



# ***Engineering Practice in the European Union***

**Lecture No 2.**

## **THE HISTORY AND DEVELOPMENT OF THE EUROPEAN INTEGRATION**

**1957-2017**

**FROM THE EUROPEAN ECONOMIC  
COMMUNITY (EEC) TO THE EUROPEAN UNION  
OF 28 MEMBER STATES**

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University of Pécs – Faculty of Engineering & Information Technology



# RECOMMENDED READINGS

- ❖ **European Union** [https://en.wikipedia.org/wiki/European\\_Union](https://en.wikipedia.org/wiki/European_Union)
- ❖ **The Single European Act and the road toward the Treaty of the European Union (1986-1992)**  
<http://www.historiasiglo20.org/europe/acta.htm>
- ❖ **The Treaty of Maastricht (1992)**  
<http://www.historiasiglo20.org/europe/maastricht.htm>
- ❖ **EUROPA - European Union official website**  
[http://europa.eu/index\\_en.htm](http://europa.eu/index_en.htm)
- ❖ **European Union - European organization**  
<http://www.britannica.com/topic/European-Union>
- ❖ **Pinder, John and Simon Usherwood: *The European Union: A Very Short Introduction*. 2nd ed. New York: Oxford University Press, 2008.**



# **DEVELOPMENT OF EEC 1957-1973**

**1**

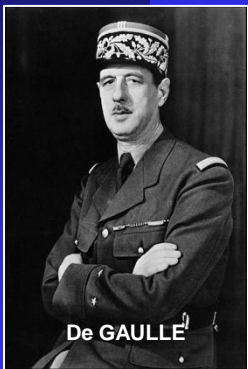
- ❖ **The success of common agricultural policy justified the international transfer of an agreed slice of national incomes (1962)**
- ❖ **Customs were demolished up to 1968**
- ❖ **Volume of trade of Member States increased by 8% p. a. (trade among themselves by 12% p. a, reaching 50% of the total volume)**
- ❖ **Structure of economies has been modernized substantially, technical development accelerated, internal consumption expanded dynamically**



# DEVELOPMENT OF EEC 1957-1973

2

- ❖ Average growth of GDP was 5% p. a. during the 1957-1973 period
- ❖ *Customs union* has been achieved, but free movement of people and capital remained hampered
- ❖ Elaboration of common policies (e. g. transport, social issues) was jammed
  - ❖ Through the sixties tensions began to show, with France seeking to limit supranational power and vetoing UK accession in 1961 and 1967





# THE MERGER TREATY (1967)

- ❖ The final objective of the integration remains disputed: is it the „*Europe of Nations*” or a „*Supranational Europe*”?
- ❖ Result of disputes: compromise of Luxembourg in 1967: decisions should be taken unanimously, each Member State has the *right of veto*
- ❖ In 1965/1967 the *Merger Treaty* (Brussels) created a single set of institutions for the three communities, which were collectively referred to as the *European Communities*



# DEVELOPMENT OF EC

1

- ❖ In 1973, the Communities enlarged to include *Denmark* (including Greenland, which left it in 1985, following a dispute over fishing rights), *Ireland*, and the *United Kingdom*
- ❖ *Norway* had negotiated to join at the same time, but Norwegian voters rejected membership in a referendum
- ❖ The weight/share of *EC* in world economy increased substantially and it became a serious competitor of the *USA* and *Japan*



