Chapter 2
The Socioeconomic Evolution of the European Union. A Frontier Perspective

2.1 Introduction

The theoretical approach of the past chapter frames the European Union on neo-functionalist foundations, which must evolve to a network society based on the complex interdependence imagined by the neoliberals. Moreover, given that recent events have proved that territory is still important in international relations and politics, the European Union must pay attention to it as well, especially considering its uneven development. Even so, society and space have been in constant evolution in the past seven decades, which determined the transformation of Union frontiers as well. So, as we said before in the literature review, we can discuss about political, religious, ethnic frontiers, as well as about socioeconomic frontiers, which are not lines on a map, but rather areas of expansion and processes based on cooperation rather than division. At a socioeconomic level, the Union has had both moments of progress and regress, which are important in shaping the current context of this supranational body, but also in understanding its sources of development, at the core of which we have placed information and communication technologies.

In order to become a supranational body, the European Union has undergone two subsequent processes, erasing and redefining frontiers for almost seven decades. Thus, the manner in which European regional integration progressed (with various degrees of success) has had profound effects at socioeconomic level, as well as the frontier level. The transformation of the European space gradually reduced the importance of state borders, which were barriers, but it also channeled a redefinition process, this time at a socioeconomic level. This leads us to the need of mapping the path of the socioeconomic transformations of the European space and its frontiers.

M. Mărcuț, *The Socioeconomic Evolution of the European Union*,
SpringerBriefs in Economics, DOI 10.1007/978-3-319-40304-5_2

2.2 Postwar Europe and Socioeconomic Barriers

The postwar space after the European Union was marked by profound ideological changes, with repercussions visible to this day. Also, Europe was shackled by barriers and closed borders hindering its development, which took the form of either postwar animosities or ideologies, or commercial barriers. Internally, the Western states had to deal with the destructions of war, which suffocated their economies, as well as with social problems caused by free-falling economies and war losses. The European states that had been economic powers in the pre-war period declined and risked falling back to the isolation and bitterness that had led them to war. The postwar reality was bleak, and the "changes of political stability and social reform depended on the recovery of the economies of the continent" (Judt 2008, p. 88). In such conditions, economic recovery would have been almost impossible to accomplish, because the war had made "the biggest destructions in the socioeconomic system" (Eichengreen 2008, p. 54). The international political climate, marked by the division between communism and capitalism, was also a pressure point aimed at mapping out a direction for the entire continent. The solid advance of communism in Europe up to Germany required the creation of a "levee," which could not be achieved only by the European states, mostly the United Kingdom and France, because of their severe socioeconomic issues. The United States' interest in having strong economic partners, which would also be allies against communism, intervened to support Europe. It was concluded that the "economic recovery would require both external assistance from the United States and collaboration of the European states for development and trade" (Urwin 2013, p. 12). The solution proposed by the United States, namely the Marshall Plan, manifested as a platform through which European states could recover, but it was also a powerful economic weapon meant to fulfill some political purposes, such as stopping the advance of communism in Europe or the need to create powerful partners for the United States in Europe (Păun 1999, p. 51).

The Marshall Plan focused on the elimination or reduction of some economic barriers, which stood in the way of trade. George Marshall's speech sketching the economic reconstruction plan emphasizes this situation: "The farmer has always produced the foodstuffs to exchange with the city dweller for the other necessities of life. This division of labor is the basis of modern civilization. At the present time it is threatened with breakdown. The town and city industries are not producing adequate goods to exchange with the food producing farmer. The farmer or the peasant cannot find the goods for sale which he desires to purchase. So the sale of his farm produce for money which he cannot use seems to him an unprofitable transaction [..] He feeds more grain to stock [..] Meanwhile people in the cities are short of food and fuel. So the governments are forced to use their foreign money and credits to procure these necessities abroad. This process exhausts funds which are urgently needed for reconstruction. The modern system of the division of labor upon which the exchange of products is based is in danger of breaking down" (OECD 2014). The destructions of war had generalized this situation, because all

European states had been confronted with this situation. Solutions were envisioned in order to overcome these economic barriers at a national level given that they impaired societal development.

Economic growth had become an obsession in the postwar world, but there were some obstacles impeding this growth besides the blocking of economic exchanges, namely price control, lack of financing for the elimination of current account deficit, as well as uncertainties in national policies (Eichengreen 2008). The Marshall Plan found a solution to these systemic problems by providing financing and offering European states the aid for liberalization of markets. European states received aid for reconstruction and economic development, by using two powerful instruments in order to accomplish these purposes, namely planning and cooperation. The main priority of planning was to provide clear public financing for reconstruction and the calculation of investments in advance. Moreover, "states had to consult not only with the United States, but also among themselves, which forced governments to think together of methods and favorable conditions for increasing productivity" (Judt 2008, p. 97). The foundations of economic cooperation and coordination at a European level were thus built. Moreover, given the uncertainties regarding Europe's future, "in the chaos following war, the state as an agent of welfare, security and equality has become a vital source of communion and social cohesion" (Judt 2008, p. 83). Hence, planning public investments and state intervention for economic growth offered a more stable social climate, which allowed for social development. Tony Judt also states that public investments in strategic sectors, as well as transport and infrastructure, were aimed at eliminating economic stagnation, economic crises or unemployment. The role of these public investments for social development is also explained by Tony Judt, who states that, even if they did not come cheap, investments aimed at bringing social classes closer for a common purpose.

