periodically reminds the monetary authority of this reality.

Domestic coordination of monetary and fiscal policies is no mean accomplishment, and in many countries the central bank had to fight inflation alone since fiscal policy was either not forthcoming at all or too long in coming.

(9) In the case of complete information each party is able to compute the optimal policies of the other players simultaneously with its own decisions. See BRANDSMA and PIPERS, p. 664.

(10) In an earlier article, the author analyzed systemic and endogenous aspects of difficulties concerning international coordination. See HUGO M. KAUFMANN, Conflicts of International Economic Policy Coordination, 11 IL POLITICA 231-50 (June 1986).

(11) For a concise and insightful discussion of the complexity of these issues, see ALICE RIVLIN, presidential address to the American Economic Association: Economic and the Political Process, American Economic Review 77 (March 1987): 1-10.

(12) The most recent example is President Reagan's failure to reappoint Paul Volcker to another four-year term as chairman of the Federal Reserve Board.

Even if the domestically desired combination of fiscal and monetary policies is attainable, the particular policy mix generated by domestic policy coordination can nevertheless have negative repercussions on both the home and foreign economies. This was the case in the first half of the 1980s, when easy fiscal policy and tight monetary policy in the US and less stringent monetary policy with tight fiscal policy abroad contributed to the unprecedented appreciation of the dollar (13).

Medium-term budgetary and monetary policy coordination, even if effective in raising short-run demand, may create problems for the longer term. Monetary targets to suppress expectations of inflation, high government debt, interest rates, debt service costs, and/or higher tax rates eventually undermine the demand effectiveness of long-term public sector deficits through partial or total 'crowding out' (14).

For the medium term, therefore, fiscal and monetary policies may not be entirely separate instruments — unless government debt issues stay in line with portfolio preferences of savers, i.e., the government debt does not become 'excessive'. Since automatic fiscal stabilizers reduce the flexibility of budget policy, monetary policy frequently has to achieve medium-term financial and economic balance.

3. Demand for International Policy Coordination. — The demand for international policy coordination seems to be justified for the following reasons (15):

(1) The free-rider problem, that is, the existence of public goods which benefit all but will not be supplied at all, or will be undersupplied in the absence of consensual coordination;

(2) The presence of externalities that are not transmitted entirely through the 'market' as it bears on the decision-makers, such as spillovers from the actions of one government to another;

(3) The world of governments does not fit the model of atomistic competition of households and the competitive firm in microeconomic analysis. The world's governments are unequal in size and influence. The ceteris paribus assumption that is sound for households and for firms under pure competition, is not plausible for the ten or so go-
vernments that matter in our context. «They usually dispose of some monopoly power over at least some of their international transactions, and attempts — even frustrated attempts — to exercise this power will in general assure that the policy equilibrium is not socially optimal» (16).

(4) Cooper adds a fourth reason to these three standard causes of market failure of microeconomic analysis. Policy coordination may be needed because of time lags in a system in which decisions cannot be taken continuously. «As a consequence, a sequence that we are confident ultimately will settle down to an equilibrium that would be Pareto-optimal may nonetheless take a long time to reach if there is no coordination. There are therefore avoidable costs to not coordinating. If the system is impacted by disturbances all of the time, on average it will always be farther away from policy equilibrium than necessary. Because of the lags and the iterative nature of the policy process, avoidable losses can be reduced through coordination» (17).

B. Cooperation.

Under cooperative solutions different autonomous regions within a country or across national borders work together to achieve some common goal. In contrast to coordination cooperation requires of decision-makers to agree upon some common goal. This implies that all are able to advance their individually optimal policies and to gain in terms of their private economic objectives (18). The outcomes of any noncooperative behavior are Pareto inefficient in the sense that alternative decisions could make all parties better off. But that does not mean, that every cooperative outcome is Pareto optimal. Cooperative behavior requires that the outcome is preferable to the initial situation for all participating countries.

The fundamental problem in designing cooperative strategies is finding priorities that are acceptable to all players (19).

(16) RICHARD N. COOPER, Panel Discussion: The Prospects for International Policy Coordination, p. 368.
(17) Cooper, Panel Discussion, p. 368.

C. Convergence.

The notion of convergence of economic targets, policies, and developments frequently joins the themes of coordination and cooperation when economic policy analysis turns to the prerequisites for attaining and sustaining currency and exchange rate stability.

1. Definition of Convergence. — Economic convergence has two dimensions: the narrowing of international differences in present and expected future policy objectives and the confluence of economic developments. Convergence and synchronization may or may not be problem-free. Convergence may have proceeded in the wrong direction and synchronized expansion may lead to international inflation that undermines internal and international stability (20).

2. Convergence Does Not Guarantee Agreement on Policy. — Even convergence to lower inflation and economic growth rates does not assure effortless agreement on international cooperation or policy coordination, for instance, to stimulate economic activity. Countries' growth rates may frequently have been export-led, as in the case of many European countries and Japan during the last decades. Should the 'engine of growth', say the US, become reluctant or unable to continue in this function (21) — at least in isolation — the foundation for convergence would weaken and the growth task would have to fall on countries that had previously enjoyed export-led growth. Conflicts might then emerge over the distribution of responsibility for growth through substituting domestic for foreign demand to maintain these nations' growth rates. Such a shift might require major structural adjustments of domestic industries or changes in tax laws and in savings-consumption patterns. Countries might nevertheless attempt to maintain their existing industrial structure and export-led growth through exchange rate manipulation — 'beggar-thy-neighbor policy'. This elusive tactic is no longer available within the EMS because their exchange rates are now changed only with the other members' consent (22).

The potential for conflict among countries tends to intensify if public sector deficits have been increasing during the expansive phase of the business cycle and countries try to change course simultaneously. In the mid-eighties, European countries have all tried to reduce their budget deficits.

By itself convergence is, thus, neither desirable, undesirable, nor a guarantor of policy coordination.

(20) As was the case in the early 1970s.
(21) For instance because it wants (or has) to reduce its internal and external deficits.
(22) See below.

A. Overview of the Issues.

1. Flexible Exchange Rates and Demand for Policy Coordination.

— It is interesting to observe that the most recent call for international policy coordination has arisen under the floating exchange rate regime which was supposed to allow countries to pursue their domestic economic policies irrespective of the policies of other countries (24). Instead, floating exchange rates failed to produce the hoped-for insulation of domestic economies from the international transmission of exogenous shocks.

Several factors explain this outcome: real shocks (for instance, OPEC I and II, or changes in foreign demand and supply conditions) are transmitted internationally under fixed and flexible exchange rates, and the existence of different speeds of adjustment in assets and goods markets produce real rather than merely nominal exchange rate changes (25). Consequently, exchange rates are more than nominal price ratios of two currencies with effects on nominal values only. Exchange rates do affect the real sector and thus employment and output by influencing the allocation of resources. Moreover, exchange rate targeting and manipulations, capital movements, and currency substitution all reduce further monetary independence (26).

Since early 1985, the US has sought a depreciation of the dollar as well as coordinated monetary policies in an effort to lower interest rates. Coordination of expansionary economic policies by other countries — and in particular by the two major surplus countries, Japan and Germany — would stimulate their own and world economic growth. According to the US view, stimulative domestic policies would help reduce the US balance of payments deficits without producing any policy conflict between the other countries' domestic goals and global economic requirements. The expected slowdown of US demand for imports in the wake of its planned internal and external deficit reductions would require other countries to compensate by increasing

domestic demand to stimulate their own economies: increased domestic consumption through expansionary fiscal policy, as the US advised, would replace export-led demand, accelerate sagging domestic growth, and, in the process, help stimulate US exports.

Furthermore, if countries coordinated their expansionary economic policies their external (balance of payments) constraints would disappear or be reduced substantially. Trade deficits were less likely with coordinated expansionary policies than with some nations expanding demand while others did not (as in France’s unilateral expansionary policies in 1981-1982).

B. Change in US Attitude to Market Forces and Intervention.

The Reagan administration, which had long opposed any interference in the exchange market and equated a strong dollar with international approval of and confidence in US domestic policies, changed its attitude fundamentally in January 1985. Then-Treasury Secretary Donald Regan announced forthcoming concerted actions by the major industrial countries in foreign exchange markets to force the dollar down, and on 1 March 1985, President Reagan officially backed these interventions. The dollar had reached its peak at the end of February and started its depreciation; central bank intervention, therefore, was assisting the trend that had already developed.

At a now famous meeting at the New York Plaza Hotel on 22 September 1985, the finance ministers and central bankers of the United States, France, Japan, the UK, and West Germany — the so-called “Group of Five” or G5 — announced that they would henceforth coordinate central bank intervention in the foreign exchange markets, alter exchange rate relationships, and smooth exchange rate fluctuations. The US administration sought a further depreciation in the exchange rate of the dollar, which already had been declining steadily since February 1985. Coordinated actions were to prevent a “free-fall” of the dollar.

In the autumn of 1986, after the dollar had depreciated against the yen by over 30 percent, Japan and the US reportedly agreed on a new target zone of 150-160 (or 165 yen according to some reports) to the dollar (27). On 22 February 1987, the G6 (the G5 plus Canada) at the Louvre meeting in Paris (28) reaffirmed their agreement on stabilizing their currencies “at the current level” through joint central bank interventions, and the G7 — with Italy included this time — repeated this commitment at their 8 April 1987 meeting in Washington. Yet, the foreign exchange markets paid little heed (29), and the dollar continued its decline.

It is not clear so far, whether these policy developments — keeping the exchange rates at a certain level — are part of a renewed attempt at reforming the international monetary system. The aim might be the abandonment of greater freedom and magnitude of exchange rate movements and the introduction of continuous, coordinated exchange market interventions by central banks to stabilize exchange rates. Some economists and politicians have even advocated either a return to the gold standard or an arrangement à la Bretton Woods, with others favoring the coexistence of several monetary blocs, such as dollar-yen-European Monetary System blocs, where the bloc currencies would float against each other within limits (30). Agreement on a new international monetary system, however, is not yet within reach.

C. Monetary-Fiscal Policy Coordination.

We have already discussed some aspects of the difficulty of coordinating monetary and fiscal policy domestically and internationally. Since fiscal policy is considerably less flexible than monetary policy because of the political process and the automatic stabilizers, the burden of fighting inflation often rests on monetary policy. In their fight against inflation or in their attempt of producing monetary stability, countries specify monetary targets. But deregulation and possible changes in the money-nominal gross national product (GNP) relationship have made these targets less meaningful than they were in the past.

Following the transition to floating exchange rates in 1973, the major OECD economies have been pursuing domestic monetary growth targets. Under floating rates countries would be free to conduct monetary policy. Surplus (deficit) countries were no longer obligated to convert foreign exchange into domestic currency (lose reserves) for maintaining undervalued (overvalued) exchange rates. But difficulties for domestic monetary growth rates and, therefore, of international (29) Of course, the “current” exchange rates at the April meeting were rather different from those in February, with the dollar having fallen in particular against the yen and the DM. Renewed uncertainty arose when Japan’s finance minister Kiichi Miyazawa intimated that the dollar/yen target range may have been raised (i.e., a rise in the dollar value of the yen) in the interim.

(30) The British pound has not been mentioned separately as part of such a multi-bloc arrangement since the EMS countries still want the pound to join the Exchange Rate Mechanism of the EMS.

(27) This was the understanding of the Japanese finance minister, which was publicly denied by the US treasury secretary.

(28) It was supposed to have been an agreement of the G7, but Italy walked out before an agreement was reached.
coordination of monetary policy remain under integrated financial markets owing to differences in theoretical thinking about the relative importance of different monetary aggregates and the appropriate growth rates in different countries.

The choice of monetary policy targets depends to some extent on the method of monetary control, but the principal criteria are the stability, measurability and predictability of the relationship between monetary aggregates — the intermediate targets — and total expenditure (nominal GNP) (31) — the ultimate target. A narrow definition of money, M1, which is more likely to represent money as a medium of exchange and thus demand for goods and services, seems preferable to a broader one that includes also money as a store of value. A broader definition, on the other hand, is less affected by changes in asset demand induced by institutional changes and movements in interest rates and thus by changes in the opportunity cost of holding M1. The fact that even the broader money aggregates may be dominated by the transactions demand for money (since monetary decontrol) and the tenuous link between the broad money stock and nominal income has led in recent years (since 1982) to a de-emphasis of M1 in favor of multiple monetary targets, including interest and exchange rates. Doubts about the stability of the relationship between targeted aggregates and nominal income have raised concerns about the efficacy of monetary policy in general.

Therefore, in many countries, the selection of monetary targets has reflected an "eclectic" approach to the suppression of inflation expectations rather than a dogmatic monetarist view. The choice of a monetary growth rate now depends frequently on the magnitude of economic disequilibria in terms of growth, unemployment, inflation, and external accounts.

Since 1982, large budget deficits combined with tight money in the United States have offset the mix of fiscal restraint and less monetary tightness in the other major countries of the Organization for Economic Cooperation and Development (OECD) (Table 1).

This international constellation of the fiscal-monetary policy mix has been cited as a major factor in the extraordinary appreciation and misalignment of the US dollar in the early 1980s. While the U.S. has opted for expansionary fiscal policy and increasing budget deficits, Germany and other European countries and Japan have moved in the opposite direction «with as much vehemence» (32). Some of the smaller OECD countries (notably the Netherlands and Belgium) have actively pursued budgetary retrenchment, but as group they did not adopt a policy of fiscal restraint up to 1983.

Table 1 - Government Budget Trends (percent of GDP).

<table>
<thead>
<tr>
<th></th>
<th>Actual Budget 1984</th>
<th>Deficit 1984</th>
<th>Change in Adjusted Budget Deficit 1980-1985</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>3.2</td>
<td>3.6</td>
<td>-4.5</td>
</tr>
<tr>
<td>Germany</td>
<td>1.7</td>
<td>0.9</td>
<td>+4.2</td>
</tr>
<tr>
<td>Japan</td>
<td>2.2</td>
<td>0.8</td>
<td>+3.2</td>
</tr>
</tbody>
</table>

Note: The adjusted deficit data are corrected for the effect of unemployment and inflation.

Source: Dornbusch (1985), see footnote 32.

D. Simulation Assumptions and the Importance of Coordination.

In a 1980 study of requirements for an OECD economic recovery, Shishido et al. underscored the need for policies that are domestically manageable as well as mutually supporting (33). Hickman and Schleifer's analysis, on the other hand, suggested that coordinated policies were not a necessary precondition for sustained growth. They found that international cooperation had only moderately assisted in attaining national targets, and that international growth was actually steadier with unsynchronized policies (34). The studies used simulation techniques and yielded inconsistent outcomes. This prompted others to adopt an optimization approach in which each policy maker's decision — based on the best available, but still imperfect, models — was determined jointly with rational expectations of what other policy makers might do (35).


(31) Real GNP is not a desirable target since the division between the real and inflationary impact of policies are not stable. Thus, a real growth goal might be aimed at irrespective of the inflation cost.

IV. CONVERGENCE.

A. Convergence of Economic Issues in the OECD in the 1980s.

Describing the economic scene of the past decade, the 1987 US Economic Report of the President recounts that « [d]espite differences in their growth rates, Western Europe and Japan shared similar policies and challenges. They both faced the sudden increase in petroleum prices while shifting to anti-inflationary monetary policies. They both moved gradually toward fairly austere fiscal policies by restraining government expenditures. While the resulting reduction in inflation and increased budgetary room for tax cuts should provide a good foundation for stronger growth in the long run, the initial effect of these developments was to depress economic activity » (36).

Despite the general decline in inflation rates, inflation differences remained, and only Japan, Germany, and the smaller European countries (Belgium, Luxembourg and the Netherlands) have achieved real price stability (see Appendix B for the European countries).

The latest data indicate that domestic growth in Europe is stalling again — in May 1987, the German government lowered its forecast of GNP growth from 2.5 percent to barely 2 percent while the OECD predicted an average growth rate of between 1.5 percent and 2 percent for the German economy in 1987 and 1988 (37). The planned tax decreases in Germany, Japan, and England will not become effective until 1988.

The lackluster projections of European growth rates during the last two years, together with the projected reduction of the US budget deficit and heightened protectionist sentiments in the US and in European countries, prompted the US government to call for coordinated expansionary policies. One wonders whether we have been witnessing the rebirth of the 'locomotive' or 'convoy' argument — the 'strong' countries were to become the engine of growth for the weak countries (38) — which Europeans had accepted only reluctantly at the

(38) 'Strength' and 'weakness' was determined by balance of payments positions. See HUGO M. KAUFMANN, Germany's option to be a Mini-Locomotive — A Reassessment of 1977, « Economia Internazionale », 31 (1978); 196-211; and VON KAESER, From the 'Locomotive Hypothesis' to 'Coordinated Action': The Metamorphosis of an Idea, « Economia Internazionale », 32 (1979): 267-282.

Bremen summit meeting in 1978 and on which they blamed part of their Inflation and fiscal deficit problems in the early 1980s. Virtually all OECD economies have experienced a growth of the public sector during the late 1970s and early 1980s (39). The goal behind restructuring and reducing public spending is to avoid a repetition of mistakes that were made when economic programs were based on over-estimated economic growth rates, liberal fiscal indexation, and cumulative debt interest payments. Nevertheless, the OECD meeting of May 11-15, 1987 has weakened countries’ resolve to reduce their public debt and has encouraged the ‘strong’ countries — those with few internal or external constraints — to accelerate their expansionary fiscal policies.

B. The US and Cooperation.

The repeated calls by the US for international cooperation might reflect genuine fears of a global recession in the near future, but they might also indicate a lack of determination to introduce the appropriate domestic policies, such as a reduction if not elimination of the federal budget deficit and an increase in the domestic savings rate that would lessen both internal and international disequilibria. Budget and current account imbalances are not unrelated elements of the US predicament. Both reflect an excess domestic demand over domestic production. In the real sector, deficient output necessitated the importation of goods, while in the financial sector foreign borrowing made up the shortfall in domestic savings. By 1986, net imports amounted to about 2.5 percent of total output, nearly double the 1981 level. Meanwhile, the US, which was in 1981 the largest net foreign investor with $141 billion net foreign investments, had become in just five years the world’s largest net foreign debtor with over $263 billion by 1986. Putting this development into perspective Alan Meltzer noted that the US had acquired foreign assets over seventy years but within a few years we have wiped out the net accumulation of several generations (40). Because these major domestic imbalances between consumption and production (insufficient domestic savings) are at the root of the internal and external disequilibria, international policy coordination alone will not suffice to correct the current account imbalances of the US, Germany,
or Japan. Internal/external US imbalances due to excessive budgetary deficits have to be corrected foremost by internal adjustments in the US.

The US hoped that a declining dollar would reverse the growing US trade and current account deficits and aid domestic industries which were losing markets at home and abroad to foreign competition. The trade deficit was also blamed for the sluggish US domestic growth and for protectionist sentiment in Congress. Total US foreign trade (exports plus imports) decreased from 24.5 percent of GNP in 1980 to 20.2 percent in 1986 (41). Estimates of the dollar’s overvaluation in early 1985 ranged as high as 40 percent, although even the relative purchasing power parity argument cannot be used for assessing short run or even longer run exchange rate movements. Bergsten has observed that there is a positive relationship between dollar overvaluation and protectionist sentiment in the US Congress (42). There is probably an asymmetry in that during periods of undervaluation there are no equivalent pressures in favor of trade liberalization (43).

As a result of the loss in US international competitiveness, the US and its major trading partners have been on a collision course: the US is determined to recapture its share of world trade, the other countries are intent on maintaining theirs, and world trade has been shrinking.

If the US demand for greater international cooperation in letting the dollar float down is perceived to become a form of beggar-thy-neighbor policy to recapture its share of world trade, or a means of masking its own inactivity and/or unwillingness to implement the necessary domestic adjustment policies, then our model is a model not of cooperation but of noncooperative stance with the aim of shifting the adjustment burden abroad. The actual (or implied) US threat of further depreciating the dollar unless and until the major industrial economies are forthcoming with expansionary monetary and fiscal policy points in the direction of aggressive noncooperation. The other parties might then well refuse to ‘cooperate’ with the US, when and as long as the perceived costs to them of cooperative behavior exceed the benefits. Even for the US, the benefits of its most recent policies up until the first four months of 1987 might exceed their costs only in the short run with a reverse cost-benefit relation possible in the medium and long run.

Of course, there also have been internal disagreements in the US in 1988 and 1989 — especially between the Federal Reserve’s Paul Volcker and the Treasury’s James Baker — as to the relative costs and benefits of a further weakening of the dollar, with the former warning of the inflationary threat from further decline in the dollar’s value, the probability of a global recession, and the threat of higher US interest rates to stem a likely ‘free-fall’ of the dollar (44).

V. THE EMS AND A NEW INTERNATIONAL MONETARY ORDER.

A. The EMS.

The search for an alternative exchange rate system raises the question whether the European Monetary System might serve as a model for reform of the international monetary system. Examinations of the intentions and achievements of the EMS and of its member countries, provide some clues (45).

It should be borne in mind that while the ultimate purpose of the EMS is to become a European monetary union with a single currency and a single Community central bank, in the initial stages, however, its aim has been to provide greater exchange rate stability — to become a «zone of monetary stability» — for the members of the European Economic Community that have joined the EMS and its Exchange Rate Mechanism (ERM) (46). The founders of the EMS also hoped that greater intra-EMS exchange rate stability would transmit greater stability to the nonmembers.

1. The Importance of the Divergence Indicator. — To assure greater exchange rate stability, a ‘divergence indicator’ — a measurement of the degree by which a country’s exchange rate diverged from the European Currency Unit (ECU) — was to identify the country or

(41) This was a major reversal of the 1970s trend: from 1971 to 1980, foreign trade spending rose from 12.6 percent of GNP to its peak of 24.5 percent in 1980. Between 1980 and 1986, exports dropped from 12.8 percent to 8.5 percent of GNP while imports fell from 11.7 percent to 11.4 percent of GNP.
(42) C. Fred Bergsten, What To Do About the US-Japan Economic Problem, in Foreign Affairs, 60 (Summer 1982).
(44) The Federal Reserve had to choose between raising interest rates to stem the dollar’s depreciation, which would risk recession at home and even greater difficulties for the major debtor countries or, on the other hand, keeping interest rates steady and suffering further erosion of the dollar with the threat of inflation and problems for the World Bank’s financing as the dollar depreciates.
(45) This is not the place to discuss the EMS’s functions and purposes in detail; I shall only highlight some of the major features that are relevant in our context.
(46) Countries may join the EMS without becoming a part of the ERM; this has been the UK’s choice to date.
countries whose economic performance diverged from the Community average.

According to the rules of the game of the EMS both favorable and unfavorable divergences (currency appreciations and depreciations) from the Community average were to be measured and corrected. There was a presumption that the divergent countries or countries would adopt internal monetary or fiscal policy, or exchange rate policy required to bring them into line with the EMS average. Countries whose currencies appreciated excessively like those whose currencies fell too much were presumed to engage in adjustment policies, once the warning threshold was reached. The framers of the EMS, especially France and other deficit countries, had emphasized the need for equal treatment and symmetry for all member currencies. Otherwise, a reserve currency country would emerge and be in position to reap the benefits of seigniorage (47) and of an exorbitant privilege, as de Gaulle felt the US had done under the Bretton Woods arrangement, and as Germany was suspected of doing under the EMS. All member countries were to be subjected to an external, balance of payments constraint to insure not only tighter domestic policies in balance of payments deficit countries, but also expansionary policies in surplus countries. By imposing upon the members a discipline in economic policy-making and domestic adjustments, through an objective divergence indicator, this would promote convergence among the member countries' economic policies and performances (the fundamentals), and assure exchange rate stability. The objective divergence indicator was meant to guide domestic policies and assure policy coordination among EMS members.

2. The Importance of the ECU. — A unifying element in the evolution of the EMS is the surprising history of the private use of the ECU, which has grown, much faster than its official usage.

In the private sector the ECU has attained the status of a Community parallel currency — a Community currency that does not replace any national medium of exchange, but rather coexists with them. It is being used not merely for accounting purposes, as was its predecessor (the European Unit of Account); but it has also taken on the functions of a medium of payment — there are ECU-denominated traveler's checks and ECU credit cards — and a medium of investment, with medium-term securities denominated in ECUs. The attractiveness of the ECU, which is defined as a basket of national currencies, stems from its relatively stable exchange rate, compared to that of an individual country's currency (48). At a time when the dollar, the Deutsche mark, and the yen have undergone wide swings, the appeal of the ECU has started to reach far beyond the circle of EMS members. The Banca d’Italia's Tommaso Padoa-Schioppa envisions the possibility that the ECU will evolve in the near future as a full-fledged parallel currency (49).

3. The Institutional Significance of the EMS. — The institutional and policy significance of the EMS extends beyond immediate economic goals to the member countries' actual decision-making process. As Schioppa has observed, the policy-making structure of the EMS member countries is not simply the previous one plus an exchange rate constraint — it is a new structure, in which policy behavior, the ranking of objectives, and the procedures for coordination between sovereign countries are profoundly affected by the new regime, although they have not been formally reformed (50). The EMS was intended to provide simultaneously both greater exchange rate stability and sufficient exchange rate flexibility to avoid the mistakes, dilemmas, and tensions that had beset the Bretton Woods arrangement.

B. Convergence in the EMS.

The EMS’s performance, especially during the past four years, with respect to institutional cooperation and, perhaps to a lesser extent, to exchange rate stability, compares favorably with both the pre-EMS floating-rate period 1973-78 and the non-ERM countries. Particularly in more recent years, the EMS has progressed toward economic convergence of domestic monetary policies and inflation rates. According


to the Commission of the European Communities, the EMS worked as a catalyst, forcing countries with relatively high inflation rates to reduce them, in order to hold exchange rates steady over lengthy periods: «The reduction in, and improved convergence of, inflation rates should be seen as a success of economic policy and in particular of the EMS» (51). This latter development contrasts sharply with the early years of the EMS, when inflation rates actually diverged more than they had shortly before the EMS was formed (52).

Of late, exchange rate stability in the EMS has not been achieved at the cost of imposition of new restrictions on trade or capital movements. In fact, France and Italy recently liberalized capital flows to other EMS members.

The convergence toward lower inflation since the early 1980s is even more remarkable when one considers that in 1981 France elected a socialist government that initially adopted internal policies that differed substantially from those of France’s major partner, Germany, and ignored the economic law of external constraints imposed by the EMS. Several devaluations of the French franc, revaluations of the Deutsche mark, and exchange rate realignments within the EMS preceded the reversal of France’s untimely expansionary fiscal policy.

Like the divergences in the monetary sector, fiscal differences among EMS countries widened in the early 1980s as fiscal deficits grew. More recently, the growth of public sector deficits has been curbed in several EMS countries (53), and current account imbalances are being reduced. Despite initial divergences in inflation rates, current account imbalances and inter-country tensions within the EMS, free trade — to the extent it existed within the Community — was preserved and expanded (54). Protectionist sentiment while not absent — especially in the agricultural sector — has been directed mainly at outsiders of the European Community.

Greater convergence among member countries has been possible in part because of the policy decisions that have accompanied realignments. Under the Bretton Woods system, exchange rate changes often were not supported by changes in domestic policies. EMS countries, on the other hand, have generally adopted a domestic policy package designed to bring about the internal adjustment required by external constraints. Most prominent among the domestic policy changes were the loosening or elimination of wage indexation, the introduction of temporary price and wage freezes, monetary and/or budgetary restraints, and relaxation of exchange controls (55).

C. Dollar Movements and the EMS.

Ever since Germany’s postwar reconstruction ended in the late 1950s, the dollar-DM exchange rate movements resembled a seesaw. Dollar weakness was accompanied by DM strength and vice versa. The DM had acquired its status as a reserve and investment currency alternative to the dollar during the 1960s and became prominent after the transition to floating in the European Narrow Margins arrangement (the ‘snake’) during the 1970s. Specifically, with dollar weakness, the DM usually gained strength, and vice versa, as the substitute currency (56). The DM-dollar relationship and the status of the DM as primus inter pares among the ‘snake’ currencies did not change even after the EMS had been formed, despite the efforts of the EMS ‘rules of the game’ to make all currencies equal.

The EMS was also meant to shield the EEC countries from the effects of the dollar’s exchange rate fluctuations, in particular of what had been considered the dollar’s extreme weakness in 1977 and 1978. Ironically, though, the relatively smooth functioning of the EMS until the mid-1980s was aided by the dollar’s strength, which was accompanied by relative DM weakness and which did not create excessive upward pressure on the other EMS members.

Why was it that the dollar’s rapid depreciation in 1985-1986 did not produce extreme pressures within the EMS and that no unilateral realignment was required from March 1985 to April 1986? (57). True, central rates within the EMS were changed on July 20, 1985, but this was essentially a devaluation of the Italian lira against the other EMS currencies, rather than a major multilateral exchange rate realignment.

