planning and building cities, ways of spending leisure time, attitudes towards the countryside, and even sides of the road on which to drive (the British, Irish, Cypriots, and Maltese drive on the left, everyone else on the right). Europeans also have differences in the way they govern themselves, and in what they have been able to achieve with their economies and social welfare systems.

Increasingly, however, Europeans have more in common. The economic and social integration that has taken place under the auspices of the European Union and its precursors since the early 1950s has brought the needs and priorities of Europeans closer into alignment. It has also encouraged the rest of the world to see Europeans less as citizens of separate states and more as citizens of the same economic bloc, if not yet the same political bloc. Not only has there been integration from the Mediterranean to the Arctic Circle, but the 'lands between' – which spent the cold war as part of the Soviet bloc and part of the buffer created by the Soviet Union to protect its western frontier – are now becoming part of greater Europe for the first time in their history. The result has been a fundamental redefinition of the idea of Europe. In the next chapter we will look at the steps taken by European governments to build the European Union, the underlying motives of integration, and the debates involved in the process.

Chapter 3

The Evolution of the EU

The idea of 'Europe' may have been with us for centuries, but serious efforts to promote voluntary European unity date back less than 60 years. It was only after the Second World War that the theories about the possible benefits of European integration were finally tested in practice. The critical first step was taken on 9 May 1950, at a press conference held at the French Foreign Ministry in Paris. To the attendant journalists, French foreign minister Robert Schuman announced a plan under which Europe's national coal and steel industries would be brought together under the administration of a single joint authority.

The European Coal and Steel Community was founded in 1952 with just six member states (France, West Germany, Italy and the three Benelux countries), but from this modest first step a complex process of experimentation, political action, opportunism, intrigue, crisis and serendipity would eventually lead to the European Union as we know it today. The original priorities were threefold: postwar economic construction, the desire to prevent European nationalism leading once again to conflict, and the need for security in the face of the threats posed by the cold war. At the core of this thinking was concern about the traditional hostility between France and Germany, and the argument that if these two could cooperate it might provide the foundations for broader European integration.

The next step was the creation in 1958 of the European Economic Community, with the same six members but a more ambitious set of goals. These included agreement on a common external tariff for all goods coming into the Community, the development of a single market, within which there would be free movement of people, goods, money, and services, and a common agricultural policy. As it became clear that the Community was working, other countries applied for full or associate membership. The first enlargement came in 1973 with the accession of Britain, Denmark, and Ireland, followed in the 1980s by Greece, Portugal, and Spain, and in 1995 by Austria, Finland and Sweden.

The single market was given a much-needed boost in 1986 with agreement of the Single European Act, setting a five-year deadline for removal of the remaining barriers. There was progress, too, on monetary union, with the launch in 1999 of the euro. Enlargement remained high on the agenda, the focus shifting to Eastern Europe. After lengthy preparations, 12 new mainly

Eastern European countries joined the EU in 2004–07, bringing membership to 27 and the population of the EU to nearly 490 million.

Along the way, progress was made on developing common policies on a wide range of issues, although those who hoped that Europe would play a more assertive and united role in foreign and security policy were to be disappointed. There was also disappointment for supporters of a new European constitution, which was drafted in 2005 but collapsed after negative public votes in France and the Netherlands. As this book went to press, agreement had been reached on a slimmed down Lisbon treaty that preserved most of the content of the constitutional treaty, aimed at making the larger EU more efficient. Meanwhile, many Europeans remain ambivalent about the European Union, and others are patently hostile. While some see strong signs of progress, others remain doubtful about the unfinished business on the European agenda, and about the direction of the road ahead.

Postwar Europe

The European Union was born out of the ruins of the Second World War. Before the war, Europe had dominated global trade, banking and finance, its empires had stretched across the world and its military superiority had been unquestioned. But Europeans had often fallen out with each other, and their conflicts undermined the prosperity that cooperation might have brought. Pacifists hoped that the Great War of 1914–18 might conclusively prove the futility and brutality of armed conflict, but it was to take yet another conflagration finally to convince Europeans that they needed to change how they related to each other if a lasting peace was to be achieved.

The Second World War left more than 40 million dead and widespread devastation in its wake. European cities lay in ruins, agricultural production was halved, food was rationed, and communications were disrupted by the destruction of bridges, railways and harbours. While the physical damage caused by the First World War had been relatively restricted, every country involved in this latest conflict sustained heavy casualties and physical damage. The war also dealt a near-fatal blow to Europe's global power and influence, clearing the way for the emergence of the United States and the Soviet Union as superpowers, and creating a nervous new bipolar balance in the distribution of international political influence.

Against this troubled background a number of European leaders began to champion the idea of European states setting aside their differences and building bridges of cooperation aimed at removing the causes of war, and perhaps even promoting European economic and political union. Their priorities were quite different: France and the Benelux countries sought security from Germany, Germany and Italy sought new respectability, Britain saw its primary interests

lying outside Europe, the Nordic states were pursuing their own cooperative plans, Portugal and Spain were marginalized and uninterested in regional cooperation, and Eastern Europe was under the political control of the Soviet Union. But while their domestic priorities were sometimes different, Western European governments quickly realized that changes taking place at the global level demanded new thinking. In July 1944, representatives from 44 countries – including the United States and all the allied European states – had met at Bretton Woods in New Hampshire to make plans for the postwar global economy. All agreed to an Anglo-American proposal to promote free trade, non-discrimination and stable exchange rates, and supported the view that Europe's economies should be rebuilt and placed on a more stable footing.

Because Europe's wartime resistance had been allied with left-wing political ideas, there was a political shift to the left after the war, with socialist and social democratic parties winning power in several European countries. Many of the new governments launched programmes of social welfare and nationalization, emphasizing central economic planning. Fundamental to this approach were the theories of the British economist John Maynard Keynes, who argued for government control over some aspects of the economy in order to manage the cycle of booms and busts. Keynesianism became the basis of postwar economic reconstruction and Western European governments increasingly intervened in their economies to control inflation and rebuild industry and agriculture. However, it soon became clear that substantial capital investment was needed to bolster reconstruction. The readiest source of such capital was the United States, which saw Europe's welfare as essential to its own economic and security interests, and made a large investment in the future of Europe through the Marshall Plan (see Box 3.1).

As one of the two new postwar superpowers, the United States also found itself playing the role of global policeman, its primary goal being to defend Western Europe (and ultimately itself) from the Soviet threat. Its assumptions that Europe had enough people, money and resources to recover from the war, and that the allies would continue to work together, both proved wrong (Urwin, 1995, pp. 13–14). Furthermore, its European allies were divided over how far they felt they could rely on the United States to defend them, and the doubters began to think in terms of greater European cooperation.

