

Introduction to the European Union

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What is the European Union?



History of European Cooperation



Ever Widening....Ever Deepening



How does the European Union work?

"Sometimes I like to compare the EU as a creation to the organization of empire."



Commission President Jose Manuel Barroso

What is the European Union?

- **Unique institution** – Member States voluntarily cede **national sovereignty** in many areas to carry out common policies and governance.
- **Not a super-state** to replace existing states, nor just an organization for international cooperation.
- World's most successful model for advancing **peace and democracy**.
- **Shared values:** liberty, democracy, respect for human rights / fundamental freedoms, and the rule of law.
- **Largest economic body** in the world.
- World's **most open market** for goods and commodities from developing countries.



Sizing up the European Union

27 member states

500 million
combined population

23 official
languages

4.2 million km²
total surface area

30% of global GDP

20% of global
exports and imports



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How does the European Union work?

War Experience

- Pre-1945 Europe
 - ✘ Great power rivalries, two devastating wars, many revolutions, etc.
- Immediate Post-1945 Europe
 - ✘ 40 to 50 million dead
 - ✘ Mass movements of peoples
 - ✘ No working infrastructure
 - ✘ Major cities and ports destroyed



Port city of Rotterdam, 14 May 1940

- Realization that **nationalism** is the most deadly force in history!

Churchill calls for a “United States of Europe”



- European integration is necessary for future peace
- The UK would not participate
- Franco-German cooperation must form the axis, and the two countries must take the lead together

... What is this sovereign remedy? It is to recreate the European Family or as much of it as we can and provide it with a structure under which it can dwell in peace, in safety and freedom. We must build a kind of United States of Europe... (Zurich, 19 Sept 1946)

How can war be averted?



Robert Schuman, 9 May 1950

- Put war making industries under supranational control
 - ✘ European Coal and Steel Community (1951)
- Constrain nation states and nationalism in a web of cooperation and rules
 - ✘ European Economic Community (1957)

Constraining Germany



Jean Monnet, First High Commissioner of the European Coal and Steel Community

How was France to deal with Germany?

"I could see only one solution: we must bind ourselves inextricably to Germany in a common undertaking in which our other neighbors could join. A European-wide territory of prosperity and peace would thus be created."

~Jean Monnet

The Schuman Declaration (1950): European Coal & Steel Community

Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements . . . The French government proposes that Franco-German production of coal and steel as a whole be placed under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe...as a first step in the federation of Europe.

The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible.

~Robert Schuman, 9 May 1950



Cold War Setting



Greek civil war, 1946



Czech Coup, Feb 1948



Berlin airlift, 1948-49

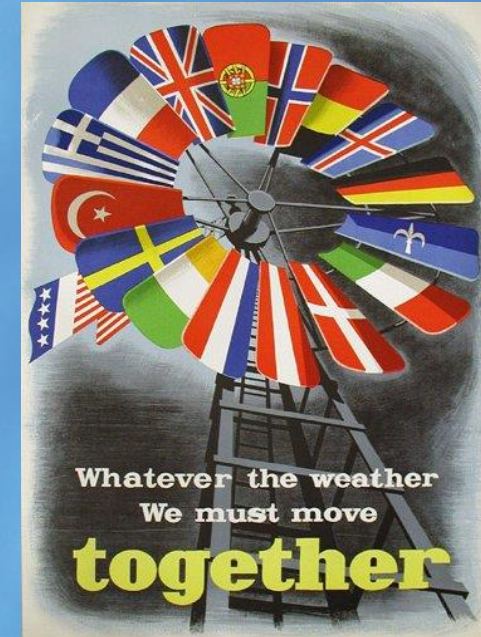
- End of Western European great powers and imperial rivalries
- Now bigger threat - the Soviet Union
- Communist threat within highlights need for economic recovery (esp. France and Italy)
- Key events: Greece/Turkey; Czech coup; Berlin airlift

US Support for Integration

- Marshall Plan as an extension of the Truman Doctrine
- Participation required that Europe coordinate
 - ✦ Organization for European Economic Cooperation (OEEC) set up to administer US aid
- Between 1948-52, approx \$13 billion (4% of European GDP) dispersed to 16 countries



Secretary of State George Marshall at Harvard University, 5 June 1947



Economic Benefits



*Signing of the Treaties of Rome,
25 March 1957*

- Contrast economic woes of Europe to experiences of US and Soviet Union
- Single market provided a solution:
 - ✗ Comparative advantage-benefits of specialization
 - ✗ Economies of scale
 - ✗ Bargaining power



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Ever Widening...Ever Deepening



How does the European Union work?

