



## European Unification: A Strategy of Change

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# EUROPEAN UNIFICATION

## A Strategy of Change\*

By AMITAI ETZIONI

THE success of the European Economic Community often has been hailed as the most important development of international relations in the West in the last century. Even if the EEC does not progress beyond the point it has already reached, it is probably the most integrated union ever to have been formed among nation-states. Moreover, observers have been impressed by the momentum the EEC has had until recently, leading most of them to expect that its level of integration will continue to rise and its scope of unification to grow. Much of the credit for the success of the EEC is often attributed to "background" factors, to the fact that the member countries share the same European tradition, have a sizable Catholic population, are in a similar stage of economic development, have a similar civilization, and so forth.

This homogeneity of background factors, it must be noted, had existed for many generations; it did not hitherto prevent these very countries from fighting each other. No less striking is the fact that earlier attempts to form unions of these same countries, in the years immediately preceding the formation of the EEC, failed. Part of the credit must hence be given not solely to the background conditions but to the way they were used, to the strategy of change employed by those who initiated and supported the EEC. These were often the same individuals and forces that participated in and hence learned from the earlier failures. We are not suggesting that any group of countries that employed this strategy would inevitably succeed in forming a Common Market. But when the background conditions are favorable and similar to those present in Europe in the 1950's, an effective strategy could make the difference between success and failure.

Before we turn to an analysis of the strategy employed in the case at hand, two conceptual comments are required. First, success is measured with regard to the degree to which the goal of a given organization is realized; no value judgment by the analyst is involved. Second, while

\* This article was written while I was a research associate of the Institute of War and Peace Studies at Columbia University. Throughout it I have assumed a basic familiarity with the EEC on the part of the reader and chose to focus on analyzing the facts rather than on describing the workings of the Community. I am indebted to Leon N. Lindberg and Robert McGeehan for comments on an earlier version of the article.

strategies are deliberately designed and employed policies, it is not a necessary assumption that those who employ them are aware *a priori* of all their consequences and ramifications. For instance, a party might follow a moderate strategy and hence succeed in a situation where a more drastic one would have led to failure, without being aware that the chosen strategy was moderate or that the alternative course—not taken—would have been a calamity. The analyst, helped by hindsight, may nevertheless conclude that the success of the endeavor was due to the use of the strategy in question.

### I. BUILDING UP HOMOGENEITY

The theory has often been stated that the more homogeneous a group of countries is, the more likely they are to form a union. Homogeneity is generally viewed as a set of given background characteristics; France and Italy have many characteristics in common which they do not share with Yugoslavia, and there is little that any of them can do about it. There is, however, one strategic consideration the initiator of a union faces that greatly affects the heterogeneity of the group with which he has to work, and that is what countries he invites or allows to join an attempt at unification. The surest way to reduce the heterogeneity is not by trying to make the countries more similar to each other—a painful and slow process—but by leaving out initially or subsequently screening out some of the countries. These can be either those that are most different, or a whole subgroup of countries that are quite similar to each other but different from the other subgroup(s), or those that most strongly resist unification. The development of European unification since 1945 followed all these lines of exclusion until a group homogeneous enough for effective unification was formed.

When in 1944 the leaders of the resistance movements of countries under Nazi occupation met in Geneva to discuss the formation of a United States of Europe after World War II, many still thought of including all the European countries, including those of Eastern Europe.<sup>1</sup> The initial invitation to benefit from the Marshall Plan funds and to cooperate in the planning of European reconstruction was sent to the Communist countries as well. This was done in part to embarrass Russia, which was unable to match American offers of assistance to these countries, and in part because the United States did not want to bear the onus for “splitting” Europe. But following the withdrawal of the Rus-

<sup>1</sup> Hans A. Schmitt, *The Path to European Union* (Baton Rouge, La., 1962), 16.

sian delegation from the 1947 Paris negotiations, the circle was limited to non-Communist countries.<sup>2</sup>

The Organization for European Economic Cooperation (OEEC), the next station in the narrowing-down process, was formed in 1948, with sixteen members. The membership of the Council of Europe, another outgrowth of the postwar unification efforts formed in 1949, included fourteen countries, largely the same as those in the OEEC. Both organizations failed to "take off." That is, they made little impact on the international relations of the participant countries, and did not trigger the expected process of either economic or political unification. NATO, with many of the same members and of similar size, scored somewhat better in attaining some degree of supranationality and integration with the formation of SHAPE in 1951, but it never led to the formation of an Atlantic Community, or even to an effective integration of the military establishments of the members.

The next attempts were made among a smaller group of countries, considerably more similar in their background conditions, and more similar in their commitment to unification than those left out. Six continental countries attempted to form the European Coal and Steel Community (ECSC) in 1952, and in 1954 the European Defense Community (EDC) and the European Political Community (EPC). The latter two failed for reasons discussed below, but the ECSC succeeded, serving as the forerunner of the EEC. Left out were all neutral countries (including those that had been members of the OEEC, such as Sweden and Switzerland); all countries that were low on the scale of commitment to unification (especially the United Kingdom); all countries that did not have a sizable Catholic population (especially Norway and Denmark); and all countries that were less developed, even if they were in NATO (Turkey and Greece) or Catholic (Portugal and Spain).

