



European Union

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The European Union (EU) is a political and economic association of 28 European sovereign states. It traces its origins to the establishment of the European Economic Community (EEC) by six European nations in the post-Second World War years. The aim of the European Community was to pursue closer economic cooperation on the European continent, with the intent of preventing the horror and destruction of two world wars from happening again. In this respect the EU has proven its worth: Western Europe has never before enjoyed such a long period of peace. Although the EU began as a purely economic community, cooperation has expanded in the intervening years to include areas such as asylum, migration, justice, safety, energy, environment, and foreign policy, developing into a unique political organisation.

Key data

- 2013 Accession of Croatia (EU-28)
- 2012 25 EU member states sign a «fiscal pact» as part of the solution to the debt crisis
- 2007 Signing of the Treaty of Lisbon (effective 2009)
- 2007 Accession of Bulgaria and Romania (EU-27)
- 2004 European Constitutional Treaty: A draft treaty for a European Constitution does not come into force after failing in referendums in France and the Netherlands
- 2004 Accession of Poland, Hungary, Slovenia, the Czech Republic, Latvia, Estonia, Lithuania, Cyprus and Malta (EU-25)
- 2002 Introduction of the euro as the cash currency
- 2001 Signing of the Treaty of Nice (effective 2003)
- 1997 Signing of the Treaty of Amsterdam (effective 1999)
- 1995 Accession of Austria, Sweden, and Finland (EU-15)
- 1992 Signing of the Treaty of Maastricht (effective 1993): creation of the EU
- 1990 Reunification of Germany
- 1986 Accession of Spain and Portugal (EC-12), Single European Act (SEA)
- 1981 Accession of Greece (EC-10)
- 1973 Accession of the United Kingdom, Ireland, and Denmark (EC-9)
- 1965 Signing of the Merger Agreement (effective 1967): common institutions
- 1957 Signing of the Treaties of Rome (effective 1958): European Economic Community (EEC), European Atomic Energy Community (EURATOM)
- 1951 Signing of the Treaty of Paris (effective 1952): European Steel and Coal Community (ECSC)

Founding of the EU

At the end of the 1940s, in the wake of the immense suffering and destruction caused by two world wars, there was a great need to ensure a lasting peace on the European continent. With this in mind the French foreign minister, Robert Schuman, proposed to Germany that the important military industries of coal and steel be managed in a joint market under a higher-level authority. Together with Belgium, Italy, Luxembourg, and the Netherlands, they founded the European Steel and Coal Community (ECSC) in 1951. The purpose, as set forth in the Schuman declaration

of 9 May 1950, was to «make a war between France and Germany not only unthinkable, but also materially impossible». The ECSC in turn made it possible for Germany to return to the European stage on an equal footing. Apart from the ECSC, the Treaties of Rome in 1957 established the European Atomic Energy Community (EURATOM) and the European Economic Community (EEC). The Merger Treaty of 1965 united the ECSC, the EEC, and EURATOM under a single institutional structure (Commission, Council of Ministers, European Parliament, European Court of Justice), together forming the European Communities.

The aim of the EC was to create an internal market with free movement of goods, people, services, and capital. Concurrently, it expanded territorially. In 1973 the United Kingdom, Ireland, and Denmark joined the EC, followed by Greece in 1981 and Spain and Portugal in 1986. Integration gathered momentum again in the mid-1980s, with the Single European Act (SEA) of 1986 placing the entire area of the internal market under the rule of qualified majority voting, thereby creating the conditions for more efficient functioning.

Shortly thereafter, in 1989, a fundamental and unexpected change occurred on the continent: Hungary opened its borders to the West, and the Wall fell in divided Berlin. This was followed by the dissolution of the Soviet Union in 1991. Following the end of the Cold War and the reunification of Germany, the European Union was created in 1992 by the Treaty of Maastricht, which also introduced the three-pillar structure, with the European Communities as the first pillar, adding the Common Foreign and Security Policy (CFSP) as the second pillar, and Justice and Home Affairs (JHA) as the third pillar, which enhanced cooperation in the area of law enforcement and home affairs. In the first pillar the decisions of the EC were mostly made according to the principle of qualified majority voting, whereas in the second and third pillars intergovernmental cooperation was the rule and decisions were reached unanimously.

In 1995, Austria, Finland, and Sweden – all former members of the European Free Trade Association (EFTA) – joined the EU. This brought the total number of EU member states to 15. The Treaties of Amsterdam (1997) and Nice (2001) amended the Treaty of Maastricht with the aim of making the EU institutions

work more efficiently, particularly in the run-up to eastern enlargement, which was how the inclusion of numerous Central and Eastern European states was known. The treaties simplified the decision-making process within the EU by replacing the principle of unanimity with a qualified majority in many areas. The joint decision-making power of European Parliament was also considerably strengthened.

