

# The European Union: Changing the Face of Regionalism

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Regionalism as defined presently is the pursuit of a common identity, common aims and goals as well as shared values and structures existing within a specific geographical region. This essay particularly focuses on the history of European regionalism, beginning from the postwar period of the 1920s and 1950s, extending until the present as well as the immediate predecessors of the European Union. The essay argues, furthermore, that the history and existence of the European Union has changed regionalism, in that it has prompted the beginnings of other regional initiatives, as well as remade the order of the international system through its institutions and politico-economic aspects.

According to a 2002 working paper by Helen Nesadurai, there are two approaches to this, the *open approach aimed at integration with the global market* and the form of regionalism that is *a project of resistance against global market forces*. In today's world, regionalism dominantly undertakes the first approach, aiming for integration and collective prosperity for its members across a broad set of areas and issues of focus. Especially in today's rapidly globalizing world, regionalism presents a more regulated, specific set of actions that undertake the process of tackling and resolving issues deemed relevant to the region.

No other regional association at present has come as close to representing the ideals and effects (both positive and negative) of regionalism than the European Union, which has traced its more formal beginnings to the Treaty of Rome in 1957, hailing from the European Economic Community and the European Coal and Steel Community, which were the first organizations to be based formally on principles of unity and certain aspects of supranational thought, which eventually spurred into existence the concepts of common markets and the like. Beginning with six initial members, the EU has now ballooned to 27 members as of date.

The first instances of the concept of a united European front have for its impetus *the First World War and the inadequacies of the peace settlement which induced the first sustained efforts to find an alternative to the fragmentation of Europe* (Heater, 1992). Further, despite the retreat into an isolationist policy, the United States as the superpower of the 1920s prompted it to become *the linchpin of European economic and arguably, political stability* (Kent, 1989).

Moreover, the terms of the Treaty of Versailles, clearly something that undermined Germany and her future initiatives, created a period of Franco-German discord which generally spurred distrust and non-cooperation, occasionally marked by periods of rapprochement similar to the case of US-USSR relations during the Cold War. These bursts of amicable relations resulted in the 1921 Wiesbaden Agreement, though this *succumbed to intransigence on both sides* (Fink, 1984: 18-19).

Despite this, the period of 1924-25 saw the birth of the *International Committee for a European Customs Union* and the optimism of Edouard Herriot of France, speaking of his hope to *one day see the United States of Europe realized* during a speech of January 1925 (Pegg, 1982: 816). However, this era also prompted doubts, expressed well by Hungarian economist Elemér Hantos in his writings questioning the *integrative capability of a customs union* (Weltwirtschaftliches Archiv, Vol. 23: 229-30, 235-38, 1926).

Further efforts at creating a more integrated and peaceful atmosphere in the region culminated in the Locarno Pact of October 1925, seeking the normalization of relations between the victors of World War I and Germany. Notable

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during this period was the amicable atmosphere (eventually termed as the *spirit of Locarno*) existing between the German Chancellor and French Prime Minister, Gustav Stresemann and Aristide Briand, respectively. The Locarno Pact greatly improved the climate of Western European diplomacy and relations, a state of accord which had not been achieved in the years prior to its entry into force. Documents such as the *Memorandum on the Organization of a Regime of European Federal Union* by Briand also contributed highly to the normalization of Franco-German relations, much unlike the discordant atmosphere which pervaded the administration of Briand's predecessor, Georges Clemenceau.

The early years of European regionalism and their accompanying history then are *directly linked to the postwar processes of international liberalization and international interdependence* (Tsoukalis, 1997: 223). The need to unify, to present a strengthened front and to rebuild the continent are therefore the sources of rationale behind the early European regionalist principles which shaped the modern aspects of Europe's regional identity. Increasingly, the states of the continent began to see the possibilities afforded by cooperation and amicable relations, which are tenets of what is today considered the liberal school of thought in international relations.

Succeeding efforts at European unity after the end of WWI were hindered by the Second World War, resulting in rejections of integrative notions, such as that from Adolf Hitler in a conversation with Adm. Darlan, saying *he could not understand the reasons for why Britain and France declared war on Germany* and that integration would be a *far ideal*, Darlan further agreeing by saying *nothing can be done unless England is defeated* (Documents on German Foreign Policy, Series D).

Despite these setbacks, the conclusion of the Second World War resulted in a renewal of the drive for integration and a new sense of regional identity, seen as a *bulwark against the return of nationalism* (EN 125 : Political Consequences) which was viewed as one of the leading causes for the devastation of the continent under the ravages of the Second World War and German aggression and expansion.

From above, it is readily seen that definite expansions and contractions in the integration ideal and regional dynamics, periods of relative peace and periods of discord were all experienced by the European continent. The decade following the end of the Second World War however, signaled that Europe had enough of the stain of war, enough to undertake new initiatives to usher in a lasting peace and a new period of understanding between the various European states.