Ever Deepening....

1952

The European Coal and Steel Community (ECSC)

1958

The treaties of Rome:
The European Economic Community (EEC)
The European Atomic Energy Community (EURATOM)

2009

Treaty of Lisbon

2003

Treaty of Nice

1999

Treaty of Amsterdam

1987

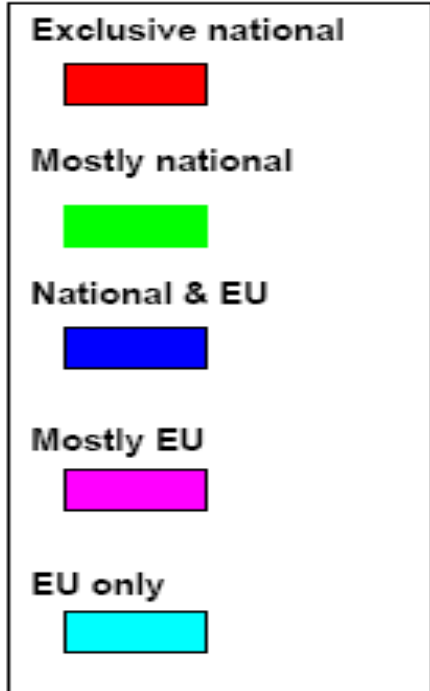
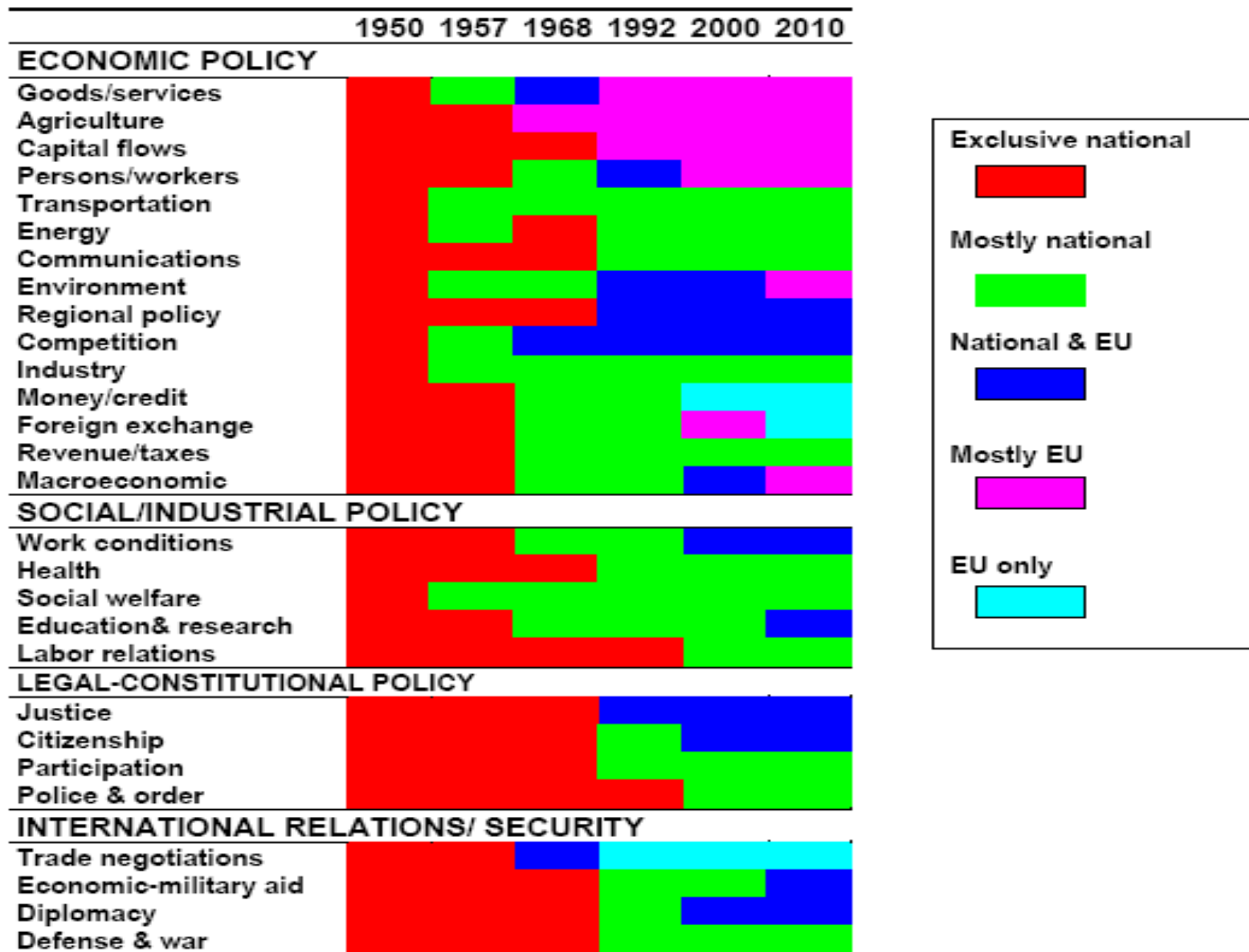
The Single European Act