In light of the bloodshed in the Balkan wars, the European Council in Cologne in 1999 decided on a common European Security and Defence Policy (ESDP). The EU thereby created the necessary resources to respond more effectively to future conflicts. In particular, the ESDP takes the form of civilian and military peacekeeping operations, also beyond the European continent. The EU has described itself as a global actor prepared to take on more responsibilities (see European Security Strategy 2003 «A Secure Europe in a Better World»).

With the Treaty of Lisbon and the abolishment of the three-pillar structure, out of a «European» Security and Defence Policy came a «Common» Security and Defence Policy (CSDP).

In 2009, the Treaty on European Union (TEU) introduced the possibility for member states to withdraw from the EU – contained in Article 50 of the Treaty. On 23 June 2016, the majority of the United Kingdom electorate voted to leave the EU. On 29 March 2017 the United Kingdom (UK) notified the EU of its withdrawal from the EU, starting a two-year period during which a withdrawal agreement is negotiated. After this period or after the withdrawal agreement comes into force, the Treaties that govern membership no longer apply to the United Kingdom. However, this period can be extended by unanimous agreement of the European Council, with the consent of the United Kingdom and all member states.

European Economic and Monetary Union

The Treaty of Maastricht also initiated an Economic and Monetary Union (EMU). The euro was introduced as an accounting currency in 1999. From that date the European Central Bank operated a single monetary policy for the entire euro area. At the beginning of 2002 the euro was introduced as a cash currency and established itself – at least until the debt crisis of 2010 – as a strong and stable single currency. Today it is the official currency in all «old» EU states except the United Kingdom, Denmark and Sweden. Of the member states that have joined since 2004, the first country to meet the necessary convergence criteria was Slovenia, which entered the euro area in 2007. Cyprus and Malta joined in 2008, followed by Slovakia in 2009, Estonia in 2011, Latvia in 2014 and Lithuania in 2015. There are now 19 participating countries in the euro area. Within the framework of an intergovernmental «fiscal pact» signed in March 2012, the 25 EU members committed themselves to strengthening budgetary discipline and introducing a debt brake. Only the United Kingdom and the Czech Republic have remained outside the pact.

The enlargement process

In 2004 the EU carried out the largest expansion round in its history, as Poland, Hungary, Slovenia, the Czech Republic, Slovakia, Latvia, Estonia, Lithuania, Cyprus, and Malta joined the Union. In 2007 two more eastern European countries became members when Bulgaria and Romania acceded. Croatia became the 28th EU member state on 1 July 2013. The prospect of joining the EU and accession itself played an important role in the peaceful transition of candidate countries to democracy and social market economies. The eastern enlargement facilitated overcoming the ideological division of Europe created by the Cold War and represented a decisive step towards greater stability and shared prosperity in Europe.

In the process, the EU grew to encompass more than 507 million citizens. It has 24 official languages, including Irish Gaelic since 2007. Moreover, diverse regional languages have been recognised by the EU, for example, Catalan and Basque. The member states also have the right to apply for translations of certain documents into these regional languages.

However, where does Europe end? Where do the boundaries lie? This question arises in particular with regards to the east, where further countries have expressed interest in accession. The acceptance of potential candidates is subject to strict political, economic, and legal conditions, known as the Copenhagen criteria. Increasingly, the criterion of «integration capacity» of the EU will be a decisive factor in the enlargement process. With a growing number of member states, the Union must also ensure that it retains its ability to take actions and decisions, to comply with cost and budget plans and to effectively implement joint policies.

Enlargement process: next steps

In 2003 the EU extended the prospect of joining the EU to the Western Balkan countries, provided that the candidate countries fulfil the necessary criteria. The accession of Croatia has proven the credibility of this course. The EU is already negotiating accession with Serbia and Montenegro. For Albania, North Macedonia, Bosnia and Herzegovina and Kosovo, accession may be on the horizon. Within the EU, apart from that of the Balkan states, there is also controversy over Turkey's accession: although accession negotiations started in 2005, the Commission's latest accession report on the situation in Turkey speaks, among other things, of a serious step backwards by Turkey regarding the independence of the judiciary and freedom of expression in the country.

Foreign policy

Since its founding in the post-Second World War years, the European Union has gradually expanded its foreign policy. Through a joint approach in foreign and security policies, EU member states have pursued concerted action to safeguard the fundamental interests, values, safety, independence, and integrity of the Union. In its foreign and security policy, the EU has set itself the task of preserving peace, strengthening international security, and promoting international cooperation, as well as of developing and consolidating democracy, the rule of law, and respect for human rights and basic freedoms.