Most immediately, the western allies were undecided about what to do with Germany. In June 1948 they united their three zones of occupation into a new West German state with a new currency. The Soviets responded with a blockade around West Berlin, prompting a massive western airlift to supply the beleaguered city. The US Congress was resistant to direct American commitments or entanglements in Europe, but saw the need to counterbalance the Soviets and to ensure the peaceful cooperation of West Germany. In 1949 the North Atlantic Treaty Organization (NATO) was created, by which the United States agreed to help its European allies 'restore and maintain

Box 3.1 The Marshall Plan, 1948–51

US policy after 1945 was to withdraw its military forces as quickly as possible from Europe. However, it soon became clear that Stalin had plans to expand the Soviet sphere of influence, and the US State Department began to realize that it had underestimated the extent of Europe's economic destruction; despite a boom in the late 1940s, sustained growth was not forthcoming. When an economically exhausted Britain ended its financial aid to Greece and Turkey in 1947, President Truman argued the need for the United States to fill the vacuum in order to curb communist influence in the region.

US policy makers also felt that European markets needed to be rebuilt and integrated into a multilateral system of world trade, and that economic and political reconstruction would help forestall Soviet aggression and the rise of domestic communist parties (Hogan, 1987, pp. 26–7). Thus Secretary of State George Marshall argued that the United States should provide Europe with assistance to fight 'hunger, poverty, desperation and chaos'. The original April 1947 State Department proposal for the plan made clear that one of its ultimate goals was the creation of a Western European federation (quoted in Gillingham, 1991, pp. 118–19).

The European Recovery Programme (otherwise known as the Marshall Plan) provided just over $12.5 billion in aid to Europe between 1948 and 1951 (Milward, 1984, p. 94), the disbursement of which was coordinated by the Organization for European Economic Cooperation (OEEC), a new body set up in April 1948 with headquarters in Paris. Governed by a Council of Ministers made up of one representative from each member state, the OEEC's goals included the reduction of tariffs and other barriers to trade, and consideration of the possibility of a free trade area or customs union among its members. Opposition from several European governments (notably Britain, France, and Norway) ensured that the OEEC remained a forum for intergovernmental consultation rather than becoming a supranational body with powers of its own (Wexler, 1983, p. 209; Milward, 1984, pp. 209–10).

Although the effects of the Marshall Plan are still debated, there is little question that it helped underpin economic and political recovery in Europe, and helped bind more closely the economic and political interests of the United States and Western Europe. It was a profitable investment for the United States, in both political and economic terms, but it also had critical influence on the idea of European integration – as Western Europe's first venture in economic cooperation, it encouraged Europeans to work together and highlighted the mutual dependence among their economies (Urwin, 1995, pp. 20–2). It also helped liberalize intra-European trade, and helped ensure that economic integration would be focused on Western Europe.

the security of the North Atlantic area'. Canada, too, joined, along with the Benelux countries, Britain, Denmark, France, Iceland, Italy, Norway, and Portugal.

NATO members agreed that an attack on one of them would be considered an attack on all of them, but each agreed only to respond with 'such actions as it deems necessary'. The Europeans attempted to take their own defence a step further in 1952 by proposing the creation of a European Defence Community, but this failed after political opposition in Britain and France (see below). Nonetheless, Britain was anxious to encourage some kind of military cooperation, and invited France, West Germany, Italy, and the Benelux states to become founding members of the Western European Union (WEU), whose members agreed to give all possible military and other aid to any member that was attacked. The WEU went beyond purely defensive concerns, and the agreement signed by the seven founding members in Paris in October 1954 included the aim 'to promote the unity and to encourage the progressive integration of Europe'. Within days of the launch of the WEU in May 1955 and the coincidental admission of West Germany into NATO, the Soviet bloc created the Warsaw Pact. The lines of the cold war were now defined, and its implications were clearly illustrated by events in Egypt and Hungary in 1956.

In July, seeking funds to help him build a dam on the Nile, Egyptian president Gamal Abdel Nasser nationalized the Suez Canal, still owned and operated by Britain and France, and seen as vital to the international interests of both countries. Their governments immediately conspired with that of Israel to launch an invasion of the canal, in the face of hostile international public and political opinion, and – most tellingly – the ire of the Americans. Then, in October, the government of Imre Nagy in Hungary announced the end of one-party rule, the evacuation of Russian troops, and withdrawal from the Warsaw Pact. Just as Britain and France were invading Egypt to retake the Suez Canal, the Soviets were sending tanks into Hungary. The United States wanted to criticize the Soviet use of force and boast to the emerging Third World about the moral superiority of the west, but obviously could not while British and French paratroopers were storming the Suez Canal. In the face of US hostility, Britain and France were ostracized in the UN Security Council and the attempt to regain the Suez was abandoned.

The combined effects of the French defeat in Indochina in 1954, the Suez crisis and the Hungarian uprising were profound: Britain and France began to reduce the size of their armed forces, finally recognizing that they were no longer world powers capable of significant independent action in the Middle East, or perhaps anywhere; both embarked on a concerted programme of decolonization; Britain began to look to Europe for its economic and security interests; and it became obvious to Europeans that the United States was the dominant partner in the North Atlantic alliance, a fact that particularly concerned the French.

First steps towards integration (1945–58)

The priority for European leaders after the Second World War was to create the conditions that would prevent Europeans from ever going to war with each other again. For many, the major threats to peace and security were nationalism and the nation state, both of which had been discredited by the war. For most, Germany was the core problem – peace was impossible, it was argued, unless Germany could be contained and its power diverted to constructive rather than destructive ends. It had to be allowed to rebuild its economic base and its political system, but in ways that would not threaten European security.

Meanwhile, tensions between the United States and the Soviet Union led Europeans to worry that they were becoming pawns in the cold war. There was clearly a need to protect Western Europe from the Soviet threat, but there were also doubts about the extent to which Europeans and Americans could find common ground, and to which Western Europe could rely on US protection. Europe might be better advised to take care of its own security, but this would require a greater sense of unity and common purpose than it had ever been able to achieve.

The spotlight fell particularly on Britain, which had taken the lead in fighting Nazism and was still the dominant European power. In 1942–43, Winston Churchill had suggested the development of 'a United States of Europe' operating under 'a Council of Europe' with reduced trade barriers, free movement of people, a common military and a High Court to adjudicate disputes (quoted in Palmer, 1968, p. 111). He made the same suggestion in a speech at the University of Zurich in 1946, but it was clear that Churchill felt this new entity should be based around France and Germany and would not necessarily include Britain – before the war he had argued that Britain was 'with Europe but not of it. We are interested and associated, but not absorbed' (Zurcher, 1958, p. 6).

National pro-European groups decided to organize a conference aimed at publicizing the cause of regional unity. The key result of the Congress of Europe, held in The Hague in May 1948, was the Council of Europe, founded with the signing in London in May 1949 of a statute by ten Western European states. The statute noted the need for 'closer unity between all the like-minded countries of Europe' and included among the Council's aims 'common action in economic, social, cultural, scientific, legal and administrative matters'. Although membership of the Council expanded, however, it never became more than a loose intergovernmental organization, and was not the kind of body that European federalists wanted. Those looking for something more substantial included the French entrepreneur and postwar planner Jean Monnet (1888–1979) and French foreign minister Robert Schuman (1886–1963). Both were committed Europeanists, felt that practical steps needed to be taken that

went beyond the broad statements of organizations such as the Council of Europe, and agreed that the logical starting point should be the resolution of the perennial problem of Franco-German relations.