Lacking any real free trade experience and trust in neighboring states, European states had tariff and nontariff barriers in order to protect their national economies. Different initiatives for promoting supranational cooperation, such as the Organization for European Economic Cooperation, established by the Marshall Plan, or the customs union created by Belgium, the Netherlands and Luxembourg, had a limited range of action due to their prerogatives, as well as due to the states involved in these initiatives. However, integration had become an important mission, especially because of the complementary economies of the European states that had always been natural trade partners (Eichengreen 2008, p. 163). The Marshall Plan contributed to the success of European reconstruction also because it needed coordination from the states' economic policies. However, the European political context required serious thought and consideration in terms or closer coordination or economic integration in order to avoid any nationalist impulses. This complicated relationship and the glooming economic collapse of Europe kick started a new vision of a united Europe based on cooperation and the common good, rather than competition.

European integration, the beginning of the end for economic barriers in Europe, is marked by the signing of the first treaties of economic coordination, namely the

Treaty of Paris in 1950 and the Treaty of Rome in 1957. The Treaty of Paris creating the European Coal and Steel Community (ECSC) was the first step towards supranational institutionalized coordination. According to Tony Judt, ECSC was not an economic organization per se, but it was the smallest common denominator of mutual interest in the West when it was signed (Judt 2008, p. 154). Even if it did not comprise of important socioeconomic policies or stipulations, the organization that has been the basis of modern European integration is important because it was the first step in rethinking the role of national borders acting as economic barriers. In the case of ECSC, borders were recalibrated to become a juncture for realist national interests, represented by the production of coal and steel, raw materials that are essential for war. Moreover, the economic success of this organization is under debate, considering the fact that the High Authority "did not manage to totally control the coal and steel productions and did not have any control or effect on some economic sectors" (Urwin 2013, p. 17). Even so, ECSC activated interstate cooperation and fueled Jean Monnet's enthusiasm regarding sectoral integration based on the creation of links between economic sectors of states, which would result in a common economic market (Urwin 2013, p. 16).

The creation of ECSC was a proof of the fact that "national interest and cooperation could be blended without harming national sensibilities" (Judt 2008, p. 156). The sectoral integration proposed by Monnet was a technique of small steps towards a unique European market, but it represented a challenge for national borders. This process formally started with the signing of the Rome Treaty creating the European Economic Community. Article 2 of the Treaty establishes the main purposes of the European Economic Community, namely "by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it" (Treaty of Rome 1957). The coordination and economic collaboration necessary to accomplish these desires are detailed in the next article, among which we mention the following: "the elimination, as between Member States, of customs duties and of quantitative restrictions on the import and export of goods, and of all other measures having equivalent effect," "the establishment of a common customs tariff and of a common commercial policy towards third countries," or "the abolition, as between Member States, of obstacles to freedom of movement for persons, services and capital" (European Commission 1957).

Basically, European economic borders started as national barriers for the movement of goods, services, capital and labor. Essentially, even if it is considered an integral part of the European integration process and in the dismantling of borders, the Treaty of Rome is seen by some as no more than a statement of good intentions, especially if we consider the fact that the dismantling of borders could not have been accomplished otherwise than in the long term. Moreover, the commitment signed in Rome by The Six is only a part of a complex web of commitments meant to trigger European integration, which required at least three decades to be accomplished. The Treaty of Rome created the foundation for the supranational level of governance that transformed socioeconomic frontiers in the European Union. Analyzing the uphill negotiation process for the entire European construction, we can deduce that the role of national borders as economic barriers was maintained well after the expansion of the European Community to the economic sphere. Actually, it was only in 1985 that Jacques Delors mapped more clearly the pathway to the completion of the Internal Market, stating that, even though traditional economic barriers had been eliminated, a series of nontariff barriers were maintained that made it difficult for the Internal Market to function while it preserved national borders as barriers. At the same time, socioeconomic barriers were starting to fall due to the promotion of the freedom of movement or investments increasing development and economic growth. In this respect, the 60s are considered the "golden age" of European economic growth, due to a double effort by the European states, first to decrease tariff on imports from third countries, as well as to drop intra-European commercial tariffs (Eichengreen 2008, p. 179). Essentially, the logic of the European Economic Community was based on the fact that none of the Western economies could dispense of each other, while they required strengthened cooperation beyond borders, which was also mutually advantageous, but dictated by national interest.

So, European states, involved in planning strategies as of the 50s for economic growth, reached the conclusion that they needed more to reboot their economic and decided to act beyond borders. The decision to reduce the economic importance of national borders was an assumed one, given the lack of competitiveness of European states. Even so, national borders as economic barriers began to be manifested in different forms, as nontariff barriers or technical barriers for free movement. Thus, besides reducing the importance of tariff barriers, which were eliminated only by the end of the 60s, national borders were maintained (Eichengreen 2008, p. 178).

