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REGIONAL INTEGRATION IN EUROPE –
SOME THOUGHTS ABOUT LESSONS FROM OUTSIDE

European regional integration has long been hailed as an example for similar experiences worldwide. This was especially the case in Latin America, a region characterized by the existence of -altogether twenty- more or less small national markets limiting seriously their possibilities of industrial development, and which has seen a great number of such initiatives since the 50s when the *European Economic Community* (EEC) was launched. Some of them, like the *Latin American Free Trade Association* and the *Central American Common Market* (ALALC and MCCA in their Spanish acronyms), seemed quite successful for several years before they went into trouble due to internal differences and the unequal distribution of benefits and costs, benefitting especially the bigger and more advanced countries and the multinational enterprises. Anyway, the dynamism of European economies until the mid-70s – in fact, largely due to the reconstruction boom and cheap oil as well as basically Keynesian and social democratic economic policies- seemed to justify the imitation of the EEC model for creating larger markets by breaking obstacles to mutual trade, as well as to cross-border investments etc., and thus enhancing the international competitiveness of regional blocs.

Later, after the breakdown of the Bretton Woods system and the “oil shocks”, the multiple difficulties of what finally became the European Union in 1993 cooled down the enthusiasm for European examples, while soon new initiatives like the *Mercosur* (Southern Common Market) seemed for some years to be quite an adequate answer of middle-income Latin American countries to the globalization challenge by creating also larger regional markets within a somewhat ambiguous context of “open regionalism”. The *North American Free Trade Association* (NAFTA) attracted crisis-shaken Mexico, with very mixed results including a strong boost in industrial exports, aggravated social polarization, millions of small peasants ruined and mass emigration. At the same time, East and South East Asian countries showed increasingly other forms of integration into greater regional (Asian-Pacific, in this case) and world markets able to develop much more real dynamism while also contributing more efficiently to the satisfaction of key social objectives like poverty reduction.

Realistic reflections had certainly already warned long ago against over-enthusiasm with regional integration as a means of achieving by itself rapid economic progress. Of course, classical authors had introduced very useful basic concepts in the ‘50s, like *trade creation* and *trade diversion* (*Jacob Viner*), *direct and indirect effects* of integration (*Jan Tinbergen*) and *pôles de croissance* as geographical development engines (*François Perroux*). But as *Sidney Dell* stated in his still very recommendable book published in 1963 on *Trade blocs and common markets*, politicians used in fact to emphasize the expected economic gains while economists often preferred to underline the political advantages of the EEC in overcoming centuries-old national rivalries. And while economies of scale and specialization, increased competition and the principle of “together we are stronger” are certainly factors of great potential gains, they should, Dell said, be thoroughly relativized: already quite open economies like those of Western Europe could possibly not reach really significant gains from all that, while governments and unions would lose power, new oligopolies on regional scale could reproduce and even aggravate the problems posed by such oligopolies on a national level, and the group’s enhanced economic and negotiation power risked to be used more against Third World countries than against any of both super-powers. Soviet economists like *Abram Frumkin* used to emphasize, not without some reason, “inter-imperialist rivalries” and contradictory interests between the big international monopolies behind the many tensions and contradictions of capitalist integration initiatives. *Fritz Machlup*, then president of the *International Economic Association*, recalled around 1976 that it should not be forgotten that regional integration must always be seen also in the light of simultaneous other integration processes on national and international scale. And a quarter of a century after Dell’s book, just when the EEC was taking a new start to become the EU and prepare the future monetary union, French “Green” economist *Alain Lipietz* found, in an article for the business weekly *L’Expansion*, in 1988, that precisely the smaller countries which had stayed outside the EEC like Switzerland, Austria and Sweden -even being narrowly linked to it economically, but not part of its machinery- showed clearly better indicators in employment, GDP growth and other important fields. And now, another quarter of a century later, Europe’s richest countries - Switzerland, Norway and Iceland- show less interest than ever in joining the Union, while poor and backward Balkan and others like Ukraine, Moldova and Georgia are or want to be candidates or hesitate a lot between the EU and Russia, like the largest of them, Ukraine …

For less developed European countries, can EU integration be the way forward?

