

European Economic Community: Reactions Abroad and In India

Review of Literature

PART - I : REACTIONS ABROAD

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European Economic Community: Reactions Abroad and In India

Review of Literature

PART - I : REACTIONS ABROAD

I

In an earlier paper¹ on EEC, we have analysed four basic motives underlying formation of EEC as reflected in the writings of Jean Monnet² who is often addressed as 'the Father of the Common Market'. There we have discussed how gigantic changes are taking place in Europe. Following Common Market strategy EEC is relentlessly moving towards its ultimate political objective, namely, a United States of Europe. Process of integrating *Communities of European Origin* has already reached an advanced stage. Recent events in Eastern Europe and Russia are not spontaneous but a result of the long-term strategy for uniting people of European origin. For Monnet, the Common Market was a strategy to unify Europe. Similarly, Gorbachov's *perestroika* and *glasnost* are strategies to provide 'freedom' to East European communities and European Russia to ultimately become members of a United States of Europe. Both Monnet's and Gorbachov's strategies have been and are being executed with great finesse, shrewdness and top level diplomacy to develop a sense of complacency among the non-European com-

Author: Professor V. R. Gaikwad, Indian Institute of Management, Ahmedabad, September 1989.

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munities. Initially, the process has been gradual, almost imperceptible.³ Now it is fast and perceptible. People of European origin are fast coming together. Where does this concept of *People of European Origin* lead to should be a concern to all non-European communities.

The analysis of the four basic motives underlying formation of EEC indicates that the driving force behind the 'Unity of Europe and of People of European Origin' is genetic- ethnic-racial. It indicates that Europe's march from nationalism to supra-nationalism leads to supra-Euracialism. This from historical perspective means leading to **War of Races**. In this sense the analysis validates the early warning of influential American columnist James Reston in 1961: "The great conflict at the end of the century will not be ideological but racial."⁴ This was based on his interviews of influential French EEC officials. What will be the end result of such a conflict is a question mark.

EEC-1992 is of great symbolic significance for non-European communities. It is exactly 500 years after Columbus reached North America in 1492; the beginning of ruthless exploitation of non-European communities for five centuries. EEC-1992 is a landmark, a symbol of consolidation of European community's power. It can also be a prelude to **War of Races**.

The scenario that emerges from the analysis of the four motives is rather disturbing. Against the United Europe and 'People of European Origin' where do non-European countries and communities stand? Have they taken the rapidly evolving scene in Europe for the last forty years at its face value or have they realised in time the long-

term implications of these events and taken timely steps to safeguard their future? Have they asked themselves the question, whether by cooperating with EEC, with an eye on short-term commercial gains, are they further strengthening Europe's drive towards its politico-racial objectives? Will cooperation delay or hasten the inevitable? Are there any options for the non-European communities? Do they have sufficient capabilities to defend themselves, and more importantly, can they do so alone without common, unified strategies and institutions to execute these? EEC has its Euratom, Eurospace, CAP, and many such operating institutions. Non-European countries and communities are still fragmented, often many of them fighting with each other, completely oblivious of the lurking common threat to their survival. In our earlier paper we have discussed issues related to such a threat.

From the writings of Monnet, Krause and many others we know that the Common Market is only a strategy towards achievement of the political objective, namely, political unity of Europe and people of European origin. This objective is not hidden but very openly stated. Monnet himself started his campaign in 1955 with an announcement that "the United States of Europe have already begun". We have used Monnet as a symbol of post-war European thinking. But he was not alone. His forty-odd member 'Action Committee for United States of Europe' was composed of prominent representatives of political parties and trade union organisations of France, West Germany, Italy and the Benelux countries. The Preamble to the *Treaty Establishing the European Economic Community* clearly indicated that the framers of the Common Market did not confine their thinking to economics alone. Their primary interest was to "establish the foundation of an ever closer union among European Peoples". Walter Hallstein, who was West Germany Chancellor Adenauer's most

trusted associate and state- secretary in the Foreign Ministry before becoming the President of the Executive Commission of the European Common Market, often emphasised that Common Market was not in business but in politics. In 1964 he stated:

- "First, what is the Community, or rather, what is it becoming? For it is a process, not a product. Indeed, it has been well said that the EEC is a kind of peaceful three-stage rocket. The first stage is that of the customs union; the second, economic union; and the third, political union. Today, the community is nearly halfway toward a full customs union; it has embarked, decisively, on economic union, and it is already clear how deeply the implications of political union are embedded in the other two."⁵

At another place, in 1972, he stated:

- "The so-called economic integration of Europe is essentially a political phenomenon. The European Economic Community, together with the European Coal and Steel Community and the European Atomic Energy Community, is a European political union in the economic and social field."⁶

If EEC is a three-stage rocket, it is obviously not for firework display after a grand festival. At the top it may be carrying a warhead linked with political union of Europe. Are the non-Europeans aware of the possibility of this warhead, or are they passively watching and enjoying the first stage displays? If the non-Europeans have any strategies to face EEC, then do these take into account the basic political motives underlying formation of EEC, or concentrate merely on the economic issues? *Harvard Business Review* in its recent issue (May-June 1989) asked the question "When are the critical strategic plays likely to occur?"⁷ Have the non-European communities taken any advanced

strategic actions to stop European mass becoming 'critical'?

Based on the analysis of the four basic motives underlying formation of EEC we have raised a number of questions and issues. There are still many more questions for which answers are needed. For instance,⁸ to assess what is likely to happen we need a lot more information on not just the motives of a few politicians who got together to create EEC but of many more opinion leaders from different walks of life. The question is: Would there be consensus within a democratic EEC to dominate weaker Third World countries politically and economically, or to extend a helping hand in its own enlightened self interest ? We also need much more information on the economic imperatives for Europe--how far and in respect of what goods is it dependent on what other countries?

The other set of questions will be: Whether after the Second World War racialism has been a significant phenomenon in most European countries? Is ethnocentrism in constituent countries of EEC on the wane? Is Europe becoming more cosmopolitan, or less? Will Europe play more of a constructive role in the development of global institutions and ultimately of some sort of world government than the role of a bully? Is racialism the basic, primary force underlying European unity, or is it a vehicle, a tool used by some other forces, such as capitalist and neo-colonialist forces? Or, is the primary force underlying European unity a joint force of capitalism, racialism, neo-colonialism and Roman Catholicism?

In this paper, we will seek answers to many such questions and related issues from the writings of Indian scholars, diplomats and journalists on EEC from its inception till today. A few publications from the West which are

readily available to us, are also covered here. We, however, do not have any pretensions to develop a systematic, comprehensive review of literature on EEC produced in the West. What is presented is essentially a back-drop for the Indian contribution on the subject.

II

Since its inception in 1955, enormous quantity of literature has been, and is being, produced on EEC, most of it by EEC itself. It not only publishes these but also disseminates these all over the world through its information and sales offices in the member countries as well as in other countries. These are published in various European languages and cover every aspect of EEC--political and institutional matters, customs union, agriculture, law, social affairs, tertiary sector, transport, competition, economic, monetary and financial affairs, external relations, foreign trade, cooperation, energy industry, regional policy, environment and consumer affairs, science and technology, education and cultural policy, statistics pertaining to national accounts, finance, balance of payments, population and social conditions, industry and services, agriculture, forestry and fisheries, foreign trade, and other miscellaneous topics.⁹ Following high-powered, aggressive marketing strategy EEC produces enormous quantity of data at such a fast rate that by the time these are analysed and published by scholars they become out-dated.

