

~~Desmond Dixon (2000)~~  
~~Origins & Evolution of the EU~~  
~~Oxford University Press~~

Neil Nugent (2006)  
The Government & Politics of  
the EU  
Palgrave

CASA  
No 168  
PASTA  
ORIGINAL

## Chapter 1

# The Transformation of Western Europe

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Concluding Remarks: The Ragged Nature of the Integration Process  
in Western Europe

The European integration process was initiated and developed in Western Europe. It was extended to Central and Eastern Europe only after the key features of the European Union (EU) as they are today had been created and become established. Until the collapse of communism in Central and Eastern Europe in 1989–90, countries such as Estonia, Latvia, Hungary, and Poland – which became EU members in May 2004 – were either part of the Soviet Union or were located within the Soviet bloc. As such, they were quite outside the processes that were drawing Western European states increasingly close to one another in terms of their political and economic relationships.

An understanding and analysis of the European integration process must therefore begin by focusing on Western Europe.

## Historical Divisions

Throughout its history Europe has been characterised much more by divisions, tensions and conflicts than it has by any common purpose or harmony of spirit. This applies to Western Europe as much as it does to the European continent as whole.

Language has been perhaps the most obvious divisive force. Linguists may identify structural similarities between European languages, but the fact is that most peoples of Western Europe have not been able to, and still cannot, directly converse with one another. (Today, 24 per cent of the citizens of the pre-May 2004 fifteen EU states speak German as their first language, 17 per cent English, 17 per cent French, and 16 per cent Italian. In total 53 per cent of EU-15 citizens claim to be able to speak at least one European language in addition to their mother tongue, with 41 per cent claiming to know English (Eurobarometer, 2001: 4).) Religion has been

In the twentieth century alone two devastatingly destructive world wars, both of which began as European wars, were fought. The First (1914–18) saw the countries of the triple entente – Britain, France and Russia – plus Italy from 1915, fighting against Germany and Austria-Hungary. The Second (1939–45) saw Germany, assisted from 1940 by Italy, attempting to impose itself by force on virtually the whole of Europe outside the Iberian peninsula.

The background to the Second World War is worth outlining briefly because it puts in perspective how dramatically different, and how suddenly found, were the more cooperative relationships between the West European states in the post-1945 era. In short, the period between the wars was characterised by particularly sharp and fluid inter-state relations. There was no stable alliance system and no clear balance of power. For the most part, European states, including West European states, regarded one another with, at best, suspicion. Though multilateral and bilateral treaties, agreements, and pacts abounded, there was little overall pattern to them and few had any lasting effect. States came together in varying combinations on different issues in a manner that, far from indicating mutual confidence, was increasingly suggestive of fear.

From time to time in the inter-war period proposals for greater cooperation between European states were advanced but little came of them. The international climate – characterised by national rivalries and clashing interests – was not favourable, and most of the leading advocates of closer linkages were seen as having, as indeed they did have, specific national purposes in mind. Aristide Briand, for example, who was French Foreign Minister from 1925 to 1932, supported European cooperation but clearly had as his prime aim a stable European political system that would preserve the peace settlement that had been imposed on Germany by the 1919 Versailles Treaty. Gustav Stresemann, by contrast, who was the German Foreign Minister from 1923 to 1929, saw European cooperation as a way in which Germany could loosen the grip of Versailles and regain its position as a major power.

The lack of any real interest in European cooperation before the Second World War is revealed in the functioning of the League of Nations. Established in 1919 to provide for international collective security, in practice it was dominated by the Europeans and had some potential as a forum for developing understandings and improving relationships between the European states. It failed, and did so for three main reasons. First, its aims were vague and were interpreted in different ways. Second, it was intergovernmental in its structure and therefore dependent on the agreement of all member states before any action could be taken. Third, and crucially, the states wanted different things from it: some – notably France, most of the medium-sized central European countries that had been

constituted in 1918–19 out of the collapsed Austria-Hungarian Empire, and to some extent Britain – saw it as a means of preserving the Versailles *status quo*; others – particularly Germany and Italy – wanted to use it to change the 1919 settlement and were prepared to leave or ignore it if it did not serve that purpose.

Inter-war Europe thus experienced rising tensions as national rivalries remained unharnessed and, above all, as German territorial and power ambitions could not be satisfied. When war finally did break out, the Axis Powers (Germany and Italy) gained control for a while over virtually the whole of the continent from the Atlantic to deep inside the Soviet Union. In Western Europe only Britain and those countries which remained neutral (Ireland, Portugal, Spain, Sweden and Switzerland) were not occupied. By May 1945, when German government representatives agreed to unconditional surrender, Nazism and Fascism had been defeated, but economies and political systems throughout Europe had been severely shaken, cities and towns had been destroyed and millions had been killed.

### **The Post-War Transformation**

Since the Second World War the relations between the states of Western Europe have been transformed. There are three principal aspects of this.