Thus, the cause of European unification was pursued by a shrinking circle of participants, until a group of countries was left that was both less heterogeneous and more committed to unification than the earlier and larger groups. This might now seem an obvious course, but in the negotiations from 1955 to 1957 efforts were still made to keep a much larger number of countries in the unifying group—first, to include the United Kingdom in the Common Market, and then to form a European Free Trade Area including all or most of the OEEC members, as a substitute or supplement to the EEC. Only at this stage, as a reaction to the obstructionist position of the United Kingdom in the Council of

<sup>2</sup> *Ibid.*, 22.

Europe and in the OEEC, and to the support its orientation found among the Nordic countries, did the need for a smaller circle become evident to the leaders of the European integration movement.<sup>3</sup>

What effects the present tendency to increase the number of members of the EEC, and therefore its heterogeneity, will have on the success of the union remains to be seen. While it appears as if the trend would hamper high integration,<sup>4</sup> much can be said for the theory that once a union is established, its institutions molded, and its image crystallized, it can absorb more countries and withstand more heterogeneity than when it is being initiated.

## II. AIMING HIGH, SCORING LOW; AIMING LOW, SCORING HIGH

There is a strong negative relation between the level of ambition of various postwar European organizations and their degree of success: the higher the aim, the lower the score, and vice versa. We are not suggesting that the nature of the aim was the only factor, but surely it had a great effect on the results of these earlier unification efforts. The highest aim was full political unification as the immediate goal of an inter-European effort. Political unification (the formation of a supranational parliament and executive) is "highest," since it affects all the societal sectors, from defense to education, from economy to foreign policy. Political unification hence means *ipso facto* wholistic unification. The slogans reflected the mood: "No Europe Without a Common Sovereignty" and "Federation Now" were among the popular ones. This was the goal of the 1947 International Committee for a United Europe, the 1948 Hague Congress, and the European Movement that resulted from the Congress. The Hague Congress advocated setting up a European Assembly as a federal parliament and "other measures designed to unite Western Europe."<sup>5</sup> The score of these efforts was quite poor. They yielded the Council of Europe, which among all the postwar European organizations was probably the most anemic one or, as Goodspeed puts it, "little more than an experiment" and "a hybrid

<sup>3</sup> On British orientation to unification, see a report by a Chatham House Study Group, *Britain in Western Europe* (New York 1956). On Nordic support for the British position, see Frantz Wendt, *The Nordic Council and Cooperation in Scandinavia* (Copenhagen 1959), 226-27.

<sup>4</sup> For a discussion of this concept and of various levels of integration, see Etzioni, "A Paradigm for Political Unification," *World Politics*, xv (October 1962), 44-74, especially p. 70.

<sup>5</sup> Stephen S. Goodspeed, *The Nature and Function of International Organization* (New York 1959), 588ff.

between a very loose-unit international parliament with purely advisory powers and a dignified international forum."<sup>6</sup>

A similarly ambitious plan was to form a military and political union of six countries under the EDC and EPC. The EPC aimed at forming "an indissoluble supranational political community, based on the union of peoples." Its parliament was to have a federal structure, and a European Executive Council responsible to this parliament. The EDC was to have multinational ("mixed") units and a supranational command, patterned after the High Authority of the ECSC. Neither of these ambitious projects was ever launched. The EPC treaty was not signed, and the EDC not ratified. One might point out that the EDC treaty was signed by all of the six countries and ratified by all but France; had it not been for the thaw in the Cold War and the death of Stalin, the French Assembly would probably have ratified it. But one must point out that, even if ratified, there is considerable doubt whether the EDC would have taken off. Other less ambitious military efforts, such as the Western European Union or NATO, despite the latter's Article 2, even in a period of intense Cold War never led to much political or economic unification or, for that matter, to extensive military integration.

An economic union is a much less ambitious goal than military or political unification. It does not require tackling the very institutional and ideological core of the nation-state: its constitution, government, parliament, its sovereignty. It is, initially, limited to one societal sector, the economy. Even if it eventually leads to wide unification, it allows the illusion of sovereignty to be maintained unharmed, at least until the economic factors have rearranged themselves to accept and support unification and until various spill-over processes have been triggered in the ideological field (e.g., increase in "European" sentiments), in the institutional field (e.g., increase in the power of the Economic Commission), and in the political sphere (e.g., the formation of supranational interest groups and political parties).

