

2

The European Union: Establishment and Development

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Reader's Guide

The focus of this chapter is the emergence of the European Communities in the 1950s, their evolution in the three decades thereafter, and the establishment and early development of the European Union (EU) in the 1990s. The chapter explores key developments in the first five decades of European integration and some of the tensions that have shaped them. It considers the ambitions of the architects and supporters of the European Communities and how their hopes played out as integration became a reality in the 1950s and 1960s. It looks at how the ambitions grew and how the process then lost momentum in the 1970s before the idea of a 'European union' was rekindled in the 1980s with the **Single European Act** (1986) and the **Single European Act**. These acted as catalysts for a new era of dynamic European integration with the **European Communities** at its core. The chapter then explores how, through the adoption and implementation of the **Treaty on European Union** (1992), the European Union was established. The chapter assesses the unique and incomplete form of the new 'union' and examines the impact of the reforms introduced by the **Treaty of Amsterdam** (1997) and the **Treaty of Nice** (2000) as the EU prepares itself for further enlargement and the challenges of the initial years of the twenty-first century.

2.1 Introduction

The European Union (EU) today is firmly established as the pre-eminent organization in the multi-faceted and dynamic process of European integration. It was not ever thus. The EU was formally established only on 1 November 1993, more than four decades after early efforts at promoting institutionalized cooperation between European states bore initial fruit with the establishment of the **Council of Europe** in 1949. The EU's emergence in the early 1990s should not therefore be seen as a radical and wholly new initiative of post-Cold War European politics even if its creation certainly gained some inspiration from the momentous events of 1989 in Central and Eastern Europe and the desire, according to the authors of its founding treaty, to establish 'firm bases for the construction of the future Europe'. The establishment of the EU in 1993 also needs to be viewed as a further stage in a process of ever closer integration between an increasing number of states. The roots of the process can be clearly traced back to the early years of European cooperation in the 1940s and in particular to the efforts of 'the Six'—Belgium, France, (West) Germany, Italy, Luxembourg, and the Netherlands—in the 1950s to establish new forms of **supranational integration** in a concerted effort to promote peaceful reconciliation and coexistence, economic growth and security, and social development.

This chapter explores two important and related developments. The first is the emergence of the European Communities created by 'the Six' in the 1950s and their evolution during subsequent decades. Here, the chapter notes the progress 'the Six' made in establishing supranational institutions, moving towards common policies and raising their ambitions for further economic and political integration. The chapter draws attention, however, to the fact that there was far from universal support for the activities of 'the Six'. States were divided over what forms and in what areas cooperation and integration should take place. Tensions existed over how far integration should go and who should be involved. And new divisions and tensions were created with the establishment of the Communities; rather than uniting 'Europe', integration was—initially at least—focused on a limited number of continental Western European states, with Western Europe split between an 'inner six' and an 'outer seven'. Over time, the core would expand as other states, the United Kingdom among them, joined 'the Six'; a process that would actually increase tensions within the

Communities and contributed, against a backdrop of industrial decline and economic recession in the 1970s, to a slowdown in integration. By the early 1980s, albeit with the Communities established, enlarged to ten members with two more soon to follow, and its institutions functioning, European integration had seemingly lost its dynamism. It appeared unlikely that the more ambitious hopes and aspirations of the architects and supporters of the Communities would be realized; any prospect of moving to a European 'union' appeared to have faded. In fact, the complete opposite occurred.

This leads to the second important development covered by the chapter: the establishment and early development of the EU in the 1990s. The chapter explores how the idea of 'European union' was rekindled in the 1980s with the **Single European Act** (1986) and the Single Market project acting as catalysts for a new era of dynamic Communities-based integration. It considers how, through 'Maastricht' and the adoption and implementation of the Treaty on European Union (1992), the European Union was established and assesses the unique and incomplete form of the new 'union'. The chapter outlines the original structure of the EU and how this was affected by certain key developments during its first decade and later. The chapter therefore examines not only the origins of the EU, but also the background to and content of the Treaty of Amsterdam (1997) and the Treaty of Nice (2000) as well as the launch of the economic and monetary union (EMU) in 1999. The chapter concludes with an assessment of what sort of union the EU had become by the turn of the twenty-first century, what hopes and aspirations its supporters had for it as EU leaders in 2000 launched a 'Future of Europe' debate, and as ideas of adopting a European constitution came to the fore.

2.2 Integration and cooperation in Europe: ambitions, tensions, and divisions

The EU owes its existence to the process of European integration that has been a defining feature of post-Second World War Europe. Ideas for European 'unity' did not simply emerge in the post-1945 period, however. Throughout the 1920s and 1930s and also during the war years, various proposals had been drafted for federal or pan-European union. Among these was **Altiero Spinelli's** 1941 **Ventotene Manifesto** 'For A

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BOX 2.1

1940	Apr	Ma
1950	Ma	Ma
1951	Apr	Ma
1952	Ma	Ma
1953	Ma	Ma
1954	Au	Ma
1955	Jun	Ma
1957	Ma	Ma
1958	Jan	Ma
1959	Nov	Ma
1960	Ma	Ma

Free and United Europe', a blueprint for a federation of European states. A number of political leaders and governments-in-exile were also considering ideas and plans for post-war integration. Consequently, when hostilities in Europe did end in May 1945 the new governments of Belgium, Luxembourg, and the Netherlands moved quickly to establish a 'Benelux' customs union, and opportunities opened up for advocates of new forms of supranational political organization to advance their case. Fears of German military revival also led France and the United Kingdom in 1947 to

sign the **Treaty of Dunkirk** on establishing a defensive alliance and mutual assistance pact; a year later they were joined through the **Treaty of Brussels** by the Benelux countries, and the following year, on 4 April 1949, military and defence cooperation was extended even further with the establishment of the North Atlantic Treaty Organization (NATO) and the incorporation, in a new 'Atlantic Alliance', of the Treaty of Brussels signatories, the United States, Canada, Portugal, Italy, Norway, Denmark, and Iceland (see Box 2.1).

BOX 2.1 BACKGROUND: KEY DATES IN EUROPEAN INTEGRATION: EARLY EFFORTS

1947	March	United States announces Truman Doctrine
	March	Treaty of Dunkirk signed
	June	United States announces Marshall Plan
1948	January	Benelux Customs Union established
	March	Treaty of Brussels signed
	April	Organisation for European Economic Cooperation (OEEC) established
	May	Congress of Europe in The Hague
1949	April	Washington Treaty establishing the North Atlantic Treaty Organization (NATO) signed
	May	Statute of the Council of Europe signed
1950	May	Schuman Plan circulated
	October	Pléven Plan for a European Defence Community (EDC) circulated
1951	April	Treaty of Paris—establishing the European Coal and Steel Community (ECSC)—signed
1952	May	Treaty constituting a European Defence Community signed
	July	ECSC established
1953	March	Draft Treaty embodying the Statute of the European Political Community adopted
1954	August	<i>Assemblée Nationale</i> rejects EDC
	October	West European Union (WEU) established
1955	June	Messina Declaration on further European integration
1957	March	Treaties of Rome—establishing the European Economic Community (EEC) and the European Atomic Energy Community (EAEC)—signed
1958	January	EEC and EAEC (Euratom) established
1959	November	OEEC negotiations on a European free trade area collapse
1960	May	European Free Trade Association (EFTA) established

Not all governments warmed to the idea of integration even if past, present, and future political leaders (e.g., Winston Churchill, Paul-Henri Spaak, **Konrad Adenauer**, Francois Mitterrand) who attended The Hague Congress of 1948 did resolve to pursue the creation of a European 'Union' or 'Federation'. They may have agreed to establish a 'European Assembly', draft a 'Charter of Human Rights', and include Germany in their endeavours, but the appetite to pursue the ambitious goal of a 'United Europe' was far from universal. Governments in the Benelux countries and in France and Italy were broadly enthusiastic and willing to consider supranational integration, but those in the United Kingdom, Switzerland, and the Scandinavian countries were at best lukewarm, maintaining a preference for much looser forms of intergovernmental cooperation. Germany under Adenauer's leadership was interested, seeing engagement as a means for rehabilitation. For the countries of Central and Eastern Europe, however, the emerging realities of Europe's division between a capitalist and democratic West and the Soviet Union-dominated East, and the onset of the Cold War, ruled out involvement. Moreover, post-war economic recovery was a far more pressing concern than the pursuit of political integration.