#### **Unbroken peace**

Western European states have lived peacefully with one another since 1945 and armed confrontation between any two does not now appear to be even remotely possible. As Altiero Spinelli, one of the great advocates and architects of European integration, observed in 1985 shortly before his death:

[a] major transformation ... has occurred in the political consciousness of Europeans, something which is completely new in their history. For centuries, neighbouring countries were seen as potential enemies against whom it was necessary to be on one's guard and ready to fight. Now, after the end of the most terrible of wars in Europe, these neighbours are perceived as friendly nations sharing a common destiny (Spinelli, 1986: xiii).

Spinelli's view of a common destiny is questionable, but the reality and importance of the transformation from hostile to friendly relations is not. Certainly the states have continued to compete against one another in many areas, and this has sometimes led to strains and tensions, but these

disagreements have been mostly on issues where military conflict has not been relevant to the resolution of differences.

Indeed, not only has military conflict been irrelevant to the resolution of differences, but such friction as has occurred has been within a context in which West European states have usually shared similar views on who can be seen as friends and who are real or potential enemies. Until the revolutions and upheavals in Eastern Europe and the Soviet Union in the late 1980s/early 1990s, communism was the most obvious common threat and this led most significant Western European states to become full or part members of the same military alliance: the North Atlantic Treaty Organisation (NATO). With the communist danger now removed, Western security arrangements have been revamped to adjust to a situation in which Central and Eastern European countries (CEECs) are now partners in both NATO and the EU and in which the main potential security concerns are seen as lying in the Balkans, in bubbling national and ethnic tensions in parts of the former Soviet Empire, in the turbulence of the Middle East, and in the threat of international terrorism.

#### A transformed agenda

Throughout the international system the subject matter of discussions and negotiations between states has become much more varied. Whilst, as regional conflicts show, the case should not be overstated, international agendas have clearly become less focused on traditional 'high policy' issues and more on 'low policy' issues. That is, policies concerned with the existence and preservation of the state (such as territorial issues, defence policy and balance of power manoeuvrings) have been joined by policies that are more concerned with the wealth and welfare of populations (such as policies on trade, monetary stability, environmental protection, and airline safety).

This change in the content of agendas has been particularly marked throughout the Western industrialised world, but above all in Europe where, initially in Western Europe and now across much of the continent, a transformation can be said to have occurred. Classic 'power politics' have not of course disappeared, but they are not as dominant or as prominent as they were. When representatives of the EU states meet it is normally to consider topics that a generation or two ago would not even have been regarded as proper subjects for international negotiations, such as what constitutes 'fair' economic competition, how might research information be pooled to the general advantage, to what extent and by what means should sheep farmers be subsidised, and what should be the maximum weight of lorries permitted on roads?

### New channels and processes

Paralleling, and partly occasioned by, the increasingly diverse international agenda, there has been a transformation in the ways in which states interrelate with one another. The traditional diplomatic means of inter-state communications via Ministries of Foreign Affairs and embassies have declined in importance as new channels and processes have become established.

As with changing agendas, changing forms of inter-state communication have been taken further in the Western industrialised world, and particularly in the EU, than anywhere else. There are now few significant parts of any Western state's political and administrative systems that do not have some involvement in the management of external relations. Written communications, telephone conversations, electronically transmitted messages, and bilateral and multilateral meetings between states increase by the year. Contacts range from the *ad hoc* and informal to the regularised and highly structured.

In the EU, representatives of the governments of the member states meet every working day for such purposes as taking binding decisions (decisions that in many circumstances may be taken by majority vote), exploring possibly advantageous policy coordination, and exchanging views and information. At the lower end of the seniority scale, junior and middle-ranking officials, often working from tightly drawn negotiating briefs and with their actions subject to later approval from national capitals, convene in committees to try to hammer out detailed agreements on proposed legislation. At the top end of the scale, *Heads of Government* regularly meet, for what are often wide-ranging deliberations, in forums such as: the European Council, which meets at least four times a year and where all EU states are represented; in bilateral meetings, which in the case of the British Prime Minister, the French President, the German Chancellor and the Italian Prime Minister take place at least once a year; and in the broader setting of the annual Group of Eight (G8) summits, which bring together the political leaders of Britain, France, Germany, Italy, Canada, Japan, Russia and the United States, plus the President of the European Commission and the Head of Government of the member state that is currently chairing the EU's Council of Ministers if she or he is not already present.

### Explaining the Transformation, and its Nature

As has been noted above, until recently the European integration process was essentially a *Western* European integration process. The countries of Central and Eastern Europe that have become members of the EU have joined an organisation made by countries of Western Europe.

In seeking to explain post-war Western European cooperation and integration different commentators have often highlighted different factors, and sometimes indeed have looked in rather different directions. Four explanatory approaches will be outlined here: explanations that emphasise the deep roots of European integration, the importance of the changed post-1945 circumstances, the role of international influences, and the differing positions of Western European states. For analytical purposes these approaches will be considered here separately, but it should be recognised that, in practice, they are by no means mutually exclusive but rather complement, overlap and reinforce one another. It should be recognised, too, that their usefulness as explanations is not constant, but varies over time. So, for example, whilst political ideals and utopian visions of a united Europe may have had at least some part to play in the early post-war years, they increasingly counted for less as hard-headed national calculations of economic and political advantages and disadvantages loomed increasingly large as the principal determinants of the nature and pace of the integration process.