The first attempt at economic unification, the OEEC, while less ambitious than the political ones, was still aiming too high in terms of membership and tasks. Economic cooperation and integration were to be attained among sixteen countries, including some countries that were partially devastated during the war (the Netherlands and Norway), countries that suffered considerably less (Denmark and Belgium), and countries that were unharmed (Sweden and Switzerland). The scope of economic cooperation attempted was broad; the OEEC was to cover

<sup>6</sup> *Ibid.*, 589, 591.

from the outset all major economic sectors in which intercountry trade was conducted. Nevertheless the OEEC, while it did not serve as a take-off base for European unification,<sup>7</sup> achieved some limited economic goals, especially in the liberalization of intercountry trade and in matters of foreign exchange.<sup>8</sup>

The first fairly successful unification effort came of the less ambitious attempt to free the trade and harmonize the policies of two industries, coal and steel, rather than whole economies. Initially not much was expected to come out of the Schuman Plan.<sup>9</sup> Still it was the ECSC, as has often been pointed out, that served as the take-off base for the EEC.<sup>10</sup> We should mention in passing not only that the aim of the founders of the ECSC was more modest, but also that it included fewer countries than the OEEC, that the initiation of this union was indigenous, while that of the OEEC was American—a condition for reciprocity of Marshall Plan funds<sup>11</sup>—and that the ECSC was initiated after much reconstruction had taken place, while the OEEC was faced with several countries preoccupied with maintaining mere subsistence. But in the same period, among the same countries that formed the ECSC, the more ambitious programs of the EDC and EPC failed. Thus, the nature of the goal chosen is clearly an important factor in determining the success of a union.

The founders of the EEC, six years later, were aiming higher than those of the ECSC, but the situation had changed; the EEC could benefit from the integrative forces formed or triggered by the success of the ECSC. Moreover, the goal of the EEC was *broken up into immediate, visible targets that were quite low and into more remote and less visible targets that were higher*. We cannot rerun history to prove that, had the long-term goals of the EEC been clear to the Six when the Treaty of Rome was ratified, one or more of the six parliaments might never

<sup>7</sup> "The intimate union of economies, which had been expected on both sides of the Atlantic, had not materialized under the OEEC" (Schmitt, 30).

<sup>8</sup> For an account of the achievements of OEEC, see M. Margaret Ball, *NATO and the European Union Movement* (New York 1959), 217-52. It is important to keep in mind the criterion used here for defining an aim as "high" or "low," which is the amount of unification a given group of countries is willing and able to accept as compared with the amount aimed at by the charter of the organization in question. The goal of the OEEC, which was too high for its sixteen members, might well have been too low from some other viewpoint—for instance, for initiating a strong and wide enough spill-over process to bring about a United States of Europe.

<sup>9</sup> Some socialists thought it was just another cartel. (Erich Strauss, *Common Sense About the Common Market* [New York 1958], 76ff.) See also George Lichtheim, *The New Europe* (New York 1963).

<sup>10</sup> Ernst B. Haas, *The Uniting of Europe* (Stanford 1958), 109ff.

<sup>11</sup> Strauss, 19.

have ratified it. But we can point out that those who consciously devised the strategy for the initiation of the EEC were very much aware of a need to aim lower in order to score higher; they had just failed in their effort to launch the more ambitious EDC and EPC and they realized that the idea of European integration could not survive many more failures.<sup>12</sup> Here is the way one reporter depicts that period: ". . . the European Movement had anything but clear sailing for the next several years. It suffered its worst setback in August 1954, when a proposal for a European Defense Community, aimed at integrating the armed forces of the Coal and Steel Community nations . . . was killed by the French National Assembly, which felt that to establish a common army with Germany would be going too far. After this blow—a really shattering one, since it showed how deep the old fears and prejudices still ran—the European Movement abandoned its optimistic headlong pace for a cautious step-by-step approach. . . . The problem was to avoid risking another defeat—perhaps a final one."<sup>13</sup>

### III. THE GRADUALIST APPROACH

The Treaty of Rome is a master example of a step-by-step or gradualist strategy. It amplifies close targets and underplays more remote (and more ambitious) ones; it breaks up, into small bits, both the adjustments the parties have to make and the loss of sovereignty they have to endure; it allows "stretch-outs"; and it follows a multi-path approach. At the same time it also provides for acceleration, a locking-in system, and the build-up of an integrative center that is stronger than the one provided in the text of the Treaty itself. Each of these principles requires some elucidation.

#### A. AMPLIFY THE CLOSE; UNDERPLAY THE REMOTE

Now that the EEC is safely launched, its president and many of its initial designers state that its aim is political unification, not merely economic.<sup>14</sup> But this is not quite what the parties emphasized in 1957. The Preamble of the Treaty includes some vague phrases, such as "to establish the foundation of a closer union among European people," which can be interpreted to mean anything from a federation to a free trade area. It is put in a clearer context in the first articles of the Treaty,

<sup>12</sup> It should also be pointed out that after the failure of the EDC and before the formation of the EEC, the less ambitious and more limited EURATOM was created.

<sup>13</sup> John Brooks, "The Common Market," *New Yorker* (September 22, 1962), 56.

<sup>14</sup> "It is only now that the political implications of this [economic union] are beginning to appear." (Roy Pryce, *The Political Future of the European Community* [London 1962], 9.) See also *The Spectator* (October 5, 1962), 464.



which stress the economic focus of the European Economic Community. The crucial Article 2 reads: "It shall be the aim of the community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States."