By 1950 it was clear to many that West Germany had to be allowed to rebuild its industrial base if it was to play a useful role in the western alliance. This would best be done under the auspices of a supranational organization that would tie West Germany into the wider process of European reconstruction. Looking for a starting point that would be meaningful but not too ambitious, Monnet opted for the coal and steel industries, because they were the building blocks of industry, because the heavy industries of the Ruhr had been the foundation of Germany's power, and because integrating coal and steel would make sure that West Germany became reliant on trade with the rest of Europe, underpinning its economic reconstruction while helping the French overcome their fear of German industrial domination (Monnet, 1978, p. 292). He knew from personal experience that intergovernmental organizations had a tendency to be hamstrung by the governments of their member states, and to become bogged down in ministerial meetings. To avoid these problems he proposed a new institution independent of national governments, which would be supranational rather than intergovernmental in nature.

The plan was announced by Robert Schuman at his May 1950 press conference. In what later became known as the Schuman Declaration, he argued that Europe would not be united at once or according to a single plan, but step by step through concrete achievements. This would require the elimination of Franco-German hostility, and Schuman proposed that French and German coal and steel production be placed 'under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe'. This would be 'a first step in the federation of Europe', and would make war between France and Germany 'not merely unthinkable, but materially impossible' (Schuman, quoted in Stirk and Weigall, 1999, p. 76).

Although membership of the new body was open to all Western European states, only four accepted: Italy, which wanted respectability and economic and political stability, and the three Benelux countries, which were small and vulnerable, had twice in recent memory been invaded by Germany, were heavily reliant on exports, and felt that the only way they could have a voice in world affairs and ensure their security was to become part of a bigger regional unit. The other Western European governments had different reasons for not taking part: Britain still had extensive interests outside Europe, exported little of its steel to the continent, and the new Labour government had recently nationalized Britain's coal and steel industries and did not like the supranational character of Schuman's proposal; Ireland was predominantly agricultural and tied economically to Britain; for Denmark and Norway the memories of German occupation were too fresh; Austria, Finland, and Sweden were keen on remaining neutral; and Portugal and Spain were dictatorships with little interest in international cooperation.

The lines of thinking now established, the governments of 'the Six' opened negotiations and on 18 April 1951 signed the Treaty of Paris, creating the European Coal and Steel Community (ECSC). The new organization began work in July 1952 after ratification of the terms of the treaty by each of the member states. It was governed by a nominated nine-member High Authority (with Jean Monnet as its first president), and decisions were taken by a six-member Special Council of Ministers. A nominated 78-member Common Assembly helped Monnet allay the fears of national governments regarding the surrender of powers, and disputes between states were to be settled by a seven-member Court of Justice.

The founding of the ECSC was a small step in itself, but notable in that it was the first time that European governments had transferred significant powers to a supranational organization. It was allowed to reduce tariff barriers, abolish subsidies, fix prices, and raise money by imposing levies on steel and coal production, its job made easier by the fact that some of the groundwork had been laid by the Benelux customs union (founded in 1948). Although the ECSC failed to achieve many of its goals (notably the creation of a single market for coal and steel), it had ultimately been created to prove a point about the feasibility of integration, which it did. But if the ECSC was at least a limited success, two much larger, more ambitious and arguably premature experiments in integration did not fare so well:

- The European Defence Community (EDC) was intended to promote cooperation on defence and bind West Germany into a European defence system. A draft treaty was signed by the six ECSC members in May 1952 but it failed to be ratified, mainly because the French were nervous about the idea of German rearmament so soon after the war and did not want to give up control over their armed forces. Also, Britain – still the strongest European military power – was not included, and there could be no workable European defence force without a common foreign policy (Urwin, 1995, p. 63).
- The European Political Community was intended as the first step towards a European federation. A draft plan was completed in 1953 but with the collapse of the EDC all hope of a political community died, at least temporarily.

The failure of these two initiatives was a sobering blow to the integrationists and sent shock waves coursing through the ECSC. Monnet resigned the presidency of the High Authority in 1955, disillusioned by the political resistance to its work and impatient to further the process of integration (Monnet, 1978, pp. 398–404).

The European Economic Community (1958–86)

Europeanists now took a different approach to their attempts to give momentum to the cause of integration. A meeting of the ECSC foreign ministers at Messina in Italy in June 1955 resulted in agreement to adopt a Benelux proposal 'to work for the establishment of a united Europe by the development of common institutions, the progressive fusion of national economies, the creation of a common market, and the progressive harmonization of their social policies' (Messina Resolution, in Weigall and Stirk, 1992, p. 94). A new round of negotiations led to the signing in March 1957 of the two Treaties of Rome, one creating the European Economic Community (EEC) and the other the European Atomic Energy Community (Euratom), both of which came into existence in January 1958. The EEC had a similar administrative structure to the ECSC, with a nine-member quasi-executive Commission, a Council of Ministers with powers over decision making, and a seven-member Court of Justice. A new 142-member Parliamentary Assembly was also created to cover the EEC, ECSC and Euratom; in 1962 it was renamed the European Parliament.

The EEC Treaty committed the Six to the creation of a common market within 12 years by gradually removing all restrictions on internal trade, setting a common external tariff for goods coming into the EEC, reducing barriers to the free movement of people, money, goods and services among the member states, developing common agricultural and transport policies, and creating a European Social Fund and a European Investment Bank. Action would be taken in areas where there was agreement, and disagreements could be set aside for future discussion. The Euratom Treaty, meanwhile, was aimed at creating a common market for atomic energy, but Euratom was to remain a junior actor in the process of integration and focused primarily on research.

By January 1958, then, the founding members of the European Communities had signed three treaties, created a network of joint institutions, and agreed a number of ambitious goals aimed at integrating many of their economic activities. But it was still an exclusive club of six, and the logic of enlargement became increasingly clear. Most obvious by its absence was Britain, which continued to think of itself as a world power. That notion was sent reeling by the 1956 Suez crisis, which made clear that most of the key decisions on global political and economic issues were being driven by the United States and the USSR. Britain was not opposed to European cooperation, but had doubts about what the EEC was trying to achieve, and instead championed a looser exercise in cooperation known as the European Free Trade Association (EFTA). With a goal of free trade rather than economic and political integration, EFTA was founded in January 1960 with the signing of the Stockholm Convention by Austria, Britain, Denmark, Norway, Portugal, Sweden, and Switzerland. EFTA helped cut tariffs, but achieved relatively little in the long term, mainly because several of its members did more trade with the EEC than with their EFTA partners.

It soon became clear to Britain that true political influence in Europe lay with the EEC, that it risked political isolation if it stayed out of the EEC, and that the EEC was actually working: the member states had made impressive economic and political progress and British industry wanted access to the rich EEC market. In August 1961, barely 15 months after the creation of EFTA, Britain applied for EEC membership, along with Denmark and Ireland, and they were joined in 1962 by Norway. Denmark's motive was mainly agricultural: it was producing three times as much food as it needed, and the EEC represented a big market for those agricultural surpluses, as well as a boost for Danish industrial development; Norway also realized the importance of the EEC market. Ireland saw EEC membership as a way of furthering its industrial plans, reducing its reliance on agriculture, and loosening its ties with Britain. With four of its members now trying to defect, EFTA ceased to have much purpose, so Austria, Sweden, and Switzerland all applied for associate membership of the EEC; they were followed in 1962 by Malta, Portugal, and Spain.

