

Historical Teleologies

[This chapter was commissioned in summer 2000 and completed in November 2000, on the eve of the Inter-Governmental Council at Nice in December. Although publication has taken place after the results of that meeting in Nice, I have left the text unchanged as a fairer test of the value of historical prediction.]

by Alan S. Milward

The history of the European Communities has been more dominated by teleologies than any topic other than Christian histories of the early church. The assumptions of its first historians indeed can be comfortably bracketed with the working procedures of the earliest historians of the church. Both were writing the history of a goodness which by its very quality must prevail. Walter Lippens, the Church of Europe's first great chronicler, is not now much read. But the assumptions which underlay his work have been widely accepted and used by historians whose research method has been much more analytical.

European integration arose, he assumed, in the depths of the National Socialist night as an idea that would conquer that darkness of the soul. It arose at first in scattered, persecuted cells of political and ideological resistance. By 1948 however the early saints had an organised church militant, the Union of European Federalist Movements, whose belief in unity and peace would inevitably triumph. The teleology of the European Communities as a triumphant will to conquer the past was established.

Leaving aside the question of how far Lippens' assumptions were structured as a way of denying any connection between National Socialist thought and the post-war process of European integration, a denial which

can not stand up to any examination of the relationship of big business to the operations of the Nazi government,²⁾ the paradigm which shaped his work has proved very influential on those who have rejected his method. The influence of the federalist movements on the historical evolutions of the European Communities has been relegated to a minor role by the post-Lipgens historiography. But the European Communities are seen, against the background of half a century of enduring peace in western Europe, as based on a peace-treaty, the 1952 Treaty of Paris, with the newly-created German Federal Republic. The successive major agreements which have led to present European Union, by way of the Treaties of Rome, the Common Agricultural Policy, the Single European Act, and the Treaty of Maastricht, are interpreted by most historians for the first thirty years of the story as a continuous attempt to regulate the place of Germany in Europe by controlling the scope and direction of the central and largest power's possible actions. What has made that limitation of Germany's actions possible is, nevertheless, a continuing reaction to the two world wars of the first half of the century.

This is not always the primary interpretation. Some historians rely on primary economic or social interpretations of the evolution to the European Union, especially where they see the last twenty years as a response to globalization of the economy, or they argue for a different primary political causation. Nevertheless, almost all seem to accept that more than half a century after the Fuhrer's death, control of Germany, willingly accepted or cunningly exploited by successive governments of the Federal Republic, has been an essential element in the mortar which holds the walls of European integration together. Germans have been constrained or converted to being 'good' Germans and not 'bad' ones. The European construction remains a peace treaty based on a rejection of the politics of 1933-1945.

The other elements of the mortar are more disputed but no less teleological in their implications. The functionalist explanations of political science live on. Until very recently all the states which have participated in the landmark agreements were functionalist states. Historians are divided

over whether there is any element of functionalist 'spillover' in those agreements which exerts a constant forward traction towards cessions of areas of state sovereignty to supranational governance. But even if the agreements are seen as a series of stochastic events, each depending on a particular political conjuncture, each agreement is interpreted as being possible only between states which survive because they are functional.³⁾ On this assumption the theory which explains the process of European integration as twentieth-century allegiance depends.⁴⁾

The assumption of the functionality of the twentieth-century state survives, so far, the fundamental changes in the structure of some states over the last decade which have come through the process of contracting out functions to semi-privatized or wholly-privatized agencies.⁵⁾ This process does not weaken the theory of post-1945 allegiance. It does, though, weaken the theory of spillover. Do privatized functionaries meet in international institutions to resolve problems across frontiers? And if they do, is it the states' problems which they are inherently constrained to resolve through deeper and more extensive collaboration? Were not the Single European Act and the Treaty of Maastricht negotiated between states whose intrinsic nature was becoming, and in the latter case had become, quite different from that of those which negotiated the Treaties of Paris and Rome?

There is little historical analysis of these changes, because historians are now purveying a different teleology; the globalization of the economy. The single European Act and the Treaty of Maastricht are seen as economic and political responses to the demands of globalization. Having controlled Germany and kept the peace Europe can only maintain its prosperity through the larger markets and larger businesses on which economies of scale, as well as the ability to compete with the U. S. A. depend. From this logic springs the alleged necessity of European Monetary Union and European-wide businesses and stockmarkets.