The relative calm in the EMS can most likely be attributed to the following factors:

— the increasing importance of yen- and ECU-denominated assets, which took some pressure off the DM;

(52) This phenomenon is explained in part by the effects of OPEC II (1979) and the divergent country responses to the inflationary impact of higher oil prices and to the deflationary consequences of the oil tax imposed by OPEC.
(54) We cannot unequivocally assess the extent to which this and the macroeconomic adjustments in member countries are the direct result of the EMS, or would have occurred even without the EMS.
(56) See, for instance, Hugo M. Kaufmann, Germany’s International Monetary Policy, especially pp. 85-111.
(57) The dollar began a rise in 1981 that was to last until February 1985.
— a general agreement that the dollar was overvalued and internationally coordinated steps to depreciate the dollar;

— and last, but not least, convergence — partly fortuitous — of economic developments, of policies and expectations about future policies within the EMS member countries.

Ultimately, however, the extended decline of the dollar proved too much to permit continued exchange rate stability in the EMS, as Germany's balance of payments surplus expanded, and the DM became the currency of choice after the yen had appreciated even more than the DM. Another contributor to exchange rate pressure within the EMS was a sentiment among central banks that the dollar's decline may have overshot its longer-run equilibrium level. Additionally, the surplus countries seemed less willing to accept a further dollar depreciation and thereby see their own competitiveness endangered. Together, these developments eliminated one of the elements that had produced relative EMS calm in the earlier period: 'voluntary' coordination of exchange rate policy to further depreciate the dollar. Price differences in favor of Germany continued, despite a general decline in inflation rates, and as a result expectations of DM revaluation (or EMS realignment) grew.

As tensions in the EMS rose, the Bundesbank, after a long intermission entered the market to buy dollars in September and October 1986. Yet, not even the major dollar purchases by the Bundesbank and by the Bank of Japan could stem the dollar's depreciation as US officials (primarily the Treasury Secretary) indicated that the US would not oppose a further drop in the dollar rate. The US hardly participated in dollar-support activities. EMS intramarginal interventions during the second half of 1986 and compulsory interventions in early January 1987 could not prevent the eleventh realignment - within the EMS on January 11, 1987 (58).

VI. CONCLUSION.

The original detractors of the EMS concede that the System has succeeded beyond their expectations, though they can perhaps derive consolation from the fact that the second stage, that of greater monetary integration, has yet to be reached. In the words of Karl Otto Föhl, President of the Deutsche Bundesbank, the EMS « has become one of the cornerstones of economic integration in Europe » (59).

The EMS has served its members rather well so far, or at least has not harmed them, because the divergences of the members' inflation rates did not exceed a certain threshold and started to converge. But the economically weakest of the European Community members have not yet joined the ERM (Greece) or even the EMS (Spain and Portugal). Appendix B indicates, that the inflation performance of the youngest EC members is considerably worse than that of the older members, and among the new members only Spain managed so far to attain a single-digit inflation rate.

The record of success of the EMS, and the increased real and monetary convergence among OECD countries leads one to ask whether a system resembling the EMS could be fashioned for the OECD as a means of reducing international monetary and trade tensions. The answer appears to me to be « not yet ».

Significant unifying elements are still lacking in the OECD, that exist to a limited though increasing extent, among EMS members belonging to the exchange rate mechanism. Foremost among these, perhaps, is a willingness to submit decision-making to majority voting if not yet to a supra-national institution. In the EMS we find institutionalized cooperation; among OECD countries we can hope at best for 'ad hoc' cooperative arrangements when the national costs of noncooperative behavior exceed its benefits. The 'threat of disaster' from noncooperative behavior that held the EMS together, is absent among OECD countries. Also national differences among OECD countries exceed those of the EMS members.

Even though the EMS has moved toward harmonization of policies among its members, it has been unable to formulate a unified dollar or yen policy. What some observers have perceived as common dollar policy was instead a DM orientation among the EMS members when formulating their internal economic policies in general and monetary policies in particular. The EMS countries basically accepted a 'strong currency option', that is, a linkage to an inherently stable, non-inflationary country's currency, a DM-dollar policy conducted by the Deutsche Bundesbank, notwithstanding the intentions of the EMS to introduce symmetry of adjustment among all member currencies and to make the DM equal to the other currencies.

(58) The DM and Dutch guilder were realigned by 3 percent and the Belgian and Luxembourg francs by 2 percent, while the other member currencies were left unchanged. See International Monetary Fund, « IMF Survey », January 26, 1987, p. 26.

We cannot expect such concessions from the less formally organized group of sovereign nations of the OECD. Witness the latest efforts by the G5 (which includes two EMS members) and the G7 (with three EMS members), which had hoped most recently to have adopted a workable exchange rate stabilization agreement at the 22 February 1987 meeting. The 8 April reaffirmation by the same group of international cooperation and joint intervention did not produce much greater credibility in the financial markets than the earlier arrangements, especially after Treasury Secretary Baker’s intimations that the exchange rate ranges might have been revised, that is, allowing for a lower dollar exchange rate.

An EMS-type agreement or a return to a Bretton Woods-type arrangement, as some observers have suggested as a means of stabilizing exchange rates, would be unlikely and too restrictive, even though fluctuating exchange rates among the major countries have produced unanticipated difficulties (60). Although some have compared the EMS to the Bretton Woods system calling it a «regional Bretton Woods», there are in fact significant differences between the two arrangements. Most important, perhaps, exchange rate changes have become Community decisions in the EMS (61). Under the Bretton Woods arrangement, on the other hand, countries merely had to notify the IMF when they decided to change exchange rate parities by less than 10 percent, and ask the IMF for permission for larger exchange rate changes (62).

The EMS method of joint decision-making on exchange rate matters evolved, however, only after the EMS had undergone several realignments. At the first realignment in September 1979, Germany’s Secretary of State in the Ministry of Finance, Mr. Lahntstein, came prepared with a list of what the new parities should be. The method by which one country attempted to dictate to the other EMS countries the size of exchange rate changes was not well received and had to be abandoned. The second realignment was a unilateral decision by Denmark, which informed the EMS members at the European Council meeting in Dublin that it was devaluing the krona by 5 percent. The third exchange rate change occurred in April 1981 after the Italians had asked for permission to devalue the lira by 6 percent, but there was no time to convene the Members. After these three disparate methods of dealing with EMS exchange rate realignments, the Members decided that neither the hegemonic nor the unilateral procedure was satisfactory. Since then exchange rate changes have been made only after consultations at the Community level (63).

The major non-EMS countries, which also do not belong to the European Community, would not be likely to subject themselves to majority or consensus decisions on exchange rate or internal policy matters (64). The circumstances among the two groups of countries are entirely different: the EMS countries are each other’s most important trade partners, and the EEC was intended eventually to become an economic (and political?) union with full integration of its members’ economies. The EMS can be viewed as a step in that direction. No such close interdependence or plans for economic union exist among the other countries.

Since no one single country today has a concentration of economic and political power such as the US enjoyed during the immediate post-World War II years, any international monetary arrangement must be based to some extent on a formal or informal consensus among nations (65). Yet, as the Bank for International Settlements cautions: «While it makes sense to create a new framework in which to pursue policy coordination with a medium and long-term view, there is hesitancy on all sides when it comes to making commitments with implications which are difficult to foresee. In the absence of such a framework, however, policy coordination is in danger of remaining essentially a short-term exercise in situations of near-crisis, based on a rather simplified model of the interaction between the economies concerned or, even worse, on different models in the minds of different governments» (66).


(61) Some might argue that such an arrangement is not a condition sine qua non. Yet this would bring us back to a Bretton Woods-type arrangement.

(62) This agreement was observed by its breach, as countries generally notified the IMF only after the fact, even if exchange rate changes exceeded 10 percent.


(64) This is not to say that all decisions within the European Community are easily reached. The author reminds the reader of the contentious debates concerning the Community budget and especially those concerning subsidies to the farm sector. Nor are all decisions determined by majority votes.


### Appendix A - Current Account Balances of Major Industrial Countries, 1981-1986 (Billion of US $)

<table>
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<td>USA</td>
<td>6.3</td>
<td>9.1</td>
<td>46.6</td>
<td>106.5</td>
<td>117.7</td>
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<td>Japan</td>
<td>4.8</td>
<td>6.9</td>
<td>20.8</td>
<td>35.0</td>
<td>48.2</td>
<td>86.0</td>
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<tr>
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<td>5.5</td>
<td>2.4</td>
<td>2.4</td>
<td>2.6</td>
<td>0.4</td>
<td>6.3</td>
</tr>
<tr>
<td>FR Germany</td>
<td>-5.1</td>
<td>4.0</td>
<td>4.3</td>
<td>6.7</td>
<td>13.8</td>
<td>36.3</td>
</tr>
<tr>
<td>France</td>
<td>-4.8</td>
<td>12.1</td>
<td>4.7</td>
<td>0.8</td>
<td>9.2</td>
<td>3.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>12.5</td>
<td>6.9</td>
<td>4.8</td>
<td>1.6</td>
<td>4.6</td>
<td>-1.6</td>
</tr>
<tr>
<td>Italy</td>
<td>-20.0</td>
<td>15.5</td>
<td>3.7</td>
<td>2.5</td>
<td>2.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>Total (a)</td>
<td>-6.3</td>
<td>2.6</td>
<td>28.4</td>
<td>42.2</td>
<td>61.6</td>
<td>123.0</td>
</tr>
<tr>
<td>Other OECD (a)</td>
<td>-20.0</td>
<td>15.5</td>
<td>3.7</td>
<td>2.5</td>
<td>2.1</td>
<td>-1.0</td>
</tr>
<tr>
<td>All OECD (a)</td>
<td>-20.0</td>
<td>22.1</td>
<td>22.0</td>
<td>61.8</td>
<td>53.9</td>
<td>7.5</td>
</tr>
</tbody>
</table>

(a) OECD countries without Greece, Portugal and Turkey.  
(p) preliminary.

Source: DEUTSCHE BUNDESBANK, Geschäftsbericht für das Jahr 1986, p. 36.

### Appendix B - Consumer Price Developments in the European Community (Percentage changes over the previous year)

<table>
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<td>EMS Member</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Countries (a)</td>
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<td>12.3</td>
<td>10.1</td>
<td>7.8</td>
<td>6.3</td>
<td>3.3</td>
</tr>
<tr>
<td>FR Germany</td>
<td>6.3</td>
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<td>3.3</td>
<td>2.4</td>
<td>2.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>France</td>
<td>13.4</td>
<td>11.8</td>
<td>9.6</td>
<td>7.4</td>
<td>5.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Italy</td>
<td>17.9</td>
<td>16.5</td>
<td>14.7</td>
<td>10.8</td>
<td>9.2</td>
<td>5.9</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>6.7</td>
<td>5.6</td>
<td>2.8</td>
<td>3.3</td>
<td>3.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Belgium</td>
<td>7.6</td>
<td>8.7</td>
<td>7.7</td>
<td>6.3</td>
<td>4.9</td>
<td>-1.3</td>
</tr>
<tr>
<td>Denmark</td>
<td>11.7</td>
<td>10.7</td>
<td>6.9</td>
<td>6.3</td>
<td>4.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Ireland</td>
<td>20.5</td>
<td>17.1</td>
<td>10.5</td>
<td>8.6</td>
<td>5.4</td>
<td>5.9</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>8.1</td>
<td>9.4</td>
<td>8.7</td>
<td>4.6</td>
<td>4.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Other EC Countries (a)</td>
<td>13.6</td>
<td>11.3</td>
<td>8.2</td>
<td>8.3</td>
<td>8.0</td>
<td>6.2</td>
</tr>
<tr>
<td>The UK</td>
<td>11.9</td>
<td>8.6</td>
<td>4.6</td>
<td>5.0</td>
<td>6.1</td>
<td>3.4</td>
</tr>
<tr>
<td>Greece</td>
<td>24.5</td>
<td>21.0</td>
<td>20.2</td>
<td>18.5</td>
<td>19.3</td>
<td>23.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>20.0</td>
<td>22.4</td>
<td>23.5</td>
<td>29.3</td>
<td>19.3</td>
<td>11.7</td>
</tr>
<tr>
<td>Spain</td>
<td>14.6</td>
<td>14.4</td>
<td>12.2</td>
<td>11.3</td>
<td>8.8</td>
<td>8.8</td>
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</table>

(a) Weighted with private consumption expenditures of the years 1980-1983.  
(p) preliminary.

Source: DEUTSCHE BUNDESBANK, Geschäftsbericht für das Jahr 1986, p. 36.

### Summary — The analysis deals with issues of international economic policy coordination and cooperation, and the convergence of the US, European, and Japanese economic developments. Exchange rate fluctuations have been wider than anticipated and have not produced smooth balance of payments adjustments nor have the fluctuations prevented substantial exchange rate misalignments among the major currencies. Exchange rates had their impact on the real variables - economic growth and unemployment rates — and on the resurgence of protectionism. Widespread discontent with the operation of the flexible exchange rate mechanism prompted policy debates and economic summit meetings to focus on cooperation and coordination of economic policies among the major industrial countries, and on a possible revision of the international monetary order to forestal a global depression and collapse of the international trade and capital flows.

The concepts of coordination and cooperation are defined and analyzed, as is the question whether coordination and cooperation alone can correct the current economic imbalances. The paper deals first with convergence, and then examines a number of events related to cooperative and noncooperative behavior. The question is raised whether the call by the US for coordination and cooperation might engender less-than-cooperative behavior by the US.

Various salient features of the European Monetary System are analyzed. The final section investigates whether the European Monetary System and its Exchange Rate Mechanism (ERM) could serve as model for reforming the international monetary system.
PACE E LIBERTÀ IN UN’EUROPA UNITA
IDEE E PROGETTI DAL XVI AL XX SECOLO

di VIRGINIO PAOLO GASTALDI

Quando, con la nascita del mondo moderno, vennero infranti gli ideali universalistici medievali, rappresentati dal duplice principio dell’unicità dell’Imperium e del Sacerdotium, entro i quali la respublica christianae aveva a lungo vissuto, sorse subito fra gli intellettuali e i pensatori politici europei il senso della necessità di rintracciare un nuovo elemento unificante, capace di dare ordine alla nuova realtà politica e sociale, dilaniata dalla violenza e dai conflitti e apparentemente dominata dal caos, per renderla così comprensibile e accettabile, e, meglio ancora, per riorganizzarla a fondo secondo schemi più o meno forti, cioè più o meno « federalistici ».

Così si spiega l’immensa e varia fioritura di progetti di un nuovo ordine interstatale, che cercherò di ripercorrere non tanto col desiderio, irrealizzabile, di una esaustiva ricostruzione, quanto piuttosto tentando una classificazione sommaria e imperfetta, utile però a far comprendere quale enorme divario qualitativo esista tra la gran massa di simili progetti e alcuni di essi, che si sono sviluppati nel corso del XIX sec. in riferimento all’esaltante esperienza dell’indipendenza americana e del successivo dibattito, e la cui fertilità ha cominciato a produrre nel vecchio continente frutti politico-istituzionali solo nel corso degli ultimi decenni, senza aver ancora potuto esaurire tutte le proprie possibilità.

Europa una?

La ricerca di un qualche elemento unificante si è storicamente posta perché l’Europa non è mai stata suscettibile di una definizione in termini assoluti, in quanto basati su elementi naturali incontrovertibili. Essa, infatti, non ha connotati geografici di separatezza (come ad es. l’America) che ne permettano una precisa e immediata identificazione.

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7.
Non per nulla un filosofo paradosso come Nietzsche e un poeta inquieto come Paul Valéry definirono l'Europa «penisola dell'Asia». E, nonostante le follie razziste di un passato recente, nessun equivoco naturalistico può essere proposto per un'identificazione dell'Europa come un'etica etnica.

I criteri oggettivi e materiali di una tale identificazione sono stati rintracciati quando lo si è fatto a livello istituzionale; come ad es. Machiavelli, il quale vide tipico dell'Europa l'estrinsecarsi di forze materiali e di virtù in una molteplicità di Stati di grande varietà, mentre il mondo asiatico conosceva la presenza soltanto di pochi Stati di enorme mole. Analogamente fece Montesquieu che nell'Esprit des lois parlò dell'Europa come della terra nella quale generalmente governano le mœurs, e di conseguenza i regimi temporari, mentre nelle altre parti del mondo inerisce il dispostismo.

Paradosso è proprio da questo elemento di pluralismo statuario che prendersiamo le mosse tutte le trattazioni teoriche sulla necessità di dare una regola generale alla vita interstatale, sottoponendo la guerra, al pari di tutte le altre azioni umane, alla logica naturale basata sulla ragione dell'uomo, come fece Matteo Palmieri nel 1529 con Il Libri della vita civile, o Pierino Belli nel De re militari et bello tractatus divisus in partes XI del 1563 e Alberico Gentili nel De jure bellorum libri tres del 1598, che anticipa il grande van Groot (Groccio) e il suo De jure bellorum ac pacis del 1625 (1). Sono opere e autori che non si pongono al di fuori della realtà effettuale contemporanea degli Stati sovrani, ma cercano comunque di dominarla, o di esorcizzarla, inserendola nel quadro di un «sistema Europa» al fine di garantire il bene supremo della pace.

Identica finalità della pace, come pure identico presupposto della stessa di un sistema globale europeo troviamo nei trattatisti sostenitori del principio di equilibrio fra le potenze. Un principio che ha avuto il suo riconoscimento formale più esplicito nel secondo articolo del Trattato di Utrecht tra la Spagna e l'Inghilterra (1713), ove possiamo leggere in nitido latino che l'accordo è stato raggiunto «ad firmandam stabilemque pacem ac tranquillitatem christianorum orbis jutae potentiae equilibrium». Ma ben sapiamo quanto il principio di equilibrio sia stato storicamente nobile e quanto inefficace e assicurare durature condizioni di pace al nostro vecchio continente, nonostante le sue scolari affermazioni formali. Quanto poi al problema della libertà, il principio di equilibrio ne individuò sempre una soluzione esclusivamente in termini di rapporti fra le sovranità assolute degli Stati, cioè, in una eccezione volta a scongiurare ogni pericolo di egemonia e, a maggior ragione, a negare qualunque ipotesi di «monarchia universale» ovvero di potere sovrasta-

tale. E inoltre evidente che nel principio di equilibrio è implicito un desiderio conservatore, sempre inappagato, di cristallizzare le situazioni di volta in volta esistenti in campo internazionale in un determinato status quo politico territoriale e che ogni mutamento interno alle singole società suscita le diffezioni dei rispettivi governi e le rivalità degli altri Stati. E chiaro che una simile aggregazione superficiale ed estemporanea fra gli Stati nulla ha da spartire con il federalismo.

Lei distaccata dal presupposto di una sostanziale unità culturale e spirituale cristiana dell'Europa, derivante da un comune umanismo filtrato e purificato attraverso la recezione del messaggio evangelico, Erasmo da Rotterdam intravedeva la possibilità di garantire la pace risolvendo i contrasti tra gli Stati europei tramite l'arbitrato e demanding ai popoli l'atto, MDCCCLXII, e di An inaugural Lecture on Albertus Gentilis delivered at All Souls College, Nov. 7, 1874 (London, 1874). Se deve ai lì più sensibile e intelligente seguito di Mazzini, Amedeo Saffi, anch'egli profugio in In-
ghilterra e professore a Oxford — e dunque collega di Ernsto Holland — al suo riconoscimento in Italia dedicò tre accattivanti Lezioni al giurista di Macronia, Di Alberico
Gentili e del Diritto delle Gentii (Bologna, Zanibelli, 1818). Mazzoni, Thomas, Alberico Gentili und seine Bedeutung für den Völkerrecht, insbesondere seine Lehre von Gesellschaftsvertragen; Inaugural-Dissertation (Strasburg, Du Mont-Schaub,
1896) pone a confronto Gentili con De Victoris, Belli e Ayala (che lo prece-
dettero) e Grocco (successivo) e riporta un bel giudizio di Roland Jacquesmons: «Gentili e Grocco non sono due granulze in unica altra; sono due stelle provviste di luce propria, o meglio essi l'irradiano sul focolare comune dell'eonra giustizia e verità». Nel 1935, con introduzione di Coleman Philipson e traduzione di Thon e Rohe, è stato riedito il De jure bellorum libri tres riproducendo fotograficamente il testo del 1612, ma la prima ed. è del 1598 (Hannover, apud Gulillaemum Antonium).
e non più ai governanti il diritto di dichiarare la guerra. Legami morali troppo labili, si dirà, per essere efficaci a imporre la pace nel ferroco mondo della politica allora alla vigilia degli sconvolgimenti provocati dalle guerre di religione. D'altra parte, non va però dimenticato che nell'Institutio da lui scritta per il futuro imperatore Carlo V, Erasmo ricordava al proprio sovrano il dovere di rispettare le libertà locali dei singoli popoli. Stati, abbandonando così un componente importante della strategia federalistica per garantire la libertà anche a livello infrastrutturale e non solo la pace a livello interstatale (2).

Una più significativa aggregazione dell'Europa fu invece quella proposta da Tommaso Campanella agli inizi del XVII secolo nei Discorsi al principi d'Italia e nei Discorsi universali del governo ecclesiastic per far una gregge e un pastore con la creazione di un « Senato », costituito da tutti i principi cristiani capoguasti del papa, al quale competevano non solo poteri deliberativi sulle materie di interesse comune, ma anche poteri coattivi per fare rispettare dai singoli membri le deliberazioni prese dall'assemblea. Era, quello di Campanella, il sogno di una teocrazia universale cristiana, che non va frainteso con il rimpianto di un medievismo lontano quanto l'Eden (quale sarà ad esempio, quello espresso da P. Novalis nel saggio Christentheit oder Europa del 1790), perché il cristianesimo di Campanella era una forma di religione naturale e razionale; cui non erano neppure estranei gli apporti « scientifici » dell'astrolabio, secondo la moda dei tempi.

Si badi bene che Erasmo, ponendo l'accento sul fattore dell'unità culturale e spirituale europea al di sopra dei trumi della Riforma iniziava una lunga tradizione di pensiero che giunge sino ai nostri giorni con le figure di Bellloc e Dawson, di Fritsche e Reynold, etc. (al proposito andrebbero ricordati di Bellloc il saggio Europe and Faith del 1920; di Dawson Progress and Religion del 1929 e il Judgement of the Nations del 1942; di Fritsche Christenheits und Europa del 1934 e di De Reynold L'Europe tragique del 1935).

(2) Non mi sembra opportuno inserire in questo, contesto FRANCESCO De Vitoria e le sue Relections theologique, splendidamente richiate da J.B. Scott nella storia The classic national Iture (Washington, Carnegie Endowment) nel 1917. Neppure la V (De India) e la VI (De jure belli). De Vitoria, infatti, per quanto trapiantato all'unanissimo cristiano di Erasmo e unanime e pronunciato a proteggere gli indios dall'imperialismo colonizzatore spagnoli sostenu- nuto da J. Giebs de SepIveyde del Democrates secundus seu, de justiis belli causis... (as pure) suo, prende atto della scomparsa dei due universalismi e tecno un mondo frammentato politicamente in cui ogni Stato afferma duramente la sua assoluta autonomia e non sopporta alcuna forma di potere superiore. Un discorso analogo vale per De justitia et jure libri octo (Salamanca, 1569) di DOMINIO DE Soro che fu arbitro della contesa fra Juan Giebs de SepIveyde e Bartolomeo de las Casas. A tutt'oggi resta comunque insperabile J. BARTHELEMY, Les fondateurs du droit international (Paris, 1904).

Il pensiero laico, d'altra parte, non è stato da meno. Vi è tutta una galleria di personaggi di grande epocico, a cominciare da Voltaire, pronto a invocare l'Europe raisonnable nella lettera a Helvétius: « On a dit l'Europe savauge, l'Europe payenne, on a dit l'Europe chrétienne, peut-être dirait-on pis, mais le fait qu'on dise enfin l'Europe raisonnable » per passare ad un liberale doctrinaire quale fu Guizot, che in Cours d'histoire moderne, Histoire de la civilisation en Europe (1835) scoprisva il segreto unitario dell'Europa nella dialettica tra lo sviluppo dell'individuo e lo sviluppo della società. Oppure un José Ortega y Gasset (si pensi alle pagine conclusive de La rebelle des mas de 1930, pronto a firmare nel 1928 quell'Appello all'Europa che fu lanciato a Bordeaux dall'Alleanza repubblicana italo-spagnola costituita da eurici italiani anti-fascisti (Eugenio Chiesa e Cipriano Facchinetti) e da spagnoli in lotta contro la dittatura di Primo de Rivera (Miguel de Unamuno e Ortega y Gasset, appunto); o un Benedetto Croce, il filosofo della « religione della libertà », il quale, nel 1931, in opposizione al fascismo trionfante e alla barbarie montante del nazional-socialismo, nell'epilogo della sua Storia d'Europa nel secolo decimonono compose un autentico manifesto europeo, che fu un punto di riferimento obbligatorio dell'antifascismo militante italiano. E analogamente si pensi ai moniti di Thomas Mann di Achtung Europas (1935), volti a scudare le coscienze interdite e ubriicate dai miti correnti; proprio come fece nel 1927 Julien Benda con La trahison des clercs per riportare gli intellettuali al loro ruolo di custodi dei valori della ragione, della verità e della giustizia, patrimonio ideale della cultura europea, secondo quanto affermerà successivamente nel Discours a la nation europeenne (1935) e nella conferenza alla rencontre de Ginevra del 1946 su L'Esprit européen.

Utopie nuove per un'Europa vecchia.

Dall'unità cristiana dell'Europa prende avvio anche il Projet de traté pour rendre la paix perpétuelle en Europe dell'abate Charles Irénée Castel de Saint-Pierre, in due volumi, redatto mentre le diplomazie erano intente a mettere a punto i trattati di Utrecht. L'opera, che era stata preceduta da un Mémoire (1712), venne condensata in un Abrégé du projet nel 1729 al fine di agevolarne la diffusione. Il punto nodale del progetto di Saint-Pierre era la costituzione di « una alleanza perpetua » fra tutti i sovraniti rappresentati in un Senato destinato a deliberare a maggioranza sui casi controversi e affiancato da alcuni organismi mantenuti con un tributo ripartito fra gli Stati membri in proporzione delle loro entrate e uscite. Era prevista la possibilità di sanzioni concrete a carico di chi avesse violato il patto e minacciata la pace.
Di questo progetto Jean Jacques Rousseau nel 1756 fece un «strateto», successivamente integrato da un «giudizio» assai critico. Il filosofo genevino, infatti, non si nascondeva le inadattezze del progetto di Saint-Pierre, che non era stato capace di superare l’impasse della buona volontà men che precarious dei sovrani. Al contrario Rousseau, abbandonato ogni esclusivismo religioso, sosteneva che l’unico rimedio efficace contro la guerra poteva essere fornito da «una forma di governo federativo che, unendo i popoli con legami simili a quelli che uniscono gli individui, sottomettesse del pari gli uni e gli altri all’autorità delle leggi». Solo così si sarebbe potuto creare una «società libera e volontaria che unisce tutti gli Stati europei, acquistando la forza e la solidità di un vero corpo politico». Il richiamo ai meccanismi del contratto sociale è esplicito; ma la differenza manifestata da Rousseau nei riguardi dei principi fa ricercare altrove i contraenti plausibili: non nei governi, ma nei popoli, saldando così intimamente gli obbiettivi della pace e della libertà in una prospettiva talmente rivoluzionaria da spingere a chiedersi: «Non vediamo costituire le leghe federali se non per mezzo di rivoluzioni, e su questa base, chi di noi oserebbe dire se questa lega europea è da desiderare o da temere? forse sarebbe più male in un sol colpo di quanto non riuscirebbe a riassemblarsi attraverso i secoli» (3).

Immanuel Kant, che fu lettore accanto di Rousseau e dei suoi scritti su Saint-Pierre, non poté non restarne influenzato. Però nel progetto Zum ewigen Frieden (1795) non abbracciò le teasi di Rousseau circa i contraenti, né lo segui nelle modalità del contrattualismo. Il progetto kantiano Per la pace perpetua, infatti, prevede un semplice patto con cui «gli Stati, pur accordandosi nel porre termine non a una sola guerra, ma a tutte le guerre, sottopongono la garanzia dell’efficacia del patto a un potere coattivo al di sopra di ognuno di essi, e quindi non danno vita a un nuovo Stato» per evitare «il più orribile dei dispostismi»

(3) Per comodità trago le citazioni dalla traduzione fatta da Maria Garin degli Scritti politici di I.J. Rousseau (Bari, Laterza, vol. II).

(4) I passi citati sono tratti dalla traduzione di N. Merker di Immanuel Kant, Per la pace perpetua, edito nella collana «Universe idee» degli Ed. Ristit (con un prolegomeno saggio introduttivo di N. Robbio).

