THE CSS POINT
Yes We Can Do It!

Class Lecture (29th July 2012)

"European Union"

Introduction

European Union is an organization of 25 countries of Europe. EU came into operation in 1993 following the 1992 MAASTRICHT TREATY which was signed by 12 European nations viz. Denmark, Belgium, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain and UK. Through the Maastricht Treaty, these 12 nations agreed on a timetable for the introduction of a single currency (the Euro), a common European citizenship and extension of European cooperation in Justice and home affairs. Subsequently, the single currency Euro was introduced on June 1, 2002 and after six months, the national currencies were abolished. However, Denmark, Sweden, Greece and UK did not adopt Euro in the first phase.

As the popularity of EU increased with the success of the experiment three more nations namely Austria, Finland and Sweden joined in 1995 raising the number of member countries to 15. Subsequently, on 16th April, 2003, the strength of EU rose to 25 when 10 more countries joined this organization. These nations were Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Thus, the current number of EU members is twenty-five whereas Bulgaria, Romania and Turkey have applied for its membership.

History:

After World War II, moves towards European integration were seen. One such attempt to unite Europeans was the European Coal and Steel Community in 1951, which was declared to be "a first step in the federation of Europe", starting with the aim of eliminating the possibility of further wars between its member states by means of pooling the national heavy industries.

In 1957, the six countries signed the Treaty of Rome, which extended the earlier cooperation within the European Coal and Steel Community (ECSC) and created the European Economic Community, (EEC) establishing a customs union. They also signed another treaty on the same day creating the European Atomic Energy Community (Euratom) for cooperation in developing nuclear energy. Both treaties came into force in 1958.

The European Union was formally established when the Maastricht Treaty came into force on 1 November 1993, and in 1995 Austria, Finland and Sweden joined the newly established EU. In 2002, euro notes and coins replaced national currencies in 12 of the member states. Since then, the eurozone has increased to encompass 17 countries. In 2004, the EU saw its biggest enlargement to date when Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia joined the Union.

On 1 December 2009, the Lisbon Treaty entered into force and reformed many aspects of the EU. In particular it changed the legal structure of the European Union, merging the EU three pillars system into a single legal entity provisioned with legal personality, and it created a permanent President of the European Council, the first of which is Herman Van Rompuy, and a strengthened High Representative, Catherine Ashton.

Members of EU (25): Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, Cyprus, Czech republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia & Slovakia.

Structure of EU: European Union is actually the collective name of the following three main bodies:

(1) European Coal and Steel Community (ECSC) established on 10th August, 1952.
(2) European Economic Community (EEC) established on 25th March, 1957.
(3) European Atomic Energy Commission (EURATOM) established in 1957.

The European Union functions through the following main organs and bodies:

1. European parliament
2. Council of European Union
3. European Commission
4. Court of Justice
5. Court of Auditors
6. European Economic and Social Committee
7. Committee of Regions
8. European Central Bank
9. European Ombudsman

Headquarter: Brussels (Belgium)

Objectives of EU

Introduction of a single currency (the Euro), a common European citizenship and extension of European cooperation in Justice and home affairs. Economical, political and social stability in the Europe.

Achievements

1. **Environment**

The first environmental policy of the European Community was launched in 1972. Since then it has addressed issues such as acid rain, the thinning of the ozone layer, air quality, noise pollution, waste and water pollution. Today, the European Union is thought to have some of the most progressive environmental policies of any state in the world.

In 2007, member states agreed that the EU is to use 20% renewable energy in the future and that it has to reduce carbon dioxide emissions in 2020 by at least 20% compared to 1990 levels. This includes measures that in 2020, 10% of the overall fuel quantity used by cars and trucks in EU 27 should be running on renewable energy such as biofuels. This is considered to be one of the most ambitious moves of an important industrialised region to fight global warming.

Humanitarian Aid

The European Commission's Humanitarian Aid Office, or "ECHO", provides humanitarian aid from the EU to developing countries. In 2006 its budget amounted to €671 million, 48% of which went to the African, Caribbean and Pacific countries.

Humanitarian aid is financed directly by the budget (70%) as part of the financial instruments for external action and also by the European Development Fund (30%). The EU's external action financing is divided into 'geographic' instruments and 'thematic' instruments. The 'geographic' instruments provide aid through the Development Cooperation Instrument (DCI, €16.9 billion, 2007–2013), which must spend 95% of its budget on overseas development assistance (ODA), and from the European Neighbourhood and Partnership Instrument (ENPI), which contains some relevant programmes. The European Development Fund (EDF, €22.7 bn, 2008–2013) is made up of voluntary contributions by member states, but there is pressure to merge the EDF into the budget-financed instruments to encourage increased contributions to match the 0.7% target and allow the European Parliament greater oversight.

However, four countries have reached the 0.7% target: Sweden, Luxembourg, the Netherlands and Denmark. In 2005 EU aid was 0.34% of the GNP which was higher than that of either the United States or Japan. The previous Commissioner for Aid, Louis Michel, has called for aid to be delivered more rapidly, to greater effect, and on humanitarian principles.

Economy

The EU has established a single market across the territory of all its members. A monetary union, the eurozone, using a single currency comprises 17 member states. In 2011 the EU had a combined GDP of 17.57 trillion international dollars, a 20% share of the global gross domestic product (in terms of purchasing power parity). Of the top 500 largest corporations measured by revenue, 161 have their headquarters in the EU. In 2007, unemployment in the EU stood at 7% while investment was at 21.4% of GDP, inflation at 2.2%, and current account balance at −0.9% of GDP (i.e., slightly more import than export).

Challenges

- Identity Crisis
- 27 Countries- Mega Europe, Consensus become difficult
- Economic Recession and debt Crisis in varoius countries.
- Conflict over International Issues
- Competition for access to vital resources is growing.
- Proliferation of Weapons
- Turkey Memberships

Problems and Solutions

- **Five major threats** (terrorism, Weapons of Mass Destruction, regional conflicts, state failures and organized crime)
- **Three priorities** (Conflict Prevention, Rapid Response and Assistance on all stages of crisis).