A syncretic logic is sometimes imposed on all these explanations. Together, they are alleged to represent a continuous effort to preserve a

common and distinctive pattern of European culture and society, no matter what the external pressures leading to them. The emphasis on these allegedly widespread feelings of European identity, and the desire that they should have a common political representation, first developed strongly in the 1970s, a decade in which real political steps towards further integration came to a standstill.⁶⁾ With the belief in globalization the same feelings are now urged by politicians to support further integration. The vacuous concept of The Third Way, for example, becomes part of the rhetoric of Europe's centre-left because the Third Way can be presented as a specifically European political inheritance represented by the European Union. Developments since the Treaty of Maastricht, especially the pursuit of European Monetary Union (EMU), are typically explained as inescapable if 'Europe' is to survive in a globalized economy, just as the irreversibility of the European Community treaties was described as the only possible route to security against a resurgence of German power.

These teleological narratives have comfortably survived and digested historical research which has amply demonstrated that each step in the formation of the European communities was a carefully-pondered act of national choice by national governments. There were always alternatives and the choice between them was a fine one, nowhere more finely-balanced,⁷⁾ for example, than in France's decision to sign the Treaty of Rome. They survive by exaggerating some elements of explanation and minimise, or even omit, others. They omit failures, like the European Defence Community and the European Political Community, killed in 1954 by the French national assembly.

While it is obviously difficult to have reliable knowledge about deeper public sentiments about Europe's cultural 'identity' or the extent of the desire that Europe should have a 'personality', it does not seem unfair to say that too much weight is placed on these sentiments as the explanation when it is so difficult to show its political influence or indeed its consistency. By contrast, it is possible to reconstruct the commercial and other economic foundations of the European Communities. Yet accounts which

depend on such a reconstruction and which emphasise the economic purpose of the states in pursuing integration are unpopular with historians, who would prefer Europe's post-war construction to have been driven by political, or even merely diplomatic necessity, even though it is integration for commercial purposes which has generated those European institutions which have had the greatest influence in the post-war world. As a commercial negotiator the European Communities have had great power. In the world of foreign policy they have been incoherent and feeble.

The rise of globalization as an explanatory factor for integration now brings more attention to the economic foundations of the EU. Unfortunately, there is no debate at all in such accounts about whether globalization is genuinely an explanatory factor for present trends. The historical debate about whether economies are more globalized now than they were in 1912 is ignored, seemingly because it seems to suggest that economies were just as open to worldwide competitive pressures before the First World War as now, and so destroys the underlying teleology of the argument that advocates of further integration wish to make.

Similarly, failures on the road to integration which suggest that political will, the desire to endow Europe with a form of government which would represent its alleged unique cultural and social aspects, was weaker than teleologies proclaim are ignored. The most spectacular of these, the complete collapse in 1954 of the first attempt to give the European Communities a constitution, The European Political Community, and their own European Defence Force within NATO, the European Defence Community, is all but ignored. The only attempt at a comprehensive account was published 20 years ago.⁸⁾

Richard Mayne, whose book *The Community of Europe* stood as the first short higher education level text on the development of the EC, allocated only six pages out of 192 to the failure of this first attempt at political union, although the European Communities had only twelve years of history when he published.⁹⁾ The tradition which he inaugurated has been faithfully followed. McAllister's *From EC to EU. An Historical and Poli-*

tical Survey, which can be taken as a good attempt at the same type of volume, gives it only one paragraph, and that in spite of the fact that the particular quality of his book is the expertise which it brings to French policies and politics.¹⁰⁾ Coffey in a rare attempt to use the history of the EC/EU to suggest policies for *The Future of Europe* does not even mention this failure.¹¹⁾ Analyses in such books of the failure of the first attempt at a European Monetary Union, the Werner Plan, are similarly lacking.

There should be stiffer lessons to learn from failure. Was not the current decision to move to EMU before wage, welfare and fiscal harmonisation taken with the failure of the Werner Plan in mind? Waiting for acceptably safe levels of fiscal and monetary policy harmonisation before issuing a single currency made monetary union recede as a target in the 1970s, although the ultimate intention of the Werner Plan was very little different from that of the present EMU.