#### The deep roots of integration?

Some commentators and practitioners have found the roots of post-war developments in the distant past. Supporters and advocates of European integration have been especially prominent in this regard. They have suggested that Europe is, and has long been, a unique and identifiable entity. As evidence of this it is often argued that Europe was the cradle of modern civilisation and from this there developed European values and a European culture, art and literature. Walter Hallstein, the first President of the Commission of the EEC, typifies this sort of view:

Europe is no creation. It is a rediscovery. The main difference between the formation of the United States of Europe and that of the United States of America is not that America did not have to merge a number of firmly established nation states, but that for more than a thousand years the idea of a unified Europe was never quite forgotten . . .

[The advocates of a European federation] know that Europe shares a sense of values: of what is good and bad; of what a man's rights should be and what are his duties; of how society should be ordered; of what is happiness and what disaster. Europe shares many things: its memories that we call history; achievements it can take pride in and events that are shameful; its joys and its sufferings; and not least its tomorrows (Hallstein, 1972: 15 and 16).

Clearly there is much idealism in this. People such as Hallstein are suggesting that transcending the differences, divergences and conflicts

between peoples and states there has long been a certain commonality and identity of interest in Europe based on interrelationships between geography and historical, political, economic, social and cultural developments. It is a contentious view and certainly not one to which many historians would attach much importance. Divisions and dissension, they would contend, have been more prominent than identity of interest or shared values and experiences. Such limited commonality as has existed has largely been a consequence of geographical proximity.

But if the 'idealistic' interpretation no longer finds much favour, there are still those who stress the importance of the historical dimension of European integration. Inter-state relations in the nineteenth century are sometimes seen as foreshadowing post-1945 developments insofar as peace endured for much of the century and did so, in part at least, as a result of understandings and agreements between the major powers. However, a problem with this view is that it overstates the extent to which the nineteenth century was a century of peace, and it also exaggerates the extent to which the states did cooperate. Arguably, the so-called Concert of Nations was an embryonic attempt to exercise strategic control through diplomacy and summitry, but that was at a time when conservative autocracies ruled much of Europe and many of today's states did not even exist in their present form. And in any event, the system lasted at best only from 1815 to the Crimean War. It then gave way to the wars of the mid-nineteenth century and later to the balance of power – which was hardly based on European trust and cooperation – as the means of seeking to preserve the peace.

It is perhaps in the field of economic history that the most fertile ground for identifying long-term influences and explanations is to be found. From the late eighteenth century *national* economic integration began to occur, as barriers to economic activity *within* states were dismantled. This helped to promote, and in turn was encouraged by, national political integration, which manifested itself in nationalism and in the elevation of the sovereign state to the status of the supreme collective unit. From the middle of the nineteenth century the achievement and successes of this internal economic and political integration, allied with an increasing interconnectedness in Europe that followed from technological change and economic advance, resulted in increasing inter-state cooperation to promote trade, competition and growth. For some economic historians an embryonic European economy was being established. Pollard, for example, has written of the mid-nineteenth century:

Europe's industrialisation proceeded relatively smoothly, among other reasons, precisely because it took place within what was in many essentials a single integrated economy, with a fair amount of movement

for labour, a greater amount of freedom for the movement of goods, and the greatest freedom of all for the movement of technology, know-how and capital (Pollard, 1981: 38–9).

But unlike the customary pattern within nation states, there was nothing inevitable about European economic integration. Nor was there a clear and developing relationship between it and political integration. On the contrary, from the last quarter of the nineteenth century, states, for a variety of reasons, moved increasingly in the direction of economic protectionism and at the same time developed national identities and consciousness such as had not been seen before. In the first part of the twentieth century, and especially between the wars, the European free trading system virtually disappeared, as states sought to protect themselves at the expense of others and national economies were increasingly re-shaped along autarkic lines. Alongside these increasingly closed economic systems developed the ever sharper political tensions and rivalries between the states that were noted earlier.

The European historical experience thus emphasises the extremely important, but often overlooked, fact that although industrialisation and economic liberalisation provide potential bases for the furtherance of interconnections, agreements, and harmonious relations between states, they do not ensure or guarantee them. The powers of Europe went to war with their principal trading partners in 1914. Furthermore, between the wars economic linkages did little to bring the nations together or to act as a restraint on governments when divergences developed in their aims and strategies. This must be borne in mind when, later in this chapter, attention is turned to modernisation and interdependence as explanations for post-war political and economic integration. Doubtless they have both been extremely important, but as pre-1939 European history shows, they do not have an inevitable integrationist logic attached to them. Much depends on their relationship to the circumstances of the time and, as will now be shown, these were very different in the post-1945 world from what they had been before the Second World War.