From a social point of view, the Treaty of Rome stipulated the creation of a European social fund to improve employment opportunities and to contribute to the rise of life standards (Treaty of Rome 1957). However, social policies meant to contribute to the improvement of life standards were actually meant to be supported only by the promotion of freedom of movement of labor in the intracommunity space. Thus, the social approach of the European Economic Community was that "the improvements in the population's welfare would be supplied by the economic growth generated by liberalization and not through certain forms of distributive public policies" (Falkner 2013, p. 269). Mainly, free movement of labor was the focus of the strategies for the improvement of citizens' lives. The elimination of national borders as barriers for the movement of labor was meant to fight against discrimination, but at the same time all the other freedoms were meant to lift social barriers, to improve social welfare. However, the fact that the Treaty of Rome stipulated also the creation of a European social fund meant to eliminate social disparities suggests that the social policy of the European Community required also a process of positive integration to complete the elimination of national borders and other barriers. It required positive integration also to contribute to the elimination of regional and social inequalities, especially if we consider the fact that liberalization can also cause inequality (Stiglitz 2008, p. 22). The social policies undertaken by states within the European Economic Community were justified "in order to compensate the growing competitiveness given by market integration" (Falkner 2013, p. 269).

The 60s were indeed a golden age for the economic development and growth of the European Community, but the political progress hit certain hurdles, which in turn made the enlargement and integration of the community difficult. However, the European Community contributed to the development of Member States, by encouraging them to cooperate and open their borders to improve economic competitiveness.

2.3 From Rome to the Single European Act. From the Common Market to the Single Market

The progress regarding the blurring of socioeconomic frontiers inside the European Community can be recreated with the help of the different names the Single Market (as we know it today) has had over the years. In the economic evolution of the European Community, the market created by the elimination of national borders has had three names emphasizing the progress towards full integration. The signatories of the Treaty of Rome expressed their desires to create a *common market,* correlated with the approximation of their economic policies, according to article 2 of the Treaty. Based on the four fundamental freedoms, the Common Market would be completed in 12 years' time as of the entry into force of the treaty (Treaty of Rome 1957). The term *common market* suggests a transitory stage from fragmented national markets to a Single Market, a *common space* shared by states for economic cooperation. According to article 2 of the treaty, the purpose of the Common Market was doubled by the approximation of national economic policies up to a European standard, allowing us to conclude that the Common Market was a mere first step in the opening of national borders. From national markets fragmented by national standards and borders making trade difficult, the Common Market of The Six marks the beginning of the process of barrier elimination, creating at the same time permeable economic frontiers. This assertion is supported by a decision of the Court of Justice of the European Community of 1982 referring to profit tax for goods being imported by private citizens, which detailed the fact that "the concept of a Common Market as defined by the Court in a consistent line of decision involves the elimination of all obstacles to intracommunity trade in order to merge the national markets into a Single Market bringing about conditions as close as possible to those of a genuine Internal Market." (EUR-Lex 1982). This definition maps out the progress made by the European economic space and how the economic frontiers evolved over the years.

As we have detailed above, at the end of the 60s, the Common Market had already become a reality of the European landscape, as tariff barriers had been eliminated and the customs union had been established. This was mere formalities, given that national protectionism was maintained as an obstacle. The 70s were influenced by the collapse of the Bretton Woods system, by continuous liberalization and technological evolution, but especially by financial crises and recession. Back in Europe, the 70s were marked by the first enlargement of the community, from the Six to the Nine. The European economic space increased, new national borders were transformed into zones of expansion of European integration, but the economic integration process stagnated. Failures were caused by lagging economic growth of Member States, because at the beginning of the 70s, "opportunities of extensive growth had been exhausted" (Eichengreen 2008, p. 253). Internal pressures were doubled by the lack of competitiveness of European economies in relation to the American and Japanese progress, based on a technological explosion. In conclusion, protectionist pressure rose. Moreover, repeated oil shocks and general lagging productivity challenged a debate on the path the community should follow towards a true Single Market without borders.

If the first forms of postwar economic cooperation had been attempts to create a balance between modernization and competitiveness and the need for social protection, the 70s caused a shift in this balance, due to increasing globalization (Bickerton 2012, p. 125). Given these difficulties, the progress of the Common Market was hindered by the shift in state interest from Europe to national interests. This phenomenon was often described as "eurosclerosis," marking the lack of a clear strategy regarding the evolution of the European integration process (Ivan 2007, p. 31). Fighting rising inflation due to the rise in oil prices, as well as unemployment, European states wanted to protect especially their industrial sectors, by using certain "disintegration" measures, intensifying certain nontariff barriers, creating others, such as offering subsidies to struggling companies or passing protectionist legislation (Pinder 2005, p. 82). The Common Market underwent a fragmentation process, which was coupled by the rise of national borders once again. This problem is detailed in the beginning of the document, which would be a turnaround in this sequence of events, namely the White Paper on Completing the Internal Market. The document presented by the European Commission is mostly focused on a new problem given by the economic recession, namely the multiplication of nontariff barriers because of the requirement of Member States to protect "what was thought was short-term interest" (Commission of the European Communities 1985, p. 5).

At the end of the 70s, we can talk about a Common Market within the European Economic Community, but we cannot state that goods, services, capital or labor moved freely beyond national borders in an Internal Market. Nontariff barriers created by the international context and the preeminent national preferences maintained almost two decades after the creation of the Common Market made national borders important again in economy. This issue conflicted with the commitment assumed by Member States to create "an ever closer union" (Treaty of Rome 1957). This commitment is continued in the text of the Solemn Declaration of Stuttgart, signed in 1983, in which Member States reset their commitment to "the coordination of national economic policies" and to "the completion of the Single

Market in concordance with the treaties, mainly by eliminating obstacles left in the free movement of goods, services and capital" (International Democracy Watch 1983, p. 7).

