European Union: What We Need to Know and Why

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The European Union:
500 million people – 28 countries

Member states of the European Union

Candidate and potential candidate countries

	Death toll	The Economic Set-Back: Pre-war year when GDP equalled that of 1945
Austria	525,000	1886
Belgium	82,750	1924
Denmark	4,250	1936
Finland	79,000	1938
France	505,750	1891
Germany	6,363,000	1908
Italy	355,500	1909
Netherlands	250,000	1912
Norway	10,250	1937
Sweden	0	GDP grew during WWII
Switzerland	0	GDP grew during WWII
UK	325,000	GDP grew during WWII

Baldwin&Wyplosz 2006. The Economics of European Integration 2nd Edition

Why?

Peace in Europe (post-WW II)
Jean Monnet (1943):

"There will be no peace in Europe, if the states are reconstituted on the basis of national sovereignty with all that this implies by way of prestige politics and economic protectionism. If the countries of Europe once more protect themselves against each other, it will be once more be necessary to build up vast armies."
"The European states must constitute themselves into a federation."

Economic interdependence as key

Economic reconstruction

Institutional foundations

- **Three Communities created in 1950s:**
  - European Coal and Steel Community (ECSC), 1951
    - making war in Europe not only *'unthinkable, but materially impossible'*
  - European Atomic Energy Community (Euratom), 1957
  - European Economic Community (EEC), 1957

- **Founders:**
  - Germany, France, Italy, Belgium, Netherlands, Luxemburg

- **Different patterns of development:**
  - Widening
  - Deepening
  - Differentiated and multi-speed integration

Widening: enlargement

Original members:
Germany, France, Italy, Belgium,
Netherlands, Luxemburg

1973:
UK, Ireland,
Denmark

1981:
Greece

1986:
Portugal,
Spain

1990:
East
Germany

1995:
Austria, Sweden,
Finland

2004:
CEE countries,
Cyprus, Malta

2007:
Bulgaria,
Romania

2013:
Croatia

Deepening – more policy matters decided at EU level

EU institutions reflect a combination of a supranational principle (community matters) and an intergovernmental principle

The two principles are combined as deepening occurs

- Supranational principle: areas where EU has jurisdiction (e.g., external trade)

- Intergovernmental principle: Member states decide collectively

Deepening integration

- Single European Act (1985): 4 freedoms of movement; strengthens European Parliament

- Maastricht Treaty (1991): creates European Union; Euro; pushes integration beyond economics (foreign policy, home affairs)

- Amsterdam (1997) and Nice (2000) Treaties: preparation for enlargement; incorporate Schengen agreement into EU treaties

- Lisbon Treaty (2007): simplifies institutional structure; gives EU unified legal personality → in force since 2009

- Since 2010: succession of crises (Eurozone crisis, refugee crisis, Brexit) and rise of Euroscepticism

