THE EUROPEAN UNION SERIES

General Editors: Neill Nugent, William E. Paterson, Vincent Wright

The European Union series is designed to provide an authoritative library on the European Union ranging from general introductory texts to definitive assessments of key institutions and actors, policies and policy processes, and the role of member states.

Books in the series are written by leading scholars in their fields and reflect the most up-to-date research and debate. Particular attention is paid to accessibility and clear presentation for a wide audience of students, practitioners and interested general readers.

The series consists of four major strands:

- general textbooks
- the major institutions and actors
- the main areas of policy
- the member states and the Union

Published titles

Michelle Cini and Lee McGowan
Competition Policy in the European Union

Renaud Dehousse
The European Court of Justice

Desmond Dinan
Ever Closer Union? An Introduction to European Integration (2nd edn)

Wyn Grant
The Common Agricultural Policy

Justin Greenwood
Representing Interests in the European Union

Alain Guyomarch, Howard Machin and Ella Ritchie
France in the European Union

Fiona Hayes-Renshaw and Helen Wallace
The Council of Ministers

Simon Hix
The Political System of the European Union

Simon Hix and Christopher Lord
Political Parties in the European Union

Brigid Laffan
The Finances of the European Union

Janne Haaland Matlary
Energy Policy in the European Union

John McCormick
Understanding the European Union: A Concise Introduction

Neill Nugent
The Government and Politics of the European Union (4th edn)

John Peterson and Elizabeth Bomberg
Decision-Making in the European Union

John Peterson and Margaret Sharp
Technology Policy in the European Union

European Union Series

Series Standing Order

ISBN 978-0-333-71695-3 hardcover

ISBN 978-0-333-69352-0 paperback

(outside North America only)

You can receive future titles in this series as they are published by placing a standing order. Please contact your bookseller or, in the case of difficulty, write to us at the address below with your name and address, the title of the series and one or both of the ISBNs quoted above.

Customer Services Department, Macmillan Distribution Ltd
Houndmills, Basingstoke, Hampshire RG21 6XS, England

Forthcoming

Simon Bulmer and Drew Scott
European Union: Economics, Policy and Politics

Ben Rosamond
Theories of European Integration

Richard Sinnott
Understanding European Integration

• • • •

Simon Bulmer and Wolfgang Wessels
The European Council

David Earnshaw and David Judge
The European Parliament

Neill Nugent
The European Commission

Anne Stevens
The Administration of the European Union

• • • •

David Allen and Geoffrey Edwards
The External Economic Relations of the European Union

Laura Cram
Social Policy in the European Union

Wyn Grant, Duncan Matthews and Peter Newell
The Greening of the European Union?

Martin Holland
The European Union and the Third World

Malcolm Levitt and Christopher Lord
The Political Economy of Monetary Union

Anand Menon
Defence Policy and the European Union

James Mitchell and Paul McAleavey
Regionalism and Regional Policy in the European Union

Jörg Monar
Justice and Home Affairs in the European Union

John Redmond and Lee Miles
Enlarging the European Union

Hazel Smith
The Foreign Policy of the European Union

Mark Thatcher
The Politics of European High Technology

Rüdiger Wurzel
Environmental Policy in the European Union

• • • •

Simon Bulmer and William E. Paterson
Germany and the European Union

Carlos Closa and Paul Heywood
Spain and the European Union

Phil Daniels and Ella Ritchie
Britain and the European Union

Other titles planned include

The History of the European Union
The European Union Source Book
The European Union Reader
The Political Economy of the European Union

• • • •

Political Union
The USA and the European Union

• • • •

The European Union and its Member States
Reshaping the States of the Union
Italy and the European Union

Understanding the European Union

A concise introduction

John McCormick

© John McCormick 1999

All rights reserved. No reproduction, copy or transmission of this publication may be made without written permission.

No paragraph of this publication may be reproduced, copied or transmitted save with written permission or in accordance with the provisions of the Copyright, Designs and Patents Act 1988, or under the terms of any licence permitting limited copying issued by the Copyright Licensing Agency, 90 Tottenham Court Road, London W1P 9HE.