The Treaty goes on to spell out in hundreds of articles how these economic goals are to be obtained. No political goals are suggested, other than that hidden in one subclause at the end of a paragraph about "closer relations between the Member States." No mention is made of the method for progressing toward political unification, while the service of the economic goals is spelled out in great detail. Even in regard to organizing the shared economic activities, the use of the term "supranational" is avoided—though a supranational Commission is provided for by the Treaty. In short, if the goal of the initiators and most enthusiastic supporters of the Treaty was a United States of Europe, as Monnet's Action Committee title suggested, little was done to make that goal visible between the 1955 meeting in Messina, where negotiations over the EEC Treaty were initiated, and the 1957 meeting in Rome, where it was signed.

This should not be understood as implying that the European Movement conspired to enroll the governments of the Six in a political union under the guise of an economic one. Politicians in Europe could not fail to recognize the goals of the European Movement and the devotion of people like Spaak, who played a crucial role in designing the Treaty, or Monnet, to these goals. But the important point is that this time the "Europeans" were going to rely on spill-over effects and a gradual process rather than try to make their way by a headlong attack on the windmills of sovereignty. They did not conceal their long-range desire, but they neither emphasized it, focused their efforts on it, nor insisted on including it in the Treaty.

#### B. PHASING OF ADJUSTMENTS

Practically all the changes, adjustments, and sacrifices that the member countries were expected to make under the Treaty were broken into many small steps. Although after fifteen years no one may be able to tell the difference, it is one thing to inform a government that it will have to give up its control of international trade, flow of labor, and level of employment as of the first of next year, that it will have to form a monetary, tax, investment, planning, and social policy—in short,

economic policy—in harmony with six other governments, with decisions made by a weighted majority in a supranational body, and quite another thing to tell the same government that it will have to reduce its tariffs to some countries by 10 per cent next year, and that similar reductions will have to be introduced in the following twelve to fifteen years, and that this will require the development of common economic policies sometime in the next half-generation.

Specifically the Treaty of Rome called for: (1) elimination of tariffs among the member countries over a period of twelve years; (2) gradual removal of qualitative trade controls (e.g., quotas) during the same period; (3) step-by-step harmonization of external tariffs over twelve years; (4) formation of a common agricultural policy at the end of the first stage (see below); (5) formation of shared economic policies on matters vaguely defined, at times not specified; (6) formation of a community organ, the Economic Commission, with power to initiate and formulate proposals, but leaving the sole power of approval in the hands of the intergovernmental Council of Ministers. That is, the Commission was given, on paper, considerably less supranational power than the High Authority of the ECSC.

#### C. PHASING SUPRANATIONALITY

The varied and complex voting patterns of the Treaty need not be explored here. Of great interest, however, is the fact that these patterns lead to more supranational decision-making as the union advances from stage to stage. The Treaty does not use the term, but a trend toward supranationality is implied, in that many kinds of decisions which must be reached by unanimous vote in the first stage are to be made by a qualified majority in the second stage, and by a qualified majority in the third stage. This allows for some development of Community institutions, sentiments, and vested interests before supranationality is built up (though some of it is introduced from the onset by the very establishment of the Economic Commission).

#### D. "STRETCH-OUTS"

As a further device for easing the adjustment pains, the Treaty institutionalized "stretch-outs" in which the participants can extend the period of adjustment beyond the envisioned twelve years. The Treaty implementation is broken into three stages of four years each; at the end of the first stage, the member states can agree by a majority vote to extend the first stage by two years. Further extension of this stage or of the second and third ones can be obtained through a unanimous

vote of the Council of Ministers, but the total adjustment period cannot be extended over more than fifteen years. While a total of three years of "stretch-out" is not very great, it still provides another measure to lure the timid into trying the Common Market way. The fact that the "stretch-out" provision has not been used at the end of the first stage, and seems unlikely to be used later, supports Monnet's often quoted "theory of change"—that nothing moves governments better than having started them moving; hence the main effort should be one of initiation.

#### E. MULTI-PATH APPROACH

The Treaty of Rome goes farther than the instruments drawn up for either the Council of Europe or the European Defense Community in allowing for a large variety of institutional arrangements. Kitzinger effectively pointed out this quality of the Treaty of Rome: "The system [set up by the Treaty] is neither one of centralized public planning, nor one of laissez-faire competition; it is neither one of nationalization nor one of purely private enterprise. . . . For atomic energy the system contains strong elements of public ownership and public control. For agriculture it is one of state support and quality [*sic*] control. For underdeveloped regions it is one of public finance and public encouragement of private capital. For transport it is one involving central plans and a mixture of European, national, and private enterprise. . . ."<sup>15</sup>

