

# THE HISTORICAL DEVELOPMENT OF THE EU

---

AN OVERVIEW



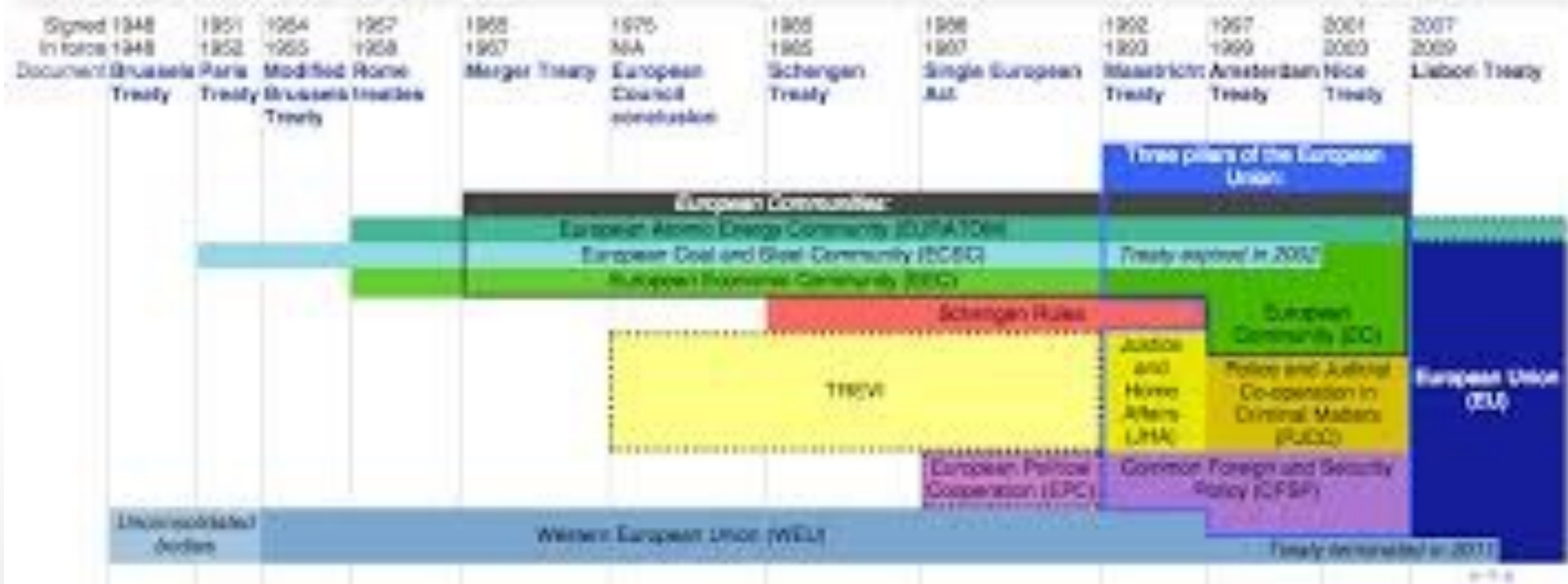
# Successive EU Enlargement



- 1958
- 1973
- 1981
- 1986
- 1995
- 2004
- 2007
- 2013

\*Not all EU Member States are represented on this map

## Structural evolution ( edit )



# EUROPEAN INTEGRATION AFTER WW II

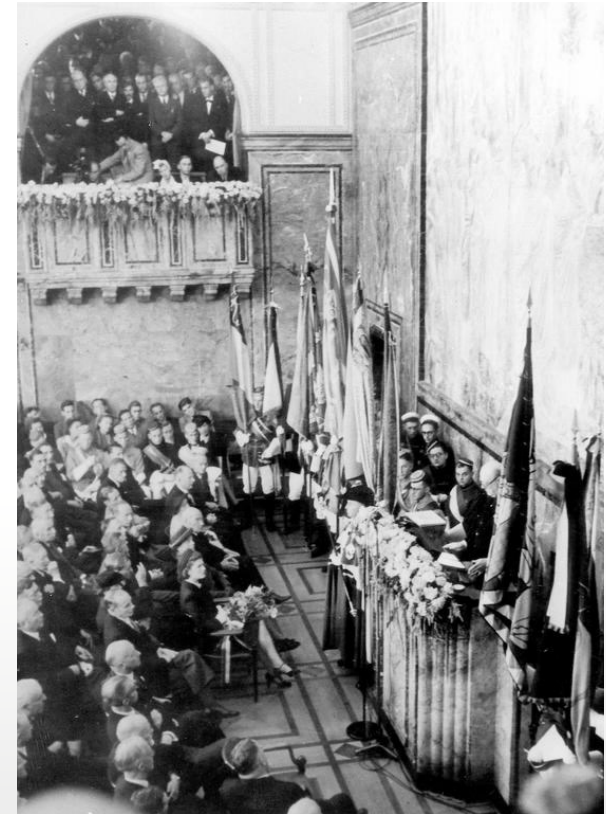
---

- A devastated Europe
  - With German problem
  - And a questioning of the nation state
- Which wants to protect itself from
  - A return in force of Germany
  - The Soviet threat
- And decides (and is forced to decide) to pool together economic resources
  - The Marshall Plan and the establishment of the OEEC (now OECD)