Nevertheless, on 5 May 1949, Belgium, Denmark, France, Ireland, Italy, Luxembourg, the Netherlands, Norway, Sweden, and the United Kingdom did establish the Council of Europe. Soon Greece and Turkey joined, and in 1950 the accession of Iceland and (West) Germany brought the membership to 14. The essentially intergovernmental nature of the Council of Europe's activities and ambitions disappointed federalists and other supporters of integration such as Spaak, but an important first step had been taken in establishing institutionalized political cooperation in Europe. Initial steps in promoting economic integration had also been taken in April 1948 with the establishment of the **Organisation for European Economic Cooperation (OEEC)**. Created at the insistence of the US government to administer US financial assistance from the Marshall Plan, the OEEC was also committed to promoting trade liberalization among the 17 participating 'West' European states. For integrationists, the OEEC, like the Council of Europe, lacked ambition. Incorporating as many states as possible promoted inclusivity, but it tended to mean that the goals to be achieved were limited to the pragmatically possible. The two organizations were also unwieldy, relying on unanimity for taking decisions,

their intergovernmental nature conferring on each member state a veto.

Advocates of more supranational integration involving the creation of new institutions and the pooling of sovereignty did not abandon all hope of realizing some form of 'United Europe'. In May 1950, the French Foreign Minister, **Robert Schuman**, proposed the pooling under a supranational authority of French and German coal and steel resources. The brainchild of the French diplomat and internationalist, Jean Monnet, this would not only facilitate the modernization of production and increase the supply of coal and steel and so contribute to further economic development, it would also make war between France and Germany 'materially impossible'. Other states, notably the United Kingdom, were encouraged to join. Yet Schuman was clear that this new initiative of narrowly focused **sectoral integration** was but a first step in a process of establishing closer supranational economic and political integration; it was intended to be 'the first concrete foundation of a European federation indispensable to the preservation of peace' (see Box 2.2).

The governments of the Benelux countries, Germany, and Italy responded positively, and negotiations commenced in Paris in June 1950. Other European states watched on, leaving 'the Six' to draft the treaty that would lead to the establishment of the **European Coal and Steel Community (ECSC)** in 1952 and the creation of Europe's first supranational institutions: the High Authority, the Common Assembly, the Special Council of Ministers, and the Court of Justice. The successful negotiation of the Treaty of Paris encouraged ideas of pursuing sectoral integration in other areas. A pressing priority with the onset of war on the Korean Peninsula in 1950 was the defence of Western Europe. With the USA committing resources to contain Soviet expansionism in the Far East, Western Europe appeared vulnerable. German rearmament was deemed necessary. But how could German rearmament take place so soon after the end of the Second World War? The solution, proposed by Monnet and the French Prime Minister, René Pleven, lay in incorporating German military forces in a supranational **European Defence Community (EDC)** modelled on the ECSC. In 1954, a treaty establishing the EDC was drawn up.

Once again, this new, elite-driven, supranational initiative would be limited to 'the Six', the United Kingdom having refused to participate in the creation of a



BOX 2.2 CASE STUDY: THE SCHUMAN DECLARATION

The contribution which an organized and living Europe can bring to civilization is indispensable to the maintenance of peaceful relations. In taking upon herself for more than 20 years the role of champion of a united Europe, France has always had as her essential aim the service of peace. A united Europe was not achieved, and we had war.

Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a *de facto* solidarity. The coming together of the nations of Europe requires the elimination of the age-old opposition of France and Germany. Any action taken must in the first place concern these two countries . . .

The pooling of coal and steel production should immediately provide for the setting up of common foundations for economic development as a first step in the federation of Europe, and will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims.

The solidarity in production thus established will make it plain that any war between France and Germany becomes not merely unthinkable, but materially impossible. The setting up of this powerful productive unit, open to all countries willing to take part and bound ultimately to provide all the member countries with the basic elements of industrial production on the same terms, will lay a true foundation for their economic unification . . .

By pooling basic production and by instituting a new High Authority, whose decisions will bind France, Germany and other member countries, this proposal will lead to the realization of the first concrete foundation of a European federation indispensable to the preservation of peace . . .

Source: Schuman Declaration, 9 May 1950 (http://europa.eu/about-eu/basic-information/symbols/europe-day/schuman-declaration/index_en.htm, accessed 6 April 2021).

de facto European army. So too would the **European Political Community (EPC)** that was being planned by Spaak and others to complement the EDC. Neither the EDC nor the EPC, though, came into being. In August 1954, the French parliament, the *Assemblée Nationale* failed to ratify the treaty establishing the EDC; with it fell plans for the EPC. Integrationists' immediate hopes for a new community to complement the ECSC were dashed. One new organization did, however, emerge, and this time involved more than just 'the Six'. On 23 October 1954, the Brussels Treaty (1948) was modified to include West Germany, and the **Western European Union (WEU)** involving 'the Six' and the United Kingdom was established. It would be through the WEU that Germany would rearm and on 9 May 1955 join NATO.

The failure of the EDC was a blow for advocates of integration. Yet almost immediately, new proposals were being made for extending economic integration. In June 1955, Foreign Ministers of 'the Six' gathered in Messina and agreed on '*une relance européenne*', a re-launch of the integration process, through a **customs union** as well as integration in specific economic sectors. Discussions chaired by Spaak, which initially involved the United Kingdom, ensued before negotiations to establish two new supranational communities—the **European Economic Community**

(EEC), and the **European Atomic Energy Community (EAEC)**—were launched in 1956 and concluded in 1957 with the signing on 25 March of the Treaties of Rome. Drawing on the model of the ECSC, 'the Six' committed themselves not only to the establishment of a **customs union** but also to the adoption of common commercial, agricultural, and transport policies and the establishment of a common market with common rules governing competition. The EEC would also involve the free movement of workers and capital, certain social policy activities and an investment bank. The purpose of the EAEC was, through supranational integration, 'the speedy establishment and growth of nuclear industries'.

These were ambitious goals, and, as the ratification process revealed, not ones universally shared by domestic political elites and political parties. Each of 'the Six' completed ratification, however, and on 1 January 1958, the EEC and EAEC were established. With new institutions—a Commission, an Assembly (which immediately referred to itself as the European Parliament), a Court of Justice, and a Council—a new era of integration was launched, albeit one that in addition to promising deeper integration also heralded an era of deeper divisions with Western Europe. With efforts within the OEEC to complement the establishment of the EEC's customs union with the establishment of a

European free trade area covering 18 countries collapsing in November 1958, Western Europe was effectively split in trading terms between an 'inner Six' and the rest. With the establishment by Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom of the looser, intergovernmental **European Free Trade Association (EFTA)** in 1960, an 'outer seven' was created and the division of Western Europe into two trade blocs was formalized.

KEY POINTS

- Early efforts at integration after the Second World War revealed major differences between states over the extent to which they were willing to pursue supranational integration rather than intergovernmental cooperation.
- The early years of integration saw a variety of organizations with different memberships and purposes established.
- In the 1950s 'the Six'—Belgium, France, (West) Germany, Italy, Luxembourg, and the Netherlands—emerged as the core of European integration.
- The Treaties of Rome established the basis of the European Union's institutional architecture.

