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Introduction

Michael G. Baylor

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INTRODUCTION

In 2007 the annual research project of the Martindale Center for the Study of Private Enterprise focused on the Benelux countries (Belgium, the Netherlands, and Luxembourg), an area of northwestern Europe that possesses a history rich in particularism and individuality, yet has also been a pacemaker and model of European economic integration. It is one of the most densely populated and economically vibrant regions on the continent. The papers of the Martindale Center's Student Associates that resulted from this year's research, which included a twelve-day research trip that embraced all three Benelux countries, are testimony to the creativity, intellectual acumen, and diligence of the undergraduate students whom the Center selected for the project.

The Low Countries — including the present-day Benelux countries — have long been a key geographic region in Europe. Already in antiquity, they marked a region where Roman and Germanic cultures came together and where the tribe of the Franks, important Roman allies, had their base. In the Middle Ages, they consisted of seventeen strongly independent yet closely related provinces in the northwestern corner of the Holy Roman Empire. These provinces played a key role in medieval civilization. Their inhabitants were renowned for their ability to wrest arable land from swampy polders through complex and sophisticated dikes and canals; for their industry, especially the superb quality of the woolen cloth they produced; and for the vitality of their advanced urban culture, the most densely populated concentration of towns and cities north of the Alps. The marriage policies of the Habsburg dynasty made these provinces, formerly part of the Burgundian inheritance, central to the sprawling European empire of Charles V. Later in the sixteenth century, after the Low Countries came under Spanish control, the Reformation's savage religious civil wars resulted in sharp confessional divergence, with the Protestant northern provinces gaining their independence from Spain.

In the early modern period, the independent United Provinces or Dutch Republic, the future Netherlands, gained a commercial empire that spanned the globe. The Catholic

southern provinces, the future Belgium and Luxembourg, remained central to Europe's economy; and Spain, Austria, France, the Netherlands, and Germany successively sought to dominate them. In the nineteenth century, the industrial revolution on the European continent began in Belgium, which shortly thereafter became an independent kingdom, one to which the foreign policy of Luxembourg was closely linked. An economic union of Belgium and Luxembourg has existed since 1921.

Today, the three Benelux countries are all independent monarchies but ones that have closely integrated economies. In fact, their economic integration was both a harbinger and an integral component of developments that have generated the European Union. The economic cooperation of the three goes back to the Second World War, when the three governments in exile in London signed an agreement in September 1944 to remove customs barriers and to facilitate the free exchange of people, goods, and services. The Benelux Customs Union came into force in 1948 and a full-fledged Benelux Economic Union in 1960. Since 1948 the Benelux union has been a key player in the wider economic integration of Europe — as a founding member of the European Coal and Steel Community (1951) and the European Economic Community (1955), as well as the institution that has replaced them, the European Union (1993). What Europe achieved later, the Benelux countries accomplished first. Although together they are small in size (only 29,000 sq. mi., an area smaller than South Carolina), the Benelux countries, with a population of nearly 28 million, remain one of the most densely populated and economically vital regions of Europe. It is no accident that Brussels, the capital of Belgium, is also the headquarters of the European Union.

The 2007 Student Associates of the Martindale Center undertook a variety of individual research projects that investigated key problems and issues of the region. The students' own intellectual interests determined their project topics. Many of these research papers concern issues that pertain to an individual member of the Benelux union, and several students' arti-

cles deal with each of the three countries. For Belgium, Stephanie Berger takes up the contested question of Belgian national unity and traces the deep cultural divisions separating Flanders and Wallonia; Rich Sypeck explores the Belgian educational system and the reasons for the performance gap of immigrant students; and Caitlin Shenk investigates the impact of Belgium's complex political system on its energy policy. For the Netherlands, Anthony Kuster's article studies flood control technology, a topic of great importance also for the United States, and the challenge posed by predicted environmental changes; Tamara Nisic studies the Dutch government's approach to social and economic problems among its immigrant population; Rachel Stewart's paper examines recent reforms in the health insurance system; and Sue Nee Tan's study analyzes Dutch efforts to develop environmentally sound agricultural policies. For Luxembourg, Cameron Copeland examines the formation of ArcelorMittal, the world's largest steel conglomerate; and Bridget Clancy's article details the foundations of Luxembourg's important financial services sector.

Other papers are comparative and permit the reader to draw comparative conclusions. Thus, Michael Ballanco's article explores entrepreneurship in both Belgium and the Netherlands. The research of both Nisic and Sypeck deals with problems that have arisen in the Netherlands and Belgium as a result of recent immigration, while the articles of Kuster and Shenk take up environmental issues that concern both countries. Finally, in anticipation of the 2010 renewal of the Benelux Economic Union, Jeremy Walsh's paper takes up the history of Benelux economic cooperation and its potential new directions. Overall, this is a rich, varied collection of articles, one that is sensitive to the diversity and complexity of the region studied, one whose research addresses potential solutions as well as contemporary problems, and one that the Martindale Center is proud to publish as a new volume in its *Perspectives on Business and Economics* series.

Michael G. Baylor
Professor of History