

EU 100 – INTRODUCTION TO EUROPEAN UNION

Course Book : The European Union , Fifth-Seventh Edition, Ali M. El-Agraa

LEARNING OBJECTIVES :

At the end of this course, students should understand :

- * European Union, its institutional processes and policies and their impact on European, as well as non-European states and citizens
- * main political processes of the European Union
- * the present and future processes of European integration in the light of the main theories, models and concepts used in European studies
- * European Union's key policies and their impact on the outside world.

KEY POINTS :

- * provide an introduction to the analytical parameters which shape the processes of European integration
- * familiarise students with key events and major treaty developments relating to the European Union
- * provide analytical tools and guidelines on how to judge the future of the European project
- * internal European Union policies and their impact on European, but also non-European societies
- * the external dimension of the European Union and its impact on the outside world.

Chapter 1

LEARNING OBJECTIVES :

By the end of this chapter, students should understand:

- *general background to the European Union
- *history of the European Union and history of Europe
- *what is the european union ?
- *institutions and other bodies of the European Union
- *how European Union works ?

KEY POINTS :

- *EU is a politico-economic union of 28 member states that are located primarily in Europe
- *the creation of the European Coal and Steel Community was declared to be “a first step in the federation of Europe
- *EU traces its origins from the ECSC and the EEC, formed by Inner Six countries
- *EU was formally established when the Maastricht Treaty
- *EU has a unique institutional structure
- *EU operates through a system of supranational institutions and intergovernmental-negotiated decisions by the member states
- *directly elected MEPs represent European citizens in the European Parliament
- *the EU’s broad priorities are set by the European Council, which brings together national and EU-level leaders
- *the interests of the EU as a whole are promoted by the European Commission, whose members are appointed by national governments

*governments defend their own country's national interests in the Council of the EU

*European Council sets the EU's overall political direction- but has no powers to pass laws

*European Parliament, Council of the EU and European Commission involved in EU legislation (law making)

*the Court of Justice of the EU upholds the rule of European law

*the Court of Auditors checks the financing of the EU's activities

*the European Central Bank is responsible for European monetary policy

*the European Investment Bank finances EU investment projects and helps small businesses through the European investment fund.

CHAPTER 2

LEARNING OBJECTIVES :

By the end of this chapter, students should understand :

* copenhagen criteria

* historical enlargement, success and fatigue

*process of enlargement

*why does the EU enlarge ?

*future enlargement

KEY POINTS :

*process of expanding the EU through the accession of new member states began with the Inner Six

*EU's membership has grown to twenty-eight, with the latest member state being Croatia, which joined in July 2013

*to join the EU, a state needs to fulfil economic and political conditions called the Copenhagen Criteria

*process of enlargement is sometimes referred to a European integration

*when a country formally applies for membership, the Council asks to Commission to prepare an opinion on the country's readiness to begin negotiations

*enlargement has been one of the EU's most successful foreign policies

*the reasons for the first member states to apply, and for them to be accepted, were primarily economic while the second enlargement was more political

*Turkey (EU accession negotiations) applied for membership in 1987

*In July 2014, Jean Claude Juncker, the president-elect of the European Commission, announced that the EU has no plans to expand in the next five years .

Chapter 3

LEARNING OBJECTIVES :

At the end of this chapter, students should understand :

*eurosystem and the euro

*eu monetary cooperation

*which countries use the euro ?

*purpose of the euro

KEY POINTS :

*Eurosystem consists of the ECB and the central banks of the member states that belong to the eurozone

*the primary objective of the eurosystem is price stability throughout the EU

*ECB, sets the monetary policy of the zone

*Eurozone, is a monetary union of 19 of the 28 EU member states which have adopted the euro as their common currency and sole legal tender

*Eurogroup is composed of the finance ministers of eurozone states

*the issue is political and in a state of flux in terms of what further provisions will be agreed for eurozone reform

*Euro is the most tangible proof of European integration

*the common currency in 19 out of 28 EU countries and used by some 338.6 million people every day

*the benefits of the common currency are immediately obvious to anyone travelling abroad or shopping online on websites based in another EU country

*EMU involves the coordination of economic and fiscal policies, a common monetary policy and the euro as the common currency

*Euro was launched on 1 January 1999 as a virtual currency for cash-less payments and accounting purpose

*a single currency offers many advantages, such as eliminating fluctuating exchange rates and exchange costs

*at a global level, the euro gives the EU more clout, as it is the second most important international currency after the US dollar

Chapter 4

LEARNING OBJECTIVES :

By the end of this chapter, students should understand :

*What is the single market ?

*Why the single market ?

*benefits of the single market

*energy policy

*environmental policy

KEY POINTS :

*treat the EU as one territory where people, money, goods and services interact freely to stimulate competition and trade, and improved efficiency

*Single market is one of the EU's greatest achievements

*on 1 January 1993 internal border controls between EU countries were abolished and the European Single Market- based on the free movement of people, goods, services and capital- was launched

*initially open to 345 million people and 12 member states, the Single Market can now be accessed by over 500 million people across 28 member states

*Restrictions between member states on trade and free competition have gradually been eliminated, with the result that standards of living have increased

*Single market has transformed the way europeans live, work, travel and do business and study, but it doesn't stop there

*wider choice, better quality and lower prices

*EU energy policy has 3 main goals; security of supply, competitiveness and sustainability

*renewable energy directive sets rules for the EU to achieve its 20% renewables target by 2020

*EU's environmental legislation addresses issues such as acid rain, the thinning of the ozone layer, air quality, noise pollution, waste and water pollution

CHAPTER 5

LEARNING OBJECTIVES :

By the end of this course, student should understand :

*budget rules and procedure

*EU budget revenue

*EU budget expenditure

*how is the EU budget spent ?

