



Europe in 12 lessons

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














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1. Why the European Union?





Europe's mission in the 21st century is to:

- *provide peace, prosperity and stability for its peoples;*
- *overcome the divisions in the continent;*
- *ensure that its peoples can live in safety;*
- *promote balanced economic and social development;*
- *meet the challenges of globalisation and preserve the diversity of the peoples of Europe;*
- *uphold the values that Europeans share, such as sustainable development and a sound environment, respect for human rights and the social market economy.*

I. Peace and stability

Before becoming a real political objective, the idea of uniting Europe was just a dream in the minds of philosophers and visionaries. Victor Hugo, for example, imagined a peaceful 'United States of Europe' inspired by humanistic ideals. The dream was shattered by the terrible wars that ravaged the continent during the first half of the 20th century.

However, a new kind of hope emerged from the rubble of World War Two. People who had resisted totalitarianism during the war were determined to put an end to international hatred and rivalry in Europe and create the conditions for lasting peace. 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 which 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.

II. Bringing Europe together again

The European Union encouraged German unification after the fall of the Berlin Wall in 1989. When the Soviet empire crumbled in 1991, the former communist countries of central and eastern Europe, after decades under the authoritarian yoke of the Warsaw Pact, decided that their future lay within the family of democratic European nations.

The enlargement process continues to this day. Entry negotiations began with Turkey and Croatia in October 2005, while several countries in the Balkans have set out along the road that could one day lead to EU membership.

III. Safety and security

Europe in the 21st century still faces safety and security issues. The EU has to take effective action to ensure the safety and security



of its members. It has to work constructively with the regions just beyond its borders: the Balkans, North Africa, the Caucasus and the Middle East. It must also protect its military and strategic interests by working with its allies, especially within NATO, and by developing a genuine common European security and defence policy.

Internal security and external security are two sides of the same coin. The fight against terrorism and organised crime requires the police forces of all EU countries to work together closely. Making the EU an 'area of freedom, security and justice' where everyone has equal access to justice and is equally protected by the law is a new challenge that requires close cooperation between governments. Bodies like Europol, the European Police Office, and Eurojust, which promotes cooperation between prosecutors, judges and police officers in different EU countries, also have a more active and effective role to play.

IV. Economic and social solidarity

The European Union was created to achieve the political goal of peace, but its dynamism and success spring from its involvement in economics.

EU countries account for an ever smaller percentage of the world's population. They must therefore continue pulling together if they are to ensure economic growth and be able to compete on the world stage with other major economies. No individual EU country is strong enough to go it alone in world trade. The European single market provides companies with a vital platform for competing effectively on world markets.

But Europe-wide free competition must be counterbalanced by Europe-wide solidarity. This has clear tangible benefits for European citizens: when they fall victim to floods and other natural disasters, they receive assistance from the EU budget. The Structural Funds, managed by the European Commission, encourage and supplement the efforts

of the EU's national and regional authorities to reduce inequalities between different parts of Europe. Money from the EU budget and loans from the European Investment Bank (EIB) are used to improve Europe's transport infrastructure (for example, to extend the network of motorways and high-speed railways), thus providing better access to outlying regions and boosting trans-European trade. The EU's economic success will be measured in part by the ability of its single market of half a billion consumers to benefit as many people and businesses as possible.

V. Identity and diversity in a globalised world

Europe's post-industrial societies are becoming increasingly complex. Standards of living have risen steadily, but there are still significant gaps between rich and poor. Enlargement has widened the gap since countries have joined with living standards below the EU average. It is important for EU countries to work together to narrow the gap.

But these efforts have not been made at the expense of compromising the separate cultural or linguistic characteristics of EU countries. On the contrary – many EU activities help to create new economic growth based on regional specialities and the rich diversity of traditions and cultures.

Half a century of European integration has shown that the EU as a whole is greater than the sum of its parts: it has much more economic, social, technological, commercial and political clout than if its member states had to act individually. There is added value in acting together and speaking with a single voice as the European Union.

Why?

- Because the EU is the world's leading trading power and therefore plays a decisive role in international negotiations, such as those at the 149-country World Trade Organisation (WTO), as well as in the implementation of the Kyoto protocol on air pollution and climate change;





United in diversity – a bilingual street sign in Malta.

- Because it takes a clear position on sensitive issues affecting ordinary people, such as environmental protection, renewable energy resources, the 'precautionary principle' in food safety, the ethical aspects of biotechnology and the need to protect endangered species;
- Because it launched important initiatives for sustainable development on the whole planet, in connection with the 'Earth Summit' in 2002 in Johannesburg.

The old saying 'unity is strength' is as relevant as ever to today's Europeans. But the process of European integration has not smothered the different ways of life, traditions and cultures of its peoples. Indeed, the EU makes its diversity one of its key values.

So the EU stands for a view of humanity and a model of society that the great majority of its citizens support. Europeans cherish their rich heritage of values, which includes a belief in human rights, social solidarity, free enterprise, a fair distribution of the fruits of economic growth, the right to a protected environment, respect for cultural, linguistic and religious diversity and a harmonious blend of tradition and progress.

The Charter of Fundamental Rights of the European Union, which was proclaimed in Nice in December 2000, sets out all the rights recognised today by the EU's member states and their citizens. These values can create a feeling of kinship between Europeans. To take just one example, all EU countries have abolished the death penalty.

VI. Values

The EU wishes to promote humanitarian and progressive values, and ensure that mankind is the beneficiary, rather than the victim, of the great global changes that are taking place. People's needs cannot be met simply by market forces or imposed by unilateral action.



2. Ten historic steps





- 1951: The European Coal and Steel Community is established by the six founding members*
- 1957: The Treaty of Rome establishes a common market*
- 1973: The Community expands to nine member states and develops its common policies*
- 1979: The first direct elections to the European Parliament*
- 1981: The first Mediterranean enlargement*
- 1993: Completion of the single market*
- 1993: The Treaty of Maastricht establishes the European Union*
- 1995: The EU expands to 15 members*
- 2002: Euro notes and coins are introduced*
- 2004: Ten more countries join the Union*

1. On 9 May 1950, the Schuman Declaration proposed the establishment of a **European Coal and Steel Community (ECSC)**, which became reality with the Treaty of Paris of 18 April 1951. This put in place a common market in coal and steel between the six founding countries (Belgium, the Federal Republic of Germany, France, Italy,

Luxembourg and the Netherlands). The aim, in the aftermath of World War Two, was to secure peace between Europe's victorious and vanquished nations and bring them together as equals, cooperating within shared institutions.



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On 9 May 1950, French Foreign Minister Robert Schuman first publicly put forward the ideas that led to the European Union. So 9 May is celebrated as the EU's birthday.





2. The Six then decided, on 25 March 1957 with the **Treaty of Rome**, to build a **European Economic Community (EEC)** based on a wider common market covering a whole range of goods and services. Customs duties between the six countries were completely abolished on 1 July 1968 and common policies, notably on trade and agriculture, were also put in place during the 1960s.

3. So successful was this venture that Denmark, Ireland and the United Kingdom decided to join the Community. This first enlargement, from six to nine members, took place in 1973. At the same time, **new social and environmental policies** were implemented, and the European Regional Development Fund (ERDF) was established in 1975.

4. June 1979 saw a decisive step forward for the European Community, with the **first**

elections to the European Parliament by direct universal suffrage. These elections are held every five years.

5. In 1981, **Greece** joined the Community, followed by **Spain and Portugal** in 1986. This strengthened the Community's presence in southern Europe and made it all the more urgent to expand its regional aid programmes.

6. The worldwide economic recession in the early 1980s brought with it a wave of 'euro-pessimism'. However, hope sprang anew in 1985 when the European Commission, under its President Jacques Delors, published a White Paper setting out a timetable for completing the European **single market** by 1 January 1993. This ambitious goal was enshrined in the Single European Act, which was signed in February 1986 and came into force on 1 July 1987.



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The Berlin Wall was pulled down in 1989 and the old divisions of the European continent gradually disappeared.





7. The political shape of Europe was dramatically changed when the **Berlin Wall** fell in 1989. This led to the unification of Germany in October 1990 and the coming of democracy to the countries of central and eastern Europe as they broke away from Soviet control. The Soviet Union itself ceased to exist in December 1991.

At the same time, the member states were negotiating the new **Treaty on European Union**, which was adopted by the European Council, composed of presidents and/or prime ministers, at Maastricht in December 1991. The Treaty came into force on 1 November 1993. By adding areas of intergovernmental cooperation to existing integrated Community structures, the Treaty created the European Union (EU).

8. This new European dynamism and the continent's changing geopolitical situation led three more countries – **Austria, Finland and Sweden** – to join the EU on 1 January 1995.

9. By then, the EU was on course for its most spectacular achievement yet, creating a **single currency**. The euro was introduced for financial (non-cash) transactions in 1999, while notes and coins were issued three years later in the 12 countries of the euro area (also commonly referred to as the euro zone). The euro is now a major world currency for payments and reserves alongside the US dollar.

Europeans are facing globalisation. New technologies and ever increasing use of the Internet transform the economies, but also bring social and cultural challenges.

In March 2000, the EU adopted the '**Lisbon strategy**' for modernising the European economy and enabling it to compete on the world market with other major players such as the United States and the newly industrialised countries. The Lisbon strategy involves encouraging innovation and business investment and adapting Europe's education systems to meet the needs of the information society.

At the same time, unemployment and the rising cost of pensions are putting pressure on national economies, making reform all the more necessary. Voters are increasingly calling on their governments to find practical solutions to these problems.

10. Scarcely had the European Union grown to 15 members when preparations began for a new **enlargement on an unprecedented scale**. In the mid-1990s, the former Soviet-bloc countries (Bulgaria, the Czech Republic, Hungary, Poland, Romania and Slovakia), the three Baltic states that had been part of the Soviet Union (Estonia, Latvia and Lithuania), one of the republics of former Yugoslavia (Slovenia) and two Mediterranean countries (Cyprus and Malta) began knocking at the EU's door.

