

The European Union



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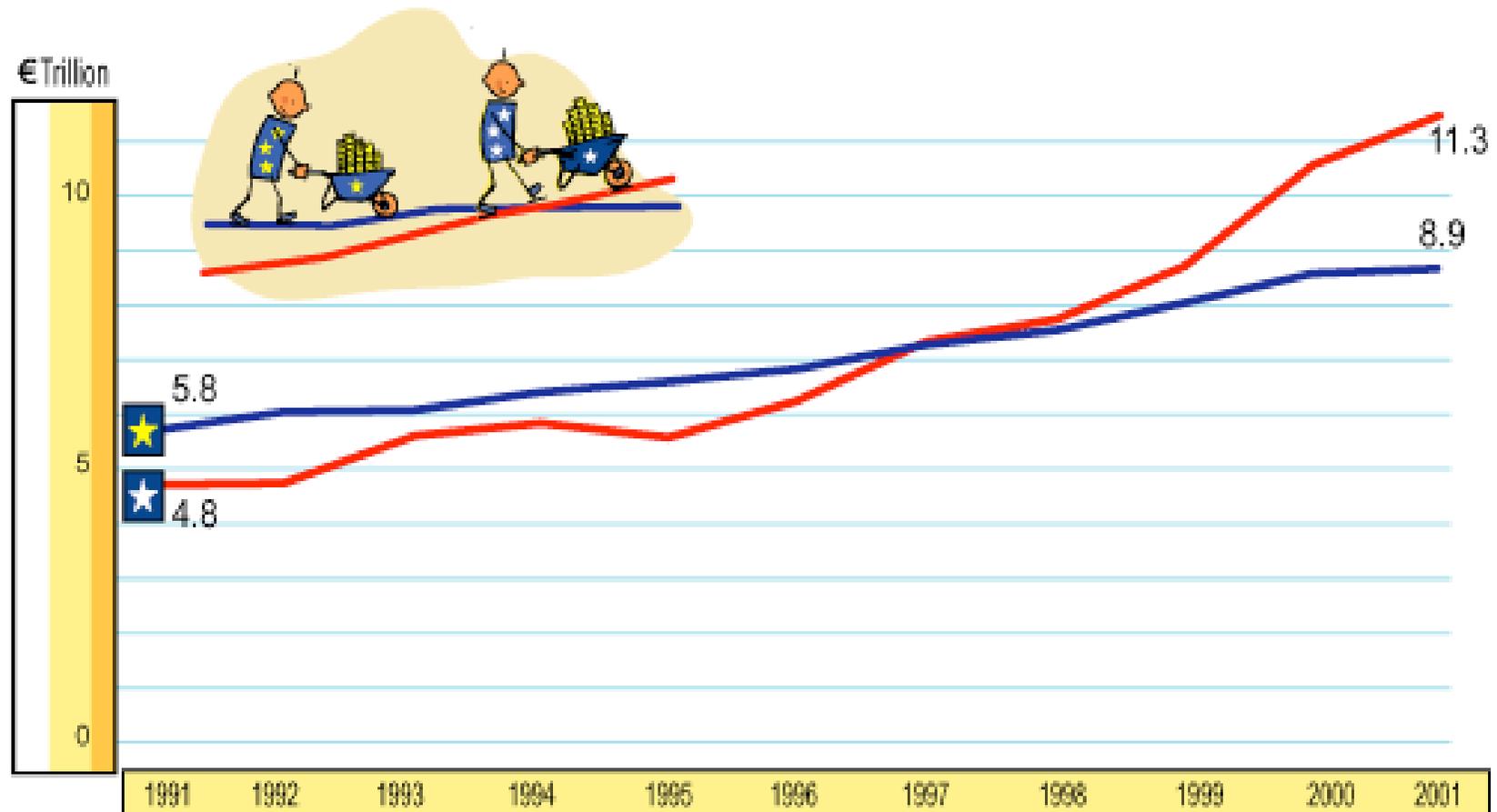
What is the EU? Why Study it?