KEY POINTS :

*EU budget is proposed annually by the European Commission

*the annual budget must remain within ceilings determined in advance by the Multiannual Financial Framework, laid down for a seven-year period by the Council with the assent of the Parliament

*the budget for a year is determined in advance, but final calculations of payments required from each member state are not completed until after the budget year is over and information about revenue and expenditure is available, and correction mechanisms have been applied

*primary role of the European Court of Auditors is to externally check if the budget of the EU has been implemented correctly, in that EU funds have been spent legally and with sound management

*EU obtains its revenue from four main sources (GNI-based resources, VAT-based resources, Traditional own resources, other resources)

*GNI-based own resources currently forms the largest contribution to EU funding

*VAT-based own resources are taxes on EU citizens derived as a proportion of VAT levied in each member country

*In the 2006 budget, the largest single expenditure item was due to the Common Agricultural Policy (CAP),with its direct aid, export refunds, storage and rural development and support and subsidies, which accounted for around 46.7 % of the total budget

*by 2013, the share of traditional CAP spending is projected to decrease significantly to 32 %

*the majority of 2014 EU expenditure spent on “smart and inclusive growth”, and sustainable growth : natural resources”

*EU's expenditure is largely funded (99%) from the EU's so-called own resources

*Member States make contributions through four kinds of own resources ; GNI-based contributions, Customs duties, Sugar levies and Contributions based on VAT

CHAPTER 6

LEARNING OBJECTIVES :

At the end of this chapter, students should understand :

*Common agricultural policy

*the problems of agriculture

*sugar regime reform

*the CAP today

KEY POINTS :

*the creation of a common agricultural policy was proposed in 1960 by the European Commission and the CAP mechanisms were adopted by the six founding Member States

*By 1962, three major principles had been established to guide the CAP: market unity, community preference and financial solidarity

*the current reform issues in EU agriculture are: lowering prices, ensuring food safety and quality, and guaranteeing stability of farmers' incomes

*EU is the world's largest producer of beet sugar and the main importer of cane sugar for refining

*Approximately 50 percent of the world's beet sugar is produced in the EU under a quota system where the total production quota of 13.3 million tons is divided among the EU sugar producing member states

*a minimum price for beet sugar (only for in-quota quantities) and a reference price for white sugar and raw sugar all form part of the complex EU sugar regime that is set to change in 2017

*negative effect that the sugar reform might have on ACP producers, the world sugar market and the price of sugar, African countries have called upon the EU to extend the quota system to 2020 to enable them to modernize their domestic sugar industries to become competitive within the world market

LEARNING OBJECTIVES :

At the end of this course, students should understand :

*social policies

*employment and social affairs

*workers' rights

*living and working

KEY POINTS :

*responsibility for employment and social policy lies primarily with national governments

*EU employment and social policy is designed to :

-ease the transition from school to work

-make it easier to find a job

-modernise social security systems

-make it easier for workers to move freely around the EU

-alleviate poverty

-protect people with disabilities

* EU makes laws on workers' rights, discrimination at work and coordination of social security schemes, and monitors their implementation

*European Commission encourages EU national governments to :

-create job opportunities

-reduce labour market disparities

-support economic competitiveness

-monitor employment policies in EU countries

*there are now EU laws to limit working hours, tackle workplace discrimination, make working conditions safer and ensure employees receive compensation for work injuries

* EU promotes social security and inclusion by providing and coordinating funding to help member countries invest in people – in areas like childcare, healthcare, training, accessible, infrastructure, help with finding a job-and to reform their social security systems

*the EU and national governments are working together to coordinate social security schemes across the EU so that workers continue to receive their pensions and social security benefits when they change jobs and work in different EU countries

LEARNING OBJECTIVES :

By the end of this course, students should understand :

*External trade policy

*EU and world trade

*the common commercial policy (CCP)

*trade relations with the main partners

KEY POINTS :

*the work of the EU in the area of external relations includes the negotiation of trade agreements, and cooperation on energy, health, climate and environmental issues, often in the context of international organisations such as the United Nations

*under the Lisbon Treaty, which came into force in 2009, there was a reorganisation of the EU's external relations work with the creation of the European External Action Services, the European Union's diplomatic arm, and the post of High Representative of the Union for Foreign Affairs and Security Policy

* EU constitutes the largest trading bloc in the world . It is the world largest exporter and the second largest importer of goods, and it is the first trader of commercial services.

*EU member states represent just over 7 percent of the world's population, they account for more than a fifth of global imports and exports

*CCP which, together with agricultural policy and competition policy, is the only truly centralized policy of the Union

*since the Treaty of Rome in 1957, EU member countries accepted to speak with one voice in trade, transferring their sovereignty in this policy area to the supranational level

*CCP has expanded in two important dimensions : first, the members of the Customs Union have increased to 28; secondly commercial policy has broadened to include not only border measures restricting trade in goods, but also policies affecting trade in services and a vast range of trade-related regulatory measures

*in terms of decision making process, the European Commission is responsible for the implementation of the CCP, proposing new trade initiatives to the Council, managing tariffs and other trade policy instruments, and conducting trade negotiations.