In the next decade, even if the customs union was already complete, they were difficult also for Europe's economy, because "Europe was stagnating, while the USA and Japan were growing fast [..] the continent lost its car, electronics production and other industries" (Eichengreen 2008, p. 335). On the other hand, intracommunity trade increased in the period, from 67 % in 1980, compared to 56 % in the 50s (Eichengreen 2008, p. 335). Intracommunity trade flows needed more integration than it had been accomplished until that date, especially considering the fact that financial services were developing more and more, while globalization was exerting competitive pressures. In this scenario, where Europe needed once again to adapt to the international stage, national policies could not handle the changes brought about by globalization, except by cooperating in a Single and Internal Market, which would break the protectionism of national borders.

2.4 The Road to the Internal Market

The late 1980s were influenced by the common efforts to reshape the Common Market and to revise the European Community, which culminated in the Single European Act. The highlight of the first revision of the Treaty of Rome is represented by the White Paper on the Internal Market, published by the European Commission, presided in Jacques Delors in 1985. The White Paper identified numerous barriers in the Common Market and proposed clear measures to eradicate them in 7 years' time by 1992.

The document starts by analyzing the factors that prevented the completion of Internal Market, taking into consideration the fact that this had been included in the Treaty of Rome. Recession and lack of a clear vision on the future of the Community are listed as main causes of the losing interest in the Internal Market. The recession put the spotlight on nontariff barriers in the name of short-term protection of national interest. According to the document, the completion of the Common Market had three aspects, namely welding together the national markets of Member States, ensuring that the Internal Market is expanding and ensuring that it is also flexible, "so that resources flow into the areas of greatest economic advantage" (Commission of the European Communities 1985, p. 5).

If we look at the objectives of the Internal Market in terms of national borders, we can emphasize that the proposed initiatives would act gradually in order to eliminate them. Even so, this does not automatically entail the proper functioning of the Internal Market, given that socioeconomic barriers are maintained. These socioeconomic barriers can be eliminated only if the third objective of the Internal Market is accomplished, namely the increased flexibility of the market. Even if the terminology of the White Paper favors the term "Internal Market", the measures aimed at reducing existing barriers and national borders were meant to create a

Single Market, which would be activated by the measures for its flexibility. So, we have stated above, the evolution of European socioeconomic frontiers goes hand-in-hand with the evolution from the Common Market to the Internal Market.

Lord Cockfield's report, the Commissioner in charge of the Internal Market, focused on the fact that the need to reinvigorate economic growth and the acceleration of the integration process would go hand in hand. The context of this initiative was brought about by two apparently opposed processes, namely the acceleration of international liberalization and intracommunity economic stagnation. The solution to these problems was the initiative presented within this document, along with the set of proposals, namely to create "a Single Market not only without internal tariffs (which had been accomplished with the Common Market), but also without normative barriers in the face of free movement" (Eichengreen 2008, p. 337). Three types of barriers preventing the evolution from Common Market to Internal Market were physical, technical and fiscal barriers.

Physical barriers are actually the borders of Member States where controls are made, which prevent free movement and which are maintained, according to the Commission's evaluation, by the multitude of technical and fiscal barriers that were created by Member States. Hence, the main measure to support the Internal Market that could be accomplished was the elimination of border controls, which "would represent the clearest sign in favor of integration" (Commission of the European Communities 1985, p. 6). According to the White Paper, national borders, technical, as well as fiscal barriers that they are perpetuating mean "division" on Europe's map, as they were not adapted to the frontier concept, seen as an area of expansion and connection. According to the Commission, the elimination of border controls should not be done only for the sake of the appearance for the European project, but because of the division in the European space (Commission of the European Communities 1985, p. 6). The justifications for removing physical barriers were political, but also economic. Even if customs fees and quantitative restrictions were eliminated along with the completion of the customs union at the end of the 60s, internal frontiers continued to work as barriers, by the verification of the compliance with the national rules on indirect taxation, by some measures to protect the national space against terrorism or drug trafficking (Commission of the European Communities 1985, p. 9). From an economic point of view, the burden created by border controls on goods and labor was asserted by the rise of transport costs, but also by the lagging competitiveness of the European space. Certain solutions were envisioned to solve these problems, such as the "Single Administrative Document," created "as a first step to abolish formalities in intra-community trade" (Commission of the European Communities 1985, p. 9). Thus, maintaining physical barriers creates and perpetuates other types of other barriers, namely fiscal and technical barriers that can be applied or not at border controls. As opposed to physical barriers, which could be eliminated more easily, the other types of barriers required a legal framework. In case of border controls, "it was necessary to revise national policies, either by abandoning them or replacing them with common policies" (Commission of the European Communities 1985, p. 17).

