EVANGELISCHE AKADEMIE LOCCUM

Arbeitspapier zur Tagung:

Globalisierung als Aufgabe
Handlungsmöglichkeiten und Gestaltungsoptionen der Politik
Expertenkolloquium der Evangelische Akademie Loccum
vom 10. bis 12. Dezember 1999

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Globalization and European Integration

1. Introduction

Making sense of the late twentieth century apparently requires use of the term "globalization", the ubiquitous keyword which has made its way in the social sciences as well as in the economic policy debate or in the cultural pages of elite newspapers. For contemporary critics of capitalism globalization confirms the relevance of marxism 150 years after the publication of the Communist Manifesto, with this difference, however, that ecological pessimism has by now replaced an optimistic philosophy of history.[1] For OECD experts globalization holds the promise of a new age of rising prosperity and quality of life.[2] Liberal economists celebrate globalization as a process which imposes its discipline on governments and prevents them from conducting economic policy against the market. Organized business ritually refer to it when they ask for wage restraint and cutbacks in welfare state expenditure in order to remain competitive in a relentless struggle for locational advantages. Authors sympathetic to the unions denounce this as a ploy designed to redistribute income from poor to rich.[3] International Relations scholars interpret globalization as a process of "uneven denationalization".[4] According to political scientists it is the root cause that explains the crisis of the nation-state, the erosion of national sovereignty, as well as threats to democracy. Geographers and urban sociologists have discovered "global cities" as the commanding heights of the world economy, and one of the pioneers of a "sociology of globalization" has revealed that we have all - be it as tourists, internet surfers, or Greenpace supporters - become "global players".[5]

In spite of the irresistible expansion of the globalization discourse, "globalization", used without adjective or reference word, usually refers to the economy or, more precisely, to the increase in international trade, the internationalization of production through multinational corporations, and the emergence of a system of integrated financial markets. That is why the following issues represent the core of the globalization debate:

– the extent, scope, and limits of economic globalization as well as its historical origins and duration,
– the effects of trade liberalization and competition for direct foreign investment on employment, wages, and income distribution in industrialized countries,
– the impact of free capital flows and locational competition on the capacity of states

to promote growth and employment, to finance the welfare state, and to maintain high levels of environmental and consumer protection,
– the need for further liberalization and (re-)regulation of international financial markets and the requirements of economic and monetary policy coordination among the leading economic powers,
– the erosion of national sovereignty and the threats to democracy that arise from economic globalization and transnational politics.

The term "globalization of society" is being applied to processes like the increase in transnational communications, the worldwide diffusion of consumption patterns and life-styles, or to the cosmopolitan consciousness that expresses itself in the notion of "One World". The transnational activities of promotional interest groups, also known as NGOs, inspire the hope that an emerging international civil society will bring about "citizens of the world parties" which will promote the cause of cosmopolitan democracy while acting as counterweight to the dominance of the world market.[6] Since the world state has few followers and since most people keep to Tip O'Neill's insight that "all politics is local politics", cosmopolitan democracy is definitely not around the corner.

In the short term, some relief from the pressures of economic globalization is rather to be expected from protectionism. In the United States, the backlash against globalization has already activated protectionist reflexes. In Western Europe, however, most critics of globalization do not seriously consider the protectionist option. Rather they pin their hopes on the European Union. Europe is widely held to be the answer to globalization, a conviction shared by the moderate proponents of global markets. With the realization of Economic and Monetary Union, the EU is called upon to regain autonomy in economic policy-making, to save the "European model of society", to introduce social and ecological minimum standards into international trade, and to negotiate as a monetary power on equal terms with the United States. In other words: European integration is supposed to reinstate a capacity for autonomous policy-making that has been lost - or seems to have been lost - at the level of the nation-state. The taming of capitalism which the European welfare states had managed to achieve during the "golden age", i.e. the fifties and the sixties, is to be organized in a supranational framework without forgoing the advantages offered by open markets.

This is clearly a tall order. Before we examine whether the EU is able to fulfill such expectations, it may be useful to explore the implications of the fact that for European countries globalization means above all Europeanization. Given the lead in liberalization which the European single market displays with respect to other cases of economic regionalism, the single market can be conceived as a laboratory in which it should be possible to observe some of the effects usually ascribed to globalization. Since the erosion of sovereignty and the undermining of the nation-state are also part and parcel of the European policy debate, the quality of the diagnoses and the adequacy of the underlying concepts deserve closer scrutiny. In this context it should then also be possible to answer the question whether European integration enhances the capacity of nation-states for collective action enabling them to avoid or compensate for the undesired consequences of globalization.