There seem to be two reasons for the persistence of these historical teleologies. One is that history may have a mobilisatory value. This view is particularly held by scholars who believe that 9 May 1950, the date of Schuman's proposal for a Coal and Steel Community, marks a caesura in European history. For such writers, to analyse the conjoint failure of the European Defence Community and the European Political Community or of the Werner Plan for EMU, would be to analyse vestigial traces of a historical epoch which had ended. This would not be without its own intellectual interest, but could have no explanatory value in the new, post-Schuman, historical epoch, whose different values would increasingly predominate. Secondly, there is a much sounder reason. History is not a good predictor. It cannot reduce the world to a sufficiently small number of variables to turn theory into predictive models. It can be suggestive, but only on the basis of analogies which by definition are imperfect. Historical evidence has destroyed most of the teleological functionalist theory of the growth of the European Communities over their first two decades, but one serious purpose of social science being to construct predictive theory it has good reason not to be deterred by the evidence that some predictive theory does

not stand up to the historical test. The task is to replace it with something better.

Nevertheless, as things stand, history is as good, or as bad, a predictor, if only on the basis of analogy, as social science. What does the history of the EC/EU suggest about Europe in the years to come? The value of that question is that it places the policy and attitudes of the present EU member-states in a longer-term perspective, identifying what may be structural elements of the EU, those enduring historically-conditioned realities with which the EU may have to live.

While the origins of the European Communities in French security policy in the 1950s and in the struggle of the German Federal Republic towards equality of rights and a place in the comity of European nations are indisputable, the other major force in their foundation was international trade. The European Economic Community was the political creation of a controlled and regulated market, shaped to sustain the high rates of growth of international trade which were thought to be a determining factor of the high rates of growth of national income per capita and of personal disposable income in the 1950s. The commercial advantages of the common market have remained the bedrock of the EU's foundation after the reunification of Germany altered the parameters of security policy and eliminated any German need for the EU as a ticket to political respectability. The common market is still the cement of the EU, the one institution of European integration which meets with the USA on equal terms and in whose negotiations with the outside world each member-state can pursue a national advantage which otherwise would be hard to win. It remains far more important in estimating the influence of history on the EU's future than the presumption of a political will whose commitment to union has always varied very widely between member states, and in some member states where its role has been highly volatile.

From the first attempts to expand the European Communities in 1961-3 the *acquis communautaire* which potential new entrants have been required to accept has been essentially an economic one. First and foremost

has been the acceptance of the common external tariff. In entry negotiations each new entrant has been obliged to accept this powerful weapon and shield.

Its impact on member-states has been varied, not by minor derogations, but by accumulation of commercial and financial arrangements, in many cases more appropriately described as privileges, won by member-states in negotiations for accession. The political and legal institutional framework of the EEC as set out in the Treaty of Rome has been accepted by every new applicant before making a formal application. There was no point in doing otherwise. The economic conditions of entry, on the other hand, have been in every case a matter of fierce and detailed negotiation, leading to what may be called special deals.

The economic *acquis communautaire* retained from the outset the favourable terms which France won for itself in the Treaty of Rome; open access to the common market for its overseas territories and colonies and the introduction into the Treaty of the idea of the harmonisation of wage rates, of the incidence of social security contributions on employees, and of the impact of taxation on production costs and foreign trade. While not much was done for three decades about this harmonisation of production costs where they were thought to be affected by government policy, that part of France's special deal is still central to the future of the Union and thus to all the new applicants for membership.

The Europeanization of agricultural protection was agreed by all six signatories of the Treaty of Rome without difficulty. What policies to use, was a question left on one side. Taken up between 1958 and 1962 it emerged as the second stage of the *acquis*, the Common Agricultural Policy (CAP), only really in operation from 1966. Although officially the process of negotiation, which began in September 1961 with the new applicants, Denmark, Ireland and the United Kingdom, included those countries in a process of mediation of what had already been decided about the CAP, in reality it was a French condition that the structure and method of financing the CAP must be decided by the six original members before the commer-

cial terms for the new entrants could be negotiated. The methods of financing the CAP, mainly through import levies, meant that the financial terms for British entry were made significantly worse before the detailed negotiations on the British application could begin in February 1962, because the United Kingdom was a food importer on a very large scale and the bulk of its food imports came from Commonwealth countries rather than from within the common market. The application of the CAP to British agriculture and to British food imports still remained almost entirely unnegotiated when the first attempt at expansion failed. The favourable terms for France which the *acquis* represented were an important reason for the failure to expand the Community.