The EU welcomed this chance to help stabilise the European continent and to extend the benefits of European integration to these young democracies. Negotiations on future membership opened in December 1997. The EU enlargement to 25 countries took place on 1 May 2004 when 10 of the 12 candidates joined. Bulgaria and Romania followed on 1 January 2007.



3. Enlargement and neighbourhood policy





- *The European Union is open to any European country that fulfils the democratic, political and economic criteria for membership.*
- *Following several enlargements, the EU has increased from six to 27 members. Several other countries are candidates to join.*
- *Each treaty admitting a new member requires the unanimous approval of all member states. In addition, in advance of each new enlargement, the EU will assess its capacity to absorb the new member(s) and the ability of its institutions to continue to function properly.*
- *The successive enlargements have strengthened democracy, made Europe more secure and increased its potential for trade and economic growth.*

I. Uniting a continent

a. A union of 25

When it met in Copenhagen in December 2002, the European Council took one of the most momentous steps in the history of European integration. By inviting 10 more countries to join the EU on 1 May 2004, the European Union was not simply increasing its geographical size and population; it was putting an end to the split in our continent which, from 1945 onwards, had separated the free world from the communist bloc.

This fifth enlargement of the EU had a political and moral dimension. It enabled countries – Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia – which are as European as the others, not just geographically but also in terms of culture, history and aspirations, to join the democratic European family. They are now partners in the momentous project conceived by the EU's founding fathers.

b. Further enlargement

Bulgaria and Romania became candidates in 1995. The process took longer for these two countries than for the other 10, but they joined the EU on 1 January 2007, bringing the number of EU countries to 27.

c. Candidates for membership

Turkey, a member of NATO, with a long-standing association agreement with the EU, applied for membership in 1987. Its geographical location and political history made the EU hesitate for a long time before replying positively to its application. However, in October 2005, the European Council opened accession negotiations with Turkey. At the same time, it entered into negotiations with Croatia, another candidate country. No date has yet been set for the entry into force of any future accession treaty for these two countries at the end of the membership negotiations.

d. The western Balkans

These countries, most of which were once part of Yugoslavia, are turning to the European Union to speed up their economic reconstruction, improve their mutual relations, which have been scarred by ethnic and religious wars, and consolidate their democratic institutions. The EU gave status as 'candidate country' to the former Yugoslav Republic of Macedonia (FYROM) in November 2005. Other potential candidates include Albania, Bosnia and Herzegovina, Montenegro and Serbia.



II. Membership conditions

a. Legal requirements

European integration has always been a political and economic process that is open to all European countries prepared to sign up to the founding treaties and take on board the full body of EU law. According to Article 237 of the Treaty of Rome 'any European state may apply to become a member of the Community'.

Article F of the Maastricht Treaty adds that the member states shall have 'systems of government [...] founded on the principles of democracy'.

b. The Copenhagen criteria

In 1993, following requests from the former communist countries to join the Union, the European Council laid down three criteria they should fulfil so as to become members. By the time they join, new members must have:

- stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union;
- the ability to take on the obligations of membership, including support for the aims of the Union. They must have a public administration capable of applying and managing EU laws in practice.

c. The accession process

The entry negotiations are carried out between each candidate country and the European Commission which represents the EU. Once these are concluded, the decision to allow a new country to join the EU must be taken unanimously by the existing member states meeting in the Council. The European Parliament must give its assent through a positive vote by an absolute majority of its members. All accession treaties must then be ratified by the member states and the candidate countries in accordance with each country's own constitutional procedures.

During the years of negotiation, candidate countries receive EU aid so as to make it easier for them to catch up economically. For the enlargement of the 10 countries in 2004, this involved a package of €41 billion aimed mainly at funding structural projects to allow the newcomers to fulfil the obligations of membership.

III. How large can the EU become?

a. Geographic frontiers

The debates concerning ratification of the EU's Constitutional Treaty that took place in most member countries showed that many Europeans had a number of concerns about the final borders of the European Union and even about its identity. There are no simple answers to these questions, particularly since each country views its geopolitical or



The 'Pearl of the Adriatic', Dubrovnik in Croatia.

economic interests differently. The Baltic countries and Poland advocate EU membership for Ukraine. The possible entry of Turkey will raise the question of the status of some countries in the Caucasus such as Georgia and Armenia.



Despite fulfilling the membership conditions, Iceland, Norway, Switzerland and Liechtenstein are not members of the European Union because public opinion in those countries is currently against joining.

The political situation in Belarus and the strategic position of Moldova still pose problems. It is clear that Russian membership would create unacceptable imbalances in the European Union, both politically and geographically.

b. Administrative constraints

Furthermore, the current membership rules, as defined in the Treaty of Nice from 2003, set the institutional framework for a Union with a maximum of 27 members. To go beyond this figure will require a new intergovernmental agreement on the relationships between the member states within the institutions.

The ability of the Union to function in accordance with the fundamental principles of the Treaties (see Chapter 4: 'How does the EU work?') will be harder with more than 30 countries. The decision-making procedures would have to be thoroughly re-examined to avoid paralysis and allow the EU to retain the ability to act.

Then there are sensitive issues like the use of the official languages. Bulgarian and Romanian membership brought the number of official languages to 23. EU enlargement must not make ordinary people feel that their national or regional identities are being diluted within a standardised EU.

IV. Candidates and non-candidates

The European Union has two parallel policies for handling its relations with neighbouring countries depending on whether they are on the current list of potential candidates or not.

- **Stabilisation and association agreements** open up the possibility for a country to become a candidate for EU membership

at the end of a negotiation process. The first such agreements were with Croatia and the former Yugoslav Republic of Macedonia (FYROM). They were followed by Albania. Other potential candidates in this context are Bosnia and Herzegovina, Montenegro and Serbia.

- Under its **neighbourhood policy**, the EU has trade and cooperation agreements with non-member countries in the southern Mediterranean and the southern Caucasus as well as with countries in eastern Europe whose future relationship with the European Union remains unclear.



4. How does the EU work?





- *The Council of Ministers of the European Union, which represents the member states, is the EU's main decision-taking body. When it meets at Heads of State or Government level, it becomes the European Council whose role is to provide the EU with political impetus on key issues.*
- *The European Parliament, which represents the people, shares legislative and budgetary power with the Council of the European Union.*
- *The European Commission, which represents the common interest of the EU, is the main executive body. It has the right to propose legislation and ensures that EU policies are properly implemented.*

I. The decision-making triangle

The European Union is more than just a confederation of countries, but it is not a federal state. It is, in fact, a new type of structure that does not fall into any traditional legal category. Its political system is historically unique and has been constantly evolving over more than 50 years.

The Treaties (known as 'primary' legislation), are the basis for a large body of 'secondary' legislation which has a direct impact on the

daily lives of EU citizens. The secondary legislation consists mainly of regulations, directives and recommendations adopted by the EU institutions.

These laws, along with EU policies in general, are the result of decisions taken by the institutional triangle made up of the Council (representing national governments), the European Parliament (representing the people) and the European Commission (a body independent of EU governments that upholds the collective European interest).

a. The Council of the European Union and the European Council

The Council of the European Union (also known as the Council of Ministers) is the EU's main decision-making body. The EU member states take it in turns to hold the Council Presidency for a six-month period. Every Council meeting is attended by one minister from each EU country. Which ministers attend a meeting depends on which topic is on the agenda: foreign affairs, agriculture, industry, transport, the environment, etc.

The Council has legislative power, which it shares with the European Parliament under the 'co-decision procedure'. In addition to this, the Council and the Parliament share equal responsibility for adopting the EU budget. The Council also concludes international agreements that have been negotiated by the Commission.



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The European Parliament: his vote is your voice.



Number of votes for each country in the Council

Germany, France, Italy and the United Kingdom	29
Spain and Poland	27
Romania	14
Netherlands	13
Belgium, Czech Republic, Greece, Hungary and Portugal	12
Austria, Bulgaria and Sweden	10
Denmark, Ireland, Lithuania, Slovakia and Finland	7
Estonia, Cyprus, Latvia, Luxembourg and Slovenia	4
Malta	3

Total: 345

A minimum of 255 votes out of 345 (73.9%) is required to reach a qualified majority.
In addition:

- a majority of member states (in some cases two thirds) must approve the decision, and
- any member state may ask for confirmation that the votes cast in favour represent at least 62% of the EU's total population

According to the Treaties, the Council has to take its decisions either by a simple majority vote, a 'qualified majority' vote or unanimously, depending on the subject to be decided.

The Council has to agree unanimously on important questions such as amending the Treaties, launching a new common policy or allowing a new country to join the Union.

In most other cases, qualified majority voting is used. This means that a Council decision is adopted if a specified minimum number of votes are cast in its favour. The number of votes allocated to each EU country roughly reflects the size of its population.

The **European Council** meets, in principle, four times a year. It is chaired by the president or prime minister of the country holding the presidency of the Council of the European Union at the time. The President of the European Commission attends as a full member.

Under the Treaty of Maastricht, the European Council officially became an initiator of the Union's major policies and was empowered to settle difficult issues on which minis-

ters meeting in the Council of the European Union fail to agree.

The European Council also deals with pressing international issues through the common foreign and security policy (CFSP), which is intended to allow the EU to speak with one voice on diplomatic questions.

b. The European Parliament

The European Parliament is the elected body that represents the EU's citizens. It exercises political supervision over the EU's activities and takes part in the legislative process. Since 1979, members of the European Parliament (MEPs) have been directly elected, by universal suffrage, every five years.