- 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

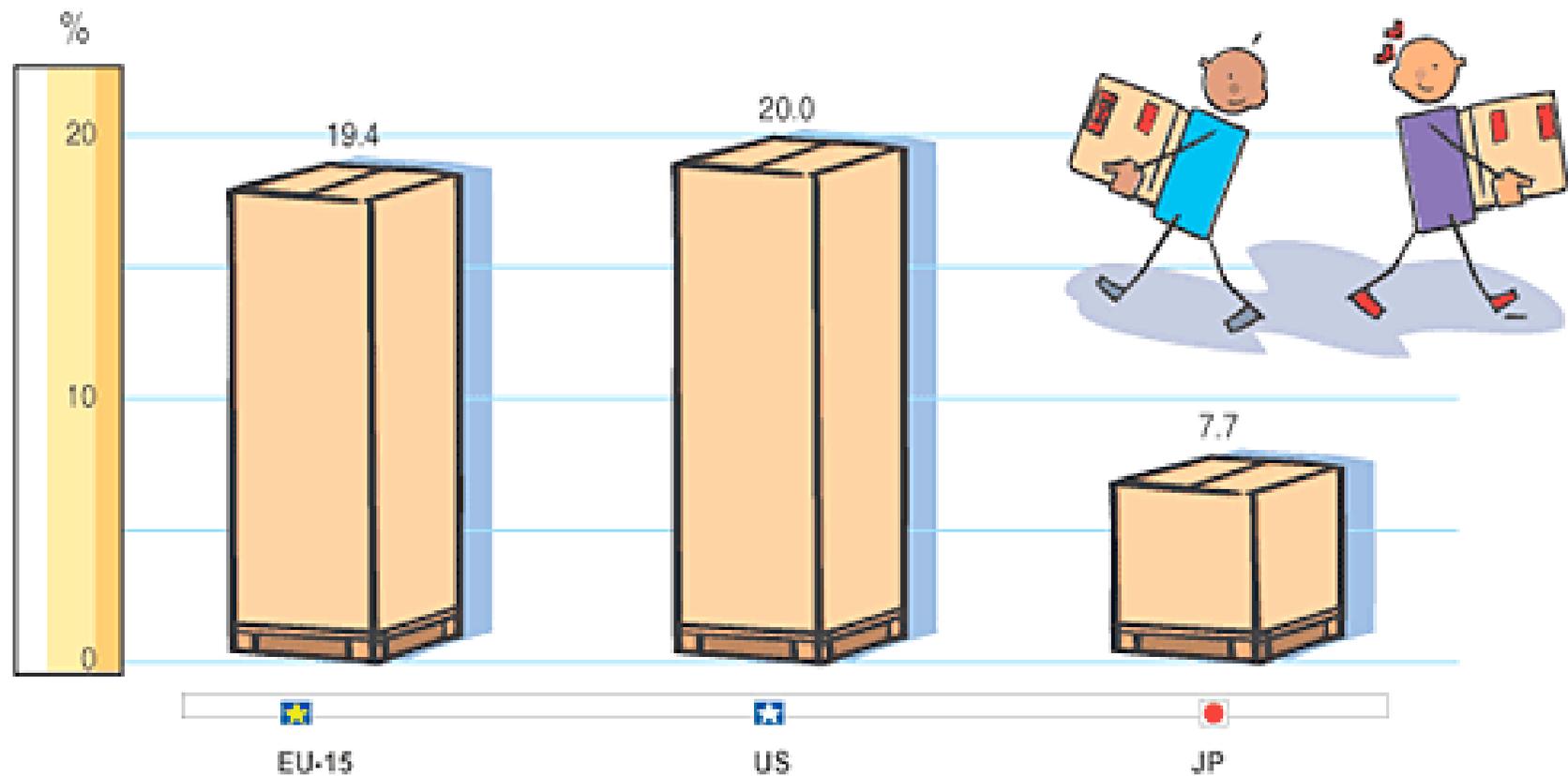
Some more interesting tidbits...

