



1 The Historical Development of the EU

■ Introduction

To most European citizens the Ninth of May will be a day just like any other. In Brussels, Luxembourg and Strasbourg, however, this is different. In these cities a sizeable number of people work for one of the institutions and organizations of the European Union (EU). If we follow the official historiography of the EU, their jobs found their origin in a press conference by the French Minister of Foreign Affairs, Robert Schuman. On 9 May 1950 he presented a plan that laid the foundation for today's European Union by proposing to set up a European Coal and Steel Community (ECSC).

In 1985 the leaders of the member states of the EU decided that it would be good to celebrate this day as Europe Day. While EU officials get a day off from their work for the European institutions, most other citizens will not notice this. Maybe this is not surprising, given the fact that the day marks a rather obscure event in history. After all, commemorating a press conference is quite different from celebrating a rebellion (like the USA's Fourth of July) or a revolution (such as France's Quatorze Juillet).

Despite its humble origins, the EU has in the meantime developed into a political system that seriously impacts the lives of its citizens. Within a timespan of only seventy years it has established itself as a unique form of political cooperation comprising twenty-seven member states and 450 million inhabitants, with a combined income that equals that of the USA and China. No wonder some observers have characterized the EU as a

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superpower, albeit a soft one: instead of conquering new territory by force as the old superpowers used to do, the EU has been able to expand because countries have been very eager to join and share in the assumed benefits of membership.

In this book we outline the current politics of the EU, but a brief overview of the way this organization has evolved is essential to better understand how it operates today. After all, many of today's political decisions will end up as historic events in tomorrow's books. A closer examination of the most significant political events that occurred in the EU's history gives us a first insight into the nature of EU politics today. We do this by examining the following questions:

- What was the historical background to several initiatives for international cooperation after the Second World War?
- What made the ECSC so important for European integration?
- What have been the major developments in the process of European integration when looking at the evolution of its policies, institutions and membership over the decades?
- What does the history of European integration teach us about studying EU politics today?

After reading this chapter you will have learned that the process of bringing the European countries together was a long and winding road with many fits and starts. Periods of rapid change and innovation have alternated with long stretches of gridlock and stalemate. The process was often erratic because of fundamentally different views on the nature, pace and scope of integration. While the term 'European Union' suggests that we are dealing with an organization that was swiftly put in place on the basis of a solid design, we are in fact looking at a patchwork that has been stitched together in a step-by-step fashion over the course of seven decades.

■ The Origins of European Integration

The institutional roots of the EU lie in the years following the Second World War. Europe was shattered, and not for the first time. European history had been marked by an almost infinite sequence of conflicts, wars and rebellions, fuelled by religious strife, imperial ambitions and nationalistic sentiments. Notable philosophers such as Jean-Jacques Rousseau, Jeremy Bentham and Immanuel Kant had already concerned themselves with this problem and come up with proposals for some type of a federation of states in order to guarantee peace and avoid war. None of these ever materialized, however.

The aftermath of the Second World War provided unusually fertile ground for new ideas for international cooperation. The war took the lives of approximately 40 million civilians and 20 million soldiers, while those who survived were faced with destruction and despair. In a speech at the University of Zürich in 1946 Winston Churchill – who had been Britain's prime minister during the war – sketched the sense of despair: 'Over wide areas a vast quivering mass of tormented, hungry, care-worn and bewildered human beings gape at the ruins of their cities and their homes and scan the dark horizons for the approach of some new peril, tyranny or terror.' Churchill's speech became historic because he proposed to 'recreate the European family in a regional structure called, it may be, the United States of Europe'. He urged France and Germany, the two arch-enemies, to take the lead in setting up such a federation.

Fears about the future were fuelled in particular by the geopolitical map of the new Europe. Following the post-war settlement, Europe was divided into two spheres of influence. An Eastern zone was dominated by the communist Soviet Union, with countries such as Poland, Hungary, Romania and Bulgaria and the eastern part of Germany. The Western part of Europe consisted of liberal democracies that were strongly supported and protected by the USA. Fears that the Soviet Union might try to expand its sphere of influence westward necessitated a swift rebuilding of Europe. Hence, the USA was supportive of many of the initiatives that were launched to foster cooperation (see Briefing 1.1). Three different types of cooperation emerged:

- Military cooperation found its beginnings in initiatives for a common defence such as the Western European Union (WEU) and the North Atlantic Treaty Organization (NATO).
- Political cooperation emerged via organizations such as the Council of Europe.
- Economic cooperation took root via the Organisation for European Economic Co-operation (OEEC) and Benelux.

