



History Basics

- Origin after WWII as the Coal and Steel Community including causes (*end to war, dispute over Saar-Ruhr regions and coal and steel production*)
- ECSC started out as just Germany and France...expanded to the Six
- Failure of immediate expansion with EDC and EPC (French veto)
- Re-launch with Belgian initiative: division of support for Eurotom and EEC with the result of both (*Germany wanted EEC, France wanted Euratom*)
- Initial successes and frustrations
- Early attempts at expansion fail...de Gaulle
- Crisis over budget and CAP, empty chair crisis and Luxembourg compromise
- 1970s and euro-sclerosis (oil crisis, end of Bretton Woods etc.)
- The beginning of the bounce back: the Single European Act—beginning of the Single market program in earnest
- Followed by rapid treaty revision: Maastricht and the push for a single currency as well initial movements toward eastern enlargement.
- Introduction of the Euro, eastern enlargement as well as treaty reform/creation of a European constitution
- Future enlargement: Romania & Bulgaria (2007) & Turkey + Croatia (when?)



Core Institutions I

Method of Selection & Duration in Office of Members of the Various Institutions

Council of Ministers: Members of the Council of Ministers are leaders of their national government (Prime Minister or President (France) and cabinet). Elected at the national level as part of the national electoral process. The relevant minister meets for each policy area (so there are in effect there are many different Councils). No set term in office, their tenure depends on the results of the national level elections.

European Council: The European Council consists of the 'Heads of State' of the member states as well as the president of the Commission (non-voting). National leaders selected at the national level and the Commission President selected as described below.

Commission: Members of the Commission are appointed by their respective national governments. The President of the Commission must be selected and approved by all members of the Council and then approved by the European Parliament. The President elect of the Commission is then consulted on the selection of the rest of the Commission and the Parliament votes on the full Commission once selected (but is not involved directly in the selection process). Members of the Commission serve for a 5-year renewable term that coincides with the term of the Parliament.

European Parliament: Members of the European Parliament are directly elected in the individual member states. Although the 1957 Rome Treaty called for the creation of a uniform electoral system this has still not been achieved. All member states now use a proportional formula however (since 1999). The electoral lists are drawn-up by the national political parties (not the supranational party groups). Members are elected for a 5-year term and there are no term limits. Members may not serve on any of the other community institutions.

Court of Justice: The Court of Justice consists of 15 judges and 9 advocates general. The court of first instance consists of 15 judges. Members are nominated by the national governments (1 judge in each court per Member State), and appointed by common accord of all member states for renewable 6-year terms in office. Serves much the same purpose as the US Supreme Court.



Core Institutions II

Council of Ministers & European Council

The Council of Ministers is perhaps best understood as part of the legislative branch of the EU. It can be interpreted as a very powerful upper house that represents the interests of the sub-units (Member States), similar to the American Senate before the switch to direct elections for senators or the German Bundesrat today. The representatives are selected from the sub-unit governments (i.e. the various cabinet members) which are in turn selected indirectly by the relevant legislature or parliament.

It is the primary decision-making institution in the European Union (EU). Every piece of EU legislation (except for some implementing legislation) must be adopted formally by the appropriate Council.

The Council of Ministers consists of 25 members who are representatives of their member states. There are actually a number of Councils, one for every major policy area with members generally being the appropriate government minister for that area within their member state. So for example the Minister of the Exchequer in the UK serves as the minister for the UK when the “EcoFin” (economics and finance) Council meets.

The European Council should not be confused with either the Council of Ministers or the completely unrelated Council of Europe. It too consists of 25 members who represent their member states. It functions as the political head of the EU. The European Council is the true political engine of the EU in the sense that this is where most significant new integration initiatives are initially discussed. To a certain degree this suggests that the European Council is the effective executive of the EU in charge of agenda setting in the broadest context. In addition the European Council is the sole arbiter of EU foreign and security policy, tasks typically reserved for the executive. Decisions taken within the European Council are almost universally by unanimity.



Core Institutions III

Commission & European Court of Justice

The Commission currently consists of 25 members, one from each Member State. Before the 2004 enlargement the “big” states (France, Germany, Italy, the UK and Spain) all had two representatives and the smaller Member States each had one. The main task of the Commission is the initiation and implementation of all EU legislation. Formally the Commission must initiate all legislative proposals, although both the EP and the Council can request that the Commission present a proposal on a specific topic.

The Commission is functionally equivalent to an extremely powerful bureaucracy and in this sense serves as part of the executive branch of the EU government. Its complete control over the initiation of EU legislation suggests a real executive power, but its appointed and often technocratic nature is more indicative of a bureaucracy. The Commission is the most unique of the main EU institutions and, as a result, it is hard to categorize or compare.

The European Court of Justice consists of 25 judges (one from each country) appointed for renewable six year terms. The justices are each appointed by their Member States, with the approval of all. They are usually astute legal scholars, lawyers or judges in their home country. The justices then vote themselves to appoint the president of the court who is appointed for a renewable three-year term. The role of the President is largely organizational and the court operates on the basis of equality between the justices.

