

Economic Advantages of the European Union – An Inquiry into Economic Growth and Trade Relationships for European Union Member States

Resources

1. A brief history

Post-World War II Europe

In 1945, a great hope developed that Europe would never again have to deal with the devastating carnage it had endured in the first half of the twentieth century. It was believed that one way of ensuring this was by establishing greater cooperation and harmony between Europe's nations. It was believed that this could be achieved by the development of an integrated European community along economic, social, and political lines.

Between 1945 and 1950, a handful of courageous statesmen including Robert Schuman, Konrad Adenauer, Alcide de Gasperi, and Winston Churchill set about persuading their peoples to enter a new era. New structures would be created in western Europe, based on shared interests and founded upon treaties guaranteeing the rule of law and equality between all countries.

Robert Schuman (French foreign minister) took up an idea originally conceived by Jean Monnet and, on 9 May 1950, proposed establishing a European Coal and Steel Community (ECSC). In countries that had once fought each other, the production of coal and steel would be pooled under a common High Authority. In a practical but also richly symbolic way, the raw materials of war were being turned into instruments of reconciliation and peace.

See http://europa.eu/abc/12lessons/lesson_1/index_en.htm

European Economic Community (EEC) 1957–1993

As a result, in 1957 the Treaty of Rome created the European Economic Community (EEC). The EEC was created to further the goal of European integration and to promote harmony and cooperation.

European Union (EU)

The successor to the EEC, the EU was founded 1993 by the Maastricht Treaty. Its aim was to further develop European integration by creating a common currency, EU citizenship and the Common Foreign and Security Policy.

See http://europa.eu/abc/12lessons/lesson_2/index_en.htm

2. EU enlargement

Since the creation of the EEC in 1957, the community of Europe has steadily increased from the original six Member States to 27 members in 2007. The following timeline outlines this growth:

- 1957 – Six original members of the EEC (France, West Germany, Italy, Belgium, Netherlands, and Luxembourg)
- 1973 – Ireland, United Kingdom, and Denmark

- 1981 – Greece
- 1986 – Spain and Portugal
- (1993 – Single European Market introduced)
- 1995 – Austria, Finland, and Sweden
- (2002 – The Euro currency is introduced in notes and coins)
- 2004 – Czech Republic, Estonia, Latvia, Lithuania, Poland, Slovakia, Slovenia, Hungary, Malta, and Cyprus
- 2007 – Romania and Bulgaria
- 2009 (June) – EU membership negotiations continue with Croatia and Turkey.

Enlargement offers benefits for both the older and newer Member States.

- The extension of the zone of peace, stability, and prosperity in Europe enhances the security of all of its peoples.
- The addition of more people, in rapidly growing economies, to the EU's market encourages economic growth and creates jobs in both old and new Member States.
- There is a better quality of life for citizens throughout Europe as the new members adopt EU policies for protection of the environment and the fight against crime, drugs, and illegal immigration.
- The arrival of new members enriches the EU through increased cultural diversity, the interchange of ideas, and better understanding of other peoples.
- Enlargement strengthens the EU's role in world affairs – in foreign and security policy, trade policy, and the other fields of global governance.

See:

- <http://ec.europa.eu/enlargement>
- http://www.outreachworld.org/Files/university_of_washington_seattle/enlarging_the_eu.pdf
- http://europa.eu/abc/12lessons/lesson_3/index_en.htm

Receive a monthly update about how EU enlargement is progressing at: elarg-newsletter@ec.europa.eu

There are obvious benefits to enlargement of the EU but there are also great challenges. These may be best summarised as the tension between integration and the distinctiveness of individual cultures. New Zealand students will understand this tension in relation to Māori and non-Māori.

3. Major structures and institutions

See http://europa.eu/abc/12lessons/lesson_4/index_en.htm

European Commission

This is the administrative arm of the EU with headquarters in Brussels. The commissioners are mainly former leading national politicians. The Commission is a political administration body. It proposes legislation for consideration by the Council of Ministers and Members of the European Parliament (MEPs), ensures that EU legislation/treaties are upheld and oversees the efficient day-

to-day running of the EU. The Commission is also responsible for initiating policies. It is independent from national governments.