In the 1970s the EU began providing worldwide humanitarian assistance to those in need and has since come to play a leading role in the field, particularly in development aid and emergency assistance

following natural disasters, steering more than half of its global development aid to this area. In 1993, the EU established a Common Foreign and Security Policy (CFSP) within the framework of the Treaty of Maastricht to decide upon joint measures. Important decisions require unanimity by all member states in the European Council or the Council of the European Union. Under the Treaty of Lisbon (2009), responsibility for implementation of the CFSP is held by the European External Action Service (EEAS) under the leadership of the High Representative of the Union for Foreign Affairs and Security Policy, as well as the diplomatic services of the EU member states.

Given the serious conflicts in the Balkans and Africa in the 1990s, the forging of a common defence policy increasingly became the focus of the CFSP. For this reason the European Security and Defence Policy (ESDP) was created as an integral part of the CFSP. It was later transferred to the Common Security and Defence Policy (CSDP) in the Treaty of Lisbon (2009). Today, military troops or police forces may be deployed by the CSDP to carry out crisis management and peacekeeping missions. Currently, the EU is implementing 17 civilian and military peacekeeping missions aimed at capacity building in the army, police, customs and judiciary, where this is requested by the states concerned. In this context, the EU often works closely with international organisations and third countries. Switzerland is currently involved in the 'EUFOR Althea' military operation in Bosnia and Herzegovina and in the 'EULEX' civilian mission in Kosovo. The collaboration is selective and based on voluntary ad hoc agreements. It is compatible with Swiss neutrality. The prerequisite for participation in military CSDP missions is that there is a mandate from the UN or the OSCE.

Treaty of Lisbon

In October 2004 the European Council signed the Treaty establishing a Constitution for Europe, the goal of which was to create a constitution for Europe to replace the multitude of existing treaties and more clearly restructure the legal foundation of the EU. The aim was to make the EU more efficient in decision-making, more transparent, more democratic, and closer to citizens. But in May and June 2005 the Constitutional Treaty was rejected in popular referendums in France and the Netherlands. In June 2007 the heads of state and governments of the EU member states agreed in principle to replace the original Constitutional Treaty with a new EU Reform Treaty.

Treaty of Lisbon: key points

- *Proximity to citizens and democracy:* The European Parliament, which represents the citizens of the EU, received more co-decision rights. The European Citizens' Initiative makes it possible for citizens who have gathered one million signatures from nationals of at least one-quarter of the EU member states to call directly on the EU Commission to make a legislative proposal. Furthermore, the Charter of Fundamental Rights is declared legally binding by reference to the Treaty on European Union (TEU).
- *Capacity to act and transparency:* The use of qualified majority voting in the Council of Ministers has been expanded to more policy areas and newly defined. Taking effect in 2014 and gradually implemented until 2017, qualified voting majority refers to a double majority of at least 55% of all member states comprising at least 65% of the population. The European Council gained the status of an independent EU institution headed by a specifically appointed president. The president is appointed for a two and a half year term and may be reappointed once. The post of High Representative of the Union for Foreign Affairs and Security Policy has been newly created to be the main coordinator of EU foreign policy. The High Representative is assisted by the European External Action Service (EEAS), which commenced work on 1 December 2010. The EEAS is composed of officials of the EU and the national diplomatic services of member states. The purpose of this structure was to make EU foreign policy more coherent and consistent.
- *Simplification of structure:* The three-pillar system of the EU has been merged into the EU. The EU has obtained a consolidated legal personality, which allows it to enter into contracts with third countries such as Switzerland.
- *Federalism and division of powers:* The division of competences between the EU and its member states has been clarified and simplified. At the same time, the role of national parliaments in the EU's legislative process has been strengthened.
- *Charter of Fundamental Rights:* The Charter of Fundamental Rights of the European Union was legally equated to the EU Treaties by the Treaty of Lisbon. It has since become binding for all member states in the application of EU law.

The most important institutional innovations of the Constitutional Treaty were maintained so that the decision-making ability, efficiency, and proximity to the citizenry would be adequately guaranteed in a growing EU. On 13 December 2007, the EU member states signed the new treaty in Portugal, which became known as the Treaty of Lisbon. The treaty was to be ratified by all member states by 2009. However, in the first vote on the treaty, in June 2008, Irish voters rejected it. Following concessions made by the European Council to Ireland, the Irish government called a new vote on 2 October 2009, in which the treaty was endorsed. After ratification of the treaty by Poland and lastly the Czech Republic, it came into force on 1 December 2009.