#### *The impact of the Second World War*

The Second World War unquestionably marked a turning point in the West European state system. Just a few years after the end of the war states were cooperating, and in some instances and in some respects were even integrating, in a manner that would have been inconceivable before the war. Fundamental to this transformation were a number of factors resultant upon the war that combined to bring about a radical change in both the climate of opinion and perceptions of requirements. These factors were political and economic in nature.

*Political factors*

These may be subdivided into four broad areas.

(1) *Combating nationalism.* The Second World War produced a greater realisation than had existed ever before that unfettered and uninhibited nationalism was a recipe for war, which in the post-1945 world was increasingly seen as meaning mass destruction. At the international level this thinking was reflected in calls for a larger and more powerful body than the pre-war League of Nations, and it played an important part in the establishment of the United Nations in 1944. But the fact that the two world wars had begun as European wars, and that Germany was generally considered to be responsible for those wars, also brought forth demands and moves for specifically European arrangements. Amongst the strongest advocates of the creation of European arrangements were many of those who had been associated with the Resistance movements of Continental Europe which, from 1943 onwards, had come to be linked via liaising networks and from which ideas and proposals had been generated looking forward to a post-war world that would be based more on cooperation and less on confrontation.

There was thus a widely shared optimism at the end of the Second World War that if the European states could work together in joint schemes and organisations, barriers of mistrust could be broken down. On this basis, over 750 prominent Europeans came together in The Hague in May 1948 and from their Congress issued a call to the nations of Europe to create a political and economic union. This stimulated discussions at governmental levels, and in May 1949 the Statute of the Council of Europe was signed by representatives of ten states. Article 1 of the Statute includes the following:

(a) The aim of the Council of Europe is to achieve a greater unity between its Members for the purpose of safeguarding and realising the ideals and principles which are their common heritage and facilitating their economic and social progress.

(b) This aim shall be pursued through the organs of the Council by discussions of questions of common concern and by agreements and common action in economic, social, cultural, scientific, legal and administrative matters and in the maintenance and further realisation of human rights and fundamental freedoms (Robertson, 1961, Appendix – the Statute).

Despite these grandiose ambitions, however, the Council of Europe proved to be a disappointment to those who had hoped it might serve as the basis for a new West European state system. In part the problem was that its

aims were too vague, in part that its decision-making structure was essentially intergovernmental and therefore weak, but the main problem was that some of its members, notably the UK, were not very interested in anything that went beyond limited and voluntary cooperation. (Ernest Bevin, British Foreign Secretary, commented on proposals for a really effective Council of Europe thus: 'Once you open that Pandora's box, you'll find it full of Trojan horses.') But the weaknesses of the Council should not be overstated. It was to perform, and continues to perform, certain useful functions – notably in the sphere of human rights through its European Convention of Human Rights, and as a forum for the discussion of matters of common interest to its member states. (The value of this latter function long lay in the fact that, unlike other Western European regional groups, virtually all West European states were members of the Council. In the 1990s, as CEECs became members, an additional value was acting as a forum for establishing links and building understanding between Western and Eastern Europe.)

(2) *The new political map of Europe.* Although it was not immediately apparent when hostilities ceased in 1945, the Second World War was to result in a fundamental redrawing of the political map of Europe. By the late 1940s it was clear that the legacy of war had left the Continent, and with it Germany, divided in two. In Winston Churchill's phrase, an 'Iron Curtain' now divided East from West. In the East, a swathe of states were either incorporated into the Soviet Union or became part of the Soviet communist zone, which resulted in them being forcibly cut off from developments in Western Europe and being obliged to focus their political and economic ambitions and activities in accordance with Moscow's will.

In the West there was no question of the victorious powers – Britain and the United States – seeking or being able to impose anything like a Soviet-style straitjacket on the liberated countries. Nonetheless, if Western Europe did not quite take on the form of a bloc, liberal democratic systems were soon established and somewhat similar political ideas were prevailing in most of the states. Inevitably this facilitated intergovernmental relations.

Perhaps the most important idea shared by the governments stemmed directly from the East–West division of the continent: there was a determination to preserve Western Europe from communism. Not only had the Soviet Union extended its influence far into the European heartland, but in France and Italy domestic communist parties were commanding considerable support and from 1947 were engaging in what looked to many like revolutionary activities. The United States shared this anti-communist concern, and the encouragement and assistance which it gave to the West European states after the war to cooperate was partly driven

by a belief that such cooperation could play a major part in helping to halt the communist advance. In March 1947 President Truman, concerned with events in Greece – where communists were trying to overthrow the government – outlined what became known as the Truman doctrine, which amounted to a political guarantee of support to ‘free peoples who are resisting attempted subjugation by armed minorities or by outside pressures’. This political commitment was quickly followed up in 1948 by economic assistance in the form of Marshall Aid (see p. 18), and in 1949 by military protection with the foundation of NATO and a guarantee to the then ten NATO West European states (Canada and the United States brought the founding membership to twelve) of US military protection against a Soviet attack.