#### F. PROVISION FOR ACCELERATION

The Treaty does more than ease the adjustment and lure the timid; it also provides ready-made outlets for the eventuality that a momentum evolves that is greater than was initially anticipated. Provision for acceleration ensures that the more supportive sectors will not be frustrated by cautious arrangements originally designed to get the Community started. The Treaty allows for the timetable of various unification processes to be accelerated. These provisions turned out to be of much use when the members found that they wanted to accelerate the build-up of the Community, among other reasons because they wanted to make it irreversible in view of external pressures to dissolve the EEC in a large union; because the first steps seemed not only undisruptive,

<sup>15</sup> U. W. Kitzinger, *The Challenge of the Common Market* (Oxford 1962), 21-22. For another example of the efficacy of the multi-approach—in this instance, to international stabilization of prices of primary commodities—see Jan Tinbergen, *Shaping the World Economy* (New York 1962), 74ff.

but quite beneficial to the participants; and because anticipation of a free market at a later stage led many industries to expand their production capacity and become anxious to gain full access to the larger market.<sup>16</sup> Thus, tariffs were twice reduced ahead of schedule, in 1961 and 1962, and quotas were abolished in four instead of twelve years.

#### G. LOCKING-IN SYSTEM

A little-emphasized provision of the Treaty provides for a system that locks in integration that has been attained and makes regression difficult. The transition from the first to the second stage requires a unanimous agreement of the six members; the transition from the second to third stage and from the third to completion of the whole adjustment process requires no decision whatsoever—it is automatic. Only a unanimous decision of all the Six can delay the initiation of stage three or the completion of the process. Thus, no one has a veto power on progress, and everyone has a veto against regression; any one party can prevent a legal retreat once the first stage is completed, which it was in 1962.

#### H. PROVISION FOR INSTITUTIONAL SPILL-OVER

The Treaty of Rome was constructed to allow its institutions to increase the scope of the subjects regulated or controlled by them—of the power they apply in general, and, in particular, of the power they apply supranationally—without having to return to the national parliaments for ratification of changes or amendments of the Treaty. From this viewpoint it is of interest to compare the Treaty of Rome with that of the ECSC. The High Authority of the ECSC is given more supranational power than the Economic Commission, but the usages to which this power might be applied, the goals to be pursued, and the policy to be followed are carefully spelled out. The Treaty of Rome, on the other hand, as Lindberg pointed out in his keen analysis, is a permissive or framework treaty.<sup>17</sup> It provides the Economic Commission with fewer supranational powers than the High Authority, but it is much less specific goals to the Community institutions (e.g., agricultural policy). Actually, while it specifies some matters (e.g., amount and timetable of tariff reductions) and leaves the implementations of some other specific goals to the Community institutions (e.g., agricultural policy), it leaves almost completely open many questions of economic policy. This provision for institutional spill-over turned out to be valuable be-

<sup>16</sup> Leon N. Lindberg, *The Political Dynamics of European Economic Integration* (Stanford 1963), 201ff.

<sup>17</sup> *Ibid.*, Part I.

cause the Commission sought and acquired more authority and more power than specifically assigned to it, without violating or revising the Treaty.

The significance of this point should be spelled out. The Commission cannot, even under a permissive rather than a prescriptive treaty, introduce proposals that are in great conflict with those which the national governments are willing to support; the governments may not only refuse to approve or even discuss proposals in the Council of Ministers, but also can refuse to reappoint the Commissioners when their four-year term is up. The importance of permissive treaty structure is twofold: (1) it leaves the Commission free to take the initiative in bringing about greater consensus among the national governments than they might reach without the Commission's prodding; (2) there is no need to go through the cumbersome and risky process of ratifying a treaty revision when the governments or the Council of Ministers are willing to delegate more power and tasks to the Commission—as they did several times, for instance, in matters concerning acceleration and agricultural policy. The Treaty of Rome leaves it largely to the discretion of the Ministers when to delegate their power to the supranational Commission.

#### IV. NO REALLOCATION BEFORE INTEGRATION

While it cannot be documented here, one of the central factors that precipitated the break-up in 1961 of both the United Arab Republic and the Federation of the West Indies was the attempt to reallocate economic assets, and the anticipation of more reallocation, among units whose community ties were not yet built up.<sup>18</sup> Communities, whether national or international, are composed of units whose assets are never equal. Taking from the rich and giving to the poor is a common mode of reallocation in modern communities; in national ones it is often achieved through a progressive income tax and a regressive allocation of welfare services—that is, the rich pay more taxes and the poor receive more services. Such reallocation of assets is acceptable to the richer units (e.g., New York state) only *after* they conceive of the poorer units (e.g., Mississippi) as part of the same community. In the same way, reallocation in favor of labor was not carried out as long as the British middle class saw labor as another “nation,”<sup>19</sup> but it became the rule once the labor force was seen as an integral part of the British national society.

<sup>18</sup> The conditions under which these, as well as four other contemporary unions, developed is the subject of a comparative study in progress by the author.

<sup>19</sup> Disraeli's book on the relations between the middle class and the laboring class was entitled *Sybil, or, The Two Nations* (New York 1934).