2.3 The Communities and a Europe of 'the Six'

The establishment of the EEC and EAEC in 1958 heralded a new era of supranational integration among 'the Six'. Yet considerable energies had to be invested in realizing the goals set out in the Treaties of Rome. For the EEC, a challenging timetable of tariff cuts and quota removals had to be implemented if the customs union was to be achieved by the target date of 31 December 1969. Common policies for agriculture, external trade, and for transport had to be drawn up and agreed. New institutions, notably the Commission, had to be created and their operations coordinated with those of the ECSC. Common rules governing the **common market** had to be adopted, and relations, particularly regarding trade, regulated with non-members and overseas territories. The tasks ahead were challenging, and only if aims and objectives were met would the new Communities be contributing to the broader political ambition of many of the treaties' drafters: 'to lay the foundations of an

ever closer union among the peoples of Europe'. The predominantly economic focus of activities could not hide the fact that the Communities were part of a political process and far from being the limit of integrationists' ambitions (see Box 2.3).

It was this reality that in many respects accounted for the fact that 'the Six' were not joined by others. Greece and Turkey were interested, but had yet to reach a level of economic development such that they could compete in the common market; they were soon granted 'associate' status with the prospect of possible membership at some future point. Other, often fiercely independent, states were very wary about the perceived and actual 'loss' of sovereignty that membership of a supranational entity entailed. This was true of most of the EFTA states. The Scandinavian members were in any case already pursuing their own regional forms of 'Nordic cooperation'. Neutrality precluded Austria from participating, just as it would have Switzerland and Sweden had they shown any interest in membership, which they did not. As for the United Kingdom, although committed to trade liberalization in Europe, successive governments had long been wary of political integration. Moreover, why should a post-imperial power with a history of playing a role on the global stage become embroiled in a regional project between continental European states which, given historical tensions and war, had little prospect, so London thought, of success? Portugal and Spain, meanwhile, effectively ruled themselves out, as dictatorships, from participating.

The early years of the EEC and EAEC demonstrated that integration was possible, at least between 'the Six'. The new institutions were established, thus adding to the 'neo-functional' pressures for closer integration (see Chapter 4); tariff reductions were introduced; and some envisaged common policies were drafted. Soon the United Kingdom was reassessing its decision to stand aside and in August 1961, a few days after Ireland, applied for membership. Denmark soon followed, with Norway eventually applying too. The UK application, broadly welcomed by most of 'the Six', did lead to accession negotiations. In January 1963, however, the French President, **Charles de Gaulle**, announced his opposition to the United Kingdom joining and vetoed the application, seeing in the United Kingdom a Trojan horse for US influence. Others suspected de Gaulle of fearing a rival for leadership of the Communities. Not that de Gaulle was an enthusiast for supranational integration. His clear preference

BOX 2.3 BACKGROUND: KEY DATES IN EUROPEAN INTEGRATION: THE ESTABLISHMENT AND GROWTH OF THE COMMUNITIES

1958	January	EEC and EAEC established
1959	January	First tariff cuts made by the EEC
1961	July	The Fouchet Plan for a 'union of states' proposed
1962	January	The EEC develops basic regulations for a Common Agricultural Policy
1963	January	de Gaulle vetoes UK membership
	January	Elysée Treaty on Franco-German Friendship and Reconciliation signed
1965	April	Merger Treaty establishing a single institutional structure for the ECSC, EEC, and EAEC signed
	June	'Empty-Chair' Crisis begins
1966	January	Luxembourg Compromise ends 'Empty-Chair' Crisis
1967	July	Merger Treaty enters into force
	November	de Gaulle vetoes UK membership
1968	July	EEC customs union established
1969	December	Hague Summit supports enlargement, greater policy cooperation, and economic and monetary union (EMU)
1970	October	Werner Report on EMU published
		Davignon Report on foreign policy cooperation leads to the establishment of European political cooperation
1972	March	Currency 'snake' established
1973	January	Denmark, Ireland, and the United Kingdom join the Communities
1974	December	Paris Summit agrees to establish a European Council and accepts the principle of direct elections to the European Parliament (EP)
1976	January	Tindemans Report on 'European Union' published
1979	March	European Monetary System (EMS) established
	June	First direct elections to the EP
1981	January	Greece joins the Communities

was for intergovernmentalism (see Chapter 5), as reflected in his 1961 proposal, in the **Fouchet Plan**, for a 'Union of the European peoples'. His preference was most in evidence four years later when he sparked a major crisis in the EEC by opposing a scheduled move to **qualified majority voting** and French ministers refused to participate in Council meetings.

The seven-month 'empty chair' crisis threatened to paralyse decision-making and was only resolved with the adoption of the **'Luxembourg Compromise'** (see Box 2.4).

De Gaulle's hostility towards anything that might undermine French sovereignty did not, however, prevent integration among 'the Six'. During the 1960s,

BOX 2.4 CASE STUDY: THE LUXEMBOURG COMPROMISE

The Luxembourg Compromise is the political declaration agreed in January 1966 by the European Communities: then six member states to resolve the 'empty chair' crisis of 1965–66. The declaration states that 'Where, in the case of decisions which may be taken by majority vote on a proposal of the Commission, very important interests of one or more partners are at stake, the Members of the Council will endeavour, within a reasonable time, to reach solutions which can be adopted by all the Members of the Council while respecting their mutual interests and those of the Community; Although not legally binding, the Luxembourg Compromise has in effect provided member states with a de facto veto over Council decisions that formally only require a qualified—now double—majority to be adopted. Although only very rarely invoked, the Luxembourg Compromise is still available to be used.

the United Kingdom. The 'Six' had become 'Nine'. In addition, there were now industrial free trade agreements in place with the remaining EFTA states—including Iceland. First tentative steps at foreign policy coordination were taken, and later in the decade two Structural Funds—the **European Regional Development Fund (ERDF)** and the **European Social Fund (ESF)**—were established. In December 1975 agreement was reached on holding direct elections for the European Parliament (EP) (see Chapter 12). Six months earlier, Greece had applied for membership; two years later Spain and Portugal would submit their applications. Further enlargement was on the agenda.

Such developments could not mask the fact that the 1970s was a challenging decade for the Communities and for integration. International currency instability, the 1973 oil crises, and inflation brought an end to the sustained economic growth of the post-war period. Governments in Europe generally reacted to the economic crisis by pursuing national as opposed to coordinated European responses. The appetite for new projects appeared to be drying up. Moreover, the Communities were adjusting to new members. Neither the United Kingdom—which soon set about renegotiating the terms of its membership and held a referendum in 1975 on staying in the 'common market'—nor Denmark was particularly minded to support further integration. With governments' attention firmly on trying to mitigate the effects of economic recession and high unemployment, Europe entered a period of '**Eurosclerosis**' with integration apparently stagnating.

Efforts nevertheless continued to be made to sustain and deepen integration. A boost of sorts came with the regularization of meetings of heads of state and government as the 'European Council' from 1975 onwards and so the beginnings of greater institutionalized intergovernmentalism. This undermined the supranational nature of the Communities and the executive role of the Commission. It did, however, provide opportunities for more high-profile political leadership with successive leaders of France (e.g., Valéry Giscard d'Estaing, Mitterrand, Jacques Chirac) and Germany (e.g., Helmut Schmidt, Helmut Kohl) in particular pushing for further integration (see Chapters 10 and 11). In 1975, at the request of his fellow members of the European Council, **Leo Tindemans**, the Belgian Prime Minister, produced a report on 'European Union', setting out proposals for, inter

a Common Agricultural Policy was drawn up, tariff reductions accelerated so that the customs union was established ahead of schedule in 1968, and the institutions of the ECSC, EEC, and EAGC merged. The European Court of Justice also issued important rulings on the primacy and **direct effect** of EEC law (see Chapter 13). However, the launch of any new initiatives to take the EEC beyond its original objectives had to wait until after de Gaulle had left office in April 1969. Advocates of integration were eager to proceed. No sooner had de Gaulle resigned the French Presidency and been replaced by Georges Pompidou than the heads of state and government of 'the Six' gathered in The Hague to discuss not just enlargement to include the United Kingdom, Denmark, Ireland, and Norway—all of which had applied again in 1967—but also further integration. Accession negotiations were soon opened; a plan for EMU agreed; talks on establishing 'own resources' financing of the Communities launched; and a proposal for **European political cooperation (EPC)**, the forerunner of the Common Foreign and Security Policy, drawn up.

