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European Integration: Building Supranational Institutions

There is a remedy which . . . would in a few years make all Europe . . . free and . . . happy. It is to re-create the European family, or as much of it as we can, and to provide it with a structure under which it can dwell in peace, in safety and in freedom. We must build a kind of United States of Europe. In this way only will hundreds of millions of toilers be able to regain the simple joys and hopes which make life worth living. The process is simple. All that is needed is the resolve of hundreds of millions of men and women to do right instead of wrong and to gain as their reward blessing instead of cursing.

Our constant aim must be to build and fortify the United Nations Organisation. Under and within that world concept we must recreate the European family in a regional structure called, it may be, the United States of Europe, and the first practical step will be to form a Council of Europe. If at first all the States of Europe are not willing or able to join a union we must nevertheless proceed to assemble and combine those who will and who can. The salvation of the common people of every race and every land from war and servitude must be established on solid foundations, and must be created by the readiness of all men and women to die rather than to submit to tyranny.[1]

Winston Churchill

As moving beyond a UN system founded on traditional concepts of national sovereignty to a system with significantly strengthened supranational institutions is such a challenge, it is worth looking in some detail at the best recent example of such a process in the creation of the institutions of the European Union. While the nations of Europe may share many characteristics because of their proximity and historical, religious and cultural heritage, they also speak diverse languages, used and use different currencies, and had a long history of conflict and war to overcome.

[1] Winston Churchill, speech delivered at the University of Zurich, September 19, 1946. https://rm.coe.int/16806981f3; see also: https://europa.eu/european-union/sites/europaeu/files/docs/body/winston_churchill_en.pdf.

The lessons from the process of European integration can serve as one useful model for the greater challenges of building an enhanced institutional architecture at the global level.

It is generally accepted that World War II, with all the terrible destruction and economic upheavals it unleashed, provided the initial impetus to the European nations' desire for greater economic cooperation. Jean Monnet, the father of the European Community, once said that:

> Over the centuries, one after another each of the principal nations of Europe tried to dominate the others. Each believed in its own superiority, each acted for a time in the illusion that superiority could be affirmed and maintained by force. Each in turn was defeated and ended the conflict weaker than before. Attempts to escape this vicious circle by sole reliance on a balance of power failed repeatedly – because they were based on force and unrestricted national sovereignty. For national sovereignty to be effective, in an expanding world, it needs to be transferred to larger spheres, where it can be merged with the sovereignty of others who are subject to the same pressures. In this process, no one loses; on the contrary, all gain new strength.[2]

As one studies early attempts at various forms of economic cooperation in Europe, it becomes clear that the ultimate and most important goals were always political stability and unity. For example, the 1951 Treaty, signed by six governments, that created the European Coal and Steel Community (ECSC) set out "to substitute for age-old rivalries the merging of their essential interests; to create, by establishing an economic community, the basis for a broader and deeper community among peoples long divided by bloody conflicts, and lay the foundations for institutions which will give directions to a destiny henceforward shared."[3] The establishment of the ECSC was not seen as an end in itself but, rather, as a first step in a lengthy process that had the potential to lead toward greater economic and political integration. At about the time that the ECSC Treaty was signed, for example, France proposed the creation of a European defense community to bring the armed forces of Europe under the control of a federal authority. As this would have entailed the existence of a common foreign policy, a proposal was considered by the members to create a new community with powers in the areas of foreign affairs, defense, economic and social integration, and human rights. But the ensuing debate showed that there were significant differences among member states in the degree of

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[2] Jean Monnet, quoted in Fontaine, Pascal, 1988. "Jean Monnet: A Grand Design for Europe," *Periodical* 5, Luxembourg: Office for Official Publications of the European Communities, pp. 30–31.