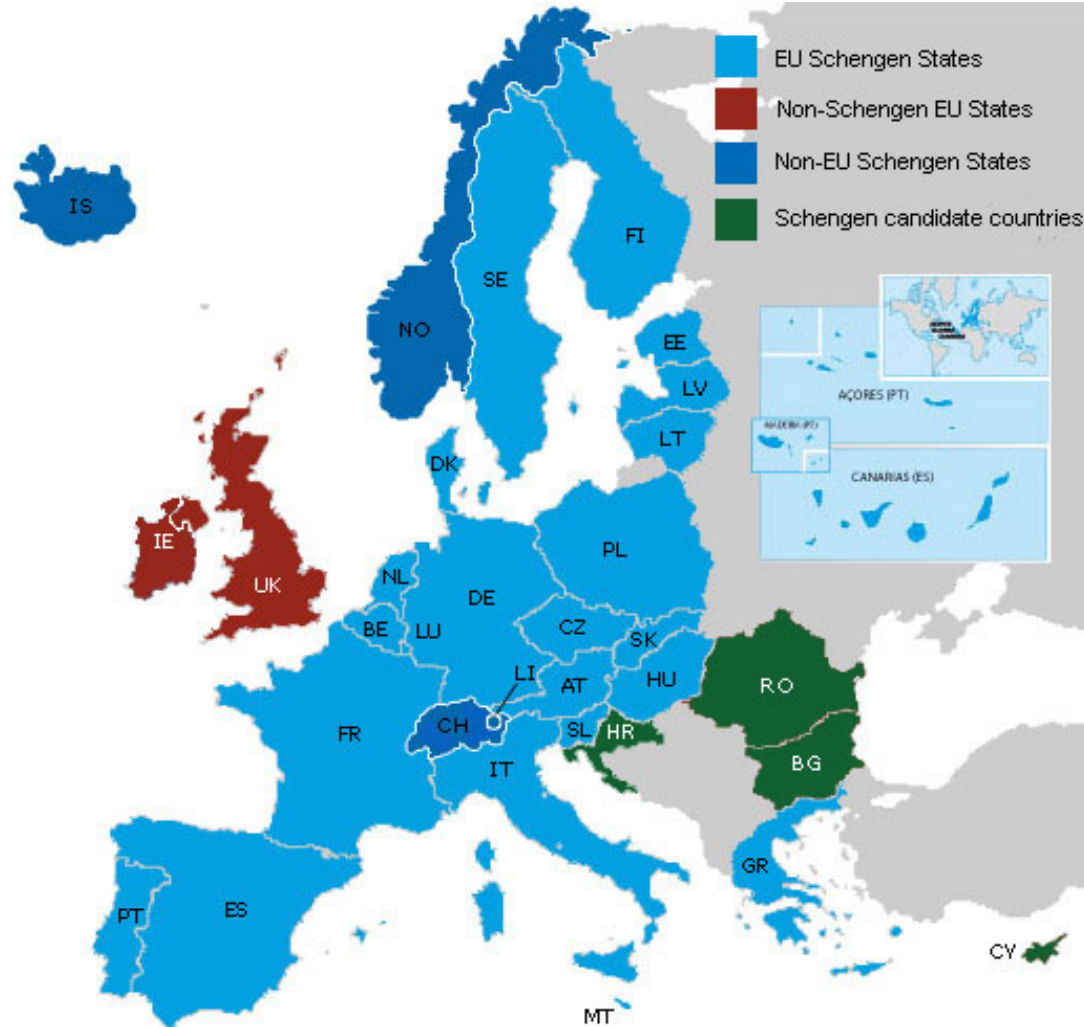# Multi-speed and differentiated integration

- **Schengen area:**
  - Signed 1985 by France, Germany, Belgium, Luxembourg, the Netherlands.
  - Now part of EU law: UK and Ireland opted out
  - Now has 26 members:
    - Most EU members
    - Plus Switzerland, Iceland, Liechtenstein, and Norway.
  - Bulgaria, Romania, Cyprus, and Croatia not yet admitted

- **Passport free movement and no border controls within the zone, common external border policy (but administered by national authorities)**

https://www.sporcle.com/blog/2018/04/what-is-the-schengen-area-a-list-of-schengen-countries/

Schengen Zone

http://ec.europa.eu/dgs/home-affairs/images/schengen-map/it.png

Multi-speed and differentiated integration

- **Monetary integration and the Eurozone**
  - Share a common currency (Euro)
  - Common monetary policy, interest rates
  - European Central Bank
  - Some common rules about fiscal policies (Stability and Growth Pact)
  - Not all EU countries are members (19 of 28):
    - UK and Denmark opted out
    - Bulgaria, Croatia, Czech Rep, Hungary, Poland, Romania, and Sweden not yet joined