Pitì pragmatico ed empirico, nel 1789, l’anno stesso dei Principii della morale e della legislazione, Jeremiah Bentham osservando lo sviluppo economico in atto e destinato a collegare sempre più con legami di interdipendenza gli interessi di ciascun Paese con gli altri, proponeva un Piano per la pace universale e perpetua fondandola sulla libertà dei commerci, sull’abolizione della diplomazia segreta, la creazione di una Corte di giustizia internazionale, la riduzione degli armamenti e la liberazione delle colonie. E un scritto poco noto in Italia, che però mi pare interessante per una serie di motivi, in quanto in esso venivano sostenute idee tanto care ai nostri pensatori illuministi più qualificati in materia specifica di libertà di commercio (da Ferdinando Galliani a Gaetano Filangieri, da Antonio Genovesi a Pietro Verri, a Cesare Beccaria...), ma anche e soprattutto perché è una ulteriore ripresa della profonda influenza dell’utilitarismo anglosassone sull’illuminismo italiano. Un’influenza ben più significativa che non quella, d’apparato, dell’illuminismo francese (la «filosofia gradassa» a causa delle sue speculazioni astratte ed estremeistiche, ma capaci di tradursi in concrete strategie di riforme) e, dall’illuminismo, ereditata da Carlo Cattaneo, il più stimolante pensatore politico italiano del XIX sec., e il più logico, coerente e strenuo sostenitore del federalismo. Carlo Cattaneo, che è stato studiato anche dalla vostra Clara Maria Lovett in Carlo Cattaneo and the Politics of the Risorgimento, recensito da Emiliana Noether in «The American Historical Review», se non ricordo male, ed è degno, a mio avviso, di ulteriori approfondimenti critici.

Dal vecchio al nuovo federalismo (l’esperienza americana).

Ma mentre in Europa si pensavano progetti di unione politica e di pace più o meno utopistici, qui in America avveniva un fatto sconvolgente: la rivoluzione. Sconvolgeva per la realtà americana con la conquista dell’autostate, ma anche per il pensiero politico europeo staccato dalla Costituzione che gli Stati Uniti si sono dato proprio secondo le catastrofiche previsioni del filosofo del Contrat social per volontà del popolo e a seguito di una rivolta e della guerra. Pensate, dopo secoli, i padri costituenti americani osavano fare piazza pulita dei luoghi comuni secondo cui la repubblica era un regime esclusivamente adatto a una realtà geopolitica di piccole dimensioni (con buona pace di Montesquieu e di Rousseau) e addirittura infrangevano il principio dell’indissolubilità della sovranità, che dopo Jean Bodin, Thomas Hobbes e Jean Jacques Rousseau nessuno più aveva il coraggio di mettere in discussione, come non si possono discutere i dogmi; Voglio dire meglio: il fatto sconvolgente è la costituzione americana e la sua genesi (5). Detto così, è allora
chiaro che alludo soprattutto al servito dibattito che sta alla base della sua approvazione e più in particolare a quelli 85 saggi (tra qualche mese sarà il loro bicentenario) stesi da tre mani diverse, ma prodigiosamente integrantisi nella loro diversità, destinati al popolo dello Stato di New York e tramandatisi sotto il nome di The Federalist.

Dopo la costituzione americana e dopo il Federalist, il federalismo dovrebbe necessariamente assumere nuovi contorni, smettendo ogni vecchia concezione di alleanza più o meno fattidica fra gli Stati, magari dibattendosi in alcuni equivi di fondo che qui hanno la loro radice e che dopo due secoli di storia e trice decenni di esistenza della comunità europea non si sono ancora risolti.

Certo, nel 1814, vi fu ancora un Claude Henri de Rouvroy de Saint-Simon che in De la réorganisation de la société européenne, un'opera scritta in collaborazione con lo storico Augustin Thierry affermava «la necessità di unire i popoli d'Europa in un solo corpo politico, pur conservando a ognuno di essi la propria indipendenza nazionale» attraverso una strategia parlamentare: «tutte le nazioni d'Europa devono essere governate da un parlamento nazionale, e concorrere alla formazione di un parlamento generale, che deciderà circa gli interessi comuni della società europea». Ma una lettera più attenta dell'opera ci fa scorgere come, essendo la Francia e l'Inghilterra i soli due paesi europei con parlamenti nazionali (la Francia della Charte Octroyée e della Chambre introuvable e l'Inghilterra dei «borghi putridi», antecedente la prima riforma elettorale!), proprio essi avrebbero dovuto esercitare una benefica direzione sugli altri paesi. Di più: «solitamente commercianti, uomini di scienza, magistrati e amministratori» dovrebbero essere chiamati a far parte della «Camera dei deputati del grande parlamento» europeo. Quanto poi alla Camera dei Pari europea: «ogni Pari europeo dovrà possedere almeno 500.000 franchi di rendita fondiaria!» (6). Inoltre, a capo di tutto, avrebbe dovuto esserci un re... Per Saint-Simon, la realtà americana restava sconosciuta.

Mancavano ancora due decenni abbozandoli al viaggio di Alexis de Toqueville e al primo volume della sua De la démocratie en Amérique (1815) attraverso la quale gli intellettuali europei poterono conoscere almeno indirettamente gli Stati Uniti d'America, la loro distribuzione del potere, la loro dinamica sociale, la mancanza di gerarchie stabili, la tendenza alla massificazione, ma anche un diffuso benessere economico, l'istruzione aperta a tutti, l'eguaglianza sociale, la protezione delle minoranze dalla tirannia delle maggioranze, la varietà delle associazioni: insomma, la conciliazione degli ideali della libertà, patriottismo del liberale, con gli ideali di eguaglianza, tipici della democrazia. Ma procediamo con ordine.

Tendenzialmente scettici circa le qualità dell'uomo, perché debole preda delle passioni e degli interessi egoistici (saggi n. 6, 10, 15, 51, 55), ma guidati dall'ottimismo della ragione ritenuta capace di trovare un compromesso tra i vari interessi individuali, dei gruppi economici, delle regioni e generali, dunque possibili, Hamilton, Madison e Jay illustrarono nel Federalist, con dovizia di argomentazioni ragionevoli, gli intenti dei costituenti nell'inventare un'architettura politica che si sottrovesse a qualunque classificazione abituale. Hamilton con franchezza diceva: «non si tratta mai di scegliere la perfezione, ma, se non proprio il minore male, il bene maggiore» (saggio n. 51). Eppure questa mancanza di perfezione non ha impedito alla costituzione degli USA di diventare la più antica costituzione vigente, salvo l'Inghilterra (che non essendo mai stata scritta non potrà mai essere abolita).

C'è però uno «scandalo» nella costituzione e nel Federalist, che non è tanto nella divisione della sovranità (Madison parlava di «sovranità generale» e «sovranità locali»: e, se non erro, la parola sovranità non compare neppure nel testo costituzionale); non consiste neppure nelle caratteristiche innovative eclettiche e un po' sincretiche ad dirittura: un potere esecutivo forte (esigenza monarchica)? ma di breve durata (garanzia contro il dispotismo); un potere legislativo con due camere, ambedue elettive ma l'unica che rappresenta la nazione (democrazia rappresentativa) e l'altra gli Stati (eredità di un tradizionale e superato concetto di unione, ripetuto nel nome collettivo Congresso)? e un potere giudiziario della Corte Suprema così forte da far dire a qualcuno che è il solo potere sovrano negli USA.

Essa piuttosto sta nel fatto che il processo creativo della realtà statale federale proviene dal basso, cioè da un unico popolo nei singoli Stati federati, descritto da Jay (saggio n. 2) come «un popolo che ha i medesimi antenati, che parla il medesimo linguaggio, che professsa la medesima religione, che crede nei medesimi principi politici, un popolo di costumi e tradizioni consimili» (7). In termini europei, cioè, una na-

(7) Del Federalist esiste una bella edizione italiana, tradotta da Bianca Maria Tedeschi Lelli, con introduzione di Gasparr Ambrosini e appendice di Giuseppe Negri e Mario Aldo (il Federalista, Pisa, 1935) da cui prendo le citazioni.
zione. Il federalismo statunitense all’origine fu dunque supra-statale, ma infra-nazionale. Il problema del federalismo europeo, con la sovranità degli Stati nazionali, è quello di arrivare a uno Stato federale supra-statale in quanto al medesimo tempo supra-nazionale. Il feticcio della sovranità nazionale, spesso trasformatosi in nazionalismo, ha visto precipitare l’Europa negli errori di due conflitti mondiali: di qui l’esigenza di una riorganizzazione politica capace di garantire la pace; di qui però anche le titubanze, le resistenze, gli arrestamenti.

Il federalismo europeo nel XIX secolo.

Eppure, quasi 140 anni fa, Carlo Cattaneo concludeva la sua opera Della insurrezione di Milano e della successiva guerra (1849), scritta per fare un bilancio storico-filosofico della prima guerra di indipendenza italiana, con le testuali parole: «Avremo pace vera quando avremo il Uniti d’Europa». E il nome proposto significava esattamente quello che diceva, essendo esplicitamente riferito agli Stati Uniti d’America. Sì badi bene, benché egli non abbia mai scritto un’opera organica e sistematica sull’argomento del federalismo, limitandosi a spargere in quasi tutti i suoi saggi e soprattutto nel vastissimo epistolario suggestivi affermazioni federaliste, e benché egli non abbia mai citato esplicitamente The Federalist, egli conosceva perfettamente la costituzione degli USA e sicuramente (quanto meno di seconda mano, attraverso Tocqueville e La démocratie en Amérique) il dibattito collegato. Vi sono al riguardo punti di contatto, passi così identici, da non lasciare ombra di dubbio.

Ebbene, Cattaneo, da un punto di vista teorico riuscì a superare l’equivoco del federalismo americano, proponendolo in senso infra-nazionale, sia in senso supra-nazionale. Da Cattaneo, infatti, il federalismo era proposto quale modalità preferibile per risolvere la questione nazionale italiana dando vita a una federazione di Stati repubblicani (anche Hamilton nel 39° saggio si dichiarava rigorosamente repubblicano) non necessariamente coincidenti con quelli preesistenti ma formati per libera autodeterminazione dei diversi popoli che, secondo lui, costituivano la nazione italiana. Così si affuggiva all’accentramento monarchico sovraoccul di libertà. Nel medesimo tempo, però, egli indicava il federalismo quale unica prospettiva praticabile per garantire la pace. In una lettera del 1851 egli definì il federalismo «l’unica possibile teoria della libertà», che non poteva «piuvere dai sant di cileo, ma scaturire dalle vescere dei popoli». Movimento dal basso, dunque, come per The Federalist.

Altrove, sempre Cattaneo definiva la libertà «piantà dalle molte radici», il che suona come il motto scritto nel simbolo di Stato degli USA "e pluribus unum". Per Cattaneo, in alte parole, bisognava «Unire senza unificare» tanto meno uniformare. Ecco perché il saggio Di alcuni stati moderni del 1842 aveva sottolineato «l’intima debolezza di quel principio amministrativo che sacrifica ad una artificiale accentrazione ogni locale e spontaneo movimento». Agli Stati accentratori europei ed astatici egli contrapponeva la stupenda capacità dinamica ed espansiva — e quindi la superiorità — del mondo anglosassone, e in particolare degli Stati Uniti americani perché in essi vi era «indipendenza di moto e governo locale e di genio delle grandi associazioni», «ordine municipale che combina con l’unità degli Stati la vitalità delle province» e «poderosa semplicità di associazione».

Potrei continuare a lungo a elencare i punti di concordanza tra The Federalist e Cattaneo. Ne basti uno solo. Hamilton nel 13° saggio, tra i meriti del federalismo, indicava quello del risparmio poiché richiedeva una sola lista civile al posto di una pluralità pari al numero degli Stati presenti in una confederazione. E Cattaneo, puntualmente, osservava nella repubblica transoccidentale «la modestia degli amministratori, la mediocrità degli agenti», concludendo: «Il Presidente abita in un palazzo pubblico e riceve 125 000 franchi di onorario» (8).

Cattaneo influenzò in senso federalista una parte del movimento repubblicano italiano rappresentato da uomini quali Alberto Maria, Gabriele Rosa, Dario Papa etc. Alcuni di essi ebbero l’avventura di un viaggio negli USA dal quale tornarono entusiasti delle istituzioni ivi viste esistenti e ben funzionanti. Ma Cattaneo resta un pensatore generalmente sconosciuto all’estero.

Non è invece sconosciuto Giuseppe Mazzini, il cui impiego europeista fu costante nel corso dell’intera vita: a cominciare dal 1829 quando scrisse il suo primo lavoro Di una letteratura europea e finendo nel 1871 con il suo ultimo scritto Politica internazionale, dato alle stampe poco prima di morire. Nel 1834, due anni dopo aver fondato l’associazione «Giovine Italia», Mazzini creò a Berna con altri esuli italiani, tedeschi e polacchi la «Giovine Europa» e nel 1867 metteva nel statuto dell’Associazione Repubblicana Universale una condizione tassativa che ogni aderente doveva accettare: il programma di Stati Uniti d’Europa, il cui modello organizzativo si avvicinava molto a quello del Federalist: «Il concetto di una repubblica federativa rchiude l’idea di una doppia serie di doveri e di diritti: la prima spettante a ciascuno degli Stati

che formano la federazione, la seconda all’insieme: la prima destinata a circonscivere e definire la sfera di attività degli individui, destinata a definire quella degli stessi individui come cittadini dei diversi Stati, l’interesse locale; la seconda destinata a definire quella degli stessi individui come cittadini dell’intera nazione, l’interesse generale: la prima determinata dai delegati di ciascuno degli Stati componenti la Federazione, la seconda determinata dai delegati di tutto il paese» (9).

C’è però una differenza. Mazzini, prima di dare vita agli Stati Uniti d’Europa, esigeva la realizzazione dell’indipendenza delle nazioni oppresse attraverso un’autonoma affermazione popolare: dal basso. Egli poi si dichiarava contrario a ogni forma di accanimento amministrativo all’interno di ogni singolo Stato nazionale. Per questo egli pensava a un ampio decentramento amministrativo da realizzare con una divisione di materie e di competenze decise dall’alto in sede di parlamento nazionale.

Mazzini esercitò un’influenza enorme su tutti i repubblicani e il suo nome (insieme a quello di Cattaneo) è l’unico che compaia citato nel Manifesto di Vento (1941), che è un po’ il testo-base dell’euro- peismo più aggirato dei nostri giorni.

Ma qui mi fermo perché su questo argomento sono già state scritte pagine illuminanti da Arturo Colombo nella relazione tenuta al convegno organizzato dall’Università di Pavia in collaborazione con la City University of New York l’anno scorso (10). Desidero aggiungere una sola cosa. Tra gli intellettuali che furono influenzati da Mazzini vi fu anche Victor Hugo. Egli, nel 1869, ai partecipanti al Congresso per la pace, in corso a Losanna, si rivolgeva chiamandoli «Conciliatori dei 15.000.000.000 d’Europa» poiché «la Repubblica europea federale è fondata su diritto, en attendant qu’elle soit fondée en fait». L’autore di tanti romanzi e di tanti poemi, allora in esilio a Guernsey perché bandito da Napoleone III, di seguito affermava che «le premier besoin de l’homme, son premier droit, son premier devoir, c’est la liberté. La première des servitudes, c’est la frontière et ne trahit que pour inconquérant le conviventi: «Qui dit frontière, dit ligueur. Coupez la ligature, effacez la frontière, ôtez le douanier, ôtez le soldat, en d’autre termes, soyez libres; la paix suit». Una pace sicura, definitiva e inviolabile che egli descriveva come «Etat normal du travail, de l’échange, de l’offre et de la demande, de la production et de la consommation, du vaste effort en commun, de l’actuation des industries, du va-et-vient des idées, du

(9) L’editto napoleonico degli scritti di Giuseppe Mazzini consta di oltre 100 volumi (ma suoi inediti di tanto in tanto si scoprono) - ed è il punto di riferimento obbligatorio per lo studio del grande pensatore. Tra le varie antologie, la più completa è quella curata da P. Grandi e A. Comba per i «Cia- stelli della politica» (UTET, 1972).


(12) Lettera al colonnello Bertoloni, presidente del comitato per le onoranze a Washington, del 27 febbraio 1870, in Pendant l’exil, cit.
VIRGINIO PAOLO GASTALDI

Summary — Starting from the XVI century some political thinkers were able to elaborate the concept of a unitary nature of Europe identifying a peculiarity of its own which distinguished it from the rest of the world. Some of them traced back such peculiarity in the political institutions (Machiavelli and Montesquieu); others in the cultural unity stemming from Christianity (Erasmius from Rotterdam and Campanella); others in a European civilization founded on the laic values of human reason (Voltaire, Bentham, etc.).

The individualization of a characteristic common to Europe, existing despite the extreme geopolitical fragmentation of the old continent, was the starting point of every juridical-philosophical-political project aiming at the attainment of objectives of peace and freedom lasting and secure inasmuch as set free from the risks of the political arbitrariness of the States. The analyses some of these projects (Campanella, Saint-Pierre, Rousseau, Kant, Saint Simon) pointing out how they, in the course of time, are characterized by a growing need to invent an authority superior to the one of the single States and thus capable of imposing on them, drawing more and more near to the institutions of modern federalism, born with the Constitution of the United States of America. From the federal reality of the USA, known directly or even more through the work of Alexis de Tocqueville, De la Démocratie en Amérique, have drawn their inspiration Carlo Cattaneo and Giuseppe Mazzini, who are at the basis of the present European federalism, to realize the ideals of peace, freedom and democracy called for also by Victor Hugo. But the American federalism, with a strong supra-State federal power, has taken place within an infra-national context. The present European federalism, instead, has to materialize through a process at the same time supra-State and supra-national. Here its difficulties and uncertainties lie. Already in the XIX century, however, the hoped-for of the United States of Europe did not have any isolationistic purpose, but on the contrary affirmed the necessity of profound agreements with the United States of America.

Riassunto — A partire dal XVI secolo alcuni pensatori politici ebbero modo di sviluppare il concetto di una unitarietà dell’Europa individuando una sua peculiarietà che la differenziava rispetto al resto del mondo. Alcuni rintracciarono tale particolarità nelle istituzioni politiche (Machiavelli e Montesquieu); altri nell’unità culturale derivante dal cristianesimo (Erasmius da Rotterdam e Campanella); altri ancora in una civiltà europea nata sul vaso laici della ragione umana (Campanella, Voltaire, Bentham, etc.). L’individuazione di un elemento comune all’Europa, esistente nonostante l’estrema frammentazione geopolitica del vecchio continente, è stato il punto di partenza di ogni progetto giuridico-filosofico-politico volto al raggiungimento degli obiettivi di una pace e di una libertà stabili e sicure perché sottratte ai rischi delle arbitrarie politiche degli Stati. L’autore prende in esame alcuni dei progetti (Campanella, Saint-Pierre, Rousseau, Kant, Saint Simon), mostrando come essi, nel corso dei tempi, siano caratterizzati da un crescente bisogno di inventare un’autorità superiore a quella dei singoli Stati e capace così di imporsi ad essi, avvicinandosi sempre più alle istituzioni del federalismo moderno, nato con la Costituzione degli Stati Uniti d’America. Alla realtà federale degli USA, conosciuta direttamente o ancora di più attraverso l’opera di Alexis de Tocqueville De la Démocratie en Amérique, si sono ispirati Carlo Cattaneo e Giuseppe Mazzini, che stanno alla base dell’odierno federalismo europeo, per realizzare gli ideali di pace, libertà e democrazia invocati anche da Victor Hugo. Ma il federalismo americano, con un forte potere federale supra-statale, si è realizzato in un contesto infra-nazio-
REFORMING THE EUROPEAN COMMUNITIES: 
« AIRY FAIRY » OR « GRUYÈRE CHEESE? »

by DONALD J. PUCHALA

When in June, 1985 seven Prime Ministers outvoted the British, Danes and Greeks at the Milan summit of the European Communities, and agreed to rewrite the Treaty of Rome, Margaret Thatcher described the plan as « airy fairy ». Her Government was not persuaded that talking about amending the Treaty was an appropriate way to accomplish Common Market reform, and her carping metaphor signaled that Britain did not expect much to come of the enterprise. Later, at Luxembourg, when the European Communities Prime Ministers, including Mrs. Thatcher, agreed on a package of treaty amendments, a Community official described the reform as « about as solid as a piece of Gruyère cheese. » He and many of his colleagues thus felt that not very much had in fact come of the treaty-revising exercise.

Part of the purpose of this paper is to determine what actually has been accomplished of late concerning the reform of the European Communities. Are we dealing with « airy fairy », « Gruyère cheese » or perhaps something more substantial? A second objective here is to explain why what has happened has in fact happened. The more general purpose of the whole exercise is to consider the problem of reforming international institutions. If what has been going on in the European Communities for the last two years is an episode in international organizational reform, what may we learn from it concerning when, how and why such reform takes place?

The Luxembourg Summit and Its Antecedents.

The Luxembourg summit (1), where a number of draft amendments to the Treaty of Rome were agreed in principle, was the culmination of

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(1) December 16-17, 1985.
a very long and complex chain of events. Since their sequence and substance are of relevance to explaining the Luxembourg agreements, the events are worth noting. Reforming the European Communities has been on the Western European international agenda at least since 1972 when the Paris summit of the Six opened the way to the Communities' first enlargement and affirmed at the same time a commitment to creating a «European Union» (by 1980). The meaning of «European Union» was left vague, but its advocates intended that it should be a more ambitiously structured and internationally integrated unit than the EEC, and that to establish it the EEC would have to be reformed (or perhaps superseded). During the 1970s and into the early 1980s there were a number of commissioned studies of EEC reform, and a number of landmark reports, including the two already mentioned — the Tindemans Report and the Report on European Institutions written for the European Council by Barend Biesheuvel, Edmund Doll and Robert Marjolin, the three wise men. (2) Elements of what was to become a standard list of EC institutional shortcomings were already contained in these early prescriptions for reform. Community decisional processes were found to be cumbersome, the unanimity requirements imposed by an EEC Council decision forced by Gaullist France in 1966 greatly hampered integration, the agenda for intra-European cooperation delimited by the Rome Treaty was too narrow largely because it excluded collective foreign policy making, and the Communities were operating at a political level too far removed from the peoples of Europe. Elevating the role of the European Assembly (not yet called a Parliament) was usually prescribed as the pathway to democratising the Communities. The important point here is that most of the diagnosis of EEC defects in need of correction was in place well before the most recent drive to amend the Rome Treaty began in the early 1980s. One thing that needs to be explained, therefore, is why the earlier reform efforts got nowhere, while the more recent ones produced an agreement to amend the Rome Treaty. This point will be raised again later.

The more immediate sequence of events that culminated in Luxembourg probably began at the Crocodile Club, a well-known Strasbourg restaurant frequented by members of the European Parliament. (3) There in July, 1980 Alitiero Spinelli persuaded a group of his colleagues to push for a new EP standing committee on institutional affairs that would be assigned the task of drafting a new treaty for European Union. A


European Union Treaty (EUT) was produced and adopted in February 1984 by the first directly elected European Parliament. (4) It proposed a bicameral legislature for Europe, where the Parliament representing the European peoples would share law-making authority with a Council representing the national governments. The national veto would be phased out, the secrecy that has long surrounded the proceedings of the EEC Council of Ministers would be eliminated, and the enforcement prerogatives of the Commission would be strengthened. Upon adopting the EUT, the European Parliament urged the EC member governments to establish an intergovernmental conference that would work to convert the Parliament's draft into a genuine international treaty.

While the EUT had only the Parliament's limited authority behind it, it attracted considerable attention in the media and prompted considerable lobbying in national capitals by members of the European Parliament. One of the strategies of the promoters of the EUT was to get early commitments to concrete intergovernmental action from member governments such as the Italian, Dutch and Belgian, that were known to favor moving the EC toward federalism. Prompted by pressures to consider EC reforms, and finally extricated from the destructiveness of the debates over British contributions to the Community Budget, the European Council at Fontainebleau in June, 1984 set up two intergovernmental committees to study changes in the Common Market system. One under Senator James Dooge of Ireland was instructed to review EEC procedures and institutions; the other under Pietro Adonmino of Italy was to study ways of promoting greater European identity among the peoples of the EC.

The two reports, and particularly the Dooge Committee's recommendations, which restated the standard diagnosis of EC ills and also called for an incorporation into the EC proper of activities going on in the European Monetary System (EMS) and in European Political Cooperation (PC), were considered at the Milan summit of June, 1985, along with a Commission White Paper which called for a genuine common market by 1992 and presented a list of over three hundred steps that needed to be taken to achieve this. (5) The center of attention at Milan, however, was a draft «European Union Treaty» tabled by François


Mitterrand and Helmut Kohl which, not accidentally, contained many of the reform proposals that were finding favor in the other reports. The Franco-German draft also embodied most of the main points of a proposal made earlier by British Foreign Minister Geoffrey Howe, and this prompted the Times of London to comment that « the sourest note (at Milan) was struck by different countries jostling for the honor of having thought up the strategy to be approved ».(6) Actually, the sourest note at Milan — which will certainly not go down as a successful summit — was Britain’s defeat in the first vote ever taken at such an EC gathering. At the conclusion of the Milan deliberations, seven governments supported the idea of convening an intergovernmental conference to review and revise the Rome Treaty in light of the many reform proposals on the summit table. Mrs. Thatcher’s government opposed both the conference and the redrafting, though not the idea of reforming the EC.

The Intergovernmental Conference (IGC) worked through the autumn of 1985, with the participation of those governments that opposed it at Milan, and by a process of eliminating most of the proposed reforms that could not gain unanimous approval it produced a set of draft treaty revisions in time for the Luxembourg summit on 2-3 December. Notable causalities of the process of elimination included institutionalizing the European Monetary System within the EC, assigning the secretariat function for foreign policy cooperation to the Commission, eliminating national vetoes that might be placed in the way of further fiscal harmonization, and granting legislative initiative to the European Parliament. Nevertheless, many of the proposals for reform that had gestated for almost a decade did find their way into the Luxembourg Summit’s Single European Act.(7)

The Luxembourg Amendments.

Whether or not they amount to more than Gruyère cheese in the long run, the amendments to the Rome Treaty adopted at Luxembourg were not airy fairies. All three EC treaties, respectively establishing the European Coal and Steel Community, the European Economic Community and the European Atomic Energy Community, were amended. Within the Treaty Establishing the European Economic Community, more than two dozen articles were changed, some by adding lengthy new sub-paragraphs, a new chapter on « Cooperation in economic and monetary policy » was added to Part Three, Title II of the Treaty, and three wholly new titles concerning other new policy realms were also written into Part Three. As a supplement, though not an amendment to the Rome Treaty, the Single European Act institutionalizes the structure and process of European Political Cooperation.(8)

What does all of the new wording mean? First, many of the revisions are directed toward speeding the completion of the common market by removing all manner of remaining impediments to the free movement of goods, services, capital and people. Specifically mentioned are non-tariff barriers that hinder transnational transport, the provision of services such as banking and insurance, the right of establishment of professionals and other self-employed persons, trading in regulated products like pharmaceuticals, and different-levelled turnover taxes. The new wording to the treaty specifically sets 1992 as a deadline for the completion of the internal market and directs the Commission to report periodically as the deadline approaches.(9) It also embodies the notion of the common market as an « area without internal frontiers, » that was objected to early on by the British and others who felt that such phrasing went too far in a federalist direction.(10)

Second, beyond simply calling for complete liberalization in the internal market, the revised treaty makes actual liberalization more likely by eliminating a considerable number opportunities for national veto-casting. The original decision rules in a number of treaty articles, as for example with regard to the liberalization of capital flows, banking and insurance services, the free movement of workers, the mutual recognition of diplomas, and many other matters, are changed from required unanimity to voting by qualified majority. While the unanimity requirement is to stay with regard to the transnational harmonization of turnover taxes, a 1992 deadline is set for its accomplishment.(11)

Third, the European Parliament will have an expanded legislative role under the new Treaty of Rome. It will not amount to the co-equal partnership with the Council that European federalists are advocating, but it could appreciably increase the EP’s influence over the workings of the Community. Throughout the treaty, the phrase « after consulting the Assembly » is replaced by « in cooperation with the European Parliament. » In addition, in articles 237 and 238 that deal respectively with new applications for membership and agreements between the European Communities and other international actors, the new Treaty will require the « assent of the European Parliament » before action can be

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(7) Single European Act, Bull. B.C., Supplement 2/86.
(8) Ibid., pp. 18-19; See also, Treaty Establishing the European Economic Community, Rome, March 25, 1957.
(9) Single European Act, op. cit., p. 11.
(10) Ibid., p. 11.
(11) Ibid., pp. 11 & 12.
taken. Needless to say, even of the amendments are someday approved by the national parliaments, much regarding any new authority for the European Parliament will depend upon the working out in practice. Still, what the term « in cooperation with the European Parliament » will officially mean is that (1) the Council, before acting, is required to obtain an opinion from the Parliament, (2) after reaching a position, the Council is required to communicate and explain it to the Parliament, (3) the Parliament, by absolute majority may either amend or reject the Council's position, (4) unanimity is then required to override the Parliament's intervention, (5) if unanimity is not obtained, the Commission is instructed to reconsider the proposal that initially prompted Council consideration, (6) the Council then reconsiders the new Commission proposal. While there is some likelihood that this new decisional procedure might defeat the parallel reform objective of speeding up the decision-making process, the new procedure does inject the Parliament more directly into the Community legislative process. (12)

Fourth, the revised treaty plus the agreement on European Political Cooperation significantly expand the policy domain within which the EC is invited to operate. Strong opposition from West Germany and the United Kingdom at the Intergovernmental Conference in October and November 1985 limited the degree to which the EMS could be written into the revised Rome Treaty. The amended treaty does however recognize the necessity of the convergence of economic and monetary policies, which is a step beyond the original design, it mentions the EMS and its currency name the « eur » by name, which opponents shirked during the pre-Luxembourg negotiations, and most important, it opens the door to someday actually building the EMS into the Rome Treaty system through treaty amendment. (13) This was no mean accomplishment given the strong resistance that had to be overcome. (14)

Otherwise, a new Title V to Part Three of the Rome Treaty aims at expanded efforts toward « economic and social cohesion » in the European Communities, which translated from the « Europese » means a more concerted policy effort to close the gaps between the poorer and the better off member states. A new Title VI is written into Part Three which launches « Europe » collectively and officially into the transnational coordination of research and development of technology. This is followed by a new Title VII which charges the Community collectively with the protection of the European environment. Finally, and most ambitiously, the supplemental agreement entitled Provision on European Cooperation in the Sphere of Foreign Policy, gives the Twelve a foreign policy making capacity, that includes consideration of « security » affairs, allows for liaison with the European Parliament, and establishes a permanent secretariat in Brussels to enhance transnational coordination.

