



The European Union: More an Economic than a Political Power

1) Introduction

During the last century, big international wars and events have prompted governments in many regions of the world to constitute blocs of economic or political cooperation. One of these blocs, the European Union, has gone through a long and difficult process to finally acquire its present structure. Contradicting opinions prevail as to what the European Union precisely is. Some simply take it as a set of intergovernmental institutions, useful for specific purposes, but lacking any wider implications. Others define it as a device in a strategy which has lost its purpose of cornering the USSR or containing Germany. Eurosceptics view it as a delusion of European unity which now has to be thrown off, and as the transcending of evil in the lives of nations. Those with positive opinion insist that the European Union is something unique in relations among states that have retained their sovereignty and equality.

This paper will first provide a short background on the construction of the European Union before looking into its institutions and their functions. It will then deal with the issue of enlargement with special focus on Turkey's candidature to join the Union. The European Union's political weakness in comparison with its economic strength will be analyzed separately. The paper will finally deal with the Union's relations with Africa.

2) **Short background**

The construction of the European Union (EU) began with the creation in 1951 of the European Coal and Steel Community (ECSC). The bitter lessons learned from World War II compelled European leaders to search for concrete means of avoiding the recurrence of similar bloodshed and devastation among the peoples of Europe. Pooling the production of coal and steel – the raw materials of war at that time - under a common high authority was expected to lead to reconciliation and peace. The following half a century would witness a process of European integration exposed to a great deal of difficulties largely due to the distrust and resentment which is still characteristic of European behaviors. This conduct partly contributed to the gradual rejection of the European Defense Community project proposed by France as from 1951.

The EU was founded on the basis of four main treaties, including the ECSC Treaty signed in 1951 in Paris and implemented in 1952 (expired in 2002). The treaty launching the European Economic Community (EEC) - often referred to as the Treaty of Rome - was signed in 1957 in Rome and came into force in 1958. The Treaty of Rome and the Paris Treaty were aimed at binding West Germany to Western Europe, and at responding to France's long-lasting concerns about its security vis-à-vis Germany. The German Government, on its part, saw the European Community as a framework where it could define itself as a state and find a new sense of identity to replace the one tarnished by the war. The third treaty, signed in Rome along with the EEC Treaty, set up the European Atomic Energy Community (Euratom). Later on in 1992, the Maastricht Treaty was signed: it added intergovernmental cooperation in foreign and security policy, as well as in the area of justice and internal affairs to the existing Community system and created a

new political and economic structure which is the European Union. The ECSC, EEC and Euratom treaties created the three European Communities, meaning the system of joint decision-making on coal, steel, nuclear power, and other major sectors of the member States' economy. These Communities were merged in 1967 to form the European Economic Community (later renamed simply the European Community) which, in addition to its economic role, saw its responsibilities gradually widen to include social, environmental and regional policies.

The treaties have been continuously amended to accommodate newly joining member States, and to reform the Union's institutions. The 1985 Treaty of Schengen scrapped border restrictions and established free movements across the Union's internal boundaries. To date, 24 countries –including EU associate members Norway and Iceland- constitute the Schengen zone which has reinforced cooperation in criminal and judicial matters. Two EU members –the United Kingdom and Ireland- have not yet ratified the Schengen Treaty.

In further amendments, the 1986 Single European Act (SEA) modified the EEC Treaty to pave the way for completing the Single Market. The 1997 Treaty of Amsterdam extended the pooled sovereignty to more areas involving more citizens' rights, and closer interaction on social and employment policies. The 2001 Treaty of Nice further amended the other treaties, streamlining the EU's decision-making system so it could keep on working effectively even after further enlargements. The draft European Constitutional Treaty - signed in October 2004 - and the Reform Treaty - agreed in principle in 2007 - have not yet been ratified by all member States. A deep crisis hit the European Union when the European Constitutional Treaty was rejected in referendums held in France and

in the Netherlands in May and June 2005 respectively. In May 2006, the Constitutional Treaty was ratified by only 15 of the 25 member countries.