See:

- http://europa.eu/institutions/inst/comm/index_en.htm
- <http://www.civitas.org.uk/eufacts/FSINST/IN1.htm>

European Parliament

This is the directly elected assembly of the EU. A total of 736 MEPs are elected from Member States, with elections held every five years. Each Member State elects a number of MEPs based broadly on its population with a minimum per country. The Parliament meets in Strasbourg and Brussels.

See:

- <http://www.civitas.org.uk/eufacts/FSINST/IN4.htm>
- <http://www.europarl.europa.eu/parliament.do?language=en>

European Council

The political leader of each Member State (for example, the prime minister or chancellor) is entitled to be a member of this body. In the EU, this is the final political authority.

See:

- http://europa.eu/european-council/index_en.htm
- <http://www.civitas.org.uk/eufacts/FSINST/IN2.htm>

Council of Ministers (or the Council of the EU)

Member States appoint representatives of their government, usually ministers, to be members of this council. The Council meets in nine different formations depending on the issues being discussed (for example, Member States' foreign policy ministers meet for the foreign affairs council). The ministers set the EU political objectives, coordinate national policies, and come up with joint positions. Ministers consider proposals from the European Commission and then have the power to commit their governments to new policies. The Council meets mostly in Brussels and sometimes in Luxembourg. Each country has a number of votes in the Council broadly reflecting their population, but weighted in favour of smaller countries.

See:

- <http://ue.eu.int/showPage.aspx?id=242&lang=EN>
- <http://www.civitas.org.uk/eufacts/FSINST/IN3.htm>

European Court of Justice

The European Court of Justice is made up of one judge from each Member State, and eight Advocates-General, who deliver legal opinions with complete impartiality and independence on disputes between Member States, disputes between the EU and Member States, disputes between EU institutions, and disputes between individuals and the EU. All members of the Court are nominated by their home governments and serve for six-year terms. The Court is based in Luxembourg.

See <http://www.civitas.org.uk/eufacts/FSINST/IN5.htm>

4. Becoming a Member State

See:

- http://europa.eu/abc/12lessons/lesson_3/index_en.htm
- <http://ec.europa.eu/enlargement/candidate-countries>

How does a country become a full member?

1. A country makes application for full membership.
2. On receipt of an application, the European Council consults the European Commission and the European Parliament for advice.
3. It is then the sole responsibility of the Council to either accept or reject a country as a candidate to begin accession talks. Once accepted, accession negotiations then begin. These negotiations can take many years depending on the preparedness of the country to join the EU.

What are the criteria for acceptance?

- A candidate country must be considered European (The Treaty on European Union, Article 49 stipulates: "Any European State which respects the principles set out in Article 6(1) may apply to become a member of the Union").
- A candidate country must have rule of law, respect for human rights, and protect minority groups.
- A candidate country must successfully meet the Copenhagen Criteria (1993). The Copenhagen Criteria was agreed to by the European Council at a meeting in Denmark in June 1993. They determine whether a country is eligible for membership. To be eligible to join the EU a country must:
 - be a functioning democracy
 - respect human rights and respect minorities within its borders
 - have a functioning market economy.

What are the 35 Negotiation Chapters?

These are the 35 chapters, or specific areas, that a candidate country has to make progress in before it can be admitted as a full member. Each chapter is generally concerned with a specific social, economic, legal or political aspect of a nation's life, for example taxation, education, health, and workers rights.

During the period of accession negotiation, the European Commission monitors work and development in these areas mainly through its delegations (diplomatic missions in those countries). Annual progress reports assess how much progress a candidate country is making towards meeting them.