# ENLARGEMENTS OF EEC

## (1957-1992)

**1957 EC6**

BELGIUM  
FRANCE  
WEST-GERMANY  
ITALY  
LUXEMBOURG  
NETHERLANDS

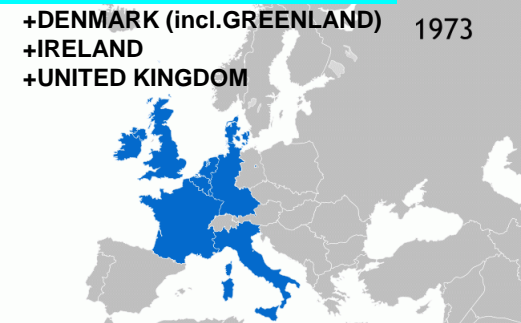
1957



**1973 EC9**

+DENMARK (incl. GREENLAND)  
+IRELAND  
+UNITED KINGDOM

1973



**1981 EC10**

+GREECE

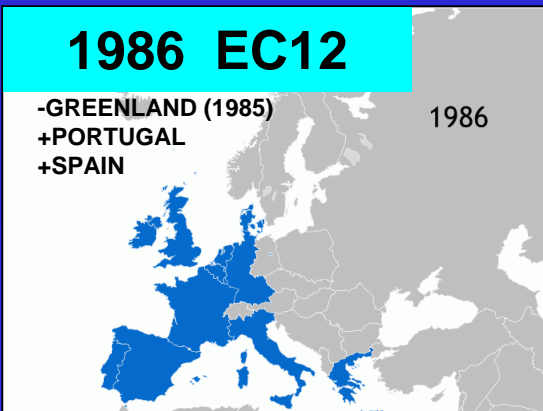
1981



**1986 EC12**

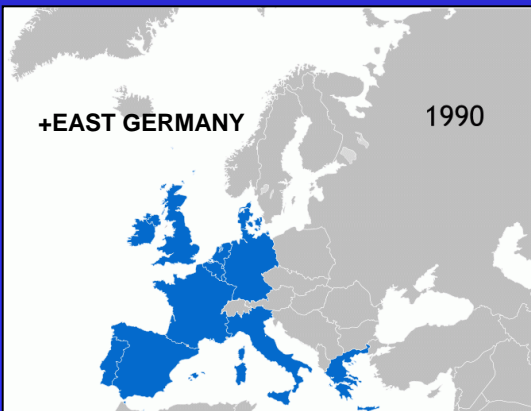
-GREENLAND (1985)  
+PORTUGAL  
+SPAIN

1986



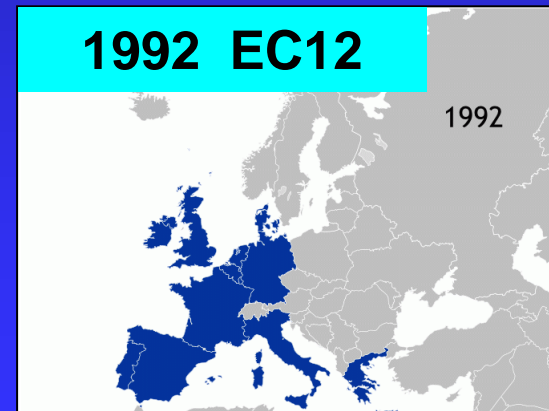
+EAST GERMANY

1990



**1992 EC12**

1992





# DEVELOPMENT OF EC

2

- ❖ In 1979, the first direct, democratic elections to the *European Parliament* were held
- ❖ *Greece* joined the EC in 1981; *Portugal* and *Spain* in 1986
- ❖ In 1985 the *Schengen Agreement* paved the way for the creation of open borders without passport controls between most Member States and some non-member states as well
- ❖ The implementation of the Schengen Agreements started in 1995, initially involving seven EU States

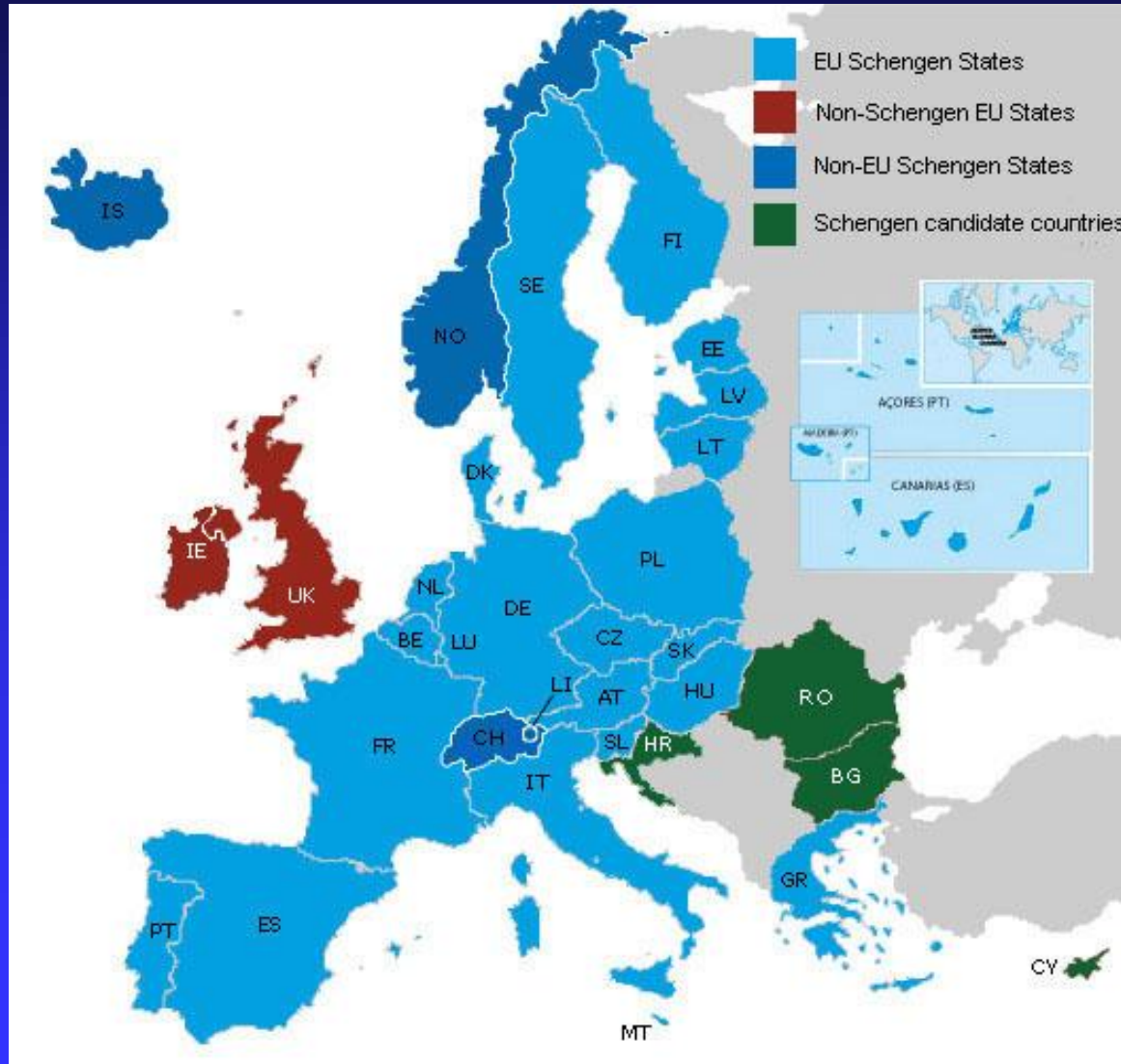




# THE SCHENGEN AREA 2017



Timár, 2017



22  
6  
4  
3



# DEVELOPMENT OF EC

3

- ❖ So called oil crisis (1973, 1979) hampered the integration, nationalistic feelings were strengthened and *euroscepticism* appeared (doubting, whether *ever closer relationships* is really desirable and/or achievable)
- ❖ Despite some protectionist measures and British compensation claimed successfully by *Ms M. Thatcher*, common trade policy is maintained and efforts of *J. Delors* as President of the European Commission towards integration prevail
- ❖ In 1979 the European Monetary System (EMS) is created as a solid base for financial stability





# **SINGLE EUROPEAN ACT (1987)**

- ❖ **The *Single European Act* (signed in Luxembourg and The Hague) came into force in 1987, modified the previous treaties**
- ❖ **The Single European Act:**
  - ❖ **ratified the European Council, i. e. the periodical meeting of Heads of State and Government, where major political negotiations take place and great strategic decisions are taken**
  - ❖ **adopted 300 detailed measures guided to the progressive establishment of a common market up to 31 December 1992**
  - ❖ **adopted different procedures to coordinate the monetary policy of the Member States, paving the way toward economic and monetary union**
  - ❖ **created Structural Funds to achieve a greater economic and social cohesion among the diverse countries and regions**