The European Court of Justice is similar in many ways to the US Supreme Court, but the differences are significant and require us to classify the ECJ as a kind of hybrid of the American and European models with more similarities to the European model in this case. The ECJ is the highest arbiter of EU legal issues and any potential conflicts between national and EU laws. Despite its importance the ECJ has managed to remain the least politicized institution of the EU. The court stays out of the limelight even when its cases are quite significant. This is facilitated by the ECJ being located somewhat out of the way in Luxembourg as opposed to Brussels and by its strategic use of non-controversial cases to establish extremely significant norms and legal precedents.



Core Institutions IV

European Parliament

The European Parliament is the most familiar looking institution in the EU. It is a parliament and in many ways behaves as a parliament should. In reality, however, it is a hybrid between the standard American strong Congress model and the European weak parliament model.

There are currently 732 members of the European Parliament (MEPs). They are directly elected every five years in each of the 25 member states. Elections occur within each Member State and candidates run on *national* party lists. Members then join the supranational party groups once in the EP. The members of the EP have been directly elected since 1979. Although elected on national party lists and usually based on national issues, the supranational party groups that MEPs join are very significant.

The European Parliament (EP) until very recently was the least significant of the four main institutions. Until 1987 it had only the limited power of consultation over some areas of EU policy making and partial control over the EU's budget. Since the Single European Act (1987) however, its powers and influence in the legislative realm have grown exponentially.

The EP is more influential than standard European parliaments with more than half of its legislative amendments incorporated into EU law. The EP is also the most pro-integration institution of the EU.



What is the EU and Why?

International Organization?

- Clearly supranational with 25 countries (and potentially 28 in the next decade)
- Far more consolidated than most with coercive power over member states (QMV)

Unified State?

- Foreign Policy remains largely national
- Unified forces, but now single unified “army”
- Linguistic, ethnic and cultural variations

Federal or Federalizing State?

- Clear division between centralized and decentralized powers (subsidiary).
- Balance between perceived need to cooperate (external threats-economic and military) and desire to maintain national sovereignty (sub-unit rights-states right in the American context).
- Ability of centralized government to impose decisions on sub-units, largely federal institutional structure



Recent & Future Events....

- **January 1999** introduction of the Euro as a common currency (not banknotes).
- **January 2002** Introduction of Euro Banknotes.
- **February 2003** Final ratification of Nice Treaty (Irish “yes”)
- **July 2003** Submission of Draft Constitution (Convention on the Future of Europe).
- **December 2003** Formal adoption of Draft Constitution.
- **May 2004** Eastern European Enlargement (10 new countries-*Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia*).
- **December 2004** Formal decision to admit Turkey and Croatia to accession status (begin formal application process).
- **2005** Begin ratification process for Draft Constitution
 - May 29/June 2, 2005 French and Dutch rejection of ratification referendum
 - Resulting status of treaty unclear: 10 countries already ratified and 12 still waiting to vote.



- **2007** Romania and Bulgaria set to formally join EU
- **2015 – 2020 (?)** Turkish Accession



Future: The United States of Europe?

- **What are (or should be) Europe's Borders? In effect, What is Europe (and what is not)?**
- **Impact of internal diversity (how much is too much?)**
- **Foreign Policy-The Future of ESDP**
- **The uncertain future of the Constitution, creation of Citizenship and the emergence of a "demos"**
- **Impact of EU integration on the transatlantic relationship**
- **What are the alternatives to increased integration? Can the EU be undone?**



Current Dilemmas

- The rise of the radical right-immigration, racial intolerance and Turkish membership
- Economic disparity and the inability of the Structure and Cohesion Funds to Cope
- Strength of the Euro– the high cost of success
- Institutional Reform- from 6 to 25 and beyond (decision-making stagnation)
- Europe a la carte, a tiered Europe or “one for all and all for one”?
- The creation of a European “demos” (Parisian, French or European?)
- The “democratic deficit” – problem in search of a definition.
- Europe’s role in an era of globalization
- Europe and America—wither this “special” relationship?



Facts and Figures

- The transatlantic economy generates roughly \$ 2.5. trillion a year and employs over 12 million people on both continents. It also accounts for approximately 25% of global trade.
- Sales between EU and US affiliates are four times larger than sales to US affiliates in Canada and Mexico.
- About 65 % of US foreign investment goes to Europe.
- The bulk of US overseas employment is in Europe, about 43 %.
- US invests in about 2.5 times more money in Ireland than in China and about 3 times more money in Denmark than in India.
- US investment in the Netherlands alone in 2003 was almost as much as all US investment ever in the entire Asian continent.
- US assets in Germany in 2001 were larger than US assets in all of South America.
- Economic growth of just 3 % in Europe would create a new market the size of Argentina.
- Despite tensions over Iraq, in 2003 the US invested about \$87 billion in Europe (~30 % more than in 2002) and European investments in the US were 41 % higher than in 2002.