The legacy of the two world wars made any form of cooperation involving France and Germany extremely difficult. Germany's size and its economic potential necessitated that it recover as soon as possible. Germany's large coal resources in the Ruhr area were pivotal for Europe's recovery and for the French steel industry in particular. At the same time many feared that a resurgence of Germany could make the country belligerent again and cause new military conflict.

Fuelled by the fear of communism, the USA decided that Germany needed to be integrated into the Western bloc as soon as possible. In April 1949 the western part of Germany regained its independence and was transformed into the Federal Republic of Germany (FRG). French fears were dealt with by putting Germany's coal industry under the supervision of the International Authority for the Ruhr (IAR), which would manage coal supplies from the Ruhr region. The IAR was in charge of determining the minimum amounts of coal, coke and steel Germany should make available for export. Both politically and economically the IAR was not a success: the Germans still felt occupied and the method of rationing coal was not efficient. The Americans therefore urged the French to devise another scheme. It was Jean Monnet, Commissioner-General of the French National Planning Board, who came up with a plan that would pool the coal and steel production of France and Germany and create a common market.

Briefing 1.1

Related International Organizations and Their Current Status

The Western European Union (WEU) was founded through the Brussels Treaty in 1948 by the United Kingdom, Belgium, France, Luxembourg and the Netherlands. It was set up to provide for common defence in case of an attack on any of its members and prepared the ground for the foundation of NATO (see below). The activities of the WEU have now been incorporated in the EU's Common Security and Defence Policy and the Treaty was terminated in 2011.

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The North Atlantic Treaty Organization (NATO) is a military intergovernmental alliance through which each of the members pledges support to the other members in the event they are attacked. It found its origin in a similarly named Treaty signed in 1949 by twelve Western countries including the USA, Canada, the United Kingdom, France and Italy. NATO currently has thirty members and is involved in several peacekeeping and reconstruction missions worldwide.

The Council of Europe was founded in 1949 to achieve greater unity between its members by maintaining and developing the rule of law, human rights and fundamental freedoms. It currently has forty-six member states and is home to the European Court of Human Rights, which deals with cases relating to the European Convention on Human Rights. The judgments of the Court are binding upon the member states.

The Organisation for European Economic Co-operation (OEEC) was set up in 1948 in order to administer the Marshall Plan, a US-funded package for economic recovery of Europe. In 1960 it was succeeded by the Organisation for Economic Co-operation and Development (OECD), which focuses on analysing and forecasting the economic policies of its thirty-eight members.

Benelux was founded in 1944 by the governments-in-exile of Belgium, the Netherlands and Luxembourg with the aim of forming a customs union. It was upgraded to an economic union in 1958. A new treaty expanding cooperation to sustainable development and judicial cooperation entered into force in 2010.

On 9 May 1950 Monnet’s scheme was presented by the French Minister of Foreign Affairs, Robert Schuman, in a declaration that is nowadays considered to be the EU’s founding moment. This is how Schuman outlined this philosophy:

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 rassemblement 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. With this aim in view, the French Government proposes to take action immediately on one limited but decisive point. It proposes to place Franco-German production of coal and steel as a whole under a common higher authority, within the framework of an organisation open to the participation of the other countries of Europe. [...] In this way there will be realised simply and speedily that fusion of interests which is indispensable to the establishment of a common economic system; it may be the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions. By pooling basic production and by instituting a new higher authority, whose decisions will bind France, Germany, and other member countries, this proposal will lead to the realisation of the first concrete foundation of a European federation indispensable to the preservation of peace.

*Robert Schuman, The Schuman Declaration. Fondation Robert Schuman
 (www.robert-schuman.eu/en/declaration-of-9-may-1950).*

Two things in the excerpt from Schuman’s speech merit attention. First, the plan was innovative because it proposed the institution of an impartial body – the High

Supranational organizations: organizations in which countries pool their sovereignty on certain matters to allow joint decision-making.

Authority – that would be empowered to monitor and execute the agreement between the member states. This feature would give the ECSC the characteristics of a **supranational organization**: member states handed over

part of their sovereignty to a third, neutral party that would supervise the execution of the terms of the treaty. In Schuman's plan the High Authority was authorized to make decisions that were needed to execute the agreements laid down in the treaty. In those cases where member states and the High Authority disagreed, they would be able to bring their dispute to a court that would be authorized to issue a binding judgment. The supranational formula differentiated the organization from all the other organizations which had been set up so far: these had been **intergovernmental organizations**.