The early years of the 1970s appeared to bode well for integration. In 1970 the **Werner Report** on EMU was published, initial attempts were launched to limit currency fluctuations, and agreement was reached on an 'own resources' funding mechanism (see Chapter 22). Three years later, on 1 January 1973, the Communities enlarged to include Denmark, Ireland, and

alia, institutional reform, EMU, and a common foreign policy. The European Council responded to the second of these and a **European Monetary System (EMS)** was established in 1979. The same year, the first direct elections to the EP were held; turnout was 63 per cent. Agreement was also reached on admitting Greece in 1981. By now negotiations on the accession of Portugal and Spain had also begun.

With its expanding membership, the Communities reinforced their status as the main vehicle for increasingly pan-West European integration. Enlargement had its costs, however. The membership had become more diverse with more interests having to be accommodated; countries that were economically less developed than the original Six stretched the Communities' finances, and so, for integrationists, widening threatened to undermine the prospects for deepening integration and furthering the avowed goal of 'ever closer union'. Indeed, supporters of widening were suspected of championing enlargement precisely in order to prevent deeper integration (see Chapter 18). With the Communities in the early 1980s getting bogged down in battles over budgetary contributions and reform of the CAP, and with the United Kingdom under Margaret Thatcher proving particularly combative and insisting on a rebate from the budget, integrationists' fears appeared borne out. As the 25th anniversary of the signing of the Treaties of Rome approached, the mood was far from upbeat. The front cover of *The Economist* of 20 March 1982 depicted a headstone declaring the EEC 'moribund' with the epitaph *Capax imperii nisi imperasset*—'it seemed capable of power until it tried to wield it'.

KEY POINTS

- Supranational integration was initially limited to 'the Six' and was established through three 'Communities': the ECSC, the EEC, and the EAEC.
- The 1960s witnessed both progress in developing the EEC but also a failure to enlarge and the 'empty chair' crisis.
- Plans for economic and monetary union and further integration foundered in the 1970s as the now enlarged Communities entered recession.
- The enlarged Communities were faced with the challenges of a more diverse membership.

2.4 Establishing the European Union

Ultimately, developments in the 1980s proved to be a turning point in the history of the Communities, much to the delight of champions of integration, such as the new French President, Mitterrand, the new German Chancellor, Kohl, and Jacques Delors, Commission President from 1985 to 1995. Whereas in the 1970s the intention, expressed by heads of state and government of 'the Six' in 1972, to convert 'their entire relationship into a European Union before the end of the decade' came to nothing, by the end of the 1980s the prospects appeared increasingly real. The commitment to 'European Union' had not fallen victim to the Eurosclerosis and Europessimism of the 1970s. This was evident in June 1983 when the Stuttgart European Council proclaimed a 'Solemn Declaration on European Union' and agreed to a 'general review' within five years of the Communities' activities with the possibility of a new 'Treaty on European Union'. Members of the European Parliament (MEPs)—now directly elected and predominantly enthusiastic supporters of integration—were soon proffering ambitious ideas in a Draft Treaty establishing the European Union (1984). These tended to be ignored in those member states, notably the United Kingdom, where governments were both generally opposed to ideas for closer integration and somewhat dismissive of the prospects for realizing the flowery rhetoric of 'solemn' declarations. The preference was for more pragmatic action. And here the Thatcher government's advocacy of deregulation and more liberal markets soon found common cause with the Commission and its proposals—encouraged by European multinationals—to remove remaining non-tariff **barriers to trade** within the EEC and establish a genuine 'single'—or 'internal'—market. The logics of intergovernmentalism and neo-functionalism both appeared to be driving closer integration (see Chapters 4 and 5).

The Single Market project, conceived in 1984–85, was a major stage in the process of European integration. It not only provided the Communities with a new sense of purpose, it would also ultimately act as a significant catalyst for integration in other areas. Thus, and following the logic of neo-functionalism, pressures for integration spilled over from the efforts to establish the free movement of goods, services, capital, and people. If the project were to be implemented, however, decision-making needed to be

relieved of member state vetoes. A timeframe was also needed. With Germany effectively agreeing to finance an expansion of the Structural Funds to assist economically less-developed existing and soon-to-be member states to compete in the brave new world of the Single Market, Greece, Ireland, Portugal, and Spain signed up. The United Kingdom was also on board. Necessary treaty changes were soon negotiated in an **intergovernmental conference (IGC)** (see Box 2.5) with more integrationist-minded member states pushing, with MEPs and the Commission, for other policy and supranational political ambitions to be incorporated in the revisions, including more powers for the EP. The result was the **Single European Act (SEA)** of 1986 (see Box 2.6).

2.4.1 The Single European Act

In adopting the SEA, the member states agreed some significant amendments to the Treaty of Rome. They also signalled that the SEA was not simply about Single Market-orientated reforms, but an attempt, genuine as far as most member states were concerned, to realize their desire to 'transform' their relations into 'a European Union', to 'implement' this new entity, and to invest it 'with the necessary means of action'. So, the unanimously agreed SEA introduced a range of new **competences** (environment, research and development, and economic and social **cohesion**); established 31 December 1992 as

BOX 2.5 CASE STUDY: FROM INTERGOVERNMENTAL CONFERENCE (IGC) TO TREATY

The European Union and the European Communities were all established by constitutive treaties concluded between their founding member states. If the member states wish to reform the EU, they need to amend the constitutive treaties. This has historically been done via an intergovernmental conference (IGC), in which the member states negotiate amendments. Agreed amendments are then brought together in an **amending treaty** that all member states must sign and ratify. **Ratification** normally involves each member state's parliament approving the treaty by vote. In some member states, for either procedural or political reasons, treaties are also put to a referendum.

the deadline for the completion of the internal market; facilitated the adoption of **harmonized** legislation to achieve this; committed the member states to cooperate on the convergence of economic and monetary policy (see Chapter 22); and expanded social policy competences to include health and safety in the workplace and dialogue between management and labour. As regards the institutions, it expanded the decision-making role of the EP through the introduction of a **cooperation procedure** to cover mainly internal market issues, and the **assent procedure** governing **association agreements** and **accession**. The SEA also extended the use of **qualified majority voting (QMV)** in the Council, allowed the Council to confer implementation **powers** on the Commission, and established a Court of First Instance (CFI) to assist the European Court of Justice in its work. In addition, it gave formal recognition to the European Council and EPC. The fact that neither was technically part of the Communities reflected member states' differences on how much **supranational integration** they were willing to pursue. For some, there was a clear preference for intergovernmental cooperation, and any commitment to 'European union' was at best rhetorical.

Agreement on establishing a European Union was not, however, far off. As indicated, the SEA, and the goal of completing the internal market by the end of 1992, ushered in a period of renewed dynamism for the Communities. This was accompanied by calls for further steps towards European Union being made by senior European leaders such as Mitterrand and Kohl, as well as by Delors. Others—most notably, Thatcher—resisted, often vehemently. Momentum towards new plans for EMU became particularly strong, inspired in part by a spillover logic from the Single Market project, in part by a French desire to gain some influence over the Deutschmark and German monetary policy. Agreement was soon reached on launching a new IGC in 1991. Before long a second IGC—on political union—was being proposed. The motivation was less the spillover from the renewed internal dynamism of the Communities, but more the momentous geopolitical changes that were taking place in Central and Eastern Europe (CEE). Communist **regimes** had been collapsing since 1989, the Cold War had ended, and there was now the prospect of German unification. Out of these emerged the Treaty on European Union (TEU).