Number of seats in the European Parliament per country 2007–09

Austria	18
Belgium	24
Bulgaria	18
Cyprus	6
Czech Republic	24
Denmark	14
Estonia	6
Finland	14
France	78
Germany	99
Greece	24
Hungary	24
Ireland	13
Italy	78
Latvia	9
Lithuania	13
Luxembourg	6
Malta	5
Netherlands	27
Poland	54
Portugal	24
Romania	35
Slovakia	14
Slovenia	7
Spain	54
Sweden	19
United Kingdom	78

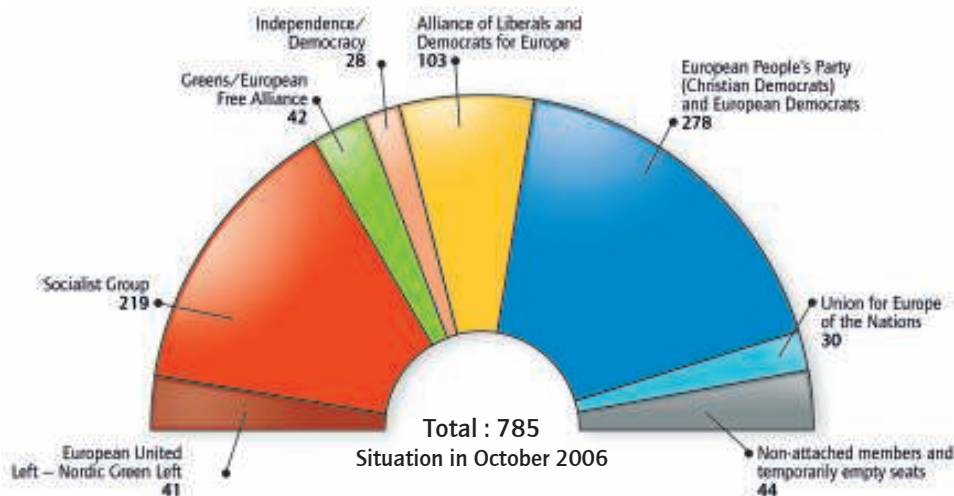
Total 785

The European Parliament normally holds its plenary sessions in Strasbourg and any additional sessions in Brussels. It has 20 committees which do the preparatory work for plenary sessions, and a number of political groups that usually meet in Brussels. The General Secretariat is based in Luxembourg and Brussels.

The Parliament takes part in the legislative work of the EU at three levels:

- Under the '**cooperation**' procedure, introduced by the Single European Act in 1987, the European Parliament can give its opinion on draft directives and regulations proposed by the European Commission, which is asked to amend its proposals to take account of Parliament's position.
- Since 1987, there has also been the '**assent**' procedure, under which the European Parliament must give its assent to international agreements negotiated by the Commission and to any proposed enlargement of the European Union.
- The 1992 Treaty of Maastricht introduced the '**co-decision**' procedure, which puts the Parliament on an equal footing with the Council when legislating on a whole series of important issues including the free movement of workers, the internal market, education, research, the environment, trans-

The political groups in the European Parliament





European networks, health, culture, consumer protection, etc. The European Parliament has the power to throw out proposed legislation in these fields if an absolute majority of members of Parliament vote against the Council's 'common position'. The Treaty has made provision for a conciliation procedure.

The European Parliament also shares, with the Council, equal responsibility for adopting the EU budget. The Parliament can reject the proposed budget, and it has already done so on several occasions. When this happens, the entire budget procedure has to be re-started. The European Commission proposes the draft budget, which is then debated by the Council and the European Parliament. Parliament has made full use of its budgetary powers to influence EU policymaking.

Last but not least, the European Parliament exercises democratic supervision over the Union. It has the power to dismiss the Commission by adopting a motion of censure. This requires a two-thirds majority. It also supervises the day-to-day management of EU policies by putting oral and written questions to the Commission and the Council. Finally, the President of the European Council reports to the Parliament on the decisions taken by the Council.

c. The European Commission

The Commission is the third part of the institutional triangle that manages and runs the European Union. Its members are appointed for a five-year term by agreement between the member states, subject to approval by the European Parliament. The Commission is answerable to the Parliament, and the entire Commission has to resign if the Parliament passes a motion of censure against it.

Since 2004, the Commission has been made up of one Commissioner from each member state.

The Commission enjoys a substantial degree of independence in exercising its powers. Its job is to uphold the common interest,

which means that it must not take instructions from any national EU government. As 'Guardian of the Treaties', it has to ensure that the regulations and directives adopted by the Council and Parliament are being implemented in the member states. If they are not, the Commission can take the offending party to the Court of Justice to oblige it to comply with EU law.

As the EU's executive arm, the Commission implements the decisions taken by the Council in areas such as the common agricultural policy. It has wide powers to manage the EU's common policies, such as research and technology, overseas aid, regional development, etc. It also manages the budget for these policies.

The Commission is assisted by a civil service made up of 36 directorates-general (DGs) and services, which are mainly based in Brussels and Luxembourg.

II. Other institutions and bodies

a. The Court of Justice

The Court of Justice of the European Communities, located in Luxembourg, is made up of one judge from each EU country, assisted by eight advocates-general. They are appointed by joint agreement of the governments of the member states for a renewable term of six years. Their independence is guaranteed. The Court's role is to ensure that EU law is complied with, and that the Treaties are correctly interpreted and applied.

b. The Court of Auditors

The Court of Auditors in Luxembourg was established in 1975. It has one member from each EU country, appointed for a term of six years by agreement between the member states following consultation of the European Parliament. It checks that all the European Union's revenue has been received and all its expenditure incurred in a lawful and regular manner and that the EU budget has been managed soundly.



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The Court of Justice makes sure EU law is respected; it has for example acted to ensure that mothers are treated fairly when they go back to work.

f. The European Central Bank

The European Central Bank (ECB), based in Frankfurt, is responsible for managing the euro and the EU's monetary policy (see Chapter 7 'Economic and monetary union (EMU) and the euro').

c. The European Economic and Social Committee

When taking decisions in a number of policy areas, the Council and Commission consult the European Economic and Social Committee (EESC). Its members represent the various economic and social interest groups that collectively make up 'organised civil society', and are appointed by the Council for a four-year term.

d. The Committee of the Regions

The Committee of the Regions (CoR) was established under the Treaty on European Union and consists of representatives of regional and local government proposed by the member states and appointed by the Council for a four-year term. Under the Treaty, the Council and Commission must consult the CoR on matters of relevance to the regions, and it may also issue opinions on its own initiative.

e. The European Investment Bank

The European Investment Bank (EIB), based in Luxembourg, provides loans and guarantees to help the EU's less developed regions and to help make businesses more competitive.



5. What does the EU do?





- *The European Union acts in a wide range of policy areas – economic, social, regulatory and financial – where its action is beneficial to the member states. These include:*
 - *solidarity policies (also known as cohesion policies) in regional, agricultural and social affairs;*
 - *innovation policies, which bring state-of-the-art technologies to fields such as environmental protection, research and development (R&D) and energy.*
- *The Union funds these policies through an annual budget of more than €120 billion, which is largely paid for by the member states. It represents a small proportion of the EU's collective wealth (a maximum of 1.24 % of the combined gross national income of all member states).*

I. Solidarity policies

The main purpose of the solidarity policies is to support the completion of the single market (see Chapter 6, 'The single market'), and to correct any imbalances by means of structural measures to help regions lagging behind or industrial sectors encountering difficulties. The need for solidarity between EU countries and between regions became even more acute following the recent entry of 12 newcomers with incomes well below the EU average. The EU must also play its part in helping to restructure sectors of the economy which have been badly affected by fast-growing international competition.

a. Regional aid

The EU's regional policy is based on transfers of funds from rich to poor countries. The money is used to boost development in regions lagging behind, to rejuvenate industrial regions in decline, to help young people and the long-term unemployed find work, to modernise farming and to help less-favoured rural areas.

The funds earmarked for regional activities in the 2007–13 budget are targeted at three objectives.

- **Convergence.** The aim here is to help the least-developed countries and regions

catch up more quickly with the EU average by improving conditions for growth and employment. This is done by investing in physical and human capital, innovation, the knowledge society, adaptation to change, the environment and administrative efficiency.

- **Regional competitiveness and employment.** The objective is to increase the competitiveness, employment levels and attractiveness of regions other than the least-developed ones. The way to make this happen is to anticipate economic and social changes and promote innovation, entrepreneurship, environmental protection, accessibility, adaptability and the development of inclusive job markets.

- **European territorial cooperation.** The aim of this new objective is to increase cross-border, transnational and interregional cooperation. It aims to promote joint solutions to problems that are shared by neighbouring authorities in sectors such as urban, rural and coastal development, the cultivation of economic relations, and networking between small and medium-sized enterprises (SMEs).

These objectives will be financed by specific funds, which will top up or stimulate investment by the private sector and by national and regional government. These funds are



known as the Structural Funds and the Cohesion Fund:

- The **European Regional Development Fund (ERDF)** is the first Structural Fund and provides funding to strengthen economic, social and territorial cohesion by reducing differences between regions and supporting the structural development and adjustment of regional economies, including the redevelopment of declining industrial regions.
- The **European Social Fund (ESF)**, the second Structural Fund, provides funding for vocational training and job-creation initiatives.
- In addition to the Structural Funds, there is a **Cohesion Fund**, which is used to finance transport infrastructure and environmental projects in EU countries whose GDP per capita is lower than 90% of the EU average.

b. The common agricultural policy (CAP)

The aims of the CAP, as set out in the original Treaty of Rome from 1957, have largely been achieved: a fair standard of living has been ensured for the farming community; markets have been stabilised; supplies reach consumers at reasonable prices; farming infrastructure has been modernised. Other principles adopted over the course of time have also worked well. Consumers enjoy security of supply and the prices of agricultural products are kept stable, protected from fluctuations on the world market. The **European Agricultural Guidance and Guarantee Fund (EAGGF)** is the name of the budget for the CAP.

However, the CAP has been a victim of its own success. Production grew far faster than consumption, placing a heavy burden on the EU budget. In order to resolve this problem, agriculture policy had to be redefined. This reform is beginning to show results. Production has been curbed. Farmers are being encouraged to use sustainable farming practices that safeguard the environment, preserve the countryside and contribute to improving food quality and safety.



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Producing the food that you eat: quality is as important as quantity.

The new role of the farming community is to ensure a certain amount of economic activity in every rural area and to protect the diversity of Europe's countryside. This diversity and the recognition of a 'rural way of life' – people living in harmony with the land – are an important part of Europe's identity.

The European Union wants the World Trade Organisation (WTO) to put more emphasis on food quality, the precautionary principle and animal welfare. The European Union has also begun reforming its fisheries policy. The aim here is to reduce the overcapacity in fishing fleets, to preserve fish stocks and to provide financial assistance to allow fishing communities to develop other economic activities.

c. The social dimension

The aim of the EU's social policy is to correct the most glaring inequalities in European society. The European Social Fund (ESF) was established in 1961 to promote job creation and help workers move from one type of work and/or one geographical area to another.

