The European Union

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What is the EU? Why Study it?

- The EU is a new and novel approach to political organization with academic implications as well as important “real world” impacts

- The EU...
  - Guarantees fundamental civil, social, and political rights for 454 million people living in 25 member states (3rd largest population after China and India)
  - Provides about 30% of overall legislation in Europe
  - Has faced down Microsoft and the US Congress in major international trade disputes, yet wields virtually no traditional military power
Some more interesting tidbits...

• The EU also...
  - Regulates the official dimensions (including length and curvature) of bananas and cucumbers
  - Has a “national” anthem with no words
  - Has a Parliament that meets in two different cities with the Secretariat in a third; a political system that operates in 25 official languages
  - Is the world's leading exporter of goods: over €985 billion in 2001, almost a fifth of the world total
  - Is the world's leading exporter of services: €307 billion in 2001, nearly a quarter of the world total
GDP in Comparison (US-EU)
Share of World Total Trade

- EU-15: 19.4%
- US: 20.0%
- JP: 7.7%
Share of World Trade in Services
CO₂ Emissions
Who gives what: official development aid 2002 from OECD countries

- 56% EU and member states
- 20% United States
- 14% Japan
- 10% Other donors

Source: OECD.
General Overview

• The Idea of “Europe”
• Chronology
• Theoretical frameworks
• Institutions
• What the EU actually does
• Challenges for the future
The Idea of Europe and EU Origins

- Discussion during the interwar period (and before): Pan-Europa movement
- Robert Schuman, 9 May 1950: vows to make another war between France and Germany not only unthinkable, but “materially impossible” by binding states in an economic order
- Jean Monnet and Altiero Spinelli also important “founding fathers” sharing a federal vision
- Integration and limited surrender of sovereignty needed to rescue the nation state (Milward)
EU Origins(II)

- Cold War, Marshall Plan, and the German question
  - US promotes economic interdependence to prevent war
  - Adenauer balances survival of Germany with integration into the Western Order
  - US initially sought to withdraw and build an independent Europe, but soon saw the need for a European presence and a rearmed Germany as the Cold War intensified
- Not just power politics and economics
  - European integration had broad appeal in the 40s
  - Shared conception of a common cultural heritage and historical experience - a shared idea
A Brief EU History

- **1950:** European Coal and Steel Community
  - France, W. Germany, Italy, “Benelux”
  - European Defense Community fails in 1954
- **1958:** Rome Treaties (Founding Treaty of the EU) combines European Economic Community (EEC), EURATOM, ECSC
- **1960:** European Free Trade Association (EFTA) incorporates Denmark, Great Britain, Austria, Norway, Portugal, Sweden, and Switzerland into common market
Chronology II

- 1965: French opposition to Common Agricultural Policy reforms lead to the “Crisis of the Empty Chair”
- 1969: Hague European Council re-starts integration
- 1973: Accession of Great Britain, Denmark, Ireland (Norwegian referendum fails)
- 1981: Accession of Greece
- 1986: Accession of Spain and Portugal
- 1987: Single European Act
  - Establishment of a Single Internal Market providing free movement of goods, services, and capital
  - Major impetus to re-starting integration and has spurred greater integration across all policy fields
Chronology III

- 1989: Delors (EMU) Economic and Monetary Union plan
- 1990: Reunited Germany accepted into the EU
- 1992: Maastricht Treaty (Treaty on European Union)
  - Germany ratifies after constitutional court challenge
  - New “pillars” for foreign policy and internal security
- 1995: Accession of Austria, Sweden, Finland
- 1997: Amsterdam Treaty (entry into force in 1999)
  - Establishment of individual rights for European Citizens
  - Expansion of EU powers in Justice and Home Affairs
- 2000: Lisbon European Council draws up a strategy for boosting employment in the EU, modernizing the economy and strengthening social cohesion
Chronology IV

- 2001: Nice Treaty reforms institutions; EU Charter of Fundamental Rights proclaimed by Heads of State
- 2002: EMU completed with launch of Euro
- 2004: Accession of Cyprus, Malta, and 8 Central and Eastern European States (EU of 25 members)
- 2004-2005: Debate on Constitutional Draft and national referendums held, failing in France and Netherlands
- 2007: Projected entry of Bulgaria and Romania
- Next Enlargements: Croatia, Turkey
The EU Member States
How to Study the EU?

- As an International Organization, with IR tools?
- As a federal or hybrid system, or even a (super)state in the making?
- No consensus on what type of system the EU is, but can be analyzed along the same lines as other political systems
  - Institutions and actors
  - Processes and outcomes
Older Theories

- **Intergovernmentalism**
  - EU as an international organization driven by interests and preferences of the (most powerful) Member States, as determined domestically
  - EU institutions have little autonomy or independent impact on the states
  - Moravcsik (Liberal IG) and IR scholars

- **Neofunctionalism**
  - Integration progresses through policy spillover from one sector to the next
  - Important role for technocratic elites and European Institutions (Court and Commission)
  - EU constrains and controls the Member States
  - Ernest Hass
Current Theories

- **Multilevel Governance and Open Coordination**
  - European integration is a new system of governance linking various levels and policy fields
  - Democratic legitimacy and participation in the EU not the same as a Westphalian Parliamentary state

- **Legal Integration and Policy Networks**
  - Court of Justice driving integration
  - Public policy insights on why EU legislation is/is not implemented (analysis of bureaucratic politics, national implementation)
  - In many ways an update of neofunctionalist thinking
Institutions: European Commission