Any person who does any unauthorized act in relation to this publication may be liable to criminal prosecution and civil claims for damages.

The author has asserted his right to be identified as the author of this work in accordance with the Copyright, Designs and Patents Act 1988.

First published 1999 by
MACMILLAN PRESS LTD
Houndmills, Basingstoke, Hampshire RG21 2XS
and London
Companies and representatives
throughout the world

ISBN 978-0-333-73899-3 ISBN 978-1-349-27410-9 (eBook)
DOI 10.1007/978-1-349-27410-9

A catalogue record for this book is available
from the British Library.

Copy-edited and typeset by Povey-Edmondson
Tavistock and Rochdale, England

10	9	8	7	6	5	4	3	2	1
08	07	06	05	04	03	02	01	00	99

Published in the United States of America 1999 by
ST. MARTIN'S PRESS, INC.,
Scholarly and Reference Division,
175 Fifth Avenue, New York, N.Y. 10010

ISBN 978-0-312-22165-2 clothbound
ISBN 978-0-312-22166-9 paperback

Contents

<i>List of Boxes, Tables, Figures and Maps</i>	ix
<i>List of Abbreviations</i>	xi
<i>Introduction</i>	xii
<i>Acknowledgements</i>	xiv
1 Regional Integration	1
International cooperation	2
<i>Confederalism</i>	4
<i>Consociationalism</i>	5
<i>Federalism</i>	7
Theories of integration	9
<i>Realism versus functionalism</i>	10
<i>Intergovernmentalism versus supranationalism</i>	11
Explaining European integration	12
New developments in integration theory	18
Other exercises in regional integration	20
<i>North American Free Trade Agreement (NAFTA)</i>	20
<i>Regional integration in Latin America</i>	23
<i>Regional integration in Asia</i>	24
<i>Regional integration in the Middle East</i>	26
<i>Economic Community of West African States (ECOWAS)</i>	27
Conclusions	29
2 The Idea of Europe	31
The evolving identity of Europe	32
Where is Europe?	40
Western Europe today	43
<i>Political structure</i>	43
<i>Administrative structure</i>	49
<i>Economic structure</i>	51
Conclusions	55

3	The Evolution of the EU	57
	Domestic developments	58
	Economic reconstruction and security	61
	First steps towards integration (1945–50)	64
	Opening moves: from Paris to Rome (1950–8)	65
	Integration takes root (1958–70)	69
	First rounds of enlargement (1973–86)	70
	Economic union and the single market (1979–92)	74
	Social and regional integration since 1974	76
	From Community to Union	79
	Further enlargement	80
	The single currency and beyond	83
	Conclusions	85
4	The Institutions of the EU	87
	The European Commission	88
	<i>Structure</i>	89
	The College of Commissioners	89
	The president	91
	Directorates-general	92
	The Secretariat General	93
	<i>How the Commission works</i>	95
	Powers of initiation	95
	Powers of implementation	95
	Acting as the conscience of the EU	96
	Management of EU finances	96
	External relations	96
	The Council of Ministers	97
	<i>Structure</i>	97
	The Councils	97
	Permanent representatives	98
	The presidency	98
	The Secretariat General	99
	<i>How the Council works</i>	100
	The European Parliament	101
	<i>Structure</i>	102
	The president	102
	Committees	103
	European elections	103
	<i>How Parliament works</i>	105
	Powers over legislation	105
	Powers over the budget	107
	Powers over other institutions	107

The European Court of Justice	107
<i>Structure</i>	109
The judges	109
The president	110
The advocates general	110
The Court of First Instance	110
<i>How the Court works</i>	111
Preliminary rulings	112
Direct actions	112
The European Council	113
<i>How the Council works</i>	115
Conclusions	118
 5 The EU and the Member States	 120
The changing powers of the member states	121
Addressing regional differences	128
Improving environmental quality	133
An emerging European civil society	138
The changing character of the EU	141
Conclusions	145
 6 The EU and its Citizens	 147
Public opinion and the democratic deficit	148
The people's Europe	156
<i>Changes already begun</i>	158
<i>Changes introduced by the Single European Act</i>	158
<i>Changes introduced by the Maastricht Treaty</i>	161
<i>Changes not made</i>	163
Social policy	164
Improving accountability	170
Conclusions	173
 7 Economic Integration	 175
Completing the single market	176
<i>Physical barriers</i>	176
<i>Fiscal barriers</i>	178
<i>Technical barriers</i>	179
Effects of the single market	181
<i>Rights of residence</i>	181
<i>Joint ventures and corporate mergers</i>	181
<i>A European transport system</i>	184

