

European Integration

I. Why Regional Integration?

II. The Development of the EU

III. EU Institutions

IV. Key Elements of Economic Union

A. Single Market

B. Single Currency

V. Challenges for the EU





I. Regionalism in IPE

- **Regionalism = nothing more than states in a geographic area coming together to achieve some common economic or political aim**
- **Rationales for Regionalism**
 - **Economic and Political**
- **Types of Regionalism**
 - **Free Trade Area**
 - **Customs Union**
 - **Single Market/Economic Union**
 - 'Four Freedoms of goods, services, labor and capital

II. Development of the EU

- **Problems of Postwar Europe**
 - **Marshall Plan and OEEC (later OECD)**
- **Jean Monnet and Schuman Plan**
- **European Coal and Steel Community (ECSC)**
 - **Supranationalism:** transferring sovereign power and policymaking responsibilities to an IGO whose decisions are **BINDING** on members
- **Britain Out – formed EFTA instead**
- **Treaty of Rome (1957) – European Economic Community (EEC)**



Jean Monnet –
“Father of Europe”

II. Development of the EU

- **Stagnation in the 1960s (de Gaulle)**
 - **Common Agricultural Policy (CAP -- 1962)**
- **Economic Crisis in the 1970s**
 - **Stagflation and 'Eurosclerosis'**
- **Jacques Delors and the SEA (1986)**
- **End of Cold War and Maastricht Treaty (Treaty of European Union -- 1991)**
 - **Single currency, CFSP, Internal Security**
- **Eastern Expansion (2004)**
- **A Failed Constitution (2005)**



Jacques Delors

II. European Union Institutions

- Council of Ministers
 - Ministers in specific areas
- European Council
 - Heads of State
- European Commission
 - Permanent bureaucracy
- European Parliament
 - Elected (and Unimportant)

European Commission President
José Manuel Barroso





IV. Key Elements of Economic Union

■ Single Market

- 'Four Freedoms' – Free movement of goods, services, capital, and labor
- Fiscal, Physical, and Technical/Regulatory Barriers

■ Single Currency (Euro)

- Transaction costs, Price stability, Efficiency
- Common Monetary Policy – Benefits and Limitations
- External Value – Reserve Currency v. Trade

V. Challenges for the EU

- Enlargement and an 'ever closer union'
 - Institutional Reform
- Economic Reform
 - Lisbon Agenda
- The EU as a World Actor
 - A European Super-State?

