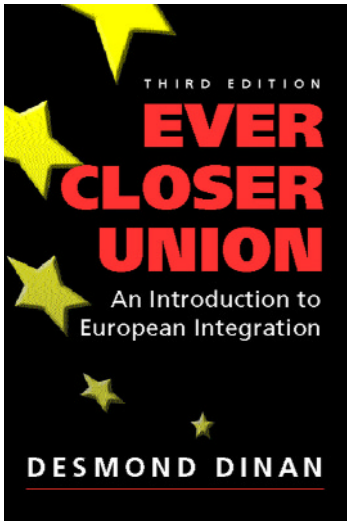
EXCERPTED FROM

Ever Closer Union: An Introduction to European Integration

3RD EDITION

Desmond Dinan



ISBNs: 1-58826-234-0 hc & 1-58826-208-1 pb

LYNNE RIENNER PUBLISHERS
1800 30th Street, Ste. 314
Boulder, CO 80301
USA
telephone 303.444.6684
fax 303.444.0824

Contents

Introduction

A first-time visitor to Europe would soon realize that something called the European Union (EU) exists but might not understand exactly what it is. Signs at the airport in an EU member state (by far the majority of European states) would direct the visitor into the "Non-EU" line for inspection by national immigration officers (there are no EU immigration officers). Once finished with border formalities, the visitor would need to change money. In twelve of the EU's twenty-five member states the visitor would receive euro notes and coins but in the other member states would receive national currency.

Traveling around the country, the visitor would see the distinctive EU flag (a circle of twelve gold stars set against a deep blue background) prominently displayed. In the EU's poorer regions, the visitor would notice signs adorned with the EU flag, proudly proclaiming that various infrastructural projects were being funded in part by the EU. Staying within the territory of the EU, the visitor would be able to travel unimpeded across some, but not all, national borders.

A curious and discerning visitor would discover that national political systems are alive and well in the EU, but that there is a complementary political system centered on Brussels, meaning in this case not the political capital of Belgium but the locus of EU policymaking. National governments, parliaments, courts, and other bodies participate in the EU system, as do separate EU institutions such as the European Commission and the European Parliament. Further inquiry would reveal that a complex system of EU governance produces rules and regulations covering a host of policy areas ranging from agriculture to antitrust, the environment, immigration, and international development. The visitor would soon realize that there is considerable variation in the applicability and implementation of EU policy among the member states.

Why, the visitor might ask, does such an elaborate system exist? The answer, quite simply, is that it developed in response to national governments'

efforts to increase their countries' security and economic well-being in an increasingly interdependent and competitive global environment. Europe has a history of instability and war; tying countries together politically and economically is a way to consolidate democracy and resolve the traditional causes of conflict. No European country is bigger than a midsized global power; close political and economic collaboration helps European countries maximize their global influence and potential. As Wim Kok, a former prime minister of the Netherlands, put it in a recent report on the state of the European economy, "The principle underpinning the European Union is well established: Europeans better hang together or [most assuredly] they will hang separately."[1]

Six countries (France, Germany, Italy, Belgium, the Netherlands, and Luxembourg) therefore came together and signed a treaty in 1951 to establish the European Coal and Steel Community and another treaty in 1957 to establish the European Economic Community. The Coal and Steel Community had a narrow economic focus but an ambitious political goal: to achieve a peace settlement primarily between France and Germany. The treaty establishing the European Economic Community was more ambitious in its economic objectives but no less significant politically. It sought to establish a common or single market in which goods, capital, services, and people could move freely within the European Community (as the European Economic Community came to be called). It also envisioned an "ever closer union" among the states and peoples of the European Community (hence the title of this book).

In order to go beyond a customs union and take the steps necessary to eradicate nontariff, behind-the-border barriers to the free movement of capital, services, and people, member states agreed to share sovereignty or national authority in certain policy areas. Only by doing so could they lock themselves into a long-term process of market integration based on treaty obligations, shared sovereignty, and the rule of a new form of international law. Governments were not enthusiastic about sharing sovereignty but appreciated that it was in their national interests to do so. Far from handing over authority in certain policy areas unreservedly to the supranational European Commission, they retained considerable national control through the Council of Ministers, a key EU decisionmaking body. They also agreed to establish a parliament to enhance the democratic legitimacy of the Community.