Most of the descriptive and analytical studies produced by Western as well as Indian scholars, financial institutions, international agencies and most journalists were primarily based on the data published or provided by EEC authorities. As such, in most of these studies, there is a considerable repetition of the content, reinforcing what EEC propounds. Hence, one has to watch against the like-

ly propaganda effect created by such repeated messages. In the initial stage of EEC, there were a few studies expressing doubts about other European countries joining EEC, and about the success of EEC. These tapered off after United Kingdom joined EEC in 1973. Interestingly, there were few conscientious objectors to the very idea of EEC. Most studies that followed also merely described EEC's programmes and activities, and as such very few throw any new light on the subject. To this pattern, there were, however, a few exceptions such as writings of journalists like John Brooks¹⁰ who went beyond the structured information handed out by EEC, and presented and analysed the personalities influencing the events in Europe, or writings of scholars like Krause¹¹ who analysed the motives behind the formation of EEC, or that of Mazrui¹² who presented in no uncertain terms the deep suspicion of the Africans about the EEC.

From the beginning it was the political scientists followed by economists who contributed most to the literature on EEC. Carole Webb observed that Europe's biggest 'growth industry' was theorising about integration. "Just as the American corporations seem to have taken better advantage of the Common Market than their European competitors, so the U.S. political scientists dominate a thriving branch of the European studies 'industry' --theorising about European Integration." (19).¹³ It seems there is little or no contribution to the literature on EEC by sociologists, psychologists, anthropologists, ethnologists and communication and media researchers. If there are any these are not readily available to us. This is a major lacuna. There are theories on economic integration and political integration but few on social and cultural integration.

EEC will achieve economic integration to a great extent by 1992, and even political integration by persuasion

or direct and/or indirect use of force as was done in Rumania in December 1989.¹⁴ Little is known about what is being done for social and cultural integration of European nation communities. This is important because without social and cultural integration, gains from economic and political integration processes could not be retained for long. In social and cultural spheres there are many dark areas. For example, how does one socially and culturally define European Community? Is it possible for Europe to develop a sense of identity, common destiny, cohesion and collective pride without taking recourse to racism? In other words, will Europe's march from nationalism to supra-nationalism be possible without the support of racialism? If this is possible what would be the nature of social forces that would support integration? All such questions have to be asked and answered in the context of non-European communities. There are many other questions: Will the concept of supra-nationalism be limited to Europe and Europeans alone or can it encompass the non-European communities and countries? Is supra-nationalism limited by the current geographical definition of Europe, or can it go beyond? The concept of Atlantic Community brings Europe and North America (USA and Canada) together, i.e. communities of European origin. Can supra-nationalism integrate community of European origin and non-European communities under one economic and political umbrella, without imposition of imperialism? Is European supra-nationalism a new challenge to the idea of world community and society, or a step towards it?

Unfortunately such questions have not been discussed thoroughly so far by western scholars. There are other questions on the future nature of European society. Are the economic forces sufficiently powerful to make European nations forget their history, tradition and culture of which each of them is so proud of? Will after integra-

tion individual European nations be able to retain their dynamism borne out of intense nationalism till now? Is not there a danger that in the absence of intense competition among themselves, they may lose their dynamism, spirit of adventure and exploration? Will the sacrifice of history, tradition, culture, values and dynamism be socially worth a United Europe? History shows that societies whose culture have been severely damaged become lethargic and placid. Will the United European society of future be like this? What will be the effect of "mass society" on cultural heritage?¹⁵ Communication is another area on which contribution is missing. What communication strategies has EEC evolved to sell the idea to different strata of population in member countries, in other European countries and countries of European origin and in non-European countries? What is the extent of propaganda and of truth in the information provided by EEC? What is the attitude and opinion of non-European communities and countries towards EEC and happenings in Europe? All such questions must have come to the mind of European social and behavioural scientists, though we have yet to see a comprehensive research in these fields.

III

Publications between 1955-1965 by western scholars, in general covered the following topics: Previous efforts for unification of Europe, background of EEC, motives behind formation of EEC, major articles of the Treaty of Rome; General profile of European Market, vital statistics about members of EEC; Discussion on what the Common Market is, what it is doing and its future; How to do business with EEC; Britain and EEC; Commonwealth and EEC; Areas of conflict among members of EEC, etc.¹⁶

Publications during 1966-75 in general covered: Common Agricultural Policy (CAP) of EEC; Problems and prospects of CAP; EEC economy and society; Britain and EEC; CAP and its implication for developing countries as well as to USA's grain exports.¹⁷ During this period and since then there were fewer descriptive studies and more studies based on statistical analysis of data published by EEC on agriculture, industry, and trade.

Between 1975-89 there were many policy oriented studies covering agricultural and commercial policies of the EEC; Community and its international role; cost of CAP to EEC; EEC and GATT; legal aspects of CAP, etc.¹⁸

In recent years, as a single European market became a certainty, many academic and business journals carried special articles/issues on EEC. For example, in its recent issue *Harvard Business Review* carried a comprehensive set of articles under "The Changing Map of Europe: EC 1992"¹⁹ with the following opening remarks:

- "When Columbus set sail for the New World in 1492, contemporary map makers hit on an ingenious way to describe the unknown territory that lay before him-- 'Here be dragons'. Present-day executives are in a much better position as they confront the new map of the Old World that 1992 is drafting. Even so, dragons abound--side by side with tempting opportunities for larger sales, lower costs, and higher profits".

The focus of the articles is on the following questions: "Why is a single European market now a certainty? How are Europeans preparing for it, and what counter-measures do their moves demand? Will non-Europeans face a protected fortress? When are the critical strategic plays likely to occur?" The articles and the salient observations of the authors are worth noting:

1. John F. Magee, "1992: Moves Americans Must Make: How managers can prepare their companies for the new Europe".

- -'The old, inefficient, parochial Europe is giving way to an aggressive and integrated market place';
- -'Multinationals that have developed local tactics for each European nation now need a grand Pan-European strategy';
- -'Protected niches are vanishing. Predators and prey alike are searching for every competitive advantage';
- -'Divestiture is painful--but far better than slow death'';
- -'The European Community's goal is Europe for the Europeans': "The European Commission and European political leadership intend to use the single market to support development of critical industries in the EC. The community is clearly not willing to form a unified market to be exploited from abroad, as has happened in some industries. We can expect the Commission to search for ways to pursue the goal of Europe for Europeans."

2. "Eric G. Friberg, "1992: Moves Europeans Are Making: How the best managers are preparing for new patterns of competition":

- -'A wave of mergers and acquisition is sweeping the continent;'
- -'A Volkswagen Golf costs 55% more in Britain, than in Denmark. Such variations can't last;'
- -'Differences in taste will persist. The French want top-loading washers, the British prefer front loaders';
- -'Today European managers are wrestling with problems that managers around the world have been wrestling with for years. Managing uncertainty is always hard, always risky, always demanding. But it is, after all, what management is all about'.