[3] *Treaties Establishing the European Communities*, Luxembourg, Office for Official Publications of the European Communities, 1987, pp. 23–32. The treaty establishing the European Coal and Steel Community was signed on April 18, 1951, by Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands.

commitment to the principle of integration and in the extent to which each was willing to transfer authority in specific areas. The failure to establish a viable European defense community, however, convinced the ECSC countries that European integration would have to proceed with less ambitious objectives. To this end the foreign ministers of the ECSC countries appointed a committee – under the chairmanship of Paul-Henri Spaak, the Belgian foreign minister – to look into the issue of further integration. In mid-1956, the committee's proposals were approved and intergovernmental negotiations set in motion with the aim of establishing the European Atomic Energy Commission (EAEC) and the European Economic Community (EEC). The treaties of Rome establishing these two institutions were signed by the six founding members (Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany) on March 25, 1957; together with the earlier ECSC Treaty they formed at the time the constitution of the European Communities.

Following the successful economic opening up of the late 1950s and early 1960s, which had greatly expanded European trade, by the early 1980s the prevailing feeling in Europe was that the enthusiasm had tapered off for fulfilling the objectives of the Treaty of Rome that had launched the EEC – which called for the creation of a common market, free of trade barriers, in which goods, services, labor, and capital would move without hindrance across national boundaries. Instead, Europe found itself in the midst of economic stagnation, witnessing the recovery of the American and Japanese economies, worried about the emergence of the newly industrialized countries of East Asia, and increasingly aware that the so-called Common Market was perhaps not that "common." While existing tariffs had been removed, they were sometimes replaced by hidden barriers: Germans would not allow imports of beer from other countries for "health reasons"; Italians would not allow imports of pasta because these were not done with the "right" kind of flour. The impetus for attempts at reinvigorating the process of economic integration during the second half of the 1980s, especially in the context of the now famous Europe 1992 program (see below), did not come from fears of renewed armed conflict. Rather, in an interesting innovation quite unlike anything we have seen in the history of the United Nations, it came from businesses and from entrepreneurs who realized that Europe could not be competitive with the United States, Japan and the newly industrialized countries if it did not put an end to economic divisions.

The fear of being left behind economically is what galvanized the European Community into action. The strategy eventually adopted by European leaders consisted of three main components. First, they would identify a comprehensive list of barriers that needed to be eliminated to create a wholly unified, efficiently integrated European market; in the end the list came to include some 300 items. Second, they would lay out a clear timetable to be followed to get those measures (or "directives" as they were called in European Community jargon) adopted by the end of 1992. Third, they would amend the Treaty of Rome to make it possible for the

300 directives to be adopted by "qualified majority voting" among ministers rather than by unanimity; this was the heart of the so-called Single European Act.[4]

Given the desire to act to stem further decline, why was this particular set of proposals appealing to European Community members? One can point to at least three factors. First, "Europe 1992" (as the program was eventually called) was perceived as a practical goal with clearly defined objectives and a magic date attached at the end as a powerful symbol. Second, an absence of priorities (which would favor one country's interests over another's) and an emphasis on practical ends was thought to be an advantage. Rather than focus, for example, on the political consequences of a common immigration policy, it was decided that it would be desirable to have a community with "no security controls at frontiers"; the two are equivalent but the latter was more politically palatable. Third, Europe 1992 was also perceived as a massive process of deregulation; the mood in Europe was ripe for this, given the increasing emphasis on market-oriented economic policies and the removal of rigidities and economic distortions. Many consider that if Monnet had been alive he would have approved of the entire project as being in harmony with his own thinking about economic and social progress. He once noted that:

> There will be no peace in Europe if states are reconstructed on the basis of national sovereignty, with all that that implies in terms of prestige politics and economic protectionism. The nations of Europe are too circumscribed to give their people the prosperity made possible and hence necessary by modern conditions. Prosperity and vital social progress will remain elusive until the nations of Europe form a federation or a "European entity" which will forge them into a single economic unit.[5]

Monnet may have been more of a diplomat than an academic economist, but it is evident that he instinctively understood the importance of creating a large unified economic space – a key driving force in the rise of the United States as a global economic power – for economic efficiency and prosperity.

