

## Summary of James Forder's work on European Integration

Apart from various newspaper articles and such like, I wrote two piece really aimed at keeping the United Kingdom out of the euro. They were my part of Forder and Huhne (1999/2001), and when the 'no' campaign came along, Forder (2002).

Part of my concern was that the idea of a single currency for the various member states would be straightforwardly economically damaging (it turned out to be worse than I feared). It was clear too, I thought, that such a grouping involving the UK would be much worse than one without it. But a good part of my concern arose from the anti-democratic organization of the European Central Bank (another gigantic eurodisgrace, in my view). That, therefore, connected to my views on central bank independence. But there were further thoughts about the specifics of the design of the ECB and problems that might be encountered. This is most particularly true of Forder (2005). Similarly, in Forder (1998a) and Forder and Huhne (1999/2001) I drew attention to two problems arising fiscal policy. I would not make quite the same case now, but I was right to think that it could be in fiscal, rather than monetary, policy that the greatest problems could arise (although, again, I was nowhere near seeing the magnitude of the problem). Other special features of the specifically *European* monetary union arise from the historical development of the Union. Forder and Menon (1998) sought to discover what impact the EU had had on macroeconomic policy up to that point, and that really amounted to a consideration of the effect of monetary integration; and in Forder (2001b) I suggested that an application of the (political science) theory of European integration raised the possibility that the difficulties of monetary union might lead to a compromise of the EU's external trade policy.

The different strand concerns the history of intellectual responses to the economic issues around monetary union. Again, some of the central banking papers have this aspect – particularly Forder (1998b) and Forder (2001a). But Forder and Oppenheimer (1996) argued a different kind of case. That was that the European Commission told very different theoretical stories – indeed, contradictory ones – when advocating the creation of the European internal market and EMU. According to them, in effect, the argument for the first was Keynesian, the second anti-Keynesian. In a similar sort of way, in Forder (2007) I noted how a particular theoretical conception of international macroeconomic policy coordination had disappeared. It featured very prominently in advocacy of monetary integration in the 1970s and 1980s, but then was apparently abandoned when the theoretical presumptions did not fit with the design of EMU. Forder and Hurn (2003), amongst other things, sought to rebut the view that in the pre-Maastricht period there had been some sort of natural tendency for the pound to become more linked to the deutschemark in currency markets. That might have appeared to suggest that whatever longer history suggested, by the late 1980s, the British economy more Europe-linked than it had been. It turned out that such effect as there had been unwound in the 1990s.

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