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**Boekbespreking van: European Responses to Globalization and Financial Market Integration.
Perceptions of Economic and Monetary Union in Britain, France and Germany**

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sets is a large, uneasy jump into the frontiers of social science. However, I think that Ragin has shown convincingly that the fuzzy approach has enough potential to be adopted in the social sciences.

This does not mean, of course, that the fuzzy-logic can replace other approaches. Qualitative case studies remain necessary, for example, to account for deviant cases. Quantitative studies are needed in order to arrive at generalizations and hypotheses. Evidently, the fuzzy-set logic is not always the best way to study causal conditions. It is only applicable to a not-so-large number of countries for which no time series are available and for which only a small number of causal conditions are relevant. For complex research designs, the fuzzy-logic is simply too parsimonious.

Paul Pennings

Amy Verdun, *European Responses to Globalization and Financial Market Integration. Perceptions of Economic and Monetary Union in Britain, France and Germany*. Basingstoke: MacMillan Press, 2000, 260 p., ISBN 0-31222-913-5, £ 55.00

Most analyses of the establishment of the European Economic and Monetary Union (EMU) have focussed on the economic rationale for its establishment, or on the characteristics of the international bargaining process that led to the 1991 Treaty of Maastricht. Amy Verdun's analysis of the financial elite's and the social partners' perceptions of the establishment of the EMU adds a different perspective to the literature on this European monetary arrangement.

The most valuable part of *European Responses to Globalization* is the empirical research Verdun has conducted. Her study is triggered by the 'puzzling observation' that an apparent consensus in favour of EMU existed following the publication of the Delors report, despite the fact that these plans implied a significant transfer of national sovereignty to the European Central Bank (p. 1). In order to solve this puzzle the book sets out to study how national actors perceive the establishment of the EMU. More specifically, it focuses on the question why actors in Great Britain, France and Germany favoured these plans.

Verdun has tried to find an answer to this question by conducting 75 semi-structured interviews with the officials of these countries' central banks, ministries of finance, employers' organizations and trade unions who were charged with European monetary integration. Most interviews were conducted in the mother tongue of the interviewee and were held during two periods: the first between February and May 1991, when most major reports on the EMU were available; the second from late October 1992 until January 1993, by which time the Treaty of Maastricht had been signed and was under ratification. The officials were asked to express the formal view of the institutions they represented on questions like: What was your attitude towards

the plans to establish a monetary union in the 1970s, and in the 1990s? Did the various plans to establish a monetary union serve your interests? What are your expectations concerning the results and consequences of the plans? Why, or under which conditions, are/were these plans desirable to you?

Verdun's first main finding confirms her initial observation that there was no substantial opposition amongst the national actors in the three large member states to the plans to establish a monetary union. All monetary authorities, employers' organizations and trade unions perceived the EMU to be desirable, with the exception of the French trade union confederation (CGT). Furthermore, all actors saw the EMU as an answer to changes in the global economy; to compensate for the loss of national autonomy, and to facilitate the achievement of certain domestic aims (p. 203). However, these results do not warrant the conclusion that there was a common interest in the EMU, for the actors differed in their perceptions of the conditions under which they thought the EMU was desirable. Furthermore, the research shows that the aims that actors expected the EMU to serve differed significantly.

Verdun shows, for instance, that prior to the signing of the Maastricht Treaty all monetary authorities endorsed the establishment of a monetary union with a single authority whose primary aim would be to guard price stability. However, the conditions under which these monetary elite considered the establishment of this kind of monetary union to be desirable differed significantly. The British did not want any formal limits on fiscal freedom; the French wanted an additional transfer of economic policy-making to the Community level; the German authorities, on the other hand, envisaged having more guidelines on budgetary policy.

In contrast, all employers' organizations considered the establishment of the EMU desirable under any condition, and their perception of the aims that the EMU would serve differed significantly from that of the monetary authorities. In the employers' view, the EMU was a necessary addition to the Internal Market: together these arrangements would ensure economic efficiency and the strengthening of Europe in the global economy.

