

## European Union

### European Union<sup>1</sup>



Flag of the European Union

Motto: *In varietate concordia*

Anthem: *Ode to Joy*

<b>Commission seat</b>	Brussels 50°54'N 4°32'E
<b>Presidencies</b>	
- Commission	José Manuel Barroso
- Parliament	Hans-Gert Pöttering
- Council	Frank-Walter Steinmeier
- European Council	Germany
<b>Formation</b>	
- Treaty of Rome	25 March 1957
- Maastricht Treaty	7 February 1992

The **European Union (EU)** is a **supranational** and **intergovernmental** union of nation-states in Europe. It was established in **1992** by the **Treaty on European Union** (The **Maastricht Treaty**), and it is the de facto successor to the **six-member European Economic Community founded in 1957**. New accessions have raised its membership to 27 member states, and its competences and goals have expanded. The EU is the current stage of a continuing open-ended process of European integration. Critics are concerned that process will ultimately deprive member states of their sovereignty.

The EU is now the largest political and economic entity on the European continent, with around 493 million people and an official GDP of €10.5 (\$13,7) trillion. **The Union** is a **customs union** and a developing **single market**, with a common trade policy. It has its own currency, the **euro** - already adopted by 13 member states. The Union has a Common Agricultural Policy, a Common Fisheries Policy, and a regional Policy to assist poorer regions. It has initiated a limited Common Foreign and Security Policy, and a limited joint policy on crime.

Important EU institutions and bodies include the **European Commission**, the **Council of the European Union**, the **European Council**, the European Central Bank, the European Court of Justice, and the **European Parliament**. Citizens of EU member states are also EU citizens: they directly elect the European Parliament, once every five years. They can live, travel, work, and invest in other member states (with some restrictions on new member states). Passport control and customs checks at most internal borders were abolished by the Schengen Agreement.

### History

The EU has evolved from a western European trade body into the supranational and intergovernmental body that it is today. After the Second World War, an impetus grew in western Europe for institutional forms of cooperation between states, driven by the determination to rebuild Europe and eliminate the possibility of another World War. Eastern Europe, on the other hand, was largely within the Soviet sphere of influence, and only in the 1990s did the EU see central and eastern European states as potential members.

In 1946 Winston Churchill called for a "**United States of Europe**" (though without the inclusion of the UK) On May 9, 1950, the French foreign minister Robert Schuman presented a proposal for the joint management of France's and West Germany's coal and steel industries. The proposal, known as the "Schuman Declaration", envisaged the scheme as "the first concrete step towards a European federation". It is considered to be the beginning of the creation of what is now the European Union, and led to the formation of the **European Coal and Steel Community** by (West) Germany, France, Italy and the Benelux countries. This was accomplished by the **Treaty of Paris**, signed in 1951.



The founding nations signing the Treaty of Rome in 1957

The first full customs union - the *European Economic Community* (the Common Market) - was established by the **Treaty of Rome** in 1957 and implemented on 1 January 1958. This later changed to the *European Community*, which is now the "first pillar" of the European Union created by the Maastricht treaty.

On 29 October 2004, EU member state heads of government and state signed the **Treaty establishing a Constitution for Europe**. This was later ratified by 17 member states. However, in most cases ratification was based on parliamentary action, rather than popular vote, and the process faltered on 29 May 2005 when French voters rejected the constitution 55% to 45%. The French rejection was followed three days later by a Dutch one, in which 62% of voters refused the constitution as well.

### **Member states**

The EU describes itself as "a family of democratic European countries". On 23 July 1952, **six** founding members formed the European Coal and Steel Community (ECSC), which was transformed into the European Community, later renamed to European Union, in waves of accession:



Year	History of European Union membership	No.
1957	 Belgium  France  West Germany <sup>a</sup>  Italy  Luxembourg  Netherlands	6
1973	 Denmark <sup>b</sup>  Ireland  United Kingdom	9
1981	 Greece	10
1986	 Portugal  Spain	12
1995	 Austria  Finland  Sweden	15
2004	 Cyprus  Czech Republic  Estonia  Hungary  Latvia  Lithuania  Malta  Poland  Slovakia  Slovenia	25
2007	 Bulgaria  Romania	27

<sup>a</sup> 3 October 1990, the constituent Länder of former East Germany acceded to the former West Germany, automatically becoming part of the EU.