When Community expansion did finally come in 1973 the United Kingdom had to accept the disproportionately high financial cost of entry arising out of the full acceptance of the CAP. Dissatisfaction with that settlement led, however, to the special deal for the United Kingdom in 1984; the 'rebate' which Margaret Thatcher secured was a remission of the higher costs of financing the Community relative to GNP which fell on the United Kingdom because of its higher percentage of foodstuff imports from outside the Community than any other member-state.

With the Iberian enlargement of the Community 'structural' funds were made available to Spain and Portugal as lower per capita income member-states. The level and rate of growth of GNP per capita in Spain were such that it might have been assumed that Spain's special deal should not last long. It has been made very clear by Madrid however that expansion to include the first ties of former Soviet bloc applicants with a much lower level of GNP per capita. At present, because of the sums it receives in structural funds and through the CAP, rich Spain is the greatest beneficiary from the EU's financial redistributive mechanisms. The United Kingdom continues to insist that a redistribution of the burden of financing the Community to reduce the share which falls on Germany can not be achieved by any interference with the British 'rebate'.

Although most commentators seem to believe that great changes are

needed in the CAP if the financial burden on existing member-states of the entry into it of Polish agriculture, as well as the agricultural sectors of some other former eastern bloc countries, is to be made acceptable, notably to German taxpayers, there is no sign that the accumulation of special economic deals, which constitutes the historical *acquis communautaire* will be modified. New entrants will be required to accept it in its totality or wait for entry until the CAP costs less.

Monetary Union (EMU) will now also be part of the *acquis*. There will be no more 'opt-outs', like those for Denmark and Britain. Distrust, however, of central banks in the former Soviet bloc states is such that the definition of central bank independence agreed for the establishment of the European Central Bank will be much stricter for the new applicants. They must establish before entry central banks with constitutional guarantees of independence at which west European countries would certainly have balked, and which do not seem to have any historical precedent.

The economic aspects of the *acquis communautaire* remain therefore staunchly defended national advantages, part of the terms of entry and thus part of the supranational 'constitution' of the EU as set out in the Treaty texts and the extensions of their meaning and implications by the Court of Justice. It is the history of EC/EU with which all new entrants have to come to terms.

Those terms are harsh. The First Accession Partnership drawn up in March 1998 stipulated, for example, that Bulgaria, among other things, must restructure its industry, its financial sector, and its agriculture. That is more than western European states have had to do over half a century of integration, and far more could be done by 2006, the date for expansion, although probably not including Bulgaria, which the EU now foresees. Security policy may be a strong pressure for eastward extension. So might the admissible vision of a common European house. But the price of entry into that house mounts as the less rich seek to enter it.

As things stand it is easy for the present member states to agree that eastward expansion is desirable, for their terms must be accepted. This

does not mean that it will happen, even less that it will happen on the scale envisaged, at the date now specified. First there has to be an agreement between existing members on 'institutional reform'.

There, too, the weight of history lies heavy. The existing 'constitution' can not be changed to make it more supranational at the expense of the greater states. The Council of Ministers, in its various guises, will still exercise the authority of the nation-states at Brussels. There will, it seems now to be accepted, be some increase in the number of issues which may be decided by majority voting, but only when the number of votes for each member state has been adjusted to make room for the new members while at the same time — the essential point — maintaining a system in which the greater powers can not be outvoted by the smaller.

Each nation will probably have a Commissioner. To make this possible the almost certain outcome is that not all Commissioners will be of equal rank. Some will be the equivalent of 'ministers'; others only of 'state-secretaries' or in the English usage 'junior ministers'. Those of less rank will not sit with the Commission when it makes decisions, except perhaps when the decision is in their field of responsibility. 'Full' Commissioners, for External Relations, for Agriculture and similar major areas of the *acquis* will be from the greater powers. For lesser Commissioners, who will come from the lesser states, new posts will have to be created, supervision of central bank independence perhaps or the standardisation of transport licensing.