The accession of the southern member states to the EEC in 1981 and 1986 was certainly more politically than economically motivated and should therefore be seen especially in this light: as an economist underlined, with the accession of Greece, Spain and Portugal, the combined GDP of the Community had expanded by 10%, its population by 22%, the number of people working in the agricultural sector by 57% and its regional problems „so to say by 100%“[1]. But important economic and social progress seemed anyway be made, thanks not only to dynamic changes under reform-minded post-dictatorial leaders like the several-terms-long social democratic PSOE government of *Felipe González* in Spain (1982-96), but also to the accession to a large market, abundant capital inflows and substantial aid in the form of regional and “cohesion” policies as well as agricultural subsidies. So the new southern member states, as well as also very backward Ireland, became effectively notably more “equal” to the core members of West European integration, especially in terms of GDP per capita, but also with respect to industry and physical infrastructures, especially

[1] J. VAN GINDERACHTER - Les problèmes régionaux de la Communauté élargie, *Revue du Marché Commun*, No. 310, October 1987, Brussels.

motorways which improved considerably the communications, like between France and Spain, maybe with some negative effects on the fragile Spanish national cohesion[2].

Ireland was a spectacular, albeit very specific case with particular circumstances like massive US direct investment attracted by low taxes combined with important national efforts in education and state guidance and generous EEC/EU subsidies reaching, as in the case of Greece, up to 3-4% of GDP: around 15 years after EEC accession it began to move from being originally (at its accession in 1973) by far the poorest member state to be, after another 15 years, the richest one except tiny Luxemburg in GDP per capita terms.

Spain also moved rapidly forward to become a modern industrial country like Italy, *Portugal* and *Greece* notably less but also reduced, thanks largely to EU "generosity" -the term might be possibly put without brackets-, the distance to core EU member states, even if there were also a high price to be paid for this, as was the rapidly increasing domination of foreign business and capital evicting national ones. Anyway, the euro crisis later showed that much of that progress was uncertain in a long-term view and rather the result of a credit bubble than that of genuine rise on the ladder of development levels. And the euro proved being, overall, much more favorable to Germany and other Northern member states than to the southern partners which lost rapidly competitiveness, after the introduction of the common currency, due to the excessive affluence of capital flows reinforcing inflationary pressures and speculative tendencies, while the "Northerners" benefitted from a relatively low currency exchange rate which favored greatly their exports ...

For the former *Eastern Bloc countries*, the balance of over 20 years of neo-capitalist conversion and progressive absorption in the EU is far from clear. Modernization of production processes and even more of consumption patterns has taken place, Western-style democracies have been established, and after a steep fall in GDP in the first years economic growth has been comparatively satisfactory. But social inequalities and marginalization have risen strongly, as the drama of the Romas tell us, mass emigration has for instance reduced Bulgaria's population by around one fifth, political tensions have given rise to powerful extreme-right groups like furiously anti-Semitic *Jobbik* in Hungary. Even in the relatively prosperous Czech Republic, political instability and europhobic attitudes, as well as heavy corruption scandals, are notorious. All this and other phenomena show clearly that integration into the Western bloc has not really been a journey to prosperity and welfare for everybody and that the overall balance is not too convincing. Anyway, if "real socialism" was certainly far from successful in historical perspective and had the well-known aspects of harsh political repression, excessive bureaucracy etc., the later experience of "real capitalism" of the former Eastern bloc countries joining the EU does not seem to have been, up to now, a solid key to real rapid and balanced economic and social progress: not only some nostalgics of communism do not like very much that other "Union" which now dominates them, imposing

[2] While Italy's European integration has certainly not reduced, in more than 60 years, and probably reinforced its internal North-South divide, Spain's regional imbalances might also have been enhanced by the fact that both most developed regions, Basque country and Catalonia, are neighbouring similarly developed French regions. In Greece like in Portugal, the two least developed member countries, three decades of EEC/EU membership have not reversed the excessive concentration (about one third) of the population in and around their capital cities.

its not always adequate prescriptions, and it is clear that the EU will remain for some more time being destabilized both by a deep North-South contradiction and an equally serious West-East divide. As an editorial put it, “Eastern Europe is failing to catch up with the west”[3].