2. The Single Market as a Laboratory of Globalization

The intensification of the international division of labour is paralleled by a growing regional concentration of economic exchanges and mainly takes place within and between the three poles of the OECD world: the US/NAFTA, the EU, and Japan/East Asia. This holds true for trade as well as for direct foreign investment and strategic alliances between multinationals.[7] Western Europe stands out as the one region in the world economy which shows the highest ratio of intraregional trade. As a share of total EC-12 exports, intra-EC trade increased from 37 percent in 1958 to 62 percent in 1992. If one adds the EFTA countries, one finds that in 1992 70 percent of total West European exports went to countries within this region.[8] For Germany, for instance, Europe is by far the most important area for trade and investment. In 1995, 58 percent of total German exports went to the EU, an additional 7 percent to other European industrial countries, and 8 percent to the transition economies of Central and Eastern Europe. EU countries hosted 55 percent of the total stock of German direct foreign investment.[9]

The expansion of West European integration demonstrates that open markets are creations of states, even though states often act under the pressure of market forces and find themselves sometimes in the role of apprentice magicians. Compared to other regional organizations or to the levels of liberalization achieved in the framework of the WTO, the OECD and the IMF with respect to the "four freedoms" (goods, services, capital, and persons), the European Union has reached a degree of market integration that is unlikely to be reproduced on a world scale. Even the vision of a transatlantic marketplace, a single market which might develop from a Transatlantic Free Trade Area (TAFTA),[10] must be relegated to utopia as long as the free movement of workers from Mexico to Scandinavia is precluded. It can also be expected that the experience of the Asian crisis will dampen in some countries the enthusiasm for the complete liberalization of capital movements. The dogma according to which this would promote the most efficient allocation of capital fails to be buttressed by conclusive evidence anyway.[11]

A number of explanations have been advanced to account for the decision of the EC member countries to embark on the internal market project. The perception of decision-makers that an increase in global competition required stronger regional integration clearly played a role in the process leading to the Single European Act;[12] so did the integration strategy of the Delors Commission and new approaches to economic policy adopted by national governments. The success of the project was also predicated on the assumption that the single market would not be a zero-sum game, but would offer to every member country a positive balance of rewards and burdens from modernization. The essential condition for this was that the single market project was not confined to market integration alone, but did include, from the very beginning, a strong dose of policy integration with the strengthening of a number of community policies. In addition, competition rules are set by a supranational competition policy, and EMU provides the institutional framework for an economic policy oriented towards the requirements of the single market.

The elimination of the rampant microprotectionism embodied in non-tariff barriers under the single market regime does not mean that regulations are bound to disappear. The Central and East European candidates for EU membership know best what a mountain of Community law new members have to adopt as the "acquis communautaire". The scenario under which institutional competition would trigger a "race to the bottom" as far as environmental protection, social policy, and the regulation of industrial relations are concerned, has not materialized so far. Possibly, the period of observation available is too short to reliably assess the consequences of regime competition and "locational arbitrage". But the growing literature on "national systems of production" and the embeddedness of institutions suggests that competition between national regulatory regimes will only work in limited ways and possibly not at all. [13]

On the other hand, as far as the taxation of corporations and capital income is concerned, there is clearly a process of regime competition going on in which countries like Ireland or Luxemburg practice a beggar-thy-neighbour policy. When it comes to attracting foreign investors by generous government subsidies, the control of subsidies under the EC competition policy at least sets some limits the subsidies race.

The case of the single market is of global relevance to the extent that it highlights the political preconditions of far-reaching market integration. It is also instructive because national differences in the institutions governing the economy, in levels of regulation, and in social and environmental standards will increasingly appear on the WTO agenda as fairness of competition becomes an increasingly contentious issue.[14]

It was the attraction of the single market which led the EFTA countries to join it in the framework of the European Economic Area. When they realized that only full membership would enable them to participate in setting the rules for further market integration, Austria, Finland and Sweden decided to enter the European Union. These countries are quintessential welfare states and hardly inclined to give up high levels of social and environmental protection. The case of Switzerland shows that it is possible to resist the current of EU integration if a country is prepared to bear some costs. Switzerland thus manages to combine an open economy with the principles and practice of direct democracy.