Attempts to use resources of the comparatively better off islands, Jamaica and Trinidad, to finance the developments of the much poorer remaining eight islands of the Federation of the West Indies, before the community of the West Indian nation was firmly established, was one cause of the break-up of that union.<sup>20</sup> In the UAR, the 1961 acceleration of the efforts by the Egyptians to change the allocation within Syria in favor of the farming and working classes, and to transfer to Egypt the control of Syrian commerce, industry, and army—again before the sense of community had jelled—helped to precipitate that union's collapse.<sup>21</sup>

The EEC deliberately minimized reallocation in the first stage. Efforts were made first to build up community sentiments, institutions, and integrative forces; reallocations were to be left to later stages. The continuation of a strong prosperity, high employment (and increasing employment in Italy), accelerated economic growth (better than 5 per cent per annum), and the continuous increase in intercountry trade (85 per cent in the first five years) served as a general rewarding background. Whether the EEC can be credited with all these achievements is an open question; the fact remains that it did not stop prosperity and almost surely contributed to it, and that most people thought it contributed much more to prosperity than it probably did. Thus, in addition to the reward of real economic success it acquired the myth of success, which was supportive to the EEC institutions and gratifying to its supporters.

Many specific interests of national economic groups were expected to be satisfied through unification. Italian labor expected free access to other countries' employment sources; France, Italy, and the Netherlands, increased export of their agricultural products to Western Germany; Western Germany, a larger free market for its industry, etc. Labor was at first somewhat suspicious of a Community to be governed by a Christian-Conservative majority, one to which business was committed, the forerunner of which appeared to be a steel and coal supercartel. But labor's support of European unification was secured through the policy of an *upward leveling* of the working conditions started by the ECSC and continued by the EEC. According to this policy, the best working conditions of each member country—the wage rate of Luxembourg, paid vacations in Belgium, equal pay to women and men in France, etc.—were to be the standard the whole Community would strive to establish.

<sup>20</sup> David Lowenthal, ed., *The Federation of the West Indies* (New York 1961).

<sup>21</sup> See note 18 above.

The only major sector that seemed likely to suffer was the farm sector, and there seemed to be no way to satisfy the others without depriving it. As in other modern economies, the agricultural sector in the EEC countries is inefficient, but through political pressures the farmers obtain various state subsidies and other aids, which in effect reallocates the national income in their favor. The formation of the Community, dedicated to raise the standard of living of all citizens, provided both a new urge and a new opportunity to reduce the most inefficient sector of these countries. This, however, would involve considerable adjustment pains if not outright loss of income and power to the farmer. Typically, whatever effect the EEC will have on rural-urban relations was not made explicit before the Treaty was signed, nor is it stated in the Treaty. Despite the fact that three members, especially France, were greatly interested in including agriculture in the Common Market, it was agreed to delay the formation of a common agricultural policy until the end of the first stage—that is, until integrative powers were built up. Moreover, what was to happen at the end of the last stage was left most vague. All the Treaty stated was that a common agricultural policy had to be formed, and, as one writer added, “that farmers should receive as much money as possible, and consumers get their food as cheaply as possible, and that these two desirable but conflicting objectives should be brought about by almost any known method.”<sup>22</sup>

Since the number of farmers in each country varies, ranging from 10 per cent of the active labor force in Luxembourg to 41 per cent in Italy, and since the German farmers are considerably less efficient, because of their smaller holdings, than the French,<sup>23</sup> a major crisis occurred when the EEC came around to forming an agricultural policy. Since by now both industry and labor were solidly behind the EEC and their expectation of higher trade, continued prosperity, full employment and, to a lesser degree, upward leveling had been fulfilled, the union was hardly endangered.

As these lines are written, it is far from clear what the common agricultural policy of the Community is going to be. While it has been agreed that the Community will collect levies on imported foodstuffs and use the income to finance in part subsidies to the farmers, gradually replacing the varied national subsidies, it is not clear yet what the level

<sup>22</sup> Brooks, 47.

<sup>23</sup> On the agricultural problems and policy of the EEC, see J. F. Dewhurst, J. O. Coppock, P. L. Yates, and associates, *Europe's Needs and Resources* (New York 1961), *passim*.

of these subsidies will be. If they are high, most of the burden of adjustment will be shifted to outsiders (e.g., American farmers), who will be driven out of the German market to make room for the French and other EEC farmers' products. If they are low, the EEC farmers in general, and in particular the more inefficient ones, will have to shift to different occupations to earn their living. In one case, reallocation will be largely between outsiders and insiders; in the second, between farmers and other sectors, or farmers of one member-country vis-à-vis others. Again, one cannot rerun history, but there can hardly be any doubt that attempts to form a reallocation policy (especially an internal one) before the Treaty was signed, before integration was actually initiated, and before the Economic Commission was formed, might well have prevented the initiation of the union. In at least one other case, that of the Nordic Common Market, the lack of consensus on agricultural policy was one of the major factors that prevented its establishment.<sup>24</sup>

It might be of interest to note in passing that when the EEC began to formulate its agricultural policy at the end of 1961, it still could not squarely face the question of reallocation; it phased it. First, it was agreed that the subsidies to farmers would be continued; second, that the subsidies would be given by the Community rather than the national governments, and be under the supervision of the Commission, thus taking the question out of national power centers that are subject to direct pressure from the farmers. It was decided to determine the level of support at a later date.