<i>Open skies over Europe</i>	185
<i>Broadcasting, the film industry and telecommunications</i>	186
Agriculture in Europe	188
<i>The Common Agricultural Policy</i>	191
Towards a single currency	194
<i>Pros and cons of the single currency</i>	197
Conclusions	200
 8 The EU and the World	 202
Foreign policy cooperation: from EPC to CFSP	203
The WEU and European defence	209
Europe as an economic superpower	214
Relations with the United States	220
Relations with eastern Europe	222
Development cooperation	225
Conclusions	228
 <i>Appendix: A Chronology of European Integration, 1944–99</i>	 230
<i>Sources of Further Information</i>	233
<i>Bibliography</i>	236
<i>Index</i>	244

List of Boxes, Tables, Figures and Maps

Boxes

1.1	International organizations	3
1.2	Stages in the process of regional economic integration	13
1.3	The pros and cons of regional integration	19
2.1	PanEuropa	39
2.2	The quality of life in Europe	55
3.1	The Marshall Plan, 1948–51	62
3.2	The 1986 Single European Act	77
3.3	The 1992 Treaty on European Union	80
3.4	The 1997 Treaty of Amsterdam	84
4.1	The party system in the European Parliament	106
4.2	European Union law	108
4.3	Specialized EU institutions	114
5.1	The rise of regionalism	127
5.2	European regional policy	129
5.3	European environmental policy	134
5.4	Intergovernmental conferences	143
6.1	The knowledge deficit	154
6.2	European cultural policy	157
6.3	European social policy	165
6.4	European consumer protection policy	169
7.1	European cooperation and the aerospace industry	182
7.2	The Common Fisheries Policy	190
7.3	The European Central Bank	198
8.1	The EC/EU and the Balkans	204
8.2	Eurocorps and the development of a European army	213
8.3	The implications of eastward expansion	224

Tables

1.1	Realism and functionalism compared	11
1.2	Regional integration associations	21
2.1	Europe – basic indicators	44
2.2	Population structure of the EU, 1994	52

2.3	Quality of life indicators for the EU	53
4.1	The European Commissioners, January 1999	90
4.2	Presidents of the European Commission	92
4.3	Directorates-general of the European Commission	93
4.4	Qualified majority voting in the Council of Ministers	101
4.5	Distribution of seats in the European Parliament, 1998	104
8.1	The EU in the global economy	216
8.2	The EU share of world trade, 1996	217
8.2	EU trade with the rest of the world, 1996	217
8.4	The ACP states	227

Figures

4.1	The European policy process	94
6.1	Public opinion on EU membership	149
6.2	Public opinion on the single currency	150

Maps

1	The EU	xvii
2	Growth of the EU	73
3	Potential new members of the EU	82

List of Abbreviations

ACP	African, Caribbean, Pacific
CAP	Common Agricultural Policy
CFSP	Common Foreign and Security Policy
CoR	Committee of the Regions
COREPER	Committee of Permanent Representatives
DG	directorate-general
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community
ECSC	European Coal and Steel Community
ecu	European Currency Unit
EDC	European Defence Community
EEA	European Economic Area
EEC	European Economic Community
EFTA	European Free Trade Association
EMS	European Monetary System
EMU	economic and monetary union
EP	European Parliament
EPC	European Political Cooperation
ERDF	European Regional Development Fund
ERM	exchange rate mechanism
ESF	European Social Fund
EU	European Union
G7	Group of Seven industrialized countries
GAC	General Affairs Council
GDP	gross domestic product
GNP	gross national product
IGC	intergovernmental conference
IGO	intergovernmental organization
IO	international organization
MEP	member of the European Parliament
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
OECD	Organization for Economic Cooperation and Development
OEEC	Organization for European Economic Cooperation
PR	proportional representation
SAP	Social Action Programme
SEA	Single European Act
TEN	trans-European network
VAT	value-added tax
WEU	Western European Union