3) The institutions and their functions

At the beginning of the European construction, the dominating institutions were the Commission of Senior Officials and the Council of Ministers. A first adjustment in 1966 enhanced the task of the Committee of Permanent Representatives of the member States in Brussels. This was followed by the strengthening of the role of the General Council of Ministers and the establishment of the European Council as a permanent Community institution at the December 1974 Summit. Later on, the Single European Act enhanced the powers of the European Parliament and the Maastricht Treaty introduced the notion of European Union.

Today, the three main decision-making institutions in the European Union are the European Parliament (EP) which is directly elected by the citizens it represents, the Council of the European Union which represents the individual member States, and the European Commission which stands for the interests of the Union as a whole. The European Commission functions internationally as an important spokesperson for the European Union. It is its voice in international forums, and speaks and negotiates on behalf of the EU in areas where the member states have pooled sovereignty.

In the legal field, the Court of Justice is the final arbiter in disputes about European Law and a Court of first Instance was created in 1988 to support it in its tasks. The European Union Civil Service Tribunal adjudicates in disputes between the EU and its civil service. The court of Auditors checks the financing of the Union's activities.

A number of other bodies also have key roles in making the EU work. The European Economic and Social Committee represent the economic and social components of organized civil society. The Committee of the Regions represents regional and local authorities. The European Investment Bank finances investment in economic development projects inside and outside the EU, and helps small businesses via the European Investment Fund. The European Central Bank (ECB) maintains price stability, defines and implements monetary policy for the Eurozone, conducts foreign exchange operations, and holds and manages the official foreign reserves of its member states. The European Ombudsman investigates complaints related to maladministration by EU institutions and bodies. The European Data Protection Supervisor safeguards the privacy of personal data. Bodies such as Europol, the European Police Office, and Euro just deal with terrorism and organized crime. Besides, some specialized agencies handle certain technical, scientific or management tasks.

4) The Union and the issue of enlargement

a) Gradual enlargement

Today, 27 countries constitute the European Union which covers an area of more than 4 million km², with France being the largest and Malta the smallest. Belgium, Germany France, Italy, Luxembourg and the Netherlands were the six founding members of the European Economic Community. They were joined by Denmark, Ireland and the UK in 1973, Greece in 1981, Spain and Portugal in 1986. After the European Union's establishment in 1992, the Union was enlarged in 1995 to include Austria, Finland and Sweden. The Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia and Slovakia joined in 2004. Bulgaria and Romania joined in 2007.

The Union's population (more than 490 million) is the third largest in the world after China and India. Birth rates are falling and life expectancy is rising in a pace leading to a situation where fewer workers will have to support more and more pensioners. The population growth is mainly due to immigration mostly from former colonies of member States. The resulting ethnic and cultural diversity may be an asset for the European Union if tolerance, respect and mutual understanding are duly promoted.

b) Enlargement and Turkey

Three countries - Croatia, Turkey and the former Yugoslav Republic of Macedonia - have applied for membership to the European Union. However, Turkey's candidature is a matter contested by many Europeans and each enlargement has been inciting a growing and fierce debate as to what should be the final geographical border of the Union.

Even though it has a predominantly Muslim population, modern day Turkey is a secular democracy closely aligned with the West ever since its establishment in 1923. The country is a founding member of the United Nations, has joined the NATO in 1952, the Council of Europe in 1949, and the OECD in 1961; and it is an associate member of the Western European Union since 1992. In 1959, it began closely co-operating with the then European Economic Community, and Turkey's prospective membership in the European Union, has been a source of much debate since.

Negotiations on Turkey's adhesion started in 2006. Although membership talks were symbolically opened in 2005, a number of stumbling blocks remain on the road to Turkey's accession to the European Union, concerning particularly trade links with Cyprus, freedom of expression and the rights of the Kurdish minority. Moreover France, Austria, Germany and some other EU countries have, on several occasions, expressed

their opposition to Turkey's adhesion. Recently, President Sarkozy of France argued that Turkey does not belong in Europe and proposed a "privileged partnership" between Turkey and the Union instead of the country's adhesion, an idea Turkey rejects.

