

The European Union was formally established on November 1, 1993. Its headquarters is in Brussels, Belgium. It is the most recent in a series of European cooperative organizations that originated with the European Coal and Steel Community (ECSC) of 1951, which became the European Community (EC) in 1967. The members of the EC were Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, the United Kingdom, and Spain. In 1991 the governments of the 12 member states signed the Treaty on European Union (commonly called the Maastricht Treaty), which was then ratified by the national legislatures of all the member countries. The Maastricht Treaty transformed the EC into the EU. In 1994 Austria, Finland, and Sweden joined the EU, bringing the total membership to 15 nations.

The EU has a number of objectives. Primarily, it works to promote and expand cooperation among its members in several areas, including economics and trade, social issues, foreign policy, security, and judicial matters. Another major goal has been to implement Economic and Monetary Union (EMU), which established a single currency for EU members. With the exception of EMU, which went into effect in 1999, progress toward these goals has been erratic. The EU's ability to achieve its goals has been limited by disagreements among member states, external political and economic problems, and pressure for membership from the new democracies of Eastern Europe

STRUCTURE OF THE EU:

A-PILLAR SYSTEM:

The members of the EU cooperate in three areas, often referred to as pillars. At the heart of this system is the EC pillar with its supranational functions and its governing institutions. The EC pillar is flanked by two pillars based on intergovernmental cooperation: Common Foreign and Security Policy (CFSP) and Justice and Home Affairs (JHA). These two pillars are a result of the Maastricht agreement to develop closer cooperation in these areas. However, because the members were unwilling to cede authority to supranational institutions, policy decisions in these pillars are made by unanimous cooperation between members and cannot be enforced. For the most part, the governing institutions of the EC pillar have little or no input in the other two.

The CFSP and JHA pillars are based entirely on intergovernmental cooperation, and decisions have to be made unanimously. CFSP is a forum for foreign policy discussions, common declarations, and common actions that work toward developing a security and defense policy. It has successfully developed positions on a range of issues and has established some common policy actions; however, the CFSP has failed to agree on a common security and defense. Some countries, led by France, want an integrated European military force, while others, especially the United Kingdom, insist that United States involvement via the North Atlantic Treaty Organization (NATO) is vital for European security.

This second argument was reinforced when the EU failed to resolve the Yugoslavian crisis that began in 1991. Between 1991 and 1992 the Yugoslav republics of Slovenia, Croatia, Bosnia and Herzegovina, and Macedonia declared independence, leaving a

Yugoslavia that consisted only of the republics of Serbia and Montenegro. The Croatian and Bosnian secessions were strongly opposed by Serbia, and violent conflict resulted between ethnic Bosnian, Croat, and Serb populations. The EU attempted to find a settlement for these conflicts. However, these efforts were ineffective because EU members could not agree on how they should be involved, and they feared being dragged into military intervention. The Yugoslav crisis underlined the difficulties in achieving a common foreign policy for the EU. Effective international intervention in Yugoslavia ultimately came only with U.S. and NATO involvement, acting under the auspices of the United Nations.

The EU has been more successful in JHA, which formalized and extended earlier intergovernmental cooperation in combating crime, especially drug trafficking, and in setting immigration and asylum policies. The Amsterdam Treaty provided for some aspects of JHA to be moved to the supranational pillar of the EC. These related to asylum and visa issues, immigration policy, and external border controls.

Standing above the three pillars and in a position to coordinate activities across all of them is the European Council. The council is in strict legal terms not an EU institution. It is the meeting place of the leaders of the national governments. Its decisions are almost always unanimous but usually require intensive bargaining. The council shapes the integration process and has been responsible for almost all EU developments, including the SEA and the Maastricht and Amsterdam treaties. The European Council has provided the EU with initiatives for further development, agendas in various policy fields, and decisions that it expects the EU to accept. The council's actions illustrate one of the major dilemmas within the EU: how to promote further unity and integration while permitting national governments to retain as much influence as possible over decisions.