Technical barriers imposed by Member States also prevented freedom of movement inside the European Community. The report issued by Lord Cockfield criticized these barriers, blaming them for rising production costs, the disturbance of production flows or for discouraging competition (Commission of the European Communities 1985). Their role was to protect the economy of Member States, especially in the context of economic crises, but at the same time, they focused the attention of companies only on national markets, which was contributing to the malfunctioning of the Internal Market. These types of barriers are very important in the rationale of transforming national borders into processes. The need to create limitations was realized through such barriers, masked as indirect customs duties, product standards or failing to recognize national qualifications of citizens in other states. This idea corresponds to the statement made in the White Paper according to which the elimination of border controls is not enough for the creation of an Internal Market. The simple elimination of control creates only a common space, but it does not truly promote intracommunity trade or movement in an Internal Market, or an economic network meant to contribute to the development of the community. In order to eliminate these technical barriers, there was a need for a consistent legal framework based not only on the harmonization of national legislation to a European standard, but also on the mutual recognition of product standards. According to the White Paper on the Internal Market (1985), if a product is manufactured in one Member State, there is no reason why it should not be sold freely throughout the Community.

Fiscal barriers were a short-term protective measure of the interests of states, but they were different from tariff barriers applied by them up to the implementation of the customs union. The complexity of fiscal systems of Member States and the differences between them, such as differences in turnover duties or excise duties distorted the functioning of the Internal Market (Commission of the European Communities 1985, p. 43).

The report of the Commissioner for the Internal Market put forward a clear plan for the elimination of these barriers, which supported Jacques Delors' vision of a Europe without borders. Moreover, he established a clear deadline for the elimination of these barriers by the end of 1992. The importance of these objectives was placed in an international economic context where Europe was falling behind the United States and Japan, but Lord Cockfield's statement on the importance of the Internal Market in an interview with the Financial Times is illuminating: "if we succeed, it will fundamentally alter the face of Europe for the rest of our lifetime. If we fail, you will have a Europe which has lost its thrust and lost its initiative and become very little more than a free trade area" (Peel 1985a). Moreover, beyond the symbolic importance of the Internal Market for the European integration process, the immense costs associated to maintaining barriers were also important, which were estimated by Lord Cockfield at seven billion ECU, "totally unnecessary cost loaded on to industry and the price of goods we produce" (Peel 1985b). The fundamental idea at the foundation of the European Community had been the need for cooperation on several sectors, but, as the Internal Market report proved it, some sectors were ignored in the fight with national economic influences. Analyzing by means of the theory of frontiers applied in this research, the functional logic of the Internal Market was not actually focused on the elimination of frontiers, but rather on emphasizing them as areas of cooperation for socioeconomic development. The White Paper on the Internal Market actually talks about enhanced cooperation to grow and develop competitiveness, which determines social benefits and gains. These processes or cooperation and competitiveness gave birth to new socioeconomic frontiers of the European Union, either based on cross-border links, or based on social disparities given by the elimination of national barriers.

The ideas expressed in the White Paper were the basis of the Single European Act, which was the first big reform of the European Economic Community since the Treaty of Rome. The Single European Act finally recognized that "the elimination of customs obstacles was not enough" (Bărbulescu 2005, p. 92). Moreover, it sanctioned the ideas of the White Paper related to the elimination of the three types of barriers, while it also put forward social measures meant to ease the impact of liberalization and the elimination of national protectionism, according to article 15, added to article 8c of the Treaty of Rome: "When drawing up its proposals with a view to achieving the objectives set out in Article 8a, the Commission shall take into account the extent of the effort that certain economies showing differences in development will have to sustain during the period of establishment of the Internal Market and it may propose appropriate provisions" (European Commission 1986, p. 10). According to the Act, the coordination of the policies of Member States is done for achieving socioeconomic cohesion, while the European Commission offers socioeconomic support for states needing mainly structural funds: European Agricultural Guidance and Guarantee Fund, European Social Fund, European Regional Development Fund. In tandem with the elimination of borders, conditions were created to support cross-border cooperation and social development, especially in Member States with development gaps, such as Spain, Portugal or Greece.

1992 was a crucial year for the future of the European Community, because it not only saw the creation of the Economic and Monetary Union, but it was also a key moment for the Internal Market. It was the terminus point for the accomplishment of the objectives referring to the elimination of physical, technical and fiscal barriers discussed in the White Paper and the Single European Act, a fact stated at article 13 of the Single European Act completing article 8a of the EEC Treaty, stating the following: "The Community shall adopt measures with the aim of progressively establishing the Internal Market over a period expiring on 31 December 1992" (Single European Act 1986, p. 9). Putting together a clear deadline for advancing the Internal Market had represented an important impetus for the European Community, especially considering that the same treaty required intermediary reports regarding the progress towards the Internal Market. Article 14, completing article 8b of the EEC Treaty, stated that "The Commission shall report to the Council before 31 December 1988 and again before 31 December 1990 on the progress made towards achieving the Internal Market within the time limit fixed in Article 8a" (Single European Act 1986, p. 9). The high number of necessary measures for the Internal Market proves the complexity and the ramifications of this issue. Besides the evaluation of the progress towards the completion of the Internal

Market, these reports talk about the symbolism associated to the elimination of physical, technical, and fiscal barriers, especially considering the impetus and motivations associated to these measures. On the other hand, the fact that some barriers still had not been eliminated, especially those referring to free movement, made the authors of the report to think that there were also "psychological barriers."

