

European Union

[UPSC Notes]

What is the European Union?

The European Union or EU is an international organization of 27 European countries with unique economic, social, and security policies.

Of the 27 countries, 19 use the euro as their official currency. Bulgaria, Croatia, the Czech Republic, Denmark, Hungary, Poland, Romania, Sweden, and the United Kingdom are the countries that do not use the euro. The European Union has been seen recently in the news as it was officially declared by the European parliament to be an LGBTIQ freedom zone on 11 March 2021.

EU - European Union Highlights	
EU Members	There are 27 countries in the European Union after UK left the EU on 31 January 2020
European Union Headquarters	Brussels (Belgium)
EU President	Roberta Metsola is the European Union President from 18 January 2022
Current European Council President	Charles Michel [His term will expire in December 2022]
EU Official Language	EU has 24 official languages
European Union Countries	Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.

Objectives of the European Union

The major objectives of the EU are mentioned below.

- Promote peace, values, and well-being of all the members of the European Union and citizens of the countries of the European Union.
- provide freedom, security, and justice to all the European Union members.
- Respect the cultural and linguistic diversity among the members of the European Union.
- to strengthen the social, economic, and political organization
- To enhance economic integration by creating a single currency, the EURO, in all the economic transactions among European Union members.
- To promote scientific and technological progress.

History of the European Union

European integration was seen as a cure for excessive nationalism after the second world war, which had devastated the continent.

- The European Union is based on the ideas of Immanuel Kant and Richard Cobden. Immanuel Kant visualized a possible future in Europe where nations could live in perpetual peace. He suggested that free trade and the growth of democracy could be mechanisms to achieve this ideal.
- The EU is evolving within the framework of functionalism. Functionalism derives its inspiration from Cobden, who suggested keeping outside politicians.
- In modern times, the origin of the European Union can be attributed to the thoughts of French foreign minister Robert Schuman. He proposed the creation of the European Coal and Steel Company in 1950.
- The second person responsible for the European Union was Jean Monnet, the first chairman of the Coal and Steel Community. The idea was to start the integration process by integrating nations on the least conflicting issues. The driving seat was to be given to scientists and technocrats, not politicians.

Subsequent Developments in the Formation of the European Union

- **Benelux Treaty(1947):** Belgium, Netherland, and Luxembourg met in exile in London to establish the Benelux customs union.
- **Treaty of Brussels(1948):** France and Britain join Benelux. It has become a full-fledged Cooperative arrangement in Economic, social, cultural, and military spheres. This development provided the basis for the evolution of the European Union in later phases.
- **Schuman Plan(1950):** He proposed the creation of the European Coal and Steel Company by integrating France and Germany's coal and steel industries. He suggested that such an arrangement would result in the efficient use of these resources. At this point, only engineers and technicians were to be involved. Benelux and Italy later joined this organization. This was the first institution of the present-day European Union. Thus the three small and three large economies started working in specific sectors.

EU Treaty of Rome (1957)

This treaty created the European economic community. It was a major step in economic integration. Following is what the European Economic Community entails.

1. Free trade areas mean lifting tariff restrictions and allowing the movement of goods.
2. Customs Union: It means adopting a unified tariff concerning goods from outside.
3. Agriculture subsidies were a contentious issue. It was difficult to end the subsidy, so it was decided to extend it to all.
4. The Common Market: This was the ultimate aim of the European economic community. It means a free trade agreement and a customs union. In 1985, by the Schengen agreement, the movement of citizens was also allowed. It establishes that no passport will be required for European Union citizens to live, travel, work, and invest in Europe.

The Treaty of Rome also led to the evolution of another institution, "EURATOM". The purpose was to aid the development of nuclear energy and to coordinate research and development in this area.

Expansion of the European Union

In 1973, the European Union was expanded to include the UK, Denmark, and Ireland. Again, in 1981, Greece was added. In 1986, Portugal and Spain joined.

The expansion of the European Union was inevitable. It was necessary to realize the whole idea of European integration, but enlargement created problems. It was required, but at the same time, it also created difficulty in achieving further deepening of integration. The integration process has come to reflect two nations: Europhobes and Europhiles. Europhobes are against the further deepening of integration like Britain. It made things difficult, and no agreement could be concluded for more than a decade.

