

9-1995

The Political Economy of European Monetary Unification, by B. Eichengreen and J. Frieden

Leon Hurwitz

Cleveland State University, l.hurwitzl@csuohio.edu

Follow this and additional works at: https://engagedscholarship.csuohio.edu/clpolsci_facpub

How does access to this work benefit you? Let us know!

Publisher's Statement

Copyright 1995 Cambridge University Press. Available on publisher's site at <http://www.jstor.org/stable/208305>.

Original Citation

Hurwitz, Leon. 1995. The Political Economy of European Monetary Unification, by B. Eichengreen and J. Frieden." *American Political Science Review* 89:800-801.

Repository Citation

Hurwitz, Leon, "The Political Economy of European Monetary Unification, by B. Eichengreen and J. Frieden" (1995). *Political Science Faculty Publications*. 19.

https://engagedscholarship.csuohio.edu/clpolsci_facpub/19

This Book Review is brought to you for free and open access by the Political Science Department at EngagedScholarship@CSU. It has been accepted for inclusion in Political Science Faculty Publications by an authorized administrator of EngagedScholarship@CSU. For more information, please contact library.es@csuohio.edu.

Some conflicts do not even appear as conflicts—the parties do not even get to articulate each other as opponents—which testifies to the general shaping powers of a process of integration, patterning Europe around one center in contrast to its multicentric balance of power in the past.

In relation to theory and method, Duke argues why none of the big theories work (pp. 9–10). That is okay, but what, then, about quasi theories about different kinds of security systems—collective security, alliances, integration? This literature is given no systematic treatment. The most important effect is that the case made for the CSCE as a pan-European security institution remains weak. The recommendation mainly follows from the fact that the problems are all-European but does not systematically address the question whether collective security or other types of security systems are likely to be the best solutions.

Despite the lack of theory, Duke makes constant (negative) references to neorealism. It seems to be a bad habit in many current books to draw theoretical conclusions from atheoretical discussions combined with superficial presentations of the theories to be bashed. Even more surprisingly, Duke's own analysis is still mainly in terms of states and (their) institutions, rational calculations of interests, and so on. This is a break with realism only if one accepts the (admittedly widespread) straw-man image of (neo-)realism as, for example, insisting that only structure counts, that no domestic or transnational factors can be of relevance, and that power is necessarily military—and other strange misreadings. Not that I would want Duke necessarily to (re)turn to neorealism. His declared intention to break away from neorealism is hampered by rather unclear ideas of the theoretical issues at stake.

The many interesting tables, maps, and opinion data make it a useful book for students—to be used together with more theoretical articles, for example. Duke's book supplies much of the empirical knowledge that American students in particular may need in order to take an independent stand in relation to the theory debates and test different theories on the case of European security. Despite Duke's many remarks on failures of neorealism, the book in itself cannot be said to have contributed much explicitly to the field of theory and European security. The ultimate paradox is that Simon Duke has written the best book presently available regarding the place and role of military matters in the new European security disorder.

Centre for Peace and Conflict Research

OLE WAEVER

The Political Economy of European Monetary Unification. Edited by Barry Eichengreen and Jeffrey Frieden. Boulder: Westview, 1994. 198p. \$52.50.

The Maastricht Treaty, which entered into force on 1 November 1993 and is subject to a review in 1996, established a European Union consisting of three parts, or *pillars*. Pillar 1 amended the Treaties of Rome and Paris concerning the original European Community. It provided a timetable for completion of European monetary unification, renamed the European Economic Community the European Community, and supplemented the statutory powers of the Community in certain areas. Pillar 2 concerned the common foreign and

security policy, and pillar 3 covered justice and internal affairs. *European Union* is now the umbrella term referring to these three pillars.

The Political Economy of European Monetary Unification is a collection of essays produced by a study group on the political economy of European integration, convened by the editors on behalf of the Center for German and European Studies of the University of California and funded by the Federal Republic of Germany. The nine essays deal with pillar 1 of the Maastricht Treaty—the creation of a single (not a “common”) European currency and the establishment of a European central bank (the Eurofed).

The individual essays present a wide range of quality, readability, and usefulness. Some are quite good and are recommended on their own merits; others appear to have been included because of the authors' participation in the study group and not for the content of the individual contribution.

The introductory essay, “The Political Economy of European Monetary Unification,” by Eichengreen and Frieden, is the best of the nine chapters. This chapter rightly argues that European monetary unification is both an economic and a political phenomenon and presents an extended review of the relevant literature. The authors conclude that European monetary unification is driven mainly by political, rather than economic, factors, a conclusion that most observers have been advancing for some time.

A second informative chapter is Benjamin J. Cohen's “Beyond EMU: The Problem of Sustainability.” Cohen challenges the assumption that monetary union is irreversible. This chapter contrasts the experience of three surviving monetary unions (the Belgium-Luxembourg Union, the CFA Franc Zone, and the East Caribbean Currency Area) with three that were not successful (the East African Community, the Latin Union, and the Scandinavian Union). Cohen concludes that while some economic/structural factors (e.g., high factor mobility, an independent central bank) are necessary, the presence of a political cohesion (or a community) is needed to maintain a monetary union over time.

Two of the more specialized entries are “On the Feasibility of a One-Speed or Multi-Speed European Monetary Union,” by Alberto Alesina and Vittorio Grilli, and “The Transition to European Monetary Union and the European Monetary Institute,” by Jürgen von Hagen and Michele Fratianni. Employing econometric modeling techniques, these two essays conclude (1) that a multispeed approach is less feasible than a one-speed process and (2) that the European Monetary Institute is an inefficient solution, due to its being dominated by national central bankers and by the conflict within the European Union between the core and periphery.