A role for the United States in Western Europe at this time should not be seen as having been unwelcome, for contrary to the impression that is sometimes given, US aid was not insidiously imposed on unwilling states but was actively sought. At the same time, the extent of US influence on Western European inter-state relations should not be exaggerated. By its political, economic and military interventions and assistance the United States did exert integrationist pressures and did help to make a number of developments possible, but the US government wanted much more West European inter-state integration than was actually achieved.

(3) *The new international power balance.* With the post-war division of Europe, the moving of the international power balance from inter-European state relations to US–Soviet relations, and the onset of the Cold War from 1947–8 producing the possibility of Europe becoming a battleground between East and West, there was a sense from the late 1940s that Western Europe was beginning to look like an identifiable political entity in a way that it had not done before. Not all states or politicians shared this perspective, but from many of those who did there emerged a desire that the voice of Western Europe should be heard on the world stage and a belief that this could be achieved only through unity and by speaking with one voice. For some of the smaller European states, which had rarely exercised much international influence and whose very existence had periodically been threatened by larger neighbours, the prospects of such cooperation were particularly attractive.

(4) *The German problem.* The future of Germany naturally loomed large in the minds of those who had to deal with post-war reconstruction. Three times in seventy years, and twice in the twentieth century, Germany had occupied much of Europe. Rightly or wrongly it had come to be seen as innately aggressive. As a consequence, the initial inclination of most governments after the war was to try to contain Germany in some way.

Just how this should be done, however, divided the wartime allies, with the result that matters drifted until what was initially intended as an interim division of Germany into zones gave way, as the Cold War developed, into a *de jure* division: the Federal Republic of Germany (West Germany) and the German Democratic Republic (East Germany) were both formally constituted in 1949.

By this time, the Soviet Union was replacing Germany as the perceived principal threat to democracy and stability in Western Europe. As this occurred, those who were already arguing that a conciliatory approach towards Germany ought to be tried – since a policy of punitive containment had demonstrably failed between the wars – saw their hands strengthened by a growing feeling that attempts must be made to avoid the development of a political vacuum in West Germany that the communists might attempt to exploit. Furthermore, and the US government played an important role in pressing this view from the early 1950s, use of West Germany's power and wealth could help to reduce the contributions that other countries were making to the defence of Europe. The perceived desirability and need to incorporate the Federal Republic into the Western European mainstream thus further stimulated the pressure for inter-state cooperation and integration.

#### *Economic factors*

Just as pre-war and wartime experiences helped to produce the United Nations, so they also stimulated an interest in the creation of new international economic and financial arrangements. The first fruits of this were realised at the Bretton Woods Conference in 1944, where the representatives of forty-four countries, with the United Kingdom and the United States playing the leading roles, agreed to the establishment of two new bodies. The first was the International Monetary Fund (IMF), which was to alleviate currency instability by creating facilities for countries with temporary balance of payments difficulties to have access to short-term credit facilities. The second was the International Bank for Reconstruction and Development (the World Bank), which was to provide long-term loans for schemes that required major investment. In 1947, at much the same time as the IMF and the World Bank became operative, international economic cooperation was taken a stage further when twenty-three countries negotiated the General Agreement on Tariffs and Trade (GATT), whose purpose was to facilitate trade through the lowering of international trade barriers.

Although West European governments (or, more usually, national representatives, since governments on the continent were not properly restored until 1945–6) played their part in creating the new international economic arrangements, it was felt in many quarters that there should also

be specifically West European-based economic initiatives and organisations. In 1947–8 this feeling was given a focus, an impetus and an urgency when the rapid post-war economic recovery that most states were able to engineer by the adoption of expansionist policies created massive balance of payments deficits, and dollar shortages in particular. Governments were faced with major currency problems, with not being able to pay for their imports and with the prospect of their economic recovery coming to a sudden and premature end. In these circumstances, and for reasons that were not altogether altruistic – a strong Western Europe was in its political, security and economic interests – the United States stepped in with economic aid in the form of the European Recovery Programme, or Marshall Aid as it came to be known after the US Secretary of State, George Marshall, who championed it. But there was a condition attached to the aid: the recipient states must endeavour to promote greater economic cooperation among themselves. As a result, the first major post-war Western European organisation, the Organisation for European Economic Cooperation (OEEC), was established, with sixteen founding member states, in April 1948. Its short-term task was to manage the US aid, encourage joint economic policies, and discourage barriers to trade; in the longer term, its stated aim was to build ‘a sound European economy through the cooperation of its members’. In the event, although the OEEC did some valuable work – the most notable perhaps being to establish payments schemes which in the 1940s and 1950s did much to further trade between the member countries – it never made much progress towards its grander ambitions. Rather like the Council of Europe, its large and somewhat heterogeneous membership, coupled with the strictly intergovernmental nature of its decision-making structure, meant that ambitious proposals were always successfully opposed. Partly as a result of this, and partly in recognition of growing interdependence among all industrialised countries, in 1961 the OEEC gave way to the Organisation for Economic Cooperation and Development (OECD), whose membership was made open to non-European countries and which was to have broader objectives reflecting wider and changing interests.