Introduction

The creation of the European Union will go down in history as one of the most remarkable achievements of the twentieth century. In the space of just forty years – less than two generations – Europeans fought two appalling wars among themselves, finally appreciated the dangers of nationalism and the futility of violence, and sat down to design a system that would make it inconceivable that they would ever take up arms against each other again.

The results have been substantial. A body of treaties and laws has been agreed and a set of institutions has been created that have altered the political, economic and social landscape of western Europe, changed the way Europeans relate to each other, redefined the balance of power in the world by creating a new economic superpower, and helped bring to Europe the longest uninterrupted spell of peace in its recorded history. The European Union is the world's biggest economic power, is one of the two largest markets in the world, expresses itself ever more forcefully in global trade negotiations, and has planted the seeds of a common foreign and defence policy.

Of course not everyone agrees that European integration is a positive development, nor is everyone ready to credit Brussels with bringing peace to Europe. Europeans have mixed opinions about the wisdom of shifting powers from the member states to a new level of government, and while opinion polls show that about half the population approves of the European Union, the other half either disapproves or is not yet sure what to think. Eurosceptic politicians and media are more than willing to point to the more extreme examples of 'interfering Eurocrats', and of the costs of giving up sovereignty to institutions that they like to describe as secretive and unaccountable. They also question the extent to which integration can be credited with the economic growth and prosperity that has come to much of Europe since 1945.

But whether we like it or not, the European Union is here to stay. The changes it has brought have spun a web of links among the state of western Europe that would be difficult to unravel. Free trade and the free movement of EU citizens have steadily dissolved the barriers that for so long reminded Europeans of their differences, and while national and regional identities are still alive and well, they no longer contain the seeds of the kinds of competition and conflict that have so often brought war and

destruction to Europe. If the single market has taken Europe to the brink of economic union, then the projected completion of the single currency in 2002 will push it over the brink, and will take the region closer to political union.

Under the circumstances, Europeans are going to have to become more familiar with the nature and the structure of the European Union. Ten years ago it was only a peripheral factor in most of their lives, but with the completion of the single market and moves towards a common foreign policy and a single currency it is becoming increasingly difficult to ignore. We are all having to learn more about the powers of the European Commission, the content of the Maastricht and Amsterdam treaties and the meaning of concepts such as structural funds, cohesion and the democratic deficit.

This is an introductory book about the European Union, written for anyone who is confused about how it works and about what it means for the 373 million people who live under its jurisdiction. Unfortunately confusion seems to be the order of the day – Europe has been busy integrating itself for nearly fifty years, but three in four of its inhabitants confess to a poor understanding of the EU, its policies and its institutions, and about one in eight admit that they know nothing at all about how it works (see Box 6.1 on page 154).

This is a worrying state of affairs. As long as the confusion persists, Europeans will keep their distance from the EU, the process of integration will continue to be driven by the elites who have made most of the major decisions since the outset, and the values and priorities of the European people may not be reflected in those decisions. A common criticism of the EU is that it is not very democratic, and that bureaucrats have too much power and too little accountability – but little will change unless Europeans learn how this remarkable and controversial entity works, and increase the pressure for accountability.

From my vantage point as a British citizen living in the United States, I have watched with fascination as my fellow Europeans have strengthened their bonds, and with concern as so many have admitted their uncertainty about the consequences. My annual trips back to Europe have allowed me to compare public and media responses to the EU on both sides of the Atlantic, and to gain the kind of perspective that distance often allows. At the same time my students at Indiana University have presented me with the challenge of convincing them why they should care about something that is happening 4000 miles away.