Financial aid is not the only way in which the EU seeks to improve social conditions



in Europe. Aid alone could never solve all the problems caused by economic recession or by regional under-development. The dynamic effects of growth must, above all, encourage social progress. This goes hand in hand with legislation that guarantees a solid set of minimum rights. Some of these rights are enshrined in the Treaties, e.g. the right of women and men to equal pay for equal work. Others are set out in directives concerning the protection of workers (health and safety at work) and essential safety standards.

In 1991, the Maastricht European Council adopted the **Community Charter of Basic Social Rights**, setting out the rights that all workers in the EU should enjoy: free movement; fair pay; improved working conditions; social protection; the right to form associations and to undertake collective bargaining; the right to vocational training; equal treatment of women and men; worker information, consultation and participation; health protection and safety at the workplace; protection for children, the elderly and the disabled. At Amsterdam in June 1997, this Charter became an integral part of the Treaty and is now applicable in all the member states.

II. Innovation policies

The European Union's activities impact on the day-to-day life of its citizens by addressing the real challenges facing society: environmental protection, health, technological innovation, energy, etc.

a. The environment and sustainable development

The cornerstone of EU environmental activity is an action programme entitled 'Environment 2010: our future, our choice'. This covers the period from 2001 to 2010 and emphasises the need to:

- mitigate and slow down climate change and global warming;
- protect natural habitats and wild fauna and flora;

- deal with problems linked to environment and health;
- preserve natural resources and manage waste efficiently.

Throughout the period covered by this programme and the five programmes preceding it, and in more than 30 years of setting standards, the EU has put in place a comprehensive system of environmental protection.

The problems being tackled are extremely varied: noise, waste, the protection of natural habitats, exhaust gases, chemicals, industrial accidents, the cleanliness of bathing water and the creation of a European information and assistance network for emergencies, which would take action in the event of environmental disasters such as oil spills or forest fires.

More recently, concerns about the health effects of pollution have been examined in an environment and health action plan for the 2004–10 period. This plan establishes the link between health, the environment and research policy.

European regulation provides the same level of protection throughout the EU, but is flexible enough to take account of local circumstances. It is also constantly being updated. For example, it has been decided to rework the legislation concerning chemicals and replace earlier rules, which were developed on a piecemeal basis, with a single system for the registration, evaluation and authorisation of chemicals (REACH).

This system is based on a central database to be managed by a new European Chemicals Agency, located in Helsinki. The aim is to avoid contamination of the air, water, soil or buildings, to preserve biodiversity and to improve the health and safety of EU citizens while at the same time maintaining the competitiveness of European industry.



b. Technological innovation

The founders of the European Union rightly saw that Europe's future prosperity would depend on its ability to remain a world leader in technology. They saw the advantages to be gained from joint European research.

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Research fuels economic growth.

So, in 1958, alongside the EEC, they established **Euratom** – the European Atomic Energy Community. Its aim was for EU countries together to exploit nuclear energy for peaceful purposes. As part of this, the Joint Research Centre (JRC) was created consisting of nine institutes at four locations: Ispra (Italy), Karlsruhe (Germany), Petten (the Netherlands) and Geel (Belgium).

However, as innovation gathered pace, European research had to diversify, bringing together as wide a variety of scientists and research workers as possible. The EU had to find new ways of funding their work and new industrial applications for their discoveries.

Joint research at EU level is designed to complement national research programmes. It focuses on projects that bring together a number of laboratories in several EU countries. It also supports fundamental research in fields such as controlled thermonuclear

fusion (a potentially inexhaustible source of energy for the 21st century). Moreover, it encourages research and technological development in key industries such as electronics and computers, which face stiff competition from outside Europe.

The main vehicle for funding EU research is a series of framework programmes. The **seventh research and technological development framework programme** covers the 2007–13 period. The biggest share of the €50 billion plus budget will go on areas like health, food and agriculture, information and communications technology, nanosciences, energy, the environment, transport, security and space and socioeconomic sciences. Additional programmes will promote ideas, people and capacities, via research work at the frontiers of knowledge, support for researchers and their career development and international cooperation.

c. Energy

Fossil fuels – oil, natural gas and coal – account for 80% of energy consumption in the EU. A large and growing proportion of these fossil fuels are imported from outside the EU. At present, 50% of gas and oil is imported, and this dependence could grow to 70% by 2030. The EU will thus be more vulnerable to cuts in supply or price hikes caused by international crises. Another reason to reduce its consumption of fossil fuels is to reverse the process of global warming.

Various steps will have to be taken in future, such as saving energy by using it more intelligently, developing alternative energy sources (particularly renewable energy sources in Europe), and increasing international cooperation. Energy consumption could fall by one fifth by 2020 if consumers changed their behaviour and if technologies that improve energy efficiency were fully used.



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Harnessing the planet's natural sources of energy is one way of combating climate change.

III. Paying for Europe: the EU budget

To fund its policies, the European Union has an annual budget of more than €120 billion. This budget is financed by what is called the EU's 'own resources', which cannot exceed an amount equivalent to 1.24% of the total gross national income of all the member states.

These resources are mainly drawn from:

- customs duties on products imported from outside the EU, including farm levies;
- a percentage of the value-added tax applied to goods and services throughout the EU;
- contributions from the member states in line with their respective wealth.

Each annual budget is part of a seven-year budget cycle known as the 'financial perspective'. The financial perspectives are drawn up by the European Commission and require unanimous approval from the member states and negotiation and agreement with the European Parliament. Under the 2007–13 financial perspective, the total budget for this period is €864.4 billion.



6. The single market





- *The single market is one of the European Union's greatest achievements. Restrictions between member countries on trade and free competition have gradually been eliminated, with the result that standards of living have increased.*
- *The single market has not yet become a single economic area. Some sectors of the economy (public services) are still subject to national laws.*
- *The individual EU countries still largely have the responsibility for taxation and social welfare.*
- *The single market is supported by a number of related policies put in place by the EU over the years. They help ensure that market liberalisation benefits as many businesses and consumers as possible.*

I. Achieving the 1993 objective

a. The limits of the common market

The 1957 Treaty establishing the European Economic Community made it possible to abolish customs barriers within the Community and establish a common customs tariff to be applied to goods from non-EEC countries. This objective was achieved on 1 July 1968.

However, customs duties are only one aspect of protectionist barriers to cross-border trade. In the 1970s, other trade barriers hampered the complete achievement of the common market. Technical norms, health and safety standards, national regulations on the right to practise certain professions and exchange controls all restricted the free movement of people, goods and capital.

b. The 1993 objective

In June 1985, the Commission, under its then President, Jacques Delors, published a White Paper seeking to abolish, within seven years, all physical, technical and tax-related barriers to free movement within the Community. The aim was to stimulate industrial and commercial expansion within a large, unified economic area on a scale with the American market.

The enabling instrument for the single market was the Single European Act, which came into force in July 1987. Its provisions included:

- extending the powers of the Community in some policy areas (social policy, research, environment);
- gradually establishing the single market over a period up to the end of 1992, by means of a vast legislative programme involving the adoption of hundreds of directives and regulations;
- making more frequent use of majority voting in the Council of Ministers.

II. How the single market looks today

a. Physical barriers

All border controls within the EU on goods have been abolished, together with customs controls on people. Random spot checks by police (part of the fight against crime and drugs) still take place when necessary.



The Schengen Agreement, which was signed by a first group of EU countries in 1985 and later extended to others (although Ireland and the United Kingdom do not participate), governs police cooperation and a common asylum and immigration policy, so as to make it possible to completely abolish checks on persons at the EU's internal borders (see Lesson 10: 'Freedom, security and justice'). The countries which have joined since 2004 are gradually coming into line with the rules of the Schengen area.

b. Technical barriers

For the majority of products, EU countries have adopted the principle of mutual recognition of national rules. Any product legally manufactured and sold in one member state must be allowed to be placed on the market in all others.

It has been possible to liberalise the services sector thanks to mutual recognition or coordination of national rules concerning access to or practice of certain professions (law, medicine, tourism, banking, insurance, etc.). Nevertheless, freedom of movement for persons is far from complete. Obstacles still hinder people from moving to another EU country or doing certain types of work there.

Action has been taken to improve worker mobility, and particularly to ensure that educational diplomas and job qualifications (for plumbers, carpenters, etc.) obtained in one EU country are recognised in all the others.

The opening of national services markets has brought down the price of national telephone calls to a fraction of what they were 10 years ago. Helped by new technology, the internet is being increasingly used for telephone calls. Competitive pressure has led to significant falls in the price of budget airfares in Europe.

c. Tax barriers

Tax barriers have been reduced through the partial alignment of national VAT rates. Taxation of investment income was the subject of an agreement between the member states

and some other countries (including Switzerland) which came into force in July 2005.

d. Public contracts

Regardless of whether they are awarded by national, regional or local authorities, public contracts are now open to bidders from anywhere in the EU as a result of directives covering services, supplies and works in many sectors, including water, energy and telecommunications.

III. Work in progress

a. Financial services

The EU's action plan to create an integrated market for financial services by 2005 has been completed. This cuts the cost of borrowing for businesses and consumers, and will offer savers a wider range of investment products – savings plans and pension schemes – which they will be able to obtain from the European provider of their choice. Bank charges for cross-border payments have been reduced.

b. Administrative and technical barriers to free movement

EU countries are often still reluctant to accept each other's standards and norms or, on occasion, to recognise the equivalence of professional qualifications. The fragmented nature of national tax systems also hinders market integration and efficiency.

c. Piracy and counterfeiting

Protection is required to prevent piracy and counterfeiting of EU products. The European Commission estimates that these crimes cost the EU thousands of jobs each year. This is why the Commission and national governments are working on extending copyright and patent protection.

IV. Policies underpinning the single market

a. Transport

The EU's activities have targeted mainly the freedom to provide services in land transport, particularly free access to the international



transport market and the admission of non-resident transport firms into the national transport market of member countries. Decisions have been taken to harmonise the conditions of competition in the road transport sector, particularly worker qualifications and market access, the freedom to establish a business and provide services, driving times and road safety.