#### V. CUSHIONING

The "no reallocation before integration" principle works on two assumptions: (1) The marginal alienation of the groups from which benefits are taken is going to be greater than the marginal gratification of the groups to which benefits are given. For instance, the alienation of those farmers who will lose subsidies is greater than the gratification of the taxpayer who will pay less taxes or buy cheaper food. (2) The alienation of the deprived groups will be more concentrated and politically better articulated than that of the gratified ones. Major reallocations are hence deferred. But if unification is to be initiated, complete avoidance of adjustment by any group is impossible. For instance, although the gains to be derived from increased intercountry trade are universal for all industrial countries, some adjustments, such as the

<sup>24</sup> Wendt, 165ff.



closing of the most inefficient plants and some shifting of workers, is inevitable. Actually, the EEC has faced relatively little need for such adjustment because of the high level of employment of resources and labor force that was maintained. Three devices, however, were built into the Treaty and used to cushion these adjustments, and thus to reduce their negative political repercussions.

(1) A *Social Fund* was set up. It pays for the retraining of workers and their resettlement as well as some unemployment benefits for the adjustment period. The Fund is financed by the EEC budget—i.e., all members pay to ease the adjustment of some industrial workers. But unlike the major adjustment of the farm sector, here only small groups and hence small sums are involved. The total budget of the Fund, for 1958-1961, was \$26 million.<sup>25</sup>

(2) A *European Investment Bank* was set up that has a cushioning function similar to that of the Social Fund, except that it is intended to help less developed regions, like the Italian South, rather than specific occupational groups. Again the assistance was limited in time and amount. It has not smoothed major adjustments, but eased those of small sectors which were expected to be especially hard hit if left to their own devices.<sup>26</sup>

(3) Finally, there are the *Escape Clauses* built into the Treaty which enabled the Commission to allow an industry or country to delay the reduction of a particular tariff or other protectionist device, to stretch out the transition period. This device, on the surface, costs the Community nothing in the sense that no funds need to be raised to pay for the adjustment; it is "paid" by losses to the other industries or countries whose removal of protection is not reciprocated, but those are less visible as long as this device is not employed too liberally. The EEC allowed the use of escape clauses to help the adjustment of some industries—including the Italian shipbuilders and the French paper-pulp industry—but, all in all, it was not widely applied. Thus, unlike the "stretch-out" clauses that allow the delay of the whole process, the escape clauses serve those especially injured, or those that require special concessions because of humanitarian or political considerations; in this way they help the continuation of unification rather than cause its delay.

<sup>25</sup> Kitzinger, 43.

<sup>26</sup> A third fund, that for Overseas Development, is not discussed since it would require an analysis of the relations between the EEC and the African nations, which is beyond the scope of this article.

## VI. DOMESTIC STRATEGY: GOVERNMENTS OR PEOPLE?

So far we have explored strategies followed on the international level—the nature of the Treaty, the role of the supranational institutions, and so forth. The question that remains to be answered is what strategy is followed within the member countries. We should like to comment on three major decisions made by the supporters of European unification and on the effects of these decisions, which are of interest to socio-political theorists and to the Federalists and participants in the minimalist-maximalist controversy.<sup>27</sup> The supporters of unification, a great many of whom are Federalists, faced three problems: Should they focus their efforts on winning the support of the wider publics or that of national governments? Should they seek to advance their cause through legislation, education, and propaganda, or through “direct action”? How many societal sectors should be tackled first—all of them at once, only a few, or one at a time?—and which ones should they be if not all were included in the first round? Not all of these are mutually exclusive alternatives, but there is always a question of emphasis and arguments over relative efficacy.

The initial tendency of the European Movement, in the late 1940's, was clearly to focus on the people rather than on governments, on education and propaganda, and on wholistic unification through political integration. The Federalists are in general suspicious of governments and put their trust in the good judgment and common sense of the informed citizen. After World War II, in which many European governments showed their weakness by succumbing to Nazi Germany, a much higher value was placed on the assent of the people than on that of governments. Although the European Union idea received the blessing of heads of governments from Churchill to Adenauer, the focus of the initial unification efforts was on a popular movement, headed by citizens' “action committees,” and on informing the people of the value of a united Europe. It was following the clamor of this movement, which called for a United States of Europe, that the abortive Council of Europe was set up, a high-level forum in which the Grand Debate continued.