MUTUAL RECOGNITION

A central feature of the Single European Act, eventually ratified by European parliaments in 1987, was the incorporation of a novel and singularly important

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[4] "Qualified majority voting" refers to a voting system in which each country's voting power roughly reflects its economic size. The decision to eliminate a particular barrier could go forward if there were support for it from enough countries to constitute a majority in terms of the voting power, even if this meant, for example, that only five out of the twelve countries supported a particular decision. At the time that the Single European Act was ratified there were a total of 76 council votes distributed as follows: Britain, France, Italy, and West Germany – ten votes each; Spain – eight votes; Belgium, Greece, Holland, and Portugal – five votes each; Ireland and Denmark – three votes each; and Luxembourg – two votes.

[5] Monnet, quoted in Fontaine, *Jean Monnet*, pp. 20–21.

concept: *mutual recognition.* Throughout much of the 1970s the road to a common market was thought to lie in "harmonization." The European Community would pass norms on such things as taxes, banking licenses, insurance, public health standards, professional qualifications, and so on. These would need to be approved *unanimously* by the member states; then the barrier in question would be removed. Understandably, the process was extremely slow and frustrating, with community interests often sacrificed to national interests, and the principle of unanimity often abused. But in 1979 the European Court of Justice, one of the founding institutions of the Community, examined a case and established an important precedent.

The case involved a then-West German company that wanted to import a French liqueur but found it could not do so because the liqueur's alcohol content was lower than that required by German law. This resulted in a lawsuit, and the European Court of Justice eventually decided that West Germany was discriminating against foreign competitors and that it could not block the import of a product sold in France unless it could prove that the import should be banned on health, consumer protection, or similar grounds. This, of course, West Germany was unable to do.

The case turned out to have vast implications; it became the most effective weapon in demolishing previously hidden barriers to economic change. As a result of the gradual application of the principle of mutual recognition, which this case established, commercial banks in one country could establish themselves in all countries; insurance policies could be sold across borders; and a Spanish physician could go to Germany and claim recognition for his or her professional credentials, to name but a few examples.

BORDER CONTROLS

The entire Europe 1992 program was initially predicated on the notion of a Europe without frontiers, given public perceptions of these as powerful symbols of division separating sovereign states. The issue has several aspects. First, there was the aspect of customs posts themselves and their impact on trade flows. By the mid-1980s, the direct annual cost to firms of customs formalities for intra-European Community trade was thought to be in the tens of billions US dollars. There was, however, more to the elimination of customs controls than finding jobs for more than 50,000 customs officials who would no longer be needed in a frontier-free Europe. Customs posts have much to do with taxes: they protect a country's indirect taxes from relative tax advantages available in other countries; and, they allow governments to collect the value added tax (VAT) that is due to them. A sudden elimination of customs controls would result in large diversions of tax revenue as businesses and consumers made purchases across state borders to benefit from sometimes sharply different VAT rates. It had been established, for example, that in the United States sales tax differentials of up to 5 percentage points were possible between contiguous states before incentives were created for large cross-border purchases. In this area the

European Community Commission decided to work for greater tax harmonization. The idea was to narrow substantially differences in tax rates.[6]

But a Europe without frontiers also meant the elimination of passport controls, which in turn had implications for gun control, immigration laws, visas for non-European Community residents, and so on. The difficulties were numerous. Some countries had strict gun controls; others less so. Denmark has passport-free arrangements with Scandinavian countries; hence an airplane arriving in Madrid from Copenhagen, from the perspective of a Spanish immigration official, could have as many Norwegian as Danish citizens, thus requiring some degree of monitoring and control, since Norway is not a member.

Notwithstanding the technical difficulties, considerable progress was made once the Europe 1992 program was launched. Border controls were significantly streamlined in the late 1980s with the introduction of a Single Administration Document (SAD) that replaced more than 30 documents required by trucks crossing European Community frontiers. On January 1, 1993, the SAD itself was eliminated and replaced by a system that shifted tax control away from the borders to the producing firm. This was facilitated by a Council of Ministers' decision in 1991 significantly narrowing the range of variation for VAT rates. From the outset there was universal consensus that it would be extremely important for the European Community to succeed in this area. It would be difficult, indeed, to claim victory for the goal of a Europe without frontiers in the presence of continued border controls. One of the authors was working at that time as an economist in the Southern European division of the International Monetary Fund and remembers a highly symbolic meeting between the Prime Ministers of Spain and Portugal, Felipe Gonzalez and Anibal Cavaco Silva, at the Spanish–Portuguese border, to remove and permanently erase any physical indication of the existence of a border between both countries. An unthinkable gesture when both countries joined the United Nations in 1955; a highly popular move in the Europe that was emerging by the second half of the 1980s.