Lessons, experiences and examples from outside …

If there are highly interesting positive and, as indicated, not-so-positive lessons from Europe for others, which should certainly be reconsidered with realism in the light of all this, we should also have a look on possible examples in the opposite direction. There are some good and others not-so-good or even quite unconvincing experiences of regional integration, which are all also very useful for the overall picture.

For instance, the *Soviet Bloc* grouping known as CMEA or COMECON aimed to organize a kind of “socialist international division of labor” based on “internationalism” and solidarity of the socialist bloc, but backward Rumania did not like to be reduced to its role as a producer of agricultural machinery while richer partners like Czechoslovakia and East Germany were hardly enthusiastic in giving substantial aid to the poor developing countries Mongolia, Cuba and Vietnam which also joined the group. Even so, a correct overall balance of COMECON might also show that the “communist common market”, as some Western analysts called it, was able to reach some real industrial and social progress in its member countries -most of which had been very backward in European terms- and a certain reduction of their intra-bloc differences in levels of development. The same can certainly be said about the logically dominating leader country which covered nearly one sixth of the earth and had a population much larger than all the partners together: the evolution of intra-Soviet levels of development showed, more than an “empire” exploiting its internal colonies, rather a kind of large technocratic machinery which was able to promote important industrial development and social progress also in very backward regions in Central Asia, not without at least one big ecological disaster. On the other hand, the most developed Soviet republics in the Baltic region, also its most Western parts in geographical and cultural terms, became the most unsatisfied and initiated therefore the break-up of the multiethnic country which had received, nearly unchanged in its borders, the difficult and complex inheritance of the Czarist empire.

Maybe the main lesson -on national and regional level- from here for Western Europe is that central planning can be relatively efficient in itself -whatever is to be said about the tremendous political and human rights aspects of Stalinism, Maoism, Titoism etc.- in the very initial stages of industrial development, also for raising the education level and promote womens’ rights, but much less in further developed countries, as shown by the *Prague spring* of 1968, the *Solidarnosc*-movement in Poland a dozen years later and finally the break-up of the bloc and even of the Soviet Union itself beginning in 1988. Secondly, the preservation of environment was hardly a priority, despite the absence of large private oligopolies pursuing their egoistic corporate interest without regard for such things, even less than in advanced capitalist countries where it became increasingly a subject of numerous citizens’ concern. But

[3] Lost in transition, *Financial Times*, 22 Nov. 2013, and report on this subject of the ERDB.

there might be also a third one, that there must certainly be more efficient and more recommendable ways of régime change than those, based more on the "Washington consensus" than on the "European social model", experienced in the following years in the former Soviet Bloc and in the former USSR itself, with enormous and often unnecessary high social and other costs, all this preserving or even consolidating a new West-East-divide inside the EU, as mentioned before.

