THE EUROPEAN UNION

A – This is the EU – facts and figures

The European Union (EU) is a political, social and economic community, the outcome of a long process of integration between an increasing number of states, based on a series of treaties, from the Treaty of Rome in 1957, which established the European Economic Community (EEC), to the Maastricht Treaty in 1992, which set out the terms for the creation of the European Union, and a series of subsequent treaties, including the 2007 Lisbon Treaty, which amended or completed the two founding treaties.
The EU currently has 28 member states and is the world's leading trading power. A number of other states have already applied for membership.

B – Stages in the process of European integration

The idea of a united Europe is many centuries old, but the actual steps that have been taken to achieve European integration are mostly, if not all, post 1945 in origin. It was the impact of the Second World War that stimulated the first move of the Western European countries - in particular the determination to build a new Europe on stronger principles of cooperation, democracy and peace. and the urgent need to reconstruct their war-shattered economies.
The long journey towards European integration is still under way. It has often been a slow one, full of difficulties and obstacles. But the final goal is "to transform a process of economic integration into a process of political integration", in the words of Jean Monnet, the French statesman who, together with Robert Schuman, Konrad Adenauer and Alcide De Gasperi, was among the founding fathers of the European Community. This was also the real aim of the Treaty of Rome, which established the EEC in 1957.
The "European project" was characterized by progressive enlargement from the original six countries that signed the Treaty of Rome to the present community. A fundamental event in this process was the fall of the Berlin Wall in 1989, which also meant the end of the Cold War, the political and diplomatic conflict between the Western Powers and the Eastern European Bloc, and paved the way for the enlargement of the European Community towards Eastern Europe.
Then, after German reunification in 1990, under the 1992 Maastricht Treaty, also known as the Treaty on European Union, it was decided to change the name of the European Community to European Union (EU). The EU was formally established when the Maastricht Treaty came into force on 1st November 1993. This was not just a change of name. It highlighted the will to accelerate the passage from merely economic agreements to a more profound political and social union.
After the decision taken at the Brussels Summit in 1998, on 1st January 1999 the euro was officially adopted by eleven member states, later joined by

Greece in 2001 and Slovenia in 2007. In 2002 euro notes and coins were actually put into circulation.
In 2004 a European Constitution was signed in Rome, but it was not ratified after being rejected by referendums in France and the Netherlands. In 2007 Romarlia and Bulgaria joined the Union, making it a 27-state community.
In December 2007, the Lisbon Treaty was signed, subject to ratification by the member states. It was a landmark treaty, which replaced the rejected constitution and made the EU stronger and more modern.
The process of enlargement is still in progress and, in spite of all the difficulties, many people in the EU hope that a stronger political and social integration of the EU may help find the way towards a more effective world policy of peace and development.

Key dates and events
1948. Belgium, the Netherlands and Luxembourg form the Bonelux Union, an agreement on tariffs later turned into an economic union with free movement of people. capital and goods within the Benelux territory. Sixteen Western European countries set up the Organization for European Economic Cooperation (OEEC) with the purpose of fostering economic development and safeguarding peace in Europe.
1949. The Council of Europe is established, with the function of serving as a forum for discussion and proposal mainly concerning subjects of social, cultural and environmental importance. Today the Council of Europe, which is a different organization from the European Union, includes most western and eastern European countries and is the largest European body.
1951. The proposal of the French Foreign Minister, Robert Schuman, to pass from mere cooperation to some form of economic union is taken up by six countries - France, Italy, West Germany, Belgium, the Netherlands and Luxembourg - which create the European Coal and Steel Community (ECSC), which was to become the nucleus of the EEC.
The same six countries sign the Treaty of Rome setting up the European Economic Community (EEC), also referred to as the Common Market, and the European Atomic Energy Community (EURATOM). Among its main objectives, the Treaty includes "the foundation of an increasingly closer union among the peoples of Europe, the improvement of their working and living conditions, the economic and social progress of their countries and the progressive abolition of all barriers and restrictions on trade”.
1958. After ratification of the Treaty of Rome by the national parliaments, the EEC formally comes into being on 1ST January.
1960. Britain, Austria, Switzerland, Portugal, Denmark, Sweden and Norway form the European Free Trade Association (EFTA), with the purpose of increasing the European trade of its members and favouring contacts with the EEC. Finland will join EFTA in 1961.