The common air transport policy has to respond to the effects of worldwide competition. The skies over Europe are being liberalised in stages, with the result that there is greater scope for capacity-sharing between major airlines, reciprocal market access and the freedom to set fares. This goes hand in hand with safeguard clauses so as to take account of airlines' public service responsibilities and zoning requirements.



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Increased competition has driven airfares down and made travel easier.

Shipping – whether carried out by European companies or by vessels flying the flag of non-EU countries – is subject to EU competition rules. These rules are intended to combat unfair pricing practices (flags of convenience) and also to address the serious difficulties facing the shipbuilding industry in Europe.

b. Competition

The EU's robust competition policy dates from the Treaty of Rome. It is the vital corollary to the rules on free trade within the European single market. This policy is implemented by the European Commission which, together with the Court of Justice, is responsible for ensuring that it is respected.

The reason for this policy is to prevent any agreement between businesses, any aid from public authorities or any unfair monopoly from distorting free competition within the single market.

Any agreement falling under the Treaty rules must be notified to the European Commission by the companies or bodies concerned. The Commission may impose a fine directly on any companies which break its competition rules or fail to make the required notification.

In the event of illegal public aid, or failure to notify such aid, the Commission may demand that it be paid back by the recipient. Any merger or takeover that could lead to a company having a dominant position in a particular sector must be notified to the Commission.

c. Consumer policy

The EU's consumer policy permits its citizens to shop in confidence in any member country. All consumers benefit from the same high level of protection. The products you buy and the food you eat are tested and checked to make sure they are as safe as can be. The EU acts to make sure you are not cheated by rogue traders and are not the victim of false or misleading advertising. Your rights are protected and you have access to redress wherever you are in the EU and whether you buy your goods in a shop, by mail-order or via the telephone and internet.



7. Economic and monetary union (EMU) and the euro





- *The euro is the single currency of the European Union. Twelve of the then 15 countries adopted it for non-cash transactions from 1999 and for all payments in 2002 when euro notes and coins were issued.*
- *Three countries (Denmark, Sweden and the United Kingdom) did not participate in this monetary union.*
- *The new member countries are getting ready to enter the euro area as soon as they fulfil the necessary criteria.*
- *In parallel with the objective of monetary stability, which is the responsibility of the European Central Bank, the member states are committed to higher growth and economic convergence.*

I. The history of monetary cooperation

a. The European monetary system (EMS)

In 1971, the United States decided to abolish the fixed link between the dollar and the official price of gold, which had ensured global monetary stability after World War Two. This put an end to the system of fixed exchange rates. With a view to setting up their own monetary union, EU countries decided to prevent exchange fluctuations of more than 2.25% between the European currencies by means of concerted intervention on currency markets.

This led to the creation of the European monetary system (EMS) which came into operation in March 1979. It had three main features:

- a reference currency called the ecu: this was a 'basket' made up of the currencies of all the member states;
- an exchange rate mechanism: each currency had an exchange rate linked to the ecu; bilateral exchange rates were allowed to fluctuate within a band of 2.25%;
- a credit mechanism: each country transferred 20% of its currency and gold reserves to a joint fund.

b. From the EMS to EMU

The EMS had a chequered history. Following the reunification of Germany and renewed currency pressures within Europe, the Italian lira and pound sterling left the EMS in 1992. In August 1993, the EMS countries decided to temporarily widen the bands to 15%. Meanwhile, to prevent wide currency fluctuations among EU currencies and to eliminate competitive devaluations, EU governments had decided to relaunch the drive to full monetary union and to introduce a single currency.

At the European Council in Madrid in June 1989, EU leaders adopted a three-stage plan for economic and monetary union. This plan became part of the Maastricht Treaty on European Union adopted by the European Council in December 1991.

II. Economic and Monetary Union (EMU)

a. The three stages

The **first stage**, which began on 1 July 1990, involved:

- completely free movement of capital within the EU (abolition of exchange controls);
- increasing the amount of resources devoted to removing inequalities between European regions (structural funds);



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Ljubljana's market traders swapped the Slovenian tolar for the euro on 1 January 2007.

- economic convergence, through multi-lateral surveillance of member states' economic policies.

The **second stage** began on 1 January 1994. It provided for :

- establishing the European Monetary Institute (EMI) in Frankfurt. The EMI was made up of the governors of the central banks of the EU countries;
- independence of national central banks;
- rules to curb national budget deficits.

The **third stage** was the birth of the euro. On 1 January 1999, 11 countries adopted the euro, which thus became the common currency of Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. (Greece joined them on 1 January 2001). From this point onwards, the European Central Bank took over from the EMI and became responsible for monetary policy, which is defined and implemented in euros.

Euro notes and coins were issued on 1 January 2002 in these 12 euro area countries. National currencies were withdrawn from circulation two months later. Since then, only the euro has been legal tender for all cash and bank transactions in the euro area countries, which represent more than two thirds of the EU population.

b. The convergence criteria

Each EU country must meet the five convergence criteria in order to go to the third stage. They are:

- **price stability:** the rate of inflation may not exceed the average rates of inflation of the three member states with the lowest inflation by more than 1.5%;
- **interest rates:** long-term interest rates may not vary by more than 2% in relation to the average interest rates of the three member states with the lowest interest rates;
- **deficits:** national budget deficits must be below 3% of GDP;



- **public debt:** this may not exceed 60% of GDP;

- **exchange rate stability:** exchange rates must have remained within the authorised margin of fluctuation for the previous two years.

c. The Stability and Growth Pact

In June 1997, the European Council adopted a Stability and Growth Pact. This was a permanent commitment to budgetary stability, and made it possible for penalties to be imposed on any country in the euro area whose budget deficit exceeded 3%. The Pact was subsequently judged to be too strict and was reformed in March 2005.

d. The Eurogroup

The Eurogroup is the informal body where the finance ministers of the euro area countries meet. The aim of these meetings is to ensure better coordination of economic policies, monitor the budgetary and financial policies of the euro area countries and rep-

resent the euro in international monetary forums.

e. The new member states and EMU

New EU members are all due to adopt the euro, when they are able to meet the criteria. Slovenia was the first of countries from the 2004-enlargement to do so and joined the euro area on 1 January 2007.



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The euro: the common currency for over 310 million people in the EU.



8. Towards a knowledge-based society





Priority on growth and jobs

- *The Union intends to respond to globalisation by making the Europe an economy more competitive (liberalisation of telecommunications, services and energy).*
- *The Union is supporting the reform programmes of member countries by making it easier to exchange 'best practice'.*
- *It seeks to match the need for growth and competitiveness with the goals of social cohesion and sustainable development which are at the heart of the European model.*
- *The EU Structural Funds will spend more on training, innovation and research, in the 2007–13 budget period.*

At the beginning of the 1990s, two great changes began transforming economies and daily life throughout the world, including Europe. One was the emergence of a globalised economy as economies everywhere became increasingly interdependent.

The other was the technological revolution, including the internet and new information and communication technologies.



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Europeans have to be equipped for today's job market.





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Tomorrow's pensioners need social security which must be prepared today.

I. The Lisbon Process

a. Objectives

By the year 2000, EU leaders were well aware that the European economy needed thorough modernisation in order to compete with the United States and other major world players. Meeting in Lisbon in March that year, the European Council set the EU a new and ambitious goal: to become, by 2010, 'the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion'.

b. The strategy

The European Council also agreed on a detailed strategy for achieving this goal. The 'Lisbon strategy' covers a whole range of areas, such as scientific research, education, vocational training, internet access and online business. It also covers reform of Europe's social security systems. These systems are one of Europe's great assets, as they enable our societies to embrace necessary

structural and social changes without excessive pain. However, they must be modernised so as to make them sustainable and so that their benefits can be enjoyed by future generations.

Every spring, the European Council meets to review progress in implementing the Lisbon strategy.

II. Closer focus on growth and jobs

The European Council in spring 2006 did not attempt to hide the fact that, six years after its launch, the results of the Lisbon process have been mixed. As a result, it decided to address the problem of continuing high unemployment in many EU countries and refocus the EU's priorities on growth and jobs. If it is to make its economies more productive and increase social cohesion, Europe must continue to concentrate its efforts mainly on raising economic performance, innovation and improving its people's skills.



On the initiative of the President of the European Commission, José Manuel Barroso, the EU member states have therefore decided:

- to invest more in research and innovation;
- to give the European Commission a greater role as coordinator in order to give

support to member states, particularly through the dissemination of 'best practice' in Europe;

- to speed up reforms in the financial markets and in social security systems and accelerate liberalisation of the telecommunications and energy sectors.



9. A citizens' Europe





- *Thanks to the European Union, citizens of member countries can travel, live and work anywhere in Europe.*
- *In daily life, the EU encourages and funds programmes to bring citizens closer together, particularly in the fields of education and culture.*
- *A feeling of belonging to the European Union will develop only gradually, through its tangible achievements and successes.*
- *Some symbols that represent a shared European identity already exist. The most prominent is the single currency, but there are also the EU flag and anthem.*

I. Travelling, living and working in Europe

The first right of a European citizen is the right to travel, work and live anywhere in the Union. The Treaty of Maastricht enshrined this right in its chapter on citizenship.

The EU has passed a directive establishing a system of mutual recognition of higher education qualifications. This directive applies to all university courses lasting three years or more and is based on the principle of mutual confidence in the quality of national education and training systems.

Any person who is a national of an EU country can work in the health, education and other public services anywhere in the Union, with the exception of activities covered by the prerogative of public authorities (the police, armed forces, foreign affairs, etc.). Indeed, what could be more natural than recruiting a British teacher to teach English in Rome, or encouraging a young Belgian graduate to compete in a civil service exam in France?

Since 2004, European citizens who travel within the EU can obtain a **European health insurance** card, from their national authorities which helps cover medical costs if they fall ill while in another country.