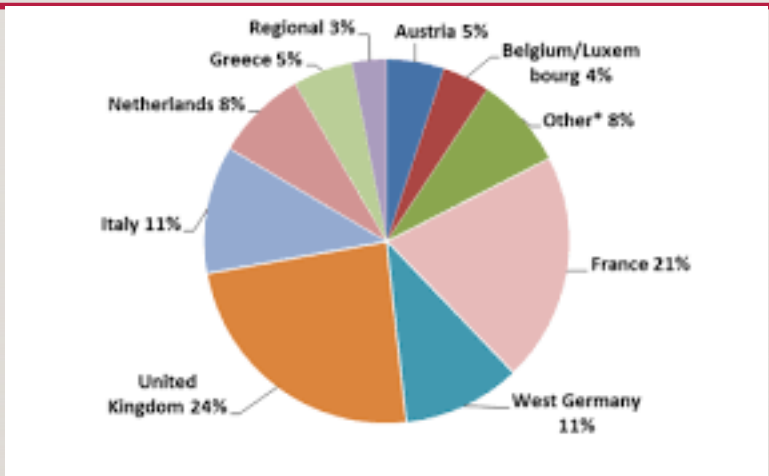
## THE CHURCHILL SPEECH IN ZURICH (1946)

---

*We must build a kind of United States  
of Europe.*



# THE MARSHALL PLAN



# THE DILEMMAS OF INTEGRATION

---

- A big 'intergovernmental' Europe
- Or a small 'supranational' Europe?



# THE EUROPEAN COAL AND STEEL COMMUNITY (ECSC)

---

- The Schuman declaration: *Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organisation open to the participation of the other countries of Europe.*”
- The Treaty of Paris -1951 – establishes the ECSC
- The first supranational organization
- "By the signature of this Treaty, the involved parties give proof of their determination to create the first supranational institution and that thus they are laying the true foundation of an organised Europe. This Europe remains open to all European countries that have freedom of choice. We profoundly hope that other countries will join us in our common endeavour



## THE SCHUMAN DECLARATION

---

*Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organisation open to the participation of the other countries of Europe.”*



# THE FAILURE OF POLITICAL INTEGRATION

---

- The European Defence Community
- Aimed to re-establish a German Army
- In the context of a European army
- With the aim to defend Europe from a Soviet communist aggression
- But failed in the face of national resistance especially in France
- Henceforth integration is limited to economic matters (low politics)

---

# THE EUROPEAN ECONOMIC COMMUNITY

Follows the failure of the European Defence Community

Is established in order to expand economic integration to all areas of trade

Aim to create a common market

with a customs union

among the six member states



# Rome and the EEC

Figure 5.1 Structure of the European Economic Community

| INSTITUTION   | MEMBERSHIP   | FUNCTION  |
|---|--|---|
| <b>Commission</b>   | Nine members (two each from the larger states, and one each from the smaller states) appointed for six-year terms  | Less power than the HA to impose decisions on member states. Charged with initiating policy and overseeing implementation                     |
| <b>Council of Ministers</b>   | Government ministers sharing 17 votes. Some decisions had to be unanimous, and some could be taken by a simple majority, the rest required a qualified majority of 12 votes from four states | To make decisions on proposals from the Commission  |
| <b>Parliamentary Assembly<br/>(renamed European Parliament in 1962)</b> | 142 appointed members (elected from 1979)  | Could question or censure the Commission, but had little legislative authority  |
| <b>Court of Justice</b>   | Seven judges appointed for renewable six-year terms  | Responsible for interpreting the treaties and for ensuring that the EEC institutions and the member states fulfilled their treaty obligations |

# THE 1960S

- The consolidation of economic integration
- The completion of the customs union
- But the arrival to power of General de Gaulle leads to a change of the French priorities on Europe
  - The rise of intergovernmental approach
  - The (twice failed) enlargement
  - And the political stagnation with the Luxembourg compromise



## THE LUXEMBOURG COMPROMISE

---

- If a Member State believes that its vital interests are at stake, negotiations have to continue until a universally acceptable compromise is reached

# THE RENEWAL OF INTEGRATION AFTER 1969

---

- With new leaders (Pompidou in France, Brandt in Germany)
- The 1969 Hague Summit renews integration
  - Completion of the common market
  - Enlargement (to the UK, IRL, DK)
  - Own resources for the EEC

None the less, the first attempts to create a monetary union (Werner Plan)

