

# A Quantum Leap

How the European  
Communities  
became a Union



# The foundation of the European Communitie s



The  
context:  
The Cold  
War

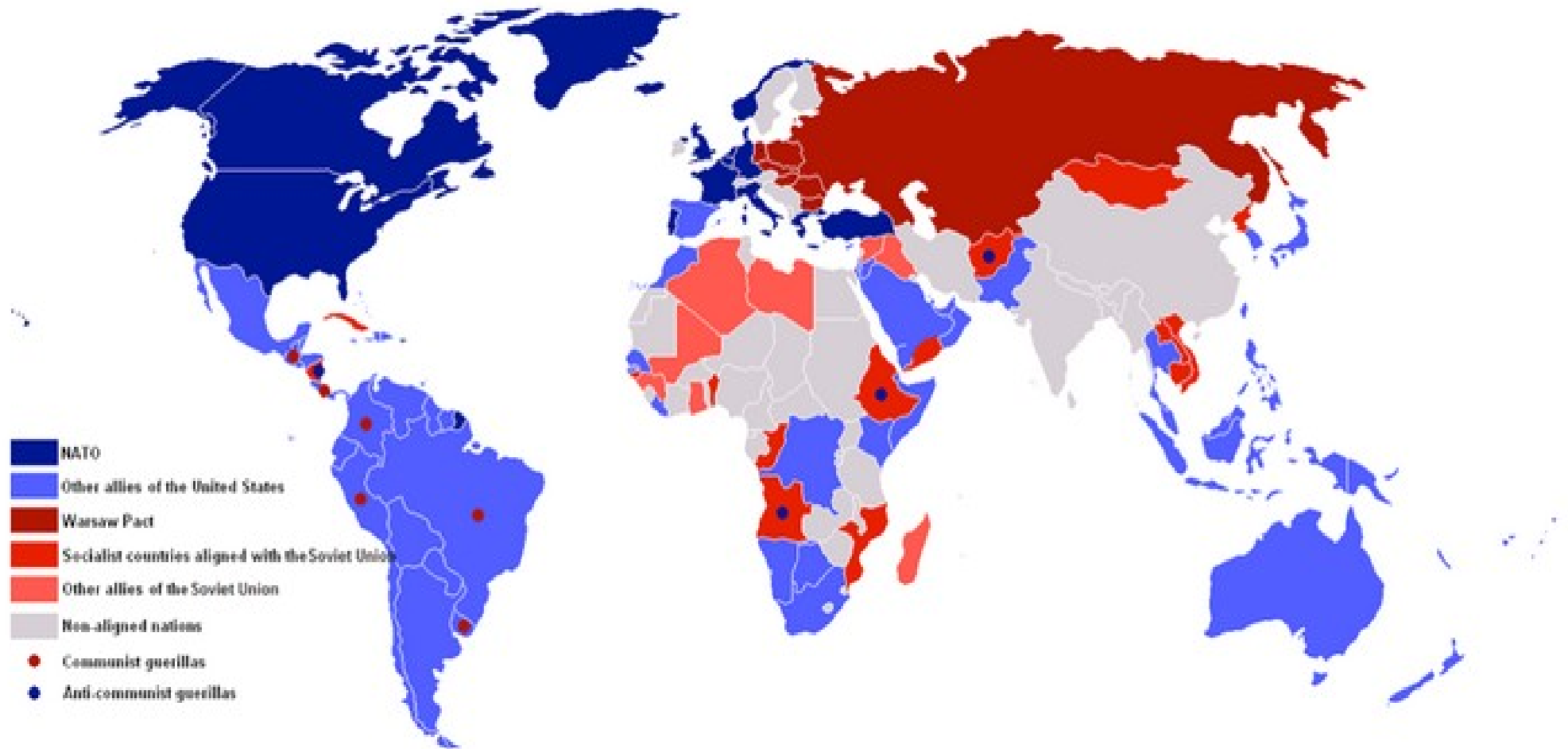


# What was the Cold War?

- It was the **global** rivalry that developed after World War II between the US and the Soviet Union and their respective allies.
- The Cold War was waged on political, economic, social, cultural and propaganda fronts and had only limited recourse to weapons.