- 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

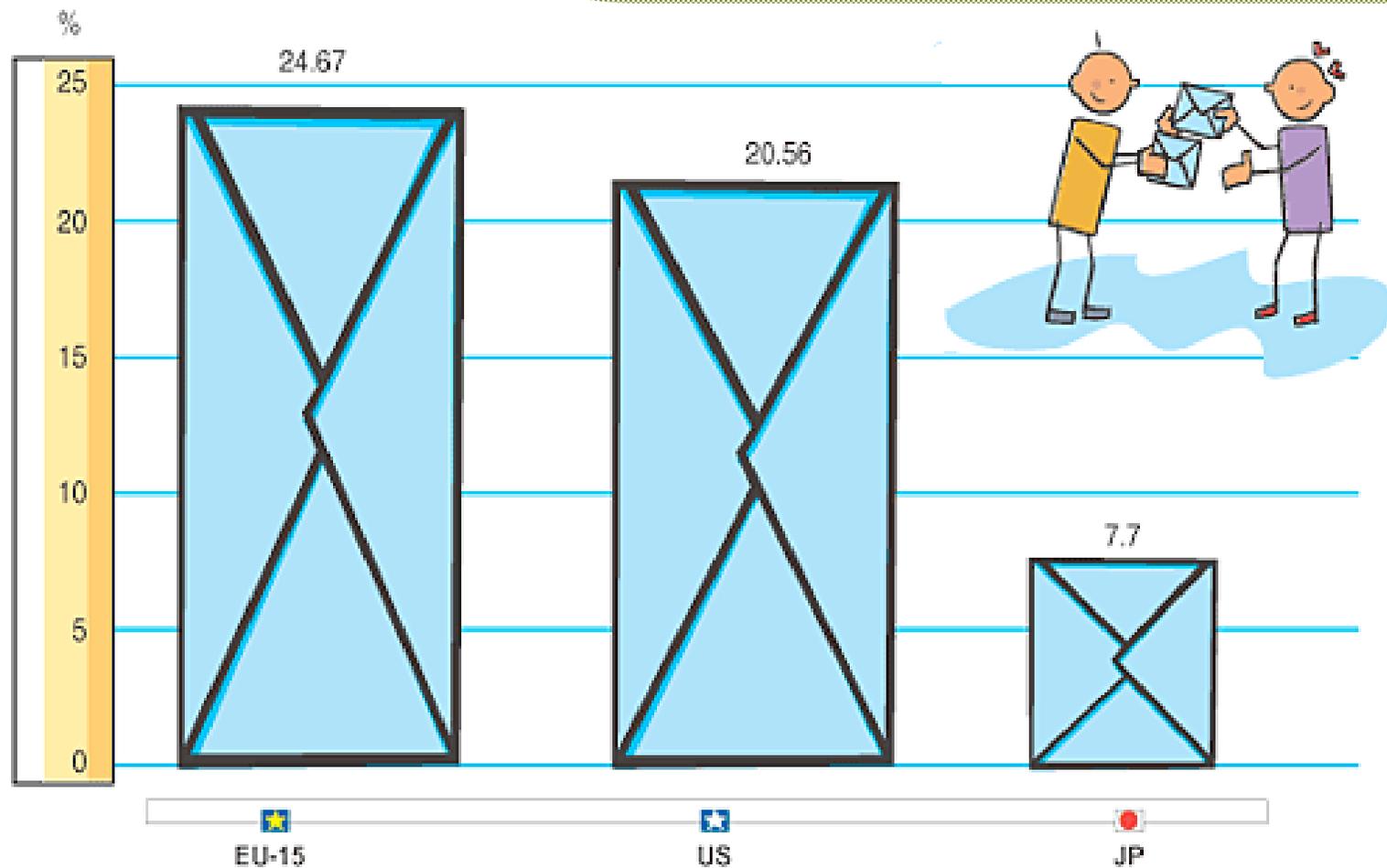
GDP in Comparison (US-EU)