Might This Be Reform?

Bearing in mind that none of the elements of the Luxembourg agreements as yet amount to a bonified reform of the European Communities, because none are yet operative officially, it might still be asked whether these Treaty amendments will constitute a reform when they are actioned. When applied to the analysis of international organizations, Rothstein tells us, « reform » is most meaningfully discussed in terms of an « international system as a policymaking system. » Reforming an international policymaking system means changing it in some way so that it works better (in somebody's estimation), or so that international courses of action can be more wisely or rapidly determined and pursued. Practically speaking, reform can mean « improvement by removing faults and defects and stopping abuses of existing rules. » (15) Or, more ambitiously, it can also mean « an attempt to adapt effectively to new situations ... by policy actions that are moderate in intent and gradual in implementation. » (16) By any or all of these criteria the Luxembourg agreements, if ratified, could constitute a notable reform of the international policymaking system established under the Rome Treaty. Some of the revisions proposed deal directly with eliminating defects, particularly those that concern the free of the internal market. Others, certainly represent adaptations to new forces such as the challenges of high-tech international competition, the deterioration of the European natural environment and the frequent imperatives to concert non-economic foreign policies.

At a level of abstraction slightly removed from the particular measures adopted at Luxembourg, we might think of the Communities International policymaking process as being reformed in four ways. Its regime is being changed; the authority of its institutions is being realigned; its decisional procedures are being revised; and its jurisdiction is being expanded.

The alteration of the regime that legitimates Community policymaking has been the most crucial element of the reform. (17) Once the

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(12) Ibid., pp. 8-10.
(13) Ibid., p. 13.
(14) « The Times » (London), 12/4/85.
(16) Ibid., p. 4.
(17) « Regime » is used here in the way defined by Stephen Krasner in International Regimes, Krasner (ed.) (Ithaca, N.Y.: Cornell University Press, 1983),
new principles of policy and policymaking were put in place, other reforms could readily follow because the major impediments to reform had been disagreements among member states about the principles of international policymaking in the European Communities. (18) So-called minimalists, usually including the British, Danes and Greeks, were predispositionally opposed to changes in institutions or procedures that would affect the autonomy or dilute the authority of the member governments. Maximalists, led by the Italians and Dutch, favored restricting the autonomy of the member governments while elevating the authority of the Community institutions, particularly the Parliament. Minimalists resisted the enhanced democratisation of the EC policy process; maximalists favored it. Minimalists resisted expanding the EC policy agenda; maximalists viewed such expansion as imperative. Minimalists did not want to amend the Rome Treaty; some maximalists wanted to amend it, and others wanted to scrap it entirely and replace it with a constitution for a federal union.

The regime changes contained in the Luxembourg agreements nudge the EC policy process in a moderately maximalist direction. First, under the Luxembourg agreements, the reckless, excessive or petty self-protective use of the national veto is deemed unacceptable. Unanimity, therefore, becomes less important in decision-making and decisions reached by qualified minorities are deemed more normal. Second, under the Luxembourg agreements the exclusion of the European Parliament from the Community decision-making process is deemed untenable and undesirable. Greater Parliamentary influence is thus legitimized and greater responsiveness to European public opinion is accepted. Third, under the Luxembourg agreements the integral connection between the European Communities and the European Foreign Policy process is recognized and legitimized, as are the rightful influence of the European Parliament in European foreign policy, and the appropriate place of security concerns on the «European foreign policy agenda. Fourth, the connection between economic integration and the International coordination of economic and monetary policies is accepted as legitimate under the Luxembourg agreements. Finally, and certainly not least important, the Luxembourg agreements legitimize the practice of reforming the EC international policy process by amending the Rome Treaty.

p. 2; See also the discussion of international regimes in ROBERT O. KEohane, The Study of International Regimes and the Classical Tradition in International Relations, paper prepared for delivery at the Annual Meeting of the American Political Science Association, Washington, D.C., August 28-31, 1986.


All of these principles and norms embodied in the Luxembourg agreements are departures from the regime that has underpinned EC policy-making since 1966 (or before). The unanimity principle, for example, has long been the cornerstone of Council procedure, and dethroning it, even in theory, is a regime change of considerable import. Excluding the Parliament, or certainly taking it less than seriously, had traditionally also been the Community norm. Whether in the short run the Parliament is actually able to exercise more influence remains to be seen. But, that it ought to exercise more is a new given in the international policy process. The legitimacy of the EC’s concerns with non-economic foreign policy was gradually established in the decade after The Hague Summit of 1969, so that little controversy surrounded the formal institutionalization of European Political Cooperation at Luxembourg. (19) However, making «security» a concern of European Political Cooperation was controversial because of Ireland’s neutral status, and legitimizing this concern at Luxembourg was therefore a noteworthy regime change. Embedding the EMS, the ecu and the issues that surround them in the EC as also the result of convergence after disagreement that required some member governments to recognize and accept a new common principle. (20) As concerns «reform through treaty amendment», the idea was written into the original Rome Treaty but the resistance to it over a period of thirty years showed that it was not a tenet of the EC decisional regime. It became one during the autumn of 1985.

The change of regime has already occurred. It is embodied in the Single European Union Act, and while it is not indelible, it is likely to influence future Community policymaking. Several governments have already announced, for example, that while awaiting ratifications, they will act as if the amendments were in force. (21) The other elements of the Luxembourg reforms rest in the «remains to be seen» category: if they take effect, the balance of decisional power of Community institutions will be altered, with the Parliament and the Commission emerging marginally, though not inconsequentially, more authoritative, and with the Council coming out somewhat less autonomous. The policymaking process will be procedurally more complex because of new roles assigned to the Parliament and the Commission, though, it possibly could also turn out more efficient because of the new bias toward majority voting and the new timetables, deadlines and guillotine clauses written into the amended treaty. The process will also be marginally more democratic, again


(20) «The Times» (London), 12/4/85.

because the Parliament will get more say. Jurisdictionally speaking, the scope of EC policymaking will expand considerably because of the new treaty Titles concerning "cohesion", technology and environmental matters. These new agendas, incidentally, will also create need for an expanded Eurocracy and an enhanced initiating role for the Commission.

Why Did EC Reforms Happen?

1. Perceived Need and Agreed Values. — The most obvious answer to why the EC member governments agreed to reform the Communities' international policy process is that the reforms were agreed to because they were needed. There was very little disagreement between minimalist and maximalist, or among other interests and factions about the failings of the European Communities. Financial Times correspondent John Wyles captured the reforming mood in the Communities in January, 1985 when he wrote from Brussels:

«Why all this sudden concern to chart a more certain way forward for E.C. policies and institutions? Dissatisfaction with what currently exists is certainly part of the explanation. Member states have been through a very tough 10 years, with little or no economic growth and certainly not enough to reverse the rising tide of unemployment. The E.C. has not supplied that special ingredient which has enabled Japan and the United States to create millions of jobs and to establish the new technologies of the future. Yet no member state believes that it can achieve salvation by its own efforts. The feeling is therefore, that the E.C. has to be made to respond better to economic and technological requirements.» (22)

Well before the immediate sequence of events that led to the Luxembourg agreements it was understood and accepted everywhere in the EC that the organization's decisional processes were too slow, too cumbersome, too vulnerable to stalemate or blockage, and wholly unsuited to crisis management in a system that was almost always in crisis. (23) Very little could be accomplished quickly via Community procedures, and as time went on it began to appear that the pettier the problem, the longer it would take to resolve it. It took the EC ministers 15 years, for example, to agree to standardize the maximum size of trucks (i.e., axle weight) allowed on Community roads, and they finally did this by abandoning the effort to standardize, as Britain and Ireland were allowed one size and the Continental countries another. (24) It took ten years for the EC ministers to agree on a standard size for chicken coops. (25) The

(24) «The Economist», June, 1986, p. 44.
(26) « Suddeutsche Zeitung » (Münch.), 1/7/85.
(27) Though in 1985-86 a majority of the Danish Parliament was of this opinion. See, Something Very Stubborn in the State of Denmark, in «The Economist», January 18, 1986, p. 35.
mit was in session. It was therefore very much in Craxi’s domestic political interest that something “European” come out of the summit that he chaired as President of the Council of Ministers. So too would it have been to Craxi’s political disadvantage to let the Milan summit record further defeats for Europeanism. Such outcomes were equally important to Craxi’s Foreign Minister Giulio Andretti, who as a leading Italian Christian Democrat might very well become Prime Minister if Craxi’s Socialist-led coalition fell. Shortly after Milan, the Times of London rather playfully reported that one of the most captivating aspects of the Summit was watching “Craxi fight with his own foreign minister about who gets Europeanist credit for Milan.” (31)

François Mitterrand’s political antennae had also detected that Europeanism struck responsive chords among the French electorate. At the same time he was aware that his Socialist regime was finding increasing disfavor with the voters and that the not-very-distant National Assembly elections could be the beginning of the end of his regime unless a turn-around in attitudes could be achieved. The summer and fall of 1985 were the times of the lowest ebb of Mitterrand’s popularity, and he undoubtedly calculated that a strong stance in favor of European Union might very well raise his stature vis-à-vis the lukewarm “European” Raymond Barre. Therefore, Mitterrand publicly promised the French people the “surprise” at the Milan summit, which turned out to be the Franco-German draft treaty on European Union.

The British situation was more complex because, on the face of it, Mrs. Thatcher had little to gain politically at home from playing “good European” at Milan or Luxembourg. Bashing Brussels was a sure way to gain British electoral support than promoting European Union. In fact, appearing to support such a Union was an invitation to Labour Party backlash and further disaffection from rebel Tories. (32) Mrs. Thatcher then did not go to Milan expecting that her Government would come out of the summit meeting involved in an undertaking to amend the Rome Treaty. The British strategy going into Milan was to carry the day at the summit by persuading the EC partners to get on with “pragmatically” reforming the Common Market without adding new federalist trappings to the Treaty, or, as The Guardian saw it, “the British stance before Milan shows that London put up its plan (i.e., the Howe Plan) as an alternative rather than and aid to unification.” (33) Thatcher and Howe argued at Milan for liberalization in the Common Market, de-emphasis of the veto in the Council of Ministers and closer European cooperation in foreign policy. None of these, they insisted, needed to
involves any shift toward greater supranationality or any rewriting of the
Rome Treaty. Had Thatcher and Howe been successful at Milan, the
Thatcher government would have scored politically with British
business interests that were pushing for the removal of impediments on
the internal EEC market, and at the same time covered their political
flanks against assault from the antifederalists in the Labour and back-
bench Tory parties.

But, the British were upstaged by the French and Germans at Milan
when Mitterrand and Kohl unveiled their Treaty for a European Union.
Then Mrs. Thatcher was embarrassed when Bettino Craxi took the un-
precedented step of asking for a summit conference vote on whether an
intergovernmental conference should be convened to either draft a new
treaty or amend the Rome Treaty in time for the next summit at Luxem-
bourg. It was apparent after this vote, that the Community member
states were going to act with or without the United Kingdom to establish
either a closer union of the ten (or twelve), a «two-speed» Europe
with seven (or nine) moving on and three lagging behind, or a closer
union of seven (or nine) without the British, Danes and Greeks. All of
these eventualities were unacceptable to London, and what ultimately
turned out to be most politics in domestic terms was to participate in the
intergovernmental conference with the intent of «limiting the damage» it might do. (34) Therefore, the effort of Mrs. Thatcher's
representatives in the negotiations conducted between September and
December, 1985 at the IGE was to see that as many as possible of the
Howe Plan's features got into the new Treaty draft, while enhanced
supranationality was kept out. If this were accomplished, the political
costs of the «muddle at Milan» could be recouped. (35) For the most
part they were.

For Helmut Kohl domestic political calculations behind the West
German stance at Milan were perhaps less important than internation-
al ones. West Germany had been for sometime a strong promoter of
EC reform. West German Foreign Minister Hans Dietrich Genscher
was the author of at least two formal proposal for closer European
union. (36) «Europeanism» continues to be good politics all along
the West German domestic political spectrum. (37) Going into Milan,
however, the West Germans had two more immediate reasons for don-
ing the «good European» mantle. First, Franco-German relations
were strained over the divergent positions taken by the two governments

at the Bonn Economic summit in May, 1985. The West German Govern-
ment felt that good relations with the French needed to be set back on
track. Second, and perhaps more important, in April, 1985 West Ger-
man Agriculture Minister Ignaz Klechle had vetoed an EEC plan to
reduce agricultural prices as a step toward rationalizing the Common
Agricultural Policy. This drew criticism from all over the Community
as the West Germans were accused of proclaiming their interest in EC
reform and indicting others for abusing the veto, and then acting nar-
rowly and nationalistically themselves. Therefore, Kohl had strong
reason in the early summer of 1985 for displaying a strong EC-oriented
Westpolitik. German cosponsorship of the Treaty of European Union
was evidence of this.

3. Building and Wrapping A Package. — If the political pressures
on the different governments had not converged to support the Milan
summit's decision to initiate an intergovernmental conference on EC
reforms, there would not have been a set of amendments to the Rome
Treaty on the table at Luxembourg. In fact, it is a fair wager that had
there been no IGC, the reform effort of 1984-85 would have fizzled.
Milan represented the expression of «political will» that Community
leaders so often talk about, which means that, for the time being, to
engage in international cooperation was the domestic course of least
political resistance for most of the EC governments. The expression
of political will at Milan did not include the British, Danes and Greeks,
but in the Community's distribution of influence the Danes and Greeks
really do not count for much, and, as explained, the British, were pulled
along because the alternatives to international cooperation were un-
promising.

The movement from Milan to Luxembourg is best explained by the
successful invocation of the Community's time-tested and honored pro-
cedure of package-building. (38) Package-building becomes possible after agreed goals are set, and after the political will to attain the goals
has been mustered. Package-building succeeds when (1) every partic-
ipient of consequence receives at least one high priority benefit from
the bundle, (2) no participant of consequence is asked to accept anything
objectionable, that is, anything that will cause political damage at home,
and (3) all participants of consequence accept conditions one and
two. Successful package-building is also contingent upon the original

(35) «The Times» (London), July 1/15.
(36) JONATHAN CARR, op. cit., p. 209.
(37) «Euro-barometre>, No. 24, L'Opinion Publique dans la Communauté
Européenne en Espagne et au Portugal à la fin de l'année 1985, Bruxelles, Commis-
sion des Communautés Européennes, Décembre, 1985, pp. 63-111.

(38) HELEN WALLACE, National Bulls in the Community China Shop: The
Role of National Governments in Community Policy-Making, in HELEN WALLACE,
WILLIAM WALLACE and CAROLE WEBB (eds.), Policy Making in the European
Communities (London, John Wiley & Sons, 1977), pp. 58-61; LEON N. LINDNER, The
Political Dynamics of European Economic Integration (Stanford, Ca.: Stanford Uni-
agreement on goals and the original conditions supporting the expression of political will not coming unraveled.

In retrospect, the functioning of the IGC through the autumn of 1985 was one of the EC's more successful package-building exercises. In the final bundle the British got many of the liberalizations of the EEC internal market that they were seeking, including the opening of the international market for services. They also came away with a foreign policy cooperation mechanism that looked like the proposal put forth by Geoffrey Howe. At the same time the British could be pleased that the package avoided institutionalizing the EMS, avoided opening fiscal harmonization to majority voting, and did not give legislative initiative to the Parliament. For their part, the French got the strong commitment to technological cooperation they were seeking, and the definition of the Community as an "area without frontiers" that they interpreted as an important conceptual step toward European Union. They were also pleased that the draft amendments avoided the extensive liberalization of transport that they eschewed. West Germany was pleased with the movement toward majority voting in the Council which the Kohl Government strongly supported. The Germans also appreciated the escape clauses built into the new environmental section of the treaty and relieved that the EMS got no further than a statement of intention. (39) Greece was pleased with the new, treaty's commitment to greater "social and economic cohesion" which translates into more assistance to the poorer countries of the Community. Ireland was also beneficiary of this commitment, and the Irish also appreciated exemptions from "open frontiers for animals. Italy was displeased with the limited degree of "prerogative given to the European Parliament, and initially disapproved of the whole reform package as a result. The Danes were given the exemptions from the Community environmental and social regulations that they criticized as being too weak, and supranationality remained constrained in the treaty amendments partly also to please the Danes. The Benelux governments applauded the new commitments to majority voting and the general "European" thrust of the reform exercise and package. Luxembourg also got the symbolic reward of being seat and site of an historic EC agreement. Everyone was undoubtedly pleased that the bargainarded package contributed nothing whatsoever to the reform of the Common Agricultural Policy. (40)

Before leaving the discussion of package building it is important to point out that there has developed over many years in the EC a certain set of standard operating procedures that contribute to interna-


4. Atmospheres and Leadership. — A final category (or perhaps two categories) in the elements of explanation for the agreements at Luxembourg is less tangible than the others, but still important. The political atmosphere that surrounded both the preliminaries to the Milan summit and the process that led from Milan to Luxembourg was notably upbeat, and in this sense notably different from the pessimistic atmosphere that surrounded the presentation of the chain of reform proposals in the middle and late 1970s. There was, for example, a resurgence of federalist activity in Western Europe, centering in the first directly-elected Parliament, new talk of "European Union", and new optimism about the possibilities for closer cooperation. Some of the positive charge came from the Spinelli initiative; much more came from the settlement at Fontainebleau in 1984 of the budgetary dispute between the United Kingdom and the rest of the member states. The settlement lifted a burden from the EC and symbolized both the end of a difficult trial and the threshold into new and more positive ventures. There was, in particular, a change of British attitudes, both official and unofficial, toward the Community, partly captured by the Times, which noted that,

"politicians of all parties have become less aggressive towards the Community and sheer habit and custom have got the government and party machines used to handling Community issues, to seeing European angles and to running from day to day on the assumption that the Community framework is permanent." (41)

The Thatcher Government, perhaps paying of political debts insured at Fontainebleau, became more "European" in the spring of 1985, and remained so even after its rather unpleasant experience at Milan. There was also a new spirit of aggressiveness mixed with idealism injected into community dealings by the new Commission that took office in January, 1985 and especially by its President Jacques Delors. Symbolically, the new Commission also represented the beginning of a new era that would relegate the disappointing years of the Gustav Thorn Commission to history. It is difficult to pinpoint what effects exactly the new atmosphere

(41) "The Times" (London), 7/7/86.
had on the reform process, except to say that it was catalytic and the participants sensed it. Reforms take place when historic conditions are right for them, and perceived transitions from old eras to new ones may be conducive.

Finally there is the element of leadership. As a rule, nothing much happens in the European Communities unless and until at least one major government takes the initiative, makes proposals for action, builds a supporting coalition and pushes programs from conception to decision. Mitterrand’s France has emerged in recent years as the prime mover toward closer European union. The French Government, for example, was instrumental in commissioning the Dooge Committee’s study; Mitterrand was the inspiration behind the Franco-German Treaty of European Union; France pushed the creation of the IGC; and, in the bargaining, France kept the British, Danes and Greeks involved by deferring as necessary to minimalist concerns. Mitterrand’s government secured the support of Kohl’s, as well as the backing of the Commission, that, with Delors’ appointment, also felt a stronger French influence. How much of the French enthusiasm for Common Market reform followed from electoral arithmetic in France, and how much was the result of concern over lagging growth in Europe is unclear. What is important is that French leadership was clearly one of factors that kept the 1984-85 reform movement from going the unhappy way of its predecessors.

**Grueyere Cheese?**

“Cynicism is bound to arise,” Josef Joffe observed in Munich’s *Suddeutsche Zeitung* in December, 1985, “when fine words are followed by little or no action.” Rather than to get involved in broad reform, Joffe went on to suggest, “It would be wiser to abide by the integration principle by which the EEC was guided in its early days: limited objectives brilliantly achieved.” (42) Joffe may well be right, and there are certainly many who expect little to come from the “fine words” set down at Luxembourg. Whether the reform of the European Communities moves forward will depend upon the continuing influence of the factors and forces that have driven it thus far: (1) a common set of goals designed to promote an agreed set of values, (2) a convergence of national political pressures and strategies, (3) acceptance of the bargained package and restraints on those who would seek to undo it, (4) a catalytic, supportive political atmosphere, and (5) national leadership. That nothing at all will come from the reform effort is unlikely. The European Parliament is not about to step back from the modicum of influence the reforms granted to it. Nor is the drive to liberalize the EEC likely to fizzle completely because important sectors of European business are behind it, and, protectionist hobby horses notwithstanding, are most of the key national governments. Still, the member governments and parliaments are currently hard at work drafting interpretations, reservations and exceptions to the terms of the amended Rome Treaty, so that we might expect that the modest reforms approved at Luxembourg will turn out to be ever so much more modest when finally implemented. The “grueyere cheese” will be tasty to those who never expected a full meal, and disappointing to those left hungry.

**Riassunto** — Il saggio individua le origini dell’Atto Unico Europeo nella lunga e interrotta storia dei tentativi di riforma delle Comunità Europee. L’autore esprime la convinzione che l’Atto Unico Europeo dovrrebbe essere preso più seriamente degli sforzi precedenti perché il contesto politico della riforma delle Comunità Europee è mutato. Il nuovo contesto politico era chiaramente evidente in epoca di governo Socialista, ma è stato affrontato alla luce di una serie di importanti vedute di politica delle istituzioni europee.

**Summary** — This paper finds the origins of the Single European Act in the long and continuing history of attempts to reform the European Communities. It argues that the Single European Act should be taken more seriously than previous efforts because the political context of EC reform has changed. The new political context was distinctly evident during the six months between the Milan Summit of June, 1985 and the Luxembourg Summit the following December. Elements of this context included an altered and more positive Britsh attitude toward the Communities, renewed French aspirations for “European” leadership, new cooperative imperatives in Germany and continuing strong Italian urging for progress toward greater unity. Each of these national positions was supported by strong domestic political forces. There was also a widespread consensus that Europe was at an economic watershed, and that if steps were not taken to move forward technologically and otherwise, Europe would surely slide backwards. The Single European Act

(42) *Suddeutsche Zeitung*, 4/12/85.
was the result of these new political forces behind EC reform. It represents a most ambitious plan inasmuch as it extends the prerogatives of Community institutions, enhances supranationality by changing voting requirements, thrusts the Community into new policy realms and clearly maps the pathway to a genuine common market and a possible economic union beyond. Whether the Single European Act will be implemented, or whether it will go the way of most other plans for EC reform, remains an open question.


by PIERRE-HENRI LAURENT

Within the last decade, Western Europe has commenced what may turn out to be a triple revolution. Since 1977-78, led by the European Community, the Europeans have begun the process of building a coordinated European Technology Community. During that enormous complicated task, they have also sought to bridge the gap of divergent interests and suspicions between the public and private elites. Related to these two process, the Community has found it obligatory to end its existence as an "uncommon market". It has actively moved toward the full economic integration of Europe by beginning the completion of the construction of one internal market.

The following paper aims to examine and analyze these recent developments that center on the EC initiation of numerous high Technology programs that would end the fragmented and unsuccessful national efforts to regain Europe's global trade competitiveness. In that process of reversing the dominance of parochial and national interests in scientific research and industrial technology, Western Europe has undertaken cooperative even collective and common policies and created transnational institutions. These policy decisions and the resulting programs to focus on non-military high tech research and development (ranging from the creation to production to marketing stages) have become three way joint ventures. The clear outline of a close interaction, even informal union, between national governments, industrial and business leaders, and the EC Commission has emerged under the impetus of the Davignon years (1977-1985) at Berlaymont. At this mid point of 1987, one must accentuate the more advanced collaboration between the Commission and high tech leadership compared to the closeness and cooperation among those two groups and the nation-states leadership.

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It is the thesis of this presentation that this meeting of the elites, staged by the Commission, became the centerpiece of the reasserted Europe movement in the early eighties. This European business and government cooperation became the keynote of both the broad based Community revitalization to finish the formation of an internal market and also expend the EC's technology push further to a Eureka stage of 1985-1987. To use the concepts and conclusions of Donald Puchala's paper, the specific perceived need of the Eurocrats and technological industry elites was the concentration and centralization of R & D efforts in a "highest tech" which would require the full completion of the internal market.

There is no need to document extensively the end result of American and Japanese "highest tech" export gains in the seventies. Western Europe not only lost co-equal status among the Big Three between 1970-72 and 1980, but found its market share down by 40% in less than a decade. EC Europe found itself specializing more and in low technology, with medium and high technology sectors stagnating because no industrial adjustment was instituted, and the divisiveness of numerous national economies denied the existence of a true large economy scale. It was also clear that incentives for high tech capital formation were seriously diminished by market access problems and R & D replication.

The lost competitiveness was addressed in a series of ideas in late seventies from the Commission staff of Belgium's Etienne Davignon, whose particular EC portfolio included industrial affairs and research and science. Based on the triad notions that (a) Europe found itself lagging behind the two global high tech giants, and that (b) the separate national economies would have to struggle hard even to hold its ground, and that (c) Europe's central competitive difficulty was the lack of a large unified market, the Commission launched an overall priority recovery program. The central Davignon group findings of 1977-79 were focused on the absence of a European dimension in industrial technology. A multifactor analysis drove home the reasons why European Industry could not compete internationally; high production costs, excessive compartmentalization of the public purchasing market, duplication of research findings in products and processes were only the majorpieces. In effect, what emerged was a new technology R & D strategy for the then Nine (Greece would join in 1979) that would result, hopefully, in reversing the seventies trend in the next decade via the formation of a European Technological Community. The Davignon led Commission exercised its influence and got national approval to multilateralize much of its science and technology endeavors. Seeking to gain more export strength via technology autonomy and parity, the EC launched a top priority series of leading edge technologies programs that were built on the European resources of intelligence, competence and technological know-how.

It is not the primary objective of this paper to elaborate the emergence and development of technological research, cooperation and innovative programs under the EC standard from 1978 to 1984. A rapid overview of Community programs exposes a formidable range of endeavors in information and telecommunications technologies (most importantly RACE, BRITE and ESPRIT), biotechnology, nuclear energy, etc. What is more critical to our understanding is the twofold process that accompanied the emergence of the EC programs. In the first place, there was the Commission drive to forge an alliance with the major high tech owners and managers and the relevant national bureaucracies. By the early eighties under the direction of Davignon and his major aide Pierre Defraigne and Michel Carpentier, the actual coming-together took three forms. Periodic conferences, work and study groups (known as roundtables) and individual meetings not only became frequent vehicles for increased contact and discussions but intensive EC pressure aimed at both the various government officials and private sector representatives for high tech R & D joint venturing.

What emerged in the early eighties was a concerted lobbying effort on the part of the EC experts and the industrial leaders that aimed to get the state officials' support. The Commission high tech union was successful in that it evidently engaged in what one Council official called "power plays" to get additional funding for programs like ESPRIT and in 1984-85, for the new EUREKA.

By 1983, the ad hoc, specific two and three way meetings sponsored by the Commission were so frequent that they required an "expert" staff of a half dozen. The multilateral conferences were reaching a near dozen a month, and two major reports were planned to emanate from work groups. Although one should not at this point overestimate any one of these three methods of alliance formation, it was clearly evident that the Dekker report of the group chaired by the Philips CEO became swiftly a major statement of shared business/government goals and the urgent requirement to build closer even intimate ties of collaboration between the two sectors. A nearly, parallel-in-time group led by the Volvo chairman, reflecting both Community, and non-Community industry circles and national officials reached similar conclusions. The Dekker report was especially noteworthy for its accent on the necessary political dynamism needed to construct a common research and technology policy. Although more distant and partially obscure in that report, there were signs of the recognition that technological Europe of tomorrow also meant the implementation
of a continental internal market. Participants in those meetings agreed that a frequently voiced 'imperative' for the ETC concept involved reversing the stagnant internal market formation milieu and mentality. This linkage became a central theme of the corridor and boardroom discussions in 1982-1983.

The second process that paralleled not only the creation of the EC high tech programs but the meeting of the elites was the emergence of the new drive for the internal market completion. In reality, it now appears that the EC new technologies accent had based on that sector's past inadequate performance and the accompanying market fragmentation. In effect the issue of a real common market became central to EC high politics. To expand cooperation meant to disencumber the interchanges or transfers of technology R & D and eventually products of high tech. The EC in 1983 began to push the full integration of its separate national markets as a genuine goal. So compelling was the evidence of the Commission reports and the impact of the business establishment that the Internal Market Council agreed to actually attain an economic area without frontiers.