Somewhere between these two groups is Lisa L. Martin's “International and Domestic Institutions in the EMU Process.” This is a useful stand-alone contribution presenting a low-level descriptive narrative of the decision-making process within the European Union (specifically, the *cooperation procedure* under Article 189c of the Maastricht Treaty and the *codecision procedure* under Article 189b). Although well written, it seems out of place next to the complexity (and the assumed prior knowledge) of the other essays.

The book as a whole does contribute to one's understanding of European monetary unification, but it is not for the novice or even for the advanced student in

integration studies. A rigorous grounding in econometrics and political economy is assumed (except for the chapters by the editors, Cohen, and Martin); and at \$52.50, the book would appear to appeal to specialists and research libraries only.

Cleveland State University

LEON HURWITZ

Towards a Theory of United Nations Peacekeeping. By A. B. Fetherston. New York: St. Martin's, 1994. 292p. \$59.95 cloth.

There has been a recent dramatic increase of interest in United Nations peacekeeping, a conflict management approach largely moribund and discredited a decade ago. The academic literature has included a large number of new books and articles on the subject, mostly analyses that focus on the new roles assumed by UN peacekeepers in the post-Cold War era or individual case studies of those operations. Fetherston's book is a significant and positive break from this often too descriptive and narrowly focused literature. Her analysis is among the few that seek to understand peacekeeping within the framework of the third-party conflict management, mediation, and negotiation.

The book begins somewhat inauspiciously, and readers may be tempted to quit after the first three chapters; but this would be a serious mistake. Chapter 1 summarizes the history of the United Nations and the development of UN peacekeeping in 19 pages! Chapter 3 is a descriptive treatment of peacekeeping operations in Cyprus, Cambodia, and Bosnia. There is little here that is new or innovative. Chapter 2, however, is useful in pointing out that post-Cold War peacekeeping operations are multidimensional in function, are placed more in protracted, internationalized civil wars, and blur the distinction between peacekeeping and enforcement.

The major and (one might say) pathbreaking contribution of the book is the development in the middle three chapters of the book of a theoretical framework for analyzing and assessing peacekeeping operations. The author advocates the adoption of a contingency model of conflict management drawn from the literature on international mediation. That model is built on the assumption that conflicts pass through several phases and that it is vital to identify intervention strategies that are effective at each stage. To build theory in this fashion is largely an inductive strategy that relies heavily on the accumulation of empirical evidence from studies of conflict management techniques.

There are number of aspects that make this model innovative when applied to peacekeeping and therefore makes it worthy of pursuit by scholars. First, the contingency model allows the analyst to view peacekeeping, peacemaking, and peacebuilding as a single process within a broader conflict framework. This allows both scholars and UN planners alike to see how these elements can be linked or delinked, with accompanying implications for the outcomes of the peacekeeping missions.

Second, the framework permits one to see different levels of the peacekeeping operation (the overall macro level and the operational micro level), seeing how they interact. Too often, there is little integration in the literature between these two levels. The perspective of

the soldier or peacekeeper commander does not match well with aggregate assessments of the peacekeeping operation in the broader political context. Accordingly, there appears to be little consensus on what constitutes peacekeeping success and therefore the conditions for that success. This is largely because the literatures at different levels of analysis talk past one another. Fetherston develops a framework to bring these levels together, even if she does not do it fully in this work.

Third, the framework allows the analyst to understand peacekeeping operations' effects on outcomes, together with a variety of contextual factors and processes. Frequently, the current literature ignores these factors, ascribing too much praise or blame to the peacekeeping force for the observed outcomes.

As promising as the contingency model and conflict management framework for analyzing peacekeeping is, there is a notable problem with the classification of a peacekeeping operation as a third-party intervenor. It is quite apparent that peacekeepers fit the role of third parties in traditional peacekeeping roles and several other new roles (e.g., election supervision). Yet this is less clear in other circumstances. Peacekeepers might be better thought of as *primary* parties in those instances (e.g., intervening to support democracy, establishing safe zones, or taking any action involving collective enforcement). Then, the literature on mediation and bargaining suggests strategies, training, and roles significantly different from those in a pure third-party intervention. Because of the wide range of new roles being performed by UN peacekeepers, the framework may not be appropriate to capture all the new mission types.

The last three chapters of the book are a logical extension of their predecessors, but are equally innovative for what they try to do—link training for peacekeepers to the conflict management model. This is another example of how the book develops the connection between the macro and micro levels of peacekeeping. There is a tendency among the many militaries in the world to treat training for peacekeeping personnel as an appendage of traditional military training, the assumption being that basic military skills can be easily translated to peacekeeping duties. A review of existing military training programs by the author confirms that few have specialized peacekeeping training. Yet such training is probably essential, especially if one views peacekeepers as mediators in a conflict process. The author advocates more training in contact skills and cross-cultural sensitivity for peacekeeping personnel at all levels (as military personnel of all ranks perform some peacekeeping, peacemaking, and peacebuilding functions). The argument here that current training programs teach what could be inappropriate attitudes and techniques for peacekeeping is a powerful indictment, and these chapters should be essential reading for military establishments around the globe.

Among current works on UN peacekeeping, there are few that offer a new way of approaching the subject. This study meets that standard; and while the approach is not fully developed and may have some problems in its breadth of applicability, it is a central work of great heuristic value.

University of Illinois,
Urbana-Champaign

PAUL F. DIEHL