3. Nan Stone, "The Globalization of Europe: An Interview with Wisse Dekker":²⁰

- -"Wisse Dekker, chairman of the Supervisory Board of N.V. Philips' Gloeilampenfabrieken, is one of the foremost advocates of a true European Common Market". He takes prominent position among those industrialists who see the need to subordinate national interests to the economic imperatives imposed by globalization. He is a founding member and now chairman of the Roundtable of European industrialists, a group of business leaders who are chairmen, chief executive officers, or managing directors of large corporations with important manufacturing and technological commitments in Europe. The Roundtable's principal aim is to help strengthen and develop Europe's competitive capabilities by encouraging the creation of a single European market, improving the European business climate, and promoting entrepreneurial drive through such initiatives as Euroventures B.V., a venture-capital company that invests in high-potential service and advanced technology companies throughout Europe'.
- - 'We understand now that it is companies that must compete, not countries';
- -'There are no second chances for companies that fail to win a share of the world market quickly';
- -'Opel is GM, but it is considered absolutely European';
- -"When Americans and Japanese talk about 'Fortress Europe', a lot of self-projection is going on".

4. Raymond Vernon, "Can the U.S. Negotiate for Trade Equality?" "1992 promises crucial negotiations for American business. The U.S. government is torn by conflicting national values."

-
- -'The U.S. decision-making structure was never designed to shape trade policy';
- -U.S. negotiators may want free trade, but domestic interest groups can always challenge their agreements';
- -'Congress can't make up its mind about "national treatment";
- -'It is time to empower international institutions to settle trade disputes--like the U.S. and Canada have done;'

The Economist recently brought out 'A Survey of Europe's Internal Market'²¹. It observed, "Little more than a year ago, Europeans themselves barely realised that the 12 European Community countries had found a real resolve to turn themselves into one open market by the end of 1992. It was only after a wrangle over the EEC's budget and farm policies had been settled in February 1988 that their governments woke up to the task they had set themselves more than two years earlier."²²

It further observed, "Within Europe and beyond, the ultimate goal of the European Community's 1992 project remains a mystery. It is less than some outsiders feared, writes Nicholas Colchester, our deputy editor, but more than some insiders expected."²³

Among other things, *the Economist* provides an interesting insight--the motives behind the formation of EEC.

"In the closing stages of the second world war, one French poet, Valery, had an inkling of the forces that would drive Europe towards project 1992 40 years later.

- History will never record anything more stupid than European competition in politics and economics, compared and contrasted as it is with European unity in matters of science.

He wrote; and much the same was said by more obvious fathers of the EEC at the time. But the poet went on:

- Just think what will happen to Europe when, as a result of its labours, there will exist in Asia a couple of dozen Creusors or Essens, Manchesters or Roubaix, in which steel, silk, paper, chemicals, textiles, ceramics and the rest are produced in staggering quantities and at unbeatable prices by a population which is the most frugal and numerous in the world."²⁴

Following this, *The Economist* comments: "In truth, both America and Europe are adjusting to a challenge from Asia". By Asia perhaps they mean Japan since in the entire issue there is reference to no other Asian country.

Bill Powell's article 'Europe After 1992: Battleground' in *Newsweek* October 2, 1989 issue also referred to Japan. The basic theme is 'Japan sees profits in Europe's single market but braces for trade disputes'. The article is full of details and insights as to how Japanese companies are reacting to EEC. Some of his observations are:

- ""1992" - the creation of a single market among the 12 nations of the European Community - has concentrated Japanese minds on Europe as never before. And for all the hype about a protectionist wall encircling the continent - and the attendant fears that the world trading system is degenerating into warring regional blocs - Japan increasingly views the prospect of EC unification as an opportunity, not a problem. Intense skepticism has evolved into something approaching enthusiasm. "I am an optimist," says Canon Inc. Chairman Ryuzaburo Kaku, "For Japan, 1992 does not mean 'Fortress Europe.'""
- In Tokyo that's a new attitude - one that's still not unanimous. Despite the talk about a liberalized European market, a few tough EC decisions on trade have spooked some businessmen in Japan. They worry about an insecure Europe, fearful of Japanese competition and slouching toward crude protectionism. They are convinced, as Mikiya Imagawa, general manager of Mitsubishi Electric's International Operations Group, says, that "the economic unification of Europe is not being undertaken for the benefit of outsiders."²⁵

He further reported that there was a fear that Japan which had already located 100 plants in Britain may use it as an export base and swamp the rest of the Community. This has created tension in European companies. "The fear

is that tension within Europe could provoke trouble with Japan. Says McKinsey & Co. Director Kenichi Ohmae: "Between now and 1992 there will probably be decisions taken in Brussels that will make the Japanese scream". On the other hand, the Japanese government, after some initial wariness, has followed the lead of businessmen and warmed to the prospects of 1992.²⁶

- "Japan wasn't always so bullish on 1992. Its attitude has changed remarkably in just one year. Last summer business and government leaders from Europe, Japan and the United States gathered at a Trilateral Commission meeting held in Tokyo. Participants say there were really two meetings: one was official, and the agenda was standard stuff: East-West relations, the health of the industrial economics, Third World debt. The second was held informally in the hallways during breaks and over drinks after hours. It concerned one subject only: 1992. The United States then had a severe case of paranoia about Fortress Europe and was passing it along to its Japanese hosts. "The Japanese were just focusing on 1992", says an EC official, "and what the Americans were saying was a disaster".²⁷
- Japan is now doing what the United States did over 20 years ago", says Naoya Takebe, author of a study on 1992 at the Industrial Bank of Japan. "They are becoming part of the economic landscape of Europe."
- 'But Japan, of course, lacks the cultural bonds with Europe that the United States has. "That's the risk now", a concerned Japanese banker said last week. "Americans are more open, more receptive to Japanese, and even they're getting frustrated now. I'm not sure how it will go in Europe." The chances for greater tensions undoubtedly exist. An EC official concedes that there are a few within the commission who "simply don't feel comfortable with the Japanese. It comes down to that, really - race, nationality."²⁸

Thus, deep below all the concerns about economic relations is the reality of 'race, nationality', which all parties are aware but are reluctant to speak openly. Powell, who mentions so many names in his article, unfortunately

does not mention who these 'a few within the commission' are, what positions they hold in the Commission, and to which nationality they belong.

In the same issue of *Newsweek* there is an article by Scott Sullivan: '1992 Schizophrenia: Europe isn't sure what to think about Japan.'²⁹ He mentioned about the feelings of Edith Cresson, France's deputy foreign minister for European affairs.

- "Edith Cresson's pet peeve is the Japanese. They "sit up all night long thinking of ways to screw us both - Americans and Europeans", she fulminates. They're our common enemy". Cresson's views on Japan are a bit extreme, but they matter. Hers is not the only voice, however. Tens of thousands of European workers who might otherwise be unemployed, are working happily for Japanese firms..... " The French province of Alsace maintains an office in Tokyo in order to promote what Cresson calls Japan's "takeover of the European economy."
- "As the outlines of the single European market become clearer, European attitudes toward Japan grow more and more schizophrenic. Britain's Margaret Thatcher welcomes practically any new Japanese industry with open arms. But France and Italy fight to keep Bluebird cars that Nissan makes in England out of their markets. The German state of North-Rhine-Westphalia offers subsidies as high as 42 per cent of total investment to Japanese firms that set up new plants there. But the Commission slaps "dumping duties" on Japanese products ranging from electric typewriters to VCRs to microwave ovens. Like the United States before it, Europe has developed a love-hate relationship with Japan that will last long beyond Jan.1, 1993.'