Part of that challenge involved finding a textbook that explained the EU in terms that were real and approachable, but while there has been dramatic growth in the literature on the EU in recent years, there are remarkably few introductory texts on the market, and even fewer that

successfully convey the significance of the EU. Too many authors have allowed themselves to become bogged down in treaty articles and Eurojargon, and – the worst sin of all – they often make one of the most fascinating developments in European history sound rather dull and bureaucratic.

These problems prompted me to write *The European Union: Politics and Policies*, which was published in 1996 by Westview Press primarily for a North American audience and designed mainly for upper-level classes in European politics. The present book is more introductory in purpose and broad-ranging in scope. I have tried to write it in a way that will make it equally accessible to readers in Europe, North America, and anywhere else in the world where the EU is studied. Its central purpose is to demystify the European Union, to help readers come to grips with this strange new economic and political entity, and to do this all as clearly and as succinctly as possible.

To this end it includes all the important details about how the EU works and what it does, but it also sets out to provide context by introducing, explaining and assessing the history of the EU, the goals and motives behind European integration, the impact of integration on the member states, the changes the EU has made to the lives of Europeans and the long-term implications of the European experiment. It also provides critical analysis of the EU, offering thoughts on where it has done well and not so well, and improvements that need to be made.

Chapter 1 provides a survey of the theoretical background to regional integration, explaining the motives behind international cooperation, showing how the EU is different from conventional international organizations, and placing it in context by briefly describing several other exercises in regional integration around the world.

Chapter 2 provides historical background of the EU by discussing the evolution of the idea of Europe, and showing how the terms ‘Europe’ and ‘European’ have changed and evolved. The chapter also provides a political, economic and social survey of Europe today, which serves as a foundation for the discussions about integration in later chapters.

Chapter 3 consists of a short history of European integration since 1945. It describes and explains the different steps in the process, from the creation of the European Coal and Steel Community, through the treaties of Rome, Maastricht and Amsterdam, to the completion of the single market and plans for a single European currency.

Chapter 4 looks at the five major European institutions – the Commission, the Council of Ministers, the European Parliament, the Court of Justice and the European Council – and explains how they are structured, how they function, how they relate to one another and how they fit into the broader process of making European law and policy.

Chapter 5 assesses the relationship between the EU and its member states, and the changing character of the EU. It looks at the constitutional issues raised by integration, and illustrates the effects of integration by looking at developments in regional and environmental policy, explaining what they have meant for the member states.

Chapter 6 does much the same for the relationship between the EU and its citizens. It looks at the problem of the democratic deficit and examines the impact that EU policies on citizenship, culture, workers' rights, unemployment and worker mobility have on the lives of Europeans, ending with a discussion of the need for democratic reform.

Chapter 7 focuses on the economic impact of European integration, with particular emphasis on the changes that have resulted from the single market programme. It looks at the ups and downs of the Common Agricultural Policy, and finishes with an assessment of the implications of the plan to introduce a single European currency.

Chapter 8 assesses the European Union in a global context. The chapter begins with a survey of the attempts that have been made to develop a European foreign and defence policy, then assesses the role of the EU as the world's newest economic superpower and looks at the EU's relations with different regions of the world.

In order to help readers keep up with the constant and rapid evolution of the EU, the publishers are creating a World Wide Web page for this book and other introductory texts in the European Union series which will provide information on key developments – such as changes in the composition of the European Parliament following the 1999 elections and of the Commission – and links to selected other internet resources. The address will be:

<http://www.macmillan-press.co.uk/politics/EU>

Acknowledgements

The students in my classes have been the most important influence on this book because it was written mainly with the needs of students in mind. So I want to thank them for providing the points of reference that helped me decide what to include, what to leave out and what questions to address. I also want to thank Steven Kennedy, who – more than any other publisher I have worked with – helped shape its outline and provide a sense of what readers would need. My thanks also go to the anonymous reviewers who provided comments on the idea and the manuscript, to Neill Nugent, Willie Paterson and Vincent Wright for their work as series editors, to Stephen Heathorn for his help with Chapters 2 and 3, to Keith Povey for his good work as editor, and to all the production staff. Finally and most importantly, my thanks and love to Leanne for her moral support, and for not minding my antisocial attachment to my PC.

JOHN McCORMICK

Map 1 *The EU*