Negotiations between Britain and the EEC opened in early 1962, and appeared to be on the verge of a successful conclusion when they fell foul of Charles de Gaulle's Franco-German policy. De Gaulle had plans for an EEC built around a Franco-German axis, saw Britain as a rival to French influence in the Community, was upset that he had not been given equal status at the wartime summits of the allied powers, resented Britain's lack of enthusiasm for the early integrationist moves of the 1950s, and felt that British membership would give the United States too much influence in Europe. Monnet, however, was keen on British membership, and even tried to bring West German chancellor Konrad Adenauer around to his point of view, but the latter shared de Gaulle's anglophobia, and agreed that development of the Franco-German axis was the key. In the space of just ten days in January 1963 de Gaulle signed a new Franco-German treaty and vetoed the British application. Since it was part of a package with Denmark, Ireland and Norway, they too were rejected. Britain reapplied in 1967, but de Gaulle again vetoed its application. Following his resignation in 1969 Britain applied for a third time, and this time its application was accepted, along with those of Denmark, Ireland, and Norway. Following membership negotiations in 1970–71, Britain, Denmark, and Ireland finally joined the EEC in January 1973. Norway would have joined as well but a public referendum in September 1972 narrowly went against membership.

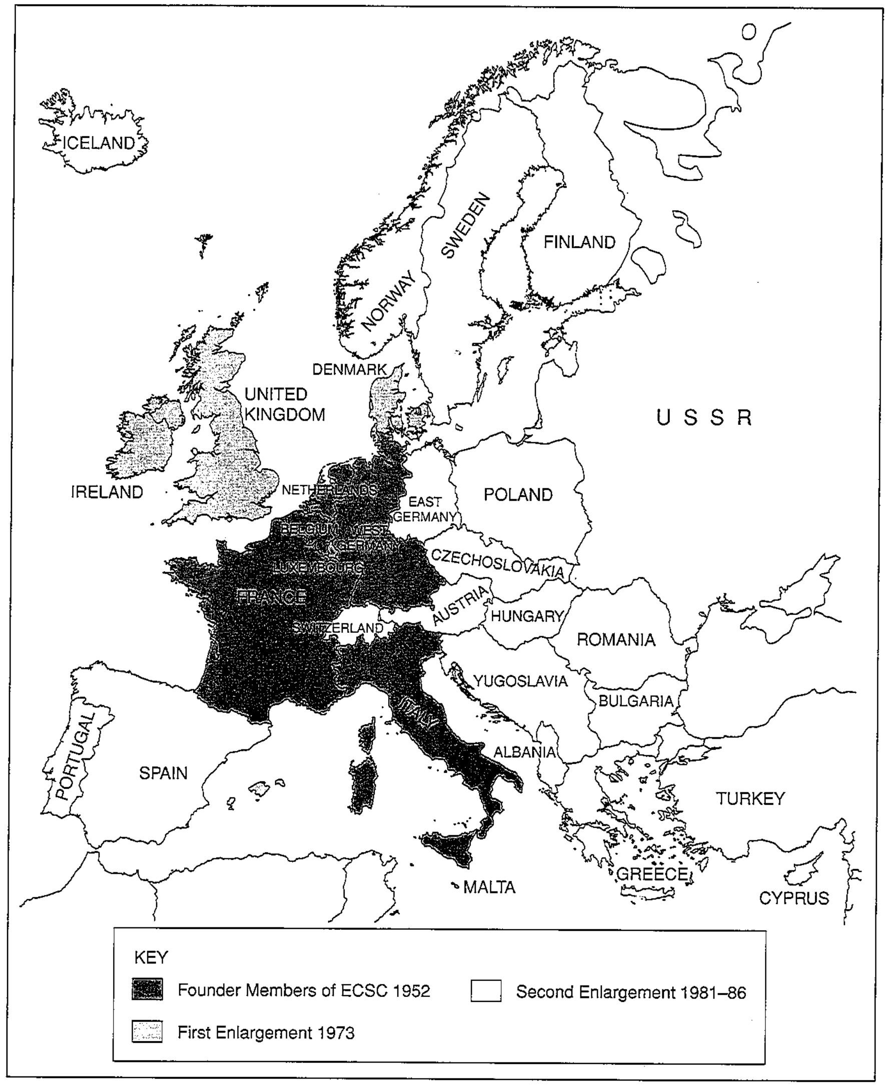
An additional round of enlargements in the 1980s pushed the borders of the EEC further south and west. Greece had made its first overtures to the EEC in the late 1950s, but had been turned down on the grounds that its economy was too underdeveloped. It was given associate membership in 1961 as a prelude to full accession, which might have come sooner had it not been for the Greek military coup of April 1967. With the return to civilian government in 1974, Greece almost immediately applied for full membership, arguing that EEC membership would help underpin its attempts to rebuild democracy. The Community agreed, negotiations opened in 1976, and Greece joined in January 1981.

Box 3.2 Early progress on the road of integration

Numerous problems were encountered in the early years of European integration, but there were also many achievements along the way:

- Although the 12-year deadline for the creation of a common market was not met, internal tariffs fell quickly enough to allow the Six to agree a common external tariff in July 1968, and to declare an industrial customs union.
- Decision making was streamlined in April 1965 with the Merger treaty, which combined into one the separate councils of ministers and commissions of the three communities. The decision making process was given both authority and direction by the formalization in 1975 of regular summits of EEC leaders coming together as the European Council. The EEC was also made more democratic with the introduction in 1979 of direct elections to the European Parliament.
- Integration meant the removal of the quota restrictions that member states had used to protect their domestic industries from competition from imported products. Intra-EEC trade between 1958 and 1965 grew three times faster than that with third countries (Urwin, 1995, p. 130), the GNP of the Six grew at an average annual rate of 5.7 per cent, per capita income and consumption grew at 4.5 per cent, and the contribution of agriculture to GNP was halved (Ionescu, 1975, pp. 150–4).
- In the interests of removing non-tariff barriers to the free movement of goods across borders – including different standards and regulations on health, safety and consumer protection – standards were harmonized during the 1960s and 1970s. It was not until the passage of the 1986 Single European Act, however, that a concerted effort was made to bring all EEC members into line.
- Another priority was to lift restrictions on the free movement of workers. While some limits remain even today, progress was made towards easing them during the 1960s and 1970s.
- Agreement on a Common Agricultural Policy (CAP) was achieved in 1968, creating a single market for agricultural products, and assuring EEC farmers of guaranteed prices for their produce. CAP initially encouraged both production and productivity, but it became increasingly controversial, not least because of its cost (see Chapter 8).
- The Six worked more closely together on international trade negotiations, achieving a joint influence that would have been missing if they had worked independently. The EEC acted as one, for example, in negotiations under the General Agreement on Tariffs and Trade (GATT), and in reaching preferential trade agreements with 18 former African colonies under the 1963 Yaoundé Convention (see Chapter 9).

