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The European Rescue of the Nation-State

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Alan Milward's work has been available in print since the mid to late 1970s, but still remains a classic among European integration theories because it remains one of the most convincing economic explanations of European integration. Despite its shortcomings (the review will talk about the danger of his economic analysis being too one-sided later on) Milward's work is still one of the most important contributions to European Studies, because it gives a comprehensive explanation of European integration, which is a rare find. Its continued longevity, coupled with the many challenges facing the European integration project, mean it is time both to refresh our memory of it and reiterate some of the most pertinent criticisms of this book.

In his book "The European Rescue of the Nation-State", Milward suggests that there is a good reason why European integration has been achieved predominantly in the economic field. He puts economics – low politics – in opposition to 'more important' sovereignty issues, which Stanley Hoffmann called 'high politics'. This higher importance also partly comes from Milward's historical angle, in which economics is not part of the central functions of the state. Some doubt must be cast on this fundamental assumption that economics is low politics and therefore rather unimportant, because in analysing European integration, economics is undoubtedly important and that is exactly the analysis Milward pursues in what follows.

In addition, down-to-earth economics may well be more important to citizens than high politics, e.g. in terms of employment, welfare and economic well-being. Milward actually agrees that economics is a much more tangible factor in decision-making, not only for citizens, but also for states. The basic contention of his book is that on the basis of economic necessities, post-war nation states decided to give up limited areas of their traditional sovereign rights. The supranational European institutions then delivered what the nation state was no longer able to achieve on its own. Peace and prosperity would be the core terms. In this sense the supranational level saved the nation state from the wrath of its own citizens (1992: 3), whose final judgment would fall in favour of the institutions which could deliver the best results. I disagree with this interpretation on two points only. First, it is hard to believe that the national governments intentionally planned their integration into the European framework with the full insight that Europe would deliver what it did and what they needed. Second, the objective view which Milward attributes to citizens seems somewhat artificial. The European Union alternative must have been a very remote option when compared with the nation state with which, say, the Belgian miner, was familiar. What Milward nevertheless rightly points out is that the nation state is not the antithesis of European integration, rather integration is the culmination of the fact that European nation states have developed alongside each other and are nowadays closely intertwined.

As a result of his mainly economic and Realpolitik motivations for integration, he is also very critical of the idea of a longstanding European cultural unity which some claim to underpin the modern integration process. He also criticises his own economist colleagues viewing the state as an imperfection in pure free market doctrine. Milward rightly points out that the state is the result of an evolutionary historical process which also entails the development of the theory of market economy. He additionally underlines that the state is the element which makes trade and market economy possible through its administrative and organisational functions, although the economy or trade might not be genuinely free. In relation to the post-war interdependence debate, Milward stresses that the fact of interdependence does not necessitate integration in a supranational sense. He points out that interdependence advanced further and faster in the 1890s than in the immediate post-war years. There is merit in this critique. However, one can point to the same fact as the reason for post-war integration. In other words, one could argue that the greater economic interdependence experienced in the 1890s was a necessary pre-requisite for post-war European integration to be successful. As a result of the economic integration of the 1890s, integration efforts were also made in the inter-war period. Such economic convergence in previous periods was seen as beneficial by post-war political leaders such as West Germany's Chancellor Konrad Adenauer and they made arrangements for a lasting development in the same direction. Hence, the success of the post-war integration effort can be seen as the result of the previously disappointed integration effort in the inter-war years and the strong desire not to let this chance slip away a second time. On the economic side of this argument, it is important to realise that the interdependence referred to is a (western) European phenomenon and should not be confused with doctrinal ideas of free trade. Milward calls this European 'interdependence integration' a revived form of seventeenth century French mercantilism (1992: 130). The European communities in this sense are economically 'fortress Europe' with a strong tariff barrier faced by those outside.