Finally, the research shows that the national trade unions had, again, very different reasons to support the EMU: they decided to endorse the plans because they considered themselves unable to block them. Amending the blueprints seemed to be the most fruitful method to have some of their objectives realized. Their support for the establishment of a monetary union was thus purely strategic, and did not reflect their true feelings about the plans to establish the EMU. Their true preferences can be described, more adequately, as a concern that the EMU would have negative consequences for workers and lead to a less regulated market.

In the book, a theoretical chapter and the obligatory overview of the history of European monetary integration precede this empirical study. The theoretical chapter discusses every economic and political theory that can possibly shine a light on the establishment of the EMU (Optimum Currency Areas, (neo-)functionalism, federalism, supranationalism and intergovernmentalism). It also offers a

comprehensive literature survey for research on the EMU. Unfortunately, none of the theories Verdun reviews (with the exception of the work of Moravcsik) focuses on the preferences of national actors, their content, their formation, or their importance to the process of European integration. Verdun's statement that the research was never meant to be a rigorous test of any particular theoretical approach (p. xiii), cannot justify this lack of an adequate theoretical framework. Moreover, Verdun introduces a great variety of questions that she is interested in, varying from why integration happens (p. 3) to how this particular design of the EMU arose (p. 2), but none of these questions are studied in the empirical part of the book.

Consequently, when the time comes to draw conclusions from her empirical research, Verdun finds herself theoretically empty-handed and is forced to limit her analysis to interesting, but rather casual, comparisons of the attitudes of the functionally similar actors across countries, and of the country-specific attitudes of national actors. These comparisons sometimes produce interesting conclusions, some of which confirm our gut feelings. For instance, the study shows that similar actors have broadly similar attitudes towards the EMU; the views of the dependent central banks resemble those of their Finance Ministries more than the views of the independent central bank; and the French are most positive about the establishment of the EMU, followed by the reluctant Germans and lastly the stubborn British. Some conclusions are less obvious. For example, opinions among national actors vary most in France; the views of individual actors have undergone minor changes over time; and the employers' organizations have the most positive attitude to the establishment of the EMU, followed by the Finance Ministries, the Central Banks, and lastly the strategically consenting trade unions. Finally, the comparisons clearly show that the attitudes of national actors are determined by both 'function-specific' and 'country-specific' characteristics. Nevertheless, lacking a suitable theoretical framework, the author cannot tell us why these conclusions are interesting, and rushes on to draw general conclusions on the theoretical, historical and empirical chapters.

This does not mean that the empirical conclusions are uninteresting. Verdun's empirical research could contribute to several theoretical frameworks. In particular, it could contribute to the blooming interest in the content, formation and role of preferences in the study of international relations. First, it can shine new light on the old debate between pluralists and statist about the role of different national actors in the policy-making process, a debate that has recently been re-introduced into the study of international relations by Moravcsik's *The Choice for Europe*. Within this framework Verdun's research can help to answer questions like how preferences regarding the EMU are formed, and which national actors matter in the national political processes. Verdun has found that the trade unions' feeling of impotence particularly challenges pluralistic theory in general, and Moravcsik's findings in particular. Next, the empirical research in *European Responses to Globalization* could contribute to constructivist thinking about the definition of preferences and their role in politics. This school of thought explicitly argues that it is important to understand the difficult, political

process of the definition of state preferences as a crucial determinant of the process and outcome of international bargaining. Although Verdun does not explicitly underwrite this argument, the fact that she studies preferences suggests that she also considers actors' preferences crucial in understanding the European integration process. Considering the rarity of the empirical testing of constructivist thought, Verdun's work should be a very welcome contribution. This leads to the conclusion that the empirical research in *European Responses to Globalization* could have constituted a valuable contribution to the study of international relations, but fails to live up to this potential due to the lack of adequate theoretical framing.

Femke A. W. J. van Esch