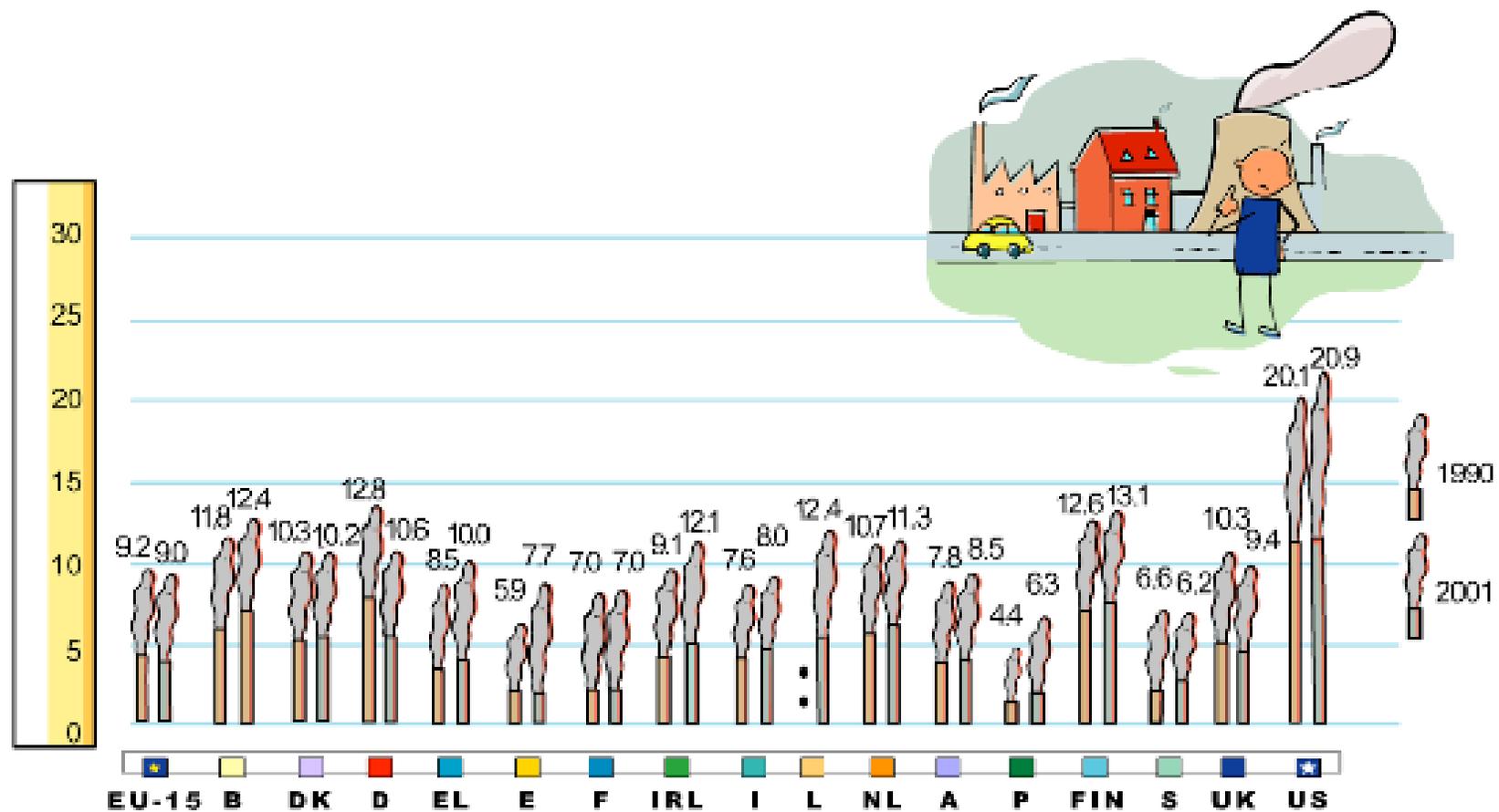
Share of World Total Trade



Share of World Trade in Services

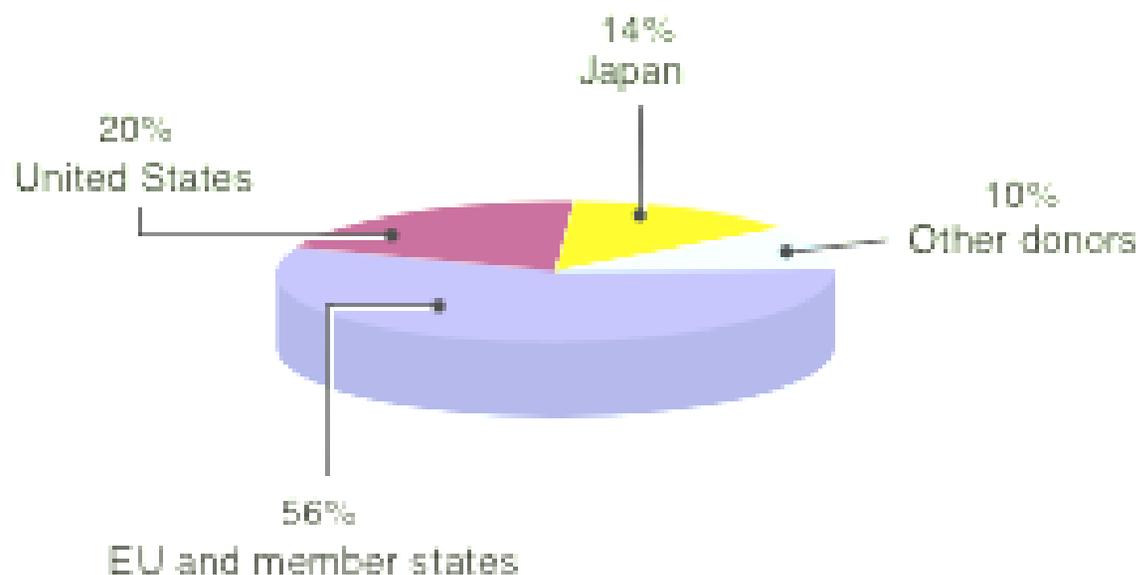


CO₂ Emissions



Development Aid

*Who gives what: official development aid 2002
from OECD countries*



Source: OECD.



General Overview



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

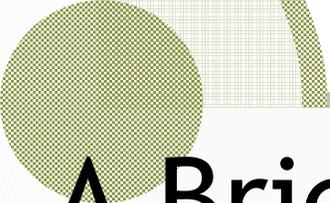


The Idea of Europe and EU Origins

- 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 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



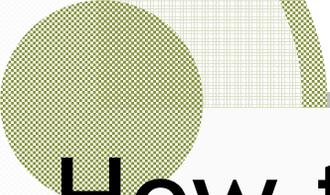
Chronology IV