Intergovernmental organizations: organizations in which member states work together on policies of common concern but retain their full sovereignty.

A second important feature of the plan was its limited scope. Cooperation would start on a small basis by first trying to manage the common market for coal and steel. It was a deliberate decision to do this, because it was absolutely clear that the time was not ripe yet for a fully fledged federal state. In such a federal state member states should have been willing to cease to be independent. A small group of federalists actively promoted this idea of a United States of Europe. In their view the supranational model acted as a halfway house on the road to a truly federal state. Small and concrete steps would provide the foundations for an eventual coming together of all the member states in a federation.

Schuman's plan needed to be turned into a treaty between the countries that wanted to take part in this experiment. In addition to France, five countries joined the negotiations. Germany was very happy to accept France's invitation. It was the first time that it would be treated on an equal footing and it made possible the abolition of the Ruhr Authority. The Benelux countries (Belgium, the Netherlands, Luxembourg) simply had to join because their economies depended very much on those of France and Germany. Italy joined the negotiations for both political and economic reasons. Just like Germany, it wanted to regain respectability after the war. It also felt its industry would benefit from being part of the common market for coal and steel.

Negotiations on the treaty took almost a year. Opinions differed on the amount of power that should be given to the High Authority and the ways in which it could and should be controlled. The Dutch and the Germans successfully insisted on a solution that would make it possible for the member states to supervise the High Authority. The result was an additional body in the form of the Council of Ministers that would represent the governments of the member states. The Council constituted an intergovernmental institution that would act as a counterweight to the supranational High Authority.

On 18 April 1951 the six countries signed the Treaty of Paris, which formally established the European Coal and Steel Community. The Community's four main institutions were:

- a Council of Ministers, representing the member state governments, to co-decide on policies not provided for in the Treaty;
- a High Authority, consisting of independent appointees, acting as a daily executive making decisions on the basis of the Treaty provisions;
- a Court of Justice, consisting of independent judges, to interpret the Treaty and adjudicate conflicts between member states and the High Authority;
- a Common Assembly, drawn from members of national parliaments, to monitor the activities of the High Authority.

The initial institutional design of the ECSC proved to be quite resilient. It provided the template for organizing the two other Communities that were set up in 1957 and it is still clearly visible in the institutional make-up of the EU today.

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■ A Brief Historical Survey of European Integration

In order to better capture the historical developments, it is useful to look at three different questions that help explain the steps that were taken over the decades since the founding of the ECSC.

- In which areas did member states decide to cooperate? This question looks at the *policies* that member states agreed upon. The first way to chart the history of integration is by tracing the incorporation of new policy areas over time.
- How did the member states organize their cooperative efforts? This second question looks at the *institutional framework* they put in place to make these policies. It examines the institutions that were set up, their powers and the way they arrive at decisions.
- Which countries became members? This third question looks at the developments in the organization's *membership*. The process of enlargement charts this third element of European integration.

In a formal sense steps in integration are characterized by the adoption of treaties in which member states agree to cooperate in certain areas as well as by subsequent amendments to such treaties. Table 1.1 lists the four founding treaties: the European Coal and Steel Community, the European Economic Community, the European Atomic Energy Community and the European Union. The founding treaties have been amended frequently in order to incorporate changes in policies, the institutions and membership. The evolution in the names of the treaties captures the deepening of integration over the decades: what started out as a set of different 'Communities' is now characterized as a 'Union'.

The 1950s: From One to Three Communities

After the six founding members had **ratified** the Treaty of Paris, the ECSC started operation in July 1952, with Jean Monnet as the first President of the High Authority.

Ratification: procedure through which a sovereign state formally commits itself to the obligations that arise from the signing of an international treaty.

In the meantime new integrative steps were under way. The Korean War, between communist North Korea and capitalist South Korea, heightened concerns about the global threat of communism. The USA therefore

pressed for a rearmament of West Germany that would bolster the defensive capabilities of Western Europe and defend the West German border against a possible attack from the east. For the French in particular, the prospect of an independent Germany with its own army was unacceptable, however. A solution was found in following the ECSC model: West German troops would be brought under a supranational command. In April 1952 the member states agreed on a European Defence Community (EDC) that would establish such a structure. Soon thereafter another treaty – European Political Community (EPC) – was drafted in order to provide for an appropriate institutional framework that would give political guidance to the activities of the EDC. (This EPC is not to be confused with the European Political Community that the EU launched in 2022 as an informal platform for political cooperation among forty-three European countries, excluding Russia and Ukraine). The legislative branch of the EPC would consist of a Chamber of