The Treaty of Lisbon did not replace earlier treaties. Instead, it amended the treaties that form the constitutional basis of the EU, which were newly

renamed the Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU). The Treaty of Lisbon abolished the existing three-pillar model and replaced the European Community with the European Union. The Treaty of Lisbon created the post of a permanent President of the European Council (committee of heads of state and government). The President chairs EU summits, which are held at least four times a year. In the area of Common Foreign and Security Policy, the High Representative of the Union for Foreign Affairs and Security Policy, together with the President of the European Council, represents the EU's foreign policy. The High Representative is also one of the Vice-Presidents of the European Commission. Whereas the European Council now has a permanent president who is elected for two and a half years (with the possibility of a single extension of this term), the Council of the EU (committee of ministers in various constellations, also referred to as the Council or Council of Ministers, has continued with a semi-annual rotating presidency held by a member state. The Foreign Affairs Council is an exception; it is chaired by the High Representative of the Union for Foreign Affairs and Security Policy.

Institutions

European Council

The European Council is the highest political steering committee of the EU. It is composed of the heads of state or government of the member states, the President of the European Commission, and its own President. The European Council defines the general political priorities of the EU and provides important momentum for its development. It also decides on the foreign policy positions of the EU. The European Council has had a permanent President since the Treaty of Lisbon entered into force. The President does not hold any other political office: his or her task is to ensure the continuity of the work of the European Council, which meets at least four times annually.

<http://www.european-council.europa.eu/home-page?lang=en>

Council of the European Union

The Council of the European Union – also known as the Council of Ministers or the Council – is the central legislative and decision-making body of the EU. The Council adopts new EU legislation, usually together with the Parliament, and concludes international agreements on behalf of the EU. The members of the Council of Ministers are ministers of the member states but not fixed as such: each country sends the minister for the policy being discussed

(i.e. the agricultural minister on agricultural issues). The presidency of the Council is rotated every six months among member states. Most decisions are taken by a qualified majority (ordinary legislative procedure). The Council of Ministers adopts the general annual budget jointly with the European Parliament. <http://www.consilium.europa.eu/homepage?lang=en>

European Parliament

Since 1979 the citizens of the EU member states have directly elected their representatives to the European Parliament for a five-year term. It is a professional parliament with a total of 751 members elected across the 28 member states of the enlarged European Union. The Parliament meets in its entirety one week per month in Strasbourg and three weeks per month in Brussels. The seating arrangement in the hall is based on party affiliation, not nationality. The European Parliament was given significantly more power under the Treaty of Lisbon, for instance it was recently delegated the authority to approve EU agreements with third countries. The Parliament shares decision-making authority with the Council of Ministers with regard to the creation of new EU law and the adoption of the general budget. The Council of Ministers is a controlling organ in that it approves or rejects the appointment of the Commission as a whole, and has the power to force the Commission as a body to resign. <http://www.europarl.europa.eu/portal/en>

European Commission

The European Commission is responsible for the day-to-day administration of the EU. It has the sole right to formally propose new EU legislation, but it is the European Parliament and the Council of Ministers that jointly adopt it. The European Commission manages common EU policies, for instance, in the areas of agriculture and regional politics. It also monitors member states' compliance with EU law and the budget. The President of the European Commission is chosen by the governments of member states,

while the other commissioners are designated by their respective national governments and confirmed in consultation with the European Commission President. The European Parliament approves the choice of EC commissioners and President as a collegium. http://ec.europa.eu/index_en.htm

Court of Justice of the European Union

The Court of Justice of the European Union, CJEU (formerly known as the European Court), was renamed under the Treaty of Lisbon. Based in Luxembourg, it is the highest judicial authority of the EU. The Court is responsible for ensuring that EU legislation and treaties are uniformly interpreted and applied. The CJEU consists primarily of the Court (28 judges and 8 advocates-general) and the Court of First Instance (28 judges). The judges and advocates-general are appointed by the governments of the member states for six-year terms. http://curia.europa.eu/jcms/jcms/Jo2_6999/

European Court of Auditors

The European Court of Auditors has its seat in Luxembourg and is responsible for auditing the revenues and expenditures of EU institutions. It checks for sound financial management and assists the Council of Ministers and the European Parliament with budgetary and accounting matters. <http://www.eca.europa.eu/en/Pages/ecadefault.aspx>

European Central Bank

The European Central Bank (ECB), headquartered in Frankfurt am Main, is responsible for the monetary policy of the Economic and Monetary Union, the euro area. The aim of ECB policy is to maintain price stability within the euro area, to support economic growth and thereby to secure jobs. The ECB is managed by an executive board composed of six members who are elected for a term of eight years. The members may not be re-elected. The executive board is supported by a governing council and a general council. <https://www.ecb.europa.eu/ecb/html/index.en.html>