In sharp contrast was the initiation of the successful Schuman Plan, designed in secrecy in the French Planning Office by Jean Monnet and his staff. He is reported not to have discussed it with the German authorities, or for that matter with those of any other country, although he did

<sup>27</sup> For a most effective review of this controversy, see Inis L. Claude, Jr., *Swords into Plowshares* (New York 1961), 407-32. See also Etzioni, “European Unification and Perspectives on Sovereignty,” *Daedalus*, LXII (Summer 1963), 502-14.

privately consult some American acquaintances in Paris.<sup>28</sup> When the draft of the plan was completed on May 3, 1950, it was brought before the French Foreign Minister, Robert Schuman, whom Monnet expected to be more willing to surrender some economic jurisdiction to a supranational body than the ministers in charge of economic affairs. Schuman informed Dean Acheson, the American Secretary of State, on May 7; the French Cabinet approved the plan on May 8; German contact and assent were obtained on May 9; and the plan was made public later that month.<sup>29</sup>

The drafting of the Treaty of Rome was less shrouded in secrecy, but it proceeded on the same high level of governmental planning and negotiations, with the public being informed at later stages. The central "European" figures, like Monnet and Spaak, exercised their influence largely through their governmental positions and contacts in the various administrations and parliaments. Monnet's influential Action Committee was formed on the basis of this principle; it includes some forty political leaders of the six countries of "Little Europe." The membership covers the full political spectrum with the exception of the extreme right or left; each member is there not just as an individual but as a representative of his organization.<sup>30</sup> The committee issues public statements from time to time, but chiefly works out of the public eye. In short, the initiators of the ECSC and the EEC focused on governments rather than on people, on national legislation rather than on public education, and on the economic sector rather than on the political one.

This is not to imply that the Federalists, and their efforts at public instruction, had no effect on the evolution of European unification. They did much to spread the European idea, which had little sociological force before World War II. They established some of the public support for the ECSC and EEC, both of which needed parliamentary ratification once they were announced. Still, it was more through the tapping of deep national interests of the six countries (e.g., Germany's desire to abolish the International Ruhr Authority, one of the institutions through which its status as an occupied country was maintained) and the economic interests of major national pressure groups (e.g., labor, through the promise of "upward leveling" of working conditions) that these plans gained support, than through the Federalists' call for

<sup>28</sup> Schmitt, 59-61.

<sup>29</sup> *Ibid.*

<sup>30</sup> The Latin America Free Trade Area was initiated in a similar fashion—that is, an intercountry political pressure group was created under the leadership of Raul Prebisch. (Andrew Shonfield, *The Attack on World Poverty* [New York 1962], 42.)

supranational executives and legislators. Even today the Economic Commission studiously avoids identification with the Federalists, although it benefits from their maximalist demands in the European Parliamentary Assembly in its negotiations with the comparatively minimalist Council of Ministers. When a European Parliament is directly elected by the European people and has full control over a European executive, it will be much more an expression and result of economic, military, and political integration than their prime mover, as Federalist theory implies.

### VII. THE LIMITS OF THE STRATEGY

The limits of this strategy are those common to all strategies; the most they can do is to make effective use of a given set of circumstances. A gradualist approach cannot be used by the Black Muslims to make the United States government grant them a state for themselves, or by the WCTU to reintroduce Prohibition, or by the United Nations to unify Israel and Egypt. It is only when the background conditions are ripe, and the goal, high or low, is in line with the basic values of the participants, that a gradualist strategy can be effectively employed.

As a typical reform orientation rather than revolutionary approach, it is geared to gradual adjustment or improvement rather than speedy change in international relations or political structure. Hence, it serves best when the political structure itself is stable and when it is not undermined by a national defeat, wild inflation, deep depression, or civil war. It serves best those who have some access to power, or are in power, as Monnet, Hallstein, Spaak, and Schuman had or were, and will not do for those who have no foothold on the power pyramid. It serves best those who have the patience and the time to wait for gradual change. Those who are in a hurry, like those who wanted a United States of Europe in 1946, will have to try more sweeping attacks. Moreover, the fact that the gradualist approach served to initiate effectively the unification of Europe does not ensure its continued success. Actually, in 1963 the EEC faces many political and economic problems that may well not be satisfactorily solved. But whatever the future of the EEC, the strategy used to launch it will remain of much interest. Further study of this strategy and the conditions under which it can be effectively used must inevitably face such questions as whether this strategy can be usefully employed in tackling greater problems, such as forming unions in communities larger than Little Europe, strengthening the

United Nations, and advancing the cause of general and complete disarmament.<sup>21</sup>

<sup>21</sup> The value of a gradualist approach to disarmament is illustrated by the following findings. In 1961, two-thirds of the respondents in three countries, in answering the question, "For the next few years, would you give major attention to strengthening the Western deterrent or to pursuing general disarmament, as a matter of relative priority?" said that they would favor disarmament. Yet, when they were asked if they preferred stage-by-stage disarmament or a "big package," the results were:

	<i>Stage-by-stage</i>	<i>Big package</i>
U.K.	93%	6%
Germany	95%	4%
France	73%	9%

(Daniel Lerner and Morton Gordon, *European Community and Atlantic Security in the World Arena* [Cambridge, Mass., 1961], chap. v, 10.) A gradualist approach to the reduction of international tensions and arms and to the development of international organization is presented in Etzioni, *The Hard Way to Peace: A New Strategy* (New York 1962).