Single European Act, 1987

- The European process was not making any headway. Moving ahead with actualizing the idea of a single market has become almost necessary. Institutional reforms were essential as Europe was facing the USA and Japan. Thus, the Single European Act emerged.
- It created a single market to develop a comprehensive package known as "Europe 1992," which aimed to create a complete economic and monetary union.
- It also recognizes the Schengen Agreement. It tried to make some institutional changes. For example, it gave greater power to the European Parliament. Thus, the Single European Act was an outstanding achievement that resulted in the European Union's emergence.
- It was a step forward in the integration of Europe. It gave importance to supra-national principles. It shows that the nations are willing to work together and can achieve the goal of regional cooperation. This development shows that in the South Asian context, states like India and Pakistan must play a significant role.

European Union Maastricht Treaty

Maastricht Treaty 1992 was enforced in 1993, transforming the European community into the European Union. The European Union is a three-pillar structure. The three pillars of the European Union are

- European Community, comprising of the European Coal and Steel Company, Euratom, and the European Economic Community.
- The second pillar is justice and home affairs.
- The third pillar is the common foreign and security policy. It provided a formal structure for a member state to coordinate its policies. Their policies should be such that they are consistent with the European Union. The objective was to safeguard the values, interests, political identity, and integrity of the European Union.

The most important achievement of this treaty was the emergence of monetary union, which led to the adoption of the euro, the single European currency. This was the most profound attack on national sovereignty.

Lisbon Treaty of European Union

Lisbon treaty is vital to learn for the exam as it is an international agreement that expresses the three fundamental principles of democratic equality, representative democracy, and participatory democracy. The European Union is now only composed of the EEC and EAEC, as the ECSC ceased in 2002. Lisbon treaty UPSC topic is a must to learn when learning for a civil exam,

European Union Membership

Since the expansion of the European Union was going to take place, European Union members decided on the Copenhagen Criteria, 1993 that states should possess for applying for European Union membership. and it is included.

- Democracy
- The Rule of Law
- Human Rights
- A functioning market economy
- Respect for minorities
- ability to apply EU rules and policies.

Decision-Making Bodies of the European Union

There are four crucial decision-making bodies of the European Union below.

European Parliament

The European Parliament consists of 705 members. The European Parliament is one of the three important legislative institutions of the European Union.

European Council

The European Council was established in 1975 as an informal summit, but later, after the Treaty of Lisbon, it became a formal institution in 2009.

European Commission

The European Commission of the European Union is an executive working arm responsible for managing the daily functioning of the union.

The Council of the European Union

The EU Council consists of ministers from each member country, and it has powers to address policies related to security.

Functions of the European Union

- The laws and regulations of the European Union are meant to create an environment so that goods can flow freely across the borders of its member nations without tariffs on one currency.
- Free trade agreements among its members were one of the European Union's founding principles. Beyond its borders, the European Union is also committed to liberalizing world trade.
- The European Union is the world's biggest trade bloc, the world's largest exporter of manufactured goods and services, and the largest import market for over 100 countries.
- The European Union also provides humanitarian aid in man-made and natural disasters worldwide.

Challenges of the European Union

- It is no longer self-evident that all the members of the European Union will stay in the union because the Treaty of Lisbon gave the members the right to leave the European Union.
- Negotiations have been complicated.
- Most of the referendums are closely contested.
- cultural challenge because of the immense diversity.
- Integration of eastern European members has brought challenges because of different historical experiences, ethnicity, and economic background.
- Russia does not want the eastward expansion of the European Union.
- Brexit has brought further challenges to the European Union because other countries have also started demanding referendums in their respective countries.

- Like the United States of America, the European Union has been forced to reconsider its relationship with a more assertive Russia, with implications for European security and stability.

European Union and India

- The European Union work closely with India to promote peace, generate employment, boost economic growth, and enhance sustainable development.
- At the 2017 European Union-India Summit, leaders reiterated their intention to strengthen cooperation on implementing the 2030 Agenda for sustainable development and agreed to explore the continuation of the European Union-India development dialogue.
- The European Union is the largest trading partner, accounting for 85 billion euros (95 billion USD) worth of trade in 2017, ahead of China and the USA.
- The EU's share of foreign investment inflows to India has more than doubled from 8% to 18% in the last decade, making the EU the largest foreign investor in India.
- Since 2007, there has been a free trade agreement between the EU and India.

European Union Currency

Currency Union UPSC topic is important to learn as it is a type of agreement among the union members to share a common currency. Currently, they are 19 countries that share Euro as a currency Union.