Religion seems to fuel many Europeans' reluctance to accept Turkey as one of them. They argue that Turkey's admission to the Union would bring about a huge Muslim population to the Union and harm the European identity "characterized by its Christianity". It should be noted that close to 20 million Moslems live at this time in the European Union. Many Europeans also have difficulties digesting the idea of a European Union sharing borders with Middle Eastern countries like Iraq, Iran and Syria if ever Turkey joins in.

5) Impediments to political strength

The European Union is the first commercial and the second economic power in the World. A decade ago, it covered a quarter of the world GDP and its citizens had one of the highest per capita revenue in the planet. Today, its global production and its commercial exchanges with the rest of the world makes of it one of the richest economic blocs in the world.

The launch, in January 2002, of the single currency Euro can be viewed as a positive development in the continuing process of the European Union construction. Presently, 15 member States totaling a population of around 320 million compose the so-called Eurozone. In recent years, the Euro's exchange rate to the US dollar has significantly increased. Experts attribute the rise partly to the continuous devaluation of the US dollar. This has forced some countries such as Kuwait in May 2007, to unpeg their national

currencies from the Dollar, and others, such as Saudi Arabia and Russia, to change some of their dollar-denominated foreign exchange reserves into Euros.

The general conception that economic strength is one of the instruments for acquiring political power does not seem to apply to the European Union. With each major international crisis, the question of what would be the limit of the European Union construction has been raised: “should it be satisfied enough of staying a prosperous Big Switzerland with no political ambition, or should it become a new big nation in control of its own destiny ...?”¹ The end of the Cold War had aroused some hopes that the European Community, at last liberated from the Soviet threat, would be able to impose itself as a leading political power at the level of its economic significance. The 1991 Intergovernmental Conference in Maastricht had decided that the single currency and the common foreign and security policies which it established would be supported, when possible, by a common defense. Unfortunately, the 1991 Gulf war revealed the extent of Europe’s weakness in armament and the tremendous military efforts it should deploy to reach its goal. Then, Europe was politically humiliated with the Yugoslav crisis: while many European leaders wanted the latter to remain an internal European affair from which the United States should stay away, it could be defused only after the United States’ intervention. Again in 1999, the operations in Kosovo painfully proved Europe’s weakness in military operations. The 2003 Iraq crisis on its part demonstrated split splits

¹ Mario Dehove, *L'Union européenne, une puissance toujours virtuelle*, in *Encyclopédie de l'Etat du monde - le CD-ROM PC* (La Découverte, Paris, 2006)

in the European unity, with some countries supporting the move by the United States, some opposing it passively and others such as France standing firm against it.

When it comes to unity, the distrust prevailing among the member States is so high that many of them, especially the smaller ones, fear the renewal of dominating ambitions in the larger States and prefer the secured protection from afar of the United States than the close but uncontrolled protection of stronger neighbors. Consequently, the United States' role in European defense has increasingly become indispensable in the framework of the North Atlantic Treaty organization (NATO) established in 1949. The economic reconstruction of devastated Europe after World War II also required the American 'Marshal Plan' to bear fruit. However, there is quite a deep rift between the 'atlantists' led by the United Kingdom who fear that if Europe became too independent, the United States would drop NATO and leave Europe without enough defense, and those behind France who refuse the security dependence and want to create an autonomous body of European defense.

Diplomacy is another domain in which the European Union has proved to be relatively weak. With the exception of France and the United Kingdom, and sometimes of Germany, most of the member States of the European Union, have nor the means nor the will to influence major international issues. The Union cannot even manage to have its weight in the Arab-Israel conflict where its member States have a common position and where it could have demonstrated its difference vis-à-vis the United States.