1993

Treaty on European Union - Maastricht



EU vs. National Power—1950-2010*



* 2010 are own estimates

Ever Widening...



Impact of successive enlargements

	1958	1973	1981	1986	1995	2004	2007	US	NC
Area (1000km)	1,167	1,524	1,658	2,252	3,234	3,892	4,343	9,631	139
Population (millions)	185	273	287	338	370	457	501	300	9.4
Member States	6	9	10	12	15	25	27	50	100
Official Languages	4	6	7	9	11	20	23	1	1
MEPs	142	198	434	518	626	732	736	435+6	170

Can you place these countries in order of GDP/capita (2008)?

	United Kingdom
	Germany
	Romania
	France
	Netherlands

And where does the USA fit in?

GDP/capita in purchasing power parity

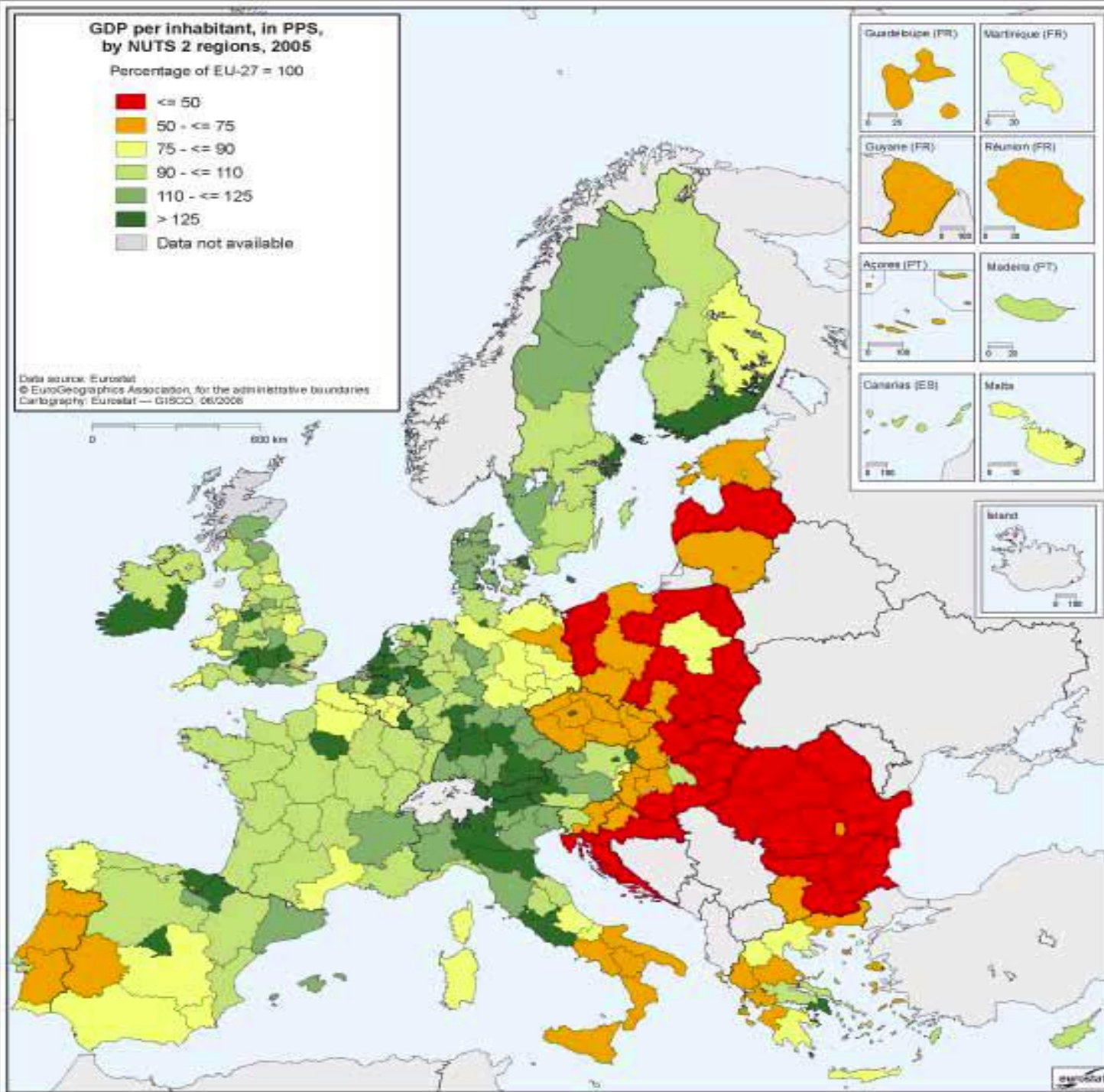
USA
\$47,440

Canada
\$39,098

Mexico
\$14,534

\$40,558	The Netherlands
\$36,358	United Kingdom
\$35,539	Germany
\$34,205	France
\$12,600	Romania

Regional Disparities (2005)





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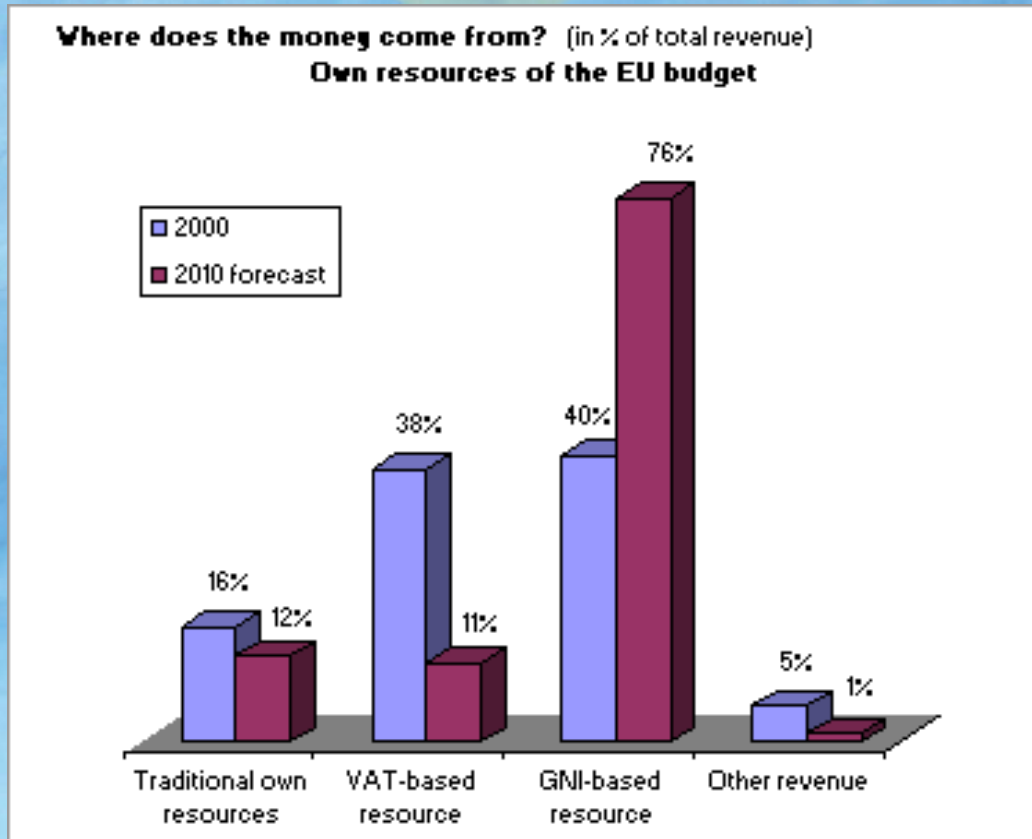


Ever Widening...Ever Deeping



How does the European Union work?