Map 3.1 *Growth of the EU, 1952–86*



Meanwhile, Spain and Portugal had both requested negotiations for associate membership in 1962, but both were dictatorships. A preferential trade agreement was signed with Spain in 1970 and with Portugal in 1973, but it was only with the overthrow of the Caetano regime in Portugal in 1974 and the death of Franco in Spain in 1975 that EEC membership for the two states was taken seriously. Despite the relative poverty of both countries, problems over fishing rights, and concern about Portuguese and Spanish

workers moving north in search of work, the EEC felt that membership would encourage democracy in the Iberian peninsula and help link the two countries more closely to NATO and Western Europe. Negotiations opened in 1978–79 and both states joined in January 1986, the Ten thereby becoming the Twelve.

The doubling of membership had several political and economic consequences: it increased the global influence of the EEC, it complicated the Community's decision making processes, it reduced the overall influence of France and Germany, it altered the Community's relations with the United States and with developing countries, and – by bringing in the poorer Mediterranean states – it altered the internal economic balance of the EEC. Rather than enlarging any further, it was now decided to focus on deepening ties among the Twelve. Applications were made by Turkey (1987), Austria (1989), and Cyprus and Malta (1990), and although East Germany entered through the back door with German reunification in October 1990, there was to be no more enlargement until 1995.

Economic and social integration (1979–92)

By 1986 the EEC had become known simply as the European Community (EC). Its member states had a combined population of 322 million and accounted for just over one-fifth of all world trade. The EC had its own administrative structure and an independent body of law, and its citizens had direct (but limited) representation through the European Parliament. But progress towards integration remained uneven. The customs union was in place, but completion of the common market was handicapped by barriers to the free movement of people and capital, including different national technical, health, and quality standards, and varying levels of indirect taxation. It was also clear that there could never be a true single market without a common European currency, a controversial idea because it would mean a significant loss of national sovereignty and a significant move towards political union. These issues had now begun to concern EC leaders, who responded with the two critical initiatives: the launch of the European Monetary System, and the signature of the Single European Act.

The EEC treaty had mentioned the need to 'coordinate' economic policies, but had given the Community no specific powers to ensure this, so in practice coordination had been minimal. New momentum had been provided in 1969 by a change of leadership in France and West Germany: President Georges Pompidou was less averse than de Gaulle to strengthening EC ties and Chancellor Willy Brandt was in favour of monetary union. Turbulence in the international monetary system in the late 1960s gave the idea new urgency and significance, but EEC leaders disagreed about whether economic union or monetary union should come first (Urwin, 1995, p. 155). At a December 1969 summit in The Hague, Community leaders discussed the principle of economic and monetary union (EMU), and agreed to control fluctuations in the value of their currencies and to make more effort to coordinate national economic policies. In August 1971, however, the Nixon administration took the United States off the gold standard, and signalled the end of the Bretton Woods system of fixed exchange rates by imposing domestic wage and price controls and placing a surcharge on imports. This led to international monetary turbulence, which was exacerbated in 1973 by the Arab-Israeli war and the attendant global energy crisis. Because only West Germany, the Benelux countries, and Denmark were able to keep their currencies reasonably stable, the goal of achieving EMU by 1980 was shelved.

In 1979, a new initiative was launched in the form of the European Monetary System (EMS). Using an Exchange Rate Mechanism (ERM) based around an accounting tool known as the European currency unit (ecu), the EMS was designed to create a zone of monetary stability and to control fluctuations in exchange rates. The hope was that the ecu would become the normal means of settling debts among Community members, psychologically preparing them for the idea of a single currency. With this in mind, Commission president Jacques Delors decided in 1989 to take EMU a step further with the elaboration of a three-stage plan aimed at fixing exchange rates and turning the ecu into a single currency. His hopes were dashed, however, by speculation on the world's money markets, which caused Britain and Italy to pull out of the ERM, and Ireland, Portugal, and Spain to devalue their currencies. Ironically the crisis deterred speculation and reinforced currency stability, and EMU was back on track by 1994.

Meanwhile there was concern that progress towards the single market was being handicapped by inflation and unemployment, and by the temptation of member states to protect their home industries with non-tariff barriers such as subsidies. Economic competition from the United States and Japan was also growing. In response, a decision was reached at the 1983 European Council meeting in Stuttgart to refocus on the original core goal of creating a single market. The result was the signature in Luxembourg in February 1986 of the Single European Act (SEA), which came into force in July 1987. It had several goals, the most important of which was to complete all requirements for the single market by midnight on 31 December 1992. This involved agreeing and implementing nearly 300 new pieces of legislation aimed at the removal of all remaining physical barriers (such as customs and passport controls at internal borders), fiscal barriers (mainly in the form of different levels of indirect taxation) and technical barriers (such as conflicting standards, laws, and qualifications). This would create 'an area without internal frontiers in which the free movement of goods, persons, services and capital is assured'. The deadline came and went without all the new laws being adopted, but the

single market went into force in January 1993 with the understanding that the backlog of legislation would be cleared as soon as possible.

The effects of the SEA were profound:

- It created the single biggest market and trading power in the world. Many internal passport and customs controls were eased or lifted, banks and companies could do business throughout the Community, there was little to prevent EC residents living, working, opening bank accounts and drawing their pensions anywhere in the Community, EC competition policy was given new prominence, and monopolies on everything from electricity supply to telecommunications were broken down.
- It gave Community institutions responsibility over new policy areas that had not been covered in the Treaty of Rome, such as the environment, research and development, and regional policy.
- It gave new powers to the European Court of Justice, and created a Court of First Instance to hear certain kinds of cases and ease the workload of the Court of Justice.
- It gave legal status to meetings of heads of government under the European Council, and gave new powers to the Council of Ministers and the European Parliament.
- It gave legal status to European Political Cooperation (foreign policy coordination) so that member states could work towards a European foreign policy and work more closely on defence and security issues.
- It made economic and monetary union an EC objective and promoted 'cohesion', meaning the reduction of the gap between the richer and poorer parts of the EC.

Despite the signing of the SEA, progress on opening up borders was variable, and there was no common European policy on immigration, visas, and asylum. Impatient to move ahead, the governments of France, Germany, and the Benelux states in 1985 signed the Schengen Agreement, under which all border controls were to be removed among signatory countries. All 27 EU member states have now signed the agreement, along with Iceland, Norway and Switzerland, but not all have introduced truly passport-free travel (Britain has stayed out of most elements of Schengen, claiming its special problems as an island state, and Ireland has had to follow suit because of its passport union with Britain), and the terms of the agreement allow the signatories to implement special controls at any time. Nonetheless, its signature marked a substantial step towards the removal of border controls.

With all this focus on economic issues, social problems were often overlooked by European leaders. The Treaty of Rome provided for the development of a Community social policy, but this was left in the hands of the member states and was narrowly defined, emphasizing improved working conditions and standards of living for workers, equal pay for equal work among men and women, social security for migrant workers, and increased geographical and occupational mobility for workers. As the economic links among EEC member states tightened, however, so their different levels of wealth and opportunity became more obvious. Even in the mid-1960s, per capita GDP in the Community's ten richest regions was nearly four times greater than in its ten poorest regions. With the accession of Britain, Greece, and Ireland the gap grew to the point where the richest regions were five times richer than the poorest (George, 1996, pp. 143–4).

