

As Walter Hallstein, the first President of the then EC Commission famously remarked, “The business of the Community is not business but politics”. That this line of thought remains the guiding principle of European integration to this day was very clearly demonstrated in the most recent enlargement of the EU to bring in the ten new members. While the significance of political will and foresight is indisputable in the European integration process, it is nonetheless the economic consequences of such will and foresight that people across the Union have to contend with as an everyday fact of life.

The next challenge facing Europe in the specifically economic context is how and when to enlarge the single currency area. The one size fits all monetary framework of the eurozone is in reality a one size fits none policy framework. For the new member states of the enlarged EU to join that zone of economic surreality is a very big step indeed. One senses that the whole argument concerning whether there should be economic convergence first and monetary union later, or vice-versa will return to haunt EU policy makers as they try to map out the contours of an enlarged eurozone. German monetary union was a strongly politically motivated process with very painful economic consequences. It would be folly to repeat the exercise on a vastly enlarged scale precipitately. The business of the Community may indeed be politics, but it is also the business of politics to ensure workable economics.