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BOX 2.6 BACKGROUND: KEY DATES IN EUROPEAN INTEGRATION: FROM SINGLE EUROPEAN ACT TO EASTERN ENLARGEMENT, 1983–2003

1983	June	Solemn Declaration on European Union is proclaimed by heads of state and government
1984	February	EP adopts a Draft Treaty establishing the European Union
	June	Fontainebleau European Council agrees to take action on a number of outstanding issues hindering progress on integration
1985	March	The European Council agrees to the establishment of a Single Market by the end of 1992
1986	January	Portugal and Spain join the Communities
	February	Single European Act (SEA) signed
1987	July	SEA enters into force
1991	December	Maastricht European Council agrees Treaty on European Union (TEU)
1992	February	TEU signed
1993	November	European Union established
1995	January	Austria, Finland, and Sweden join the EU
1996	March	1996 Intergovernmental Conference (IGC) launched
1997	June	Amsterdam European Council agrees Treaty of Amsterdam
	July	Agenda 2000 published
	October	Treaty of Amsterdam signed
1999	January	Stage III of economic and monetary union (EMU) launched
	May	Treaty of Amsterdam enters into force
2000	February	2000 IGC launched
	December	Nice European Council agrees Treaty of Nice
2001	February	Treaty of Nice signed
2002	January	Introduction of the euro
2003	February	Treaty of Nice enters into force

2.4.2 The Treaty on European Union

Agreed by the member states at Maastricht in December 1991, the TEU—often referred to as the ‘**Maastricht Treaty**’—was designed to expand the scope of European integration, to reform the EC’s institutions and decision-making procedures, and to bring about EMU (see Box 2.7). It also furthered the goal of ‘ever closer union’ by bringing together the EEC—now renamed

the European Community—the ECSC, and the EAEC as part of an entirely new entity, the ‘European Union’. This was to be more than simply the existing supranational Communities. Established on 1 November 1993, it comprised not only their supranational activities, but also intergovernmental cooperation on common foreign and security policy matters (CFSP) and justice and home affairs (JHA) (see Chapters 19 and 21).



BOX 2.7 CASE STUDY: THE TREATY ON EUROPEAN UNION

The impact of the TEU on the process of achieving 'ever-closer union' was considerable. Most significantly, through it the member states formally established the EU. In turn, the TEU promoted European integration in a whole variety of ways, whether through the promotion of cooperation in the two new intergovernmental CFSP and JHA pillars or through the expansion of EEC—now EC—activities. Indeed, thanks to the TEU, the EC was given new competences in the fields of education, culture, public health, consumer protection, trans-European networks, industry, and development cooperation. Citizenship of the EU was also established and, of course, the TEU set out the timetable for EMU by 1999. As for existing competences, some were expanded—notably in the areas of social policy, the environment, and economic and social cohesion—although, in an attempt to assuage concerns about the over-centralization of power, the principle of **subsidiarity** was introduced. Moreover, the TEU saw the establishment of new institutions and bodies, including the **European Central Bank**, the **Committee of the Regions**, and the **Ombudsman**. As for existing institutions, the powers of the EP were increased (not least through the introduction of the new **co-decision** procedure), greater use of QMV in the Council was agreed, the Court of Auditors was upgraded to an institution, and the European Court of Justice gained the power to fine member states.

This mix of supranational integration and intergovernmental cooperation meant that the new EU fell short of what might

normally be considered a union: a political and legal entity with a coherent and uniform structure. Indeed, an early assessment of the EU, referred to its constitutional structure as a 'Europe of bits and pieces' (Curtin, 1993). Depending, for example, on the policy area, the decision-making roles of the relevant institutions differed. Prior to the EU, there was essentially one approach, the so-called '**Community method**'—that is, the use of **supranational institutions** and decision-making procedures to develop, adopt, and police policy (see Chapter 16). This would no longer be the case.

That the EU lacked uniformity in terms of its structures and policy-making procedures was evident from the terminology widely used to describe the new construct. For many, whether practitioners, academics, or others, the EU was structurally akin to a Greek temple consisting of three pillars. It would remain thus until the Treaty of Lisbon. The first pillar comprised the three Communities (losing the ECSC in mid-2002—see Box 2.8) whereas the second and third consisted of essentially intergovernmental cooperation in the areas of CFSP and, originally, JHA (see Figure 2.1). Changes in the relationship between the pillars after 1993 meant that the boundaries between them became blurred. Indeed, with the entry into force of the Treaty of Lisbon on 1 December 2009, the pillars disappeared (see Chapter 3).



BOX 2.8 BACKGROUND: THE EUROPEAN COMMUNITIES: FROM THREE TO TWO TO ONE

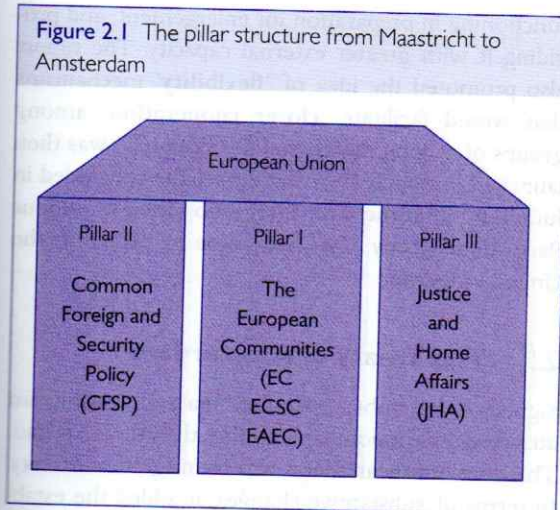
The TEU introduced reforms to the three Communities. It also renamed the EEC the 'European Community', although that name had often been used informally as shorthand for the EEC before that date. The ECSC was later disbanded in July 2002, its

founding treaty having expired, as envisaged, after 50 years. Since then, through the Treaty of Lisbon, the EC has been merged into the EU, leaving only the EAEC as a discrete 'Community'.

To supporters of supranational integration, the establishment of the pillar-based EU in 1993 represented a clear setback. This was because the intergovernmental pillars threatened to undermine the supremacy of the Community method. For others, adopting a mix of supranational and intergovernmental pillars merely formalized existing practices and preferences. Even prior to the TEU, the member states were pursuing intergovernmental cooperation outside the framework of the EC. The most obvious examples were EPC and

Schengen activities relating to the removal of border controls (see Chapter 21). These had been taking place since the early 1970s and mid-1980s respectively. All the same, the mix of **supranationalism** and **intergovernmentalism**—particularly given that the Community institutions, with the exception of the Council, were at best marginal players in Pillars II and III—meant that the EU, when established, was less of a union than many had either hoped or feared. The idea of the new EU as a union was also undermined by other features

Figure 2.1 The pillar structure from Maastricht to Amsterdam



of the TEU. First, plans for EMU—the most important new area of EC activity—were set to create a three-tier EU, with member states divided between those that would become full participants, those that would fail, initially at least, to meet the **convergence criteria** and so be excluded from the single currency, and those—the UK and Denmark—that either had availed or could avail themselves of opt-outs (see Chapter 22). Semi-permanent **differentiation** between member states in a major policy area would characterize the new EU. Second, it was agreed that closer integration in the area of social policy would be pursued only by 11 of the then 12 member states. Resolute opposition to increased EU competences meant that new legislation resulting from the so-called '**Social Chapter**' would not apply to the UK. Third, Denmark was later granted a de facto opt-out from involvement in the elaboration and implementation of foreign policy decisions and actions having defence implications. All of this created the image of a new but partially fragmented EU.