The Eastern enlargement of the European Union will add a group of low-wage countries to the single market. This creates considerable pressures for adjustment since import competition in labour-intensive industries will increase - partly as a result of the relocation of production to Central and Eastern Europe. The resistance against Eastern enlargement, which is emerging in industries and regions which will have to reckon with growing competition from the East, possibly foreshadows a West European version of the American NAFTA debate. However, the EU-15 as a whole is likely to run trade surpluses with the new member countries. Employment effects are therefore expected to be positive.[15] Eastern enlargement is also expected to offer an opportunity to realize a pan-European division of labour which will strengthen the position of West European firms in the world market at large. Although the Central and East European countries will probably achieve higher growth rates and welfare gains compared to non-integration, they are still exposed to the risk that a polarization of economic development will perpetuate their position as a periphery which fails to catch up with Western Europe.[16] The experience of Ireland and the Iberian countries, however, is a point against this scenario.

3. National Sovereignty and Autonomy in Economic Policy

"Suddenly, it seems, the sovereign states are feeeling naked. Concepts such as national sovereignty and national economic strength appear curiously drained of meaning." This quote is not taken from the globalization discourse of the nineties. It is the opening shot of Vernon's classic on the "multinational spread of U.S. enterprises" published in 1971.[17] But it anticipated the diagnoses which stress the erosion of national sovereignty and the loss of national autonomy in economic policy-making as consequences of globalization. The traditional legal concept of sovereignty is often held to imply the capacity of the state to fully exert its power within its borders and to protect its independence from political and economic processes in other states. In this perspective, globalization eliminates the economic prerequisites of sovereignty.[18] In the globalization debate, national sovereignty has more or less been written off already. Yet, in the post-Maastricht European policy debate, the concept of sovereignty has enjoyed a renaissance both in politics and political science.[19] This debate largely revolves around the proper demarcation of competences between the national and the European level of government and features the principle of subsidiarity. However, political actors often fail to explain what they mean when they speak out in defense of national sovereignty in the context of the European Union. Does sovereignty refer to the integrity of the state or to national control of the money supply? Is it a matter of being able to draw the line between "us" and "them"? Or is it primarily being invoked as a symbol of collective self-esteem?

As for the connection between globalization, sovereignty in economic policy-making, and the decline of the nation-state, the academic debate suffers from a number of limitations, such as:
– the overstretching of the concept of sovereignty which occurs when sovereignty is equated with freedom of action or autonomy;
– the tendency to idealize the closed economy;
– the exaggeration of the loss of autonomy in economic policy-making suffered by the state, and
– the penchant of some authors to theoretically dignify their political preferences regarding the division of functions between the state and the market.

Given the lack of precision in the use of the concept and its varied history, insisting on the need to differentiate between "sovereignty" and "freedom of action" or "political independence" may appear as somewhat pedantic. The distinction nevertheless makes sense because otherwise too many states would have to be denied the attribute of sovereignty if it were to depend on the degree of success in realizing fundamental goals of the state.[20] Economic interconnectedness and the resulting patterns of symmetric or asymmetric interdependence do not encroach on state sovereignty as long as the state keeps its right to regulate or to interrupt cross-border transactions, a right which is usually being exercised in the framework of international treaties and regimes signed and entered in the exercise of sovereignty.

The degree of material control over foreign economic transactions which a state is able to claim and implement, depends on the domestic balance between political and social forces, the economic philosophy of governments, and on the extent and intensity of international economic intercourse. If one assumes that effective governance requires the spatial congruence of political regulation and the spheres of social and economic interaction[21], one is likely to find that this condition is best fulfilled in a closed, autarkic economy, to a lesser degree also under the Soviet-type state monopoly of foreign trade. Regarding the democratic countries of Western Europe, Scharpf considers the "slow transition from state-controlled 'closed national economies' to the 'uncontrolled world economy' ", which took place in the fifties and sixties, as the "optimum of a capitalism both economically vital and amenable to be tamed by social policy".[22] However, we should not forget that trade liberalization was one of the engines of economic growth in the "golden age" of West European capitalism.[23] From a normative point of view, political decisions for more state intervention are not necessarily worthier than decisions to liberalize markets.