II. How citizens can exercise their rights

Europeans are not just consumers or participants in economic and social affairs. They are also citizens of the European Union, and as such have specific political rights. Under the Maastricht Treaty, every citizen of the Union, regardless of nationality, has the **right to vote and to stand as a candidate in local elections in his or her country of residence and in elections to the European Parliament.**

This brings the EU closer to its people. Citizenship of the Union is now enshrined in the Treaty which states that 'Every person holding the nationality of a Member State shall be a citizen of the Union. Citizenship of the Union shall complement and not replace national citizenship'.

III. Fundamental rights

The Treaty of Amsterdam, which came into force in 1999, strengthened the concept of fundamental rights. It introduced a procedure for taking action against an EU country that violates its citizens' fundamental rights. It also extended the principle of non-discrimination so that it covers not only nationality but also gender, race, religion, age and sexual orientation.



Finally, the Amsterdam Treaty improved the EU policy of transparency and allowed citizens greater access to the official documents of the European institutions.

The European Union's commitment to citizens' rights was reaffirmed in Nice in December 2000 with the solemn proclamation of the **Charter of Fundamental Rights of the European Union**. This Charter was drawn up by a Convention composed of members of national parliaments, MEPs, representatives of national governments and a member of the European Commission. Under six headings – Dignity, Freedoms, Equality, Solidarity, Citizens' Rights and Justice – its 54 articles set out the European Union's fundamental values and the civil, political, economic and social rights of EU citizens.

The opening articles cover human dignity, the right to life, the right to the 'integrity of the person' and the right to freedom of expression and of conscience. The chapter on solidarity brings together, in an innovative way, social and economic rights such as:

- the right to strike;
- the right of workers to be informed and consulted;
- the right to reconcile family life and professional life;
- the right to healthcare, social security and social assistance throughout the European Union.

The Charter also promotes equality between men and women and introduces rights such as data protection, a ban on eugenic practices and the reproductive cloning of human beings, the right to environmental protection, the rights of children and elderly people and the right to good administration.

IV. Europe means education and culture

A sense of belonging together and having a common destiny cannot be manufactured. It can only arise from a shared cultural awareness, which is why Europe now needs to focus its attention not just on economics but also on education, citizenship and culture.

The EU's educational and training programmes are one element in this. They promote exchange programmes so students can go abroad, participate in joint school activities across borders and learn new languages, etc. It is still decided at national or local level how schools and education are organised and what the exact curriculum is.

In the field of culture, the EU programmes 'Culture' and 'Media' foster cooperation between programme makers, promoters, broadcasters and artists from different countries. This helps to produce more European TV programmes and films, thereby redressing the balance between European and American output.

V. The Ombudsman and the right to petition

To help bring the EU closer to its citizens, the Treaty on European Union created the post of Ombudsman. The European Parliament appoints the Ombudsman, who remains in office for the duration of the Parliament. The Ombudsman's role is to investigate complaints against EU institutions and bodies. Complaints may be brought by any EU citizen and by any person or organisation living or based in an EU member country. The Ombudsman tries to arrange an amicable settlement between the complainant and the institution or body concerned.

Another important link between citizens and the EU institutions is the right of any person residing in a member state to petition the European Parliament.



The EU programmes for lifelong learning: estimated figures for the programme period 2007–13

Area concerned	Name of EU programme	Aims
School education	Comenius	5% of schoolchildren in the European Union will participate in joint educational activities.
Higher education	Erasmus	Three million students will be able to study at universities abroad.
Vocational training	Leonardo da Vinci	Every year 80 000 people will be able to do traineeships in companies and training centres in another European country.
Adult education	Grundtvig	7 000 people every year will be able to carry out educational activities abroad.
European integration studies	Jean Monnet	Support for academic research and teaching in European integration.

VI. Involving the citizens

The idea of a 'citizens' Europe' is very new. Some symbols that represent a shared European identity already exist, such as the European passport (in use since 1985), the European anthem (Beethoven's 'Ode to Joy') and the European flag (a circle of 12 gold stars on a blue background). EU driving licences have been issued in all EU countries since 1996. The EU has adopted a motto, 'United in diversity', and 9 May has been made 'Europe Day'.

Since 1979, the European Parliament has been directly elected by universal suffrage. This gives greater democratic legitimacy to the process of European integration, linking it directly with the will of the people. Europe could be made even more democratic by giving the Parliament a greater role, by creating genuine European political parties and by giving ordinary people a greater say in EU policymaking via non-governmental organisations and other voluntary associations.

The use of euro notes and coins since 2002 has had a major psychological impact. More than two thirds of EU citizens now manage their personal budget and savings in euro. Pricing goods and services in euro means that consumers can compare prices directly from one country to another. Border checks have been abolished between most EU countries under the Schengen Agreement (to which all EU countries should eventually sign up), and this already gives citizens a sense of belonging to a single, unified geographic area.

'We are not bringing together states, we are uniting people', said Jean Monnet back in 1952. Raising public awareness about the EU and involving citizens in its activities is still one of the greatest challenges facing the EU institutions today.



10. Freedom, security and justice





- *The opening of internal borders between EU member states is a very tangible benefit for ordinary people, allowing them to travel freely without being subject to border controls.*
- *However, this freedom of internal movement must go hand in hand with increased controls at the EU's external borders so as to combat effectively the trafficking of people and drugs, organised crime, illegal immigration and terrorism.*
- *The EU countries cooperate in the area of policing and justice so as to make Europe safer and more secure.*

European citizens are entitled to live in freedom, without fear of persecution or violence, anywhere in the European Union. Yet international crime and terrorism are among the main concerns of Europeans today.

Integration in the field of justice and home affairs was not envisaged in the Treaty establishing the European Community. However, as time went by, it became clear that freedom of movement had to mean giving everyone, everywhere in the EU, the same protection and the same access to justice. So an area of freedom, security and justice was created gradually over the years through amendments to the original Treaties under the Single European Act, the Treaty on European Union (Maastricht Treaty) and the Amsterdam Treaty.

I. Free movement

The free movement of people within the EU raises security issues for the member governments, since they no longer control internal EU borders. To compensate for this, extra security measures have to be put in place at the EU's external borders. Moreover, since criminals can also exploit freedom of movement within the EU, national police forces and judicial authorities have to work together to combat cross-border crime.

One of the most important moves to make life easier for travellers in the European Union took place in 1985, when the governments of Belgium, France, Germany, Luxembourg and the Netherlands signed an agreement

in a small Luxembourg border town called Schengen. They agreed to abolish all checks on people, regardless of nationality, at their shared borders, to harmonise controls at their borders with non-EU countries and to introduce a common policy on visas. They thus formed an area without internal frontiers known as the Schengen Area.

The Schengen package and the secondary legislation derived from it have since become an integral part of the EU Treaties, and the Schengen Area has gradually expanded. By 2006, 13 EU countries (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, Spain and Sweden), together with non-EU countries Iceland and Norway, were fully implementing the Schengen rules.

When 10 new countries joined in 2004, they were given seven years to fulfil the criteria for membership of the Schengen Area.

II. Asylum and immigration policy

Europe is proud of its humanitarian tradition of welcoming foreigners and offering asylum to refugees fleeing danger and persecution. Today, EU governments face the pressing question of how to deal with rising numbers of immigrants, both legal and illegal, in an area without internal frontiers.



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People traffickers exploit the vulnerable – international police cooperation is needed.

EU governments have agreed to harmonise their rules so that applications for asylum can be processed in accordance with a set of basic principles uniformly recognised throughout the European Union. In 1999, they set themselves the goal of adopting a common asylum procedure and giving equal status throughout the Union to persons who have been granted asylum. Some technical measures were adopted, such as minimum standards for the admission of asylum-seekers and for the granting of refugee status.

A European Fund for Refugees was established, with a budget of €114 million a year. Despite this large-scale cooperation between national governments, a true EU asylum and immigration policy still has to be put in place.

III. Fighting international crime and terrorism

To make an asylum and immigration policy viable, the EU must have an effective system for managing migration flows, carrying out checks at its external borders and preventing illegal immigration. A coordinated effort is needed to combat criminal gangs who run people-trafficking networks and who exploit vulnerable human beings, particularly women and children.

Organised crime is becoming ever more sophisticated and regularly uses European or international networks for its activities. Terrorism has clearly shown that it can strike, with great brutality, anywhere in the world.





This is why the Schengen information system (SIS) was set up. This is a complex database which enables police forces and judicial authorities to exchange information on people for whom an arrest warrant or extradition request has been issued, and on stolen property such as vehicles or works of art.

One of the best ways of catching criminals is to track their ill-gotten gains. For this reason, and to cut off the funding of criminal and terrorist organisations, the EU has brought in legislation to prevent money laundering.

The greatest advance made in recent years in the field of cooperation between law enforcement authorities was the creation of **Europol**, an EU body based in The Hague and staffed by police and customs officers. It tackles a wide range of international crime: drug trafficking, trade in stolen vehicles, people trafficking and illegal immigration networks, the sexual exploitation of women and children, pornography, forgery, the trafficking of radioactive and nuclear material, terrorism, money-laundering and counterfeiting the euro.

IV. Towards a 'European judicial area'

At present, many different judicial systems operate side by side in the European Union, each within national borders. If the Union wants its people to share the same concept of justice, its justice system must make their daily lives easier rather than more complicated.

The most significant example of practical cooperation in this field is the work done by **Eurojust**, a central coordinating structure established in The Hague in 2003. Its purpose is to enable the national investigating and prosecuting authorities to work together on criminal investigations involving several EU countries.

The **European arrest warrant**, operational since January 2004, is intended to replace long extradition procedures.

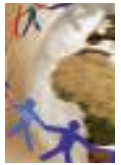
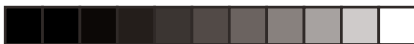
International crime and terrorism do not respect national boundaries. This means that a common EU criminal justice policy is required, since cooperation between the courts in different countries can be hampered by their differing definitions of certain criminal acts. The objective is to give the EU a common framework for fighting terrorism, so as to guarantee its citizens a high level of protection and step up international cooperation in this area.

In the area of civil law, the EU has adopted legislation to facilitate the application of court rulings in cross-border cases involving divorce, separation, child custody and maintenance claims so that judgments in one country are applicable in another. The EU has established common procedures to simplify and speed up the settlement of cross-border cases in small and uncontested civil claims like debt recovery and bankruptcy.