One negative element emerged at this time in the entire three level process of the ETC construction. This was the transition from the Delors Commission to the new Delors Commission and specifically the departure of Etienne Davignon from the EC. Although some thought Davignon would continue in his seat and press the technologies-internal market points, the « highest » of politics within Belgium dictated his departure. This significant transformation of the Commission leadership in 1985-86 would be translated into emphasis on numerous other issues and eventually a de-emphasis on the ETC work. There was however a rediscovery of the « Internal Market » topic and its centrality to the EC future. While that process was seen as less critical to the high tech competitiveness development, completing the internal market became a compelling proposition for a set of reasons that included the technologies projects. The ambitious White Paper of the Commission, which the Milan 1985 Council accepted, produced a seven year calendar of action up to 1992. Thus, the Single European Act pronounced the end of the incomplete common market. In the Council, the Commission arguments about the necessary benefits of market integration in the new technologies arena were heard. Specifically, a primary thrust of the Commission's argument was designing and maintaining a high tech Euromarket (and trade into third markets), or in effect building Europe's export competitiveness into one priority area and connecting this process to the move from a customs union to a general market. An absolute proof of the interrelationship of the ETC formation process pushing the White Paper into being is found in two of the

four policy fields of the White Paper, technical harmonization and public procurement. The essential role these two issues played in the debate that resulted in the EC high framework program, let alone some predecessors like ESPRIT, is undeniable as Jacques Pelkmans and Peter Robson delineate in the 1987 spring edition of JCMS. This is verified by not only Commission staff members, but Dutch, Belgian and French staff associated with the Council.

The necessary and unavoidable goal of a technological community had become linked closely to augmented closeness of interaction between the regional organization, its national components, and those who actually conceived, produced and marketed leading edge technologies. Computers (super, micro and regular), telecommunication, robotics and biotechnologies were the central topics of concern in that government and private enterprise area. There was a need for pre-competitive research. The Commission had convinced the two major actors that European firms had to join forces and cooperate cross frontiers with research and university centers. It had gained approval of the general principle that national Community technology R & D policies should be coordinated.

The EC and technologic firms had not however, and this is a major point, convinced the nation states to reflect this super priority in significant funding forms. A look at the EC budget does demonstrate a huge increase in outlays from 1980 projected into the 90s, but compared to agriculture and steel for instance, the policy sector for R & D is still very small. Prior to 1980, less than 1% of the EC budget was earmarked for that area and by the mid eighties, it was increased to over 4%. In 1985, the Commission asked for a 6% commitment and got it for the 1987-1991 period. The fact remains that over 90% all research expenditures are funded by member states on a purely national plane. Some observers, the more critical ones, have called the ETC process a very modest « transfer of responsibilities » from the state to the Community. One must however recognize that over 50% of funding is from the private sector and that high tech collaborative, transnational ventures were rapidly becoming a habit. Cross-frontier capital formation for high tech R & D (and production, marketing, etc.) became not just easier but viewed in a positive light. Two illustrations of this change were visible in the substantial increase in private investment R & D between 1982-83 and 1985-86 and the huge volume of augmented private funds that were committed to the initial 72 EUREKA projects of 1985-86.

Although the initial EUREKA idea was to come from President Mitterand and was partly a European response to the Reagan SDI, the technology renaissance notion of a European Research Coordination Agency that went beyond the EC 12 of the mid eighties was a further push to make European high tech trade competitiveness EUREKA
complemented the ETC objectives in that it formed an agency that brought industrialists together to identify potential projects rapidly through the development and innovation stages to the market place. This notion, deeply imbedded in the 1984-85 evolution of EUREKA, was a reflection of the stated needs that the EC pronounced in 1983 after three years of debate. The Plan for the Transnational Development of the Supporting Infrastructure for Innovation and Technology (CIT) expressed at its core the interdependence of three aims. 1) Stimulating personal contacts, therefore technical information flows, and mutual trust across frontiers were all prerequisites of a full ETC formation. 2) Reducing the time that elapses between invention and marketing of a given product or process required a finely tuned, effective, and influential cross border structure. And lastly, 3) any fully ETC needed to derive real benefit from a large economic unit or single unfettered, undivided domestic market.

Therefore, although only formally stated in the 1984 and 1985 documents proclaiming EUREKA, the offshoot of the EC new technologies strategy had become apparent several years before. It was clearly a Commission idea and goal to muster and exploit high tech for civilian purposes. Raising the productivity and competitiveness of Europe’s technical industries had to be encouragement and facilitation of increased industrial, technological and scientific cooperation on specific multinational projects, all of them aimed at developing products, processes and services in advanced technologies. This enlargement of the EC dimension to a more European dimension with the now 19 of Eureka aimed at fostering collaboration among firms in this one area. Other multilateral and bilateral agencies and programs already existed in high tech subsectors like aerospace (with Ariane, Eutelsat, etc.), the aircraft industry (AIRBUS) and the nuclear, non-classical energy sector (CERN, SUPERPHENIX, NERSA).

If phasing in swiftly a ETC was an overall priority, then joint action among the 12 and 19 would create an undeniably powerful end globally competitive research/technology area. This could only be accomplished with action that transcended national frontiers and by defining targets jointly and therefore avoiding pointless duplication. The task of arranging meetings between research groups, arranging group exchanges of scientists and ensuring wider dissemination of research findings were specific extensions of the fostering interchanges concept initiated among the political elements. As stimulating European science/technology cooperation, consultation, exchange and production became essential to the EC leadership and high tech firms, it also became necessary to assault the economic nationalism which frequently was found in the legislatures and the governments. Joint research and production ventures would mean little of significance unless both a transnational plan was in existence and national obstacles were entirely dismantled.

The EC framework program of 25 July 1983 was perhaps the central document. It mirrored the Commission contention that recouping high tech trade competitiveness was the cardinal goal. The Community’s vehicle for recovery from both the economic doldrums of the recent past and the associated political passivity in Community-building was forging the ETC alongside the European Internal Market. One continuing obstacle of this entire process will be a continued no-growth or even slow growth economy. The stresses and strains of the economies in the latter eighties still pose an essential blockage to any larger financial outlay for ETC.

The linkage theory exposed in this paper does not deal extensively with problems of various types related to the EC turn to ETC construction or internal market completion. There are numerous difficulties even paradoxical aspects in meshing research, innovative implementation and internal market on one hand, and on the other, in resolving conflicts that concern technological excellence and community technological solidarity. The point of this presentation is to present the historical evolution and development of three movements — as yet incomplete, but potentially if ever finished, of momentous importance. The political decisions-making on making technological Europe that grew out of the Commission initiatives of 1977-84 also gave birth to the dynamic and productive meeting of the elites and became based on it. The optimal meshing of public framework conditions and distinct private initiatives emerged, and with it, the necessity to relaunch a drive for the unification of the Internal Market. The critical point for Western Europe became very apparent. If Europe’s one internal market was brought about, the full mobilization and utilization of its productive forces and technological development capacities could be translated into a world trade role equal to Japan and the U.S.

SOURCES

Much of this paper is based on the author’s article, Eureka: The Technological Renaissance of Europe, «Washington Quarterly», Winter 1986-87, 55-67. In addition to extensive interviews of EC officials in 1983-85, particularly those in the evolving major ‘high tech’ directorate (The Task Force on Information and Telecommunications Technologies), see the following:

— the Donald Puchala article in this number.
Riassunto — Tre correlati avvenimenti dell'ultimo decennio vengono elen- cati nel tentativo di comprendere i recenti sviluppi tecnologici, politici ed economici dell'Europa occidentale. L'a. afferma che i programmi della Comunità Europea di ricerca pura, iniziati in varie tecnologie emergenti negli ultimi anni Settanta, sono passati rapidamente dall'avere come elemento fondamentale l'Epirrile al più ampio progetto Eureka di ricerca e sviluppo orientati al mercato nella metà degli anni Ottanta. Il processo è visto come parallelo all'emerger di un consenso tra mondo degli affari e governo sulla necessità di una comunità tecnologica transnazionale. Inoltre, le origini nell'ambito della Comunità di un forte impulso per completare il mercato unico europeo sono legate sia alle pressioni della competitività del commercio globale sia ad un rifacimento della Comunità Europea. La correlazione fra le moderne di una comunità tecnologica e il completamento del mercato interno è diventato l'aspetto centrale della più recente capacità della Comunità Europea di affrontare i maggiori problemi inter-
sed divergence was seen as an impediment likely to retard moves towards economic union (1). The slow-down of the process towards economic union was seen by many as the first internal effect of enlargement. Secondly, because it makes the Community a more divergent block enlargement has also been expected to raise further demands for inter-country redistributive transfers. Thirdly, others have expressed concern that the emergence of more divergent patterns of development within the EC will put a brake on the economic growth process for the whole of the Community (2).

Fourthly, there have been predictions of a new fiscal crisis arising both from the addition of the surpluses of Mediterranean products to the already existing structural surpluses of northern products and the greater demands for Community funds in general to be placed by the new members. Fifthly, fears have also been raised of an exacerbation of the crisis of structural adjustment in the sensitive sectors of the Northern Countries of the EC as Southern European producers of textiles, clothing, footwear, steel and shipbuilding compete more freely with the corresponding declining, uncompetitive, industries of the North.

However, there were also predictions of a positive impact on the internal cohesion of the EC. Integration generates vested interests in the reduction of tensions and the smooth resolution of inter-state conflicts. This is what one may call the Schuman-type effect of integration which has been fully recognised through the impact that the formation of the European Coal and Steel Community had on the Franco-German approach. A Schuman-type effect could have resolved outstanding tensions between Spain and France, Spain and the United Kingdom or Spain and Portugal. If this type of effect was to come about, European cohesion would have been strengthened. Finally, strengthening of the cohesive forces within the Community was expected to result from the enhanced regional autonomy of the national. The process of European integration is often regarded as providing encouragement for the redistribution of the power of the nation state towards both the European, supranational, institutions and the regional authorities. By removing the sources of conflicts that often paralyse the creative forces of nations, integration can possibly contribute to the emergence of a greater unity of purpose within the EC.


Having briefly summarised the major predictions made regarding the internal effects of enlargement, let us now examine how far subsequent developments conform to these predictions.

The enhanced economic divergence cannot be disputed and has been clearly documented in the Commission’s periodic reports on the Regions of the EC (3). The Southern enlargement resulted in a considerable widening of inter-regional disparities within the Community. The addition of the two Iberian countries raises the coefficient of variation of the regional per capita GDP (measured at current prices and PPP) from 26.0 for the EC-10 to 28.5 for the EC-12. The increasing heterogeneity of the enlarged Community is further shown by the doubling (in terms of population size) of the number of less developed regions and the marked increase in the number of regions faced with high rates of unemployment, underemployment, demographic pressures and problems of restructuring and modernising. However, economic divergence may not necessarily affect adversely the process of economic integration in Europe. Corbet (4) argued — not without conviction — that «if the enlargement of the EC to include Greece, Portugal and Spain diverts attention from grand designs and forces attention to be paid to the nuts and bolts of making the customs union work and of making European economic integration work in harmony with the integration of the world economy as a whole then (one) would say that the Community has been reinforced». Now, the Single European Act and Lord Cockfield’s White Paper on the Internal Market are all about those «nuts and bolts» of making the Common Market work. The enlargement has acted here as a great catalyst. The process of adoption of both these sets of measures would not have moved so fast if the challenge of the second enlargement had not been present. It is not without significance the fact that the EC set a deadline for the completion of its internal market at the Luxembourg Summit of December 1985, just before Portuguese and Spanish entry. However, the emphasis of the three new members on the importance of cohesion in the implementation of the Internal market suggests attitudes towards market liberalisation that may defy the objective of creating a truly Community-wide market by 1992. For such attitudes may lead to future demands not to harm the sensitive (i.e. less competitive) sectors of the new members during
the process of the completion of the internal market, in which case
the whole purpose of speeding up structural adjustment in Europe will
be thrown overboard.

However, observers of the Community scene would have hardly
failed to notice the slow emergence of a North-South problematic in
the shaping of Community policies. Enlargement has shifted the centre
of gravity of the Community towards the South. The weight of the
Mediterranean countries (including France) in the European Parliament
increased from 35.9% to 52.2%; in the Commission from 29.4% to
47.1%; and in the Council of Ministers from 32.9% to 50%. It
is worth mentioning also that Spain and Portugal together can elect a
higher number of Euro-deputies (84) than Britain (81). In general, the
Iberian input to the institutions of the EC cannot be ignored easily.
And although Community practice has so far acted against the formation
of long-term blocs, the possibility of future alliances among Mediterranean
members of the EC can not be entirely discounted.

The spectre of a North-South confrontation on every new Com-
munity initiative or every time an existing policy is reconsidered does
not certainly auger well for a cohesive and purposeful Community.
However, this emerging North-South confrontation is in fact a new
version of the pre-enlargement state of affairs. For, long before the
Southern enlargement it has become apparent that the protection of
national interests and the maintenance of the status quo had become
the dominant forces in influencing decision processes in the institutions
of the EC. Already back in 1976 during the Presidency of Luxembourg,
the then Prime Minister of this small EC state, Mr. G. Thoen, remarked
that faith in the European Community was no longer what it used
to be (5). Thus the goal of protecting the national interests of individual
member states has now been transformed into the objective of collectively
protecting the regional interests of the South. This often immobilises
the decision making process as has been demonstrated by the painfully
slow progress in European airline deregulation. But far more seriously,
it disorientates the countries of the European South themselves. By
channelling their energies towards redistributive measures through trans-
fers from the Community budget or towards fighting for exemptions
from specific market liberalisation initiatives, they run the danger of
failing to tackle institutional and policy reform within their own borders.
Their structural imbalances require policy and institutional reform
measures that will strengthen their capacity to adjust and accumulate.
They cannot be solved by throwing Northern European money at them.

The focus on redistribution through transfers from an expanded Com-
munity budget simply fails to provide the incentives for adjustment. And
in this way it may prolong the dependence of the European South on the
European North. This does not imply that the Community is impotent in
closing existing disparities. It implies that the EC Budget may not be
the more decisive instrument. A structural adjustment facility within
the European Investment Bank (EIB) may prove more useful in this
context (6). The strengthening of the economic cohesion of the Com-
munity is better facilitated if redistributive transfers to the South are
adjustment oriented rather than poverty-targeted.

The current fiscal crisis of the EC cannot certainly be solely at-
tributed to the Southern enlargement. Despite pressures from the new
members to strengthen the structural funds no additional resources
have yet been made available. However, the Southern enlargement
served to expose the pre-existing budgetary difficulties. The resolution
of the new fiscal crisis will most certainly involve stricter policies of
financial control on the expenditures of the CAP. Whether such reforms
will adversely affect the ability of the countries of the European South
to attract financial resources from the Community budget is a matter
of conjecture. There are areas of CAP reform (cereals, sugar) that could
reduce Community budgetary expenditure on agriculture without affecting
the net receipts of the South from the operations of the policy.

We turn now to the cases of effects predicted to exert a favourable
impact on the EC's internal cohesion. A number of writers in the past
have looked at the ways the process of economic integration in Europe
leads to a redistribution of power from the old nation states towards both
supranational authorities and sub-national, regional units. Keating and
Jones (7) and their associates examined the channels through which
regional interests are articulated and the strength of their influence on
the Community's decision-making processes. They found that in the
EC-9 regional institutions have often used the Community's supranational
institutions as a counterbalance to the established authority of the
central governments of member states. Thus in a curious way the
process of integration in Europe assists and is assisted by the rise of
regionalism inside the European nation states. The Spanish experience
so far does not conform with past developments such as those recorded

(5) G.N. YANNOPoulos, Integration and Convergence: Lessons from Greece's
Experience in the European Economic Community, in G.N. YANNOPoulos (ed.),
Greece and the EEC: Integration and Convergence, New York, 1986, St. Martin's

(7) M. KEATING and B. JONES (eds.), Regions in the European Community,
in Keating and Jones (8). When the issue of the allocation of fishing licenses and access to fishing banks to zone VIII-C in the Bay of Biscay arose in April 1986, it was not the Basque government that handled these disputes but the governments of Madrid and Paris. Despite Spanish accession to the EC, the institutional framework did not help to avoid pitting one part of an ethnic Community against another thus demonstrating that «the link between European integration and the fortunes of ethnic homelands is anything but positive» (9). Why then do we find this contrast between the Basque example and the case studies reported in Keating and Jones? The key explanation must be found in the different interests of the Commission and the governments of the nation states. The Commission, like any other international institution is keen to redistribute power in its favour. It tends to welcome the activities of regional lobbyists when it finds them helpful in extending its own authority over the central governments of member states. But when regionalist interests threaten to encroach into the power of the Commission, their activities cease to be welcome.

The Southern enlargement has however led to the emergence of some welcome Schuman-type effects. This is most clearly seen in the decisive improvement in the Franco-Spanish relations. Indeed the very process of convergence of Spanish foreign policy on French foreign policy in the pre-enlargement period proved a crucial factor in overcoming French hesitations towards Spanish accession to the EC. The prospect of partnership within the Community encouraged France to cooperate closely with the Spanish government in the combat of terrorism (10). Whether this process of improvement will continue steadily remains a matter of conjecture. The completion of the transition period in the 1990s may intensify trade conflicts notwithstanding the contribution of the Integrated Mediterranean Programmes in removing some sources of potential trade disputes in agricultural products. Already in 1986 French farmers started blocking the imports of less expensive Spanish sheepmeat. In fishing too the French authorities have been involved in clashes with Spanish fishing trawlers. However, the opening up of the Portuguese-Spanish trade and fiscal frontiers has created a new reality in the intra-Iberian relations.

(8) M. Keating and B. Jones, op. cit.

3. External Impact.

The second enlargement is thus generating a number of internal conflicts which are likely to intensify as the process of transition draws to its close. As solutions to these internal conflicts prove difficult to work out, there is a danger that the internal conflicts may spread eventually into the external commercial policy (11). And there are precedents from the past here. The failure of the rest of the Community footwear industries to adjust to the strong competitive position of the Italian footwear sector led to high barriers on extra Community trade. The inability to rationalise steel production within the EC and to embark instead upon an extensive subsidisation programme led eventually to trade conflicts with the USA. The Community institutions have found easier to manage disruptive outsiders than to implement structural adjustment policies inside the Common Market. The expected competitive pressures on Northernting industries from the progressive removal of various non-tariff barriers on the exports of Southern low-skill, low-technology-intensive goods have already forced a Council decision in 1986 to reduce by 50% the GSP-bound import ceilings for 26 products originating from countries (Hong Kong, South Korea, Brazil and Singapore) with export structures extensively overlapping with those of the new members. It appears that the emerging trend of targeting increases in EC protection towards selected Newly Industrialising countries is not unrelated to the intensification of the crisis of intra-European structural adjustment brought about by the Southern enlargement of the EC. But the impact of the enlargement on third countries will be more pervasive.

First, the enlargement moves the Iberian countries from the middle level of the EC's pyramid of privileged trade relations straight inside the club of member states. This move leads to the erosion of the preferences of the more privileged partners (i.e. the countries of the Lomé convention and of the Mediterranean policy of the EC) whilst it regionalises rather narrowly the adverse effects of the trade diversion produced by the realignment of tariffs. Given the fact that the EC operates a complex system of multiple trade discrimination vis-a-vis third countries, its territorial expansion is bound to lead to adjustments in and a reorientation of trade flows.

The Southern enlargement has already produced a number of trade disputes and generated anxieties to both more and less privileged countries in the preference hierarchy of the commercial policy of the EC.

even before the completion of the lengthy transition period specified in the treaties of the Iberian accession. This enlargement involves the extension of the CAP to three countries with relatively large agricultural sectors (the agricultural surface of the EC increased by 31% when Portugal and Spain became members). This means that the 'free' segment of the international market in agricultural products will further shrink. At the same time, the enlargement disturbs the delicate balance of interests built in the EC's system of preferential trading with the ACP countries, the Mediterranean region and the rest of the developing world. Agricultural exports to the Iberian countries will face the CAP's restrictive import system in a market where access was fairly unrestricted. There is, further, the prospect of price depressing effects in the residual world market in products while the incentives of the CAP are likely to stimulate surplus production in the new members. The question that arises is how far the EC can impose these adjustments on third countries without running the danger of retaliation.

The capacity of threatened exporters to adjust or to accept the market loss is crucially influenced by the macroeconomic balance of the afflicted country. If the country whose export market shares are threatened experiences at the same time severe macroeconomic imbalances it is likely to escalate action and to contemplate retaliation (12). Indeed most of the thorny trade conflicts of the Community with the US coincided with periods of overvaluation of the dollar or worrying American trade deficits. Thus the serious trade skirmishes between the US and the EC (13), have not been due solely to the Iberian enlargement but rather to the combination of the trade diversion effects from the extension of the CAP to Portugal and Spain and the macroeconomic stress now experienced by the US economy. Whatever the cause of the higher tension, the so-called corn war of 1986-87 demonstrated in addition also the limitations of the capacity of the Commission of the EC to handle swiftly and effectively trade threats from outsiders and to pave the way for a quick negotiated outcome. The reticence of most member states — except France and Portugal — to back Commission proposals for counteraction after the US move for retaliation has probably prolonged the trade dispute. For if a tit-for-tat approach is to produce a quick resolution it must be credible (14).


A second source of concern for the future of the external trade policies of the enlarged Community is the impact of the attitudes and perceived global interests of the Iberian countries on decision making in commercial and development co-operation matters. Here, unlike Portugal with its traditions of international involvement, Spain's trade diplomacy has a long mercantilistic tradition. This tradition has not been easily eradicated with the post-1959 moves towards an outward looking trade and development strategy. The transition period from the trade balance point of view, will be difficult for both countries as they have, on the one hand, to open fully their markets to EC imports and, on the other, to bring down their external tariffs on industrial goods to the lower level of the CET. They are thus likely to cast their votes with those who support e.g. a more restrictive MFA, stricter eligibility conditions for GSP beneficiaries, or less generous terms to the associates in the Mediterranean. Spain has already used its power of veto to block Council decisions for a reshaping of the EC's Mediterranean policy, forcing the Community to a compromise that only preserves the 'traditional' exports of the countries of the global Mediterranean policy. And in exchange for this modest offer to the Mediterranean countries, Spain succeeded in obtaining important concessions on the agriculture of the Canary Islands which were left out of the CAP in the treaty of Spain's accession to the EC. It may be argued that this position of Spain on external trade issues, particularly with regard to the Mediterranean region, is out of line with its longer term strategic interest given in particular its conflicts with the Maghreb countries in Ceuta, Melilla, the Spanish Sahara and the fishing grounds around Morroco (15).

The new members are likely to strengthen the EC's multiple trade discrimination policy towards third countries rather than push the Community towards multilateralism. Their interest appears to be to redistribute privilege rather than globalise the EC's common commercial policy. As ex-colonial powers they are anxious to promote the developing countries that were once part of their own sphere of influence. Spain is keen to be on the bridge to Latin America and Portugal a door to Africa, although its strong links with Brazil could equally make it a bridge with that region too. In this respect the two countries follow the Greek precedent where the government of A. Papandreou tried to champion Arab interests in the EC councils. The failure of this Greek initiative could prove instructive to the new members. If the Greek lesson is understood by the Iberian members then European Political
Cooperation will become cohesive and more purposeful. It is worth recalling here that despite the failures of its initiatives the deviationist posture of the Papandreou government has often undermined the credibility of the European Political Cooperation (16).

An EC Latin American policy falling somewhere between the Mediterranean policy and the GSP in the Community’s pyramid of preferences is unlikely to become a realistic option in the foreseeable future. The Community must sort out its budgetary-agricultural problems before it proceeds towards new initiatives of this nature. Furthermore, such initiatives must come about only when a clearer picture emerges as to the directions of the Uruguay round and in particular with regard to international agricultural trade. This round has hardly started. The bridge to Latin America and the door to Africa can open once the new parameters of the international trading system become known.

Several times in the past the conflicts from the trade discrimination effects of the formation, the enlargement and the harmonisation of the common external commercial policy of the EC were resolved or mitigated through the various rounds of multi-lateral tariff and non-tariff reductions negotiated within the GATT. Some of the dangers of a more protectionist drift of the EC as a result of the tensions generated by the Southern European enlargement may be eliminated if the Uruguay round makes decisive inroads into the areas of agricultural trade and the non-tariff barriers associated with the ‘new’ protectionism. There is no reason why the Uruguay round could not play a role similar to the Dillon, Kennedy and Tokyo rounds in reducing the trade diversion effects of the recent geographical extension of the European customs union.

**Summary** — This paper compares a number of hypotheses advanced with regard to the impact of the Southern enlargement of the European Community with actual developments in the Community. Indeed, it has acted as a catalyst for the developments leading to the enactment of the Single European Act and has shifted the focus of attention towards policies of making the customs union work.

However, the external effects of the Southern enlargement have been less encouraging. There is evidence of a drift towards more neo-protectionism. Furthermore, a number of regional trade conflicts have also been generated. The paper concludes by arguing that the Uruguay round of multilateral trade negotiations provides an interesting opportunity for reducing the adverse external effects of the Southern enlargement of the European Community.

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REFLEXIONS ON A RATIONAL STATE
AND EUROPE

by FELIKS GROSS

1. The Irrational State.

In politics as well as in everyday life, we witness at times disturbing patterns and processes, obvious and visible but difficult to define, to identify in a precise and rigorous way. Inspite of this difficulty in definition they do persist and we must cope with problems they do create. At times, we notice facts and differences clearly, but hesitate to recognize discuss openly or write about them fully. We close one eye, like the proverbial Roman praetor did in dubious cases. We shall take this risk today, and discuss some of the obvious and visible.

In the United Nations all states are equal. If any difference exists, if censure is called for, the Assembly will decide about the political quality of a member state. In consequence Idi Amin's Uganda and Pol Pot's Cambodia are equals of France or Italy, fully acceptable. Their rule might have been considered by some delegates as policies of a progressive and emancipated government, a «revolutionary» one (this term gives of course legitimacy), even as legitimate policies of «decolonization». They were — and some still are — members of the Club, they are — as the Germans once called it — «gesellschaftsfähig».

The European Community of today is different — quite different. It does not tolerate this type of government and rule within its own Club; it does not close one eye when human rights are abused among member states. Of course, at one time Europe produced the most cruel rule of Hitler and his totalitarian associates, but not today. The other tyrannies are temporary and transient too — let us hope. We speak, however, about the present day issues.

The European Community today, with its population of 300 million and its huge industrial resources, is one of the most powerful association

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of rational and benevolent states. This was not of course so true in times of Hitler and fascist rule in Europe. It is not my purpose to denigrate the United Nations. UN has made great contribution in many areas e.g., health and food; moreover it is an important international gathering, essential in our present world which plays a vital, and should play in the future even a more important role in international politics. What I state is that the two associations of nations are different, and are different not only in terms of constitutions but in terms of domestic and foreign policies, general approach and respect for human rights of its various member-states.

The European Community is probably today the largest democratic system in the world; moreover it is a system of rational and benevolent states. At the last year meeting at the University of Pavia a distinguished colleague, Professor Arturo Colombo deplored the fact that Europe with its large and creative population, with all its resources, is not fully represented in the great decisions of world politics. He said this in a far stronger way ... «e questa Europa conta così poco da non aver alcun ruolo di protagonista, anzi da non essere neppure un soggetto attivo e decisivo, sulla scena del mondo ». (Arturo Colombo «Europa: la lunga marcia di un‘idea» II Politico, June 1986). Let me follow his criticism and some arguments he has advanced in his challenging and penetrating essay. The presence of Europe as unity, with a single voice which expresses the decisions and will of the entire community of a continent is essential in a worldwide policy of peace and mutual aid. It seems to me that this is so relevant, not only because Europe represents more than 300 million people, not only because of its resources, but — and this is perhaps more relevant — because it is a powerful and unique system of rational and benevolent states and at the same time it is located in a crucial strategic and geopolitical area, seminal to the security of the entire planet.

What does it mean, that Europe is a system of rational and benevolent states?

Brevissim per exempla: Suppose I had been stranded in today’s Iran. In terms of my own survival, even elementary freedom, the important classification of governments would be a simple distinction into sane and insane governments and rulers. Insane — not necessarily in medical sense, but in terms of political reality. Let me put this into a neutral terminology: so we may call it rational and irrational governments.

I assume, well I know, that I would try to escape from insane and cruel hands, irrational and cruel governments, into a country which has at least a sane, a rational government, where I can talk and be understood. A modern Candide may be happy there only for a while. He would try to get to a country which is governed both by rational as well as humane, benevolent people and administration. From Iran, a modern Candide — let us imagine — escaped to a Gulf Emirate — which he did not recognize as the best of all worlds. From there — Candide in his peregrinations would choose — I think — Italy. And I would join his adventure.