Another impediment to the political strength of Europe is found within Europe itself where the old European nations hesitate to rise above national sovereignty. While member States have gradually delegated to the Communities, and then to the Union,

increasing amount of their economic, commercial and monetary power, their reluctance to share their political, diplomatic and military sovereignty is huge. The Cold War has in fact played its share in making the construction of Europe vulnerable to national sovereignties on one hand and the American protection on the other.

6) EU-Africa Partnership

In today's global situation where the demand for oil and gas has dramatically increased, Africa who owns 10% of the world's oil reserves is strongly solicited by economic powers such as China and the United States who are competing for the control of its mining, oil and gas deposits. The continent, considered as safer than the volatile Middle East or other oil-producer regions, possesses in addition most of the rare metals and minerals necessary for industrial growth and technological development: 90% of the world reserves of platinum, cobalt and chromium, 60% of the world reserves of manganese, 40% of gold reserves, 30% of bauxite and uranium and 25% of titanium reserves² are among Africa's rich resources. Paradoxically, out of 800 million Africans, 300 million live in extreme poverty. In addition, the continent is severely affected – especially in its Sahel and Horn of Africa areas - by the instable situation in the Middle East and by the clash between the jihadist movement and the war on terrorism.

Europe has always maintained particular relations with Africa due to its geographical, historical and economical closeness to the continent: several European countries had colonies in Africa; only 13 kilometers of sea water separate the two continents at the Strait of Gibraltar; and Europe is a major economic partner of Africa.

² Louis Michel, *Africa-Europe: the indispensable alliance*, 11-19 (European Communities, 2008)

The African Diaspora in Europe highly contributes in strengthening these links: 4.6 million Africans live in the OECD countries with half of them coming from sub-Saharan Africa. Moreover, Europe is the largest importer of Africa's agricultural products and accounts for 68% of the value of foreign direct investment in Africa. Europe has been, for over 40 years, the leading donor of official development assistance to Africa in the form of grants not loans.

The issue of relations between the colonies and the member States arose immediately during the negotiations to establish the EEC. This led to the setting up of an association between the two parties in Part IV of the Treaty of Rome. The association aimed at promoting the economic and social development of the colonies, and at establishing close economic relations between them and the Community as a whole. Subsequently, the European Development Fund (EDF) was established to finance development projects through contributions from the member States made separately from the Community's budget. Initially, the association embraced 18 African countries.

In the 1960s, when African countries gradually acceded to independence, the association was replaced by a new agreement signed in Yaoundé and named the "Yaoundé Convention." The latter was replaced in 1975 by the "Lomé Convention" which brought together 9 EEC member States and 46 African, Caribbean and Pacific (ACP) countries. This partnership developed over time and was built up under successive conventions – Lomé's II, III, and IV - until the current Cotonou Agreement, concluded in 2000 in Cotonou-Benin for a twenty year period from March 2000 to February 2020. All sub-Saharan countries, including Eritrea, joined the partnership in the process. The funds

going to African countries, under the 10th EDF covering 2008-2013, account for 90% of the €23 billion³ earmarked for the ACP countries.

Eritrea's share in the 10th EDF will be Euro 122 million to be used for administrative capacity-building, infrastructures and food aid. The amount allocated to the country under the 9th EDF is Euro 96.8 million. The European Commission also tries to work with Eritrea in the search for a comprehensive solution to a range of conflicts across the Horn of Africa, from Darfur to Somalia⁴. In the short history of relations between Eritrea and the European Union, some tensions had emerged, especially over the expulsion in 2001 of the Italian ambassador and the interpretation of the Cotonou Agreement. They eased since the signing in November 2002 of the Country Strategy for Eritrea.