Budget Revenues (%)



Ceiling = 1.24%
of EU GDP
(293 Euro/citizen)

2010: 142
billion Euro

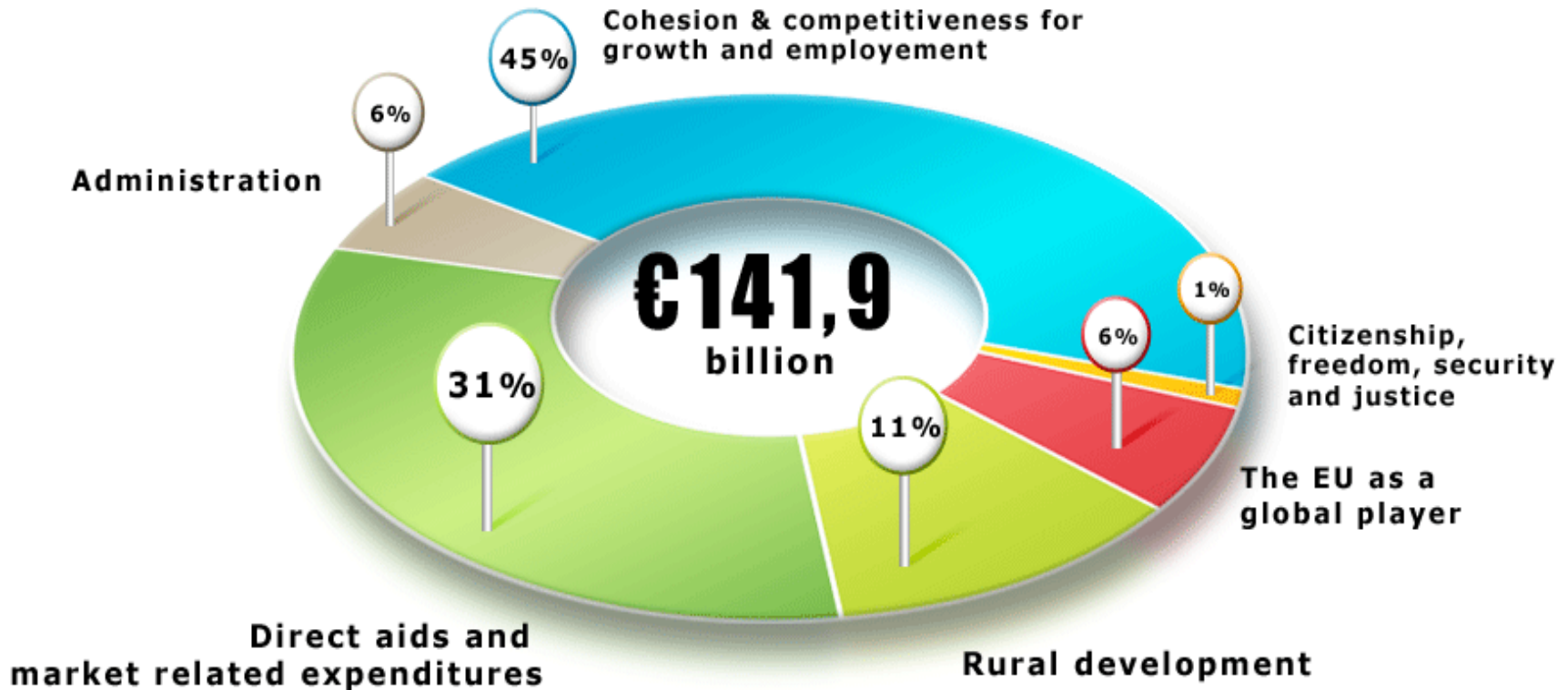
VAT=Value-added tax (equivalent of sales tax)

GNI=Gross National Income (richer countries pay larger share)