11 . The European Union on the world stage





- *The EU has more influence on the world stage when it speaks with a single voice in international affairs. Trade negotiations are a good example of this.*
- *In the area of defence, each country remains sovereign, whether a member of NATO or neutral. However, the EU member states are developing military cooperation for peacekeeping missions.*
- *For reasons of history and geographic proximity, the southern Mediterranean and Africa are areas to which the EU gives close attention (development aid policies, trade preferences, food aid and human rights).*

In economic, trade and monetary terms, the European Union has become a major world power. However, some have described the EU as an economic giant but a political dwarf. This is an exaggeration. It has considerable influence within international organisations such as the World Trade Organisation (WTO) and the specialised bodies of the United Nations (UN), and at world summits on the environment and development.

Nevertheless, it is true that the EU and its members have a long way to go, in diplomatic and political terms, before they can speak with one voice on major world issues like peace and stability, relations with the United States, terrorism, the Middle East and the role of the UN Security Council. What is more, the cornerstone of national sovereignty, namely military defence systems, remain in the hands of national governments, whose ties are those forged within alliances such as NATO.

I. An embryonic common defence policy

The common foreign and security policy (CFSP) and the European security and defence policy (ESDP), introduced by the Treaties of Maastricht (1992), Amsterdam (1997) and Nice (2001), define the EU's main tasks in the area of defence. To carry out these tasks, the EU has developed its "second pillar", the policy domain in which action is decided by intergovernmental agreement and in which the Commission

and the Parliament play only a minor role. Decisions in this domain are taken by consensus, although individual states are allowed to abstain.

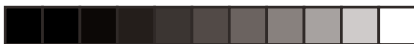
a. The political and strategic landscape in 2006

More than half a century of Cold War has ended – Russia has a new orientation and the former communist countries joined NATO and the EU almost simultaneously. The continent of Europe is coming together peacefully, and European countries are working together to fight international crime, people trafficking, illegal immigration and money laundering.

The enlarged EU has established a partnership structure with its neighbours, some of whom have medium-term prospects of joining the European Union.

The United States has accepted that, for military action in which the Americans are not involved, Europe can use some of NATO's logistical capacity such as its intelligence, communications, command facilities and transport capabilities.

The terrorist violence that has scarred the world since the 11 September 2001 attacks on New York and Washington and the bombings in Madrid in 2004 and London in 2005 has profoundly altered the strategic landscape. European countries have to work more closely together to uncover information that will help prevent terrorists and their backers from carrying out attacks. Cooperation with the United States and all



© EC

Helping out in tough times – EU soldiers help restore peace in the Congo.

countries that support democracy and human rights now goes beyond the framework of traditional defensive alliances.

b. Tangible achievements for security and defence

Under the Amsterdam Treaty, Javier Solana was appointed the EU's first High Representative for the Common Foreign and Security Policy (CFSP) in 1999.

EU member states have set a specific goal as part of the task of establishing a European security and defence policy. This is to be able to deploy a rapid reaction force with naval and air support and sustain it for one year. This rapid reaction force will not yet be a real European army. Instead it will be made up of contingents from the existing national armed forces.

However, following the establishment of a Political and Security Committee (PSC), a European Union Military Committee (EUMC) and a European Union Military Staff (EUMS), under the authority of the

Council and located in Brussels, the Union already has a political and military tool for carrying out the missions that it has set for itself: humanitarian missions outside Europe, peacekeeping operations and other crisis-management tasks.

As military technology becomes ever more sophisticated and expensive, EU governments are finding it increasingly necessary to work together on arms manufacture. Moreover, if their armed forces are to carry out joint missions, their systems must be interoperable and their equipment sufficiently standardised. The European Council in Thessaloniki decided, in 2003, to establish a European Defence Agency.

Since 2003, the EU has undertaken a series of peacekeeping and crisis management missions. The most important of these has been in Bosnia and Herzegovina where a European Union military force (EUFOR) of 7 000 troops replaced NATO peacekeeping forces in December 2004.



II. A trade policy that is open to the world

The European Union supports the rules-based system of the World Trade Organisation (WTO), which provides a degree of legal certainty and transparency in the conduct of international trade. The WTO sets conditions under which its members can defend themselves against unfair practices like dumping (selling below cost) through which exporters compete against their rivals. It also provides a procedure for settling disputes that arise between two or more trading partners.

The EU's trade policy is closely linked to its development policy. Under its general system of preferences (GSP), the EU has granted duty-free or cut-rate preferential access to its market for most of the imports from developing countries and economies in transition. It goes even further for the world's 49 poorest countries. All of their exports,

with the sole exception of arms, enjoy duty-free entry to the EU market under a programme launched in 2001.

The EU does not, however, have specific trade agreements with its major trading partners among the developed countries like the United States and Japan. Here, trade relations are handled through the WTO mechanisms. The United States and the European Union are seeking to develop relations founded on equality and partnership. However, EU countries are not always in agreement on the type of diplomatic, political and military ties to establish with the United States.

The European Union is increasing its trade with the emerging powers in other parts of the world, from China and India to Central and South America. Trade agreements with these countries also involve technical and cultural cooperation.



© Reuters

Wine is one of the EU's main exports to its biggest trade partner, the United States.





III. Relations between the EU and the Mediterranean countries

Given their geographical proximity, historical and cultural ties, and current and future migration flows, the countries on the southern shores of the Mediterranean are partners of prime importance. This is why the EU has traditionally chosen to pursue a policy of regional integration.

In November 1995, the EU laid the foundations for a new Euro-Mediterranean partnership at the Barcelona Conference, which was attended by all the EU member states and the Mediterranean countries (except for Albania, Libya and the countries of former Yugoslavia). This conference made it possible to trace the outline of a new partnership involving:

- political dialogue between the participating countries and a security partnership based, in particular, on mechanisms for arms control and the peaceful resolution of conflicts;
- stepping up economic and trading relations between the two regions: the key to this is the creation of a Euro-Mediterranean free trade area by 2010;
- partnership in social and cultural fields.

The EU granted financial assistance to the tune of €5.3 billion to the Mediterranean countries in 2000–06. In the budget period 2007–13, a European Neighbourhood and Partnership Instrument (ENPI) follows on from and merges into one the previously separate support programme for the Mediterranean countries and its other neighbours among the successor states of the former Soviet Union.



Ensuring everyone has access to clean water is an EU priority.

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IV. Africa

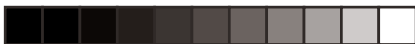
Relations between Europe and sub-Saharan Africa go back a long way. Under the Treaty of Rome in 1957, the then colonies and overseas territories of member states became associates of the Community. Decolonisation, which began in the early 1960s, turned this link into a different kind of association, one between sovereign countries.

The **Cotonou Agreement**, signed in 2000 in Cotonou, the capital of Benin, marked a new stage in the EU's development policy. This agreement between the European Union and the African, Caribbean and Pacific (ACP) countries is the most ambitious and far-reaching trade and aid agreement ever concluded between developed and developing countries. It followed on from the Lomé Convention, which was signed in 1975 in Lomé, the capital of Togo, and subsequently updated at regular intervals.

The basic aim of this wide-ranging trade and aid agreement remains the same as that of the Lomé Convention: 'to promote and expedite the economic, cultural and social development of the ACP states and to consolidate and diversify their relations [with the European Union and its member states] in a spirit of solidarity and mutual interest'.

The new agreement goes significantly further than earlier agreements, since it has moved from trade relations based on market access to trade relations in a wider sense. It also introduces new procedures for dealing with human rights abuses.

The European Union has granted special trading concessions to the least developed countries, 39 of which are signatories to the Cotonou Agreement. Since 2005, they have been able to export practically any type of product to the EU, duty free. The European Development Fund finances the ACP support programmes, paying out between two and three billion euro a year.



12. What future for Europe?





- *European integration will continue in the fields in which the member states consider it is in their best interests to work together within the traditional EU framework (on issues like trade, globalisation, the single market, regional and social development, research and development, measures to promote growth and jobs and many others.)*
- *The institutional process of updating the rules governing the relations between the member countries and the EU and between the EU and its citizens will continue. The issue of the Constitutional Treaty will be at the forefront of discussions in the years to come, regardless of the form and content of any text that will eventually be adopted.*

'A day will come when all the nations of this continent, without losing their distinct qualities or their glorious individuality, will fuse together in a higher unity and form the European brotherhood. A day will come when the only battlefield will be the marketplace for competing ideas. A day will come when bullets and bombs will be replaced by votes.'

Victor Hugo spoke those prophetic words in 1849, but it took more than a century for his utopian predictions to start coming true. During that time, two world wars and countless other conflicts on European soil caused millions of deaths and there were times when all hope seemed lost. Today, the first decade of the 21st century offers brighter prospects, but it also brings Europe new difficulties and challenges.

A major enlargement of the Union has gone ahead. As a politician from a new member state put it, 'Europe has finally managed to reconcile its history with its geography'. In future, the European Union will continue to welcome new members. In the meantime, its leaders, listening carefully to public opinion, will have to decide where to draw the Union's geographical, political and cultural boundaries.

The European Union is a pact between sovereign nations which have resolved to share a common destiny and to pool an increasing share of their sovereignty. It touches on things that Europeans care most deeply

about: peace, economic and physical well-being, security, participatory democracy, justice and solidarity. This pact is being strengthened and confirmed all across Europe: half a billion people have chosen to live under the rule of law and in accordance with age-old values centred on humanity and human dignity.

The current technological revolution is radically transforming life in the industrialised world, including Europe. It is vital to understand that this creates new challenges that transcend traditional frontiers. Sustainable development, population trends, economic dynamism, social solidarity and an ethical response to progress in the life sciences are issues that can no longer be effectively dealt with at national level. We must also show consideration to future generations.

The process of European integration now affects the whole continent, which, in turn, is part of a rapidly and radically changing world that needs to find new stability. Europe is affected by events on other continents, whether it be relations with the Islamic world, disease and famine in Africa, unilateralist tendencies in the United States, the dynamic economic growth in Asia or the global relocation of industries and jobs. Europe must not only concentrate on its own development but also embrace globalisation. The European Union still has a long way to go before it can claim to be speaking with one voice or to be a credible player in global politics and diplomacy.