The Cotonou Partnership Agreement primarily focuses on renewing the principles consolidating the ACP-EU relations on the basis of responsibilities fully assumed and shared between partners with equal rights and duties: relationships of “donor” and “beneficiary” should be put behind, and Europe should guarantee policies that help build rather than obstruct Africa's development; Africa, on its part, must strengthen the governance and effectiveness of its States. The Agreement also aims, through more contacts and meetings, at developing a comprehensive and operational partnership

³ Louis Michel, *Africa-Europe: the indispensable alliance*, 31-39 (European Communities, 2008, Belgium)

⁴ Europe Information Service, *EU/ERITREA: Commission Seeks to Strengthen Political Dialogue*, in European Report May 7, 2007, http://www.meskerem.net/EU_ERITREA%20COMMISSION%20SEEKS%20TO%20STRENGTHEN%20POLITICAL%20DIALOGUE.htm (accessed July 11, 2008)

between the institutions of the two parties. In this context, two Africa-European Union Summits were held, the first in Cairo in 2000 and the second in Lisbon in 2007.

The Economic Partnership Agreement (EPA) concluded between the EU and the ACP will help boost Africa's economies by creating regional economic markets that will maintain preferential access to the European market. The EU has proposed extending free access to the European market to all products from sub-Saharan Africa as from 1 January 2008, with transitional arrangements for rice (2009) and sugar (2015). These arrangements will be expected to attract foreign investments and to prevent the flight of African capital. At present, USD 39 billion leaves Africa each year, whereas only USD 19 billion is invested in the continent. Under the EPA, Euro 2 billion a year will be disbursed in support of trade and businesses in the productive sector, including agriculture. Another Euro 5.6 billion has been earmarked to build the infrastructure needed to connect these regional markets. In general, the EU has decided to allocate 0,56% of its GNP to development aid by 2010, and 0,7% by 2015.

In December 2005, the European Strategy for Africa was adopted to reinforce action in a number of key policy areas that are essential for Africa's efforts of attaining the Millennium Development Goals including peace and security, good and effective governance, and trade.

Many critics argue that Africa-European Union Partnership is not really based on fair and equitable participation. For African and European leaders of the world's largest anti-poverty alliance, the Global Call to Action against Poverty (GCAP),

“... the new EU-Africa Strategy suggests that trade relations should be built on free trade and economic partnership agreements (EPAs). EPAs are being

negotiated outside the framework of the Africa-EU Strategy, under a timeframe imposed by the European Union (EU) that will leave poor countries in Africa worse off.”⁵

Those leaders emphasize that there is little partnership, consultation and planning grounded in African priorities, and express their concern that, “by signing the new EU-Africa Strategy, countries will be stuck with flawed Economic Partnership Agreements.” They call on Governments in both Europe and Africa to be accountable to their peoples and to take into consideration civil society’s concerns if they really want to build a people to people partnership.

7) **Conclusion**

Over the last fifty years, the European Union has undoubtedly managed to impose itself as an economic power. Its partnership with the ACP countries is a good testimony to its role as a global player. Nonetheless, many problems still remain and many others are still to come.

The Union’s contribution to international politics and diplomacy is overshadowed by the unipolarity displayed by the United States. More efforts in this area would move forward the Union’s construction and help create a pole which would counter-balance the American domination of the international arena. First and foremost, it would seem desirable for the EU to reduce and gradually eliminate its dependency on NATO and

⁵ GCAP, *No to Africa-EU Strategy based on unfair trade deals, 04/12/2007*, accessed July 8, 2008, <http://www.whiteband.org/media/press-info/no-to-africa-eu-strategy-based-on-unfair-trade-deals>,

strive to assure its own defense. This political and military strength can only be achieved within a genuinely united Europe.

Internally, the European Union should carefully handle the ethnical and cultural diversity in its population, which is a legacy of a combination of factors such as its member states' colonial history, its continuous enlargement, as well as massive immigration and globalization. The question of European Muslims has lately taken on an exaggerated dimension with the prevailing international situation linked to Islamic fundamentalism and terrorism. As a block that has succeeded against war-thinking and hatred, the Union should also be able to highly promote tolerance, respect and mutual understanding, values which will allow it to embrace all its peoples. Its policies towards ethnicity, culture and religion will decide about its future success or failure.

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