One historical experience from the inter-war period was that Germany had to be included in any such European club if it was to make economic sense. Milward concedes that the *political* motivation to bind Germany in the integration project can also be seen in this economic effort. The economic strand of the argument is, however, predominant, for which, Milward thinks, he has good historical reasons:

It mattered little that the European Defence Community failed, for it would never have been capable of guaranteeing that the Federal Republic would stay in place. It met neither the needs of the Germans nor the other Europeans. It was commercially, as the pivot of West European trade, that West Germany had to be bound in place, and it was this necessity (...) that gave increasing force to the idea of the customs union (1992: 167).

This historically slightly distorted argument brings out a valid point in favour of economic integration. However, to deny the political foundations of European integration means misunderstanding its whole purpose. Later on, Milward does pick up on the main political aim, namely security. Milward exemplifies this by reference to the Netherlands that security in the postwar period became a much wider meaning beyond the physical integrity of national boundaries. Social peace and cohesion, which was to be achieved through prosperity, became an integral part of it. That is indeed a strong political motivation for European integration. Political motivations behind the Schuman plan – breaking the longstanding Franco-German antagonism – are a good example for the political nature of European integration, too.

There are many authors in European Studies who have either privileged political or economic reasons for European integration and it is arguably very difficult to find a tenable combination of both. Credit must be given to Milward for trying to find that compromise between economic and political motivations.

The argument of this book should not be misunderstood. In bringing together so much evidence relating to the economic and social foundations of the Treaties of Rome there is no intention to deny the political motivations which are conventionally and correctly ascribed to the Treaties. These are that it was a further guarantee of the peace settlement, a still closer Franco-German association; that in doing so it reasserted French political leadership in Western Europe and that it represented a yearning that Europe should have a greater voice in world affairs. (...) The argument accepts all these political motivations, but asserts that, except in Germany, the economic foundation of the treaties was more fundamental, because without it they could not have achieved their additional political objective. These were, in any case, not truly separable from the economic ones (1992: 208).

Milward went on:

It was essential for political and economic reasons that West Germany be bound to the west, but it needed an arrangement that satisfied the economic interests of Western European countries if a durable way of doing this was to be found. The common market was the one durable way that had been found. It was the fact that it rested so firmly on the economic and

social foundations of post-war political change and in doing so reinforced the post-war nationstate that gave the European Economic Community its strength and marked out the Treaties of Rome as a turning-point in Europe's history (1992: 223).

As Milward suggests in this passage, the motivation in Germany was predominantly political as for Adenauer the restoration of full sovereignty and parity of status was an absolute sine qua non. Supranational institutions were seen by German politicians such as Adenauer and Walter Hallstein (later the first President of the European Commission), albeit not the Economics Minister Ludwig Erhard, as the right way to achieve this. Milward seems to deduce from this general acknowledgement one reason why Germany became such a strong advocate for European integration.

In Milward's account of the leading 'Europeanisers' - Jean Monnet, Robert Schuman, Paul-Henri Spaak, Alicide de Gasperi and Konrad Adenauer - he stresses the political motivation for European integration much more. On this personal level and for people of their age and often bitter experience, the political motivation for integration dominated. Milward levels a valid critique against the impression that this is the whole picture, however. The disadvantage of an historical approach is that it constitutes an elitist view of European integration. Primary sources are inherently restricted to a small circle of leading figures. Having realised this problem, Milward tried to give his historical analysis a broader basis: hence the abundant statistics marshalled to support his arguments. However, it is from this that my main critique of this book stems. It is really a question of emphasis. Milward stresses the economic motivation too strongly and therefore overlooks or misrepresents the political endeavour which is most obvious in the European integration effort (see for example Monnet, 1978). For the economic argument, however, it is an extremely insightful account, because it presents a convincing argument of the economic motivations for European integration and even arranges the economic arguments in such a way that they present a comprehensive explanation of European integration. Attempting such a universal explanation of European integration is rare and because of that Milward is still an important source in European Studies today.

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