Tension between intergovernmentalism (traditional state-to-state relations) and supranationality (the sharing of national sovereignty) has pervaded the EU since the beginning. Yet intergovernmentalism and supranationality are not irreconcilable; they complement rather than conflict with each other in the day-to-day operations of the EU. Nor has the relationship between intergovernmentalism and supranationality remained static over time. The Commission has acquired additional supranational authority through the years, but its influence in the EU system has waxed and waned (currently it is waning).

In most policy areas government ministers are willing to be outvoted in the Council, but EU legislation is rarely enacted in the face of strong national reservations, especially on the part of big member states. The European Council, a distinct entity consisting of national leaders and the Commission president, is the most powerful body in the EU today. The European Parliament is more and more influential, yet its members are motivated by national as well as supranational considerations.

The membership and the policy scope of the EU have increased dramatically since the 1950s due to changing political and economic circumstances in Europe and beyond (Table 0.1). Sometimes the increase in policy scope has been incremental; at other times member states negotiated treaty changes in order to revitalize European integration or extend the remit of the EU into new policy areas. Whenever they changed the treaties to broaden the policy scope of the EU, member states also altered the EU's institutional arrangements in an effort to improve efficiency and democratic legitimacy (two objectives that are often difficult to reconcile).

Clearly, "deepening" (in functional terms) and "widening" (in membership) are not contradictory processes. Sometimes deepening has attracted new

Table 0.1 The Ever Deeper Union

1951	Treaty of Paris establishes the European Coal and Steel Community
1957	Treaties of Rome establish the European Economic Community and the European Atomic Energy Community
1962	Launch of the Common Agricultural Policy
1968	Completion of the customs union
1970	Launch of European Political Cooperation (foreign policy coordination)
1975	Launch of the European Council
1979	Launch of the European Monetary System
1986	The Single European Act launches the single-market program and extends Community competence in the fields of environmental policy, economic and social cohesion, research and technology policy, and social policy
1989	Extension of Commission responsibility for competition policy
1992	The Treaty on European Union sets the EU on the road to economic and monetary union, transforms European Political Cooperation into the Common Foreign and Security Policy, and launches intergovernmental cooperation on justice and home affairs
1997	The Treaty of Amsterdam extends Community competence over certain aspects of justice and home affairs and sets a target date for completion of "an area of freedom, security, and justice"
1999	Launch of a common monetary policy and a single currency (the euro)
2001	The Nice Treaty reforms the EU's institutions and decisionmaking procedures
2002	The Convention on the Future of Europe begins
2003	The Convention submits a draft Constitutional Treaty
2004	EU leaders agree on and later sign the Constitutional Treaty

members; for example, completion of the single market in the late 1980s and early 1990s had a powerful magnetic effect on Austria, Finland, Norway, Sweden, and Switzerland, which applied to join the EU (three of them eventually did so). Sometimes impending enlargement has impelled the EU to deepen; for example, the imminent accession of the Central and Eastern European countries in the early 2000s spurred member states to intensify integration in the area of justice and home affairs (immigration and internal security).

Between 1973 and 2004 the EU grew from six to twenty-five member states (Table 0.2). Not all of the new entrants shared the founding member states' commitment to political integration. Some, like Denmark, Britain, and Sweden, were openly skeptical of political integration and averse to sharing more than the minimum amount of sovereignty necessary to achieve common economic goals. The accession of so many new member states, with so many more interests, perspectives, and preferences, further complicated the process of European integration. It also brought more policy differentiation to the EU, one of the most striking examples being the decisions by Denmark, Britain, and Sweden not to adopt the euro.