- 2001: Nice Treaty reforms institutions; EU Charter of Fundamental Rights proclaimed by Heads of State
- 2002: EMU completed with launch of Euro
- 2003: Convention on the Future of Europe completes Draft European Constitution
- 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



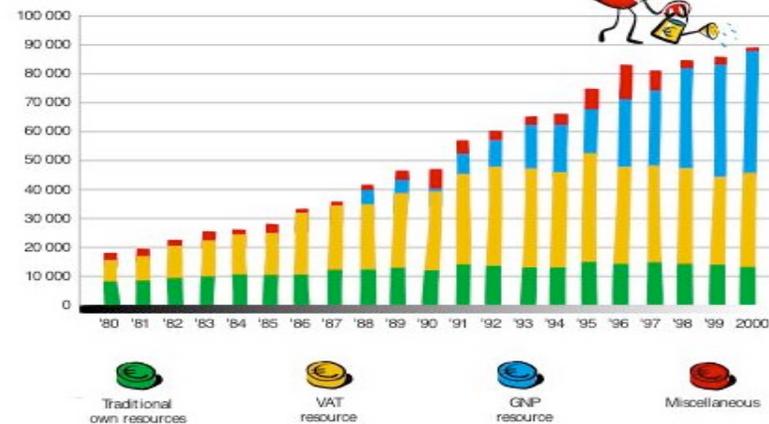
The EU and the Citizen

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

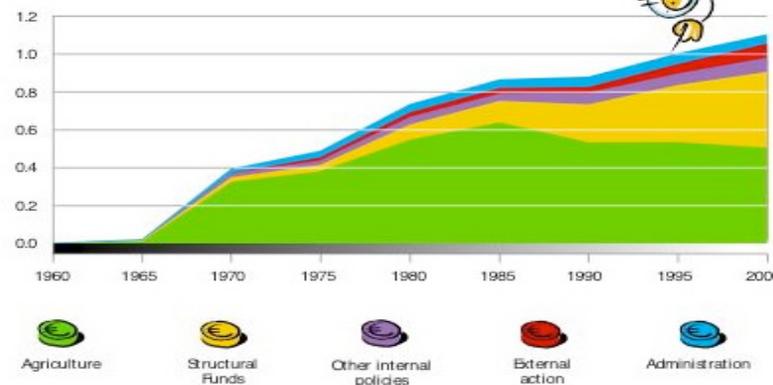
Budget and Finances

- 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

Breakdown of revenue (million EUR)



Development of the Union budget (as a percentage of gross domestic product)



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