It is strongly rumoured that one consequence of this may be that member-states will have to form political blocs, each bloc represented at the summit by a 'full' commissioner. At that point the concept of supranational governance may be transformed into fixed regional associations grouped around a greater state. Finland will abandon Scandinavia for Germany as Scandinavia clusters around the United Kingdom. But who will be in the French bloc? Could the EU sustain a change of this kind, in which the originator and dominator of the first European Community is left in isolation? At that point the weight of history may well limit the extent of

institutional change, so that the institutional framework into which the new applicants will be obliged to insert themselves will be even more cumbersome than the present one.

In this discussion of institutional reform it seems highly unlikely that the role and powers of the European Parliament will be strengthened. The majority opinion appears to be that because only a small, and in many countries diminishing, proportion of registered voters is prepared to turn out and vote in the European elections the Parliament has no claim to greater powers. This is a useful argument for those greater member-states who have never wished to see any extension of the European Parliament's role, lest it weaken their control over the Communities. Only between 1971 and 1973, when the Heath government in the United Kingdom thought that monetary union would improve its chances of re-election, has 'The Mother of Democracy' supported parliamentary democracy at the supranational level. Because any monetary union under the Werner proposals was so far away, this support was abstract. As for the originating country of Jacobin democracy, it has been throughout a resolute opponent of extending the European Parliament's powers and role, mostly on the grounds that to do so could weaken the degree of control over Germany which the original institutional framework maintained. If some historians believe in a European 'identity', it is hard to find a political scientist, and even harder to find a politician, who believes there is a true European 'demos'. It is, though, allegedly to strengthen their democracies that eastward expansion to new states is envisaged.

Monetary union too has a long history which has shaped the present plan. The Werner Report in 1971 envisaged it at the end of a series of stages of harmonisation of national budgetary procedures and fiscal policies. In this process, it suggested, the Community institutions could play a role by setting indicative guidelines and an indicative warning system which would show when national policies failed to stay within those guidelines. The subsequent behaviour of international currency markets in the 1970s put paid for ever to the language of indicative planning. The memory of

this experience was important in the decision at Maastricht to grasp for monetary union as a way of promoting the harmonisation which had not happened.

It is, indeed, hard to believe that European Monetary Union could endure long without some degree of fiscal harmonisation. Using monetary union to force policy harmonisation and ultimately a closer political union might seem the epitome of the attempt to escape from history, were it not that history offers no analogy close enough to permit such a conclusion to be drawn. The first European Community in 1952 was, as Robert Schuman said, a leap into the dark and the intention of EMU's supporters seems to have been to conclude the voyage to integration with another one. Like the Treaty of Paris, EMU has no historical precedent. Monetary Unions in Europe have a bad record, except for those between large economies and very small ones. But monetary unions in recent history between similarly-sized economies do not provide any example of a union with a single currency and a single central bank. Both of these elements were seen by the founders of EMU as guarantees that it would survive.

Without a single currency and a common central bank, the Latin Monetary Union and the Scandinavian Monetary Union did, however, gradually disintegrate under the force of what economists most fear for EMU, asymmetric shock.¹²⁾ In the Latin Monetary Union, formed in 1865 by Belgium, France, Italy, and Switzerland, and of which Greece subsequently became a member, the asymmetry sprang from the development needs of the Italian and Greek economies. Devaluation, more precisely in the Italian case debasement, of the coinage was a policy response to the urgency of developmental infrastructural investment. When to this shock was added the additional asymmetric shock to the bimetallic standard of the decline in the price of silver relative to gold the monetary union was soon moribund, although it survived almost until the First World War. The experience of the Latin Monetary Union suggests that what has been left out of the economists' discussion of Monetary Union is the historical evidence that even in well-ordered and closely-regulated states it is people as consumers

and not governments who decide which currency to use. French gold coinage, the ten franc piece, continued to be widely accepted inside the Latin Monetary Union when the Union was moribund. The French silver five franc piece also had some acceptability as a convertible currency because it was minted to meet the specific silver standard of the treaty establishing the Union. Silver coinage of Italy and Greece was not convertible, except when it was bought by the Bank of France to try to maintain the Union., The outcome was an accumulation of silver coin by the Bank of France as to make it unredeemable at the rates set by the treaty.