Turning to a very different region, we might consider that the *Caribbean*, with its more than a dozen of very small and even microscopic states, some of which with less than 100.000 inhabitants, is the one region which really calls for important progress towards the integration, regional food security etc., of their weak economies. There have been some steps forward in four decades of the *Caribbean Community* (CARICOM), but mostly tiny islands with their own quite differentiated identities -not only between English-, French-, Spanish- and Dutch-speaking islands-, hardly complementary economies and high transport costs have certainly also enormous difficulties in realizing significant steps towards regional integration. Even so, there are some interesting initiatives like the *University of the West Indies*, with campuses in several English-speaking member states, and joint diplomatic representations, which could be useful examples for others, even in Europe. For instance, culture, education and better understanding between European peoples have undoubtedly benefitted from millions of *Erasmus* scholarships, but besides the *Colleges of Europe* in *Bruges* (Belgium) and *Natolin* (Poland) and the *European University Institute* of Florence there should certainly be more of that kind of initiatives if better understanding between the peoples of Europe is to be really promoted in a way to fight efficiently rising euroskeptical and even outright europhobic tendencies. Joint diplomatic representations are becoming common practice and the newly established *European External Action Service* is supposed to be something like that. But there is still a long way for a kind of joint foreign policy and of "speaking with one voice" in world affairs, as shown by the chronic cacophonies in the relations with the USA, Russia or China, or even with the neighboring Arab-Islamic world. The same thing can be said, it is true, of the Caribbean countries, where some maintain relations with Taiwan and others with China, some have sided with Venezuelan-Cuban sponsored "socialist" ALBA group -with some risks for their crucial links to the USA and Europe- while others did not …

There are many other questions around the complicated and often controversial integration *problématique*, like the necessarily very differentiated treatment of the EU's *outermost regions* (*régions ultrapériphériques*) which are the French Overseas Departments, the Canary Islands, the Azores and Madeira; the island regions generally, like very mountainous and sparsely populated Corsica and the numerous, often very little populated Greek islands; the difficult "integration" in one large region of a "rich" oil exporting country suffering "Dutch disease" like Venezuela[4] and a poor mountainous one like Bolivia; the

[4] The author's first major reflection about integration was precisely about this subject: how can Venezuela with its relatively high salaries and very low general competitiveness -hence a drastic case of the so-called "Dutch disease"-, which joined the Andean Pact some years after its creation, benefit from it, if it is neither competitive for agriculture nor for industry, except maybe some capital-intensive ones. *Le Venezuela et le Pacte Andin - problèmes et perspectives"*, in *Cahiers des Amériques Latines,* Paris, No. 21-22, 1980, pp. 157-88. Venezuela and Bolivia also had joined ALALC only some years after its launch, and the Andean Pact was mainly result of

"integration" of an "underdeveloped" country like Mexico with two of the most developed ones, the possible marginalization of far-away provinces outside the main industrialized core regions, and even intra-national centrifugal tendencies (Belgium, Spain, Italy, UK) linked in different ways to the processes of globalization and regional integration. In all these and other situations, many lessons are available in both directions …

Of course, we should also take, and very especially, lessons from *East Asia*, where Europe can learn a lot not only from millennia of Chinese civilization and wisdom but especially from China's recent rebirth as an economic superpower, following previous examples of Japan, Korea and Taiwan particularly but applying their recipes intelligently - not without big problems and mistakes, inevitably- to the circumstances of its enormous population and territory. They all show that dynamic integration into world markets can be realized also without formal regional markets and integration mechanisms, and that over-reliance on market mechanisms is certainly not the most promising policy. Combinations of market mechanisms with different forms of strong state intervention including important protectionist measures are obviously an alternative which appears to have been often very successful in obtaining rapid economic growth and at the same time important social improvements like the rapid elimination of illiteracy and a sharp reduction in poverty levels.

All this certainly does not mean that Europe should abandon its regional integration goals, but that it ought certainly to rethink them thoroughly and at the same time be much more imaginative in its choices of economic and industrial strategy, striking an imaginative and constructive balance between market forces and some kind of government intervention, on national and on European levels. After all, integration projects are always the result of one basic reality: if *David Ricardo*'s classical theory of comparative advantages justifying worldwide unrestricted free trade were really applicable such as proposed in his *Principles* …, no free trade association or common market of any sort would be useful; and if *Friedrich List*'s idea of the convenience of temporary, selective and rather moderate protectionism against third countries were always suitable as he rightly viewed for the case of the German states on their way to national unity, but much less for isolated smaller countries, no integration project would have any sense either. What can be concluded from this is that all regional integration projects always need for obvious reasons some measure of protectionism or *préférence communautaire* in EU terms against too powerful third countries, including the resulting elements of state interventionism, and should not be based on a fundamentalist view of market mechanisms as the practically sole guiding principle of economy…

Is Germany, after all, the key problem of the European Union?