Cohesion policy has since focused on working to close the gaps by helping the poorer parts of Europe, revitalizing regions affected by serious industrial decline, addressing long-term unemployment, providing youth job training, and helping the development of rural areas. The Commission gives economic assistance in the form of grants from what are collectively known as structural funds. These include the European Social Fund (ESF) (which concentrates on youth unemployment and job creation), the European Regional Development Fund (ERDF) (set up in response to the regional disparities that grew when Britain and Ireland joined the Community), and the Cohesion Fund (which compensates the poorest EU member states for the costs of tightening environmental controls, and provides help for transport projects). The structural funds accounted for just 18 per cent of EC expenditure in 1984 but by 2007 represented nearly 45 per cent of EU spending (see Chapter 5).

The SEA made cohesion a central part of economic integration, the assumption being that although the single market would create new jobs, this would not be enough. New attention was drawn to social policy in 1989 with agreement of the Charter of Fundamental Social Rights of Workers (the Social Charter), which promoted the free movement of workers, fair pay, better living and working conditions, freedom of association, and protection of children and adolescents. Social issues are now one of the core policy areas for the European Union, with many of the actions taken by the governments of the member states driven by the requirements of EU law. The latter has addressed issues as varied as health and safety at work, parental leave from work, public health, and programmes to help the disabled and the elderly.

From Community to Union (1992–)

The controversial idea of political integration was long left on the back-burner because it was felt that there was little hope of political union without economic union, and political union in turn demanded cooperation on foreign policy. False starts had been made with the European Political Community and an attempt in 1961 to draw up a political charter that would spell out the terms of political union (the Fouchet Plan; see Urwin, 1995, pp. 104–7). Agreement was reached in 1970 on European Political Cooperation (EPC), a loose and

voluntary process revolving around regular meetings of the Community foreign ministers. It achieved some successes, such as a joint EC policy declaration on the Middle East and the signature of the Yaoundé Conventions on aid to poor countries, and was eventually given legal status with the SEA. But it was more reactive than proactive and often found European governments at odds with one another. The divisions were revealed by the 1990–91 Gulf crisis set off by the Iraqi invasion of Kuwait, when the Community as a whole issued demands to the Iraqi regime, and imposed an embargo on Iraqi oil imports, but few individual member states – other than Britain and France – played much role in the allied military response. The divisions were revealed again in 1998 when Britain was almost alone in supporting US threats of military action against Iraq.

Determined to reassert French leadership in the EC, President François Mitterrand had focused on the theme of political union at the Fontainebleau European Council in 1984, with the result that a decision was taken in Milan in June 1985 to convene an intergovernmental conference (IGC) on political union. The outcome was the Treaty on European Union, agreed at the European Council summit in Maastricht in December 1991 and signed by the foreign and economics ministers of the Community in February 1992. The draft treaty had included the goal of federal union, but Britain had balked at this so the wording was changed to 'an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizen'. The treaty had to be ratified by the 12 member states before it could come into force, and although doubts were raised by lengthy political debates in Britain, France, and Germany, the biggest setback came with its rejection by Danish voters in a referendum in June 1992. It was only narrowly accepted by a referendum in France in September, so its content was further discussed by the European Council, and following agreement that the Danes could opt out of the single currency, common defence arrangements, European citizenship, and cooperation on justice and home affairs, a second Danish referendum was held in May 1993 and the treaty was accepted.

Like the Single European Act before it, the Treaty on European Union – usually known as the Maastricht treaty – made some significant changes to the contract among the member states of the EU:

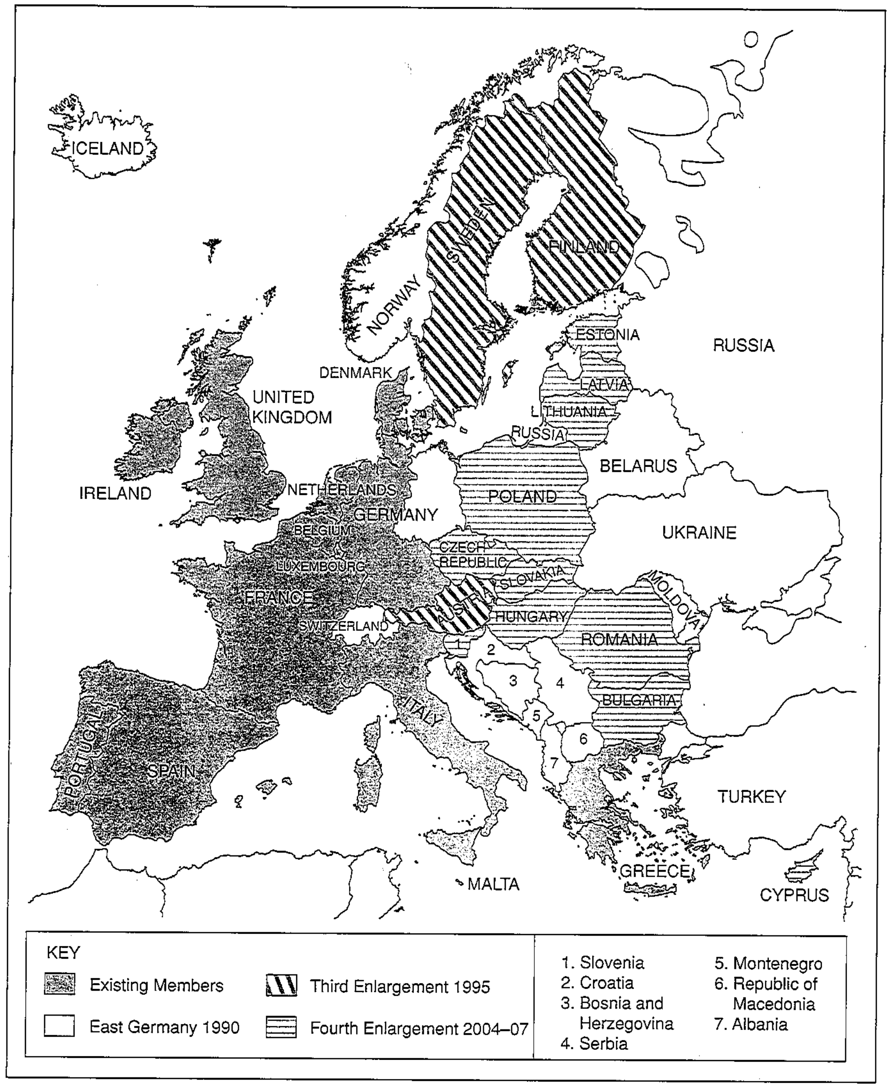
- Reflecting the lengths to which the member states will occasionally go to reach compromises, a peculiar arrangement was agreed by which – instead of new powers being given to the European Community – three 'pillars' were created, and the whole structure was given the new label 'European Union'. The first pillar consisted of the three pre-existing communities (economic, coal and steel, and atomic energy), and the second and third pillars consisted of areas in which there was to be more formal intergovernmental cooperation: a Common Foreign and Security Policy (CFSP), and justice and home affairs. Final responsibility for the CFSP remained with the individual governments rather than being handed over to the EU. The pillar arrangement is a diplomatic sideshow that is marginal to an understanding of the EU today.