I am prompted to say, that a major division of governments, a distinction which is usually overlooked, is one into rational governments and those politically irresponsible, unpredictable. We may bow toward academic preferences, toward a more detached perception and call it irrational, since in some relevant areas of their political activity they are indeed irrational.

Equally important is the difference between the cruel and oppressive governments, and in consequence states which they control, and the humane or benevolent states. Again, let us use a more of a neutral terminology, and we shall call such states predatory, I know, that this suggestion is risky and difficult to define.

It is indeed difficult to define and identify a predatory and irrational state, since rational institutions, institutions designed for a rational policy and rational policy objectives can be also used for irrational, truly insane goals. They may also serve the dictators in their attempts to destroy democracy. Goals of Hitler’s policies were at times insane, morbid. But, for a time, he was utilizing the democratic Weimar Constitution for his political folly and was recognized as a serious partner in politics. Today, only a generation after World War II and Hitler’s defeat we face again governments and nations, rather substantial parts of the latter, which in emotional and behavioral sense are akin to the actor of a political folly of this not so distant past. The symbols are different of course, so is the ideology but — what is relevant — modus operandi, behavior belongs to a similar, broad category. These types of differences between the states appear once we face realities, which do touch us directly rather than when we deal with abstract definitions. Iran of today does not fit into any category or definition of states, originated by Aristotle. A single fanatic and vindictive leader and his close associates have a supreme decision about war and peace, about laws of a country. The television gives us of course a distorted picture, since people perform to the show. However, the picture of temporary but unusual outbursts of emotions, controlled and manipulated on the screens was alarming.

A rational state, a rational government cannot deal in the same way with an irrational one, with psychotic leaders, as it does with other rational governments, and sane balanced leadership. Such policies are not effective, since irrational governments respond to different stimuli, its leaders perceive realities in a different way. Policies have to be
invented which could be effective toward such states. The leaders of irrational states are sensitive primarily to overwhelming power, to the display of force and firm decision. The major problems our planet is facing today, will not be solved, even faced by governments of this type. Still, it is difficult to define, and moreover to validate a definition of an irrational government.

Further division that strikes us and is equally obvious is guided by the fact that some governments and the ruling classes display extreme forms of brutality and cruelty. We have called such governments predatory. Adolf Hitler, Stalin, Mao Tse Tung, more recently Pol Pot exemplify this pattern. Pol Pot — it is estimated — exterminated probably one third of his own people. His government is still recognized and he himself and his accomplices are free and active.

It is of course a profound difference, although difficult to define or divide, the difference between predatory governments and humanitarian, which are always ready to help, supply food and shelter, financial aid to nations affected by disasters.

The irrational and predatory state is not necessarily a permanent or continuous one. It may as well represent a temporary and transient regime, in spite of the fact that its elites promise and speak of millennia. Mao’s utopia of a permanent cultural revolution was transient, although it had an appearance of relative permanency. Hitler’s millennium came to an end, but the moral and human cost was enormous.

To conclude, we may postulate the following types of states:

1. Benevolent or humanitarian.
2. Rational.
3. Irrational.
4. Predatory.

In the past history rational rule was usually associated with the benevolent, irrational with the predatory.

But now comes a caveat. What was suggested is a rough and general classification. There are many types of states between the two polar types which have been suggested here. Not all rational states are necessarily benevolent. Neither all of the irrational must be predatory.

Furthermore, states and governments lend themselves to several diverse classifications. Classification we postulated here is at best complementary to others. This is not a single and exclusive one.

The same universe of data or relationships can be defined and classified in a variety of ways. A different vantage point of observation may suggest different aspects of data or different relationships of facts. Phenomena and relations may be also defined according to different characteristics which appear within the same universe of data. The problem here is what we observe, what we perceive and what kind of aspects do we select from a broad universe of relations and data.

Gaetano Mosca and Vilfredo Pareto challenged the classic Aristotelian classification of governments and states, claiming that there is only one type of rule, a government of political classes — minorities, over the majority. Mosca stressed this again and again — to mention his inaugural, rector’s lecture at the University of Turin, at the beginning of this century, a lecture sarcastic about Pareto — this distinguished colleague from Lausanne, who did not notice theories of his prominent colleague from Turin. Still, the classic distinction of various types of states and governments has not been affected by those challenging theories. In our attempt, toward this simple — I may say practical distinction — we are not trying to challenge or question other classifications. What we say, it is that from certain vantage point, looking at certain, important area of behavior and decision making, governments and states can be divided in a certain way, certain characteristics can be noticed, certain distinctions emphasized.

Another caveat: the term irrational. We know of course, that the term is not tantamount to insane. A perfectly sane decision maker may act in an irrational way, he may also perceive his action as rational. Irrational is a far broader, general term. And at this point, we should limit our discussion to a more narrow definition of this term. With those comments — we may move to the discussion of the term "rational".

2. The Meaning of "Rational".

We know well how difficult it is to define the term "rational". Vilfredo Pareto (in his Trattato di Sociologia Generale, in the English translation Mind and Society) defined "rational" — in terms of relations between means and ends, hence in logical terms solely. He defined it in terms of conduct, as a logical action, that logically enjoins means and ends, in other words "rational" is a choice of means which are efficient in achieving ends, as perceived not only from the point of view of the subject, but from the standpoint of "other persons who have more extensive knowledge". Our concept of "rational" — in the case of a rational state and government — extends farther, beyond a purely logical — experimental perception. For, policies cannot be reduced solely to conduct — they are concerned with ends and choice. We shall postulate that the term rational defined solely in its logical-empirical meaning is not sufficient in identifying and defining of political ends. The content of political rational goals can be either pragmatic-utilitarian, or it may call for a humanitarian, normative commitment. Such goals must agree with "reason" and reasonable
judgement. Rational goals are also reasonable in general sense, they are acceptable in terms of our basic norms. Goals reflect the nature of the government as well as the personality of the decision makers. Goals initiate conduct and policies.

K.D. Irani defines the term «rational» also in terms of goals: Rationality in action — he writes — implies the adoption of appropriate means to acceptable ends and balances when they are in conflict. This implies the ability to evaluate relevant evidence. Irani's definition, especially the latter part, can be applied in our discussion. K.R. Popper is not eager to narrow concepts into definitions. He interprets rationalism in terms of argument and experience. Discussion and choice free of any orthodoxy, as well as critical experience, are of course of a major rational quality.

First, let us begin with the pragmatic goals. A government decides to build a system of roads or public housing. This is a pragmatic and utilitarian project, it is rational as an end and calls for rational policies — effective, efficient in goal achievement. This type of policy does not call for further discussion — they are obviously rational.

But — the problem changes, when a goal of a public policy is extermination of an ethnic group or destruction of art objects.

We shall begin with — what we have called logically rational or logical-empirical actions. We may suggest here, that logically rational actions may be applied by an actor toward goals which are not rational, reasonable in a general sense of this term, which do conflict with fundamental moral imperatives and are in a moral sense irrational.

In his policy objectives of annihilation and assassination of the Jewish people as well as Gypsies and others, actions of Hitler and his cohorts were logically rational (they were logical-empirical); they were efficient in terms of goal achievement. Goals were however insane, cruel and escape a purely logical evaluation. In terms of our reason, our common sense judgement, elementary, moral imperatives of our civilization both conduct and ends, as well as political actors negate our concept, our definition of rational. We may even concede to radical relativist, that such behavior, conduct and goals are irrational in terms of our culture and civilization, but I shall state here also our views, that basic moral norms are universal if not absolute. Without a basic set of norms a society cannot exist and prosper. Another alternative is a moral chaos, an «antilethics» which we have already witnessed in Hitler's vision and politics.

We do realize that certain values are relative, different in different cultures. We accept however here basic, reasonable principles, as the Greeks and philosophers of the Enlightenment did, we are their disciples.

In consequence, we suggest that the term «rational» defined as logical-empirical, in the accepted sense, in Pareto's sense, represents one aspect of human conduct which emphasizes effectiveness, relationship between goals and actions. But rational, in the sense of our discussion, has another meaning — rational, or «reasonable» in general, human sense, above all in ethical sense. First, we postulated that a purely logical-empirical definition is not sufficient in our case, secondly, we have made a distinction of the three meanings of this term, of the three aspects: the logical-empirical conduct, pragmatic utilitarian conduct and goals, and other categories of ends or objectives which are subject to normative, ethical evaluation, and are rational when they correspond to what can be considered as reasonable and acceptable. Since the rationality of the pragmatic and utilitarian is obvious, and akin to logical-empirical, we shall reduce our discussion only to the two categories.

In consequence we have redefined the «rational», in terms of «rational-logical» and «rational-normative». Actions, or means which are rational in terms of logic — may enjoin ends which are irrational in terms of our norms, in terms of moral sanity.

The problem of terminology is not irrelevant. It may be argued, that the term «rational» should be applied solely to logical-experimental conduct, to a conduct which can be validated in terms of efficiency and to utilitarian ends. For the «purists» — we may call — instead of «rational-normative» ends, «reasonable or ethically acceptable» ends.

When we speak in this paper about irrational government, irrational state or irrational leadership — we have to consider both meanings. Behavior may be irrational only in logical-empirical sense, in terms of choice of means which cannot be effective in a commonsense judgement. But it may be irrational also in terms of personality, and goals — in general sense as was stated above. It may be irrational in one of the above sense — or in both meanings. It may be also rational-logical in terms of means applied toward irrational ends. Clausewitz advised to use strong emotions in leading people to war, however, advised the leaders to be rational, to consider combat without emotional involvement. A ruthless leader, himself rational in terms of logical-empirical planning, acting, may build an apparatus which applies irrational means. Here are his militias, preachers, party leaders and operatives of the terrorist organizations.

3. The Rational State.

Now, we shall return to our discussion of a rational and benevolent state.
To begin with, it is a state and a government of a rational and open decision making process. Furthermore, it is a society ruled by laws equal to all. Its political institutions foster and facilitate efforts toward achievement of reasonable goals.

We do not try to idealize a rational state. It is not a "perfect" state, not an utopia of a final stage of development of a perfect social and political justice. What we do suggest, that it is a state administered by a rational government. Both goals and policies are subject to a rational process. Decisions are arrived at by discussions which are largely open to the public - due to a variety of means of dissemination of information.

Choices are evaluated in these discussions - alternatives explored. Since a major part of decision making is open to the public or mass media, the conduct of the government is under continuous scrutiny. Moreover, since rational (both logical and ethical) judgement prevails and goals and means are known, discussed, future actions of the government are - to an extent - "predictable". When laws are generally binding, we may predict that policies, actions will be carried within the limits of laws.

In contrast, actions of a Hitler, Idi Amin - today of the Iranian or Libyan rulers - are not predictable. A large area of actions which can be anticipated as a result of decision of a rational state, escape normal expectation when an irrational state is involved. Such was the case of hostage taking of an entire embassy in Teheran, or general revival of kidnapping, a revival of an ancient practice of slave traders.

As was said at the beginning, it is not easy to define a rational and benevolent state, because this is not simply a matter of certain definite institutions or institutional arrangements. Adolf Hitler got to power under Weimar Constitution and used the one time democratic institutions to seize power and destroy democracy. Still, a rational and a humanitarian state calls for a definite type of institutions, laws and established procedures, because it is a state ruled by a system of laws; laws which are observed and equal for all and which secure and establish accepted ways of rational political and social conduct. They establish instruments of controlling conduct in politics and within such safeguards foster or facilitate efforts toward achievement of reasonable and acceptable goals. Moreover, an institutional system of checks and balances may preclude ascent to power of an absolute ruler and of his narrow political class.

Public control and alertness is exercised by a number of competing, independent political parties and associations. They also may check tendencies toward total power, dictatorship and tyranny, although at times large sections of the population may be swayed by future tyrants.

Toleration of different political and religious outlooks is perhaps a good indicator. An extreme, intolerant government and rule is also irrational in terms of political goals.

A major philosophical as well as pragmatic discovery in controlling power and securing freedom of citizen was of course the discovery or invention of separation of and balance of power.

However purely institutional arrangements and sets of laws, imposed from outside, may not protect freedom and a rational political process, unless there is - in addition to the normal legal system - a set of customs and usages, observed by large sections of the nation, above all the political classes. And the latter are only a reflection for deeper sentiments of political attitudes and shared values. Those sentiments are crucial. Indeed, Benedetto Croce in his essay on History as the History of Liberty writes about republics of Greece in the fourth century, or of Rome in the first, in which liberty was still preserved «in the institutional forms but no longer in the soul of the customs of the people and then lost even those forms». Here was the beginning of decline of freedom and democratic controls. Those sentiments however escape rigorous scientific definitions or even analysis. Here we are again in the realm of values, ethics and the broad field of humanities.

The rational-logical process in a rational state, is carried out within the limits of a political and general ethics, not necessarily fully reflected in laws and political institutions. The rational political process is a subtle political and social mechanism which works, thanks to the existence and vigor of values, of a political ethics and of corresponding sentiments of a substantial section of the population.

Jhering in his famous work Geist des Römischen Rechts called das Rechtsgefühl des Volkes, the legal sentiments shared by the people.

Not always were those sentiments of a humane and noble quality - as Jhering correctly suggests. They appeared also in cruel games and persecutions. But here we speak about the positive creative aspects.

It was not the Roman statutory law alone which makes the great history of Roman law. It was also the legal behavior, the ways law was applied and interpreted and this application of the law reflected the shared values and sentiments of the Roman political classes. The Roman private and public law — writes Jhering — is based on principles of respect and restraint. This self discipline and moderation was and still is impressive since Roman jurisprudence wisely teaches sumnum ius summa injuria. To translate the meaning of this principle: application of law to its extreme (supreme), full extent is tantamount to extreme injustice. Only restraint, discipline, moderation made the law humane, fostered peaceful and nonviolent ways of settlement. But such an administration of justice called for civilized and educated judges,
proud of and dedicated to a profession which presided over cases presented by lawyers among whom Cicero was no exception.

Political administration calls for similar approaches and sentiments. And those sentiments as well as wisdom, decency and humanity appear among the authors of the Federalist and fathers of the American constitution, a classic blueprint of a rational and humane state. They appear with unusual vigor and universal appeal in documents of the French Revolution. The humanitarian principles are seminal in a state which administers a modern and a good society, which does not represent solely power of a single class. When we speak about common values, we mean moral sentiments, a limited but definite ethical commitment, ein ethischer Gefühl — an ethical sentiment to paraphrase Thering’s dictum — not only his Rechtsgfühl, a sentiment what is good and bad, what is right and wrong, which should influence if not determine the conduct of policies.

In the past history, governments — as distinct from societies — were often cruel and ruthless in their exercise of power. More often than not, they were harsh instruments of domination. When we suggest here a benevolent (humanitarian) government we do not means an ideal state either. A humanitarian government does not resort to cruel and brutal acts. It aids the citizen, assists foreign people in times of disaster and emergency — and all such actions have a tacit consent of large sections of a nation, because of those sentiments and values which are shared. Neither do I suggest, that a rational-benevolent state is necessarily a welfare state. The United States under Hoover administration was rational and benevolent. Hoover himself assisted the Soviet Union with a massive philanthropic action in times of a catastrophic famine. But Hoover’s America was not a welfare state — it was quite different from the later Roosevelt administration, which had qualities of a welfare state.

In consequence, the person, the individual is a major goal, end of a rational and humanitarian state. Hence human rights, civil rights are a major public stipulation. We mean here human rights which are virtually protected and exercised. Violation of individual rights meets here with the response of the state but also of the public opinion.

With this central issue of human rights we are again at the problem of rationality of goals. To repeat «rational» — should be defined in our opinion — not solely in a logical-empirical sense. The term extends also to a general reason, particularly to ethical issue, to political ethics — it means also acceptable goals, as it meant in times of Enlightenment when the theory of rational state has been firmly established. Here again we must make the distinction of the concept of «rational» as a purely logical (or logical-empirical) notion — in distinction of «rational» in a general political usage.

The fundamental difference between the humanitarian, benevolent rational state and the irrational one appear also in the very concept of power.

Rational political process implies above all control of this necessary, but at the same time dangerous political energy: the will to and exercise of power. The practice of the rational state developed political technics, one may say, in the case of American Constitution — an art of engineering in balancing and controlling power.

Unlimited power — in terms of a rational state — is a dangerous energy, a present danger of a possible political catastrophe. But unlimited power in an Irrational state is considered by its ruling elites as virtue. That an autocratic rule lacks — is the essential ingredient of a rational state — the human sentiments, moderation and restrain, this necessary psychological and moral climate. Violence and terror are its usual associates.

Of course, not all non-democratic states are necessarily irrational, although their benevolence might be absent or limited. For sake of brevity, we have limited our discussion solely to the two major types, in a sense two polar types.

4. Rational State and Education.

The rational state — since we postulate one based on consent of the governed rather than command calls for an educated public, educated and reasonable citizen educated — we may ask for what. Existence of schools alone will not suffice — under Hitler there were schools too. The school again should reflect — at least in part — the rational and humane approach.

But — even education, good as it might be does not suffice today. Modern, rational administration and art of government calls also for expert knowledge and experience, for a personnel, stuff which knows where and when to apply scientific methods, scientific thinking.

Scientific thinking and scientific method has affected almost all areas of our activities. Scholars and scientists are employed on various levels of the government. True, in Western history, philosophers were employed by rulers and heads of states since ancient times. Now however, with the unusual advance of science and technology the number of scientific and academic community increased beyond any expectations. No one anticipated that by the 1960’s American university and college instructors together with scientists and scholars employed in research and development would amount to half a million
while coal miners employed in the colliets to 130 thousand. Today, of
course, those figures are still more impressive. The government of the
rational state applies not in many departments scientific methods.
Civil service officers as well as elected representatives, educated in
universities, are familiar with scientific approach; scientific method
became part of approach to analysis and problem solving. Scholars and
scientists were, of course, employed already in 18th century and before.
Lavoisier designed the street lighting for Paris, served with Franklin
(still in royal France) on a committee to investigate conditions of
hospitals and prisons in Paris. He served also on a number of com-
mittees during the Revolution. Napoleon Bonaparte extended the French
Institute to Egypt — appointed scholars and scientists to various projects.
Some of the scholars were even appointed commissioners. American
governments established quite early various scientific agencies and
institutes. But now, employment of scientists and scholars is not
exceptional, limited to selected projects; it is general on all levels of
research and decision. The modern advanced rational state cannot ope-
rate otherwise. And here comes the relevance of Europe as an intellectual
and cultural community: we may say — a cultural and scientific power.
The modern rational state is the outcome not only of a political de-
development, but also of a long cultural and scientific tradition.
The irrational state lacks such qualities. The rulers of an irrational
state appeal above all to emotions. They manipulate mass meetings
and large sections of the nation by means of media and political rituals.
The primary appeal is an appeal to hostility. Symbolism and political
rituals become effective political tools in a process of delusion of the
rules and demonization of adversaries. Such ways are not compatible
with a calm and patient conduct of a scientific research and balanced
inference.

5. The Making of a Rational State.

The search for a rational state begins with the early time of
Greek philosophy; it begins with the city states, with Plato Aristotle,
perhaps even before. Already Aristotle in his Politics makes a distinc-
tion of two kinds of politics — the good government is
conceived on the good of the community and the perverted one,
when it is administered in the interest of those in power. The search
continues through the antiquity and medieval times. In its secular form
the concept is well represented in times of Renaissance. Machiavelli's
and Guicciardini's classic work overshadows other Renaissance writers
work reflected a hopeful view of a polity. I shall mention here
only Petrarch's 14th century tract on How the Ruler ought to govern
a state and, a patriotic essay, Leonardo Bruni's Laudatio Urbis Flo-
rentinae. Both represent a historical trend in European political writings.
In its mature, contemporary form the concept of a rational and be-
nevolent state (although without any specific appellation), a theory of
philosophers and statesmen appears by the end of the 18th century.

There are two major divides in the Western political history.
Between the 7th and 10th century European nations-states were formed
with an identity and boundaries which mutants mutantis survived to
our times. They emerged from the tribal past after years of turmoil
and barbaric invasions. The second divide comes with the times of
Enlightenment, particularly with the latter part of the 18th century
when the modern state in its rational, constitutional frame is already
formed. Now, in the Continent and above all in America, the early
trend and philosophy, tested in England and, against history, is
translated into practical, constitutional forms.

Tsarist Russia was never fully affected by this political invention
and at the beginning of our century, especially after the 1905 revolution,
there were only weak and hesitant reflections of this powerful rational
trend. Political discussions in times of Enlightenment, discussions of the
salons, were not translated into a practical, political form.

The short period after 1812 was for Russia the crucial one for
the adoption of Western, democratic, rational and humanitarian state. At
this time, there were vigorous tendencies among the nascent Russian
intelligentsia, particularly among the enlightened army officers familiar
with Western institutions. The Decembrist Revolution of 1825 they
have mounted did not succeed. And it was this group of Russians,
which would have built a modern state born in times of Enlightenment.
During this crucial historical period of reception the Russian effort of the
Decembrists failed. This failure is a major tragedy of Russia.
An oppressive, tsarist rule followed. With the new generation, German
and materialistic philosophy made its entrance. Soon, Marx and his
theory impressed the succeeding one. Neither Marx, nor Engels, nor
the orthodox marxists developed an adequate theory of state. The
theory of state Marx and Engels advanced was rather simple, even crude,
and far from traditions of Locke and Montesquieu. Here and there
there appears appreciation of freedom of speech, but generally, the state in
its view was a rather crude instrument reflecting distribution of eco-
nomic power and subservient to the latter. The subtle mechanisms of
control of power and harnessing tyranny escaped their attention,
unlike some Russian socialists, to mention Alexander Herzen. However,
Herzen had little if any direct influence on Russian institutions. It was
the Enlightenment, and French and English as well as American political
philosophy also Italians (to mention only Muratori, Beccaria, Verri, Al
fierl), the 18th not the 19th century, which created the modern democratic and rational state.

Granted, the 19th century advanced ideas of social reform and social economic change — this time German and European scholars and writers in general stressed the need for a humanitarian society. The 19th century opened the ways toward the welfare state but also the gates of oppressive, totalitarian regimes.

Lenin spent his young and part of mature years in Switzerland and also in Europe. Surprisingly enough, the modern political institutions had little if any influence on Lenin’s thinking. He hardly appreciated, had no interest or understanding of the subtle working of a modern, rational state, of a democracy which protects individual rights and protected his own freedom. He followed a rather simple theory of state, advocating either total dictatorship — of the initial period of victory of the Revolution — or total utopia, at the maturing of the system, an utopia which never has been even touched. There were, of course, Russian democrats as well as revolutionaries who understood the great dilemma, but as yet they did not influence in a sufficient manner Russian history. The Enlightenment originated primarily in Italy, France, England, and America. Nineteenth Century Russian marxist revolutionaries were influenced primarily by German philosophy and political ideas, not French, English and American. They missed the Enlightenment. They read rather Hegel than Montesquieu, and if they read the great political writers of those times, they read them like a school textbook — something you got to know. The Bolshevik October Revolution destroyed attempts of the February Revolution, attempts to build a democratic and rational state. It was a revolution without Locke, Montesquieu even Rousseau. It established a model of a totalitarian rule, a modern type of dictatorship.

The Second Russian Revolution, as the London Economist has called the changes initiated by Mikhail Gorbachev, may not succeed, if it is limited solely to economic reforms. The true change, the real Gorbachev’s Second Revolution, cannot bypass political issues. It is the Russian state which calls for basic reforms. Gorbachev has a historical task to build, perhaps slowly, step by step, a modern rational and benevolent state, not a failing utopia. This may mean that he has to reform or abandon Lenin’s theory of state and return, reinstate the ideas and principles of the Russian Decembrists and secure now a victory of the Revolution of 1825. For, economic reforms sooner or later will call for political. We should wish him success and assist his efforts.

This does not mean of course, that this should be a copy of Western democratic institutions. It is rather a problem of basic goals and values, of virtual working of principles of a free and enlightened society.

There are governments which are autocratic but not irrational, at least in the logical sense. Even tyrannies and dictatorships are not the same. There are differences between tyrants and dictators, some are more cruel, others less oppressive. To those, who live in a democratic state, to theoreticians and historians those differences may seem irrelevant, secondary. They are however vital to those who live and suffer under totalitarian rule.

There are also various levels, various gradations of benevolent states. A government may be benevolent in its domestic policies toward sections of populations, oppressive toward others. Such a system could not be defined as benevolent. There are variations and gradations of rational and irrational governments, benevolent and predatory. Our divisions are tentative and complementary to other classifications of state.

The idea of a rational and benevolent appear historically simultaneously with the search of a perfect state. In the early stage the two tendencies are not yet separated. A utopian vision of a perfect state, combined with a principle that ends justify the means, may originate, and did in the past, a totalitarian state maintained by means of excessive violence.

We have used the term of a rational and benevolent state. But, the idea, the theory, and the constitutional practice did exist while terms were different.

6. The Mission of Europe.

Now we shall return to the major and challenging argument of my learned colleague of the University of Pavia, Professor Arturo Colombo, about the relative absence of Europe in world politics.

Never in the entire history, never indeed in the past mankind has faced problems of present magnitude. The scientific and technical advance is not always a blessing for humankind. Some of the discoveries and inventions of this century were a curse rather than a blessing.

To begin with nuclear energy — a nuclear disaster — is a threat not to one but to many nations, more to continents. We have already the Chernobyl experience. As of today, the nuclear arms are still controlled by rational governments of various denominations, still by governments which exercise a discipline and self control. But let us imagine the atomic bomb in hands of irrational governments and their terrorist groups.

At present major responsibilities of control and reduction of nuclear weapons are primarily a paramount responsibility of the two
superpowers: the United States and the Soviet Union. Nato and European states play in those negotiations only a secondary role. The two major actors in this game are the two superpowers, while Europe is the major playground. Europe as a single and powerful partner and negotiator is absent indeed. Here, the argument of Arturo Colombo (Il Politico, June 1986) expressed at the last year conference at the University of Pavia, is quite seminal — he pointed to the absence of Europe as a major actor in crucial decisions in world politics, when the fate of this continent is at stake. We have already paid a price for this absence. European representatives were absent at Yalta and Potsdam when vital decisions about the continent were made. Churchill represented the Commonwealth, not the Continent. Moreover, in his opening lecture Professor Colombo stressed the importance of Europe because of its total population and resources. It is however even more important that the European Community represents today one of the largest and most responsible systems of rational and benevolent states. The experience of Europe, the know how, universities and talents, its exports and resources are really needed in those major efforts toward solving of the key problems of our globe. There are of course rational and benevolent states outside Europe. However Europe's strategic-geopolitical situation as well as its quality as a major historical area of modern and universal civilization, Europe's scientific and cultural, educational potential as well as unusual resources of this continent have to be considered.

An active participations of the European Community is relevant in our own interest, not only Europe's. And after all, the threat of nuclear confrontation is focussed primarily on the territories of the two superpowers as well as Europe. Professor Colombo as a federalist calls for a stronger union of Europe and a major role in the decision making process. His argument is convincing indeed. Some speak about passive Finlandisation of the Continent. To the contrary — mankind needs a vigorous and vocal Europe and not a timid association of nations.

For, the problem of reduction of nuclear weapons is not the sole major problem the world is facing today. And here, the relative absence of European power and decision is felt as well. Take the Middle East, today a major area of tensions and political irresponsibility. The impact of European states, France, Great Britain or Italy is of course an important factor in Middle Eastern politics, but the impact of the entire European Community, of a single, powerful polity has a different political as well as economic weight.

Moreover, we face indeed problems of preservation of our planet from major disasters. Next to the nuclear risks, which calls for answers, there is also the major ecological problems of our planet, the problem of ecological balance, of preservation of our natural habitat, the problem of our atmosphere, of the climate threatened by the increase of carbon dioxide in our atmosphere, the air and water pollution — all these issues are major, vital problems of the entire mankind. And this is not the end of the list. We may continue to note: the recurrent famines and at times decreasing water supply, overpopulation of the planet which has already 5 billions. We could go on with this inventory of crisis, disaster and catastrophe.

We recognize of course the great work and contribution in those areas of relief and assistance already supplied by philanthropies, states and United Nations agencies. Great as these contributions have been — they are not sufficient. Problems of this magnitude call for a peace effort equal in its massive, national and international effort to those we have made in past wars.

Major problems of this nature call for a concerted action of rational and benevolent governments and corresponding states, which have the necessary scientific and material resources, a qualified scientific and managerial community which could plan policies and conduct the necessary work and operations. The initiative and major responsibility in this area belongs to those who see the problems and have the potentiality to carry out the necessary work. Professional staffs of those nations are trained in and apply scientific methods whenever it is necessary. Hence they can cooperate and agree whenever findings and efficiency of policies can be validated. General political ethics guides those governments to problem solving of the vital issues of this planet.

Here are some of the reasons why a more vigorous presence of a united Europe in world affairs is imperative. It is not a problem of power politics. It is the mankind which needs Europe's scientific and humanitarian contribution. This is a matter of positive, constructive international politics far more than of a conflict oriented international action.

Political leaders of irrational and predatory states do not recognize relevance of those issues. Their fanatic approach and dogmatic ideology finds all the answers in various orthodoxies. They have neither the necessary scientific and managerial talents and resources, nor strong moral, ethical commitments to face and consider such problems, not until the dangerous situation changes into a catastrophe which engulfs the privileged leadership, the ruling elites.