<sup>b</sup> Greenland, which was granted home rule by Denmark in 1979, left the European Community in 1985, following a referendum

## Politics

Supporters of the European Union argue that the growth of the EU is a force for peace and democracy, and that it did prevent wars among members. However, the causal factors of war and peace are a controversial theoretical issue. Others contend that peace in Europe since World War II is the product of other causes, such as the moderating influence of the United States and the Soviet Union within their respective power blocs, and the mutual external threat for the other bloc/alliance, the need for reconstruction after World War II, and a collective temporary tiring of waging war, and that the dictatorships cited came to an end for entirely different reasons.

The nature and future direction of the European Union itself is the central issue in pan-European politics, and a significant issue in the national politics of the member states. General issues include the ultimate size of the Union, limits on new accession, the pace of new accessions, expansion in membership versus internal integration, a future as a political union versus a future as a free trade zone, the geographical limits of "Europe" for membership purposes, and the **values and historical-cultural identity of the Union**. Internal structure, procedures and policies are themselves subject to constant political debate. Specific issues at present include the status and future of the **constitutional treaty; enlargement on the Balkans and Turkish accession**; problems of financial probity and democratic accountability; relative economic viability; revision of the rules of the Stability and Growth Pact; and the Common Agricultural Policy.



In 2004, the constitutional treaty was signed in Rome by representatives of all EU member states. Subsequently, it was ratified by 15 member states, and rejected in French and Dutch referenda.

The Financial Perspective for 2007–2013 was defined in 2005 when EU members agreed to fix the common budget to 1.045% of the European GDP. UK Prime Minister Tony Blair agreed to review the British rebate, negotiated by Margaret Thatcher in 1984. French President Jacques Chirac declared this increase in the budget will permit Europe to "finance common policies" such as the Common Agricultural Policy or the Research and Technological Development Policy. France's demand to lower the VAT in catering was refused. Controversial issues during budget debates include the British rebate, France's benefits from the Common Agricultural Policy, Germany and the Netherlands' large contributions to the EU budget, reform of the European Regional Development Funds, and the question of whether the European Parliament should continue to meet once a month in Strasbourg.

The Treaty establishing a Constitution for Europe (TCE), commonly referred to as the European Constitution, is an international treaty intended to create a constitution for the European Union. The constitution was rejected by France and the Netherlands, where referenda were held causing other countries to postpone or halt their ratification procedures. The constitution now has an uncertain future. As of February 2007, Austria, Belgium, Bulgaria, Cyprus, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Romania, Slovenia and Spain have ratified the constitutional treaty. Finland, Germany and Slovakia have completed parliamentary procedures required for ratification. Spain and Luxembourg held referenda, thus in those member states the constitution was ratified by popular vote.

### Three pillars

The 'pillar' structure created by the **Treaty of Maastricht** moved the older policies and activities into the 'first pillar, labeled the 'European Communities'. The more controversial new policy areas - foreign policy, security and defence, asylum and immigration, and judicial co-operation - were moved into two new 'pillars'.

### European Economic Community

The most prominent policy goal of the European Union is the development and maintenance of an effective single market. Significant efforts have been made to create harmonised standards designed to bring economic benefits through creating larger, more efficient markets. Since the Treaty of Rome, policies have implemented free trade of goods and services among member states, and continue to do so. This policy goal was further extended to three of the four EFTA states by the European Economic Area, EEA. Common EU competition law restricts anti-competitive activities of companies (through antitrust law and merger control) and member states (through the State Aids regime). The EU promotes free movement of capital between member states (and other EEA states). The members have a common system of indirect taxation, the VAT, as well as common customs duties and excises on various products. They have a common external customs tariff, and a common position in international trade negotiations. Other single-market policies include energy market policy and the European Common Aviation

Area. The introduction of the Euro, not yet adopted by all member states, created the Eurozone, a single currency area including 13 member states with more than 300 million people.

A second major goal has been the *free movement of persons*. Citizens of older member states can live and work anywhere within the EU with their spouses and children, provided they can support themselves. Citizens of other EEA states and Switzerland, have comparable freedom, but work permits for citizens of some new member states are restricted (in the older member states). The unforeseen scale of migrant labour, especially from Poland, has become a contentious political issue in those states, and the spectre of the Polish plumber played a role in the campaign against the EU Constitutional Treaty in France.