Table 1.1 An overview of the major treaties. (Founding treaties in bold)

| Treaty name | Year signed | Entry into force | Type | Treaty establishing |
|----------------------|-------------|------------------|-----------------------|---|
| Treaty of Paris | 1951 | 1952 | Founding | European Coal and Steel Community (ECSC) |
| Treaties of Rome | 1957 | 1958 | Founding | |
| Single European Act | 1986 | 1987 | Amending | |
| Treaty of Maastricht | 1992 | 1993 | Amending/ Founding | |
| Treaty of Amsterdam | 1997 | 1999 | Amending | |
| Treaty of Nice | 2001 | 2003 | Amending | |
| Treaty of Lisbon | 2007 | 2009 | Amending | |

Expired 2002 merged with TEC

Treaty on European Community (TEC)

Treaty on Economic Community (EEC)

Treaty on Functioning of European Union (TFEU)

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the Peoples, elected by direct suffrage, and a European Senate appointed by national parliaments, resembling a set-up that is often found in federal states.

The pace of integration was remarkable: only three years after the Treaty of Paris, the ECSC members were on the brink of taking major steps both in terms of policies and in terms of the accompanying institutional structures.

In the end the plans for the EDC proved to be too ambitious. They divided French society and politics to such an extent that the French parliament was unable to take a decision about it. This also meant the end of EPC. The move towards supranational cooperation in these areas was clearly a bridge too far.

Jean Monnet, disillusioned by the lack of progress in European cooperation, resigned as President of the High Authority. He further pursued his federalist ideals by setting up the Action Committee for the United States of Europe. Monnet pressed for broadening cooperation in the field of energy by proposing a European Atomic Energy Community. Despite the failure of the EDC and EPC, new initiatives to increase cooperation were launched soon thereafter, albeit in areas that were less sensitive. In 1955 Dutch Foreign Minister Beyen came up with proposals for a common market that would cover all types of economic activity.

Representatives of the founding member states discussed these different proposals in a series of meetings that started in the Italian city of Messina. The governments agreed on the establishment of two new Communities that were laid down in the Treaties of Rome. The European Atomic Energy Community (Euratom) would strive for the development of nuclear energy, whilst the European Economic Community (EEC) would focus on establishing four economic freedoms: the free movement of goods, services, workers and capital between the member states.

The agreement on abolishing barriers to trade was accompanied by worries about the effects this might have on specific groups. Hence some provisions were made that would make it possible to alleviate such negative side-effects. The French, for example, successfully lobbied for the inclusion of a common agricultural policy that would enable measures to support farmers. In a similar vein the Italian government demanded measures that would reduce differences in prosperity between the regions in Europe. In this manner Italy hoped to secure funds that would be targeted at the extremely poor southern regions of the country. The treaty therefore also enabled the setting up of a European Social Fund. Although it would take several years before they actually were implemented, the treaty already provided the legal possibilities to develop these policies.

The institutional set-up of Euratom and the EEC was roughly similar to that of the ECSC, with one exception. The powers of the supranational executive in the EEC and Euratom – called the Commission – were significantly less than those in the ECSC. The Commission was granted the right to make legislative proposals for what came to be known as Community legislation, but all these proposals needed to be approved by the Council of Ministers.

The 1960s: Progress and Setbacks

Customs duties or tariffs are charges levied on imports or exports, resulting in higher prices for consumers buying those products.

Of the three Communities, the EEC turned out to be the most energetic. Progress on the elimination of **customs duties** was ahead of schedule, and the Commission managed to complete this three years earlier than planned.

Three other developments signalled the EEC's success in cooperating on the economic front. In 1962 the Council agreed on the organizational features of the Common Agricultural Policy (CAP): it established a system of guaranteed minimum prices for specific agricultural products. National support schemes for farmers were replaced by a community-wide scheme, so that a single market for agricultural products could be established. Five years later the first common markets (for cereals, pig meat, poultry meat and oilseeds) started operating. In 1963 the member states signed the Yaoundé agreement, a **preferential trade agreement** with the EEC's former colonies. And in 1965 the Commission represented the six member states in negotiations for the Kennedy round of the General Agreement on Tariffs and Trade (GATT), the negotiating framework for liberalizing trade in the world.

In a **preferential trade agreement** countries agree on lowering the tariffs they charge for importing goods.

The early 1960s also were marked by two key rulings of the Court of Justice (CJ) that made a lasting imprint on the legal order of the Community. In its rulings the Court argued that the new legal framework of the Community amounted to more than an ordinary international treaty and formed an integral part of the legal order of the member states. As a result individuals could invoke European legislation directly (**direct effect**) and European legislation assumed precedence over national legislation (**supremacy**) (see Briefing 1.2).