7. A Melioristic Goal.

I hesitate to move further with our vision of a world of rational and humanitarian states. First of all, neither a single political pattern
meets the needs of variety of cultures of our planet, nor a single system may fit the richness and differences.

Furthermore, whenever we move toward rational and perfect, whenever we move toward the ideal of perfection, we are near or just crossing the border line of utopian worlds, of a utopia which is seducing, tempting but also risky, again bordering on the dangerous. For utopias may lead to tyrannies. But let us think in terms of melioristic answers, not perfect.

Suppose Gorbachev's promises and policies move toward real changes, changes toward peaceful objectives in world politics as well as constructive for internal, domestic problems. At such time, roads will be open toward new answers, new approaches. How much energy is spent today due to the fact, that we live in a world of powerful «adversaries», that so much resources and energy has to be spent into mutual defense. In a truly peaceful world, peaceful among the major industrial nations, we could move from a world of adversities to a world — not necessarily of friends, brothers, allies — all this is difficult, but to a world of associates, partners in an enterprise of world reconstruction, of problem solving of those major issues which mankind is facing. The arms reduction may pave the way.

Of course, it is only a vision — but reduction of tensions between nations of the Western World — and the Soviet Union — and a broad movement toward rational and humanitarian policy, would set mankind into a new historical stage. Of course, this would call for a fundamental change in Soviet policy in Europe and Asia. Let us imagine — a Marshall Plan in still larger dimensions.

In fact, a rational and humanitarian, benevolent state — logically could move into such direction. Politics however is often psychological rather than logical. Let us not look toward ideal solutions. Should we succeed to agree and go to work toward a few major objectives in a rational way, and accept at least some elementary humanitarian commitments — like in the Helsinki agreement — then, presence of a united and dynamic, or active Europe, of all its cultural influence and power shall be of a major relevance. And it is there where Arturo Colombo's concern and argument leads.

Riassunto — Un'importante distinzione fra governi e Stati oggi è una divisione (ovvia ma trascurata) in Stati razionali e irrazionali, benevoli o oppressivi o predatori. Oltre Stati irrazionali sono dannosi, inclusi al conflitto e alla guerra, imprevedibili nelle loro decisioni e azioni (per esempio, Iran o Libia oggi). Dopo la caduta dei regimi di Hitler e fascista la forma oppressiva di governo continuò (per esempio, l'Unione Sovietica di Stalin, la Cina di Mao, la Cam- poglia, l'Uganda). Lo Stato razionale e benevolò è stato definito in termini di obiettivi, azioni e procedure. Il processo di elaborazione delle decisioni in uno Stato razionale (governo) è in larga misura aperto, basato sulla discussione e la scelta, guidato dalla ragione. Lo Stato moderno razionale applica inoltre l'approssimazione scientifico ad una vasta area delle proprie attività e alla soluzione dei problemi.

Il mondo oggi ha di fronte maggiori problemi — quali la minaccia nucleare, l'inquinamento dell'atmosfera, la soppoppopolazione, le carestie — per eliminare solo alcuni. Tuttavia, i grandi problemi del mondo possono essere risolti solamente mediante lo sforzo comune di Stati razionali e benevoli, uno sforzo costruttivo di grandeza paragonabile alle spese rinvenute per le grandi guerre.

Oggi, la Comunità Europea rappresenta il più vasto sistema mondiale di Stati razionali e benevoli, dotati delle più ampie risorse culturali, intellettuali e materiali. Riferendosi all'articolo del prof. Arturo Colombo (Il Politico, giugno 1986) si può sostenere che il ruolo più importante della Comunità Europea negli affari mondiali è basare non solamente nell'interno dell'Europa, ma essenzialmente nell'interesse della comunità mondiale. La sopravvivenza della nostra civiltà moderna richiede un'azione concertata di governi e Stati razionali e benevoli.

Summary — A major distinction of governments and states today is a division — obvious but overlooked — into rational and irrational states, benevolent and oppressive or predatory. The irrational states are dangerous, prone to conflict and war, unpredictable in their decisions and actions (e.g. Iran or Libya today). After the fall of Hitler and fascist regimes the oppressive form of government did continue (e.g. Stalin's Soviet Union, Mao's China, Cambodia, Uganda). The rational and benevolent state has been defined in terms of goals, actions and procedures. The decision making process in a rational state (government) is largely open, based on discussion and choice, guided by reason. The modern rational state applies also scientific approach in a large area of its activities and problem solving. The world faces major problems today, to mention the nuclear threat, air pollution, overpopulation, famines, to list only some. Those major world problems can be solved solely by a common effort of rational and benevolent states, constructive effort of a magnitude comparable to destructive expenditures of major wars.

Today, the European Community is the world's largest system of rational and benevolent states, with major cultural, intellectual and material resources. Referring to the article of Prof. Arturo Colombo (Il Politico, June 1986), the a. argues that the greater role of the European Community in world affairs is seminal not solely in the interest of Europe, but primarily in the interest of the world community. The survival of our modern civilization calls for a concerted action of rational and benevolent governments and states.
POLITICAL OPPOSITION IN THE E.C.:  
THE ROLE OF THE COMMUNITY  
FROM THE ROME TREATY  
TO THE DANISH REFERENDUM OF 1986  

by CARL LANKOWSKI

1. INTRODUCTION:

Efforts at regional integration have always been the transnational part of a political project to reconcile capitalism and liberal democracy. Over the years, the inherent tensions between capitalism and liberal democracy have increased to the point that major adjustments between them are necessary. Unemployment, regional disparities, distorted markets, overcapacities in important industrial sectors, agricultural surpluses, and environmental degradation are problems that cry out for solution. By the beginning of this decade European statesmen had come to believe that the acuteness and intractability of these problems had much to do with the European Community. Their diagnosis focused specifically on the Community’s cumbersome decision-making machinery, which produced notorious institutional paralysis, and, relatedly, slippage in keeping the EC internal market free of unjustifiable distortions. Accordingly, EC constitutional revision has been proposed as a solution. The European Union Treaty, signed at the Luxembourg Summit in December, 1985, which significantly modifies all three treaties under the EC, is eloquent testimony to the breadth and depth of the consensus on this point. The modifications amount to the most far-reaching and concrete alterations in the edifice of West European cooperation in the thirty years since the signing of the Rome Treaties and cap a series of solemn diagnoses and statements of intent issued at EC summits

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For their generous assistance in helping me say what I wanted better I am grateful to Wolfgang Fach and Ole Tonsgaard.
reaching back to the Hague meeting in 1969. By the same token, the measures cannot be said to constitute a break in the developmental logic of the Community. On the contrary, they are a forceful reaffirmation of the philosophy surrounding and aims set forth in the preamble of the Rome Treaties.

This paper considers whether and to what extent the problems, for which the package of measures comprising the EUT offers a solution, stem not from organizational impediments to the implementation of the original philosophy of the integrative project, but rather from progressive realization of the basic aims of the integrative project itself. If the problems besetting Europe turned out to be political rather than organizational, then the EUT would probably not be able to bear the weight of expectations associated with the implementation of its various measures. Indeed, the measures would then look more like a Flucht nach vorn, a response of a system to symptoms of stress. They would possess the character of design modifications undertaken by the captains of a leaky ship of state which has encountered stormy seas. Unfortunately for the captive passengers, however, the modifications focus on the repair of the superstructure rather than the hull. The solution is streamlining which results in most equipment being tossed overboard so as to lighten the vessel. The craft might continue to sail, but without adequate provisions and protection for the passengers. Clearly, this is not the type of boat most varieties of Europeanists desire. I would like to think that most would prefer a soundly constructed boat that could handle rough seas without abandoning stowed gear and provisions.

II. Opposition in the EC: Theoretical Issues.

In this paper, opposition is meant to refer to a critical disposition towards outcomes associated with the general structural principles of a social order or towards the principles themselves. Opposition in capitalist societies refers to challenges to specific outcomes of the exercise of class power, or challenges to the principles of the social order themselves. To the degree that opposition concerns itself with specific outcomes, it shall be considered to be «integrated» opposition. To the degree that it challenges the principles, it shall be considered to be «unintegrated» opposition. Furthermore, to the degree that it correctly identifies and directly confronts the level and arena of action pertinent to the substance of its critique, opposition shall be designated as «direct». To the degree that it does not, it shall be referred to as «indirect» opposition.

Opposition is the subject of this paper in a double sense. First it figures in as something to be explained. In this respect it will have been shown that the apparently heterogeneous manifestations of political opposition in EC Europe are, in fact, essentially tied to the dynamics of transnational regime management at EC level. This means that opposition cannot be well understood without systematically taking the EC into account. Secondly, opposition figures in as an explanatory variable. It will have been shown that political opposition preoccupies national policy-makers who are also in charge of EC policy, or who must, at least support the aims of that policy. This implies that policy innovation — such as the EUT measures — cannot be understood except with reference to the conflicts of «domestic» politics, since these may have been induced by EC regime maintenance strategies of national policy-makers. In this section Justification is given for treating political opposition as an explanatory variable in Community development. In sections III and IV, apparently disparate forms of political opposition in EC Europe are explained as related products of EC regime development.

The main rationale for the EUT concerns the stability and coherence of the European Community. The philosophy behind the reforms can be expressed as the thesis that the Community suffers from a deficit of institutionalization. This thesis has served as a leit-motiv in the scholarly literature on international organization for over three decades.

In the 1950s, the neo-functionalism literature on European integration expected rising levels of economic interdependence to create pressures for institutionalization at EC level. This variant of the integration problematic gradually fell out of favor as increases in interdependence translated, not into increased competences for the Brussels decision-making center for the EC, but rather into increasing national control over the level of interdependence. The theoretical response was, first, simply to note that politics intervened between the fact of interdependence and transnational institutional outcomes. There was, thus, no reason at all to presume that interdependence led directly and automatically to institutionalization. (Morse 1973) The economic problems of the mid-1970s seemed to verify this view. Stagflation and the «oil crisis» brought an end to the relatively politically unproblematic period of postwar economic growth and called into question the «neo-classical-keynesian synthesis» which lent intellectual coherence to economic policy. Since integration theory took this variant of liberal economics for granted, it is hardly surprising that this theory was also adversely affected. Integration theory virtually ceased to be. Interest in the conditions surrounding institutionalization at the international level did not diminish, however. Instead, integration theory was eclipsed by a
shift in attention to general problems of world order, and the EC lost the paradigmatic character for theory which it had enjoyed. At least by implication, the EC was denoted to the status of a special case of interdependence politics which could be understood according to a new set of concepts arising from a revival in world order studies.

Some problems of regime theory.

Until very recently, the most insightful line of thought treated cooperative efforts in the economic sphere among advanced capitalist countries as instances of utility maximization among national actors confronted with the problem/opportunity of the decline of the ordering power of the United States. (Keohane 1984) In the absence of another state with hegemonic aspirations and capabilities, cooperation could be explained, in this view, by the generation of insight at the national level into the long-term economic gains that transnational regimes would yield, even if regime rules and regulations reduced short-term gains.

As insightful as the recent work on transnational regimes is, however, it fails to address a key issue about the orderforming decisions of cooperating national policy-makers. The issue is the capacity of policy-makers to keep their promises. Where force cannot be easily used to maintain order under any given set of policies as is the case most of the time in virtually all EC countries, persuasion must be used instead. Policy-makers must be able to convince their publics to support their official activities. They must be able to present policies to foster the belief that (a) policies chosen are the best possible, and (b) current problems will not be made intolerable worse by the policy choice. In short, the legitimation mechanisms of the participating states must be intact in order that policy-makers be able to keep their promises to other states. If policymakers can make their publics see the world from a point of view of their choice, compliance will be internalized individually at the mass level and important domestic preconditions of stable regime formation will have been met.

The Achilles heel of the literature on transnational regime formation presently being considered is its obliviousness to systemic sources of political interests and action. New interests may give rise to worldviews which clash with official rationales for important policies and tendentially undermine the capacity of the state to legitimize its policies. In overlooking this dimension of world order, the regimes literature idealizes the present by steadfastly refusing to chart the evolution of political constraints on the policy-makers. To put this oversight right, the action framework would have to be married to a theory describing the evolution of the parameters of that framework i.e., the action contexts (1).

The achievement of preconditions for stable transnational regime formation is problematic because even if policy-makers can anticipate political energies unleashed during regime formation, they may not be able to manage it consistently within a given system of power. Thus, despite their recognition of the political element missing in early conceptualizations of the integration process, transnational regime theorists, as exemplified by Keohane, seem to have overlooked at least two potentially systematic sources of potential political disruption.

In the first place, the very process of regime-building outlined by Keohane makes it plain that short-term interests must be sacrificed for longer-term ones, even if the longer-and-shorter-term interests all stem from the same utility functions. But in getting a public to think longer-term, one is also subtly educating it to the fact that a greater variety of workable politico-economic institutional configurations exists than it had been led to believe. As this insight sinks in, policy-makers will have a harder time in convincing the public of the value of their plans. Offered the promise of «more of the same» in the long term, what is to prevent a public for asking for something different instead? Instead of better management through restructuring, why not a different kind of company? (2) Thus, in toying with the decisional horizon of the public, policy-makers may unintentionally change its political identity to make it more receptive to design alterations of a more fundamental nature than they had in mind. It has been suggested that such alterations in identity may result in different, group-specific logics of collective action. (Ohe and Wiesenthal 1980) Since corporatist policy-making has meant self-imposed constraints in the level and scope of trade union demands, politicization of the work force through dynamic evolution of EC policy-making could signal an end to these constraints and the outgrowth of an intense struggle over the whole range of issues beyond wages and immediate working conditions.

A second problem is that the public may be split in a manner which is impervious to appeals based primarily on the logic of economic growth. For some groups in society, economic «progress» may be part of the problem to be solved. New social cleavages cut across growth coalitions of the past, decentering the distributional focus of domestic

1) Theyfar, only Cox (1987) and Tilly (1978) have attempted to address this theoretical issue systematically.

2) Sabel (1982) documents several compelling examples of collective changes in political identity at the micro level in Western Europe during the 1960s and 1970s which provide some sense of how such processes can cause policy-makers to lose the political initiative. Tarrow's (1983) concept of protest cycle suggests the macro-political effects of sudden, pervasive transformations in political identity.

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politics. (Raschke 1984, Inglehart 1971) In this case, the locus of conflict would not be the workplace, but the community, not the sphere of production, but that of reproduction. Here again, the logic of individual action based on short-term self-interest could be challenged, this time due to the realization that social scarcity imposes strict limits on the kind as well as the level of consumption to which the greater part of even an affluent society can aspire. (Hirsch 1976)

Either one of these two processes would create a dynamic situation that could continually disrupt the calculus of consent and cooperation in a multilateral framework such as that of the EC. Either of these processes, in themselves, might be sufficient to explain why transnational regimes do not "develop", in the sense of generating authority for themselves.

Moreover, these two processes are potentially interactive. If they do interact, it is to be expected that the conceptually simple attempt at solving a problem by inducing greater inter-systemic cooperation will instead produce a marked increase in disruption, as some groups learn that political design is more flexible than they originally had thought, while others resist against what they perceive as a further turn of the screw in undesirable growth. In short it is easy to imagine that policies adopted to bring about transnational regime formation, or reformation, can be self-defeating. In sum, Keohane's treatment of regime formation, because it neglects the omnipresent problem of political legitimation, is static. It does not make room for dynamic developments in the domestic political base of policy-making.

Processes giving rise to opposition.

From the foregoing, it may be surmised that understanding the process of institutionalization at EC level — the process of political integration — requires a shift to a holistic perspective from which activities occurring in the main arenas of the EC regime can be systematically interrelated (3). This is why political opposition in EC Europe — the subject of this paper — is of interest both theoretically and methodologically.

Any transnational regime maintaining or innovating activity can be expected to affect one or more of these processes constitutive of the action contexts for all actors in the EC member-states. As such, these processes will be particularly pertinent to the systematic generation of opposition. (3) Huergín (1983) is one of the few students of the EC who has recognized the usefulness of such a perspective.

The first and second processes to be discussed have to do with conflicts arising over the distribution of the social product. They are differentiated by the dominance of a functional versus a spatial manifestation. The third process concerns the alteration of the action context as an end in itself.

The first process occurs within a more or less socially homogenized, national frame of reference and pits market participants against one another in a functional struggle over the national product. This process is the "normal" cut and thrust of interest group politics as it is affected by shifts in the sources of power. Hence, capitalist rationalization affects the degree of control that workers can exercise over their workplace.

The second process is unequal development. Resource bases, interest group organization, and political traditions are differentiated across and combine locally with each other to produce variations in the extent of the market, workforce qualification, and production possibilities. Unequal development occurs when these variations systematically affect the inflow and productivity of capital. "Core" and "peripheral" regions crystallize out of this flow process, producing a characteristic dualism of economic culture, each aspect of which possesses its own logic of integration into the political order, hence its own type of stability. (Holland 1976a, 196b, 1980, and Seers and Vaitkus 1980) Any changes in the mechanisms of integration in the peripheral areas, brought about, for example, through sudden changes in the opportunity structure for external capital, could well trigger collective resistance.

The third process affecting the action context of the state and public concerns the changing character of production in the most advanced sectors and regions. The tertiarization of the economy, the automation of industrial production, the general decline in socially necessary labor time — all these produce new social strata for whom new stakes of political conflict have emerged. Work has declined in significance as a locus of conflict, making possible politicization of new societal sectors. (Gorz 1981, Touraine 1971, Offe 1985, Block and Hirschhorn 1977).

These processes produce typical forms of opposition. Struggle of the product in the national context frequently leads to class conflict. The decline of work produces conflicts over the meaning of work, i.e., the kind of society that is desired in which the general principles of work society may be placed in doubt. The process of unequal development produces an ambiguous class of opposition, at once less universalistic and more territorial. Regions may be subjected suddenly to the full force of international markets, creating consciousness both
of disappearing employment opportunities and of limitations on consumption patterns. Territorial movements thus are formed from the confluence of these two aspects of modernization.

Direct and indirect opposition.

The EC system is a bifurcated transnational regime which divides, by governmental level, the main responsibilities for market organization (the Brussels system) and for making that same organization acceptable to West Europe's citizens (national governments). This system operates in the context of a high degree of transnational integration carried out outside government via business organization and practices on the one hand, and cultural motifs which form the basis of competing visions of political life, on the other.

In light of the symbiotic relationship between Brussels and national arenas, EC politics may be conceived as a two-level affair, featuring primary and second-order processes of system integration. It has long been commonplace that, celebratory rhetoric and green cards to the contrary notwithstanding, the actual integration taking place at EC level consists, not in directly binding individual Europeans to a larger political entity, but rather in providing an arena in which national regimes of regulation can be adjusted to one another. Thus, what goes on continually at EC level is an attempt at secondary integration. This process must be distinguished from primary integration which operates via the web of institutions and actors in the national arena in the soup of national political and cultural traditions. Regarding the « supply side » of politics, any « realist » assessment of the political behavior of national politicians must start with the premise that their EC strategy is oriented towards finding ways of ever more successfully serving their electorates in terms of prevailing national standards of performance. Consequently, any displacement of loyalty to « Europe » will either be strategically motivated in order to shore up national, primary integration, or it will be purely accidental.

From the point of view of the « demand side » of politics, the citizenry, the pattern is the same. The cultural and political frame of reference is national, though invocation of the EC may, at times, alter the bargaining power of actors in this framework, and therefore be strategically useful.

The distinction between primary and secondary integration can be summed up as integration of individuals into a system of regulation affecting virtually every thread of the web which attaches them to the political system versus the integration of integrated systems which is controlled exclusively by national politicians.
Opposition data need to be interpreted and measured with respect to their standing on a scale of compatibility with the logic of the two-tier customs union model outlined above. The base-line for comparison of data is an imaginary situation in which a fully homogeneous economic space has been created, i.e., integration according to the vision animating the Rome Treaties has been achieved. According to the terminology introduced above, this would be a situation in which all tension between primary and secondary integration would have ceased and all national differences would be purely residual from the point of view of market organization. In this context, opposition is defined as collective action undertaken which tends toward creating or sustaining heterogeneity in EC Europe, i.e., socio-political «bits» that are «indigestable» from the point of view of «their own» government’s strategy of EC association.

The argument so far can be summed up with the aid of the following diagram:

Figure one

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\[ \text{Regime maintaining/innovating activity} \]
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Processes affecting action contexts

- Rationalization
- Unequal development
- Heterogenization

```
\[ \text{Opposition} \]
```

- Integrated core
- Integrated periphery
- Unintegrated periphery
- Unintegrated core