That problem kept a meaningless Union legally alive when it was in effect no more fulfilling its function.¹³⁷ Most economists believe that the costs of exit from EMU, because interest rates are set too high for infrastructural developmental investment or too low to maintain the foreign exchange value of the euro, would, even in the short-term, be a large loss and that that will preserve European Monetary Union. The history of the Latin Monetary Union confirms that prediction. But the same history also suggests that a more plausible threat is a slow erosion of EMU in which consumers lose confidence in the euro, while no government dares to carry out the cost of formal exit. Against that, the EU has two defences. One is the wholly state-based concept of 'legal tender'. Three months after the euro is issued there will be no other currency in circulation. The other is the belief that there would be no plausible alternative currency. Doubts about the second defence can be seen in the way in which the steady fall of the euro against the dollar disturbed no-one in the European Central Bank until it began to seem that markets would establish the euro as having parity with the US dollar. Objections to this were of course political, the purpose of the euro was to give Europe 'a personality'. Before the danger that this purpose would be thwarted appeared on the horizon a falling euro was regarded as beneficial to the faltering exports of the EU's manufacturing heartland, Germany and Italy. Historical analogy is useful at this point; it tells us that there is always another currency.

There has not been an example in modern times of a major interna-

tional currency not backed by an important national government. It is far from evident that the euro is backed even by the equivalent of a national central bank. The European Central Bank is governed by a committee with many opinions. Given the obvious usefulness of the euro in the bond-market there will always be pressure for it as a unit of account which can be used in monetary instruments. But the question still remains to be answered; can a currency without a government be managed through the cacophony of at least fifteen national governments, sometimes with dissimilar economic interests and a central bank which will often have no common policy on which all its Board agrees other than the price stability which it has been enjoined to maintain?

If the answer is positive, would Monetary Union generate some of the harmonisation which has been lacking? If it were not for the widely varying proposition of revenue raised by national governments from taxes on corporations, there would have been a convergence over the period of the EC/EU's lifetime in the shares of national tax yields derived from different forms of taxation. But it is possible that the wide variations in that proportion of the tax yields deriving from taxes on corporations has been an increasing barrier to the harmonisation of tax burdens on production to which the Treaty of Paris looked forward in 1952. Taxes on labour increase at the expense of taxes on capital because labour is immobile. Such harmonisation as there has been creates therefore another policy problem. The obvious way to resolve it is through welfare fiscal policy.

The EU's inheritance of national welfare states is usually described by scholars, and seems also to be thought of in Brussels, as an intractable problem for supranational governance. Even when grouped into various typologies the welfare states still represent the very essence of national, historically-conditioned sets of policies formulated to meet the demands of national electorates in specific historical circumstances. Their harmonisation may be gradually shaped through the erosive action of globalized markets, but there appears to be little that the EU could do to help bring about such

a result. The influence of these redistributory welfare systems in determining differences in the burden of national fiscal policy on particular social groups, production workers for example, has been little explored, in spite of its extreme importance for any process of fiscal harmonisation.

In the case of that particular aspect of welfare policy which gives rise to the greatest financial anxiety, the commitment of national governments to retirement and old-age pension payments to an increasing number of survivors beyond the retirement age, harmonisation is strongly opposed by member-states, because for many of these commitments separate funding has not been set aside and state revenues show a declining trend.

Such public schemes vary between the two extremes of Spain, whose earnings-related pension benefits provide high returns to high earners who are also high contributors, and the United Kingdom, where over most of the period of operation of the national old age pension provision the intention has been to provide only a uniform low-level subsistence pension benefit, which for people without other sources of income normally implies supplementary welfare benefits. In Spain public pension provision competes with private provision in benefits for lifetime high-earners. In the United Kingdom it is a safety-net for those with no occupational or other form of private pension provision and few savings. It is hardly surprising that maintaining old age pensions at their existing level does not appear as a future financial problem in the United Kingdom. But it did appear as an obstacle to social policy harmonisation in the first year of the present Labour government, when the minister charged with welfare reform was a prominent advocate of the undesirability of welfare benefit harmonisation because of his belief that British taxpayers would end up having to fund a mounting burden of future pension obligations in countries closer to the Spanish model.