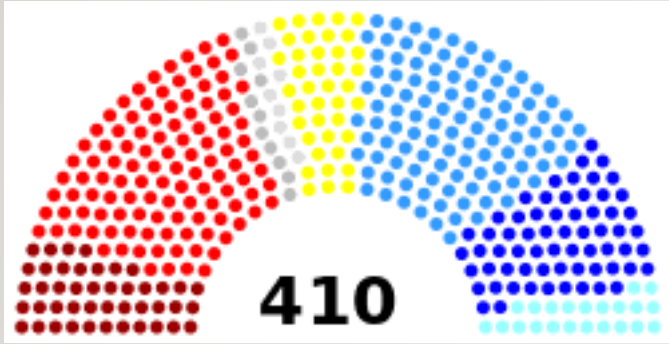
Fails due to the financial turbulences of the collapse of the Breton Woods system



# THE 1970S

---

- the establishment of the European Council (December 1974)
- Gives a new impetus to integration
- With the creation of the European Monetary System (1979)
- And the direct elections to the European parliament '979
- As well as the gradual attempt to coordinate foreign policy (European Political Cooperation)



---

## THE 1980S



The enlargement to the Mediterranean countries (GR, E, P)



And the increase in regional development spending



Increases the Community impact and the significance of decisions



And lead to an increasing demand for more powers for the EP ('the democratic deficit')

# THE PERSONALITIES OF THE 1980S

---



Establishes the  
internal market

And provides the  
European Parliament  
with its first real  
legislative powers

---

## THE SINGLE EUROPEAN ACT (1987)

# THE EUROPEAN UNION

---

- The changes of 1989-91 change, however, the European perspective – from a western European scheme to a pan-European scheme



---

# THE MAASTRICHT TREATY

Changes the context and the content

Establishes a European Union

with three pillars

and establishes the Economic and Monetary Union

as well as the opt-out possibilities



## European Union: Three Pillars

### European Community

- **Treaty of Rome as revised by Single European Act**
- **Single Market**
- **Democratization of the Institutions**
- **European Citizenship**
- **Economic and Monetary Union**  
*single currency*  
*European Central Bank*  
*single monetary policy*  
*coordination of economic policies*

### Common Foreign & Security Policy

- **Common Foreign Policy**  
*systematic cooperation*  
*common positions and joint actions*
- **Eventual common defense policy based on the Western European Union**

### Justice and Home Affairs

- **Closer cooperation**  
*asylum policy*  
*rules on crossing the Member States' external borders*  
*immigration policy*  
*combating drug addiction*  
*combating international fraud*  
*customs, police and judicial cooperation*



# THE EMU

---

- In order to adopt the euro, EU countries have to bring their national legislation in line with relevant EU law and meet specific conditions designed to ensure economic convergence. These requirements are known as the convergence (or Maastricht) criteria. There **are 4 economic convergence criteria**:
  - **1. Price stability:** The inflation rate cannot be higher than 1.5 percentage points above the rate of the 3 best-performing member states.
  - **2. Sound and sustainable public finances :** Government deficit cannot be higher than 3% of GDP. Government debt cannot be higher than 60% of GDP.
  - **3. Exchange-rate stability:** The candidate has to participate in the exchange rate mechanism (ERM II) for at least 2 years without strong deviations from the ERM II central rate and without devaluing its currency's bilateral central rate against the euro in the same period.
  - **4. Long-term interest rates :** The long-term interest rate should not be higher than 2 percentage points above the rate of the 3 best-performing member states in terms of price stability.

- 



## Three stages to Economic and Monetary Union (EMU)

**1 January 2002**  
**Introduction of euro**  
banknotes and coins

**3** **1 January 1999**  
Irrevocable **fixing of conversion rates**,  
ECB responsible for monetary policy

**2** **1 January 1994**  
Establishment of the **European Monetary Institute**,  
the ECB's predecessor

**1** **1 July 1990**  
**Abolition of all restrictions**  
on the movement of capital

# FROM THE TREATY OF MAASTRICHT TO THE TREATY OF LISBON

---

- The objective of the Treaty on the European Union was to establish a monetary, an economic and ultimately a political union
- In view of EU's gradual expansion to the whole of Europe
- But the reluctance of Member states to cede sovereignty meant that these objectives were partially achieved
- And the austerity measures imposed in order to achieve convergence led, for the first time, to public disaffection from the EU (euro-skepticism)

# FROM THE TREATY OF MAASTRICHT TO THE TREATY OF LISBON (II)

---

- Member states tried to mend the discrepancies of the Treaty with two revisions of the Treaty
- The treaty of Amsterdam (1997)
- The Treaty of Nice (2001)
- With few results
- And, in 2003, aimed to establish a European constitutional treaty

# THE FAILURE OF THE EUROPEAN CONSTITUTIONAL TREATY

---

- In two referenda (2005) in F and NL --. Crisis
- And legitimacy issues
- While Euroscepticism increased
- Member states returned to the international treaty context and adopted to reform treaty (or Lisbon treaty)

# THE LISBON TREATY – MAJOR CHANGES

---

A new decision making balance (Council of Ministers and Parliament are co-legislators)

A president of the European Council

A vice-president of the commission in charge of foreign affairs

A double majority voting system in the Council of Ministers

The nomination of the President of the Commission taking into account the results of the EP elections