The single-market program involved many other elements and projects, dealing with such issues as the freedom of individuals and enterprises to move money across borders, including the right to open bank accounts in any other European Community member states; the right of individuals and enterprises to sell financial services across borders; the opening of public procurement to previously exempt sectors, and, more importantly, to firms in other member countries; measurements and quality control standards (e.g., so that light bulbs made in any European country

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[6]   For a few goods – cigarettes, alcoholic beverages, fuels – the issue is considerably more complicated. A liter of pure alcohol in Britain carried about US$30 in tax; in Greece the tax was about US$0.70. "Harmonization" was thus complicated by public health concerns; Britain's concerns were quite legitimate, as there was ample evidence supporting the thesis that lowering the price of alcoholic beverages had an immediate adverse impact on alcohol-related problems, including traffic fatalities, incidence of cirrhosis mortality, and so on.

could be used all over Europe, computers made compatible, etc.); air and road transport coordination, eliminating a number of existing restrictions; and so on.

A HISTORICAL PERSPECTIVE

The European Union's first 60 years may best be characterized as a series of achievements tempered by setbacks and innovations in the wake of stagnation. The member states' commitment to integration and increased cooperation has coexisted with a reluctance, stemming from a desire to safeguard national interests or identity, to transfer aspects of governmental authority to European Union institutions. The extent and the speed of progress has thus been largely determined by the relative strength of these two forces. Overly ambitious initiatives – like some that preceded the creation of the European Community – have been discouraged, and ways have been found to keep the pace of change attuned to domestic political realities. The unanimity rule adopted in 1966, which effectively gave members veto power over Community decisions on the grounds that they might wish to defend vital interests, is a good example of the latter force gaining the upper hand. In time it led to segmentation in the decision-making process, weakening the chances for consistency between different policies, and the ability to implement worthwhile pan-European policy goals generally.

In spite of the setbacks, the last several decades have been significant progress in a number of key areas. The European Monetary System succeeded at first in creating stability in exchange rates through a greater coordination of financial policies, and led subsequently to the creation of a monetary union, the establishment of the European Central Bank and the launch of the euro.[7] While the evolution of this institution has not been trouble free, with the system coming under heavy strains in the aftermath of the global financial crisis in 2008–2009, it has gained new members (19 as of early 2019) and practical experiences to date have resulted in a number of initiatives to strengthen its institutional underpinnings. One of the most significant developments in the history of the EU – and one that has had a profound influence upon the evolution of the Union – is the unanimous ratification in 1987 by the member states of the Single European Act, an amendment of the 1957 Treaty of Rome. In addition to providing for the completion of the single market by restricting the rights of members to veto decisions in many key areas, particularly those pertaining to the elimination of barriers to the free flow of goods, services, labor, and capital, the Single European Act provided for a significant streamlining of the decision-making process. It became the legal instrument that permitted the speedy implementation of the legislative agenda set out for the completion of the single

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[7] Ungerer, H., J. Hauvonen, A. López-Claros, and T. Mayer. 1990. "The European Monetary System: Developments and Perspectives." *Occasional Paper No 73*, Washington, DC, International Monetary Fund.

market. The Act also brought under the jurisdiction of the Treaties new fields of concern – for example, the environment – and set up a permanent Secretariat for political cooperation on foreign policy matters. Furthermore, it recognized the competence of the Community in the area of monetary policy and enhanced the consultative rights of the European Parliament.

More recently, the Treaty of Lisbon, which entered into force on December 1, 2009, amending the 1993 Maastricht Treaty and the 1957 Treaty of Rome, introduced a number of major reforms, significantly expanding many functions of the European Union. In particular, it broadened the use of qualified majority voting to some 45 new policy areas in the Council of Ministers, it strengthened the powers and jurisdiction of the European Parliament, it created the posts of President of the European Council and a High Representative of the Union for Foreign Affairs and Security Policy, and made the EU's bill of rights, the Charter of Fundamental Rights, legally binding. It also gave countries the right to leave the EU – the now famous Article 50 being used by the United Kingdom to negotiate the terms of Brexit.