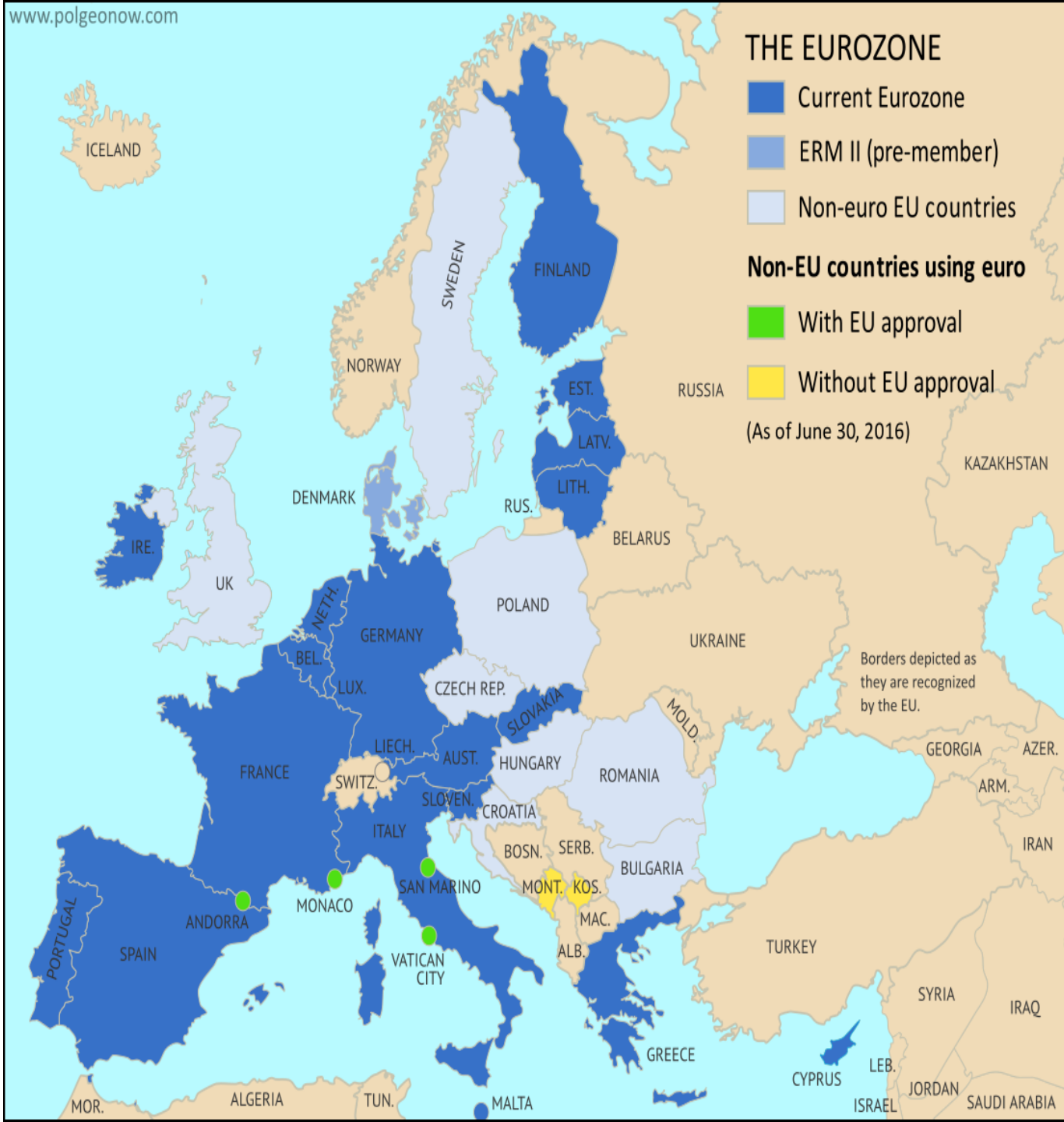www.polgeonow.com
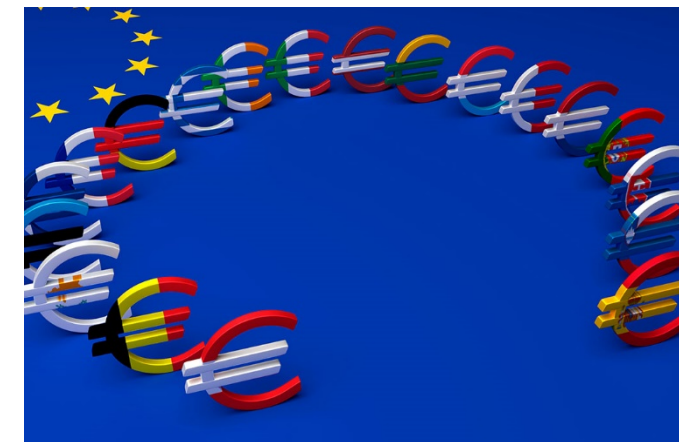
THE EUROZONE

- ■ Current Eurozone
- ■ ERM II (pre-member)
- ☐ Non-euro EU countries

Non-EU countries using euro

- ■ With EU approval
- ■ Without EU approval

(As of June 30, 2016)

Borders depicted as they are recognized by the EU.