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\[ \text{Opposition types} \]
```

- Class
- Regional
- Post-industrial

\[ \text{di = direct opposition; indi = indirect opposition} \]
We are now in a position to apply the model suggested above to the history of the EC. What have been the dominant patterns in political opposition in EC Europe since the signing of the Rome Treaties in 1957 and how have they been related to the basic architecture of the Community? Can we find empirical evidence in social movements and political opposition for the integration-inhibiting processes outlined above? Will the EUT contribute to democratic stability in the EC, or will it force policy-makers to confront a Hobson’s choice between admitting new, democratizing forms of political participation on the one hand, and sustained economic growth on the other? These are the subjects taken up in the remaining sections of this paper.


When viewed against the aims, design features, and periodic constitutional modifications of the EC regime, connections begin to emerge from an apparent welter of heterogeneous political activity in the member states. In particular, much of the record of political opposition in EC Europe can be reinterpreted as differentiated derivatives of the integration effort launched in 1958 with the coming into force of the EEC. Protest and opposition in Europe are thus genetically related classes of action which exhibit variations due to their refraction through national political systems, producing adaptive and mediated forms. The purpose of this section is to broadly characterize this opposition and demonstrate the lateral interrelationships of its forms, as well as the connection between EC development and the appearance of new oppositional movements.

Opposition Types: Integrated/non-integrated.

The distinction between integrated and non-integrated forms of opposition flows from the concept of EC-regime introduced in the preceding section. Integrated forms of opposition are those whose action is not meant to challenge the prevailing politico-economic order. They operate within the logic of development of that order and their main aim consists in redistributing resources between the major, organized actors. Conflict between these actors is often channeled in highly ritualized, formalized institutions or agreements. Opposition operates within the framework of institutionalized class compromise of the sort that in Europe is organized through «mass integration» political parties. In the case of the EC, primary examples of integrated opposition include

the struggles of «non-ideological» trade unions over shares of the national product, and the periodic protests of EC farmers over commodity prices negotiated in the Council of Ministers. In sum, integrated opposition pits participants in economic growth coalitions against one another as contestants over narrowly defined, distributional issues.

Some of the recent literature on social movements allows us to specify the distinguishing features of non-integrated opposition. (Melucci 1980, Touraine 1981) In non-integrated opposition, the stakes of conflict are qualitatively of a different order than in integrated opposition. At issue are the central ordering principles of the political economy and criticism is typically carried on with reference to visions and plans for alternative, ideal social organization. Because contestants typically arise out of new social strata, and because the concrete occasions for criticism are typically outside the workplace, opposition actors innovate new repertoires of political participation and resist having their demands channeled through traditional institutions. In particular, the opposition in question resists incorporation into «mass integration» political parties, whose raison d’être consists in providing the mass basis for undisrupted governance by forging inter-class compromises. The so-called «new social movements» — e.g., feminism, the new peace movement, the environmental and antinuclear movements — are the concrete manifestations of non-integrated opposition.

Regional movements — the Basques, Scottish and Welsh nationalism, the Bretons, Alemanisch, Emilia-Romagna Development Coalition, the camorra agrarias in Galicia, Pylos-B and Grevena in Greece, the Andalusian mobilization, and the Messelongi mobilization in central Greece — fall into a grey area between the two opposition types, combining features of each. We may adopt a distinction that has been made between full-blow regional social movements at one end of the spectrum, and areal defense of a purely economic position (where the stakes are distributional rather than cultural) on the other. A regional social movement is characterized by a logic of development which

«(a) has a territorial and multiclass base, (b) contradicts the institutionally dominant social logic, i.e., it is against authoritarian statism and unregulated capital, and (c) challenges conditions of uneven regional development, i.e., it is against the distinction between aggregate economic growth and territorially adapted development» (Hadjimichalis 1986, 283).

Regional social movements thus manifest essential characteristics of unintegrated opposition, in contrast to less ambitious regional action responding to precipitous fiscal and economic decline, e.g., through «deindustrialization» affecting formerly core regions.
Spatial Distribution of Opposition Types.

As far as opposition-types are concerned EC Europe divides into Northern and Southern patterns, though there is no isomorphism between type and region. Both areas have become heterogeneous with respect to opposition to a greater or lesser degree. Instead, what we observe is different mixtures of integrated and non-integrated forms involving different social sectors in each of the two areas.

In the North, comprising the original EEC members and the members joining at the time of the first enlargement, the economic space has been more or less thoroughly homogenized by decades of industrialization, though some significant regional differentiation continues to exist. That is to say, even though archaic forms of economic organization may continue to coexist with advanced forms, the former tend to be more or less directly functionalized in the accumulation schemes of the latter. As a consequence, economic policy-making tends to be centralized and concentrated, involving relatively few collective actors. A tripartite pattern involving negotiations on the major issues of economic policy between representatives of labor, capital, and the state, typically evolves. This situation is decisive for the constellation of opposition that has emerged. Whether integrated or unintegrated, opposition is thematized universally, i.e., in a manner which affects the whole body politic. These polities are divided on the general aims of politics, producing a situation in which the integrated sector generates conflict over distribution, but in which the sectors clash with each other. In short, in Northern Europe the stakes of politics include explicit and highly articulated conflict over the model of politico-economic development. The main manifestation of this opposition has been the appearance of «green» or «new left»-type parties that seek to represent the «new social movements», constituencies that understand themselves as moments of a general process of social transformation. (Mueller-Kommel 1985, Buerklin 1984, 1985, Raschke 1984).

The pattern in the South is distinguished by the territorial segmentation of unintegrated opposition. Regional social movements express the incomplete homogenization of the economic space, i.e., the lingering relative autonomy of local modes of social relations in production. Consequently, their claims are not universalistic, even if they amount to a rejection of «development path» supported by the core sector and central political authorities. Of course, regionalism is also present in Northern Europe — e.g., in Wales, Scotland, and Wallonia — but in these cases it clearly amounts to a defensive posture within the dominant, industrial-distributive political paradigm.

Opposition and Anti-EC Sentiment.

Strikingly, opposition and explicitly thematized anti-EC sentiment appear to be associated with each other most strongly in the Northern countries which are experiencing the most highly articulated clashes between old and new paradigms of political action. The composition «Rainbow coalition» in the European Parliament makes this relationship quite clear. The Danes are represented in the coalition by their own electoral list, the People's Movement Against the EC. The other components are green-type parties from Germany, the Netherlands, Belgium and Italy, respectively.

Anti-EC sentiment is also organized in traditional political channels in the Northern countries, as in the British Labour Party opposition to EC membership. But its anti-EC sentiment has more in common with anti-EC sentiment elsewhere in the EC, insofar as the dominant issue is in what international configuration will the distributive benefits of industrial society be greatest. Local history and institutions produce a different cost-benefit calculus for each opposition, integrated or unintegrated, in the Southern countries, vis-a-vis the EC. Thus some regional movements are positively disposed towards the EC and some are not. The same is true for opposition elements in the core sectors of these political-economies.

IV. Evolution of Oppositional Configurations.

It has been established that transnational regime maintaining and innovating strategies of policy-makers can be expected to produce opposition in broadly predictable patterns, and that these patterns reciprocally influence regime policies. The broad pattern of opposition in the EC has also been depicted by generic type. It remains to explain the sequence and configuration of opposition types in EC Europe. My thesis is that the evolutionary pattern is intelligible in terms of the rise and decline of a political project which was capable of broadly absorbing most immanent conflict arising out of the societal processes sketched out in Part II and channeling such conflict as it was unable to absorb into the margins of political life. This political project is social democracy. Accordingly, much of the following discussion concerns the conditions under which social democracy could claim political hegemony in Europe at both the national and the transnational levels. In order to accomplish this task, however, it requires that another distinction must be introduced to differentiate between the organizers of the social democratic project at EC level and those who
are organized. This distinction can be conceived as dominating and subordinate social democracies, or, put another way, transnational system making versus transnational system taking social democracies.

While it is not necessarily the case that every political movement that calls itself social democratic really is, and while it is certainly the case that some political movements which are labeled conservative are social democratic in all but name, in the European case the gap between the nominal and the real is not vast. Consequently, much of the discussion that follows will concern itself with the evolution of social democratic movements in the EC context.

Combining the three dimensions of the analysis introduced thusfar, critical cases of oppositional configurations can be singled out for treatment. The interesting cases come to light in the following matrix:

<table>
<thead>
<tr>
<th></th>
<th>System maker</th>
<th>System taker</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Indirect</td>
<td>Direct</td>
</tr>
<tr>
<td>integrated</td>
<td>D</td>
<td>L, NL, B, F, DK, UK</td>
</tr>
<tr>
<td>unintegrated</td>
<td>D &gt; '82</td>
<td>regional movements in Southern Europe</td>
</tr>
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One pattern to be explained concerns the configuration of opposition in the three EC countries with social democratic governments in the 1970s: Germany with an integrated and indirect opposition versus Denmark and Britain with integrated and direct oppositional forms.

The second pattern demanding explanation is the changes in the oppositional configurations of these countries over time: Germany gets an unintegrated opposition, while Denmark moves into the unintegrated category after 1982. The third pattern to explain is the colocation of Denmark and the regional movements of Southern Europe in the direct/unintegrated/taker cell.

The key to making sense out of this pattern lies in the nature of the integrative project undertaken initially by the most dynamic Northern European economies and the terms of formal association of countries from Northern and Southern Europe in this project. The patterns of opposition become intelligible at the level of the EC regime against the general strategies meant to organize politics in a capitalist, liberal democratic framework, which prevailed in the original « Six ». In general, the pattern is associated with the passage of national regimes of capitalist regulation from a production oriented to a circulation oriented mode (4). This pattern yields three phases of development and two major changes in political climate.

The EEC was founded during the apogee of public confidence in the market as the leading principle of social organization in postwar Europe. Market maintaining policies were thought to be the best guarantee that the growth dividend would be large enough to reproduce the conditions for an inter-class compromise. Measured by the level of unanticipated (wild-cat) strikes, and by the policy pronouncements of major parties, a high degree of primary and secondary integration was achieved from 1958 to 1968. The major test of that period was the degree to which the main losers in economic rationalization process — small farmers — could be contained politically. The CAP was, in this respect, an overwhelming success, and a stunning exception to reliance on organized market power to achieve an acceptable distribution of the social product.

The ensuing economic boom altered the relative bargaining power of labor and capital, facilitating a resurgence of labor militance beginning in 1968 which threatened interclass harmony. In response to this, significant design modifications were made in patterns of conflict management which found a strong echo at EC level throughout the 1970s. In essence, they created a « political market » as an adjunct to the economic market. The state stepped in to help organized corporatist bargaining among the most highly organized market participants, Keynesian tools of demand management were introduced, and ingenious ways were worked out to configure the various components of the social wage — e.g., between pay packets and taxation — so as to maintain stability and calculability in production. In this way an accumulation regime oriented to total national economic performance in addition to disaggregated, microeconomic performance, a circulation-regulation regime, was introduced.

During the whole period between 1958 and 1978 the stakes of politics were generally agreed. The central axis of political conflict was distribution of the growth dividend. The design modifications were intended both to increase the portion of the national product destined for distribution among well organized constituencies of national growth coalitions, and to redistribute some of this product to losers in the growth « game », without at the same time adversely affecting the

(4) This distinction comes from Olle (1974).
« business climate ». This strategy was an integrative strategy, par excellence.

This Wende was organized in the parliamentary systems of EC Europe primarily by social democratic parties. Because their core electoral constituencies included most, if not all, of the potentially destabilizing elements of the industrial production system, they were in the best position to propose the policies that expressed a workable interclass « deal ». Moreover, for electoral reason social democratic parties pretty much restricted their activities to the parliamentary arena and what could be achieved there — i.e., consensus reform politics (5). In retrospect, the main political function of social democracy and « Euro-communism » — a social-democratized version of Western European communism, from the point of view of its contribution to the formation of political opposition — had been to manage the primary integration of working class opposition, following the parabola of its direct bargaining strength vis-à-vis capital, as a rising curve in the late 1960s and as a descending curve from the mid-1970s onward. This function reflected the confluence of forces of economic boom, producing a temporary, relative shortage of labor, and de-facto transnational economic integration that had been facilitated by the long postwar boom through its effects on the multinational organization of production. While the boom strengthened labor’s bargaining power, the structural transformation towards national subsumption to transnational market forces undermined that strength, a point that was made abundantly clear as soon as the conjunctural situation changed after 1973. Hence, social democratic stewardship of the circulation-regulation phase of postwar European capitalism divides into two phases: 1968-1973, and 1974-1982.

The confluence of economic boom and capital internationalization also set the stage for the North/South differentiation of opposition patterns. For during the boom phase, regional disparities were accentuated as labor migrated to industry in « core » areas of the Community. Capital moved laterally to high density, high-development areas to enhance access to infrastructure and markets, or it went abroad (e.g., to Asia) in some sectors to take advantage of cheap labor. (Holland 1976a, 1976b) This process led to well known crisis symptoms after the boom, from the mid-1970s onward. Some Northern regions underwent severe de-industrialization (e.g., Scotland, Wales), but most were confronted with levels of unemployment unprecedented in the postwar period. High unemployment, intensified by labor-migration strategy.

(5) For excellent synthesizing treatments of the logic of social democratic politics, see Przeworski (1985), the first chapter of Esping-Andersen (1985), and Stephens (1979).

put great pressure on public budgets. Meanwhile, Southern areas, including those in Portugal, Greece, and Spain, were depleted of skilled labor, reinforcing a century-long tableau of coexisting social strata, featuring a large self-employed sector (industrial petty bourgeoisie, peasant and artisanal family production units), a stratum of low-paid, wage laborers, and a marginal proletarian element.

As the economic boom in Northern Europe faded, revealing the new patterns in the international division of labor to which illusion has just been made, social democracy adopted a strategy that created a political dilemma from which it has not been able to extract itself. In both Northern and Southern Europe social democrats sought to compensate for the end of the boom by streamlining society for growth in the context of the new transnational economy.

The trouble with this strategy is that it undermined the cultural moorings of social democracy, particularly the central notion of solidarity. This led to a hemoraging of electoral support for the social democratic project in two directions. White and blue-collar workers lucky enough to have a steady, relatively well-paying job, learning the virtues of competitiveness, i.e., individualistic behavior, also learned to resent the social spending that characterized social democratic budgets. At election time, they voted for the version of economic management that maximized economic growth (the conservatives or classical liberals), or simply stayed home and did not vote. Meanwhile, many better-qualified and functionaries of the social-democratic state — in particular students and professionals in the education and helping professions — rebelled against a streamlining strategy that was not only un-social, but was one which produced many unwelcome externalities in the form of environmental degradation and congestion. They became the recruiting ground of left-wing and environmentalist parties, and the « new social movements ». In short, the social democratic strategy was self-defeating in that it weaned some of its core constituencies away from the classical appeal of opposition to individualistic, i.e., unsolidaristic behavior, while it alienated those who clung to the very ideal of solidarity. In dissipating one opposition, it created another one that proved to be more recalcitrant to primary integration.

Streamlining for economic growth provided the economic rationale for the second enlargement encompassing Portugal, Greece and Spain. The political rationale was to shore up the new democratic orders that had just emerged from decades of authoritarian rule. This amounted to the hope that Northern European firms would invest more in the Southern European economies, once they had been encorporated into the commonmarket. There has been some such investment, but market encorporation has also caused significant disruptions of Southern social
relations in ways that supersede traditional distinctions between core/periphery, or urban/rural splits. A typical South European product specialization, based on small firms operating in the agricultural sector, and tourism has emerged, both involving a widening informal sector and the re-emergence of the household as the unit of production, at the expense of the workplace and labor market. (Hadjimichalis 1986)

In the context of relative freedom of political association which came with the liberation of Greece, Portugal and Spain from the grip of dictatorships, social-democratic streamlining has spawned the regional social movements cited in section II above. Thus in these countries and in Italy, social democracy's integrative aim has been subverted by territorial political segmentation caused by its own strategy.

From the perspective of the management and ultimate containment of the protest cycle of the 1960s (Tarrow 1983), however, the displacement of the main emphasis in political regulation to the circulation level could only be described as a success. At the national level, containment of protest movements in the late 1960s and early 1970s largely to student populations is powerful evidence attesting to the immediate success of these design modifications. However, variations in the organization and relative strength of labor and capital led to marked differences in the success of this strategy from country to country within the EC. A major problem of secondary integration arose as these variations in the strengths of integrated oppositions were translated into differential rates of inflation at the macro-economic level (6). Even prior to the economic crisis of the mid-1970s, therefore, pressures had been building to apply the national strategy at the EC level, since debilitating disruptions of the EC market threatened to derail the market-based program for European society which served as the political frame of reference for virtually all parliamentary parties in Western Europe.

The Social-Liberal government of Germany played a crucial role in organizing capitalism in EC Europe at EC level during this tense transition. (Lankowski 1982a, 1982b) Party and government leaders realized that the EC constituted an open flank in its strategy of industrial growth. Indeed, the cohesion of the governing coalition rested on a program of broadening, deepening, and politically organizing the European market. Intra-European exports were to serve as the basis for global competitiveness and provide a convincing alternative to proposals for national-Keynesian solutions advanced by elements in the left wing of the SPD. These proposals would have required a battery of investment and capital controls in the public domain. At EC level

they would have represented a convergence with French proposals to elaborate a kind of économie concertée, which had been rejected by Bonn in the 1960s. As we shall see, such proposals would also have been consistent with a strategy to reconcile the left wing of the British Labour Party to Community membership.

Thus it was that Germany spearheaded a very limited program for institutional reform at the supranational level, based on a bare minimum of innovations that had a circulation regulation character. In the main, the division of labor between the two levels of government was left as it was, with the member states retaining all responsibility for primary integration. Instead of a more ambitious reorganization, the main policy emphasis during the boom phase was placed on market extension. The first enlargement comprised the centerpiece of the strategy. By bringing the U.K. and Denmark in to the Community, not only was the market expanded, but it was politically reinforced, since the sheer complexity of reaching agreement in the Council of Ministers on institutional questions involving significant redesign of national primary integration (legitimation) structures virtually ruled out any modifications of the common market that were not in close conformity with its original design. The greater the enlargement, the less alternative institutional designs for Europe would have to be admitted onto the political agenda for serious discussion, and the more EC politics could narrow their focus to discovering forms of compensation to economic losers within the context of the given institutional design. During this phase, roughly from the Hague to the Paris summits, this crisis management posture resulted in attempts to stabilize EC currencies vis-à-vis one another in response to the changing role of the U.S. dollar in international finance, a regional policy based on the use of very limited EC funds for nationally organized projects was accepted in principle, and certain steps were undertaken to stabilize intra-Community labor migration through proposals for harmonization of right to work legislation and social benefits. (Siegel undated) Each of these initiatives was elaborated in conformity with the bifurcated structure of perfecting the market internationally while leaving the member states to adjust to its effects.

The second phase in the integration of working class opposition occurred after 1973, when recession, altered relative prices due to the « oil crisis », massive labor-saving rationalization of production techniques and interregional displacements of production sites all combined to accentuate the interregional unevenness of economic development, and pushed organized labor into a defensive posture. In this situation, the common market threatened to unravel as workers and their representatives demanded action from their national governments that would save their jobs or prevent erosion in their real earnings.

6. On the level of inflation as an indicator of political controversy, see Hirsch and Goldthorpe (1978) and Malt and Lindberg (1980).
Clearly, under these circumstances market cohesion required a coherent and coordinated response. German leadership at EC level was again an essential part of the story.

Beginning in 1974, Social democratic Germany provided balance of payments support for EC governments in return for economic policies designed to reduce the intra-EC inflation gap, bankrolled regional subsidies, organized tripartite conferences at EC level, encouraged German direct foreign investment in "de-industrialized" areas of the EC, and took the lead in shaping the EMS. Moreover, despite growing fiscal pressures, the CAP continued to be financed generously and conservatively. Also, crisis cartels in steel, ship-building, and textiles were organized in order to deal with potential political challenges in sectors affected by intense competition brought about by worldwide overcapacity.

Meanwhile the narrowing of the scope of political discussion at EC level was not left to the complexities of the system. It was pursued explicitly and with great conviction, especially when proposals for altering the balance between public and private power at EC level were advanced. Proposals for exercising control over the market power of multinational corporations as advanced in the Maldague Report, were quickly and decisively quashed before they could be made part of the agenda of decision-making bodies such as the Council or the Summit. The German government played a leading role in this capacity as well. (Lankowski 1982b) And a report whose aim was to demonstrate what the level and composition of Community budgetary resources would have to be in order to be able to have a discernible impact on interregional transfers from rich to poor areas through the EC fiscal system, was swept under the rug. (Macleod Report 1977).

Social Democracy Responds: Britain and Denmark.

British and Danish EC policy during the 1970s provide excellent case studies of the way that social democracy responded to the logic of its own commitments. In both cases, governing social democratic parties, by virtue of accession to EC membership, were forced to reconsider the implications of the growth strategy pursued so forcefully by their sister party in Germany. In both cases the ensuing debate was an essential episode in the definition of the political identity of the party (7). In both cases, key labor constituencies were split over the terms of accession. In both cases, the price paid for submitting to the project of transnational market integration as then organized in the EC was political fracture. In both cases the party split expressed a significant disruption of the traditional relationship between politics and policy-making, involving innovations in forms of political participation. In both cases a legacy of articulate anti-EC sentiment, concerning the basic design of the enterprise, remains.

By the same token, the outcome of this identity-forming debate over the EC in the two countries differs in important respects. At the level of parliamentary representation, the British Labour Party, in contrast to the Danish Social Democrats, and despite rarification of accession after a "renegotiation", never fully reconciled to the Community, ultimately contributing to the right-wing breakaway and the formation of the Social Democratic Party. In Denmark, fragmentation occurred on the left, with the Socialist People's Party gaining votes at the expense of the Social Democrats over the issue. Moreover, to the extent that anti-market sentiment exists outside the Labour Party, it has been organized along regional lines among traditionally Labour constituencies in Wales and Scotland. In Denmark, on the other hand, the People's Movement Against the EC is organized independently of the parties and draws on constituencies that cut across the party spectrum.

The difference in configuration is important to this analysis because it expresses a significant difference in the oppositional cultures in the two countries, corresponding to the distinction between integrated and non-integrated opposition introduced above. The British opposition amounts to a "corporatism of losers" produced by the growth coalition supporting the integrative project. In this sense, British Labour has remained true to the traditional social democratic orientation in representing the working class in struggles over distributional issues. Its opposition had and has not so much to do with the idea of integration, per se, as with the distribution of benefits of the market. In short, British opposition is strategic. It does not challenge the cultural stakes of society organized for industrial development. This is clear from Labour's response to membership in the 1970s. The prevailing attitude was one of engagement in order to try to alter the distributive outcome for Britain. Prime Minister Wilson certainly had this in mind with the renegotiation strategy in 1974. Party leader Jenkins was made President of the Commission and sought to foster the innovation of new Community redistributive mechanisms. In this spirit, the TUC was encouraged to participate actively in the crucial EC level tripartite conferences of 1974-76. And Labour MP economic experts worked hard to draft proposals that would have created institutions to establish public control over concentrations of economic power at EC level.

(7) As Robles (1979) puts it for the British Labour Party: "Labour's EC policy was not the result of brokerage between interest groups or factions with known identities, but meaningful to the identity negotiation process itself" (p. 115).
convergence with movement politics imbued the anti-EC movement with a political identity that was neither distributionist nor regionalist. Rather the People’s Movement against the EC appears to be a component of a “post-industrial” political realignment, representing the emergence of a new political paradigm and a corresponding political cleavage. This pattern is almost certainly an artefact of the “social democratization” of Danish state and society through over forty years of social democratic rule. Successful implementation of social democratic welfare and social legislation over the years established the preconditions for setting new political goals and reorganizing political participation.

Because of this, the Social Democrats took a double battering. As the traditional governing party in a small state, the generic social democratic growth strategy seemed to require a policy of continual adjustment to world market forces. (Katzenstein’s 1985) This policy orientation led to fragmentation among labor organizations representing workers differentially affected by the international market situation. Those splits could be and were in fact exploited in a proportional representational parliamentary system such as Denmark’s, which awards Folketing seats to parties scoring more than 2% of the national vote. This had encouraged the grouping of anti-EC sentiment in parties to the left of the Social Democrats, but it also made it possible for voters to elect conservatives who could better manage the economy. On the other hand, for the new middle class radicals, the Social Democrats were not visionary enough. Organized in the movement sector and the SPP, they insisted on finding ways of substituting a social logic for adaptation to the logic of the market. In this way politics — in the sense of public debate on the constitution of society — began to disrupt Denmark’s “social corporatism” policy-making system. And in helping to create an extra-parliamentary political arena with the characteristics cited above, the anti-EC movement contributed to the consolidation of a movement sector in which unIntegrated opposition could be organized. In sum, the EC issue in Danish politics is an essential part of social-democratic decline.

Nevertheless, all things considered, the innovation of mechanisms of circulation-regulation at the national level and their virtual banishment from EC institutions did enjoy some success in channelling and containing actual and potential conflict in the Community in the 1970s. Labor militance was localized by the EC crisis cartels, despite massive workforce reductions. (Pach et al. 1984) Organized anti-EC sentiment was banished from center-stage of national politics, except where social-democratic traditions were strong as in Britain and Denmark. And most of all, the European market was extended and defended.
By late in the decade, however, the integrative capacity of social democracy had been reduced by a combination of unrelenting pressures for further concessions from labor and the emergence of new political cleavages. Social democracy was whip-sawn between its inability to solve the distributional problem to the satisfaction of its traditional constituency, and its inability to appeal to new constituencies that were in part a product of social democratic success. Workers, more than ever living in “middle class” milieux, were attracted to conservative political programs partly on the basis of years of being the target of social democratic efforts at spurring productivity and competition. The appeal of solidarism gradually had been worn down. Consequently, public expenditures were increasingly difficult to support. By the same token, middle class professionals — especially in the helping professions and in education — were disturbed by the lack of solidarism of the social democrats and critical of the pathological environmental developments that accompanied the rationalization strategy of the 1970s. So it was that the end of the 1970s brought with it a second postwar political Wende.

V. THE EU AND FUTURE OF OPPOSITION IN THE EC.

The internal contradictions of the social democratic project which were revealed dramatically in EC politics in Britain and Denmark, reduced the integrative capacity of the Northern European social democratic parties at the electoral level by the end of the 1970s, and opened the way for conservative governments. The Tory electoral victory of 1979 was followed by the unravelling of the Social-Liberal coalition in West Germany, and heralded the end of a generation of social democratic governance in Denmark. The common theme connecting these events is the partial return to a production-regulation strategy of capitalist development. Social cohesion was no longer to be mediated by “social contracts” achieved in the public domain. In particular, the quasi-public status of labor unions in corporatistically organized policy arenas came under attack.

In order to achieve their aims, little had to be “undone” by the politically dominant conservatives at the European level. Indeed, the division of labor established between European and national levels, discussed above, assured a striking continuity between social democratic and conservative EC policy. The conservatives’ main contribution was to realize a further stage of market integration, a policy that was ultimately expressed in the measures associated with the European Union Treaty.

(Puchala 1987, Lodge 1986) Flanking the policy of market integration was the policy of technological innovation that actually amounted to a policy of capital recomposition and merger encouragement. In the circumstances of this second Wende, “technology policy” became the surrogate for demand management and, along with some very restricted initiatives involving labor requalification, constituted the Community’s only response to unprecedented levels of unemployment. (Laurent 1987)

In approaching the European economic crisis in this way, Wende governments did address one set of contradictions unleashed by the social democratic political strategy. Simply put, traditional EC policy was made the motor of domestic political development. Every sort of socialistic policy that channelled the influence of the market was suspect. The legacy of social-democratic modernization of the “social net” at the national level has proved adequate to stabilization of integrated opposition in the era of high and persistent unemployment and capital restructuring.

The prognosis for stable institutionalization of the EC regime through the EUT measures is not particularly good, however, if political opposition in EC Europe has been correctly understood in this paper. In the first place, one would expect that, absent large budgetary outlays to buy them off, regional social movements in the new member countries of the Community will gather force and offer continual resistance to market incorporation.

Meanwhile, in those areas of the Community in which “new” social movements dominate the social movement sector, above all in Germany and Denmark, the EUT measures will only polarize society over the general principles of social organization. It is in this context that Danish resistance to the EUT is to be comprehended. Denmark has been governed since 1982 by a conservative coalition government which is a minority government when it comes to positions taken on issues touching foreign policy. The government could not even muster a simple majority in the Folketing to ratify the EUT because of the defection of the Radikale Venstre, Denmark’s version of the generic liberal party, over the issue of institutionalized foreign policy consultations. This required the Conservatives to compromise with the Social Democrats. The Social Democrats, while always supportive of EC membership, had also been very wary of proposals for European union. Nevertheless, when the EUT negotiations produced assurances that Danish environmental policy and occupational health and safety standards would not be compromised by the pact, the Social Democrats welcomed it. This posture proved to have been short-lived, however. The party leadership decided that the Radikale position offered an opening for the national
election which the Social democrats hoped would bring it back into government. But the Schlueter government out-fought the Social Democrats by calling a referendum instead.

The referendum on the EUT produced a majority of 56% in favor, with 44% voting not to ratification. Public opinion data were collected from nearly 700 respondents in order to probe the meaning of the vote. An integration scale was created by dividing the sample into yes-voters and no-voters. Party orientation was also requested. Yes voters were asked whether their vote signified a desire for closer EC association or merely an acceptance of the EC package. No voters were asked whether they wanted to remain in or leave the EC.

Table 1 - Positions on Denmark's Integration in the EC (percent).

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Voted Yes:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Want closer association ...</td>
<td>5</td>
<td>11</td>
<td>25</td>
<td>43</td>
<td>25</td>
</tr>
<tr>
<td>Merely accept ...</td>
<td>7</td>
<td>12</td>
<td>50</td>
<td>53</td>
<td>32</td>
</tr>
<tr>
<td><strong>Total Yes</strong> ...</td>
<td>(12)</td>
<td>(23)</td>
<td>(75)</td>
<td>(96)</td>
<td>(57)</td>
</tr>
<tr>
<td><strong>Voted No:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Want to remain ...</td>
<td>35</td>
<td>60</td>
<td>22</td>
<td>4</td>
<td>27</td>
</tr>
<tr>
<td>Want to leave ...</td>
<td>53</td>
<td>17</td>
<td>3</td>
<td>0</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total No</strong> ...</td>
<td>(88)</td>
<td>(77)</td>
<td>(25)</td>
<td>(4)</td>
<td>(43)</td>
</tr>
<tr>
<td>N = (no « don't knows ») ...</td>
<td>130</td>
<td>166</td>
<td>36</td>
<td>279</td>
<td>691</td>
</tr>
</tbody>
</table>


The table demonstrates polarization over the EUT possessing a strong left-right dimension, in keeping with the traditional pattern of Danish attitudes on the EC. The Social Democrats, advocating rejection of the EUT, but continued membership in the EC, appear to have been most in touch with their voters. Most interesting, however, are the «merely accept» and «want to remain» rows. Together, they point to the striking ambivalence of the great majority of Danes on the EC. It appears that most of the population were actually voting the status quo.

This impression is strengthened by the performance of the parties and the People’s Movement Against the EC in the 1984 European Parliament elections. The Social Democrats and the outright opponents of the EC garnered 50.8% of the vote. (Sørensen 1986, 351). The ambivalence within Danish ‘social democracy is revealed when its vote is compared to its performance in the Folketing election of the same year. The Social Democrats lost almost half its vote, going from 37% to 19.5% in the EP election. Meanwhile, the People’s Movement fell just short of 21%. This pattern shows well how Social Democratic strategy has pushed its traditional constituencies out into the social movement sector.

Given an articulate opposition, the degree of resistance to the EC will likely depend on how forcefully the EUT is implemented and whether policy alternatives can be defined, either as an oppositional strategy within the institutions of the Community in conjunction with political forces from other EC members, or in terms of a political vision of a new kind of society that can reduce its dependence on the EC.

Whereas, withdrawal from the EC may not prove to be a convincing alternative to the majority of those ambivalent about Denmark’s status, opposition within the Community on the basis of a plan for societal reconstruction may be. The electoral decline of social democracy in the Community has led to efforts to recapture its electoral constituencies and prepare for coalition governments with either liberal parties or parties whose constituencies grow out of the new social movements. The appearance of the Greens in West Germany has created the possibility for the maintenance of an effective veto within the EC, even if majority decision-making in the Council of Ministers becomes common. But the creation of such a «emergency brake» to slow down the implementation of a Community-wide market, can be no substitute for advancing positive plans for social reconstruction.

VI. Conclusions.

The 1986 referendum results in Denmark have led most commentators to conclude that the Danish situation is a special, idiosyncratic case, reflecting; perhaps, some sort of nostalgia for the mystique of Norden. Was it, though?

It does appear that there are only two, mutually exclusive ways to interpret the Danish case. Either it can be assumed that lack of articulated anti-EC sentiment on the Danish scale in other EC member states signifies a lack of anti-EC grievances, or it might be presumed that such grievances may exist without being articulated as such. We
have seen that is good reason to believe, however, that our Nordic brothers and sisters are unique only insofar as current political opposition pertains to the EUT have managed to achieve such a high degree of articulation.

Is there something common about the regional social movements and the Danish anti-EC movement? All have articulated modernization critiques that are directly or indirectly EC-relevant. The basic thrust of EC integration project is being attacked in all. The difference between DK and the rest lies in the historical vantage point. DK’s critique emerges from a post-industrial setting. For the rest, the problem is industrialization and/or stagnation. This explains why the target of regional protest is often not articulated as anti-EC.

The central value of political opposition today consists in this: it acts as a mirror revealing a failure in the political vision animating the management of public affairs. It is virtually impossible to imagine how any rational political system could function without opposition for this reason alone. However, if we assume a political order that is not only rational, but also democratic, then the value of opposition becomes infinitely more compelling, since in such a system functional cohesion must operate in the context of shifting hierarchies of demands which are legitimated by the very fact of citizenship. The hallmark of a democratic order is the ability of the political system to learn from and respond to its citizenry, where learning means effectiveness in transforming the institutions of public life to accommodate transformations in the citizenry’s political identity. Consequently, democratic regimes can admit neither stability nor decisional efficiency as ultimate desiderata, since even disruptive opposition presents us with essential insight into what we have become and what we may choose to become.

From the point of view of the managers of the EC regime, (and their academic advisors) this prescription may seem to be a recipe for paralysis. From the point of view of a sustainable democratic order, however, some kinds of paralysis can be virtuous, particularly when they are associated with widening the scope of public discourse and with impeding pathological developments at the systemic level, such as uncontrolled environmental degradation, arms spirals, precipitous declines in traditional indicators of welfare, and the like. In general, no amount of stability or decisional efficiency will provide solutions to what Lester Thurow has referred to as the "zero-sum society". On the contrary, only solutions emerging from a broad and deep process of political discourse will recreate the conditions for justifiable stability.

It is against this background that political opposition in the EC ought to be viewed.

REFERENCES


MOUSTRIN, Poul Erik (1978). Public Involvement in Denmark, Aarhus, Institute for Political Science.


**Riassunto** — Lo scritto inizia con l'osservazione che il Trattato dell’Unione Europea del dicembre 1985 (l’occasione immediata per il referendum danese del febbraio 1986) non significa l’allontanamento dal progetto politico della Comunità Europea, initiato negli anni Cinquanta, per conciliare capitaleismo e democrazia a livello regionale.

Nella prima parte l’autore espone la opinione che la “teoria di regime” del’organizzazione internazionale non considera gli effetti di delegittimazione del progetto di integrazione e che il dibattito sul Trattato deve essere interpretato in questa luce. Le caratteristiche basilari del progetto della Comunità Europea danno luogo ad un modello di opposizione diretta e indiretta, integrata e non integrata, che si è legata in varie fasi alla direzione principale dello sviluppo della Comunità Europea fino dal Trattato di Roma.

Il fattore più importante che rende questo modello comprensibile è l’ascesa con successivo declino a livello del la Comunità Europea dei regimi sociali democratici, propensi a regolare la “circolazione” anzi che la produzione. Le contraddizioni di questo processo di manifestano nell’Europa meridionale, ove i vari movimenti regionali, nel’Europa settentrionale attraverso il Movimento del Popolo contro la Comunità Europea (Folkbevægelsen sen mod EF) in Danimarca.

Di conseguenza, la Comunità Europea si trova ad un bivio cruciale nel terreno di conciliare la democrazia col capitalismo, la politica col mercato, dato che questa conciliazione non può procedere a lungo sulla base delle teorie Economiche liberali.

**Summary** — The paper opens with the observation that the European Union Treaty of December 1985 (the immediate occasion for the Danish referendum of February 1986) is not a departure from the EC political project, initiated in the 50s, to reconcile capitalism and democracy at the regional level. The first section presents the view that international organization “regime theory” is blind to the delegitimitating effects of the integrative project and that the debate over the EUT ought to be interpreted in this light. Basic design features of the EC produce a pattern of direct and indirect, integrated and unopposed integration which has been tied, in phases, to the main direction of EC development since the Rome Treaty. The major factor making this pattern intelligible is the rise and subsequent
decline of socialdemocratic, "circulation" (as opposed to production) regulatory regimes at EC level. The "cutting edge" of this process is manifested in Southern Europe by the various regional movements, in Northern Europe by the People's Movement Against the EC (Folkebevægelsen mod EF) in Denmark. Consequently, the EC stands at a crucial crossroads in its attempt to reconcile democracy with capitalism, politics with markets, since that reconciliation can no longer proceed on the basis of liberal economic theories.