Some recent research tends to show that the benefits received from most public pensions schemes correlate more with employment levels and general economic conditions during the period of active work than with contributions. Cyclical movements and background economic conditions in

the member-states since 1950 have shown strong similarities. It may be therefore that harmonisation of pension schemes may be a less daunting issue than it currently seems. If, by analogy, the same were true for other welfare benefit payments the weight of history might well be less in this area than it is usually depicted as being. Without any research on how social welfare policy links up with national fiscal policy over the same working lives it is impossible to know what the weight of history at this point actually is, or how great the effort to harmonise. Even that conclusion, however, shows the centrality of historical knowledge in resolving a major future policy problem.

That a convergence of fiscal and welfare policy might emerge is by no means implausible. But without enough of a common government to present a coherent public image of its monetary policy, will not the governance of the EU be even more lacking in these more difficult areas? After forty years of talking about a common EC/EU foreign policy the disarray of the EU in the face of the dissolution of Yugoslavia remains blatant. After forty years of assertions of the need for a common European defence policy nothing has changed. Only France and the United Kingdom, in 2000 as in 1952, have armed forces fully capable of deterring an attack on the EU's territory by a major power. The failure of the European Defence Community and the European Political Community in 1954 seem to have been definitive. It is easy to see why; the nations do have vitally different security interests which they must protect. The NATO campaign against Serbia showed how different they were across a spectrum from Britain and France at one end, to Italy and Germany in the middle, and to Greece at the opposite end.

While history can not predict, the evidence suggests that the situation of the member-states of EU remains deeply embedded in its historical roots. The Union remains what it has always been, a support framework for national state policies in a period in which these have become increasingly difficult to pursue. The millenarian hope of escaping from history is not likely to be fulfilled and the future of the European Union will be like its

past, a useful muddle, deceiving the hopes of prophets and sustaining the milder and more useful aspects of national governance. The European Monetary Union's durability is not guaranteed, particularly of the asymmetric shock should come from Germany, a more plausible scenario than assuming it could come from eastward expansion. The foreign policy 'pillar' of Maastricht will probably remain a broken pillar. Those are not reasons, however, to suppose that the commercial policies of the EU will not remain as common policies, nor that the Union will not endure. And as the nature of the state changes it may well be that the EU will achieve a more substantial degree of fiscal and social welfare harmonisation, from which would spring a greater degree of labour mobility. Will a European demos be created, and will the institutions of the EU be democratized? On those two questions, the most serious of all, history is agnostic.

- 1) Lipgens (1977)
- 2) Hayes (1987); Eichholtz (1969), (1985)
- 3) Milward et al. (1993)
- 4) Milward (1995)
- 5) Foster and Plowden (1996)
- 6) Strath (2000)
- 7) Lynch (1997)
- 8) Fursdon (1980)
- 9) Mayne (1962)
- 10) McAllister (1997)
- 11) Coffey (1995)
- 12) Eichengreen and Frieden (1994) ; Redish (2000)
- 13) Willis (1901)

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The History and Theory of European Integration

Alan Milward

The lecture analysed the nature of the earliest historical research on post-war European integration, explaining its defects. It then passed on to a consideration of various political theories on which both political scientists and historians attempted to construct longer-run studies, sometimes predictive or teleological, of the development of the European Communities. Most of this work had been demolished by historical research into national and community archives. What had emerged from historical research was a detailed account of the primacy of national policies and of the national strategies of the member-states in the construction of the European Communities. In this picture the role of foreign trade and of national commercial interests meant that the Common Market of the EEC and its Common Agricultural Policy were securely anchored in agreements from which all EEC member-states benefited.

Historical research into archives being only rarely possible for any date after 1970, the question therefore arose whether the later development of the Communities into the European Union could be plausibly analysed in the same way. The lecture then analysed developments up to the Treaty of Maastricht, setting out various possibilities of explanation and theory without deciding in favour of any particular one.

Finally, the lecture passed on to a consideration of the EU's future in the light of its history, discussing the threats that history seems to reveal both to the European Monetary Union and, to a lesser degree, to the eastward expansion. No threat appears to the common commercial policy of

the EU, however. The lecture concluded with the hope that the EU would endure in spite of foreseeable difficulties.