The OEEC thus stemmed from post-war circumstances that mixed the general with the particular. That is to say, attitudes coming out of the war that favoured economic cooperation between West European states were given a direction by particular requirements that were related to the war and its immediate aftermath. Only three years later, as will be described in Chapter 2, a similar mixture of general underlying and specific triggering factors combined to produce the first of the European Communities: the European Coal and Steel Community (ECSC).

The most dramatic effect of the Second World War in Europe was, of course, the division of the continent. The War precluded the possibility of Central and Eastern European states participating in the new cooperation and integration schemes that were launched in the West of the continent in the post-war years.

In Western Europe, the effects of some of the political and economic factors associated with the Second World War, such as the presence of Resistance leaders in governments, were essentially short-term. Furthermore, some of the factors, such as the increased need and willingness of the Western European states to cooperate with one another to promote economic growth, were not so much caused by the war as given a push by it. Nonetheless, taken together the factors produced a set of circumstances that enabled Western European cooperation and integration to get off the ground in the 1940s and 1950s.

Western European states naturally differed in the particulars and perceptions of their post-war situations. As a result, there was no general agreement on precisely what the new spirit of cooperation should attempt to achieve. Many different schemes were advanced and many different organisations were established to tackle particular issues, problems and requirements. Thus the war did not produce anything remotely like a united West European movement between the states. But it did produce new realities and changed attitudes that enabled, or forced, virtually all the states to recognise at least some commonalities and shared interests. As a consequence, it became possible for new inter-state European organisations to be established. Of these organisations, those that were able to offer clear advantages and benefits to members were able to act as a base for further developments. As the ECSC in particular was to quickly demonstrate, cooperation and integration can breed more of the same

#### *International, and European, interdependence*

It has become customary to suggest that whilst both political and economic factors were crucial in promoting cooperation and integration in the formative post-war years, the former have now declined in relation to the latter. The impact of modernisation is generally agreed to be a key reason for this. It has broadened the international agenda from its traditional power and security concerns to embrace a range of economic and social issues, and at the same time it has produced an interconnectedness and interrelatedness between states, especially in the economic and monetary spheres, that amounts to an interdependence.

Economic interdependence has arisen particularly from three features of the post-1945 world: the enormously increased volume of world trade; the internationalisation of production, in which multinational corporations

have played a prominent part; and – especially since the early 1970s – the fluctuations and uncertainties associated with currency exchange rates and international monetary arrangements. Within Western Europe there have been many regional dimensions to this development of interdependence, two of which have been especially important in promoting the integration process. First, since the Second World War the external trade of all significant Western European countries has become increasingly West European focused. The EC/EU has played an important role in encouraging this trend, and all EU-15 member states (that is, pre-May 2004 members) now conduct at least 60 per cent of their trade inside the EU. Second, from the 1960s monetary power within Western Europe increasingly came to be held by those who made the monetary decisions for the strongest economy: Germany. Changes in German interest rates or exchange rates had immense and potentially very destabilising implications elsewhere in Western Europe.

As a result of interdependence a wide variety of economic and financial issues can thus no longer be limited to, and indeed in some respects do not even bear much relationship to, national boundaries. States are increasingly vulnerable to outside events and are increasingly unable to act in isolation. They must consult, cooperate and, some would argue, integrate with one another in the interests of international and national economic stability and growth. In consequence, when a problem has been seen to require a truly international economic effort most West European states have been prepared to try to find solutions at this level: in the IMF, in GATT and its successor the World Trade Organisation (WTO), in the Bank for International Settlements, and elsewhere. When a regional response has seemed more appropriate or more practical, West European-based arrangements have been sought. The most obvious examples of such arrangements are EU-based. For instance: the creation of the Single European Market (SEM) is rooted in the belief that the dismantlement of trade barriers will further economic efficiency and prosperity in the participating states; the creation of Economic and Monetary Union (EMU) is based on the assumption that the coordination and the convergence of national economic and monetary policies and the establishment of a centrally managed single currency is necessary for the completion of the SEM programme and will serve to promote further trade, growth and prosperity; and the development at the EU level of advanced research programmes is a response to the growing belief that European states must pool their scientific and technological resources and knowledge if they are to compete successfully in world markets against the Americans, the Japanese and other competitors.

Economic interdependence is not the only feature of modern interdependence. Advances in communications and travel have placed on the

international and European agendas issues that a generation or two ago either did not exist or were seen as being of purely domestic concern. Now it is commonly accepted that if these issues are to be properly managed they must be dealt with at the inter-state level. Governments thus discuss, and in Europe have adopted understandings and made decisions on, matters as diverse as transfrontier television arrangements, data protection, action against drug traffickers and football hooliganism.