B- MAJOR BODIES:

The EC pillar contains all the governing institutions of the EU. The major ones are the European Commission, the Council of the European Union, the European Parliament, the European Court of Justice, and the Court of Auditors. In addition, there are many smaller bodies in the EU, such as the Economic and Social Committee, and the Committee of the Regions.

- 1- European Commission: highest administrative body, oversees all three pillars EU-initiates, implements and supervises policy-responsible for the general and financial management of the EU and ensuring member states adhere to EU decisions.
- 2- Council Of European Union: represents National governments, primary decision making authority and most powerful EU body.
- 3- European Parliament: representative body of the EU.
- 4- European Court of Justice: judicial arm of the EU- Each member country appoints one judge to the court- responsible for the law that EU establishes for itself and its member states.

- 5- Court of Auditors: oversees the finances of the EU and ensures that all financial transactions are carried out according to EU budget and laws.
- 6- European Central Bank: has the exclusive authority for EU monetary policy including such things as setting interest rates and regulating the money supply- it oversees the inauguration and consolidation of the Euro as the single EU currency.
- 7- Other Bodies: in EU include the Economic and Social Committee which deals with economic and social committee which deals with economic and social welfare.

One of the major goals of the EU has been to establish a single market in which the economies of all the EU members are unified. The EU has sought to meet this objective in three ways: by defining a common commercial policy, by reducing economic differences among its richer and poorer members, and by stabilizing the currencies of its members.

RELATIONS WITH THE REST OF THE WORLD:

One of the major objectives of the European Union is to speak with one voice and to have a single policy position on world issues. This has been easier to achieve in economics and trade than on political problems. Bilateral and multilateral trade agreements have been signed between the EU and most developing countries. Common political positions, however, have been hindered by conflicts between national interests. EU ambassadors in foreign capitals and at the United Nations collaborate closely, and EU member states develop common foreign policy statements.

However, this collaboration has not always resulted in common action. EU countries were divided over the 1991 Persian Gulf War, the post-1991 crises in the former Yugoslavia, and future relations with Russia and Eastern Europe and so it was again in the recent US led Iraq War. In each instance, differences arose between members over how and to what extent the EU should become involved in foreign policy problems, and what the results of any EU action would be for members' economies and political relationships.

Recent Crisis in EU:

The problem arose because the EU believes big states deserve greater voting power than small ones.

In other words, Germany, with a population of 82.5 million, gets to wield more power in the EU Council of Ministers than Luxembourg, with its population of 453,000.

So as part of the EU's preparations for the forthcoming enlargement, it agreed on a new allocation of voting weights - for old and new members - at a summit Nice in December 2000.

The biggest winners were Poland and Spain, who came away with 27 votes, only two less than the big four - France, Germany, Italy and the UK.

This was despite the fact that their populations (38.6 million and 41 million respectively) are much smaller.

Simplicity

The system agreed at Nice was very complicated.

The new EU draft constitution suggests, instead, a very simple system.

It says a vote is passed when it has the support of 50% of countries, representing 60% of the EU's population.

Poland and Spain automatically lose everything they gained at Nice.

Spain already had a reputation as a stubborn negotiator (rather like the UK) before Poland came along. United on this issue, and on some others, they are regarded as the new "awkward squad".

However, both countries deny that they are resisting the voting system proposed in the draft constitution purely out of self-interest.

Poland has argued that the system gives the big countries too much weight, and says it is acting on behalf of all the EU's smaller countries.

As by far the largest of the mainly small 10 new member states, it is setting itself up as a leader of the new boys - and may be recognised as such by some of them.

Germany, meanwhile, indicated it would answer stubbornness with stubbornness.

As the biggest net creditor to the EU budget, Berlin has threatened to turn off the flow of cash to Spain, which is a big recipient of EU funds, and to Poland, which will be one of the biggest recipients for years to come.

Ways out

How can a compromise be reached?

One possibility would be to modify the system proposed in the constitution - so that a vote would be passed with the support of 50% of member states comprising 50% of the population, or 60% of member states comprising 60% of the population.

Another possibility would be to delay the implementation of the new system for 10 years or more, allowing Spain and Poland a chance to influence key decisions on the future EU budget under the Nice system.