Direct effect: a major legal principle in EU law holding that individuals can directly invoke EU legislation in cases before national courts.

Supremacy: a major legal principle in EU law holding that if national legislation is in conflict with EU law, EU law overrides national legislation.

Several member states and their national courts initially objected to the Court's interpretation of the status of European law. The Court's rulings were seen by many as part of a deliberate strategy to increase its own powers through **judicial activism**. The decades to come would witness numerous other rulings of the Court that fostered the four economic freedoms by further eliminating barriers between member states.

Judicial activism: type of judicial behaviour where judges take a broad and active view of their role as interpreters of the law.

The success of the EEC did not go unnoticed in neighbouring countries. Hence, the UK, Ireland, Denmark and Norway made applications for membership. In 1963 French President Charles de Gaulle vetoed the UK's application, much to the dismay of the other member states. De Gaulle considered the British to be too strongly aligned to the United States. He also feared a loss of influence for France as a result of the possible entry of such a large country. As a result negotiations with all four candidates were aborted. De Gaulle would again veto the UK's application in 1967. Negotiations were resumed only after he had stepped down as president of France and was replaced by Georges Pompidou in 1969.

De Gaulle's vetoes were part of a larger legacy of events that seriously slowed down the pace of integration. The most important of these was the empty chair crisis. In 1965 the Commission proposed to the Council a different way of financing the CAP. Because it would give the European Parliamentary Assembly and not the Council the right to decide upon the budget, de Gaulle felt that this undermined the power of member states. Tensions further increased when de Gaulle objected to a scheduled change in decision-making rules in the Council that would introduce a new rule for making decisions in some policy areas, called **qualified majority**

Qualified majority voting: Decision-making rule in the Council which requires a majority that is substantially larger than a simple majority of 50% +1, but does not require unanimity.

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Briefing 1.2

Excerpts from the Court's Rulings Establishing Direct Effect and Supremacy

Direct effect: In the case *Van Gend en Loos v. Nederlandse Administratie der Belastingen* (1963) the Dutch transport company Van Gend en Loos challenged an increased import duty it had to pay to the Dutch authorities on the ground that it violated Article 12 of the EEC Treaty, which expressly forbade introducing new duties. The Dutch court referred the matter to the Court because it was unsure whether individuals had the right to directly invoke Community law in a national court case. In its ruling the Court argued that:

this Treaty is more than an agreement which merely creates mutual obligations between the contracting states. [...] Independently of the legislation of member states, Community law therefore not only imposes obligations upon individuals but is also intended to confer upon them rights which become part of their legal heritage. [...] According to the spirit, the general scheme and the wording of the Treaty, Article 12 must be interpreted as producing direct effects and creating individual rights which national Courts must protect.

Supremacy: In the case *Costa v. ENEL* (1964), an Italian citizen, Flaminio Costa, brought a case before an Italian court claiming that plans to nationalize the electricity company ENEL violated Community law. The Italian court referred the case to the Court of Justice, which clarified the status of European law as follows:

By contrast with ordinary international treaties, the EEC Treaty has created its own legal system which, on the entry into force of the Treaty, became an integral part of the legal systems of the member states and which their Courts are bound to apply. By creating a Community of unlimited duration, having its own institutions, its own personality, its own legal capacity and capacity of representation on the international plane and, more particularly, real powers stemming from a limitation of sovereignty or a transfer of powers from the states to the community, the member states have limited their sovereign rights, albeit within limited fields, and have thus created a body of law which binds both their nationals and themselves.

Source: Court of Justice of the European Communities, Reports of Cases before the Court (Luxembourg, 1963 and 1964).

Unanimity voting: Decision-making rule in the Council which requires all member states to support a proposal. This requirement gives every member state the possibility to veto a proposed decision.

Luxembourg Compromise: informal agreement between the member states allowing a member state to block a decision in the Council if it declares the matter to be of 'vital national interest'.

voting (QMV). This would replace the system of **unanimity voting** and thereby eliminate the possibility for a member state to block a decision through exercising a veto.

De Gaulle decided to withdraw his ministers from participation in the meetings of the Council. This paralysed decision-making for half a year, because the remaining members did not want to make any drastic decisions until France returned. It did so after the member states agreed on a declaration that came to be known as the **Luxembourg Compromise**. The declaration provided for a safeguard clause that would give every member state a veto to block decisions considered to be a matter of 'vital national interest'. While the compromise was never