Major treaty changes in the history of the EU, such as the Single European Act of 1986 or the Maastricht Treaty of 1992, encapsulate the symbiotic nature of deepening and widening. This is especially true of the Constitutional Treaty, signed by national leaders in October 2004. The Constitutional Treaty originated in a desire to enhance the legitimacy and efficacy of the EU, not least because of the imminent accession of at least ten new member states. The Constitutional Treaty is not the last word in treaty reform, but it streamlines the EU's existing treaties and "pillar" structure (see Box 0.1), improves decisionmaking procedures, and emphasizes the EU's political character.

The EU has now reached the point where it touches upon almost every aspect of public policy and includes almost every European country. Iceland,

Table 0.2 The Ever Wider Union

Original Member States (1958)	First Enlargement (1973)	Second Enlargement (1981)	Third Enlargement (1986)	Fourth Enlargement (1995)	Fifth Enlargement (2004)
Belgium	Britain	Greece	Spain	Austria	Czech Republic
France	Denmark		Portugal	Finland	Cyprus
Germany	Ireland			Sweden	Estonia
Italy					Hungary
Luxembourg					Latvia
Netherlands					Lithuania
					Malta
					Poland
					Slovakia
					Slovenia

Box 0.1 The EU's Treaties and "Pillars"

The EU rests on two treaties and three pillars.
The two treaties are:
Treaty Establishing the European Community: This is the original Rome Treaty, amended by the Single European Act (1986), Maastricht Treaty (1991), Amsterdam Treaty (1997), and Nice Treaty (2001).
Treaty on European Union: This is the original Maastricht Treaty (1991), amended by the Amsterdam Treaty (1997) and Nice Treaty (2001).
The three pillars are:
First Pillar: the European Community (covering most of the policy areas encompassed by the EU)
Second Pillar: the Common Foreign and Security Policy, including the European Security and Defense Policy
Third Pillar: police and judicial cooperation

Decisionmaking in the first pillar is supranational (it involves all of the EU's institutions); decisionmaking in the other two pillars is intergovernmental (national governments are mostly in control). The *Constitutional Treaty* replaces the two treaties and the three pillars with a single legal and institutional arrangement.

Norway, and Switzerland are the only unequivocally European countries that are neither members nor aspiring members of the EU. The use of the adjective "unequivocally" in the previous sentence points to one of the greatest difficulties facing the EU today: the difficulty of defining which countries on the EU's eastern borders are "European" and therefore eligible to join the EU (presuming that they meet the political and economic criteria for membership). The EU has accepted Turkey's "Europeanness," despite widespread concerns in many of the existing member states about the cultural as well as economic impact of Turkey's membership. But the fundamental question remains: Where do the geographical limits of the EU lie?

The all-encompassing nature of the EU poses a formidable hurdle for prospective member states. Indeed, the so-called chapters that applicant states must now negotiate in order to join the EU give a good idea of the EU's extensive policy remit (see Table 0.3).

Despite (or perhaps because of) the relatively rapid increase in its policy and geographical scope, all is not well in the EU. Apart from concerns about sluggish economic performance, international terrorism, and the assimilation of ethnic minorities, and apart also from the usual complaints about politics and politicians, Europeans are ill at ease with the EU. A few are outright hostile, wishing that their countries would leave or that the EU would cease to exist. Others are "Euroskeptical" to some extent, meaning that they strongly resent the perceived intrusion of the EU into what a British government minister described in the early 1990s as "every nook and cranny of daily life."[2]

Table 0.3 Joining the EU: What Needs to Be Negotiated

Chapter 1:	Free Movement of Goods
Chapter 2:	Free Movement for Persons
Chapter 3:	Freedom to Provide Services
Chapter 4:	Free Movement of Capital
Chapter 5:	Company Law
Chapter 6:	Competition Policy
Chapter 7:	Agriculture
Chapter 8:	Fisheries
Chapter 9:	Transport Policy
Chapter 10:	Taxation
Chapter 11:	Economic and Monetary Union
Chapter 12:	Statistics
Chapter 13:	Social Policy
Chapter 14:	Energy
Chapter 15:	Industrial Policy
Chapter 16:	Small and Medium-Sized Enterprises
Chapter 17:	Science and Research
Chapter 18:	Education and Training
Chapter 19:	Telecommunications and Information
Chapter 20:	Culture and Audiovisual Policy
Chapter 21:	Regional Policy and Coordination
Chapter 22:	Environment
Chapter 23:	Consumers and Health Protection
Chapter 24:	Justice and Home Affairs
Chapter 25:	Customs Union
Chapter 26:	External Relations
Chapter 27:	Common Foreign and Security Policy
Chapter 28:	Financial Control
Chapter 29:	Finance and Budgetary Provisions
Chapter 30:	Institutions
Chapter 31:	Other