The above is not to suggest that EU developments and reforms have been smooth and linear. At times they have been shrouded in controversy and soul searching, such as that which took place following Ireland's initial rejection of the Lisbon Treaty in 2008. There were those who thought that the problem with the EU is that it is too diverse to expect that all member states will ratify any given treaty or wholeheartedly approve any given policy. It was pointed out that the United Kingdom and Denmark obtained a number of opt-outs out of the Maastricht Treaty, that the Schengen open-border area included Iceland, Norway and Switzerland, but excludes the United Kingdom, Ireland, Bulgaria and Romania, that the eurozone had at the time 18 members, not 28, that the Lisbon Treaty would partially exempt Britain and Poland from the Charter of Fundamental Rights, and so on. So, from this perspective, the way forward would be to accept a process of integration that allows for different speeds. All members must be democracies, there must be respect for human rights and countries must participate in the single market, but, beyond this, countries may choose which policies they are able to participate in, depending on their individual circumstances. Others argued that the Lisbon Treaty was a sideshow, distracting from key practical concerns of the Union.

A core problem connected with the seeming European malaise was likely that, notwithstanding the impressive achievements during the past several decades, its influence in the world was waning because it had failed to implement the sorts of reforms that would make it the most competitive economy in the world. All the hand-wringing about the Lisbon Treaty missed the point that the EU continued to be saddled with inefficient economic policies – the Common Agricultural Policy, obsolete regulatory regimes, a system of higher education which, long ago, abdicated leadership to the United States, among other things. From this perspective the focus should shift from Treaty negotiations to ensuring, for example, that EU

members stopped spending more on declining industries than in research and development, and that the EU makes it easier to facilitate cross-border mergers to build world champions instead of capitulating to national interests. In other words, some would argue that the seemingly more glamorous work of treaties and constitutions should be downplayed, and priorities shifted to concrete and important work on the nuts and bolts of economic and institutional reforms.[8] Others would say that the problem with the EU is not that its citizens are confused – such as the Irish during the Lisbon Treaty debates – rather that they are cynical and the leadership is to be blamed because they themselves are cynical. EU policies do not comprehensively address citizen's concerns (and/or many citizens within EU countries remain unaware of the benefits of EU policies). "There is now a widespread impression across Europe – and especially among the young – that it is in danger of offering pseudo-democracy, remote bureaucratic government thinly disguised by a European parliament," is how one Oxford professor put it.[9] So, the problem is framed as one of political legitimacy and engagement. Some of these arguments (as well as several others put forth on the basis of false narratives) were embraced in the United Kingdom in 2016 by those pushing for Brexit, especially by older voters.

None of these observations is without merit; they all reflect the diversity of opinion that is to be expected in the context of mature democracies, where the business community, civil society organizations and the media are free to voice concerns and opinions, and to propose new policy priorities and initiatives. The business of bringing 28 nations to work effectively together, against the background of centuries of deeply engrained nationalisms and the defense of the "national interest" above everything else is a challenging undertaking. That the process sometimes encounters setbacks is fully to be expected. Few would deny, however, that viewed against the starting point of 1957 (or, perhaps more appropriately, the chaos and devastation of 1945), the progress has been immense and the EU remains by far the most comprehensive experiment in supranational economic and political integration, with potentially significant lessons for the rest of the world, including in respect of the establishment of international peace.[10] Moreover, a recent "Eurobarometer" survey has found the highest levels of support for the Union in 35 years, with two-thirds of Europeans believing that their nation has benefited from membership in the EU, and 60 percent considering EU membership a good thing.[11]

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[8]   Treaty negotiations, of course, are extremely important for laying the foundations for further economic and political integration, identity formation, institutional strengthening based on common values, and so on. At the same time, concrete and coherent economic policies must be implemented as essential complements.

[9]   Siedentop, Larry, *Financial Times*, July 2, 2008.