That the TEU's provisions did not all apply to the same extent to all member states was significant, because such differentiated integration had never before been enshrined in the EU's treaties. Differentiation between member states had existed, but it had always been temporary, notably when new member states had been given strict time limits for fulfilling their membership obligations. Hence there were fears that the Maastricht opt-outs would set a precedent leading, at worst, to an à la carte EU, with member states picking and choosing the areas in which they were willing to pursue closer

integration. Such fears were initially assuaged when, at the time of the 1995 enlargement, the EU refused to consider any permanent exemptions or opt-outs from the existing *acquis communautaire* for the new member states. Austria, Finland, and Sweden had to accept all of the obligations of membership, including those concerning social policy, EMU, and the CFSP, the latter being significant because each of the three countries was still notionally neutral.

KEY POINTS

- Despite 'ever closer union' being a long-established goal of the EC member states, the EU was not created until 1993.
- The TEU created a new entity, the European Union.
- The new EU lacked a uniform structure, consisting of one supranational and two intergovernmental pillars.
- The TEU introduced treaty-based opt-outs from certain policy areas for some member states.

2.5 Reviewing the Union: the 1996 Intergovernmental Conference and the Treaty of Amsterdam

That the European Union, when it was created, was less than its title implied was recognized not only by those studying the EU, but also those working in its institutions and representing its member states. Those who drafted the TEU acknowledged that what they were creating was not the final product, but part of an ongoing process. In the TEU's very first Article, the member states proclaimed that the establishment of the EU 'marks a new stage in the process of creating an ever closer union among the peoples of Europe' (emphasis added). They then proceeded to facilitate the process by scheduling an IGC for 1996 at which the TEU would be revised in line with its objectives.

Views on the purpose of the 1996 IGC differed. For the less integrationist member states, notably the UK, it would provide an opportunity to review and fine-tune the functioning of the EU and its structures. It was too soon to consider anything radical. Other member states did not want to rule out a more substantial overhaul. The IGC would provide an opportunity to push ahead with the goal of creating 'ever closer union', something that the European Parliament was particularly

keen to see, as its draft Constitution of February 1994 demonstrated. Ever closer union, it was argued, was necessary if the EU wished to rectify the shortcomings of the structures created at Maastricht and prepare itself, having enlarged in 1995 to 15 member states, to admit the large number of mainly Central and Eastern European (CEE) applicants (see Chapter 18). Enlargement was now on the agenda: at Copenhagen in June 1993, the European Council had committed the EU to admit CEE countries once they met the accession criteria. Moreover, several member states were growing increasingly impatient with the reluctance of less integrationist member states, particularly the UK and Denmark, to countenance closer integration and there was also a need to bring the EU closer to its citizens. Popular reaction to the TEU had shown that elites—the drivers and designers of the Communities and now the EU—needed to do more to convince people of the value of union. Not only had the Danish people initially rejected the TEU in June 1992, but also the French people had only narrowly approved it three months later. Securing parliamentary ratification in the UK had also proven to be a tortuous affair.

The shortcomings of the EU's structures were highlighted in reports produced by the Council, Commission, and EP in 1995. They all agreed that the pillar structure was not functioning well and that the inter-governmental nature of decision-making in Pillar III was a significant constraint on the development of JHA cooperation. As for Pillar II, also inter-governmental, its inherent weaknesses had been highlighted by the EU's ineffective foreign policy response to the disintegration of **Yugoslavia**. Such shortcomings, it was argued, needed to be addressed, particularly given the commitment to enlargement. Preparations would have to be made, notably where the size and composition of the institutions were concerned. In addition, QMV would have to be extended to avoid decision-making paralysis. Also needed within an enlarged EU, at least in the eyes of supporters of closer and more dynamic integration, were mechanisms that would allow those member states keen on closer integration to proceed without the need for the unanimous agreement of the others. There was consequently much discussion of ideas concerning a **'core Europe'**, **variable geometry**, and a **multi-speed EU**.

Preparations for reforming the EU began in earnest in 1995 with the formation of a **'Reflection Group'**. Its report suggested three key aims for the 1996 IGC: bringing the EU closer to its citizens; improving its

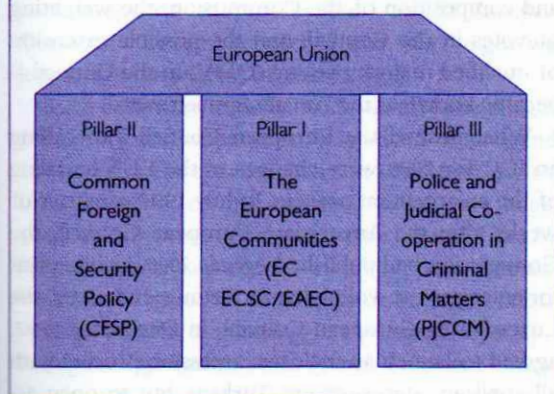
functioning in preparation for enlargement; and providing it with greater external capacity. The report also promoted the idea of **'flexibility'** mechanisms that would facilitate **'closer cooperation'** among groups of willing member states. The IGC was then launched in March 1996 and eventually concluded in June 1997, after the more integration-friendly Labour Party under Tony Blair had come to power in the United Kingdom.

2.5.1 The Treaty of Amsterdam

Signed on 2 October 1997, the Treaty of Amsterdam attracted far less popular attention than the TEU had. This does not mean that it was an insignificant treaty. In terms of substantive changes, it added the establishment of an 'area of freedom, security and justice' (AFSJ) to the EU's objectives and shifted much of JHA activity from Pillar III into Pillar I—in what is referred to as **communitarization**. In doing so, the thrust of cooperation in Pillar III was refocused on police and judicial cooperation in criminal matters (PJCCM), and the pillar renamed accordingly (see Figure 2.2). At the same time, provision was made for Schengen cooperation to be incorporated into the EU. These reforms gave greater coherence to EU activity. Yet the changes were also accompanied by increased differentiation. The UK, Ireland, and Denmark gained various opt-outs from both the new AFSJ and Schengen cooperation (see Chapter 21).

There was also the potential for further differentiation, with the introduction of mechanisms for 'closer cooperation'. Under these, member states that wished to do so could use the EC framework to pursue **enhanced cooperation** among themselves. This was possible provided that the mechanisms were only used as a last resort, that a majority of member states would be participating, and that the cooperation would be open to all other member states. Moreover, closer cooperation could not detract from either the principles of the EU and the *acquis* or from the rights of member states, nor could it be pursued for CFSP matters. Such restrictions, as well as the de facto veto that each member state had over closer cooperation, meant that the provisions would be difficult to use. In fact, the first formal request to use them was not made until 2008, when nine member states proposed closer cooperation to pursue common rules on cross-border divorce. All the same, the possibility of increasing differentiation within the EU was being established.

Figure 2.2 The pillar structure from Amsterdam to Lisbon



Where the Treaty of Amsterdam lessened differentiation within the EU was in its repeal, at the behest of the Blair government, of the UK opt-out from social policy. There was a bolstering of the EC's social policy competences too. Moreover, an employment policy chapter was introduced, in part as an attempt to assuage popular concerns that the EU did not have its citizens' interests at heart. Similar concerns were behind other new emphases, notably the enhanced EC competences concerning consumer and environmental protection, greater efforts to promote **transparency** and **subsidiarity**, and a reassertion that **EU citizenship** does not undermine national citizenship (see Chapter 9).