But despite all the attention that is now given to interdependence as the motor of European integration, and despite the associated assertion that economic factors now far outweigh political factors in shaping relations between the EU states, the case should not be overstated. One reason for this is that modern interdependence does not necessarily produce an inescapable and wholly unavoidable set of integrationist processes and developments. There is certainly an integrationist logic attached to modern interdependence, but for much of integration to actually proceed political choices and decisions have to be made. As the history of negotiations on European integration since the Second World War demonstrate – from the negotiations in the late 1940s to establish the Council of Europe to the negotiations in the early 2000s on the Constitutional Treaty – politicians, and indeed publics, are capable of adopting an array of often sharply conflicting views of what is necessary and what is desirable when they are faced with particular choices and decisions. A second reason for exercising some caution when evaluating the impact on integration of economic interdependence is that political factors continue to be important in shaping the nature and pace of integration processes. This was clearly illustrated in the wake of the 1990 reunification of Germany, when a powerful stimulus to a new round of integrationist negotiations was the growing conviction among decision-making elites, most particularly in France, that if Germany was to be prevented from dominating the EU it must be tied more tightly to its neighbours. A third reason for not overemphasising the importance of modern interdependence to the neglect of other factors is that interdependence of a quite different kind – different in that it has arisen not from modernisation but rather from the relatively diminished significance of the European states in the post-1945 period – continues to play a part in encouraging cooperation and integration between states. So, for example, with respect to the external political role of the EU, the fact that European states have relatively limited power and weight when acting individually has provided a powerful inducement for them to try to speak as one if they wish to exert a significant influence on world political events. Most of the EU states do wish to exert such an influence and consequently, since the early 1970s, they have gradually strengthened their mechanisms for inter-state foreign policy cooperation so as to enable them to engage in extensive consultations, and increasingly to

adopt joint positions, on foreign policy issues. Similar processes have been under way also in respect of security considerations, with the perception, until the collapse of communism, of the Soviet Union as Western Europe's main political enemy, allied with the inability of any single Western European state to offer by itself a wholly credible defence capability, encouraging close military cooperation between the states in the context of both the Western alliance and associated Western European defence groupings. The Soviet threat has now disappeared, but potential security dangers of many kinds still abound and these have played an important part in ensuring that not only civil security but also military security is now on the EU's agenda.

#### National considerations

Although most Western European states since 1945 have paid at least lip service to the idea of a united Western Europe, and more recently to a united Europe, there has never been any consensus between them on what this should mean in practice. The rhetoric has often been grand, but discussions on specific proposals have usually revealed considerable variations in ambitions, motives, intentions and perceptions. Most crucially of all, states have differed in their assessments of the consequences for them, in terms of gains and losses, of forging closer relations with their neighbours. As a result, some states have been prepared and able to go further than others, or have been prepared to do so at an earlier time. The advancement therefore of cooperation and integration between Western European states has been far from coherent or ordered. In the late 1940s and the 1950s most states were willing to be associated with intergovernmental organisations that made few demands on them – and hence joined the OEEC and the Council of Europe – but they were less enthusiastic when organisations were proposed that went beyond intergovernmental cooperation into supranational integration. Consequently, the more ambitious post-war schemes – for the ECSC, for a European Defence Community (EDC – which in the event was never established), and for the EEC and Euratom – initially involved only a restricted membership. It was not until circumstances and attitudes in other states changed, and until an obstacle that emerged amongst the founding states themselves – in the form of President de Gaulle's opposition to UK membership – was removed, that the EC gradually expanded in the 1970s, 1980s and 1990s to include eventually virtually all of Western Europe's larger and medium-sized states.

So while all West European states have long been touched by at least some of the factors that have been examined on the last few pages, the

differences between them have resulted in their interest in, and their capacity and enthusiasm for, cooperation and integration varying in terms of both nature and timing. Much of the explanation for the nature and pace of the development of the European integration process since the Second World War is thus to be found in factors at the national level. In particular, it is to be found in the different circumstances and needs of the states of Western Europe and in the different attitudes that their governments have taken towards integration. These circumstances, needs and attitudes, and the consequent different types of influence West European states have had on the integration process, will now be examined. For the purposes of the examination, a useful way of grouping the states is according to when, if at all, they assumed EC/EU membership.

*The founding members of the European Community: Belgium, France, West Germany, Italy, Luxembourg and the Netherlands*

These six states, which in 1951 signed the Treaty of Paris to found the ECSC and in 1957 signed the Treaties of Rome to found the EEC and Euratom, were the first to show a willingness to go beyond the cooperative intergovernmental ventures that were established in Western Europe in the late 1940s. Cautiously, tentatively, and not without reservations, each took the view that the benefits of integration, as opposed to just cooperation, would outweigh what appeared to be the major disadvantage – a loss of sovereignty. Some of the perceived advantages that supranational organisations could offer were shared by all of the six, but there were also more nationally-based hopes and ambitions.