# POLITICAL CHANGES

1

(1989/1990)



- ❖ The power void created in Central and Eastern Europe with the collapse of communism (1989) and the break-up of the USSR (1991) brought about a change in the political position of the EC
- ❖ It became an organisation that guaranteed stability amid an unstable Europe
- ❖ The new democracies emerged from the communism collapse rushed to apply for beginning accession negotiations with the Community





# OPENING THE AT/HU BORDER FOR GDR CITIZENS

Symbolic demolition of the Iron Curtain by Austrian chancellor A. Mock and Hungarian Foreign Minister Horn near Sopron in June 1989



Escape of 700 GDR citizens to the West at the „Pan-European Picnic” in August 1989



GDR citizens leaving Hungary to Austria, following the opening of the border at 10. September 1989



GDR refugees camping at the West German Embassy's garden in Prague were allowed to cross the border at 30. September 1989





# THE FALL OF THE BERLIN WALL

(November 1989)



1961



1989



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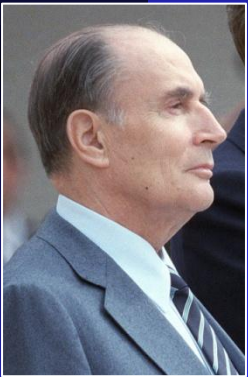


# POLITICAL CHANGES

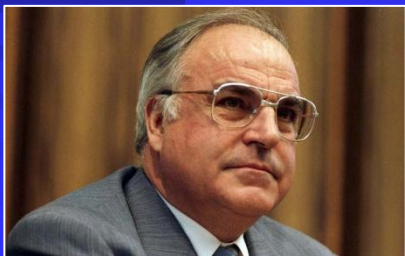
2

(1989/1990)

- ❖ In 1990, after the fall of the *Berlin Wall* and reunification of Germany, *East Germany* became part of the European Communities



- ❖ The French president, François Mitterrand, suspicious of a possible reappearance of hegemonic German foreign policy, decided to encourage the European integration process as a means to anchor Germany in Europe



- ❖ The German chancellor, Helmut Kohl did the same to relieve Paris and London's misgivings about a reunified (too strong) Germany

Timár, 2017



# MAASTRICHT TREATY

1

(1992/1993)

- ❖ After almost three years of debate the European Council held in Maastricht on 9-10 December 1991, approved the *Treaty of the Union (TEU)*, signed on 7 February 1992
- ❖ The *European Union* was formally established when the Treaty of Maastricht or TEU (signed in 1992) came into force on 1 November 1993
- ❖ The *Copenhagen criteria* for candidate members to join the EU were agreed upon in June 1993





# MAASTRICHT TREATY

2

(1992/1993)

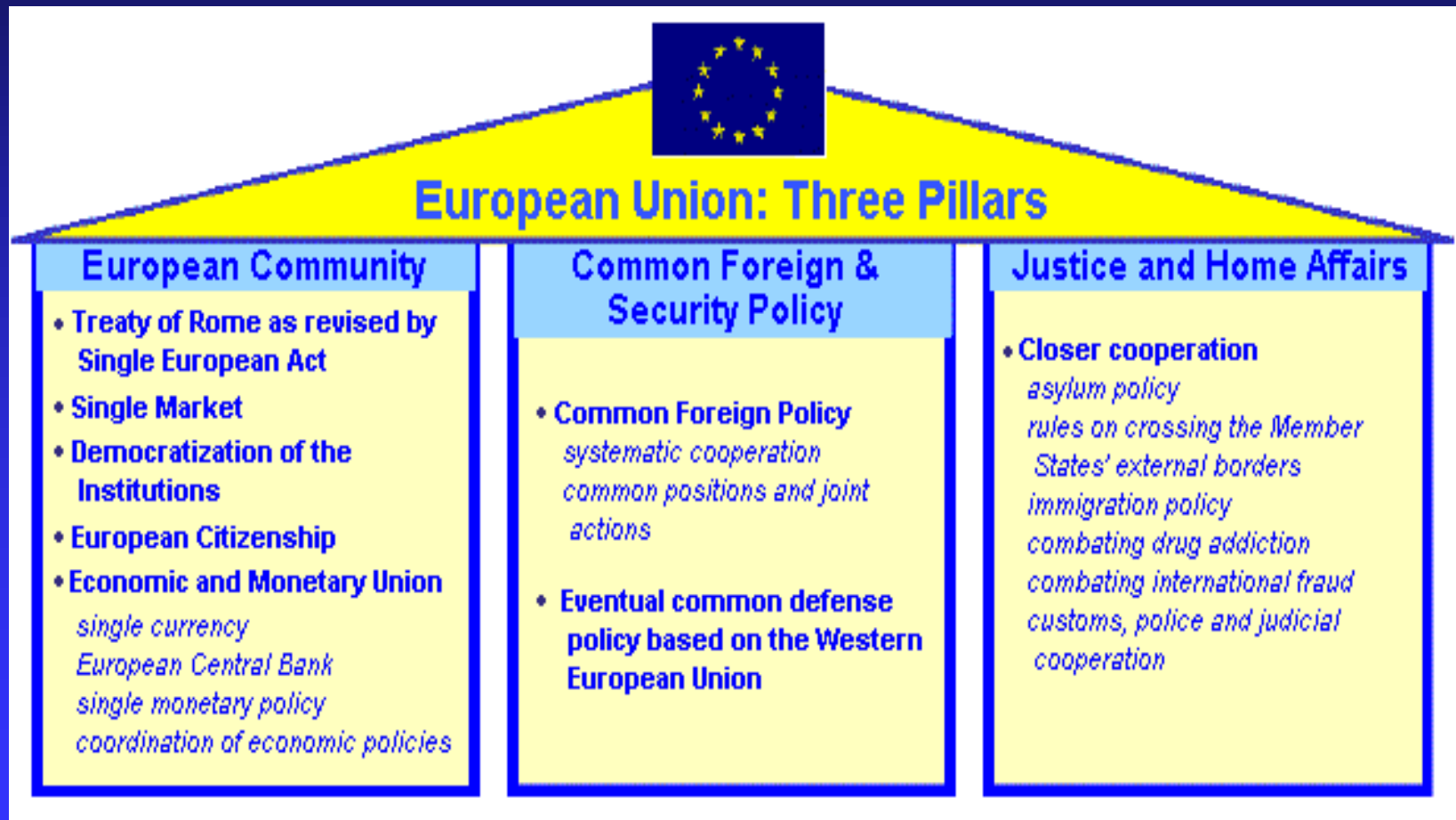
- ❖ It is a turning point in the European integration process, changing the official denomination of EEC into *European Union*
- ❖ The TEU's structure is laid on three pillars:
  - ❖ the first (central) pillar alludes to the Community dimension and comprises the arrangements set out in the EC, ECSC and Euratom Treaties, i.e. Union citizenship, Community policies, Economic and Monetary Union
  - ❖ the new (lateral) pillars are not based on supranational competences as the previous one, but on the cooperation among the governments: the second pillar is the Common foreign and security policy (CFSP) and the third one refers to Polical and judicial cooperation (PJC) in criminal matters as terrorism, illegal immigration, asylum policy, drugs traffic, international crime, etc.