[10] Half of the top 50 countries with the highest income per capita in the world are members of the European Union. The same is true for the top 20.

[11] See European Parliament, *Eurobarometer Survey Shows Highest Support for the EU in 35 years*, EU affairs, May 23, 2018. www.europarl.europa.eu/news/en/headlines/eu-affairs/20180522STO 04020/eurobarometer-survey-highest-support-for-the-eu-in-35-years.

ECONOMIC VERSUS "POLITICAL" UNION

If one begins with the idea that the ultimate aim of greater economic integration was always political stability and cohesion, it is well worth asking what are likely to be the further political transformations of an economically unified Europe. Will the mighty forces pushing nations in the direction of greater economic cooperation inevitably lead to yet greater degrees of political integration? Will there eventually be an entity which could be considered a United States of Europe, as envisioned by Churchill? Monnet believed passionately that the process of economic integration he had helped launch in the 1950s would lead to a United States of Europe. He did not know what form the government would take, but he thought that a united Europe would create a new political model for the world.

There are several lines of thinking on this subject. Some see greater economic integration as an ongoing process, as a stepping stone toward a European Federation, one in which countries would become member states, having further ceded aspects of national sovereignty to European federal institutions in important areas. Others view a united, more integrated regional economy as an end in itself, not necessarily involving a delegation of authority in other areas, particularly on issues traditionally considered most sensitive, such as common defense, aspects of foreign policy (e.g., relations with third countries, such as China), deeper cooperation on taxation issues, among other things.

Those in the first group argue that increasing economic unity will give way eventually to a single foreign policy, for example, as Europeans begin to speak with a single European voice on issues affecting the welfare of the world. Political unity is thus seen as a gradual and evolutionary, but largely inevitable, organic historical process. A noted European businessman captured the feeling when he observed in a US National Public Radio broadcast that "[t]he question of national sovereignty and its abdication to a greater body is something in the hands of the young. It will come through increasing trust and increasing travel, as the memories of the bitterness of the past, particularly the last 30 to 40 years, gradually fade away."

Such bitterness is to be replaced gradually by a growing European consciousness: The idea that there is no contradiction between being a good German or Italian and a good European. The evidence seems to suggest that this broadening of loyalties, what Bertrand Russell used to call "the expansion of one's mental universe," is rapidly taking root in Europe as survey after survey has consistently revealed strong popular support for the ideals that gave rise to the birth of the EU, if not always the bureaucratic forms that these ideals have given rise to. Others, however, show considerably less enthusiasm for a veritable "United States of Europe"; a long history of nationalism and conflict seems sometimes to weigh heavily on their minds.[12]

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[12] Consider the following words from Mrs. Margaret Thatcher, former Prime Minister of Britain:

"Nations should trade more freely but not share national sovereignty with some European conglomerate or superstate administered from Brussels. Just look at the difficult language

It is important not to confuse "unity" with "uniformity." One must guard against the latter and would wish to preserve the diversity and distinctiveness of various cultures and national traditions – in the case of Europe as it manifests itself in different languages, customs, food, music, and other expressions of a given culture. Unity with diversity has been a fundamental goal of the European project, and has been a successfully implemented goal of other complex federated projects, such as those of Canada and Switzerland.[13] At the international level, the emergence of stronger global institutions should indeed embrace such a principle as a key value.[14] Moreover, obstacles commonly raised to closer federation, include, indeed, the "language problem" and the issue of "different stages of development" – it is not clear why these should be seen as insurmountable barriers. German and Portuguese businesspeople, for example, have meaningful interchanges all the time; they speak in English (the current de facto global commercial and diplomatic language). Preserving the diversity of language does not mean, for example, that one cannot learn additional, common languages to communicate across countries and cultures, as indeed, it is more and more commonplace in Europe to find youth speaking three or four European languages. Learning an additional common language is not a betrayal of one's cultural or national identity. On the contrary, to the extent that it allows one to learn about other peoples, their hopes, desires, fears, it will likely enhance understanding of one's own background.