The general importance of the Internal Market for the overall European project seen from a frontier perspective seems only a fight for the elimination of borders between states in an accelerated process of negative integration, without clear references to the way in which the elimination of these borders can create new types of social frontiers, which would be permeable, elastic and focused on cooperation. With all these efforts underway, the 1992 objective was fulfilled by the European Commission, but it was stated that "95 % of the Internal Market was completed up to 1992, but less than half of it had been implemented in national laws" (Barber 1993). According to some authors, the Internal Market remained incomplete because of the differences between the economic measures implemented and the social ones. They also state that Lord Cockfield's report, the foundation of the contemporary Internal Market, avoided a series of problems, such as the social dimension (Egan 2013).

The incomplete character of the Internal Market would be emphasized by the Barroso Commission, which tells us that the White Paper program contributed to the evolution of the Common Market to the Internal Market, but it did not actually consolidate the Single Market. The imperfections of the Internal Market imagined by Lord Cockfield were emphasized by the author of the report in an interview back in 1993, where he stated that "the market is almost exactly as envisaged, except for minor flaws, such as the remaining frontier controls over people and the fact that the financial sector are not as liberal as I would have liked" (Corzine 1993). When looking at the evolution of the socioeconomic frontiers of the European Union, we observe a balance between national protectionism and liberalization. We observe also the presence of socioeconomic barriers also beyond 1993, which are exemplified by border controls for citizens of Member States. They were maintained beyond 1993. Considered to be the most symbolic purpose of the Internal Market program (Hill 1993a), national borders were maintained as barriers for citizens, while formalities for companies were eased. Moreover, certain sectors were left outside the liberalization trend, especially telecommunications, transport or energy, which might foreshadow the newfound interest in renewing the Single Market in the years that followed (Hill 1993b).

If we look at the imperfect Internal Market, we can conclude that the evolution of the frontiers of the European Union will still offer many more examples of permeable frontiers and impermeable borders. This is obvious if we consider Lord Cockfield's statements, according to whom the project of the Internal Market is far from over, while Financial Times felt that the Internal Market was a "patchwork" (Hill 1993b). Economically speaking, the stimulation of competition was considered the best choice for the erosion of economic barriers with protectionist roles. The liberalization of the European economic space not only eliminated economic barriers, but contributed to the creation of new types of frontiers, namely social frontiers. First, the restructuring of economic activities eliminated jobs, but it also created opportunities of cross-border economic cooperation by means of mergers or acquisitions (Hill 1993b). Second, omissions or delays, such as the creation of the transitional system for VAT collection of the elimination of telecoms from the Internal Market are new types of economic borders, new barriers that the Internal Market project did not foresee or create.

The signing of the Maastricht Treaty was a new step in the evolution of socioeconomic frontiers in the European Union. Not only was the Internal Market accomplished, albeit partially, but a new component of the Internal Market was put forward, namely the Economic and Monetary Union. Mainly, the newly created European Union was the continuation of the phased integration process, without seeing the final result (Bărbulescu 2005, p. 96). Thus, the creation of economic spaces under the umbrella of the newly created European Union also contributed to the reconfiguration of economic frontiers, given the creation of the Eurozone. The Monetary Union required a new accelerated effort from the Member States to eliminate disparities, according to the rules and criteria necessary for entry. According to Financial Times, which was quoting the statistics of the time done by the European Commission, "average per capita income disparities are widening: in the 25 poorest regions of the EC it fell to 56 % (from 57 %) of the EC average between 1980 and 1988, while in the 25 richest regions it grew to 137 % (from 135 %)" (Mead 1993). These regional differences, as well as the difficulties in the negotiation of the Treaty on the European Union emphasize the idea that Member States tend to hold on to every limitation, both in terms of territory and of policies. Also, there were objections referring to the way in which important programs for the socioeconomic evolution of the European Union had been combined, especially considering the incomplete character of the Internal Market, with regard to telecommunications and energy.

Essentially, the problems during negotiations for the Treaty on the European Union and related to the Economic and Monetary Union were a turning point in the socioeconomic evolution of the European Union. The Commission's social policy, which was envisioned by Delors for a competitive field as the Internal Market was, would have had to ease the effects of liberalization and the transfer of monetary policy to a centralized European body. However, this protocol was not agreed by all states and Great Britain refused to sign it, even if it was only an annexed protocol to the treaty. It meant the widening of community competences in labor health and safety, labor conditions, gender equality in the labor market or the inclusion of excluded people in the labor market, which were important issues in the fight against social disparities. The Commission was involved in these issues because it wanted to increase labor opportunities, but it also aimed to reduce social barriers within Member States. Even if the social dimension had been revived by Delors years before, important progress had not been made, partly due to the modest economic growth in the community and due to the United Kingdom's attempts of blocking them (Goodhart 1993). According to some analysts, "the measures outlined in the social action program are an attempt to ensure that the judgments of one of its constituents—labor—do not get completely unheard" (Goodhart 1993).

The difficulty in welding accelerated integration with the need to protection labor from the forces of liberalization brought about by a single monetary policy and an Internal Market contributed to the creation of new types of social frontiers. The social dimension imagined by Jacques Delors was meant to prevent *social dumping* by the harmonization of minimum labor rights, by creating standards meant to ensure equal work opportunities in all Member States (Goodhart 1993). The shift in focus towards a common social policy was done by the sanctioning of community competences brought about by the fact that “both economic growth and competitiveness growth had to be accompanied by a just distribution of resulting benefits” (Bărbulescu 2008, p. 104). In an Internal Market where national preferences with regard to labor culture were still predominant, thinking about a strategy to increase labor mobility would create opportunities for the labor force, while at the same time it would break some social barriers regarding work opportunities of certain regions.