Scott Sullivan further describes the likely scenario, part of which would encourage the Japanese to invest further in Europe, and part of which would discourage them to do so, and mentions:

- "Japan Inc. knows all that. A handful of companies like Sony and Sanyo have conducted a sophisticated European strategy since the 1960s. Now, practically every major Japanese firm has joined in. They would probably have gone much the same route in the absence of a 1992 deadline. But in the end, 1992 will have served to turn the Japanese into "good Europeans" a few years earlier than would otherwise have been the case".

Scott Sullivan's observations on Japan raises a number of questions. Have the Japan Inc. really judged the happenings in Europe correctly? Is it really a love-hate relationship? Are the contradictory actions of different members of EEC due to true differences about economic policies among member countries? Is it possible that these members have not discussed and agreed to such policy decisions among themselves before implementing these? Or, are these part of the well thought of strategy of EEC to (a) keep Japan Inc. guessing; (b) get Japanese investments in Europe where Commission wants them to be; (c) stimulate Japan by love-hate, hot-cold relationship so that it is further tempted to invest more and more in Europe. If Sony and Sanyo can think of a 'sophisticated European strategy since the 1960s', so also EEC of a 'sophisticated Japanese strategy' much before them. After all, Europeans have had much deeper and much longer experience of strategic planning. That is how they were able to rule the world for centuries. And this time they are planning on a gigantic scale where stakes are also gigantic. It will be rather naive on our part to assume that contradictory behaviour of different member countries is not part of a well planned strategy of EEC. What could be the goal of such a strategy? To trap as much Japanese investments in Europe as possible (or as much as judicially worked out) before 1992, and then close the trap by various mechanisms so that Japanese lose control over them? After all, every thing is fair in love and war. And as Colbert of France under Louis XIV said, 'One nation could improve its position only at the expense of the

others', and commerce 'a perpetual and peaceable war of wits and energy among all nations'.³⁰ In the short run Japanese may be gaining at the expense of European companies. But in the long-run will they be? Sony and Sanyo and such other early starters might have got back by now, if not all, atleast a major chunk of their investments. What about the late comers? Since beyond 1992 is unknown, highly uncertain, the project life has to be short, no more than three years. In such an environment slow moving organizations, slow moving products, products having low value addition with respect to raw material, have no place. Return on investment has to be high and quick. That is why all the time products such as car, VCR, camera are mostly referred to.

In *Newsweek's* November 6, 1989 issue, John McCormick and his team tell us about the 'Pep Rallies' organised by EEC to convince the small and medium-size companies about the business opportunities opened up for them by EEC 1992.³¹

- "The delegates included ranking diplomats from West Germany, Britain and several other European countries. Their purpose: to tell smallish American companies how they can export to the European Community after its 12 members merge into a single trading block in 1992. The topic was no surprise - but the setting was. It was Pierre, S.D., the modest capital of one of America's least populous states. After the Europeans arrived last weekend, local officials, many wearing cowboy boots treated them to a barbecue and a pheasant hunt. But first they talked turkey about how South Dakota's industries can crack the new European market."
- "The message of many of the pep rallies: If you want to win in Europe, start now."... "The gist of it is, come 1992, if you have approval in one country, you will be able to sell in the other countries."

The article also tells us that 'state officials are descending on Europe these days the way tourists do when the dollar is sky-high'. In 1989, in nine months alone 26 state delegations showed up at the American Embassy in Paris looking to get a jump on 1992.

From this article we learn that, as in Japan, so also in U.S. there is optimistic as well as pessimistic view about EEC 1992. The authors report that,

- "Not all state officials see the new Europe as a safe bet. "Right now, all 1992 means is a bull market for conferences and seminars," says Pennsylvania Secretary of Commerce Raymond R. Christman. Some experts still foresee "fortress Europe' provisions like "local content" requirements, antidumping laws, perhaps even an anti-trust policy that would curb American-European mergers."

Such rallies organised by ranking diplomats from EEC countries, besides adding to income from tourism, serve an important strategic function, namely, creating favourable opinion and attitude towards EEC among the homegrown smallish to medium size American companies. It is this crucial segment of American society, the middle and upper-middle class, the backbone of American society, that EEC is trying to reach and influence through face-to-face communication strategy. American multi-nationals are already favourably inclined towards EEC 1992. Goodwill of the equally important second strata also needs to be secured. To what extent mass media, especially TV is used and will be used in future, by the EEC, we do not know. That would depend upon EEC's judgement on two factors. One, weight carried by the lower (with predominance of Blacks) and lower-middle service and salaried classes' in formulation of American policies on international economic relations. Two, risk involved in open mass dialogue (on pros and cons of EEC 1992 and its social and political implications) in an

open, racially mixed American society with its extremely alert media people. There could be more media people like the influential American columnist James Reston who, as we mentioned earlier, reported in *The New York Times*, way back in 1961, the forecast of a French official that "the great conflict at the end of the century will not be ideological but racial."³² A few more such statements on TV channels would not do any good to EEC 1992. Can EEC take such risks? On this calculation would depend the use of mass media by EEC.

Business journals in the West rarely referred to global issues of concern to poor, under-developed third world countries. One such rare example is an article, "An Economic Outlook on Global Development", by W. David Hopper, Senior Vice President, the World Bank.³³ Hopper's article provides both the optimistic and the pessimistic views prevailing in the west on the world economy. Some of his observations under the 'optimistic view' are presented below:

- "In the past five years, global economic leadership has been increasingly shared between the U.S. and its G-7 partners (Japan, Germany, France, the U.K., Italy and Canada), who, jointly, have given successful evidence of their skill and capacity to inject stability into the world economy. Provided the G-7 nations continue their cooperative efforts to guide the transition of the industrial economies through a massive restructuring without resorting to 'beggar thy neighbour' trade practices, the global economy should remain buoyant".
- "The collaboration among the G-7, re-affirmed by the annual economic summits, has generated a better understanding of the nature of the entwined components of the emerging global economy. The concerns of the G-7 now reflect a recognition that autarchic policies drawn within the narrow vision of sovereign markets are truly anachronistic in a world where basic economic activity (production and consumption, saving and investing) has become a single, mutually interlocked

phenomenon. Such a recognition can only gladden the heart of the optimist for it means that economic policies have a hope of being abreast of market reality, not trying to perpetuate either the poetry of sovereignty or the dreams of year past."

- "The optimist will find greatest comfort in the fact that capitalism built around the private entrepreneur and free markets has conclusively proven its capability to bring prosperity to the world's peoples. Communism has failed as a form of economic order. Its two most important exponents, Russia and China, are in the throes of a structural transformation to capitalism. And even the French could not implement successfully a mild program of socialist change. Imperialism too is in the agony of decline as the greatest of the present-day imperial powers, the Soviet Union, finds ethnic aspirations fragmenting its internal empire and the costs of holding its external empire too heavy to bear."
- "The prospects of Russia, the East Block nations and China becoming full members of the world's economy opens exciting opportunities for future investments and a significant expansion in world trade."