For the three Benelux countries, their experience of the Second World War had reemphasised their vulnerability to hostile and more powerful neighbours and the need to be on good terms with West Germany and France. Related to this, their size – Belgium and the Netherlands were only middle-ranking European powers whilst Luxembourg was a very small state – meant that their only real prospect of exercising any sort of influence in Europe, let alone the world, was through a more unified inter-state system. As for economic considerations, they were used to the idea of integration since Benelux economic agreements and arrangements pre-dated the war, and negotiations to re-launch and deepen these had been under way well before the war ended. There was also the fact that not one of the Benelux states was in a strong enough position to ignore Franco-German initiatives for economic integration.

Italy too had a number of reasons for welcoming close relations with other West European states. First, after more than twenty years of Fascist rule followed by military defeat, European integration offered the prospect

of a new start, and from a basis of respectability. Second, in May 1947 (as also occurred in France) the Communist Party left government and for some years thereafter seemed to be intent on fermenting internal revolution. The clear anti-communist tenor of other West European governments looked comforting, and a possible source of assistance, to Italy's nervous Christian Democratic-led governments. Third, Italy faced economic difficulties on all fronts: with unemployment, inflation, balance of payments imbalances, currency instability and – especially in the south – poverty. Almost any scheme that offered the possibility of finding new markets and generating economic growth was to be welcomed.

Integration was seen as helping France to deal with two of its key post-war policy goals: the containment of Germany and economic growth. In the early 1950s the ECSC was especially important in this regard, offering the opportunity to break down age-old barriers and hostilities on the one hand and giving France access to vital German raw materials and markets on the other. Later in the 1950s, when 'the German problem' was seen as less pressing but German economic competition seemed to be posing an increasing threat, France took steps in the negotiations that produced the EEC to ensure that as part of the price of continued integration certain French interests – including economic protection for its farmers – would be given special treatment.

Konrad Adenauer, the West German Chancellor from 1949 to 1963, saw West European unification as the means by which the Federal Republic could establish itself in the international mainstream and German self-respect could be regained. Western Europe would also, along with the Atlantic Alliance, provide a much-needed buttress against the perceived threat from the East. More specifically, the ECSC would enable West Germany to rid itself of Allied restrictions and interference, and the more open markets of the EEC would offer immense opportunities for what, in the 1950s, quickly became the fastest growing economy in Western Europe.

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*The 1970s and beyond: The United Kingdom, Denmark and Ireland*

Since helping to create the EC in the 1950s, four of the founding states – Belgium, Luxembourg, the Netherlands and Italy – have remained firm and consistent supporters of the integration process. They have almost invariably backed, and sometimes have been prominent in the initiation of, the many proposals put forward over the years for further integrationist advance. The only significant exception to this has been the rejection by the Dutch people in a referendum in June 2005 of the proposed Constitutional Treaty. The reasons for, and the significance of, this vote are considered in Chapter 7.

Germany – or to be strictly accurate West Germany up to 1990 and united Germany since – has also been a reasonably dependable member of the integrationist camp. (German unification took the form of the German Democratic Republic – East Germany – integrating into the Federal Republic of Germany, so there was no question of a new state joining the Community and therefore no question of normal enlargement procedures applying.) However, in recent years the enthusiasm for integration has wobbled a little, with a reluctance to continue acting as the EU's main 'paymaster' being displayed and with reservations about continuing enlargements of the EU being expressed.

In the early years of the EC France assumed a very wary attitude towards the integration process. This was a consequence of President de Gaulle's hostility to any international organisation that assumed supra-national characteristics and, thereby, undermined French national sovereignty. The economic benefits which the Community was bringing to France were recognised and welcomed, but they were not to be paid for with a transfer of national sovereignty to the likes of the Commission, the European Parliament or a Council of Ministers taking its decisions by majority vote. Since de Gaulle's resignation in 1969, France's concerns about loss of sovereignty have been less to the fore, though concerns about sovereignty have never quite disappeared and even today France still tends to take a more intergovernmentalist stance than the other five founding states with respect to the powers of the EU institutions. Notwithstanding this tendency, however, French presidents have sought to be prominent in moving integration ahead and have linked up with others, especially German Chancellors, for this purpose. It thus came as a considerable set-back to President Chirac when the French people rejected the Constitutional Treaty in a referendum held in May 2005 – a matter which, like the Dutch referendum on the Constitutional Treaty, will be considered in Chapter 7.

*The 1973 enlargement: The United Kingdom, Denmark and Ireland*

Three factors were especially important in governing the UK's attitude towards European integration in the post-war years. First, the UK saw itself as operating within what Winston Churchill described as three overlapping and interlocking relationships: the Empire and Commonwealth; the Atlantic Alliance and the 'special relationship' with the United States; and Western Europe. Until the early 1960s Western Europe was seen as being the least important of these relationships. Second, successive British governments were not prepared to accept the loss of sovereignty that integration implied. There were several reasons for this, of which the