By the end of 2013, rather belatedly, the European Commission, after several warning shots coming from other sides including the IMF and the US Treasury complaining about probable deflationary effects of Germany's efficiency on European recovery and world trade,

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the growing frustration of the Andean countries with the Latin American Free Trade Association which gave benefits essentially to the larger countries and the multinationals.

began an inquiry into the recurrent "excessive" German current account surplus, which had reached more than 6% of GDP for several years now. There are arguments to judge Germany at least partially responsible of the entire euro problem and the commercial deficits of its partners: the lack of a legal minimum salary and its large low-salary-sector contribute to the Union's imbalances, as shown by the meatpacking industry where Danish and French enterprises have been pushed into bankruptcy by "unloyal" German competition based on very low salaries paid to foreign workers on those "mini-jobs". As a German automobile worker said in a cartoon, they had to export the cars because they could not afford to buy them themselves … If Germany runs a heavy surplus, anyway, other countries must of course have deficits, and the big question is if there is not an important responsibility of Germany in the southern countries' deficits and resulting crisis. Apparently, yes, due also to the simultaneous capital flows from German (and other) banks southwards in the years 00' which fuelled the consumption and real estate speculation there, the resulting higher inflation and the loss of competitiveness. According to one article, Germany has since 2011 the highest surplus of any current account (238 billions of $ against 193 for China in 2012), its unitary labor costs have only risen by 4% since 2000 against 23% in France, 19% in the euro-zone and 16% in the USA, and from 2009 to 2013 the percentage of people living under the poverty level rose from 12.2 to 15.9 in Germany, against from 13 to 13.8 in France[5]. It would be over-simplification to talk of one "villain" and the others as "poor victims", but responsabilities of the euro crisis and the resulting EU existential doubts are certainly divided …

On the other hand the Germans can be right in defending the usefulness of their past liberal reforms, or of some of them, and in emphasizing that their high competitiveness in countries like China -Germany; with 45% of EU exports to China and 21% of EU imports from there in the first semester of 2013, has practically alone a trade surplus with it- is also welcome for the entire EU, reducing thus its huge bilateral deficit with the Eastern giant. And why should Germany be sanctioned, after all, they ask, for its higher efficiency in industrial innovation, vocational training and successful R&D efforts, which contributes greatly to avoid the entire bloc's fall into irrelevance in terms of international industrial competitiveness? Should we, maybe, forbid our enterprises like Siemens or Mercedes to export to China?

The discussions will certainly last for several more years, with these and other arguments, but three aspects must also be taken into account: a), there are always some problems with the strongest or largest member state of a regional group, be it Brazil in Mercosur, Nigeria in West Africa or the USA in NAFTA, all much more dominating economically and demographically than Germany in their respective group[6]; b) historical

[5] Les excédents allemands sont-ils un problème? L'Union européenne et le Trésor américain demandent à Berlin une politique économique plus coopérative, *Le Monde*, 16-11-13.

[6] For instance, more agriculture-specialized Argentina sees often Brazil -which counts for more than two thirds of Mercosur's combined population, territory, industrial production and GDP- taking a kind of "Northern" industrial country position in the bloc, reproducing thus the old asymmetric "North-South"-relations, while tiny partners Uruguay and Paraguay also complain about their interests not being taken into account. In NAFTA even US-friendly Canada has serious misgivings against its too powerful neighbor's domination, and in West Africa Nigeria is not only the sole oil-rich country but is also more populated than its 15 ECOWAS partners together. Even Jamaica, with a population superior to that of its English-speaking regional partners together, preferred to abandon British-sponsored *West Indies Federation* in 1961, and there are recurrent tensions in its successor organization of CARICOM about the concrete functioning of the established common market.