# MAASTRICHT TREATY

(1992/1993)

3





# MAASTRICHT TREATY

4

(1992/1993)

- ❖ **According to the first pillar:**
  - ❖ **the Citizenship of the Union was established**
  - ❖ **the Economic and Monetary Union (EMU) was created and the introduction of an European currency, the Euro, has been decided**
  - ❖ **the search of social and economic cohesion among the diverse regions and countries of the community was instituted as one of the objectives of the Union (to achieve it, the *Cohesion Fund* has been created in 1994)**



# MAASTRICHT TREATY

5

(1992/1993)

- ❖ **Regarding the institutions:**
  - ❖ **the *Parliament* increased its competences, the Ministers Council was denominated henceforth *Council of the European Union*, the Commission received the official name of *Commission of the European Communities*, the *Court of Justice*, the *Court of Auditors* and the *Economic and Social Committee* reinforce their competences, a *Committee of the Regions* was established, and the founding of the *European Central Bank* was foreseen**



# MAASTRICHT TREATY

6

(1992/1993)

- ❖ **Subsidiarity was established as general principle of EU law :**
  - ❖ in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level
- ❖ **The TEU has also meant a noticeable advancement in the EU competences in fields as economic and monetary policy, industrial policy, Trans-European Networks and transport policy, educational networks, etc.**



# MAASTRICHT TREATY

7

(1992/1993)





# MAASTRICHT TREATY

8

(1992/1993)

- ❖ In spite of these reforms, the common agricultural policy (CAP) still absorbed *more than a half* of the whole EU budget
- ❖ As far as the second pillar is concerned:
  - ❖ the Common Foreign and Security Policy (CFSP) allows to undertake common actions in foreign policy, while the European Council, where decisions must be adopted unanimously, agrees its principles and general orientations
- ❖ As far as the third pillar is concerned:
  - ❖ the foundation of the Europol (European Police Office), embryo of a future European police, was one of the most outstanding changes



# ACCESSION/JOINING THE EU

- ❖ **The TEU states that any European country may apply for membership if it respects the democratic values of the EU and is committed to promoting them**
- ❖ **The first step is for the country to meet the key criteria (defined in Copenhagen, 1993) for accession**
- ❖ **The EU also needs to be able to integrate new members**





# CONDITIONS FOR MEMBERSHIP

- ❖ **The EU operates comprehensive approval procedures that ensure new members are admitted only when they can demonstrate they will be able to play their part fully as members, namely by**
  - ❖ **complying with all the EU's standards and rules**
  - ❖ **having the consent of the EU institutions and EU member states**
  - ❖ **having the consent of their citizens – as expressed through approval in their national parliament or by referendum**



# **COPENHAGEN CRITERIA (1993)**

- ❖ **Countries wishing to join need to 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 competition and market forces in the EU**
  - ❖ **the ability to take on and implement effectively the obligations of membership, including adherence to the aims of political, economic and monetary union**



# ACCESSION NEGOTIATIONS

- ❖ The conditions and timing of the candidate's adoption, implementation and enforcement of all current EU rules (the "*acquis*") is negotiated
- ❖ These rules are divided into 35 different policy fields (chapters), such as market competition, transport, energy, environment, etc, each of which is negotiated separately
- ❖ Throughout the negotiations, the Commission monitors the candidate's progress in applying EU legislation and meeting its other commitments, including any benchmark requirements



# THE EURO (€)

- ❖ In 1994 began the second stage of the Economic and Monetary Union with the establishment of the European Monetary Institute
- ❖ In 1995 Austria, Sweden and Finland joined the EU (EU15)
- ❖ In 1999 the Euro as a currency was launched, the European Central Bank (ECB) established
- ❖ On 1st January 2002, Euro notes and coins were put into circulation, replacing the old currencies in the *Eurozone*



# EURO BANKNOTES AND COINS

European Central Bank  
Frankfurt, Germany





# EURO CONVERGENCE CRITERIA

- ❖ 12-months average of yearly inflation rates shall not exceed the reference value, which is calculated by the end of the last month with available data as the unweighted arithmetic average of the similar inflation rates in the 3 EU member states with the lowest inflation plus 1.5 percentage points
- ❖ The ratio of the annual general government deficit relative to gross domestic product (GDP) at market prices, must not exceed 3% at the end of the preceding fiscal year and neither for any of the two subsequent years
- ❖ The ratio of gross government debt (measured at its nominal value outstanding at the end of the year and consolidated between and within the sectors of general government) relative to GDP at market prices, must not exceed 60% at the end of the preceding fiscal year
- ❖ Applicant countries should not have devalued the central rate of their euro pegged currency during the previous two years, and for the same period the currency stability shall be deemed to have been stable without "severe tensions"
- ❖ Long-term interest rates (average yields for 10 year government bonds in the past year) shall be no more than 2.0 percentage points higher, than the unweighted arithmetic average of the similar 10-year government bond yields in the 3 EU member states with the lowest HICP inflation





