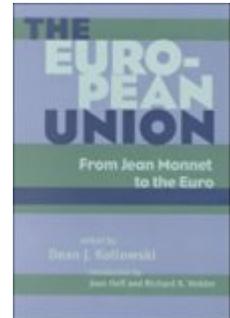




Dean J. Kotlowski, ed.. *The European Union: From Jean Monnet to the Euro*. Athens: Ohio University Press, 2000. xi + 231 pp. \$22.95, paper, ISBN 978-0-8214-1331-9.



Reviewed by Thomas W. Maulucci

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This collection of essays originated in the Baker Peace Conference on European Integration, held at Ohio University's Contemporary History Institute in the winter of 1999. At first glance, it is much too slim to do justice to its title.

It does not provide a comprehensive overview of the history of European integration, despite a fine short essay by Stephen A. Schuker on this topic that leads off the volume. It does not cover in any detail several of the most important issues facing the European Union today, such as the EU's problems establishing its own democratic legitimacy among the public of its member states, or eastern expansion and the related issue of institutional reform. Nor do we learn much about how the EU and the policymaking process within it actually work. With that said, the volume nonetheless does an excellent job in its main area of focus. As described by Joan Hoff and Richard K. Vedder in the introduction, this is "provid[ing] the necessary background and speculation for understanding the role that European Monetary Union and the euro are likely to play in the world economy in the first decade of the twenty-first century"

(p. 11). Anyone seeking a brief overview of the road towards a common European currency since the 1950s or the euro's probable impact both in and outside of the EU would do well to start here.

Several essays describe the origins and history of the European Monetary Union (EMU). John Gillingham, points out that it was the Belgian-born Yale economist Robert Triffin, perhaps with Jean Monnet's input, who first proposed building such a union in the late 1950s and early 1960s. Triffin envisioned an international reserve based on European currencies that would prevent the "dollar-drain" to Europe that increasingly threatened to endanger the Bretton Woods system. Monnet latter championed this idea through his "Action Committee for a United States of Europe", but despite the Werner Plan of 1970 no EC government seriously considered giving up their monetary sovereignty at this early date.

Larry Neal continues the story from the early 1960s through to the introduction of the euro as a currency of account in 1999. His is the volume's single most pessimistic view of the new currency's prospects. More labor mobility and especially

more venture capital are necessary, according to Neal, if governments that have abandoned the instrument of monetary policy are to successfully promote growth and weather the inevitable restructuring of their economies in the Single Integrated Market. He also points out that the participating states have benefited greatly from the drop in European interest rates and therefore their own debt servicing since the early 1990s, all associated with the creation of the European Monetary System. Hugo M. Kaufmann, in a balanced overview of the euro's potential benefits and problems and Rodney Thom, in his discussion of the euro's probable role as an international reserve currency, adopt more of a wait-and-see attitude. In Kaufmann's words, most likely the euro will do better than the pessimists predict but not do all that its strongest supporters had hoped for (e.g. create more jobs).

The volume also includes a section on the social aspects of European integration, a potentially rich area for international historians to examine. An excellent overview by George Ross on European social policy discusses the ways in which monetary unification is likely to affect it. The EU has left social policy mainly in the hands of the individual members states. However, the 1980s recession in Western Europe and then the mid-1990s attempts to meet the criteria for joining the EMU led many EU member states to try to introduce more flexibility into labor markets and to reduce the government's direct costs for retirement and health programs. In a related development, Ross also sees signs of "a slow, but general, movement away from insurance contributions based on employment taxation towards more general taxation" in the form of "special tax funds for social problems" (p. 107). Such changes have been uneven and have been introduced mainly by those EMU members with the worst budgetary problems. However, Ross expects that the introduction of the euro will only accelerate such measures and may eventually lead to increased discussion of European-wide tax harmonization, pro-

grams for job creation, minimum social policy standards and sectoral collective bargaining agreements.

Since Ross wrote his article, even the German government has begun to cautiously experiment with individual contributions to retirement funds. As he also correctly points out, however, the liberalization of the European economies represented by the EU probably will not bring with it a complete dismantling of the European "social model", if for no other reason than European electorates will not accept levels of social inequality and personal insecurity that they associate with the United States. Additional papers by Elizabeth F. Defies on gender equality in the EU and the United States and Bernard D. Reams, Jr. on workers' rights in the EU round out this section.

The least satisfying part of the collection deals with Jean Monnet. Unfortunately, its essays (Gillingham's is something of an exception here) do not tell us much about him that historians are not already long familiar with, for example his admiration for the Anglo-American political system and way of life or his disputes with Charles de Gaulle over the proper role for the United States in the transatlantic relationship. These particular topics probably were included because the conference took place before a largely American audience. However, the volume also gives the reader the impression at times that the European Union developed solely from Monnet's ideas. As Stephen Schuker mentions, despite the importance of his contribution, the EU actually exists thanks to "thousands of political bargains, large and small" (p. 16). As a functionalist, Monnet probably approved of such methods on some level, but the volume could have done more to draw attention to this complexity.

The collection concludes with a discussion of the present-day transatlantic security relationship. Glenda G. Rosenthal and Ellen L. Frost take a positive view on its future prospects, with the former pointing to certain recent steps, admittedly

modest, taken by European states to improve their defense capacity (pp. 195-198), and the latter arguing that the security and economic issues on the European-American agenda are actually global in scope and that the United States should welcome Brussels as a partner (pp. 199-201). Frost also makes the very valid point that the EU is one factor behind a new security order in Western Europe that has helped to prevent war between its members since 1945.

On the other hand, Frank Ninkovich (pp. 203-211) believes that the end of the Cold War removed the threat that gave NATO its rationale. The choice facing a reluctant United States today is either to assume that Europeans can manage their own affairs peacefully and therefore to reduce its commitment to the continent or to continue to assert its historical leadership role in Europe at a time when the American (and European) public is growing increasingly indifferent to this claim. Neither alternative, he thinks, is free of danger.

The audience at the conference indeed concluded that in the absence of this threat, the relationship between Europe and America was likely to become more distant in coming years. What this means in concrete terms for NATO, which over the last decade has exerted a powerful positive influence on Eastern European states and their behavior (a delayed "magnet effect"?) and also established an ever-closer relationship with Russia, remains unclear to this reviewer. In any case, successfully managing the post-Cold War drift between Europe and America will remain one of the most important tasks for policy makers on both sides of the Atlantic.

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