See:

- http://en.wikipedia.org/wiki/Future_enlargement_of_the_European_Union
- http://ec.europa.eu/enlargement/archives/enlargement_process/future_prospects/negotiations/eu10_bulgaria_romania/index_en.htm

5. Key European Commission Directorates-General dealing with economic and financial issues

Economic and Financial Affairs Directorate-General (ECFIN)

The main role of ECFIN is to foster the success of the Economic and Monetary Union both inside and outside of the EU. This is achieved by advancing economic policy coordination, conducting economic surveillance, and providing policy assessment and advice. One of ECFIN's key responsibilities is ensuring the smooth and efficient application of the Stability and Growth Pact. This pact, which was adopted in 1997, provides a concrete way in which the EU can monitor individual Member States' budgetary policies and maintain stable economic discipline throughout the EU internal market.

Internal Market and Services Directorate-General

The Directorate-General's central mission is to secure greater European market integration and remove obstacles to the freedom of establishment and to the free movement of services and capital. The Directorate-General designs and delivers policies of economic reform that make the EU's economy dynamic and competitive. In the area of financial services, it aims at establishing the legal framework for the integration of the EU's capital markets and the creation of a single market for financial services.

Employment, Social Affairs and Equal Opportunities Directorate-General

The Directorate-General has the task of contributing to the development of a modern, innovative, and sustainable European Social Model with more and better jobs in an inclusive society based on equal opportunities. It is a key role in promoting positive interaction among economic, social, and employment policies.

Trade Directorate-General

The Directorate-General negotiates bilateral and multilateral trade agreements on behalf of the EU and its Member States, ensuring that world trade rules are applied. It works closely with the WTO and other multilateral institutions, tackling international trade and customs barriers, backed up where needed with EU legislation. All areas of activity are covered from manufactured goods to services, intellectual property, and investment. It aims to ensure that EU businesses can operate fairly in the EU and across the world and makes full use of our powers to tackle unfair competition and dumping.

Websites

- <http://www.civitas.org.uk> The website for the British Institute for the Study of Civil Society. This website has factsheets about the EU designed for senior secondary students.
- <http://www.delaus.ec.europa.eu/newzealand/> The website of the European Commission's Delegation to New Zealand. This website focuses on information of relevance to New Zealand and the Pacific. You can contact the European Commission's Delegation in Wellington by emailing: delegation-new-zealand@ec.europa.eu
- <http://eu.org.nz/> The official EU web portal for all events and activities taking place in New Zealand by the 27 Member States of the European Union, the European Commission and EU-related New Zealand organisations.

- <http://www.youtube.com/eutube> The EU's YouTube website contains a wide range of video clips about the EU and, as a YouTube site, has comments/debate from members of the public.
- <http://www.eucnetwork.org.nz> The New Zealand European Union Centres Network website. The network is a grouping of seven New Zealand universities that focus on the impact, role, and understanding of the European Union within New Zealand and the wider Pacific region. The website has access to relevant research and information data bases and gives students information about possible undergraduate and graduate study in European issues.
- <http://www.europe.canterbury.ac.nz/> The University of Canterbury's website as part of the New Zealand European Union Centres Network. The website provides access to research and information databases and gives students information about possible undergraduate and graduate study in European issues.
- http://en.wikipedia.org/wiki/European_Union While Wikipedia provides background information about the EU, you are reminded about the process by which information is placed on Wikipedia and the accompanying issue of validity of the information on the website.
- http://bookshop.europa.eu/eubookshop/index.action?request_locale=EN A bookshop on the Europa website.
- http://ec.europa.eu/publications/index_en.htm Browse and select whatever you think will be useful.

Books

- Bache, I & George, S, 2006, *Politics in the European Union* (2 ed), Oxford University Press, Oxford.
- Gibbons, M (ed.), 2008, *New Zealand and the European Union*, Pearson Education New Zealand, Auckland.
- McCormick, J, 2002, *Understanding the European Union: A Concise Introduction* (2nd ed), Palgrave Macmillan, Hampshire.
- Nugent, N, 2006, *The Government and Politics of the European Union* (6th ed), Palgrave Macmillan, Hampshire.
- Porter, M et al, 2007, *An Illustrated Atlas of Europe*, Evans Publishing Group.
- Warleigh, A, 2004, *European Union Textbook: The Basics*, Routledge.