# THE EUROZONE IN 2017 1

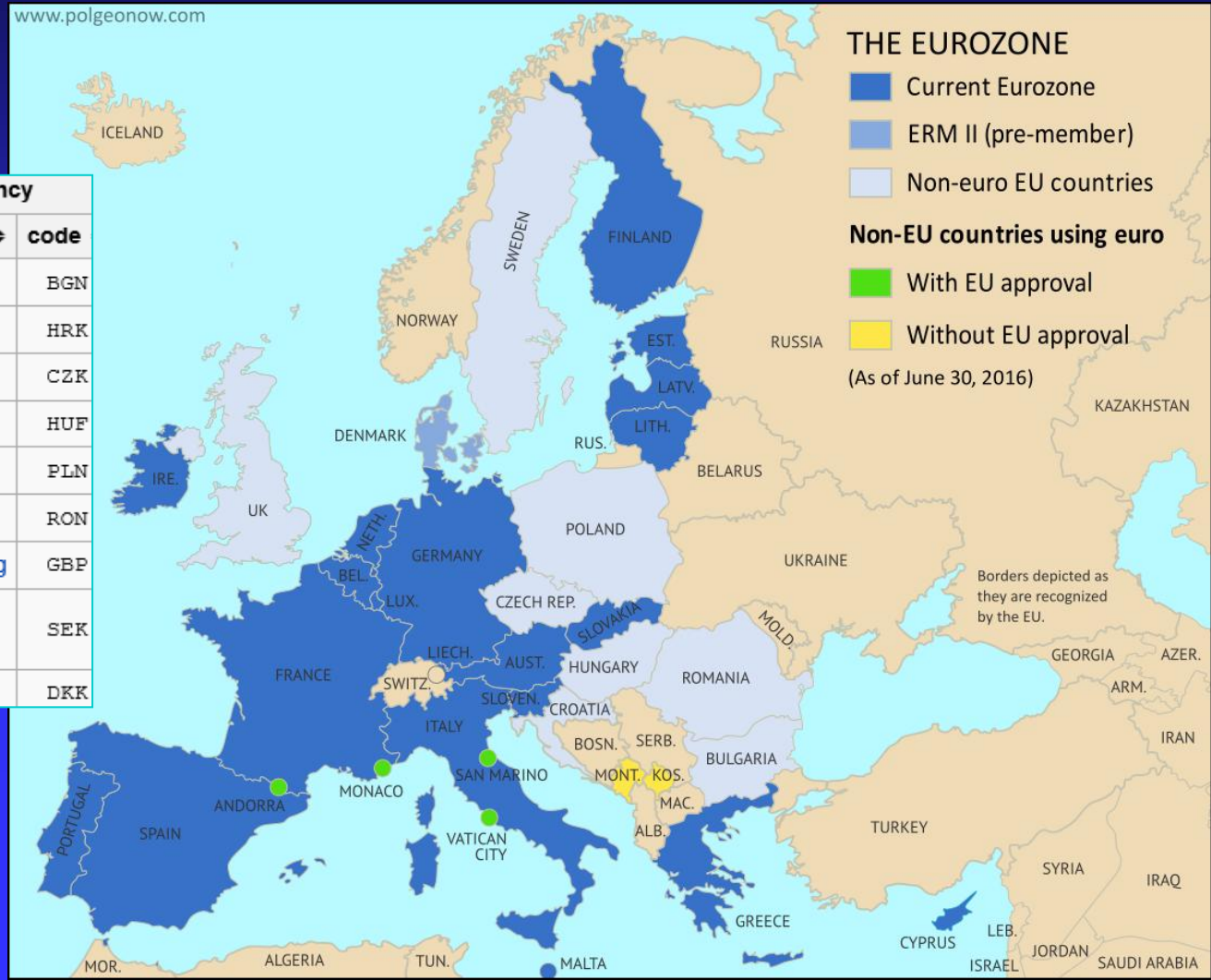
- ❖ The *Eurozone* (officially: the Euro Area), is a monetary union of 19 of the 28 EU Member States which have adopted the Euro (€) as their common currency and sole legal tender
- ❖ The other nine members of the EU continue to use their own national currencies
- ❖ The ECB governed by a president and a board of heads of national central banks, sets the monetary policy of the zone, its principal task is to keep inflation under control



# THE EUROZONE 2017

2

| EU member states<br>(outside eurozone) | Currency       |      |
|--|----------------|------|
|  | name           | code |
| Bulgaria                               | Lev            | BGN  |
| Croatia                                | Kuna           | HRK  |
| Czech Republic                         | Koruna         | CZK  |
| Hungary                                | Forint         | HUF  |
| Poland                                 | Złoty          | PLN  |
| Romania                                | Leu            | RON  |
| United Kingdom                         | Pound sterling | GBP  |
| Sweden                                 | Krona          | SEK  |
| Denmark                                | Krone          | DKK  |







# EUROPEAN DEBT CRISIS

1

- ❖ **The worldwide financial and economic crisis started in the USA lead to a multi-year debt crisis in the EU since 2009**
- ❖ **Some Eurozone Member States deliberately neglected the convergence criteria („creative national accounting”)**
- ❖ **Several Eurozone Member States were unable to repay or refinance their government debt or to bail out over-indebted banks without the assistance of third parties**
- ❖ **The structure of the Eurozone as a currency union without fiscal union (applying different tax and public pension rules) contributed to the crisis and limited the ability of European leaders to respond**
- ❖ **The crisis had significant adverse economic (decreasing GDP), labour market (high unemployment rates) and political (changes of government) effects**



# THE AMSTERDAM TREATY 1

- ❖ In early 1996, in the European Council of Turin, an Intergovernmental Conference (IGC) commenced with the purpose of elaborating a new treaty reforming the TEU
- ❖ The objectives were focused on developing the Europe of citizens, fomenting the EU role in international politics, reforming the institutions and tackling a new enlargement to the applicant countries of Central and Eastern Europe