For the most part, Europeans find the EU's political pretentiousness mildly irritating and would like the EU to deliver more (especially in terms of jobs, economic growth, internal security, and external stability) and pontificate less.

The EU is a complex political system, difficult even for interested Europeans to understand. It is both pervasive (in its impact) and remote (in its policymaking). There is a surfeit of information on the EU but a deficit of knowledge. EU leaders are keenly aware of the need to make a better connection between the EU's citizens and its institutions. People in the EU grumble about a democratic deficit, yet they turn out for direct elections to the European Parliament in record low numbers. They also complain about lack of transparency in Brussels, although EU politicians and officials have taken huge strides toward making the system more open and accessible.

The problem lies partly in the novelty and scale of European integration. People are familiar with their regional and national governments, which have

been around forever (or so it seems). People in a national political system speak the same language, read the same newspapers, and see the same television programs. By contrast, the EU is distant, impersonal, and operates in twenty official languages; there is no European "people," only European "peoples"; there is no common language or media. But the problem also lies in the politics of European integration. National politicians like to take the credit when things are going well in the EU and blame "Brussels" when things are going badly.

Opinion polls constantly show that most Europeans appreciate the underlying advantages of European integration but are uneasy about certain EU policies and developments. Many Europeans either do not know or have forgotten how far Europe has come in the past fifty years. Regardless of the past or of people's understanding of it, some Europeans would argue that the EU has outlived its usefulness (if it ever had any). Without doubt, some EU policies and programs are dispensable or superfluous. However, European integration seems more essential than ever at a time of rapid globalization and widespread global uncertainty. The same yearning for security and economic well-being that animated the founders of the European Community underpins the EU today, though the regional and global circumstances are radically different (Box 0.2).

By now our visitor may have had heard enough about the EU. But someone so curious and discerning would surely want to learn more. What should our visitor do? Read this book, of course. It provides a thorough introduction to European integration, covering the history, institutions, and policies of the EU. It is comprehensive but not all-encompassing, focusing on key players, institutions, and policies. For reasons of space the book does not examine every EU policy area, but it mentions most of them. Nor is it in any way theoretical. Instead, *Ever Closer Union* describes and analyzes the EU's extraordinary growth from an association of six member states in the immediate af-

Box 0.2 EC Versus EU

The European Union came into existence in May 1993, following implementation of the Treaty on European Union, better known as the Maastricht Treaty. Nevertheless, the European Community continued to exist as an integral part of the EU. Strictly speaking, policies such as agriculture and antitrust were EC rather than EU activities. I generally use "EC" when referring to developments before 1993 and "EU" when referring to developments thereafter, although I also refer generally to "EU history," meaning the history of European integration since the launch of the original communities. At the risk of sacrificing accuracy for narrative flow, I refer to "European Union" policy and "European Union" decisionmaking even when the policies and decisions in question are, strictly speaking, "European Community" policies and decisions.

termath of World War II to a union of twenty-five member states (and rising) in the early twenty-first century. While critical of certain aspects of the EU, its underlying premise is that European integration is a fascinating phenomenon that anyone interested in contemporary history, politics, and economics needs (and deserves) to study.

Notes

1. Wim Kok et al., *Facing the Challenge: The Lisbon Strategy for Growth and Enlargement: Report of the High Level Group* (Brussels: European Commission, 2004), p. 17.

2. The minister was Douglas Hurd, quoted in the *Financial Times,* January 10, 1992, p. 1.