Regarding the "different stages of development," these exist between countries and can be a challenge to deal with. This was evident, for instance, in recent years in the context of the euro crisis, as different approaches to fiscal policy – Germany's cautious management of its public accounts versus more "liberal," not to say unsustainable, tendencies in some Southern European members – put pressures on the EU's institutional architecture. But there is evidence that rather than leading to political fragmentation and disunion, they may have shown the advantages – actually, the need – for greater coordination.

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problem. Just look at the different stages of development. It is not possible to have a United States of Europe. What is possible is that the 12 countries steadily work more closely together on things we do better together, so we can trade more closely together, and have fewer formalities across borders. But not to dissolve our own infinite variety, our own nationality, our own identity." Mrs. Thatcher expressed similar sentiments at her famous 1988 Bruges speech: https://www.margaretthatcher.org/document/107332

[13] Indeed, "United in diversity" is the motto of the European Union. "It first came into use in 2000. It signifies how Europeans have come together, in the form of the EU, to work for peace and prosperity, while at the same time being enriched by the continent's many different cultures, traditions and languages." https://europa.eu/european-union/about-eu/symbols/motto_en.

[14] "We may have different religions, different languages, different colored skin, but we all belong to one human race" is how UN Secretary General Kofi Annan put it. https://americasunofficialambassadors.wordpress.com/2013/08/04/.

On many occasions over the past several decades there have been sentiments that European integration might be slowed as a result of changes in the international political environment, including the process of German reunification, processes of economic and political transformation in eastern Europe and among the former members of the Soviet Union in the 1990s, the aftershocks of the 2008–2009 global financial crisis, the impact of migratory flows from troubled countries in the Middle East in the more recent past, and so on. These developments have generally been followed by a renewed commitment on the part of EU states to whatever aspect of the integration agenda is perceived to be under threat. So, to take an example, on February 7, 1992, the 12 member states signed the Maastricht Treaty on the European Union, which called for the introduction of a common European currency by 1999 and significantly expanded the power and spheres of influence of European institutions. It also gave legal meaning to the concept of union citizenship and associated civil rights. The Treaty entered into force on November 1, 1993, following ratification by the member states.[15] These initiatives were considerably strengthened in the period 2004–2007 with the entry of 12 additional countries into the European Union, thereby bringing membership in the Union to a total of 28 countries (with a combined population of 512 million) and thus creating the largest trading bloc in the world.[16]

IMPLICATIONS FOR THE FUTURE

The present processes of European integration have a significance that transcends their immediate stated objectives. Beyond the eminently technical and occasionally dry nature of the issues underlying these processes, the European countries may find in the end not just increased material prosperity but something far more enduring – the forging of a shared identity and a durable peace among European nations.[17] Three things may be said in this respect.

First, a case can be made that the tragic experiences of the 20th century may have led to fundamental changes in European consciousness; in particular the willingness of its citizens to permanently set aside warfare as a way to settle differences and

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[15] As noted by Klaus-Dieter Borchardt, a senior European Community official: "The introduction of Union citizenship created a direct link between European integration and the people it is meant to serve. Union citizenship confers concrete civil rights. As Union citizens, nationals of the member states can move freely throughout the union and settle wherever they wish. They have the right to vote and stand as candidates in municipal elections in the member state where they reside. This has major implications. Indeed some member states had to amend their constitutions to make it possible" (*European Integration: The Origins and Growth of the European Union* [Luxembourg: Office of Official Publications of the European Communities, 1995] 64).

[16] Croatia became the 28th member of the EU on July 1, 2013.

[17] See, e.g., Fry, who uses the EU as one of his examples of a stable "peace system," evidencing what he posits are the common cross-cultural requirements for the establishment of such a system. Fry, Douglas P. 2012. "Life without War." *Science*, Vol. 336, p. 879.

resolve conflicts. It is a triumph not just for the citizens of France and Germany but for all of humankind to state with certainty, despite a long history of conflict and bloodshed, that the two countries will never again be at war with each other – as a consequence, in large measure, of over 60 years of economic integration.[18] It says that, in the long run, reasoned cooperation will prevail, signifying a maturity of vision and in statecraft. We can only hope that such maturity and vision will be seen in leadership at the international level.