reasons make the German case particularly sensitive, as shown by recent reactions in Greece calling for German reparation payments for its wartime crimes in the country and of others accusing the Germans of dreaming of some kind of "Fourth Reich"; c), if the EU mechanisms for convergence between development and income levels seem to have worked reasonably well in the 80s and 90s, this has not been the case in later years: an ill-conceived currency union, far from bringing an "ever closer union", caused a Northern-credit-fuelled speculation and consumption bubble in the south (and in Ireland) aggravating notably the distances between "richer" and "poorer" member states and in the end the resulting euro crisis which benefitted in fact also Germany thanks to a still relatively undervalued currency -and now also the very low interest rates for a country seen as refuge haven for capital looking for security-, and the other supposedly "virtuous" countries Netherlands, Austria and Finland …

Whatever the conclusions about all this might be, the rigid EU austerity policy towards Greece and the other peripheral countries, largely dictated by Germany, appears as a disastrous social, political and also economic failure which has put the whole eurozone and even the EU on a road to a maybe inevitable disintegration. What remains to be seen is less if, as some illusionists pretend, that the recipe is finally working and that those countries are on the road to recovery, than if a more adequate reform policy can be put into practice before it is too late, as should be favored by better understanding of the realities and the advisable change of strategy by the German government and the technocratic machinery of Brussels.

An interesting "exotic" case which might give some good ideas: the Andean Pact

As the new Pope Francis said right after his election, his colleagues of the conclave had found the new chief of the Catholic Church "at the end of the world". Maybe something similar could be useful also in economy, or more precisely in the field of regional integration.

Looking around the globe, there seems to exist, finally, one rather exotic experience which could deserve particularly to be analyzed: the *Andean Pact* founded in 1968. Despite the obvious underdevelopment and specificities of the Andean countries from Venezuela to Chile, there are three ideas which seem to be useful to be taken into account, even if the Andean experience has not been successful, if the European realities are of course hardly comparable to those of South America, and if world realities have also obviously changed a lot in the last 45 years. The Andean Pact, today called Andean Community but sharply divided now between opposing political options, was certainly not successful in the long and even middle term due to a series of circumstances -impact of the oil shocks, political changes towards right-wing regimes, enormous socio-economic differences between "haves" and "have-nots", extremely high transport costs etc.-, but even so its basic ideas deserve to be analyzed as potentially useful ingredients of any other regional integration project.

Three fundamental elements characterize the Andean model in its initial years, when reformers (*Frei*, *Velasco* etc.) where dominating the region's politics in Chile, Peru, etc.:

- Rather than letting “market mechanisms” determine all essential economic development, *Sectorial Industrial Development Programs* were prepared in order to distribute new industries like that of cars and other machinery more evenly between the member states, avoiding their concentration in the most advanced or richest countries of the group, Venezuela and Colombia;
- For Bolivia and Ecuador, officially recognized as *economically less developed countries* of the group, special measures allowed slower intra-group tariff elimination and other advantages in order to expose their enterprises less brutally to the nascent regional common market;
- The multinational enterprises were asked to stay out of certain sectors like publicity, communication and local transports, and their profit remittances should not exceed a “reasonable” level, while Andean Pact member countries agreed on a common policy towards them in order to avoid ruinous tax and other competition in attracting them.