Some of his observations under the 'pessimistic view' are as follows:

- "It is easy to be a pessimistic. The optimist's outlook depends heavily on the successful management of intermeshed sovereign economies. The pessimist recognizes that at any time the political realities of an assertive and retaliative nationalism could push the global economy into major difficulties".
- "Internationally, protectionist tendencies are deplored but are hardly in retreat. The 1992 European integration is already being questioned by calls for special exemptions. The rich nations act through many mechanisms to limit competition among themselves and to limit the power of any third world threat to their hegemony of international commerce in agricultural products and manufactures. Using quotas, discriminatory tariffs on partially-completed or fully-processed products, exclusions under various excuses and subsidies to domestic suppliers that make external products uncompetitive, the industrial powers limit access to their respective markets

using, again, the politically attractive slogans of sovereign interest and need."

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David Hopper further stated:

- "At one time, the U.S. dominance could ensure an international compliance that would favor its domestic socio-political and economic interests. This is no longer the case today. The well being of the global economy is now balanced on the actions of three large blocks--Japan, with Asia in tow; West Germany and the European community only a few steps away from fuller integration; and North America with Canada a partner to the U.S., even if an uncertain and, perhaps, an unwilling one. The North American node of the balancing act still exerts the principal weight; but, should the G-7 fail as global statesmen in their role as joint economic managers because of the friction between domestic and international good sense, the world could fragment again into separate national economic entities that would bring the progress of the last 40 years to a sudden and dismal stop."

The optimistic and pessimistic views presented by David Hopper were from the Western perspective. As regards to the developing countries he stated:

- "To the citizens of the third world, the economic outlook is, at best, uncertain. Even the most optimistic scenarios of growth and stability in the economies of the industrial powers seem to hold little comfort for developing nations unless real rates of interest fall and remain low, price stability and global growth is sustained and, above all, world markets are opened to third world competitors".
- "Third world agricultural exports of everything from tomatoes and cut flowers to rice and livestock products have been particularly hard hit. They are excluded from many rich markets because of the actions of local farm lobbies or they have

to compete in global markets against heavily subsidized exports from the farms of the richer countries."

- **"Manufactured products from fledgling medium and low technology, labour intensive industries that offer many of the poorer third world nations their only significant hope of earning their way, confront trade barriers to the richer markets designed to protect inefficient but politically powerful domestic producers."**

He further observed,

- **"In a recent study, still to be published, World Bank economists estimated that protectionist legislation and regulations that impede the free flow of goods into the industrial nations have probably cost southern nations foregone income roughly equal to twice their receipts from official international assistance flows. Unless the rich nations welcome third world countries as producers of exports as well as consumers of imports, the gulf between north and south will persist."**

At the end, David Hopper concluded:

- **"In the final analysis, success will rest on moulding into a new shape the concepts of nationhood and national sovereignty. These concepts are rooted in human history and human tradition.... In many of its features the global economy has broken beyond the legacy of agreed boundaries of national autonomy.... The vigor and power of the integrated global market will eventually penetrate and shape the social and political structures of each nation. Each will join with others in pursuit of an endeavour that transcends narrow national zeal to bring economic benefits to all people."**

Thus, David Hopper expects the third world countries to join in the West initiated and dominated endeavour of globalisation of economy by sacrificing their recently acquired national sovereignties inspite of their rather bad experience in the past and especially in recent

years in dealing with the West, and even when for them the economic outlook is 'at best uncertain'.

What David Hopper wrote about the third world countries was usual standard stuff dished out for decades in international forums: East-West interdependence; the growth of the rich countries should provide buoyant market for developing countries, but it is not; trade barriers by rich countries designed to protect domestic producers; North to South transfer of development assistance capital remains stagnant; debt crisis in third world countries, policy reforms needed in developing nations; shared responsibility for the economic well being of the world's peoples; and so on. All this and much more have already been said by many others, leading to great debates. The Brandt Report covered all such stuff in great details about 10 years back.

Overseas Development Institute and Institute of Development studies, U.K., brought out four volumes entitled *EEC and the Third World: A Survey*, between 1981-84.³⁴ These volumes carry about 44 articles on issues related to EEC and the third world. The standard stuff mentioned above is covered by these articles. The selection of articles was by an Editorial Board under a specific editorial policy. "The survey will provide an annual record and commentary of major developments in the European Community's economic relations with the Third World.... Its underlying philosophy is that EEC and the Third World have mutual interests. Neither harmony nor conflict of such interests is regarded as inevitable".³⁵ Incidentally, there was no Third World representative on the Editorial Board. Also, only one out of the 44 odd articles was by an 'outsider' (last article in Vol.III), perhaps an afterthought. This was by an Indian government officer, S.S. Saxena, then Director (Foreign Trade) at the Ministry of Commerce, Delhi. It seems the organisers could not locate even a single

scholar from the Third World countries to provide a Third World perspective. This inspite of all the talk of 'mutual interest'. Thus, the survey reflects the western view of the nature of existing economic relations between EEC and the Third World countries, and what these ought to be. Volume I starts with reference to Brandt Report.

- "The dilemma facing the EEC in its relations with the third world was neatly illustrated by the *Sunday Times* of 17 February 1980. On the centre page, in a interview of the Brandt Report, which it described as 'The most important event this year', it boldly proclaimed that 'the world economy is breaking down..... Bridging the gap between rich and poor is not only humane: it opens up a potential market of 2,000 million poor people. Nothing else will solve the North's problem of over-capacity, or ensure survival of the South'. Yet the same issue carried another story, with a very different message. It began 'The (UK) government is about to announce further cuts in overseas aid.....'³⁶

In Vol.III, there is an article by Thorvald Stoltenberg, "The Perspective from Outside the EEC."³⁷ Some of his perceptions as to how the third world countries may or may not react to European policy are worth noting:

- "Peace, arms control and nuclear weapons have taken a central position in the political debate of Europe and the United States. This is natural, and it is important that we reduce our dependence on nuclear weapons in order to reduce the threat of war and the danger that they may be used."...
- "The other danger, which is ignored both in the East and the West, is that continued frustration among the majority of the world's population may result in a growing belief that armed violence is the only possible way to force through the changes needed for a better existence for themselves and their fellows. This frustration will come from the fact that they can see no improvement in their situation, that a decade's negotiations have not produced the hoped-for results, and that the industrialised countries in the East and the West appear to have

lost interest in their problems. We know that this frustration is increasing, as is the danger of nuclear weapons proliferation. Who can produce nuclear weapons? Which countries have such weapons today that we are not aware of?"

- "This combination of rational thinking on the part of the developing countries, leading to the conclusion that force is an appropriate response, together with the possibility of the use of nuclear weapons open up frightening perspectives. I am not thinking about a collective rising by the Third World against the Second or First World. That is unrealistic, both politically and militarily. I am thinking instead of terror situations of which we already see the outlines and which by the end of this century may be our greatest security risk. We fear violence and war primarily because of the insane waste of human life involved. Yet, in many developing countries, many people are already today suffering from such a 'State of War', not because they are being killed by bombs and shells, but because of a shortage of food and medicines. In a situation where a high proportion of the babies in a village die before they are one year old, perhaps war is not as frightening a prospect as it is for us with a life expectancy of 70-80 years."
- "With this in mind, Europe must expand its conception of security beyond considerations of satisfactory defence, *detente* and disarmament, to include the solution of national and international socio-political problems."

