

THE EC (EUROPEAN COMMUNITY) AND THE SAARC (SOUTH ASIAN ASSOCIATION FOR REGIONAL CO-OPERATION)

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Extension of European integration is likely to get retarded owing to the opposing forces to it that are becoming manifest through ethnicity, nationalism and economics. These forces became more explicit following the Maastricht Treaty of December 1991. Clear and rational economic arguments favouring a single European market were made explicit in leadership proposals that emanated from Maastricht. In the 12 nation grouping, investment and trade can increase and monetary disincentives can get diminished or disappear. Yet, the very process of forging the European institution that will be generated has aroused apprehension among those who cannot envisage the larger projected global economic scene.

A notable indication of popular resistance emerged from the first national vote on the treaty. The Danes rejected the Maastricht arrangement in a referendum on June 2, 1992. The French acquiesced in it narrowly on September 20. But the vote sparked a debate with monetary and nationalist echoes resounding across Europe.

Economic reasoning adduced by the political leadership advocates a choice of greater community. Nevertheless, democracy voiced through emotional popular sentiment can undermine the endeavours of integrating Europe and consolidating it as a global economic force. The monetary crises of September 1992 illustrated a general public mistrust of centralization implied by Maastricht.

The strength of the German mark in international finance provoked anxieties of other Europeans fearing that it will dominate their currencies. But Germans themselves got disturbed that the creation of a common European currency could lower the role of their nation's financial system. Additionally, the mark symbolizes national pride and identity and also boasts a sense of German nationalism which can challenge an European identity that is more consistent with a single foreign and security policy under the new European community.

The other nationalities too can be reluctant to accept the Germans as they

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