The EU institutions have proved their worth, but they must be adapted to cope with the enlargement of the Union and the increasing number of tasks for which it is responsible. The bigger the number of members, the greater the centrifugal forces that threaten to tear it apart. Short-term interests can all too easily derail long-term priorities. That is why everyone involved in this unprecedented adventure must shoulder their responsibilities to make sure the EU's institutional system can continue to work effectively. Any definitive change in the present system must ensure plurality and respect the differences that are the most precious assets of Europe's nations. Reforms must also concentrate on the decision-making process. Insisting on unanimous agreement in all cases would simply lead to paralysis. The only kind of system that will work is a political and legal system based on majority voting, with checks and balances built in.

The Constitution, which was adopted, subject to ratification, by the 25 Heads of State or Government in Rome in October 2004, tried to answer the need for simplification of the existing Treaties and greater transparency in the EU's decision-making system.

Ordinary people need to know 'who does what in Europe'. Only then will they feel that it is relevant to their daily lives, vote in European elections and support the idea of European integration. The Constitution clarifies the powers and responsibilities of the EU, its member states and regional authorities. It makes it clear that European integration is based on dual legitimacy: the directly expressed will of the people and the legitimacy of the nation states, which are still the framework within which European societies operate.

Whatever constitutional system the EU countries finally choose on the basis of fresh discussions, it will have to be ratified by each of them either by parliamentary vote or national referendum. To facilitate the debate, the European Commission has launched a drive to reach out to its citizens through Plan D for Democracy, Dialogue and Debate.



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Europe – a marketplace of ideas.





The European Constitution

Background

In December 2001, to meet the many challenges that enlargement to the countries of central and eastern Europe would create for the European Union, the European Council established a Convention to prepare a draft Constitutional Treaty.

This Convention, which carried out its work in 2002 and 2003 under the presidency of Valéry Giscard d'Estaing, had 105 members, including representatives of the member governments and candidate countries, national parliamentarians, MEPs and members of the European Commission.

The Convention adopted its draft treaty by consensus in June 2003.

The Treaty was formally signed in Rome on 29 October 2004, and sent to member states for ratification.

Although the majority of member states have ratified the treaty, it was rejected in May and June 2005 by voters in France and the Netherlands. Following these 'no' votes, the European Council meeting later in June announced a period of reflection on the future of the Constitutional Treaty.

Main provisions of the Constitution

- Election of a President of the European Council by qualified majority for a term of two and a half years, renewable once.
- Election of the President of the Commission by a simple majority of MEPs following a proposal from the European Council, and 'taking into account the European parliamentary elections'.
- Creation of the post of EU Foreign Minister.
- Incorporating the Charter of Fundamental Rights into the EU Treaty.
- Increasing the number of fields covered by qualified majority voting in the Council.
- Giving the European Parliament greater legislative and budgetary powers.
- A clearer presentation of the breakdown of powers and responsibilities between the Union and its member countries.
- Giving national parliaments a role in ensuring that the EU complies with the principle of subsidiarity.

[illegible]

**1950****9 May**

Robert Schuman, the French Minister of Foreign Affairs, makes an important speech putting forward proposals based on the ideas of Jean Monnet. He proposes that France and the Federal Republic of Germany pool their coal and steel resources in a new organisation which other European countries can join.

Since this date can be regarded as the date of birth of the European Union, 9 May is now celebrated annually as Europe Day.

1951**18 April**

In Paris, six countries – Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands – sign the Treaty establishing the European Coal and Steel Community (ECSC). It comes into force on 23 July 1952, for a period of 50 years.

1955**1–2 June**

At a meeting in Messina, the foreign ministers of the six countries decide to extend European integration to the economy as a whole.

1957**25 March**

In Rome, the six countries sign the treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). They come into force on 1 January 1958.

1960**4 January**

At the instigation of the United Kingdom, the Stockholm Convention establishes the European Free Trade Association (EFTA), comprising a number of European countries that are not part of the EEC.

1963**20 July**

In Yaoundé, an association agreement is signed between the EEC and 18 African countries.

1965**8 April**

A treaty is signed merging the executive bodies of the three Communities (the ECSC, EEC and Euratom) and creating a single Council and a single Commission. It comes into force on 1 July 1967.

1966**29 January**

The 'Luxembourg compromise'. Following a political crisis, France agrees to take part in Council meetings once again, in return for an agreement that the unanimity rule be maintained when 'vital national interests' are at stake.

1968**1 July**

Customs duties between the member states on industrial goods are completely abolished, 18 months ahead of schedule, and a common external tariff is introduced.

1969**1–2 December**

At the Hague Summit, the EEC's political leaders decide to move further ahead with European integration, opening the way for its first enlargement.

1970**22 April**

In Luxembourg, a treaty is signed allowing the European Communities to be increasingly financed from 'own resources' and giving greater supervisory powers to the European Parliament.

1972**22 January**

In Brussels, treaties of accession to the European Communities are signed with Denmark, Ireland, Norway and the United Kingdom.

1973**1 January**

Denmark, Ireland and the United Kingdom join the European Communities, bringing their membership to nine. Norway stays out, following a referendum in which a majority of people voted against membership.



1974

9–10 December

At the Paris Summit, the political leaders of the nine member states decide to meet three times a year as the European Council. They also give the go-ahead for direct elections to the European Parliament, and agree to set up the European Regional Development Fund.

1975

28 February

In Lomé, a convention (Lomé I) is signed between the EEC and 46 African, Caribbean and Pacific (ACP) countries.

22 July

A treaty is signed giving the European Parliament greater power over the budget and establishing the European Court of Auditors. It comes into force on 1 June 1977.

1979

7–10 June

The first direct elections to the 410-seat European Parliament.

1981

1 January

Greece joins the European Communities, bringing the number of members to 10.

1984

14–17 June

The second direct elections to the European Parliament.

1985

7 January

Jacques Delors becomes President of the Commission (1985–95).

14 June

The Schengen Agreement is signed with the aim of abolishing checks at the borders between member countries of the European Communities.

1986

1 January

Spain and Portugal join the European Communities, bringing their membership to 12.

17 and 28 February

The Single European Act is signed in Luxembourg and The Hague. It comes into force on 1 July 1987.

1989

15 and 18 June

The third direct elections to the European Parliament.

9 November

The fall of the Berlin Wall.

1990

3 October

German unification.

1991

9–10 December

The Maastricht European Council adopts a Treaty on European Union, laying the foundation for a common foreign and security policy, closer cooperation on justice and home affairs and the creation of an economic and monetary union, including a single currency.

1992

7 February

The Treaty on European Union is signed at Maastricht. It comes into force on 1 November 1993.

1993

1 January

The single market is created.

1994

9 and 12 June

The fourth direct elections to the European Parliament.

1995

1 January

Austria, Finland and Sweden join the EU, bringing its membership to 15. Norway stays out again following a referendum in which a majority of people voted against membership.



23 January

A new European Commission takes office with Jacques Santer as its President (1995–99).

27–28 November

The Euro-Mediterranean Conference in Barcelona launches a partnership between the EU and the countries on the southern shore of the Mediterranean.

1997

2 October

The Amsterdam Treaty is signed. It comes into force on 1 May 1999.

1998

30 March

The accession process begins for the new candidate countries. Cyprus, Malta and 10 central and eastern European countries will be involved in this process.

1999

1 January

Start of the third stage of EMU: 11 EU countries adopt the euro, which is launched on the financial markets, replacing their currencies for non-cash transactions. The European Central Bank takes on responsibility for monetary policy. The 11 countries are joined by Greece in 2001.

10 and 13 June

The fifth direct elections to the European Parliament.

15 September

A new European Commission takes office with Romano Prodi as its President (1999–2004).

15–16 October

The Tampere European Council decides to make the EU an area of freedom, security and justice.



© Reuters

A new currency was born in 1999, when the euro was introduced for financial (non-cash) transactions. Notes and coins followed in 2002.



2000

23–24 March

The Lisbon European Council draws up a new strategy for boosting employment in the EU, modernising the economy and strengthening social cohesion in a knowledge-based Europe.

7–8 December

In Nice, the European Council reaches agreement on the text of a new Treaty changing the EU's decision-making system so that the Union will be ready for enlargement. The presidents of the European Parliament, the European Council and the European Commission solemnly proclaim the Charter of Fundamental Rights of the European Union.

2001

26 February

Signing of the Treaty of Nice. It comes into force on 1 February 2003.

14–15 December

Laeken European Council. A declaration on the future of the EU is agreed. This opens the way for the forthcoming major reform of the EU and for the creation of a Convention to draft a European Constitution.

2002

1 January

Euro notes and coins are introduced in the 12 euro-area countries.

13 December

The Copenhagen European Council agrees that 10 of the candidate countries (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia) can join the EU on 1 May 2004.

2003

10 July

The Convention on the Future of Europe completes its work on the draft European Constitution.

4 October

Start of the intergovernmental conference responsible for drawing up the constitutional treaty.

2004

1 May

Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia join the European Union.

10 and 13 June

The sixth direct elections to the European Parliament.

29 October

The European Constitution is adopted in Rome (subject to ratification by member states).

22 November

A new European Commission takes office with José Manuel Barroso as its President.

2005

29 May and 1 June

Voters in France reject the Constitution in a referendum, followed three days later by voters in the Netherlands.

3 October

Accession negotiations begin with Turkey and Croatia.

2007

1 January

Bulgaria and Romania join the European Union.

Slovenia adopts the euro.



The European Union





European Commission

Europe in 12 lessons by Pascal Fontaine

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What purpose does the EU serve? Why and how was it set up? How does it work? What has it already achieved for its citizens, and what new challenges does it face today? How can citizens get more involved?

In an age of globalisation, can the EU compete successfully with other major economies and maintain its social standards? Can Europe continue to play a leading role on the world stage and help protect against terrorism?

These are just some of the questions Pascal Fontaine — EU expert and former university lecturer — explores in the new 2007 edition of his popular booklet 'Europe in 12 lessons'.