Stoltenberg was worried about nuclear weapons proliferation in third world countries, and asked 'Who can produce nuclear weapons? Which countries have such weapons today that we are not aware of'? He did not mention any names. But, obviously he was pointing at China and India. He did not tell us as to why a collective rising by the Third World against the Second or First World would be unrealistic? Any way, what is important is that such a possibility existed in his mind. He was also worried about the possibility of more terrorist attacks organised by the Third World countries in European countries. That, he considered, Europe's greatest security risk.

Volume IV was mainly addressed to analysis of the Lomé relationship mainly covering a group of former colonies in Africa, the Caribbean and the Pacific (the ACP). The first Lomé Convention (1975-80) between the EEC and the ACP was hailed as a giant step towards a New International Economic Order (NIEO). "By the time Lomé II (1980-85) was negotiated, these congratulations were muted and, instead, the ACP complained about the Convention's practical shortcomings and the Community's unwillingness to take what the ACP considered to be a necessary second step..... In October 1983, negotiations began for a successor Convention.... All the signs are that, far from advancing further in the direction that the ACP believe was envisaged in 1975, the EEC will make a determined bid to push the Convention onto a different trajectory altogether."³⁸

- "The two features of Africa's economic problems that have most relevance to the renegotiation of Lomé Convention are these: First, most African states stagnated during the Lomé period, and have since become poorer. This must colour any assessment of the value of the Lomé trade and aid provisions. Any positive effects of the trade preferences, designed to stimulate trade, have almost certainly been overwhelmed by the deterioration of Africa's traditional primary exports. Moreover, the aid provided under Lomé, far from representing an injection of additional capital, has in most cases been a very partial replacement of resources that the recipients previously earned from exports. Second, the events of recent years have illustrated Africa's vulnerability to economic influences over which it has no control and emphasised that this vulnerability has been increasing. The sharp fluctuations in oil prices and in the responses of the industrialised countries since 1973 have greatly increased uncertainty in the international economy so that it is much harder for developing countries to espy squalls on the horizon, let alone prepare to weather them. It might be thought prudent in these circumstances for Africa to reduce its exposure to external forces. In fact, the opposite has tended to occur, most dramatically in the area of agriculture; imports of

food have increased as a result *inter alia* of the failure of domestic agriculture to meet the demand for food."³⁹

The situation has not changed for Africans over the years. Writing in the same vein in 1989, Adrian Hewitt⁴⁰ tells us how ineffective were the Lomé Conventions in improving the lot of African people.

- "Neither Lomé I nor its successors reduced poverty levels or improved living conditions for the mass of urban and rural families in ACP countries. Indeed, Africa is facing crisis, and African per capita income and per capita food production are lower now than before the start of Conventions I and II, even though the EC's role has been to help not to harm, on balance."
- "ACP states have not greatly diversified their production or exports the ambitious industrialization targets of the Lomé Convention have not been met. The reality of the Convention has been that both aid and trade provisions have acted to confine ACP countries to the export of certain primary commodities. Manufactured and semi-manufactured goods have a very small share of EC imports from ACP countries, barely 3-4 per cent, and hardly rising. Only Mauritius is a significant exception to this rule."
- "In absolute terms, aid has increased with each convention. But when inflation and population growth are taken into account, it can be seen that over 1976-85 (Lomé I to Lomé III), European Community real per capita transfers to ACP states fell by 40 per cent. This was at a time when ACP states' needs to resource transfers were increasing ... Lomé III provides for a total allocation of ECU 8500 million over 1985-90. This barely covers the rise in prices and , represents a further decline in real per capita transfers."⁴¹

He concluded :

- "We asserted at the outset that EC policies towards the ACP rested on three supports : the legacy of colonialization, the

mercantilist idea of exchanging raw materials for manufactures and the belief that European culture and civilisation could be bestowed as part of development. In the course of this chapter, all three have been shown to be found not only wanting, but excessively backward looking. The colonial legacy is the legacy of member states - not even governments let alone the European Community itself - which did the colonization. Even if the idea that raw materials should be exchanged for manufactures for mutual benefit (an excessively two - dimensional model even for Ricardo) were persuasive, it could no longer be relevant for the future. Not only do developing countries need desperately to diversify out of commodity dependence, Europe is already shifting out of commodity-using manufacturing into services. Lastly, although culture has obviously a part to play in the actions with Africa, it is not at all obvious that a sterile administrative body like the European Commission - hitherto no guardian of culture - should be empowered to be the vector for it or allowed to negotiate on behalf of the cultivated population of Europe a deal with Africa in this non-economic area.⁴²

So much for the grand Lomé Convention and gains to Africans. All said and done it was a big flop so far as African economy was concerned. To what extent this exercise in 'mutual interest' hurt the other party namely, the EEC is not known since, as usual, western scholars were busy analysing and telling the Third World countries their plight and shortcomings.

We do not know why inspite of ineffectiveness of the first three Lomé Conventions, the Africans participated in the negotiations of Lomé IV starting in 1988. We can only suggest a few hypotheses :

- (i) They are desperate for aid; whatever comes now is welcome; even if, it makes them poorer later, as in the past; typical short-sighted policy of many poor countries exploited by EC.

- (ii) Certain class of people in African countries, especially those in export-import business, being benefitted by aid from EC, even though the country as a whole is not; typical vested-interests phenomenon taken advantage of by EC and other countries.
- (iii) Hope and expectations that at least in future EC may behave with greater sympathy towards its associated members.
- (iv) Little hope of getting development aid and technological support from other sources, especially from what is popularly called, South-South co-operation. This, because lack of unity and common objective among the technologically and economically a little better off among the Third World countries.

Why did EC pushed for the IIIrd and IVth Lomé Conventions ? Again, we have no data. But the obvious hypotheses would be :

- (i) These Conventions were financially and economically beneficial to EC till now. EC got cheap raw materials, and good market for its industrial products and services; the economic and financial benefit-cost ratios were in favour of EC. Aid was an investment, and returns on these were high.
- (ii) Even supposing cost-benefit ratios were not financially and economically favourable to EC, still the political returns were high : with expectations, Africans became complacent, and their interest and resolve in joining other developing countries for collective actions against the rich countries became weak. Thus, ACP associated membership and Lomé Conventions served both as an economic strategy as well as a political strategy to discourage unity among the poor nations.

It should be obvious to African countries (and for that matter to other countries like India looking forward to more aids from EC and other Western funding agencies)

that with massive flow of funds towards East Europe, they would not get much support from EC in near future. What would be the reaction of African countries in future should be of interest to all. At this stage, nothing is available to us on the subject.

IV

With the introduction of Single European Act (SEA) in 1985, there was revival of interest in political and institutional aspects of EC. Along with it came interest in the monetary integration issues.