As far as the impact of international trade and capital flows on economic policy is concerned, it was Richard Cooper who, in 1968 already, pointed out, that "the benefits of close international economic relations can be enjoyed only at the expense of giving up a certain amount of national independence, or autonomy, in setting and pursuing economic objectives".[24] As an instrument of macroeconomic management, monetary policy has lost its effectiveness in the sense that under conditions of free capital movements and fixed exchange rates an autonomous national monetary policy is no longer possible. Within the European Monetary System, however, this law applied more to other member countries than to Germany. The Bundesbank was in control of the "anchor currency" and its monetary policy set the guidelines for the other central banks. Following the EMS crisis of 1992, Britain managed to regain monetary policy autonomy once it had left the Exchange Rate Mechanism. The alternative to the combination of national autonomy and flexible exchange rates consists in monetary union. The introduction of the Euro will change the correlation of forces between states and financial markets.

Fiscal policy is said to be negatively affected by globalization since Keynesian deficit spending is made more difficult or even thwarted by the reactions of the financial markets. Governments guilty of "unsound" fiscal policies have to pay higher interest rates to investors or are punished by capital flight and forced devaluations. Of course, neoliberal economists welcome this effect because it is expected to impose fiscal discipline. But it must also be kept in mind that the loss of confidence in the effectiveness of Keynesian budgetary policy is largely due to the high levels of national debt piled up by governments and legislatures. For many countries it has been the globalization of financial markets that provided them with more leeway in fiscal policy, as deficits could be financed more easily without crowding out private investment. In return for this governments have become more dependent on the judgment of foreign investors.[25]

Another widely discussed restriction on fiscal policy is the impact of locational competition on the capacity of states to raise revenue. When firms exit from high-tax countries or manage to shift their tax burden to tax havens, financing public expenditure becomes more difficult. There is sufficient empirical evidence to prove this point even though the tax burden of firms is only one of many factors determining location decisions. Looking at public spending and the aggregate tax burden in OECD countries, one finds, however, that the "minimum state" is not an imminent danger.[26] But there is clearly a shift in the tax burden taking place from the mobile factors of production to the immobile ones,[27] and this could result, at least in some countries, in higher levels of political conflict over income distribution. Nevertheless, it should be pointed out that globalization does not preclude politically determined changes in the income distribution produced by the market.

The capacity of states for economic policy-making has also been undermined to some extent in the field of industrial policy. The internationalization of production complicates efforts to promote national champions when the targeted firms are linked to their foreign competitors by strategic alliances, joint ventures, or R&D consortia. On the other hand, location policy aimed at the improvement of the infrastructure and the promotion of research and innovation has assumed growing importance. To conclude from this that the "national competition state" is about to replace the welfare state is clearly premature.

Like the nation-state, the antagonism between Left and Right has frequently been declared obsolete as a dominant pattern and a driving force of politics. In the globalization debate, however, it manifests itself strikingly, pitching the apologists against the critics of globalization, which explains some of the exaggerations on both sides. Remarkably enough, it is largely absent from the European policy debate or appears there only in disguise.[28] This might change, however, if the promise of higher growth and rising employment will not materialize and if many people will experience primarily the pressures of adjustment that derive from accelerated modernization and an increase in competition.

As Wessels has argued, it was precisely the decline in the capacity of West European welfare states to satisfy the expectations and demands of their citizens under the conditions of interdependence that led them to merge some of their policy instruments in the framework of the EC system.[29] But the institutions entrusted with the management of interdependence may themselves become targets of the revolt against the anonymous constraints created by market forces and large-scale organizations. "Technical, economic, and social change brings with it a sense of threatened identity, of lost community - a sense most easily projected onto the European Community, as the apparent political force for change, the symbol of these threats, although not in reality their principal source."[30] Whether the European Union will be perceived in the future more as an arena of unbridled market forces or rather as an opportunity to shape market integration and globalization in accordance with political and social values will crucially depend on its ability to carry out tasks of policy coordination both within and without.

4. The Euro, Economic Government, and the Triad

According to many observers, monetary union will trigger a spillover process moving the EU beyond the Maastricht and the Amsterdam Treaties. The dynamism of the common currency will lead to a supranational economic policy and, finally, to the establishment of a Political Union. France has come out in favour of a "gouvernement économique" to be established at the European level. It should act as a political counterpart to the technocracy of the European Central Bank thus strengthening the democratic legitimacy of the Economic and Monetary Union. Another popular idea is the creation of a social union. It is being advocated on the grounds that the pro-business bias of European integration requires compensation on the side of social policy. Given the high hopes associated with EMU, especially among critics of globalization, a realistic appraisal of what the EU will be able to do in economic and social policy is called for.