Second, in the coming together of previously warring nations, one can see a reaffirmation of the universality of certain human values. Two frequent arguments put forward by those opposed to the creation of supranational institutions as a way of addressing the complexities of an increasingly interdependent world are that the world is, in fact, too large and too diverse to be united. The first observation has been made largely irrelevant by the swift progress in the fields of transport and communications, which in the last decades have brought human beings much closer to each other, if not always in spirit, at least physically – a process that has also forced increasingly more of the planet's population to reexamine many long-held prejudices (although there is still a great deal of work to do in this respect). But, more important, in the post-World War II period more than in any previous era, human beings have begun to find that there is much more that unites them than separates them. Skins may have different shades, different languages may be spoken, and worship may take different forms, but the majority of humankind desires a peaceful world, economic well-being and security, social justice, and a stable environment.[19] The recognition of this sharing of aspirations and values by increasingly greater numbers of people holds great promise for our future and may well be the driving force of further processes of globalization, the occasional setbacks notwithstanding (see Chapter 20 for a discussion of shared global values).[20]

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[18] This point was forcefully made by German Chancellor Merkel and French President Macron during the Paris Peace Forum held in November of 2018 to commemorate the 100th anniversary of the end of World War I, holding hands together, in front of the graves of some of the 17 million soldiers and civilians who perished in that conflict.

[19] See, for instance, the evidence presented by Schwartz, S.H. 2012. "An Overview of the Schwartz Theory of Basic Values." *Online Readings in Psychology and Culture*, Vol. 2, No. 1. https://doi.org/10.9707/2307-0919.1116. Schwartz identifies ten basic personal values that are recognized across cultures and explains their origins. He argues that values form a circular structure that is culturally universal and presents findings from 82 countries that suggest that although individuals from different cultures may "reveal substantial differences in the value priorities," the average value priorities of most societal groups exhibit a similar hierarchical order.

[20] Yes, there has been a rising tide of nationalism in some corners of the world and resurgent autocracies in the likes of Russia, Turkey and Venezuela, but the latest Economic Intelligence Unit's Democracy Index 2018, shows that 68.3 percent of the world's countries can be classified as nonauthoritarian, only slightly lower than the 69.5 percent registered in 2008. Freedom House's Freedom in the World Index shows broadly similar results: in 2018, 75 percent of the 195 countries included in the index were either free or partly free. In 2008, 78 percent of the 193 countries assessed were free or partly free.

Third, in some sense, to the extent that the present European experiment has already succeeded, and may move toward further integration in the future, one of the more important implications for the rest of the world may not necessarily be the increased benefits resulting from the recognition of common economic interests, but rather the model it exhibits for the setting up of a yet more secure supranational institutional basis for a lasting peace. What started out in 1957 as a seemingly unambitious project to reduce barriers to trade among six trading nations may, in retrospect, come to be regarded as a significant step toward laying the foundations – and modeling the possible processes – of also establishing a durable international peace. The slow, sometimes frustrating, but steady process of consultation, of finding common ground, of giving and taking, may have enhanced the sensitivity of European leaders to broader concerns. The European Council, the heads of state of Europe, has been meeting two to three times a year since 1975.[21] Is it a surprise that, ever so slowly and tentatively, they would have come up with some truly constructive initiatives, such as that embodied in the successful Europe 1992 program? Similarly, at the international level, much dialogue has already occurred, and the international community would do well to forge stronger common institutions with progressively enhanced decision-making capacities (as we suggest in this book), and to focus its energy on forging workable common policies to address the pressing, multiple global challenges we face.

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[21] A long-standing problem with the European Community was the absence of real authority. Monnet thought that, unless the Heads of State were brought into the decision-making process, progress would be slow. Hence in 1973 he pushed for the creation of the European Council, which is made up of Heads of State of the member countries. In time, through its regular two or three meetings a year, the Council has had an enormous impact on decision-making. The combination of majority voting, growing popular support for EU institutions in general (which, of course, is a key issue from the perspective of politically conscious statemen and stateswomen) has greatly accelerated the development of the EU. In the 18-month period from early 1988 to mid-1989, 150 decisions were taken, the equivalent of an entire decade of work in earlier times.