In terms of addressing the shortcomings of Pillar II, member states in the IGC resisted calls for a communitarization of the CFSP, preferring to maintain existing intergovernmental arrangements. Reforms were, however, introduced in an attempt to improve the consistency of EU action by involving the European Council more, by creating the post of **High Representative**, by establishing a policy planning and early warning unit, by seeking to develop long-term strategies, by clarifying the nature of the different instruments available, by defining more precisely the EU's concept of security (the so-called '**Petersberg tasks**' of humanitarian and rescue tasks, peacekeeping, and crisis management, including peacemaking), and by allowing for '**constructive abstention**' so that member states abstaining would not block CFSP initiatives (see Chapter 19). The commitment to deeper integration was evident in renewed references to a common defence policy and a common defence.

Finally, the Treaty of Amsterdam was supposed to prepare the EU institutionally for enlargement. In this regard, it failed, deferring to a later date the resolution of key questions, such as the size of the Commission, the redistribution of votes in the Council, and the nature of majority voting. Unanimity was replaced by QMV in some 19 instances, but even here, thanks to German insistence, progress was far less than anticipated or desired by many member states. This was underlined in a declaration issued by Belgium, France, and Italy to the effect that further treaty reform should be a precondition for the signing of the first **accession treaties** with applicant countries (see Chapter 18). The Treaty of Amsterdam did not fail totally, however, regarding institutional reform. The size of the European Parliament was capped at 700 members, and use of the assent and co-decision procedures was extended, thus enhancing the EP's legislative role. The EP's hand in the appointment of the Commission was also increased, as was its right to set its own rules for its elected members (see Chapter 12).

KEY POINTS

- Early experiences of the EU raised concerns about the functioning of the pillar structure.
- The desire not to be held back by less integration-minded member states led to mechanisms for closer cooperation between interested and willing member states.
- The Treaty of Amsterdam incorporated Schengen cooperation into the EU.
- Despite the acknowledged need to introduce institutional reforms in preparation for enlargement, the Treaty of Amsterdam failed to prepare the EU sufficiently to admit more than a handful of new members.

2.6 Preparing for enlargement and the twenty-first century: the 2000 Intergovernmental Conference, the Treaty of Nice, and the 'Future of Europe' debate

With momentum in the late 1990s building towards enlargement to include the ten Central and Eastern European countries as well as Cyprus and potentially Malta, the need to introduce institutional reform

remained on the EU's agenda. Without such reform it was feared that policy-making could grind to a halt. Moreover, there were concerns that enlargement could challenge the whole idea of union. Admitting ten CEE countries, most of which had been undergoing processes of wholesale transformation from command economies to fully functioning market economies, and some of which had only recently (re-) established themselves as independent states, was something that the EU had never done before. How to accommodate and integrate the new members became a major question. At the same time, integrationists, particularly within the EU institutions, were determined to ensure that the EU's *acquis* and the notion of union would be neither impaired nor undermined by enlargement, and that its institutions could continue to function as decision-making and decision-shaping bodies. Moreover, confronted with the prospect of what amounted to almost a doubling of the EU's membership, integrationists were faced with the challenge of ensuring that the commitment towards 'ever closer union' would be maintained. Opponents of 'ever closer union', notably the United Kingdom, often welcomed enlargement precisely because it complicated integration efforts.

2.6.1 Enlargement moves centre-stage

Preparing the EU institutionally for enlargement had been a key objective of the 1996 IGC. Yet the Treaty of Amsterdam, as noted, failed to deliver. Instead, reform was postponed. However, a Protocol did envisage that, at the time of the next enlargement, the Commission would consist of one national representative per member state provided, by then, the weighting of votes within the Council had been modified either via a re-weighting or through the adoption of a **dual majority** system of voting (see Chapter 11). The idea behind the re-weighting was to compensate the larger member states for giving up 'their' second Commissioner. The Protocol also provided for an IGC to carry out a 'comprehensive review of . . . the composition and functioning of the institutions' at least one year before the membership of the EU exceeds 20 member states.

In reality, the provisions of the Protocol were mainly ignored. Even before the Treaty of Amsterdam entered into force on 1 May 1999, the European Council in 1998 had identified institutional reform as

an issue of primary concern. Then, in June 1999, it agreed to hold an IGC the following year to address the key institutional questions. The issues—the size and composition of the Commission, the weighting of votes in the Council, and the possible extension of qualified majority voting (QMV) in the Council—became known as the 'Amsterdam leftovers'.

What pushed the European Council into calling an IGC for 2000 were changes in the EU's handling of the enlargement process. In July 1997, a matter of weeks after the Amsterdam European Council, the Commission had published *Agenda 2000*, its blueprint for enlargement. Following its recommendations, the Luxembourg European Council, in December 1997, agreed to launch an inclusive accession process with all applicant states (except Turkey), but to open actual accession negotiations with only six of the applicants (Cyprus, the Czech Republic, Estonia, Hungary, Poland, and Slovenia). It was felt at the time that six new members could be squeezed into the EU without necessarily holding an IGC. Within 18 months, however, attitudes towards enlargement had changed and, in the aftermath of the 1998–99 Kosovo conflict, a new Commission under the leadership of integrationist Italian former Prime Minister, Romano Prodi, was proposing to open accession negotiations with six more applicants—Bulgaria, Latvia, Lithuania, Malta, Romania, and Slovakia—and to recognize all applicants, including Turkey, as '**candidate countries**' (see Chapter 18). Opening up the possibility of large-scale enlargement made the need to address the Amsterdam leftovers more urgent. Hence an IGC was called.

2.6.2 The 2000 IGC

The 2000 IGC opened in February 2000 with a limited agenda. Most member states preferred to focus on the Amsterdam leftovers. Others, as well as the Prodi Commission and most MEPs, favoured a broader agenda. Strong support was voiced for a reorganization of the treaties and the integration of the WEU into the EU as a step towards a common defence policy. A Commission report also reminded the member states that it was incumbent on them to ensure that the IGC reformed the EU in such a way that it would remain flexible enough 'to allow continued progress towards our goal of European integration. What the Conference decides will set the framework for the political Europe of tomorrow'. The EU, it warned, 'will

be profoundly changed by enlargement, but must not be weakened by it'. The EP came out strongly in favour of a wider agenda, dismissing the 'excessively narrow agenda' adopted by the Helsinki European Council in December 1999 as one that 'might well jeopardize the process of integration'.

Such calls were initially overlooked by the IGC, although 'closer cooperation' was added to its agenda by the Feira European Council in June 2000. By this time, however, certain member states were beginning to think more openly about the future of the EU. Hence negotiations were soon taking place against a backdrop of speeches from German Foreign Minister Joschka Fischer, advocating in a personal capacity 'a European **federation**', and French President Chirac, championing proposals for a European constitution. Other proposals on the future shape of the EU from, among others, Blair and his Spanish counterpart, José María Aznar, soon followed.

Many of the proposals were too ambitious for the IGC, in which progress was already proving to be slow, not least due to major differences on how best to deal with the Amsterdam leftovers. The situation was not helped by the heavy-handed manner in which France, holding the Council presidency, was managing the IGC, purportedly abusing its position to promote essentially a French agenda rather than seeking to broker compromises between the member states. At no point were the accusations louder than at the Nice European Council, which, after more than four days, eventually agreed a treaty. Once tidied up, the Treaty of Nice was signed on 26 February 2001.

2.6.3 The Treaty of Nice

What the member states agreed at Nice attracted much criticism. Although it was rightly heralded as paving the way for enlargement, for many it produced suboptimal solutions to the institutional challenges increased membership raised. On the former, QMV was extended to nearly 40 more treaty provisions, albeit in many instances ones concerned with the nomination of officials rather than policy-making, although some ten policy areas did see increased use of QMV. Reaching a decision using QMV did not, though, become any easier. Despite a reweighting of votes—each member state saw its number of votes increase, with the larger member states enjoying roughly a trebling and the smaller member states

roughly a doubling—the proportion of votes required to obtain a qualified majority remained at almost the same level as before and was actually set to increase. Moreover, a new criterion was introduced: any decision could, at the behest of any member state, be required to have the support of member states representing 62 per cent of the EU's total population.