With the introduction of the Euro the eleven participating member states have eliminated the risks of exchange-rate fluctuations for trade and capital movements with each other, wiping out thereby a huge potential for exchange-rate speculation. In monetary policy, the ECB will have a degree of autonomy comparable to that enjoyed by the Federal Reserve. This autonomy is limited, however, by its constitutional commitment to price stability. As exchange-rate changes can no longer be used to compensate for divergences in productivity performance between national economies, wage policy will have to bear the brunt of adjustment if the competitive position of a country deteriorates.[31]

Fiscal policy remains under the national control of the member states, but is subject to coordination in line with the provisions of the Maastricht Treaty and the Stability Pact. This means that government spending is unlikely to provide a significant impulse to growth and employment. The main tasks of fiscal policy will be to improve the revenue and expenditure structures of the state budget, i.e., for instance, to cut subsidies and to increase investment in infrastructure, education, and research, and to contain tax competition through the harmonization of taxes across the EU. Employment policy at the European level is so far mainly conceived as a learning process designed to encourage member states to take over "best practices" from each other.[32]

A harmonization of social policy throughout the EU is not on the cards. As the member states continue to exhibit wide differences in levels of economic development and productivity, enterprises in weaker member countries would become less competitive as a result of the upward harmonization of social standards. Even with EMU it will still be possible to pursue ambitious goals of social policy and income redistribution at the national level, as Scharpf has recently pointed out. "But these ... goals can now be realized everywhere only through strategies that do not jeopardize competitiveness in the larger European market".[33]

If the single market succeeds in stimulating the European economy, the EU will not give in to the temptation of protectionism. As a joint venture of trading states, it can hardly define itself as a shelter against the raw winds of global competition. That is why the EU has to move forward towards further trade liberalization and why it must strengthen the multilateral framework of trade policy. A policy of open markets will have to be conditional, however, on the willingness of trade partners to accept reciprocity in complying with the multilateral rules of the game. It should be supplemented by measures promoting innovation and structural change. And it is most likely to get political support if the guarantees offered by the welfare state are not sacrificed to the ideology of social darwinism.

As an international currency, the Euro will become a serious competitor for the dollar without being able to dethrone it for the foreseeable future.[34] When it comes to the concerted stabilization of exchange-rates and initiatives for trilateral economic policy coordination, the EU will indeed be able to negotiate on equal terms with the US and Japan. In order to contain the risks that crises and panics in the financial markets involve for growth and employment worldwide, the EU might aim at a more effective regulation of financial markets. Yet, the sobering experience of the G 7 rather illustrates the difficulties of trilateral policy coordination.[35] The EU, in particular, is handicapped by the fact that it is not yet clear who will be able to take prompt and binding decisions in the case of currency crises. The dollar, on the other hand, is backed by the sole remaining superpower. In any event, trilateral policy coordination should not limit itself to reconciling the interests of the triad powers, but it should also be directed at the solution of global problems. Therefore it will have to be expanded to deal with global ecological threats and it should integrate gradually the new centers of power that are emerging in Asia and Latin America. The widening agenda of international policy coordination indicates that the EU's capacity for collective action towards the outside world needs to be strengthened, if Europe wants to make productive contributions to global governance.

Notes

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[2]OECD, *The World in 2020. Towards a New Global Age*, Paris, OECD, 1997.

[3] H.-P. Martin-H. Schumann, *Die Globalisierungsfalle*, Hamburg, Rowohlt, 1996, pp. 212-220.

[4] M. Zürn, *Regieren jenseits des Nationalstaates*, Frankfurt/M., Suhrkamp 1998.

[5] U. Beck, *Wie wird Demokratie im Zeitalter der Globalisierung möglich? - Eine Einleitung*, in id. (ed.), *Politik der Globalisierung,* Frankfurt/M., Suhrkamp, 1998, pp. 48-49.

[6] *Ibidem*, pp. 63-66.

[7] R. Petrella, *Globalization and Internationalization: The Dynamics of the Emerging World Order*, in R. Boyer-D. Drache (eds.), *States Against Markets. The limits of globalization*, London, New York, Routledge, 1996, pp. 77-78.