2.5 Socioeconomic Frontiers in the Lisbon Treaty

The Lisbon Treaty established the Internal Market’s status as a “an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaties.” (Official Journal of the European Union 2012, p. 127). Moreover, according to article 3 of the same treaty, “The Union shall have exclusive competence in [..] the establishing of the competition rules necessary for the functioning of the Internal Market.” It acts for the sustainable development of Europe, based on balanced economic growth and price stability, on a highly competitive social market economy, aiming for high employment and social progress, as well as a high level of protection of the environment. It promotes scientific and technological progress. These articles emphasize the roles of national borders as barriers within the European Union, by pointing that their elimination can bring socioeconomic development to the Union and its citizens. For that matter, socioeconomic cohesion is a prime objective for the Union. In this text, it also becomes territorial cohesion, in order to emphasize also the need for a spatial dimension to the harmonious socioeconomic development. Again, borders are inherent because the spatial dimension of socioeconomic cohesion proves that they must transform and become axes rather than barriers in order to offer resources for the harmonious development of communities.

On the other hand, the elaboration of the treaty reflects a certain evolution of a Single Market reflecting as well on borders. According to the evolution from the Common Market to the Internal Market then to the Single Market, the mapping of the market from the signing of the Maastricht Treaty up to the Lisbon Treaty would progress from “internal” to the “single.” At the same time it would reflect the dismantling of borders into frontiers. The changes brought about by the Lisbon Treaty within the treaties that are modified by it are proof to this assertion. It is recommended to change the term “common market” to “internal market” in the horizontal amendments regarding the modifications of the Treaty of the European

Community (Treaty of Lisbon 2007, p. 42). Even so, the evolution of frontiers or borders, regardless of their statute, has not reached the point yet in order to truly emphasize a Single Market.

The signing and ratification of the Lisbon Treaty took place in a tumultuous period, caused by economic turmoil worldwide. Moreover, as certain weaknesses were emphasized, especially in the construction of the Economic and Monetary Union or in the structure of the Single Market, European leaders had to find quick solutions to these issues. Firstly, one of the most important amendments of the Lisbon Treaty created the European Stability Mechanism, as a part of the treaty bearing the same name that entered into force in 2013. Its purpose is to maintain financial stability in the Eurozone, by offering financial aid to Member States from the Eurozone, which are affected or threatened by financial difficulties (European Stability Mechanism). Another socioeconomic impact has had the Treaty on the Stability, Coordination and Governance of the European Union, meant to "cultivate budget discipline, better coordination of economic policies and improved governance of the Eurozone" (Church and Phinnemore 2013, p. 54). Beyond the need for greater fiscal and economic integration, this treaty increases the separation between Member States of the Eurozone and non-Eurozone states, thus indicating a new economic frontier created within the Economic and Monetary Union. The coordination stipulated in this treaty aims at deepening economic and monetary integration, but it also represents a new step towards creating a European economic space characterized by the coordination of national economic and fiscal policies, as well as the creation of free movement within the Internal or Single Market.

The evolution towards a true Single Market made an unscheduled stop in the context of the financial crisis that swept across the European Union in the recent years. The former commissioner Mario Monti was in charge of drawing up a report on the Single Market, which was issued in May 2010, in the midst of a full blown financial crisis in Europe. Moreover, he issues a series of legislative proposals regarding the relaunch of the Single Market, given its incomplete character, as it was stated in the letter addressed to Mario Monti by Jose Manuel Barroso (Barroso 2009). Monti feels that the Single Market is "an instrument and not an end in itself," but also emphasizes the dangerous tendencies in the evolution of the market, namely signs of "integration fatigue" and "market fatigue" (Monti 2010, p. 24). In his opinion, several factors contributed to this, the most relevant of which would be the prioritization of some forms of integration in favor of others, especially the creation and enlargement of the monetary union, as well as the incomplete "welding together" of national markets and its lack of flexibility.

The Monti report, based on a series of previous consultations with stakeholders, brought to light the low popularity of the project and a series of challenges, especially considering the financial crisis. The most important ones from before the crisis, as well as during it, refer to the return to economic nationalism due to the "tendency to seek emergency solutions at the national level," as well the hesitations of political leaders to deepen integration (Monti 2010, p. 23). More simply put, national borders became again barriers in the correct functioning of the Single Market, given the economic woes of almost all Member States. The oversights in the creation of the Internal Market in 1985 were multiplied by the financial crisis and interest was refocused to the national level, by ignoring the importance of a functional Single Market for economic recovery. At the same time, social issues and exclusion increased, due to the relocation of companies, slowing economy and the lack of flexibility of the labor market. Such socioeconomic problems cast a shadow on the road to integration to a truly Single Market.

The new strategy for the Single Market put forward by Mario Monti emphasized the need for a more proactive approach based on a more robust implementation system, as well as its enlargement to other fields and linking it to the need to accomplish a sustainable Economic and Monetary Union (Monti 2010). In order to obtain a truly Single Market, not only an Internal Market, he proposed a comprehensive approach based on the integration of competition policy, social policy and digital policies within the strategic objectives of the Single Market. Comparing the 1985 White Paper with the actual implementation of the Internal Market, Monti concludes that the market must adapt to certain trends that had not existed almost four decades ago (technological revolution, financial services) and also to certain changes within Europe, such as the enlargement and greater economic diversity of the Union. Moreover, Monti emphasizes certain misgivings that had been seen in the 1985 document regarding the Internal Market, especially due to the lack of a Single Market for services, as well as the existence of certain fiscal and administrative barriers in free trade.