http://www.polgeonow.com/2014/08/map-which-countries-use-euro-plus-this.html

Differentiated integration
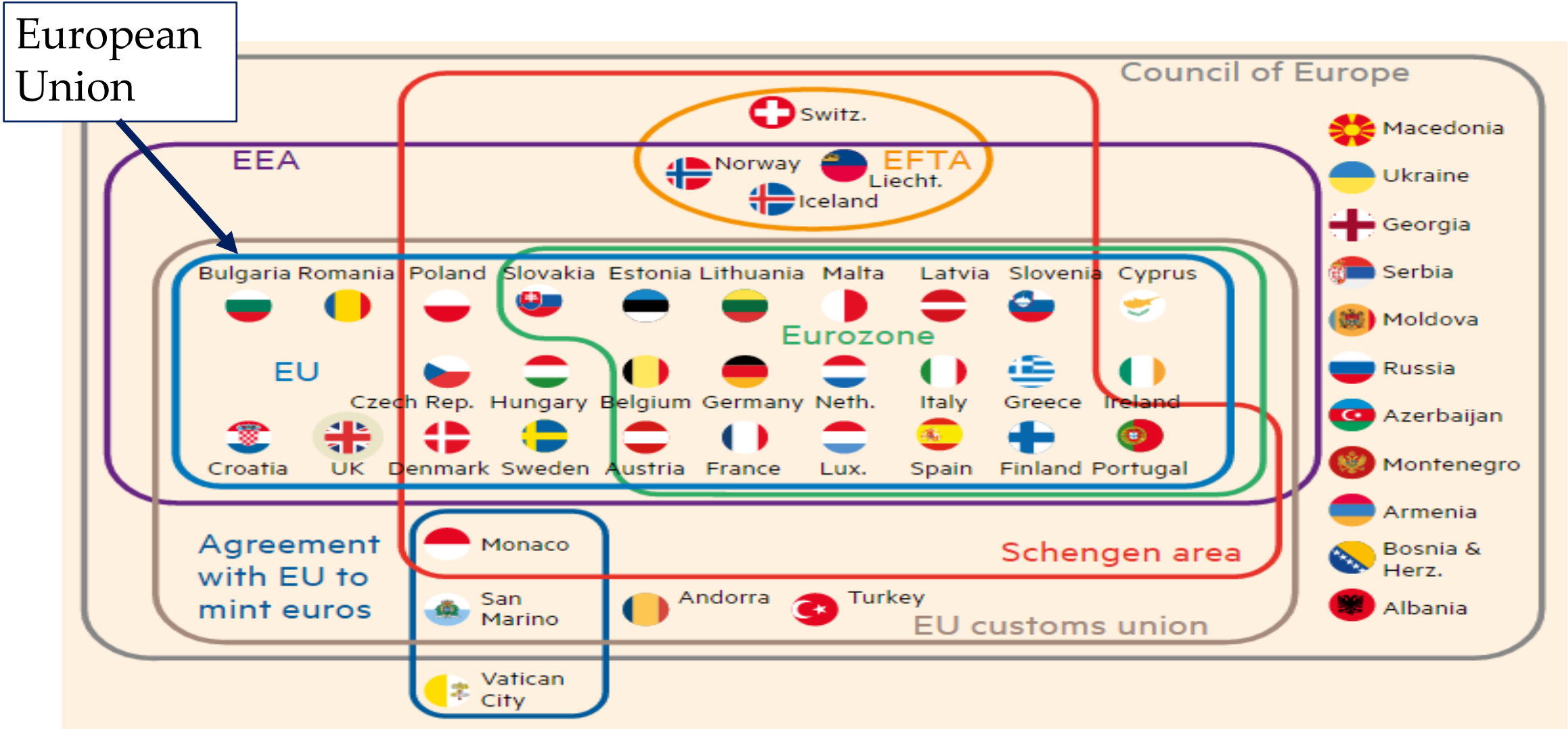
EU governance: Core characteristics

More than an international organization, less than a state:

EU is combination of intergovernmentalism (member-state control) and supranationalism (pan-European mandate)

Multilevel governance:

EU makes binding laws in wide range of areas, but mainly framework laws specified by member states; member states charged with policy implementation

Precarious legitimacy:

More democratic mechanisms than in any other international organizations, but limited citizen interest/participation and increasing Euroscepticism

EU Institutions

Institution	Composition	Governance role
European Council (Brussels)	Member state leaders (intergovernmental)	Defines legislative, executive objectives
European Commission (Brussels)	EU bureaucrats (supranational)	Executive, some legislative functions
Council of the European Union (Brussels)	Member state ministers (intergovernmental)	Legislative, some executive functions
European Parliament (Strasbourg, Brussels)	Elected MEPs (supranational)	Legislative
Court of Justice (Luxembourg)	EU judges (supranational)	Judiciary

European Council

➢ Summits of heads of state or government from all member states, permanent president (Donald Tusk, starting Dec. 1, 2019 Charles Michel)

➢ Discusses pressing issues; defines policy objectives; decides on institutional reform and key personnel

➢ Usually meets 5-10 times per year, makes decisions by consensus (few exceptions)

European Commission

➢ One Commissioner per member state, responsible for specific portfolio, headed by president (Jean-Claude Juncker; starting Dec. 1, 2019, Ursula von der Leyen)