[8] U. Hiemenz, *European Economic Integration, in OECD Documents: Regionalism and its Place in the Multilateral Trading System*, Paris, OECD, 1996, p. 82.

[9] *Die Kapitalverflechtung der Unternehmen mit dem Ausland von Ende 1993 bis Ende 1995*, in Deutsche Bundesbank, Monatsbericht, May 1997, p. 71.

[10] W. Weidenfeld, *Wir brauchen die Transatlantische Gemeinschaft*, in Frankfurter Allgemeine Zeitung, 9 May 1995.

[11] J. Bhagwati, *The Capital Myth*, in Foreign Affairs 77, 3 (May/June 1998), pp. 7-12.

[12] See S.A. Schirm, *Transnationale Globalisierung und regionale Kooperation*, in Zeitschrift für Internationale Beziehungen 4, 1997.

[13] M. Kahler, *Trade and Domestic Differences*, in S. Berger-R. Dore (eds.), *National Diversity and Global Capitalism,* Ithaca, London, Cornell University Press, 1996, pp. 309-310; J.R. Hollingsworth-R. Boyer (eds.), *Contemporary Capitalism. The Embeddedness of Institutions*, Cambridge, Cambridge University Press, 1997.

[14] Kahler, *op. cit.*, pp. 299-301.

[15] See C. Weise et al., *Ostmitteleuropa auf dem Weg in die EU - Transformation, Verflechtung, Reformbedarf,* Berlin, Duncker und Humblot, 1997, p. 27, p. 78.

[16] *Ibidem*, pp. 164-165.

[17] R. Vernon, *Sovereignty at Bay. The Multinational Spread of U.S. Enterprises*, New York, London, Basic Books, 1971, p. 3.

[18] H. Wiesenthal-P. Stykow, *Politische Probleme der ökonomischen Globalisierung: Eine Bestandsaufnahme,* in P. Stykow/H. Wiesenthal (eds.), *Globalisierung ökonomischen Handelns und ihre Folgen für politische Steuerung*, Forschungsberichte AG TRAP H. 8, Berlin 1996, p. 7.

[19] See e.g. O. Waever, *Identity, Integration and Security: Solving the Sovereignty Puzzle in E.U. Studies*, in Journal of International Affairs 48, 1995.

[20] A. James, *Sovereign Statehood*, London, Allen & Unwin, 1986, pp. 177-179.

[21] M. Zürn, *Zum Verhältnis von Globalisierung, politischer Integration und politischer Fragmentierung*, in Jahrbuch Arbeit und Technik 1996, p. 13.

[22] F. Scharpf, *Politische Optionen im vollendeten Binnenmarkt*, in M. Jachtenfuchs-B. Kohler-Koch (eds.), *Europäische Integration*, Opladen 1996, p. 111.

[23] See N. Crafts-G. Toniolo (eds.), *Economic Growth in Europe since 1945*, Cambridge, Cambridge University Press, 1996.

[24] R.N. Cooper, *The Economics of Interdependence: Economic Policy in the Atlantic Community,* New York et al., McGraw-Hill, 1968, p. 4.

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[27] D. Rodrik, *Has globalization gone too far?*, Washington, D.C., Institute for International Economics, 1997, pp. 62-63.

[28] P. Genschel, *Markt und Staat in Europa,* in Politische Vierteljahresschrift 39, 1998, p. 57.

[29] W. Wessels, *An Ever Closer Fusion? A Dynamic Macropolitical View on Integration Processes,* in Journal of Common Market Studies 35, 1997, pp. 285-287.

[30] W. Wallace, *Regional Integration*: *The West European Experience*, Washington, D.C., The Brookings Institution, 1994, p. 84.

[31] F. Franzmeyer, *Europa mit dem Euro - Herausforderungen an die Politik*, in Integration 21, 1998, p. 136.

[32] *Ibidem*, p. 139, pp. 143-148.

[33] F. Scharpf, *Europa nach dem Euro. Ökonomische Integration ohne politischen Fortschritt*, in Internationale Politik 53,6, 1998, p. 44.

[34] Deutsche Bank Research, *Europas Geld für morgen*, Frankfurt/M. 1998, pp. 52-53.

[35] See C.F. Bergsten-C.R. Henning, *Global Economic Leadership and the Group of Seven*, Washington, D.C., Institute for International Economics, 1996.