These three aspects can be seen separately or combined; but it appears that they give quite interesting answers to some basic problems suffered by all regional integration projects: the balance between market mechanisms and state intervention, the specific difficulties of the less developed member countries, and the controversial role of multinationals. As analyzed by one specialist, “common markets in developing countries” need certainly some state guidance and even intra-bloc positive discrimination[7], and after decades of EU integration and the euro crisis we might conclude that in Europe it is not different. Moreover, there are some useful hints here for more constructive and balanced North-South and EU-Third-World-relations generally, for which there is a lot to do in order to improve its policies, and for how to initiate really the very necessary “energy transition” to a low-carbon economy, probably the main key for the salvation of what *Jeremy Rifkin* called, just a decade ago, the *European Dream* …

Some preliminary conclusions …

If we look at today’s acute and apparently unresolvable EU’s problems, we see the interest in taking some of all these lessons, examples and ideas very seriously. Obviously Europe’s, or rather the EU’s[8] long-lasting stagnation without perspectives of improvement, the rapidly rising popular frustrations -with their inevitable consequences of a dangerous rise of extreme-right and europhobic populism in many EU countries, especially in countries as different as Greece, France, Austria and Hungary- due to a deteriorating social reality and the incapacity of political leaderships to find adequate solutions, and the still looming bankruptcy of the euro system, are all largely due to three factors:

a) the lack of any “industrial policy”, together with coherent energy and transport policies etc., to counter the rising difficulties of competing successfully with other economic powers like the US and China, and the incapacity of determining some kind of a convenient

[7] Henri BOURGUINAT - *Les marchés communs dans les pays en voie de développement*, Geneva, 1968.
[8] In fact Norway, Iceland and Switzerland, which have remained outside the bloc and are the most prosperous and socially balanced countries of Europe, do not suffer the same problems, and Scandinavian member states Denmark and Sweden -which did not join the euro system- much less than their EU partners.

coherent foreign trade policy including some useful measures of protectionism[9]; at the same time, Europe's role as one of the world's leaders would certainly have to be based on a decided emphasis on really "sustainable development" and a thorough redefinition of what is real progress, rejecting the misguided ideology of blind GDP growth and preparing seriously a constructive and imaginative "energy transition";

b) the structural problems of its "less developed countries" like Greece and Portugal - and also Spain, Italy etc.- which are seriously undermining the cohesion of the group by the looming danger of an explosion of the common currency and maybe the Union itself; and

c) the often fierce competition in attracting investments at any price by tax breaks and similar methods, as exemplified by several countries like Ireland, Slovakia and Estonia.

It thus appears that the triple idea of that other regional group created nearly half a century ago in a very different historical and geographic context could provide a good starting point to overcome the EU's crisis of which no way out is to be seen right now; at the same time, East Asia shows very interesting examples of such balanced and efficient ways to combine market mechanisms with an active role of the state in view of confronting the problems of the present and in preparing the future. Otherwise, as happened in the EU, the market, from framework for its economic functioning, becomes gradually the very purpose of the union[10], losing thus any middle- and long-term view of its possible and desirable future.

Regional integration in a context like the European, with its dozens of nation states, of which even the largest is hardly able to be a real "economic power" by itself in a near future, will certainly continue to be an absolutely crucial factor. But it should be seen in this overall context of competing economic models and the multiple -economic, social, political, moral and environmental- Western-worldwide disaster brought about by neo- and ultra-liberal ideology, irresponsible leaderships and the rising domination of unlimited financial speculation during the last decades. As most serious analysts agree, finance should urgently be controlled again by the real economy and the latter by democratic politics, which itself ought to engage seriously in preserving the global environment, the irreplaceable physical base of all economic activity. Today it's rather the other way round, and as long as there is not such a real turnaround in this overall context, not even the most ingenuous integration project will be able to achieve lasting and real progress of its member states.

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[9] The German opposition in 2013 to EU anti-dumping measures against imports of Chinese solar panels -even ruinous for the German producers- is significant: if Europe wants to be efficient and independent in solar energy, it should probably accept the price of having some extra costs for staying itself in this crucial sector and not just rely on dependency-creating imports from its partner and future main rival for some rather minor economies.

[10] Pierre DEFRAIGNE - *The euro, the model and the power*, Madariaga - College of Europe foundation and European Trade Union Institute (eds.), Brussels, 2013, p. 22.