Provision was also made for a staged reduction in the size of the Commission. From 2005, each member state would have one Commissioner. Then, once the EU admitted its 27th member, the next Commission would comprise a number of members less than the total number of member states, provided an equitable rotation system had been agreed. Staying with the institutions, the cap on the size of the EP was revised upward to 732 and maximum sizes were agreed for the **Committee of the Regions** and the **European Economic and Social Committee**. Reforms were also introduced to the competences and organization of the European Court of Justice and the Court of First Instance (renamed the General Court in 2009).

The imminence of enlargement to relatively young democracies in CEE, coupled with an awareness of existing institutional difficulties, also accounted for an enhanced stress on democracy and rights. Hence a 'yellow card' procedure was introduced for member states deemed to be at risk of breaching the principles on which the EU is founded, the Treaty of Amsterdam having already provided for the suspension of voting and other rights. The Treaty of Nice also made closer cooperation—now referred to as 'enhanced cooperation'—easier to pursue, reducing the number of member states needed to start a project as well as the opportunities to block such a project. Enhanced cooperation could also now be used for non-military aspects of the CFSP.

All of this opened up the possibility of the EU becoming a less uniform entity. However, the Treaty of Nice also gave the EU a greater sense of coherence. In the area of CFSP and following the development of the European **Rapid Reaction Force**, it made the EU rather than the WEU responsible for implementing the defence-related aspects of policy (see Chapter 19). It also increased the focus on Brussels as the de facto capital of the EU. With enlargement, all European Council meetings would be held in the Belgian capital.

Yet although the Treaty of Nice paved the way for a more 'European' EU by introducing the institutional reforms necessary for enlargement, it did little in terms

of furthering the avowed goal of 'ever closer union'. Integration-minded MEPs were quick to express their concerns, voicing particular criticism of a perceived drift towards intergovernmentalism and the consequent weakening of the Community method. The member states did, with the new Treaty, however, set in motion a process that drew on the speeches made by Fischer et al. to promote a debate on the future of the EU (see Chapter 3). To some, the Commission especially, this would provide an opportunity to create a stronger, more integrated EU with a less fragmented structure. Others, however, envisaged greater flexibility, a clear delimitation of competences, and a weakening of commitments to 'ever closer union'. As with all previous rounds of treaty reform the Treaty of Nice was not being seen as determining the *finalité politique* of the EU. It was but the latest stage in a larger process.

2.7 Conclusion

The history of European integration is a history of competing preferences and ambitions, primarily of states and their leaders but also of institutions and other elite actors. The early years of integration, with its multiplicity of organizations and efforts to establish more reflected the tensions that existed between supporters of bold new supranational forms of political organization and those limiting their perspectives to looser, less ambitious forms of intergovernmental cooperation. Out of these tensions emerged the European Communities, initially based around 'the Six', but soon attracting interest from others and eventually enlarging its membership. From the outset, the Communities were conceived not as an end in themselves, but as staging posts to a more integrated Europe, with some form of 'European union' ultimately being established. During the 1950s, the 1960s, and the 1970s, few ambitions beyond the establishment of the Communities and their supranational institutions, and progress towards some original policy goals, were realized. Initially, there was as much division within Western Europe as there was unity, not least because of differing attitudes towards supranational integration as a model for political cooperation between states. Divisions were gradually overcome as the Communities enlarged, but differences on what forms

KEY POINTS

- Changes in the approach that the EU was adopting towards enlargement in 1999 gave greater urgency to the need to address the 'Amsterdam leftovers' and to agree institutional reform.
- *Agenda 2000* provided the European Commission's blueprint for enlargement.
- The Treaty of Nice may have paved the way for enlargement, but to many it provided suboptimal solutions to the institutional challenges posed by a significantly larger EU.
- While criticized for potentially weakening the EU, the Treaty of Nice initiated a process designed to respond to calls for a European Federation and a European Constitution.

integration should take, what areas it should cover, and in which directions it should go persisted, and still do today.

From the mid-1980s, however, treaty reform and intergovernmental conferences (IGCs) became almost permanent items on the agenda of the EU. As a result, the EU was established and evolved in a variety of ways: the member states agreed to expand the range of policies in which the EU has a competence to act; they adjusted the decision-making powers of the institutions; and they embarked on some major integration projects—notably EMU and the adoption of the euro in 2002, and enlargement that subsequently brought the membership to 28 before returning to 27 with the UK's withdrawal in 2020. Driving these was a complex mix of state interests and institutional preferences generally advanced by political elites, albeit often with the support of business interests.

Consequently the EU assumed, during its first decade, many of the characteristics of a union. For some, especially eurosceptics, it soon resembled, or was deemed to be becoming, a **superstate**. Yet for many, particularly supporters of integration and political union, it has always been a much looser and more fluid organization than its name suggests. Its initial pillar structure—which would eventually disappear with the Treaty of Lisbon—embodied a complex mix

of intergovernmental cooperation and supranational integration that brought together, in various combinations, a range of supranational institutions and the member states to further a variety of policy agendas. Adding to the complexity, and reflective of the tensions which persisted between member states over integration, were the various opt-outs that Denmark, Ireland, and the UK introduced, notably regarding certain JHA matters and in particular Schengen, as well as the differentiated integration created by EMU and the emergence of the **eurozone**. Moreover, successive rounds of treaty reform sought to facilitate a more multi-speed EU through the introduction and refinement of mechanisms for enhanced cooperation. All of this raised questions about how uniform the EU was and would be in the future.

What the various rounds of treaty reform also reveal, however, is that the EU and its member states

were aware of the challenges raised by its complex structure and procedures, particularly in the light of enlargement. This is not to say that its member states ever really warmed to the challenges, introduced appropriate reforms, streamlined the EU, or decided what its *finalité politique* should be. There was, and there remains, considerable difference of opinion. This was evident in the subsequent 'future of Europe' debate and the negotiation of the **Constitutional Treaty** (2004), its rejection, the adoption of the replacement Treaty of Lisbon (2007), and more recently, **Brexit**. As Chapter 3 shows, several reforms in the 2000s and the 2010s have made the EU more like the union that its name implies. However, since its establishment in 1993, it has been, and remains, a complex—indeed messy—evolving mix of supranationalism, intergovernmentalism, and differentiated forms of integration.



QUESTIONS

1. Why was supranational integration limited to 'the Six' in the 1950s and 1960s?
2. What is meant by 'ever closer union'?
3. Have opt-outs and mechanisms for enhanced cooperation undermined the EU as a union?
4. What impact did the Treaty of Amsterdam have on the pillar structure of the EU?
5. Why did the 1996 Intergovernmental Conference fail to adopt the institutional reforms necessary to prepare the EU for enlargement?
6. Did the Treaty of Nice prepare the EU adequately for enlargement?
7. To what extent has the EU been characterized structurally by a complex mix of supranationalism, intergovernmentalism, and differentiated forms of integration?
8. To what extent has European integration been an entirely elite-led process?



GUIDE TO FURTHER READING

Dedman, M. (2009) *The Origins and Development of the European Union: A History of European Integration* (London: Routledge). A useful and concise introduction to the history of European integration.

Dinan, D. (2014) *Origins and Evolution of the European Union*, 2nd Edition (Oxford: Oxford University Press). An authoritative account of the history of the European Communities and the European Union.

Gilbert, M. (2020) *European Integration: A Political History*, 2nd Edition (Lanham: Rowman & Littlefield). An introduction to the political development of European integration since 1945.