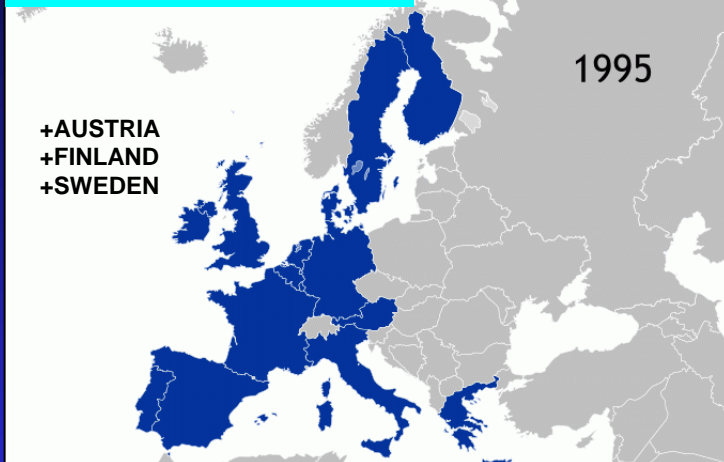
# THE AMSTERDAM TREATY 2

- ❖ After long and intricate negotiations, the Member States governments reached an agreement , the Treaty of Amsterdam was signed and came into force on 01.05.1999
- ❖ It modified certain regulations of the TEU, the constituent treaties of the EC (Paris, Rome), but attracted widespread criticism, since it did not solve one of the greatest pending problems of the Union: the adaptation of the institutions to an increasingly wider, enlarged European Union

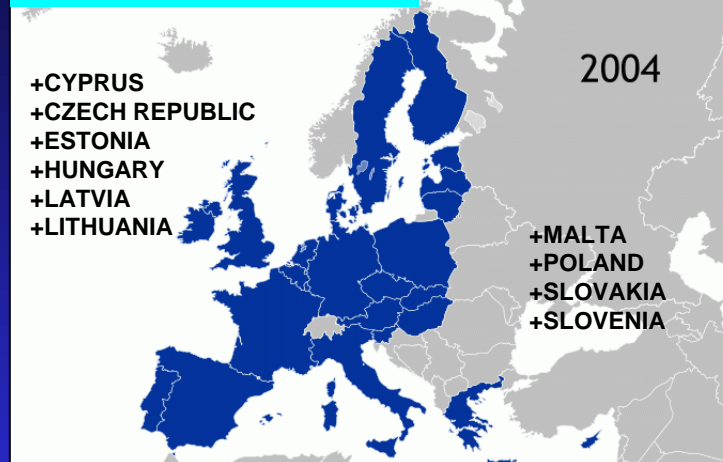


# THE ENLARGEMENTS OF EU

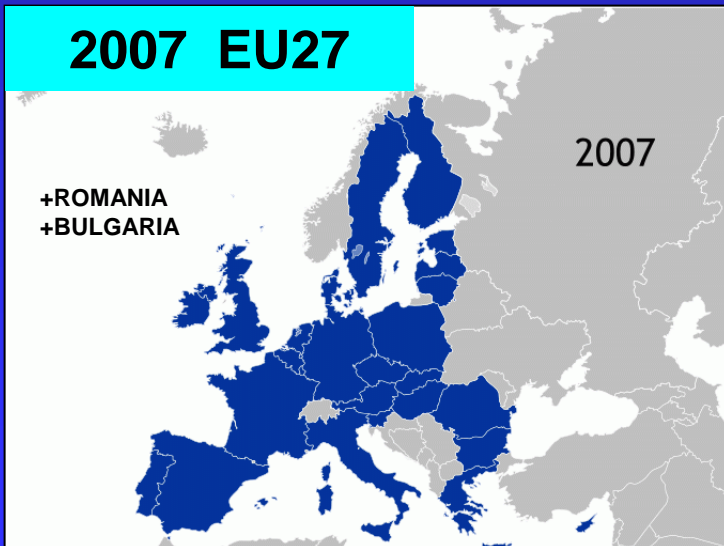
**1995 EU15**



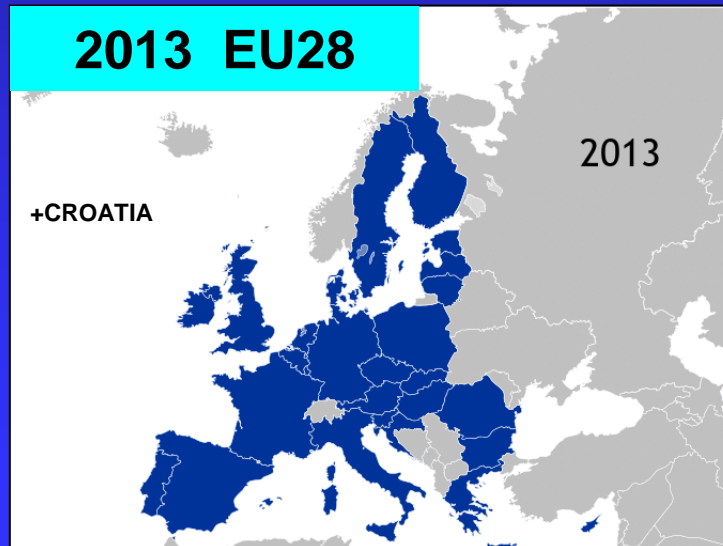
**2004 EU25**



**2007 EU27**



**2013 EU28**





# THE AMSTERDAM TREATY 3

- ❖ **The Treaty states unequivocally that the Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law, principles which are common to the Member States (Article 6)**
- ❖ **It was adopted that the Council, after complying with different conditions, might determine the existence of a serious and persistent breach of principles included in Article 6 by a Member State**
- ❖ **In that case, the Council, by a qualified majority, might agree to suspend certain of the rights derived from the Treaty to that Member State, including the voting rights of the representative of that government in the Council**