Traditional own resources=customs and excise taxes, agricultural levies

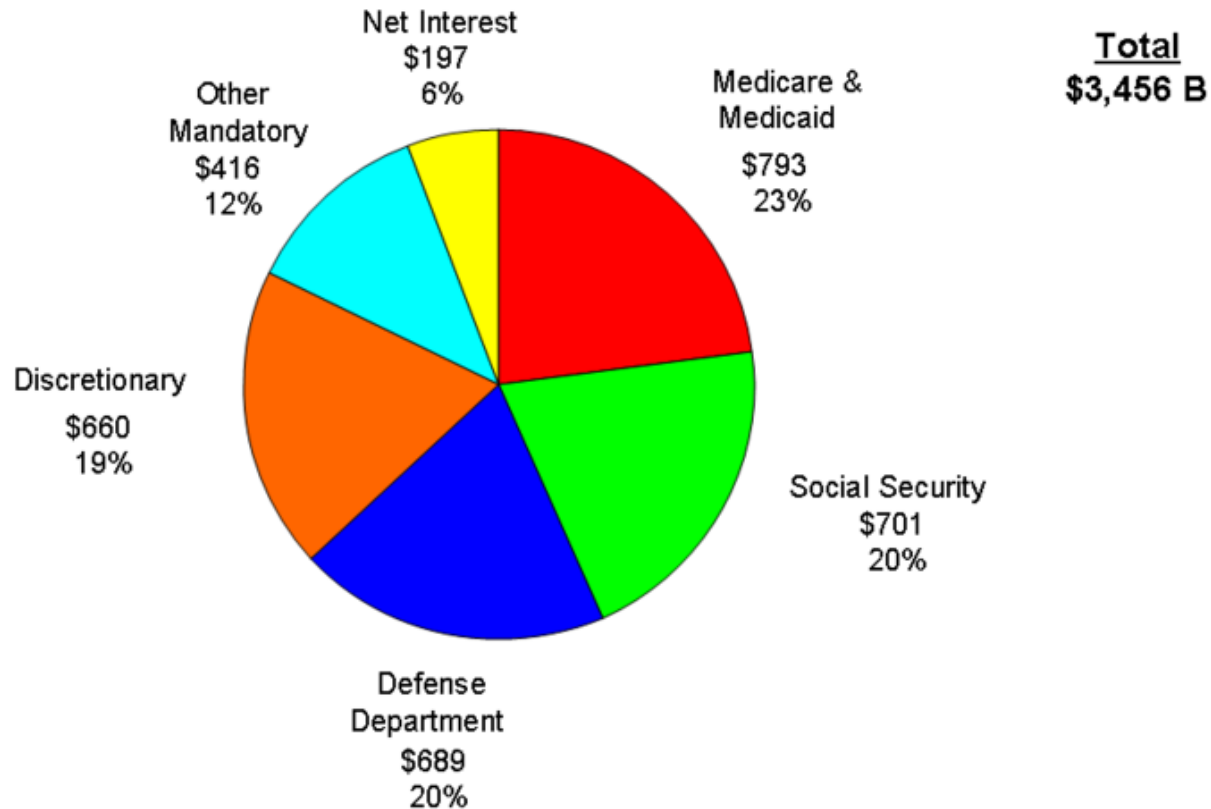
Other= e.g. fines, taxes paid by employees, third country contributions

EU Spending (2010)



€141.9 billion = \$188 billion (expenditures)
1.1% of EU GDP (revenues)

US Spending (2010)



Source Data: CBO Historical Tables

\$3,456 billion (expenditures)
18.1% of US GDP (revenues)

Member States
(MS)

EUROPEAN UNION (EU)

Initiating and
guiding body

European
Council

EU External
Action
Service

Other bodies

€
European
Central
Bank

European
Commission

Advisory bodies

Financial institutions

Council of the
European
Union

The decision-
making triangle

European Parliament

Economic
and Social
Com-
mittee

Court of Justice

The audit
institutions

Court
of Auditors

Committee
of the Regions

European
Investment
Bank



The background of the image is the flag of the European Union, featuring a blue field with twelve five-pointed gold stars arranged in a circle. The flag is shown with a slight ripple, suggesting it is waving in the wind. The word "QUESTIONS?" is centered in the middle of the flag in a bold, dark blue, sans-serif font.

QUESTIONS?