• The EU “Executive” responsible for policy initiation, implementation and monitoring and budget
• One Commissioner from each EU Member State
  - President nominated by Council, approved by Parliament; President chooses other commissioners from Member State lists and Parliament approves entire group
  - Portfolios according to policy field (26 DGs)
• Weekly meetings in Brussels unless EP in Strasbourg
• Simple majority decision-making, with consensus norm
• Institution represents the Common European Interest based on principles of subsidiarity and proportionality
Institutions: Council of the EU

- Meetings among the heads of national ministries
- Main decision-making body of the EU
  - Decisions taken by qualified majority (a weighted system) in most economic and common market fields,
  - Unanimity in foreign, judicial, and taxation policy
  - Proposals usually submitted by the Commission and decided in consultation with the Parliament
- Supported by Committees of Permanent Representatives (COREPER) comprised of delegates from each member state
- Rotating Presidency (every 6 months)
Institutions: European Council

- Regular meetings among Heads of State and the Commission President to settle contentious issues or set a new course for Europe
- Officially instituted in 1974 after the “Crisis of the Empty Chair” instigated by DeGaulle (1963)
- Increasingly relied upon to settle contentious issues, but hampered by size, diversity of interests, and consensus norm
- Secretary General of the Council is also the EU High Representative for Common Foreign and Security Policy (Javier Solana)
Institutions: European Parliament

- 732 members elected every 5 years (since 1979) via diverse national electoral systems
  - Low voter turnout (<50% and as low as 25% in UK)
  - Elections fought on basis of national issues (if at all)
  - Transnational European parties do not exist; MEPs form “political groups” based on ideology

- Parliament does not have right of policy initiation, and no government is directly accountable to EP
  - Official consultation with the Council and Commission
  - Approval of budget and Commission composition

- In 1979 16.5% of MEPs were women; 30.2% after 2004
Institutions: ECJ

- Ensure the correct application of Community law through interpretation of the treaties
- Supremacy of European Law over national law
- Organization
  - 25 judges and 8 advocates general appointed by Member States for 6-year (renewable) terms
  - Decisions by majority are taken in secrecy and no dissenting opinions are published
  - Disputes on state obligations under the treaties
  - Unique power of preliminary rulings for national courts
- Supported by the Court of First Instance
Institutions: Other Bodies

- European Central Bank
  - Modeled on the German Bundesbank
  - Harmonized monetary policy for the EU
  - Primary goal of price stability (inflation control)
- European Court of Auditors
- European Ombudsman
- Advisory Bodies (provide consultation on legislation and policy and a link to European “civil society”)  
  - European Economic and Social Committee
  - Committee of the Regions
What the EU does

• Provides a set of fundamental rights to EU citizens
• Three main areas of activity (Maastricht “pillars”)
  - “European Community” (Internal market and EMU) has harmonized regulations and ensures free movement of goods, labor, capital
  - Common Foreign and Security Policy
  - Police and Judicial Cooperation (Internal Security)
A Sample of EU Activities

- Regional policy for internal economic and social cohesion €213 billion (2000-2006)
  - Direct aid to underdeveloped and restructuring regions
  - Social fund for job creation/relocation support, modernization
- Pre-accession aid to new member states €21.7 billion (2000-2006)
- Common Agricultural Policy provides price supports and subsidies to farmers; hotly debated, costing €45.5 billion (40% of EU budget) in 2002
- Assistance to the developing world
The EU and the Citizen

- Economic and Social Cohesion
  - ECJ rulings against gender and race discrimination at the national level (*Defrenne*)
  - Freedom of movement of labor, capital

- Regulation of many areas of daily life
  - Harmonization of technical standards
  - Regulation of trade, environment, health & safety
  - Support for contentious national reforms

- Civil, political, and socio-economic rights across borders and cultures
Budget and Finances

- EU limited to “own resources” revenue
  - 1.27% of EU GNP
  - VAT, agriculture and customs/import duties
  - Member states legally obliged to provide finances

- Expenditure
  - Currently at 1.1% GNP (€93 billion)
  - CAP the largest item; 4/5 of the budget focused on redistribution

- Parliament has final say
Excesses of Integration?

• In addition to the size and dimensions of produce, the EU regulates...
  - The cleanliness of water at public beaches according to a (proposed) “smiley-face” system
  - The cage dimensions, building materials, and overall living conditions for egg-laying hens
  - Milk fat percentages: 3.5% or over (whole milk) 1.5-1.8% (reduced fat) or 0.5% or less (skim). But in Hungary, the standard 2.8% milk will become illegal in 4 years

• Is the EU as a bloated, elite-drive bureaucracy?
Integration in Balance

- Genuine concerns about democratic accountability and connecting citizens to the EU - a major challenge
- What form for an enlarged Europe? More enlargement?
- Challenges of immigration and demographics
- Economic stagnation - failure of the core?
- Capacity for global action beyond economics?
- Homogenization of national cultures and traditions?
The Constitutional Draft Treaty

- Would have...
  - Simplified decision-making procedures and increased qualified majority voting
  - Officially incorporated the Charter of Fundamental rights
  - Increased powers of European Parliament
  - Increased links/role of national parliaments
  - Created an EU Minister for Foreign Affairs

- Failed referenda in Netherlands and France in 2005 end efforts for current draft
Conclusions

• Novel form of regional political and social organization that challenges (but has not yet replaced) the sovereign state

• Integration has been the foundation for 50+ years of peace and prosperity in Europe