# THE TREATY OF NICE

1

- ❖ **National interest outweighed Europe's during the arduous debate that took place at the Nice European Council; however, after a lot of give and take an agreement was reached, the Nice Treaty has been signed on 26.02.2001**
- ❖ **A re-weighting of vote and amending voting system in various EU institutions for current and future Member States was accepted**
- ❖ **A complicate system of majorities and minorities was set up, providing three different ways to block any decision of the Council**



# THE TREATY OF NICE

2

- ❖ **Competences of the President of the European Commission to be elected by qualified majority were enhanced**
- ❖ **The subjects on a decision by qualified majority can be adopted increased (up to about forty, most of them technical ones)**
- ❖ **Governments' veto is maintained in subjects affecting them in a high degree, such as cohesion (Spain), tax system (Britain), asylum and immigration (Germany) or free trade in cultural an audiovisual sphere (France**



# SIGNATURE OF THE TREATY IN NICE (2001)







# CONSTITUTION REJECTED 1

- ❖ The need to review the EU's constitutional framework, particularly in light of the accession of 12 new Member States in 2004/2007, was highlighted in a declaration annexed to the Treaty of Nice in 2001
- ❖ The Laeken declaration set out the process by which a constitution aiming to achieve these goals could be created
  - ❖ A European Convention presided by Valéry Giscard d'Estaing was established and prepared the draft of that constitution



Timár, 2017



# CONSTITUTION REJECTED 2

- ❖ **The Constitution, having been agreed by heads of government from the 25 Member States, was signed at a ceremony in Rome on 29.10.2004**
- ❖ **Before it could enter into force, however, it had to be ratified by each Member State**
- ❖ **The majority of Member States had ratified, but France and the Netherlands rejected it in 2005, so it couldn't come into force**
- ❖ **This led to a "period of reflection"**



# THE TREATY OF LISBON 1

- ❖ In 2007, Germany took over the rotating EU Presidency and declared the period of reflection over
- ❖ By March, the 50th anniversary of the Treaties of Rome, the Berlin Declaration was adopted outlining the intention of all Member States to agree on a new treaty
- ❖ The signing of the Treaty of Lisbon (called „*amending treaty*”) took place in Lisbon on 13.12.2007, entered into force on 01.12. 2009



# THE TREATY OF LISBON

2

- **A European Council President**  
with a 2½ year term, reducing the rotating [Council Presidency's](#) role.
- **A single foreign affairs post**  
created by merging the [External Relations Commissioner](#) with the [CFSP High Representative](#).
- **Charter of Fundamental Rights**  
from 2000 made legally binding.
- **Pillars merged to 1 legal person**  
enabling the Union per se to be party to [treaties](#).
- **European Council separated**  
officially from the [Council of Ministers](#).
- **More powerful Parliament**  
by means of extending the [codecision procedure](#) to more policy areas.
- **A secession clause**
- **More double majority voting**  
to new areas of policy in the [European Council](#) and the [Council of Ministers](#), from 2014 on.
- **National parliaments engaged**  
by expanding scrutiny-time of legislation and enabling them to jointly compel the Commission to review or withdraw legislation.
- **Mutual solidarity obliged**  
if a member state is object of a terrorist attack or the victim of a natural or man-made disaster.
- **Citizens' Initiative**  
to be considered by the [Commission](#) if signed by 1 million [citizens](#).
- **Enhanced co-operation**  
extended to [CSDP](#) issues.
- **An External Action Service**



# THE TREATY OF LISBON

3

| Exclusive competence   | Shared competence   |  | Supporting competence   |
|--|---|--|---|
| <p><i>"The Union has exclusive competence to make directives and conclude international agreements when provided for in a Union legislative act."</i></p> <ul style="list-style-type: none"> <li>• the <b>customs union</b></li> <li>• the establishing of the <b>competition rules</b> necessary for the functioning of the internal market</li> <li>• monetary policy for the Member States whose currency is the <b>euro</b></li> <li>• the conservation of marine biological resources under the <b>common fisheries policy</b></li> <li>• common <b>commercial policy</b></li> <li>• conclusion of certain <b>international agreements</b></li> </ul> | <p><i>"Member States cannot exercise competence in areas where the Union has done so."</i></p> <ul style="list-style-type: none"> <li>• the <b>internal market</b></li> <li>• social policy, for the aspects defined in this Treaty</li> <li>• economic, social and territorial cohesion</li> <li>• <b>agriculture and fisheries</b>, excluding the conservation of marine biological resources</li> <li>• <b>environment</b></li> <li>• consumer protection</li> <li>• <b>transport</b></li> <li>• <b>trans-European networks</b></li> <li>• <b>energy</b></li> <li>• the <b>area of freedom, security and justice</b></li> <li>• common safety concerns in public health matters, for the aspects defined in this Treaty</li> </ul> | <p><i>"Union exercise of competence shall not result in Member States being prevented from exercising theirs in" ...</i></p> <ul style="list-style-type: none"> <li>• research, technological development and <b>(outer) space</b></li> <li>• development cooperation, humanitarian aid</li> </ul> <p><i>"The Union coordinates Member States policies or implements supplemental to theirs common policies, not covered elsewhere"</i></p> <ul style="list-style-type: none"> <li>• coordination of economic, employment and social policies</li> <li>• common <b>foreign, security and defence</b> policies</li> </ul> | <p><i>"The Union can carry out actions to support, coordinate or supplement Member States' actions in" ...</i></p> <ul style="list-style-type: none"> <li>• the protection and improvement of human health</li> <li>• industry</li> <li>• <b>culture</b></li> <li>• tourism</li> <li>• <b>education</b>, youth, <b>sport</b> and vocational training</li> <li>• civil protection (disaster prevention)</li> <li>• administrative cooperation</li> </ul> |

## DISTRIBUTION OF COMPETENCES



# THE FUTURE OF THE EU: PROBLEMS IN 2017

1

- ❖ ***Migrant or refugee crisis:*** a rising number of people made the journey from war-torn areas to the EU to seek asylum (especially in Germany) during 2015-2017, leading to a bust of EU immigration policy and breach of cooperation among Member States
- ❖ There are six countries recognized as *candidates for membership*: Albania, Macedonia, Montenegro, Serbia and Turkey
- ❖ In a referendum on 23.06.2016, 51.9% of the participating UK electorate voted to leave the EU (Brexit); on 29.03.2017 the British government invoked Article 50 of the TEU, so the UK is on course to leave the EU on Friday 29.03.2019 (EU-UK negotiations started already)