In terms of funding, the two major policies are the Common Agricultural Policy (with the Common Fisheries Policy) and the structural and cohesion funds, which improve infrastructure and assist disadvantaged regions. Together they are known as the *cohesion policies*. The EU also has funds for emergency financial aid, for instance after natural disasters. The funding extends to programmes in candidate countries and other Eastern European countries, as well as aid to many developing countries, through programmes such as Phare, TACIS, ISPA. The EU also funds research and technological development, through four-year Framework Programmes for Research and Technological Development.

In a more political sense, the EU attempts to create - with much controversy - a sense of European citizenship and European political life. That includes freedom for citizens of the EU to vote and to stand as candidates in local government and European Parliament elections in any member state. The European Parliament is now attempting to create pan-European political parties, and almost all members have joined at least a federation of national political parties.

### **Common Foreign & Security Policy**

Defence and security are traditionally matters of national sovereignty. EU policies in this area were established as the second of the three pillars in the Maastricht treaty of 1992. The *Common Foreign and Security Policy* or CFSP were further defined and broadened in the Amsterdam Treaty of 1997. It superseded the European Political Cooperation. The CFSP acknowledges NATO being responsible for territorial defence of Europe and "peace-making". In 1999 the European Council took over responsibilities for the implementation of peace-keeping missions (EUFOR in Bosnia Herzegovina, Congo) and policing of treaties. The supervision is coordinated by the High Representative for the Common Foreign and Security Policy, Javier Solana.

The European Security and Defence Policy is an element of the CFSP and stipulated the framing for policies that could deal with humanitarian and rescue tasks, and tasks of combat forces. It includes the creation of a 60,000-member European Rapid Reaction Force for peacekeeping purposes, an EU military staff, a European Defence Agency and an EU satellite centre (for intelligence purposes).

### **Police and Judicial Co-operation in Criminal Matters**

The third of the three pillars of the European Union is focusing on cooperation in criminal matters, including sharing of intelligence (through Europol and the Schengen Information System), agreement on common definition of criminal offences and expedited extradition procedures. It is the EU instrument of law enforcement and combating racism.

It was created as the *Justice and Home Affairs* pillar in the Treaty of Maastricht; subsequently the Treaty of Amsterdam transferred the areas of illegal immigration, visas, asylum, and judicial co-operation to the integrated first (European Community) pillar. The term *Justice and Home Affairs* now covers these integrated fields as well as the intergovernmental third pillar.

### **Institutions and bodies**

The President of the European Commission, José Manuel Barroso

The EU has no official capital and its institutions are divided between several cities:

- Brussels — seat of the European Commission (staff of about 23,000) and the Council of Ministers. It is also the venue of the European Parliament's (785 members) committee meetings and mini-sessions and (since 2004) the host city for all European Council summits.
- Strasbourg — seat of the European Parliament and venue of its twelve week-long plenary sessions each year. Strasbourg is also the seat of the Council of Europe and the European Court of Human Rights, which are not bodies of the EU.
- Luxembourg — seat of the European Court of Justice (incorporating the Court of First Instance), the European Court of Auditors, the Secretariat of the European Parliament and the European Investment Bank.
- Frankfurt — seat of the European Central Bank (Composing the European System of Central Banks)



The presidency of the European Council is currently held by Germany (Angela Merkel, Chancellor)

- The European Council, which is a regular meeting of the 27 heads of member states and the European Commission president is sometimes also listed as an institution, although since it lacks its own staff, budget and the legal powers held by the above 5 institutions, it is better described as a "quasi-institution".

There are also two advisory committees to the institutions; Committee of the Regions, advising on regional issues and the Economic and Social Committee, advising on economic and social policy (principally relations between workers and employers).



The European Parliament building in Strasbourg. The other one is located in Brussels

A number (currently 32) of more specialised agencies of the European Union, usually set up by secondary legislation, which exist to implement particular policies. Examples are the Europol (the European Police Office), the European Environment Agency, the European Aviation Safety Agency or the Office for Harmonisation in the Internal Market, the Political and Security Committee, established in the context of the Common Foreign and Security Policy, monitoring and advising on international issues of global security.