1973. After years of long and difficult negotiations, Great Britain, Denmark and the Irish Republic join the European Community.
1978. The first election by universal suffrage of the European Parliament is held in June. Before this date, the members of the Assembly were nominated only indirectly by the various national parliaments.
1981. Greece becomes the tenth member nation of the EEC.
1985. A white paper is issued by which the EEC countries agree to abolish all existing trade barriers by 1992.
1986. Spain and Portugal join the EEC and make it a twelve-state community.
1987. The Single European Act endows the Community with the means necessary to fulfil the 1992 programme.
1989. The fall of the Berlin Wall is the clearest evidence of the deep changes which are occurring in Eastern Europe, the definite end of the Cold War and the opening of a new era in European history.
1990. German reunification is accomplished. The new reunited Germany comes into being on 3rd October. The Schengen Agreement is signed, aimed at introducing freedom of movement for people and abolishing checks at the borders between the European Community member states.
1991. In December the Heads of State and Government of the EEC countries meet at the Maastricht Summit in Holland and reach agreement on a Treaty of European Union (signed in February 1992) which partly revises the Treaty of Rome, marks a new stage in the process of creating a closer political union among the peoples of Europe, and contains a commitment to reinforce EMU (Economic and Monetary Unions), create a European Central Bank and adopt a single European currency by 1999.
1992. On 7th February the Treaty on European Union (also known as the Maastricht Treaty) is signed in Maastricht. December 31st is the deadline for completion of the Single Market programme.
1993. The Single European Market comes into force. In November the EEC adopts the name European Union (EU), in accordance with the decisions taken at the Maastricht Summit.
1995. Austria, Finland and Sweden join the EU and make it a fifteen-state community.
1997. The Treaty of Amsterdam prepares the European Union for the entry of new members.
1998. On 2nd May, at the Brussels Summit, eleven EU countries including Italy officially decided to adopt the Euro as from 1st January 1999. Britain, Denmark, Greece and Sweden will follow later.
2001. The Nice Treaty is signed. It confirms the Treaty of Amsterdam, opens the way towards a welcome expansion of the EU and prepares prepares to admit 12 new members. Large countries decide to give up their second representative in the European Commission as from 2005. Greece adopts the euro.

2002. Euro notes and coins begin to circulate and replace former national currencies.
2004. Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia join the European Union. The European Constitution is signed in Rome. but fails to be ratified after rejection by French and Dutch voters in referendums in 2005.
2007. Romania and Bulgaria join the EU and make it a 27-state community. Slovenia adopts the euro. In December the Lisbon Treaty is signed, the aim being to amend the existing treaties and replace the rejected constitution. Subject to ratification by the member states, the treaty also creates the post of long-term President of the EU in place of the six-month rotation by the member states, includes a European charter of human and legal rights and strengthens the Union's decision-making powers. The treaty, however, is not ratified by Ireland, following rejection in a referendum held in June 2008.

C - How the EU works

The government of the European Union consists of a number institutions which share legislative, executive and judicial powers. Other institutions exercise precise functions within the general political framework of the Union.

- The **European Parliament** and the **Council of the European Union**, formerly known as the Council of Ministers, share legislative power.
- The **European Commission** is the centre of the executive.
- The **European Court of Justice** exercises judicial power.

Other important EU institutions include:

- The **European Council** (not to be confused with the Council of the European Union), which is composed of the heads of government and the President of the European Commission and meets, in principle, four times a year to discuss major European and world problems, settle difficult issues on which ministers (meeting in the Council of the European Union) fail to agree and lay down guidelines for future work.
- The **European Central Bank**, which is responsible for the EU's monetary policy, oversees the exchange rate mechanism that stabilizes the euro and other EU currencies and sets interest rates in the euro area.
- The **Court of Auditors**, which checks that the EU budget has been managed soundly.
- The **Committee of Regions**, which is concerned with specific problems relating to the various regions inside the Union.

Legislation

European legislation falls into two categories: **primary legislation**, which consists of the treaties of the EU, and **secondary legislation**, which consists of the large body of legislation enacted the EU institutions and comes in three main forms, regulations, directives and recommendations.

- **Regulations** are legislative acts which become law in all member stages. They are binding on member states. If a regulation conflicts with national provisions, it overrules domestic law.
- **Directives** require member states to achieve the results outlined in the directive, leaving them free to choose how to achieve that result. So directives are binding on member states only as regards the result of their implementation.
- **Recommendations** are not binding on member states, although they are generally accepted by national governments.