# European Migrant Crisis 2015



## Top Countries of Origin

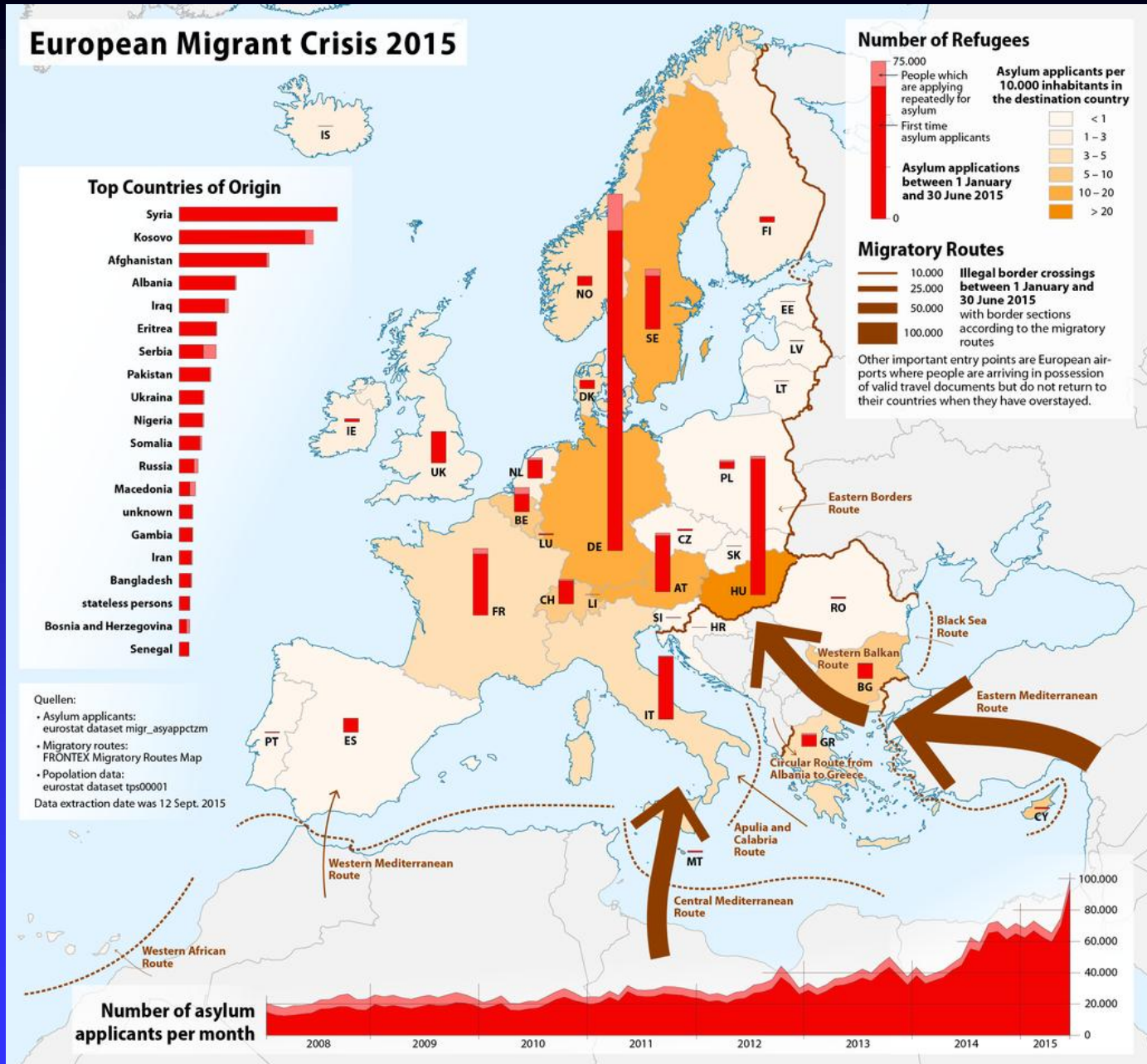


Quellen:  
 - Asylum applicants:  
 eurostat dataset migr\_asypapctzm  
 - Migratory routes:  
 FRONTEX Migratory Routes Map  
 - Population data:  
 eurostat dataset tps00001  
 Data extraction date was 12 Sept. 2015

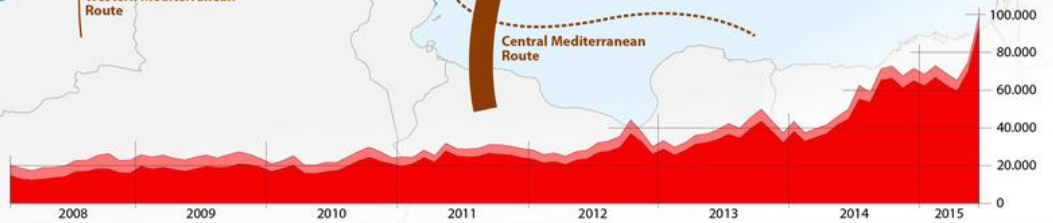
## Number of Refugees



## Migratory Routes



## Number of asylum applicants per month







# THE FUTURE OF THE EU: PROBLEMS IN 2017

2

- ❖ *Modernisation* (i. e. adaptation to the changing circumstances) of the EU is an urgent, unavoidable task
- ❖ *Multi-speed or two-speed Europe (variable geometry Europe or Core Europe)* is the idea that different parts of the EU should integrate at different levels and pace
- ❖ *Allegations* of Russian intimidation and destabilisation of some EU Member States
- ❖ *Growing power & popularity* of eurosceptic or pro-independence parties and politicians
- ❖ *Non-compliance* with certain basic *democratic principles* of EU (see Copenhagen criteria) is proliferating
- ❖ Declared *protectionism* in the commercial policy of USA („*America first*”) are threatening EU companies