In order to truly reform the Internal Market, Monti talks about accessing the "new frontiers of the Union" (Monti 2010, p. 37). Besides solving existing problems, he also proposes the launch of the Single Market's objectives in new sectors, such as ICT, thus mapping new directions of Single Market expansion in order to "to drive forward the construction of a digital and low-carbon resource efficient economy" (Monti 2010, p. 37). This is possible only if existing barriers are eliminated, even if the social dimension of the Single Market is achieved, given the fact that there is "frustration with remaining barriers or the feeling of disempowerment that citizens experience when dealing with the Single Market." Moreover, Monti emphasizes the fact that consumer protection is becoming more and more important in the Single Market, because of new frontiers it has to approach, namely digital economy and e-commerce.

The recommendations of the Monti report were the basis for reshaping the strategy on the Single Market, by two Single Market acts, which are a "coherent response to the shortcomings of the Internal Market and aims at a sustainable and inclusive growth model" (Barnier 2011). The first Single Market Act puts forward a set of 12 proposals for its revitalization, namely: access to finance for SMEs, worker mobility in the Single Market, intellectual property rights, consumers, strengthening service standardization, stronger European networks, Digital Single Market, social entrepreneurship, taxation, more social cohesion in the Single Market, regulatory environment for business, and public procurement.

These instruments are a part of the proactive and transversal strategy for "putting an end to market fragmentation and eliminating barriers and obstacles to the movement of services, innovation and creativity" (European Commission 2011, p. 3).

The primordial character of the Single Market for the European economy is emphasized, stating that it plays "its role as a platform on which to build European competitiveness for its peoples, businesses and regions, including the remotest and least developed" (European Commission 2011, p. 3).

What is relevant for this research is that the first Single Market Act emphasizes the need for free movement of innovation and creativity, two bases of the technological revolution, especially of the digital economy. In this sense, the Single Market Act focuses on the need for a Digital Single Market, without borders, to offer high security for citizens, companies and states. The Digital Single Market cannot function with socioeconomic barriers, but it can function by reconsidering borders and frontiers and bridges for connecting different national markets and resources. In the same logic, social inclusion and cohesion are treated in this document as facets for an adequate functioning of the Single Market, with initiatives, such as "legislation aimed at clarifying the exercise of freedom of establishment and the freedom to provide services alongside fundamental social rights" (European Commission 2011, p. 16). In this sense, we can deduce the fact that social inclusion is a priority, as well as an important effect of the Single Market, especially in the context of the economic crisis that fueled European unemployment and socioeconomic differences between regions.

The second Single Market Act was published on the 20th anniversary of the Internal Market launch and it was meant to be an additional pack of measures to strengthen the Single Market project, based on the experiences of the first act. As opposed to the first one, the document published in 2012 underlines a series of clear measures for a better integrated Single Market, based on the main growth pillars: developing fully integrated networks in the Single Market, fostering mobility of citizens and businesses across borders, supporting the digital economy across Europe, strengthening social entrepreneurship, cohesion, and consumer confidence (European Commission 2012, p. 5). Based on these pillars, the Act proposed the creation of truly European rail, maritime and air transport networks for free movement in the European space, so that borders can truly become history. From a frontier point of view, we can maintain that this second Single Market Act approaches social inclusion as means of creating social connections, based on the promotion of citizen mobility with the help of EURES or the portability of additional social rights (European Commission 2012, p. 9). Digital economy, as a factor that changes the evolution of the Single Market, is at the forefront of these initiatives, given the sustainable economic and social benefits it brings (European Commission 2012).

In conclusion, if we strictly refer to national borders as economic barriers, the evolution of European frontiers has been accomplished in an inverse ratio with the development of the community and the European Union. On the other hand, European frontiers have transformed, as the community or the Union has evolved up to the present, which still is marked by crises and hesitation. However, there has been an acknowledgment that integration must continue.

The evolution of economic frontiers is easily emphasized by the transformation of the European economic space from a Common Market, to an Internal Market, up to the acknowledgment of the need for a clear European Single Market. As the Single Market has been shaped, national borders as economic barriers were blurred, but new types of frontiers appeared, the social ones that are manifested either by social exclusion, lack of territorial cohesion or by cross-border communication projects.

A new dimension given to the Internal Market and to the Single Market is the digital dimension, focused on the emergence of the digital economy. The Commission documents emphasize this dimension as a new way to develop the market. In this sense, the frontiers, as elements undergoing transformations due to globalization tendencies, also undergo some changes, because their role has been rethought in the digital world. They can be both links between the digital and the real spaces and resources for the digital economy by the promotion of technological innovation and its application in society and economy. The next chapter will explore in detail the way in which electronic frontiers are defined and the means in which they are manifested at the European level.

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The Socioeconomic Evolution of the European Union
Exploring the Electronic Frontier
Mărcuț, M.
2016, XIV, 128 p., Softcover
ISBN: 978-3-319-40303-8