This new era of regional identity and united goals brought in the hallmarks of European regionalism seen in present times. Historically, as proven by the early history of the ECSC, the EEC and eventually the EU as it is known today, regionalism was more readily expressed during its birth by economic initiatives and the drive for integrated, single markets. The ECSC particularly, rationalized its existence as a means of making war materially impossible, by pooling together common resources, thereby instituting peace in the turbulent early years following the end of the Second World War. The immediate result of the ECSC was a greater sense of peace between France and Germany, with eventual normalization as the long-term effect of the ECSC's existence.

Currently though, the EU promotes and implements regional unity, collective prosperity, areas of common policy and economic progress within the EU zone through the creation of its governing institutions such as the European Parliament, the European Council, the European Commission and the like. Economically, it has introduced a single market and the use of the euro as a common currency through the establishment of the European Central Bank.

As of date, the Euro Zone has posted a relatively stable 20.7% business investment rate, with the EU-27 posting a close second with 19.9% while business profit shares have continued to rise in the Euro Zone as value additions rose faster than wage costs (Eurostat Quarterly Sector Accounts for Q1-2011). While economic initiatives are not remarkably far from the jurisdiction of what was then the EEC, the pervasive trend of globalization has impacted how the EU pursues its regional economic goals. Notably, the governing structure and institutions of the EU and of its member states impede the achievement of complete economic integration : *in an economy which leaves production and distribution entirely to the market, the elimination of obstacles to the movement of goods and production factors among countries would suffice to achieve full economic integration* (Molle, 2006: 10). Molle goes on to note that

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despite the above conditions for economic integration, *in all European countries there is substantial government intervention with the aim of enhancing economic welfare* (Molle, 2006: 10). It seems though, that with a population of 502.5 million as of the start of 2011 (Eurostat Demography Report 2011) the EU-27's population and by extension its labor force, economic potential and productivity are still ever-increasing, allowing the European Union's economy to compete with other eminent economies, such as those of the United States and China across key indicators in agriculture, manufacturing and export power.

Government intervention too, has also contributed to the progress of the EU zone and the continent as a whole despite the generally detrimental belief in government intervention in economic matters. Shared competencies between the EU and the governments of member states, such as economic policy, internal markets, agriculture and fisheries (General Principles: Treaty on the Functioning of the European Union) have all progressed to meet EU targets for economic advancement.

In addition to the above, the EU has expanded its reach far beyond economics. Matters of common security, foreign policy, budgets, energy and environment as well as external action are already within the many competencies of the EU and its institutions.

Having thus examined the early history, the progress and the current scope of the European Union, this essay will presently turn to the impact of the EU in the exercise of regionalism in the other geographic areas of the world.

As of the present, the EU is the eminent template of regional associations. One such association is the ASEAN. Currently, the Association of Southeast Asian Nations is composed of ten member states and whose initiatives similar to the EU include the pursuit of an integrated economic market and open trade between members, though the completion of this goal is somewhat far off. In addition, the existence of the EU and the ASEAN has prompted the discussion of a 'North American Region', as evidenced by the existence of a proposal sponsored by the Council on Foreign Relations entitled *Building A North American Community*.

In recent years, most notably, the EU has become the focus on many debates for the future of global economies and states as well as the result of regionalism, many arguing that the future is to be a place and time of at least partial supranationalism, regional economics and globalized thinking. The Union's agreements with counterpart organizations most notably the ASEAN have impacted the world view of what it means to be regionalist, as well as the possibilities of a global economy that looks less upon the sovereignty of states and more upon the effects of regional integration and the economic upheavals that come with it. Not to be forgotten though, the debt crisis concerning the Euro also presents a real view of the problems associated with regionalism and integrative fiscal policies.

More and more, the expression of European regional identity through the EU is impacting the international system in ways unknown before its existence. Regional blocs are now considering integration, the ASEAN is pursuing a path remarkably similar to the EU and the Union is now impacting the global system both in economics and politics. In this era of globalization, *the integration of everything with everything else that shrinks the world from a size 'medium' to a size 'small'* (Friedman, 2002) regionalism is making its mark known in a large sphere of influence.

What the EU means for regionalism in the present is well-known. The Union is a valid hallmark of regionalism itself, the concrete example of pursuing goals and aims beyond any state. However, what the EU means in the future will depend on what it undertakes today. In its history, it has moved beyond common economic progress, now having a large say in other aspects of statecraft through Common Foreign and Security Policy, externalized action through the EEAS (European External Action Service), international initiatives and partnerships with other regional and global associations such as the ASEAN and the UN as well as a large chunk of economic, political and development-oriented power.

In conclusion, the Union is no longer *just* a regional association. It is a view of the possible future, a state in many respects though also subservient to member initiatives, a world economic powerhouse and a home to policies commonly instituted. The Union is no longer just an external body, but a concrete expression of European unity and is

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at least, a partial fulfillment of the European ideals expressed after the First and Second World Wars. Indeed, the EU is a regional association unlike any other, and as it has in the earliest stages of its history until the present, the European Union is changing the face of regionalism.

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the EEAS and its related institutions as well as key people

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