The European Parliament

A European Parliament has existed since the formation of the EEC, but originally its members were only nominated indirectly by national parliaments and formed what was officially called, in the Treaty of Rome, the Assembly of the European Economic Community.

An assembly nominated in this way, however, remained too remote from the peoples of Europe. The first direct election of the European Parliament by universal suffrage was held in June 1979 and it was a very important step on the road to European integration.

Today the European Parliament:

- is elected by universal adult suffrage every five years;
- is the only directly elected institution of the EU;
- is formed by the Members of the European Parliament (MEPs) who are elected in national constituences but sit in the meeting room according to political groups rather than nationality;
- has its official seat in Strasbourg, while Brussels is the usual place for meetings of its committees;
- is a consultative and legislative body and shares legislative power with the Council of the European Union;
- adopts or rejects the budget;
- expresses an opinion on draft regulations and directives proposed by the Commission;
- has the power to dismiss or censure the Commission;
- must give its assent to international agreements;
- is the EU 's primary debating chamber.

The Council of the European Union

The Council of the European Union, formerly known as the Council of Ministers and for short often referred to simply as "the Council":

- is composed of ministers of the national governments. Every Council meeting is attended by one minister from each member state and which

ministers attend the meeting depends on what subject is on the agenda. For example, if foreign policy is under discussion, it will be the foreign Affairs Minister from each country; if agriculture, it will be the Minister for Agriculture. and so on;
- is presided over by the country holding the EU presidency;
- has its official seat in Brussels;
- is the EU's principal legislative and decision making body. It makes Union laws sharing legislative power with Parliament;
- is responsible for intergovernmental cooperation between member states on such important issues as foreign policy and security policy.

The European Court of Justice

The Court of Justice:
- is made up of one judge from each member country; judges are appointed by governments of the member states for a six-year term;
- is located in Luxembourg;
- is the EU's main judicial organ;
- ensures that Union law and the treaties are interpreted correctly and applied in all member states;
- hears cases concerning Union law;
- settles disputes between member states and EU institutions;
- checks whether EU legislation respects the fundamental rights of EU citizens.

The European Commission

The European Commission:
- consists of commissioner for each member state; the commissioners are appointed by agreement between the member governments for a five-year renewable term and the President is chosen from among them; before taking office, the President and the entire Commission must be approved by Parliament; each commissioner is then responsible for a specific policy area, for example education, transport or social policies;
- has its official seat in Brussels;
- is the EU's executive branch and is responsible for the day-to-day running of the Union;
- acts with complete political independence; so, once appointed, the commissioners are entirely independent of their countries, and serve the EU as a whole; ensures that the regulations and directives adopted by the Council and Parliament are put into effect; proposes new legislation to the Council and Parliament.

D - The Single European Market

As we have seen, the Single European Market officially opened on 1st January 1993 and became the world's largest economic and trading bloc.

The first step in this phase of European history was Taken in 1985. when the EEC countries decided to create a truly common market by the end of 1992, with a programme designed to remove all internal barriers to the free movement of goods, people, services and capital within the Community area.

Subsequently, the Single European Act, signed in 1987, endowed the Community with the means required to make decisions more quickly by abolishing the principle of unanimity on a number of matters and to fulfill the 1992 programme.

The goals set in these documents were nothing new. They had already been stated in the Treaty of Rome, but now they became effective and binding on all member states, and the new programme restored vigour to the Community after years of uncertainty and stagnation, and gave it the confidence to tackle even more ambitious projects.

As shown above, the process of European integration was speeded up the same year as the opening of the Single European Market, in November 1993, when the 1992 Maastricht Treaty, officially known as the Treaty on European Union, came into force and the EEC became the EU. Furthermore, the Treaty contained the decision to adopt a single European currency, later called the euro, which would stabilize trade relations inside the Single European Market and reinforce the EU's trading position all over the world.

As already seen, the euro became the official currency in the majority of EU countries on 1st January 1999, while euro notes and coins were actually introduced in 2002.

One year earlier, when the Nice Treaty was signed (it came into force on 1st January 1993), it included a clause whereby Union decisions were further speeded up by abolishing the power of veto of the single countries in a number of new- areas.

The Single European Market, the Maastricht Treaty and the Nice Treaty brought about profound changes in the political and also in the business environment. European firms were offered new opportunities for development but they also had to face new stronger competition from other companies and the impact of the Single European Market went far beyond EU borders, with the effect of pushing businesses to adopt new global strategies.