- A timetable was agreed for the creation of a single European currency by January 1999, confirming in essence the plan outlined by Commission president Jacques Delors in 1989.
- EU responsibility was extended into new policy areas such as consumer protection, public health policy, transport, education, and (except in Britain) social policy.
- There was to be greater intergovernmental cooperation on immigration and asylum, a European police intelligence agency (Europol) was to be created to combat organized crime and drug trafficking, a new Committee of the Regions was set up, and regional funds for poorer EU states were increased.
- New rights were provided for European citizens and an ambiguous European Union 'citizenship' was created which meant, for example, the right of citizens to live wherever they liked in the EU, and to stand or vote in local and European elections.
- New powers were given to the European Parliament, including a 'codecision procedure' under which certain kinds of legislation are subject to a third reading in the European Parliament before they can be adopted by the Council of Ministers.

Meanwhile enlargement was still on the agenda, the end of the cold war leading to a new focus on expansion to Eastern Europe. At its June 1993 meeting in Copenhagen, the European Council agreed a formal set of requirements for membership of the EU. Known as the Copenhagen conditions, they require that an applicant state must (a) be democratic, with respect for human rights and the rule of law, (b) have a functioning free market economy and the capacity to cope with the competitive pressures of capitalism, and (c) be able to take on the obligations of the *acquis communautaire* (the body of laws and policies already adopted by the EU). Deciding whether applicants meet these criteria has proved difficult, not least because of the problem of defining 'Europe' (see Chapter 2).

Throughout the 1980s, discussions about enlargement centred on other Western European states, if only because they came closest to meeting the criteria for membership. In order to prepare prospective members, negotiations began in 1990 on the creation of a European Economic Area (EEA), under which the terms of the SEA would be extended to the seven EFTA members, in return for which they would accept the rules of the single market. The EEA came into force in January 1994, but quickly lost relevance because Austria, Finland, Norway, and Sweden had applied for EC membership. Negotiations with these four applicants were completed in early 1994, and all but Norway (where a referendum once again went against membership) joined the EU in January 1995.

Map 3.2 *Growth of the EU, 1990–2007*



Their accession left just three Western European countries outside the EU: Iceland, Norway and Switzerland. Iceland relies largely on the export of fish and does more than half its trade with the EU, and so has found the logic of joining the EU increasingly difficult to resist. Should it join, it would – with a population of just 300,000 people – be the smallest EU member state. In Norway, much of the early opposition to EU membership – based on factors such as fear of lowered environmental standards and concern about the power of large member states – has dissipated, and Norway continues to keep pace with economic and foreign policy developments in the EU, and to be impacted by EU developments through its membership of the EEA. Switzerland, which had considered applying for EC membership in 1992, rejected the EEA that same year and in 1995 found itself completely surrounded by the EU. Demands for the Swiss to open their highways to EU trucks and intra-EU trade increased the pressure for EU membership, but further discussion ended in March 2001 when a national referendum went heavily against EU membership.

Partly in preparation for anticipated eastern enlargement, but also to account for the progress of European integration and perhaps move the EU closer to political union, two new treaties were signed in 1997–2000. The first was the Treaty of Amsterdam, which was signed in October 1997 and came into force in May 1999. It fell far short of achieving political union to accompany the economic and monetary union promoted by the SEA and Maastricht, and the 15 leaders were unable to agree anything more than modest changes to the structure of EU institutions in preparation for enlargement. Policies on asylum, visas, external border controls, immigration, employment, social policy, health protection, consumer protection, and the environment were developed, cooperation between national police forces (and the work of Europol) was strengthened, and improvements were made to the arrangements for EU foreign policy. There was also agreement on the goal of a single European currency, and on the principle of eastern enlargement.

Less radical than either the SEA or Maastricht, the key goal of the Treaty of Nice – agreed in December 2000 and signed in February 2001 – was to make the institutional changes needed to prepare for eastward enlargement, and to make the EU more democratic and transparent. It proved to be a disappointment, though, doing little more than tinkering with the structure of the institutions, including increasing the size of the European Commission and the European Parliament, and redistributing the votes in the Council of Ministers. European leaders were taken by surprise in June 2001 when Irish voters rejected the terms of the treaty, its opponents arguing that it involved the surrender of too much national control, and being particularly concerned about the implications for Irish neutrality. A second vote was taken in Ireland in October 2002, following assurances that Ireland's neutrality on security issues would be respected, and – thanks in part to bigger turnout – the treaty was accepted by a 63 per cent majority. Nice came into force in February 2003.

Meanwhile, the EU took a dramatic step forward on the economic front with the final adoption of the single currency. A decision had been taken in 1995 to call it the euro, and the timetable agreed under Maastricht required participating states to fix their exchange rates in January 1999. Several so-called 'convergence criteria' were considered essential prerequisites: these included placing limits on national budget deficits, public debt, consumer inflation, and long-term interest rates. At a special EU summit in May 1998

Box 3.3 The failed European constitution

The Treaty of Nice came into force in February 2003, but the changes it introduced went largely unnoticed because there had already been broader discussions about the need to make the EU more democratic and to bring it closer to its citizens. At the Laeken European Council in December 2001 it was decided to establish a convention to debate the future of Europe, and to draw up a treaty containing a constitution designed to simplify and replace all the other treaties, to decide how to divide powers between the EU and the member states, to make the EU more democratic and efficient, to determine the role of national parliaments within the EU, and to pave the way for more enlargement.

The Convention on the Future of the European Union met between February 2002 and July 2003 under the presidency of former French president Valéry Giscard d'Estaing, with 105 representatives from the 15 EU member states and the 13 applicant Eastern European and Mediterranean countries, as well as representatives from each of the 28 national parliaments, and from the European Parliament. The convention considered numerous proposals, including an elected president of the European Council, a foreign minister for the EU, a limit on the membership of the European Commission, a common EU foreign and security policy, and a legal personality for the EU, whose laws would cancel out those of national parliaments in areas where the EU had been given competence. It took two European Council meetings (December 2003 and June 2004) to reach agreement on the draft treaty, which had then to be put to public referendums or government votes in every EU member state.

Lithuania became the first country to ratify through a parliamentary vote in November 2004, and Spain became the first to ratify through a national referendum in February 2005. But there were already clear signs of political and public resistance in several countries, the popular expectation being that the treaty was unlikely to survive a referendum in Eurosceptical Britain. But it was left to the French and the Dutch – both founding members of the European Union – to stop the process in its tracks, with negative votes in national referendums in May and June 2005 respectively. Several explanations for the votes were offered, including concerns in France about the economic effects of further integration, worries about increased immigration from Eastern Europe, and the unpopularity of the French and Dutch governments (which both favoured the treaty).