On 14 January, 1985, the European Commission president made a statement to the European Parliament in which for the first time 1992 deadline was mentioned. He mentioned, "now that some Heads of States and Governments have decided to set an example ... it may not be over-optimistic to announce a decision to eliminate all frontiers within Europe by 1992 and to implement it". This was approved by the Brussels European Council on 29-30 March, 1985, and followed by *White Paper on Completing the Internal Market* which provided a detailed program with specific timetable. The White Paper was prepared by Lord Cockfield as the Commissioner responsible for the internal market. It outlined a vast programme of legislation and implementation. This was discussed in June 1985 at Milan. As happened at the time of U.K. joining EC in 1973, U.K. first opposed the proposal and later accepted it.⁴³

The adoption of a Single European Market (SEM) by 1992 was rapidly followed by an agreement on SEA at the end of 1985 on the eve of the EC's third enlargement. "The amendments to the Treaty of Rome introduced through the SEA meant that some areas formerly subject to unanimity became subject to majority voting."⁴⁴ Juliet

Lodge tells us that "Not until the SEA was there any reference to the European Council in the EC treaties. Its existence outside the supranational framework increased suspicion of governments' motives and, of course, suited governments keen on flexible non-binding arrangements."⁴⁵

In another article, Juliet Lodge tells us about the operations of 'External policies' of EC, which she defines as, " are outer-directed and aim at producing a degree of agreement and/or consensual policies among the Twelve towards non-EC, often known as 'third', states."⁴⁶ She observed :

- "It is obvious that neither a common market nor the SEM can be established without often unwelcome consequences for third states. The mere establishment of a Common External Tariff demands adjustments both by members of the block applying that tariff and by those who export to the block. Various forms of protectionism and market support also have trade diversifying effects. The year 1992 has become short-hand for the completion of the SEM. While its consolidation will extend beyond the 1990s, many third states and commercial interests within them are operating as if the SEM will assume concrete shape by 1992. This is especially true of the EC's major trading partners, including the rump EFTA (Hine, 1985 : 144ff). Renewed speculation exists over EC entry bids by Norway and even Austria, Switzerland and Sweden. Turkey applied to join the EC in April, 1987. Morocco may follow and by 2002, Cyprus is to complete a customs union. Third states are forced to adapt to the EC's policies and its anticipated effects. EC rim states seem to be following parallel actions, at a minimum, to minimise anticipated difficulties from the SEM's establishment."⁴⁷

In another article, Juliet Lodge further elaborated on the external policies in the context of European Political Cooperation (EPC) towards the 1990s.⁴⁸ She observed that " The globalization and politicization of international trade makes the demarcation between the two questionable".⁴⁹

She further pointed out that "the old dichotomy between trade and defence has been fudged as the EC's prosperity has been recognised as being dependent on international peace. The term 'security' is now recognised as having economic dimensions for the EC with the result that the member states cannot credibly reserve exclusively to themselves the pursuit of high policies and diplomacy." ⁵⁰ She further wrote :

- "The decision to create a Framework for Political Cooperation emanated from the 1969 Hague summit meeting of the Heads of Government or State. They argued that a means had to be found to enable 'a united Europe' to assume 'its responsibilities in the world of tomorrow' and 'to make a contribution commensurate with its traditions and mission' (Summit declaration). ... Thus, 'the united Europe' was defined as 'the fundamental aim' to be achieved as soon as possible through 'the political will of its people and the decisions of the government'." ⁵¹

As regards the operative part of the EC, she traced the developments from 1969 and informed us that EPC was consolidated in the 1973 Copenhagen Report.

- "EPC's goals were also defined. The member states were committed to consulting each other on all important foreign policy questions and working out priorities, observing certain criteria : the purpose of consultations was 'to seek common policies on practical problems'; and the subject matter had to 'concern European interests whether in Europe itself or elsewhere where the adoption of a common position is necessary or desirable'".
- "In December 1973, the Nine adopted their document on European Identity which sought to define their relations with third states as well as their position in international affairs." ⁵²

- "The SEA codifies EPC in an international treaty ... SEA Art. 3(ii) goes on to deal with EPC and to define its power in relation to Title III as provided for by SEA Art. 1(3) - the same article that states :

The European Communities and European Political Cooperation shall have as their objective to contribute together to making concrete progress towards European unity."⁵³

She concluded :

- "EPC showed a penchant for inter-regional diplomacy early on. This followed on from EC's establishment over the years of special links with the developing world, notably through the Lomé agreements, but also through ANDEAN and the younger contradora group vis-a-vis Latin America, ASEAN since 1980 (Beuter and Tsakaloyannis, 1987), the Euro-Arab dialogue and the Gulf Cooperation Council (Greilsammer and Weiler, 1987 : Yorke and Truner, 1986). More recently, the Twelve have explored more active measures through EPC both to combat international terrorism (notably using Trevi) and international crime with a degree of success. It is also clear that the Twelve are developing a degree of convergence and joint purpose towards single states (like India and China) and more specially towards Austral-Asia, the NICs and the Pacific basin. The diverse demands of these areas will inevitably require closer linkage still between the EC and EPC."⁵⁴

Considering this evolution of EPC and its mandate, it should be obvious to the non-European communities that behind Common Market and 'Globalisation of Europe' is the fundamental political objective of 'European Identity' and 'European Unity'. Individual leaders and diplomats may visit the non-European countries and discuss economic and political matters. But behind their speeches is the collective thinking and strategies evolved under the EPC. It may also be noted by India and China that these two countries are in a way ear-marked by EC for 'special treatment' and not involved in any group dialogue. Incidentally, as was seen in any other Western publications, there

was little attention given to India and China in Juliet Lodge edited book referred to above.

V

In the literature on EEC produced by the western authors two things are generally conspicuous by their absence, and which are worth noting by our scholars and bureaucrats/diplomats. One, there is little or no reference to or concern expressed for the developing countries and *their* reaction to EEC. Second, there is no reference to race and racism. One can understand their reluctance to talk about race directly, yet it is not absent from the European thinking as is clear from James Ruston's writing referred to earlier. Regarding absence of concern for the developing Asian and African countries, it seems that Euro-centralism reached a pathological stage in Europe after the second world war. In their mind these countries do not exist, or are of little or no consequence to EEC. Even in the above mentioned issues of the *Harvard Business Review* and the *Economist* there is no reference to developing countries and race.

Such unconcern for 'non-European' Asian and African countries creates grave doubts about the advantage of the process of 'Globalization of Europe' to these countries. It also raises serious doubts about the role of supra-multi-nationals--supposed to help this process of globalization of Europe--in the economies of developing countries. Nan Stone tells us about Wisse Dekker, Chairman of the Supervisory Board of N.V. Philips' Gloeilampenfabrieken of the Netherlands, Europe's largest consumer electronic company. He is one of the foremost advocates of a true European common market. He is also a founding member and now Chairman of the Roundtable of European Industrialists 'whose principal aim is to help

strengthen and develop Europe's competitive capabilities'. And he sees "the need to subordinate national interests to the economic imperatives imposed by globalization". It is obvious that Wisse Dekker's concerns are for Europe and Europe alone. What concerns will Philips have for developing countries? It is one thing to subordinate interests of individual European nations for the benefit of the European Community. It is other thing to subordinate the interests of developing countries for 'globalization of Europe'. How much neutrality can one expect from Wisse Dekker and his kind?

We have presented above the reactions to EEC, since its inception till today, as reflected in the literature on the subject in the west. Since literature available to us was limited, the presentation, at best, provides a glimpse of thought-processes in the West. This, in itself, is inadequate since it does not cover any literature on socio-psychological and cultural dimensions, as literature covering these aspects were not available to us. We also do not have recourse to literature produced in other countries especially in Africa, China and S.E. Asia. Hence, we do not know their reaction to EEC.