➢ Monitors implementation of EU law; manages EU programs and finances; initiates EU legislation; some front-line regulatory functons

➢ Seeks to speak with one voice (internal divisions usually not reported to the outside)

Council of the European Union

- One minister per member state; composition varies by policy field; presidency rotates between member states every six months (currently: Finland)

- Must pass all binding EU laws; monitors Commission; executive role through national bureaucracies

- Decides unanimously or per qualified majority (QMV)

- Also called "Council of Ministers" or just "Council"

European Parliament

- ➢ 751 elected members, organized in trans-national party groups, chaired by president (David Sassoli)

- ➢ Must pass EU laws in most policy areas (together with Council); scrutinizes of Commission

- ➢ Usually decides by simple majority

Composition of the European Parliament 2019-2024
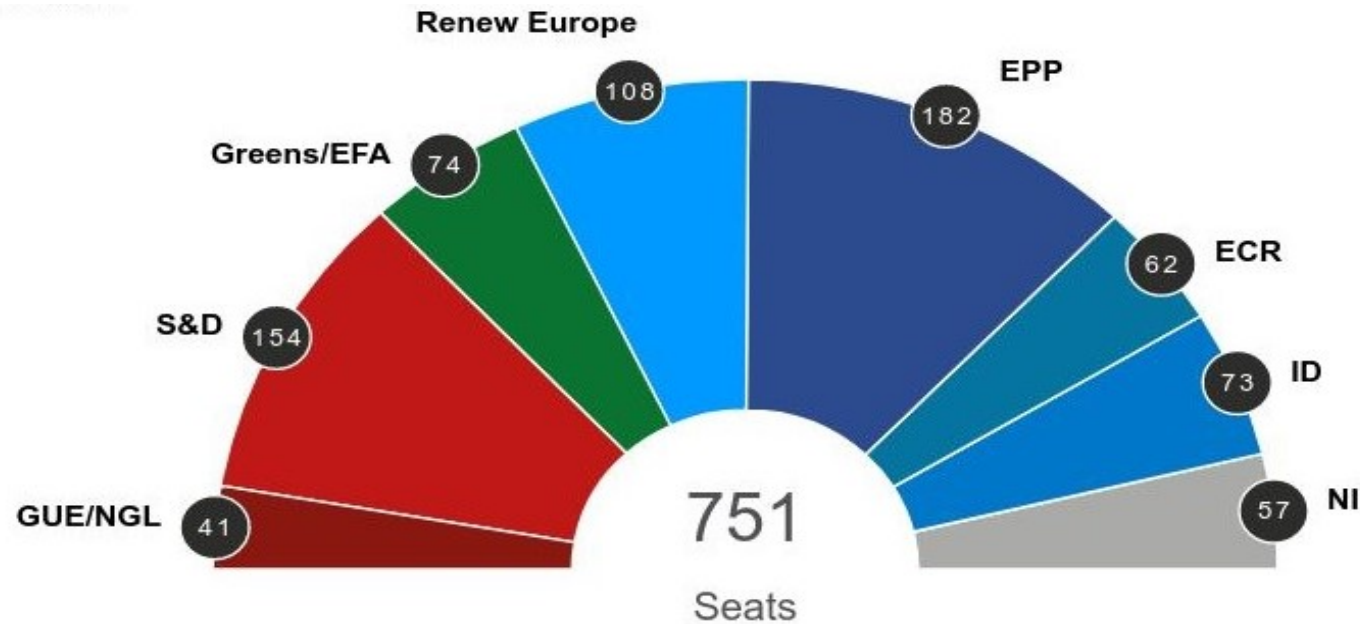
Political groups in the European Parliament

- **EPP -** Group of the European People's Party (Christian Democrats)
- **S&D -** Group of the Progressive Alliance of Socialists and Democrats in the European Parliament
- **ECR -** European Conservatives and Reformists Group
- **Renew Europe -** Renew Europe group
- **GUE/NGL -** Confederal Group of the European United Left - Nordic Green Left
- **Greens/EFA -** Group of the Greens/European Free Alliance
- **ID -** Identity and Democracy
- **NI -** Non-attached Members

Since 2009, according to Parliament's rules of procedure, a political group shall consist of at least 25 Members elected in at least seven Member States.

Court of Justice

➤ 28 judges, appointed by member states, chaired by president (Koen Lenaerts)

➤ Makes decisions on interpretation of EU law; most cases brought by national courts, EU institutions, or companies directly affected by EU decisions

➤ Most decisions made in chambers of 3 or 5 judges

Core EU institutions: Another look

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