The negative votes led to widespread predictions of institutional collapse and loss of strategic direction, but the EU survived and continued to function, while worried discussions were held about the next step. At the European Council in June 2007 it was decided to save as many elements as possible of the constitution, and to reformulate them into a new treaty designed mainly to adjust the institutional structure of the EU to account for enlargement. As this book went to press, a new treaty of Lisbon had been agreed and signed, the goal being to have it ratified by all member states before the June 2009 European Parliament elections.

it was decided that all but Greece met the conditions, but public and political opinion in the member states was divided on which should or would fix their exchange rates. While inflation rates were low in the member states, unemployment rates were not, and the rate of industrial growth was slowing in several. There was also considerable public resistance to the idea of the single currency in several countries, notably Britain and Germany. In the event, all but Denmark, Sweden, and the UK adopted the euro, banknotes and coins began circulating in January 2002, and the 12 members of the euro zone abolished their national currencies in March.

At the same time, the identity of the EU on the global stage was undergoing something of a transformation. European leaders had been embarrassed by their divisions over the 1990–91 Gulf War, and then by their failure to provide leadership in responding to the violent breakup of Yugoslavia in 1991–95 (see Chapter 9 for more details). But EU policy succeeded in Eastern Europe, where it took the lead on post-cold war reconstruction, helping former Soviet bloc states to make the transition to democracy and free markets. Meanwhile, the role of the US in EU affairs was declining, as reflected in the fallout from the 2003 US-led invasion of Iraq, which may be shown by history to have been the event that pulled the EU out of the foreign policy lethargy into which it had fallen. EU governments were divided in their response – Britain, Italy and Spain led the support for the invasion, and France and Germany led the opposition – but far more significant was the unity of public opposition throughout the EU to the war, and US leaders were taken aback by the openness with which the US was criticized by hostile EU governments. The shape of the EU on the radar of international relations was given new clarity, new appreciation meanwhile grew for its remarkable powers in global trade, and new attention has since been paid to US–EU differences over the priorities of defence and security policy.

In May 2004, the EU undertook its most significant enlargement when ten Eastern European and Mediterranean states joined: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia. Together their economies were smaller than that of the Netherlands, and they increased the population of the EU by less than 20 per cent; the real significance of the 2004 enlargement lay in the fact that the EU was no longer an exclusive club for wealthy west Europeans. The East was now included, and – for the first time – former Soviet republics (Estonia, Latvia, Lithuania) became part of the European Union. As well as providing an important symbolic confirmation of the end of the cold war division of Europe, the 2004 enlargement also promised to accelerate the process of transforming the economies and democratic structures of Eastern European countries. The trends continued in January 2007 when Bulgaria and Romania joined the EU, a development widely seen as a second phase of the 2004 enlargement. Croatia, Macedonia and Turkey have also been accepted as 'candidate countries' (meaning that negotiations on membership are under way), and little trouble is anticipated except in the case of Turkey (see Box 2.2).

Four out of five Europeans are now residents of the EU, and although there has been recent evidence of 'enlargement fatigue', and declining enthusiasm for further short-term expansion, at least 12 more countries qualify in principle for future membership. Even outside the EU they find it hard to resist the economic and political pull of their giant neighbour; not only are the cold war divisions of Western and Eastern Europe almost gone, but the distinction between the EU and Europe is also fading away. Slovenia joined the euro zone in January 2007, and Cyprus and Malta in January 2008, and other Eastern European states are expected to follow as soon as they are ready.

Conclusions

Europe has travelled a long and uneven road since the end of the Second World War. At that time, most European states were physically devastated, the suspicions and hostilities that had led to two world wars in the space of a generation still lingered, Western Europe found itself being pulled into a military and economic vacuum as power and influence moved outwards to the United States and the Soviet Union, and Eastern Europe came under the political and economic control of the Soviet Union. The balance of power in the west changed as an exhausted Britain and France dismantled their empires and reduced their militaries, while West Germany rebuilt and eventually became a dominant force in European politics. Intent on avoiding future wars, and concerned about being caught in big-power rivalry, Western European leaders began considering new levels of regional cooperation, pooling the interests of their states, and helping give the region new confidence and influence.

Beginning with the limited experiment of integrating their coal and steel industries, and building on an economic foundation and security shield underwritten by the United States, six European states quickly agreed a common agricultural policy, a customs union, and the beginnings of a common market. The accession of new members in the 1970s and 1980s greatly increased the size of the Community's population and market, pushing its borders to the edge of Russia and the Middle East. The global economic instability that followed the end of the Bretton Woods system and the energy crises of the 1970s served to emphasize the need for Western European countries to cooperate if they were to have more control over their own future rather than simply to respond to external events.

After several years of relative lethargy the European experiment was given new impetus by completion of the single market, and then by the controversial decision to stabilize exchange rates as a prelude to the abolition of national currencies and the adoption of a single European currency. At the same time, the European Union increasingly showed a united face to the rest of the world, with more cooperation on foreign and trade policy (along with some embarrassing disagreements along the way), and the seeds of a European defence capacity. The effects of integration have been felt in a growing number of policy areas, including agriculture, competition, transport, the environment, energy, telecommunications, research and development, working conditions, culture, consumer affairs, education, and employment.

The 2003 controversy over Iraq drew new attention to the place of the EU in the international system, while the 2004–06 eastern enlargement had an important impact on the personality of the EU, making it more truly an exercise in European integration. The failure of the European constitution proved a disappointment to many, but it had nothing like the deleterious effect on the functioning of the EU that pessimists predicted. As Europe looked back from the fiftieth anniversary of the signing of the Treaty of Rome in March 2007, it could draw much satisfaction from its achievements, but there was also cause for concern at the work that remained to be done, and at the doubts that remained to be overcome.

Chapter 4

The European Institutions

As the European Union has grown, so have the powers and the reach of its institutions. Unfortunately, their construction has been driven by short-term needs, internal competition, and political compromises, without much long-term sense of what the 'government' of the EU should eventually become. The result has been a fluid network of institutions that most observers of the EU, and most European political leaders, refuse to describe as a European government. The member states still hold most of the decision making powers, and are responsible for implementing EU policies on the ground. For some, the EU is best described using terms such as *multi-level governance*, and is best thought of as a powerful international organization. For others, it is reasonable to think of the EU as a full-fledged political system, and to study it by looking at its executive, legislative and judicial functions.

The EU institutions can be compared with the governing bodies of the member states, even if there are few direct equivalents. The College of Commissioners is something like a cabinet of ministers, but not quite. The European Parliament has some of the powers of a conventional legislature, but not all. The European Commission is a bureaucracy responsible for drafting and executing the laws and regulations of the EU, but it is also much more. The European Council and the Council of Ministers are like nothing found in most national governments, although they can be compared in some ways to an upper chamber of a legislature. The Court of Justice is the only institution to directly parallel those found at the national level – it has most of the features of a typical constitutional court.

To summarize very briefly, the work of the major institutions: the European Commission develops proposals for new laws and policies, on which final decisions are taken by the Council of Ministers and the European Parliament. Once a decision is made, the European Commission is responsible for overseeing implementation by the member states. Meanwhile, the Court of Justice works to ensure that laws and policies meet the terms and spirit of the treaties, while the European Council brings the leaders of the member states together at periodic summit meetings to guide the overall direction of European integration. This brief outline does not reflect the many subtle nuances of European decision making, nor does it convey the many informal aspects of EU government: the differing levels of influence exerted by member states; the political and economic pressures that drive the decisions of the