With German unification approaching fast, one would expect increasing fear in many minds in Europe about the future role of united, powerful Germany in EEC, and possible emergence of neo-Nazism. We can only hypothesise on this issue since we do not have at present any recent data on the subject. We can only say that such fears about the possible emergence of neo-Nazism in Germany are not unfounded. As early as 1966, Richard Hiscocks while appraising the Adenauer Era wrote about 'The seamy sight' of Germany's revival.⁵⁵ He mentioned how Adenauer, the architect of the post-war Germany's economic revival, either allowed or ignored or deliberately

overlooked involvement of many proven or suspected Nazi sympathisers in his government. How deep is infiltration of the Nazi sympathisers in present day Germany's policy making levels is not known. From recent newspaper reports we learn that the Jewish community once again fears that there is fresh anti-semitic onslaught underway in Europe and the Catholic Church is going so far as to write a new revisionist history to erase all memories of the holocaust.⁵⁶ The BBC telefilm 'Murderers Among Us: The Simon Weisenthal Story', reminds one of the millions of Jew adults and children tortured and killed brutally by Hitler's fascist hordes.⁵⁷ Recently, there is a report in the newspapers about Ralph Girodano's book, *If Hitler had won the War*, which details Hitler's three-point plan for global domination. The book has become one of the bestsellers in West Germany. The author is a historian, whose mother was German Jewish. The book tells us that after conquering Western Europe and the Soviet Union, Hitler planned to colonise Africa and use bases in North-West Africa as spring-board for bombing the U.S. with help from Japan. If the attack proved successful, Goebbels, Hitler's propaganda minister, would have become governor of America, and Jews and Blacks deported to Madagascar. The book states that German woman would have been awarded medals for having more than five children, and British men aged between 17 and 45 were to be forced to rebuild 50 German cities and towns in imperial style.⁵⁸

In early stages of EEC, its leaders, such as Monnet and Hallstein, emphasised the ultimate political objective behind the formation of EEC. Political scientists and journalists, especially from USA, took great interest in this political objective of EEC. Over the years, however, economic and commercial aspects of EEC received much greater attention than the political one. The 1992 schizophrenia and intense attention to economic and com-

mercial interests have hidden the deadly politico-racial objectives of EEC. It is the books like the one by Ralph Girodano, and telefilm like the 'Simon Weisenthal Story' that tell us more about the political implications of EEC, and the fear created by the possible German unification in the minds of many in Europe, than all the seminar reports by scholars, speeches by diplomats and articles in business journals.

So far we have discussed the reactions to the EEC abroad. Indian reaction to the EEC is discussed in the following chapter.

NOTES

1. V.R. Gaikwad, "European Economic Community: Underlying Motives and Their Implications", Working Paper No.841, Indian Institute of Management, Ahmedabad, January 1990.

2. Jean Monnet, "A Ferment of Change", in Lawrence B. Krause (ed.), *The Common Market: Progress and Controversy*, Prentice-Hall, Inc., Englewood Cliffs, N.J., 1964, pp.40-50.

3. This was pointed out by John Brooks, *The European Common Market*, Economica Books, Smith, Keynes and Marshall, Inc., Publishers, New York, 1963, p.27.

4. James Reston, "The Problems of Race in World Politics", *The New York Times*, December 15, 1961.

5. Walter Hallstein, "NATO and the European Economic Community", in Krause (ed.), *op.cit.*, pp.51-61.

6. Walter Hallstein, *Europe in the Making*, 1972, p.29 (as quoted by G. Sundaram, *Commercial policy of European Economic Community and the Association Agreements*, Allied Publishers Pvt. Ltd., 1983, p.69).

7. *Harvard Business Review*. "The Changing Map of Europe: EC 1992", May-June 1989, pp.77-101.

8. I am grateful to Professor Pradeep N. Khandwalla, IIMA for drawing my attention to these questions while commenting on the draft of my earlier paper, EEC:Underlying Motives and Their Implications (see Footnote 1).

9. EEC regularly brings out detailed catalogues of its publications. Periodically extracts from these are brought out under *The European Community as a Publisher*, available from various EEC Information Offices.

10. *op.cit.*

11. *op.cit.* pp.3-5

12. Ali A. Mazrui, "African Attitudes to the European Economic Community", in Krause (ed.), *ibid.*, pp.121-35. (Reprinted from *International Affairs*, January 1963).

13. As referred to by G. Sundaram, *op.cit.*, pp.56-7. (Sundaram's reference No.19: *European Community*, July/August 1973).

14. Massive propaganda was immediately launched to justify events in Rumania and create an impression that (a) events were spontaneous, (b) it was a revolt of masses against the dictatorial rule of Nicolae Ceausescu who was projected as living in splendor while masses suffered for long from shortage of food and clothing, (c) economy was in shambles and (d) execution of Nicolae and Elena Ceausescu was just. In spite of what was shown in telenews on execution of Ceausescu, the event was shrouded in great mystery. Persons sitting in judgment were not revealed. Only recently we know that the presiding officer committed suicide. No reasons for the suicide, however, were given.

15. This issue of serious disadvantage of mass society is raised by Calmann, see J. Calmann, "Britain and European Community" in J. Calmann (ed.), *Western Europe: A Handbook*, Anthony Blond, HO, London, 1967, p.656. See also for detailed study on Western European Integration, pp.561-667.

16. For example see (1) H.Th. Vreede, *A Profile of the European Market*, De Twentsche Bank N.V. Netherlands, 1958; (2) George W. Ball and Others, *Economic Unity in Europe: Programs and Problems*, National Industrial Conference Board, Inc., New York, 1960; (3) Stuart R. de la Mahotiere, *The Common Market- A Comprehensive Guide*, Holder and S'toughton, London, 1961; (4) Isaiah Frank, *The European Common Market: An Analysis of Commercial Policy*, Frederick A. Praeger, Publisher, New York, 1961; (5) U.W. Kitzinger, *The Politics And Economics of European Integration: Britain, Europe, and the United States*, Frederick A. Praeger, Publisher, New York, 1961; (6) J. Warren Nystrom and Peter Malof, *The Common Market-The European Community in Action*, D. Van Nostrand Co. Inc., N.Y., 1962; (7) Michael Shanks and John Lambert, *Britain and the New Europe-The Future of Common Market*, Ghatto and Windus, London, 1962; (8) E. Straus, *European Reckoning-The Six and Britain Future*, George Allen and Unwin Ltd., London, 1962; (9) *Moves Towards European Integration*, (Contents Several articles published in *The Times* in 1962 and the conclusions of the Commonwealth Prime Ministers' Conference in September 1962), Controller of Her Majesty's Stationery Office, London, 1962; (10) Richard Mayne, *The Community of Europe*, (Introduction by Jean Monnet), W.W. Norton and Company, Inc., New York, 1962; (11) Robert Theobald, *Business Potential in the European Common Market*, American Management Association Inc., New York City, 1963; (12) Jan Tinbergen, *The European Economic Community: Conservative or Progressive?* Almqvist & Wiksell, Stockholm, 1963; (13) Leon N. Lindberg, *The Political Dynamics of European Economic Integration*, Stanford University Press, Stanford, California, 1963; (14) John Brooks, *op.cit.*, 1963; (15) Lawrence B. Krause (ed.), *op.cit.*, 1964; (16) Gordon L. Weil (ed.), *A Handbook on the European Economic Community*, published in cooperation with the European Community Information Service, Washington, D.C., by Frederick A. Praeger, Publisher, New York, 1965; (17) S.G. Triantis, *Common Market and Economic Development-- The EEC and Greece* Research Monograph Series, Athens, Centre of Planning and Economic Research, 1965.

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