# The world in the Cold War Era



# Europe in the Cold War Era

## The Iron Curtain

The militarised border that divided Europe from 1952 to 1989



### COMMUNIST BLOC

Warsaw Pact country

Socialist but non-aligned

### WESTERN BLOC

Military pact with US, including NATO

\* Marshall Plan beneficiary, OEEC member

Iron Curtain: concrete, trenches, barbed wire, alarms, watchtowers

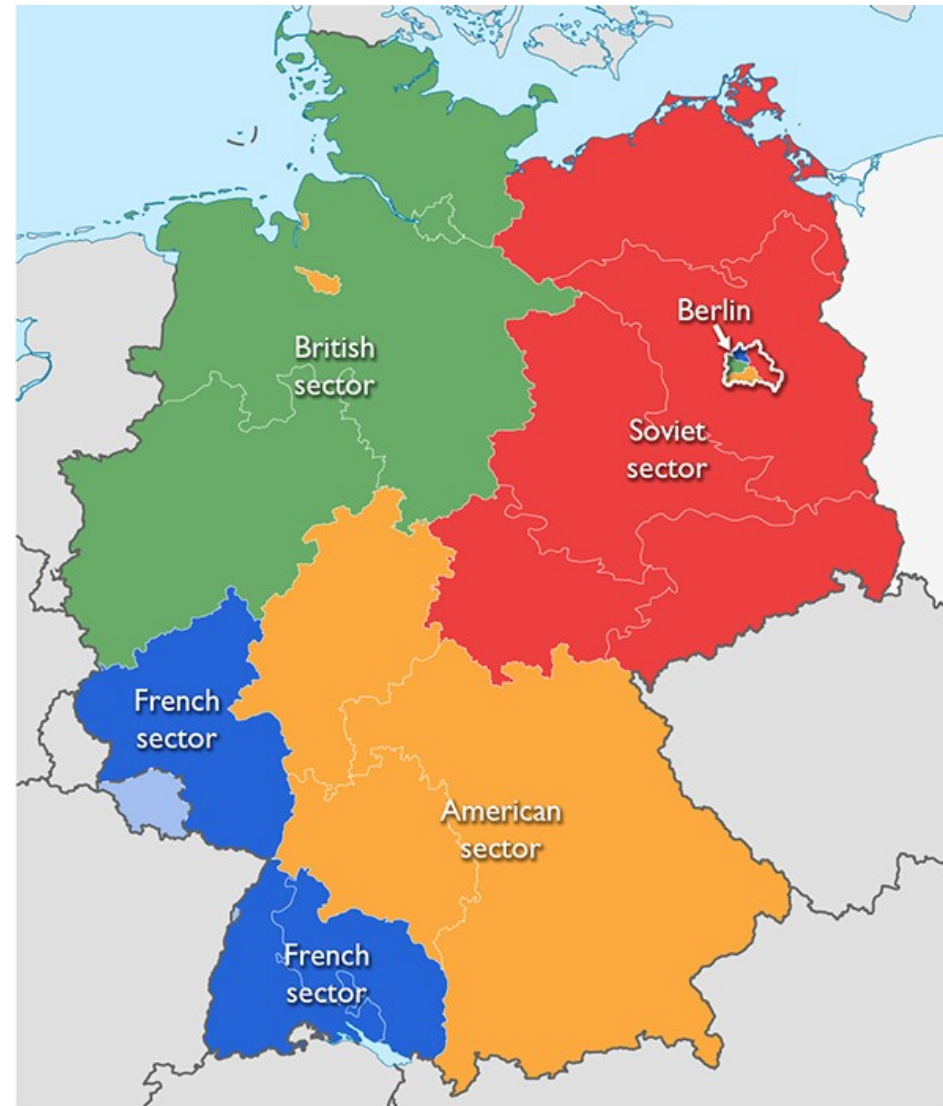
Berlin: occupied by 4 powers  
Wall built in 1961

Militarily non-aligned

Sources: AFP, "Histoire du XXe siècle" by S. Bernstein and P. Milza

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# Germany at the end of WWII





# The European integration process

Its goals: to pacify Europe; to solve the «German question»; to increase the economic wellness

The American pressure

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The Schuman  
Declaration,  
9th of May  
1950



# The Schuman Declaration

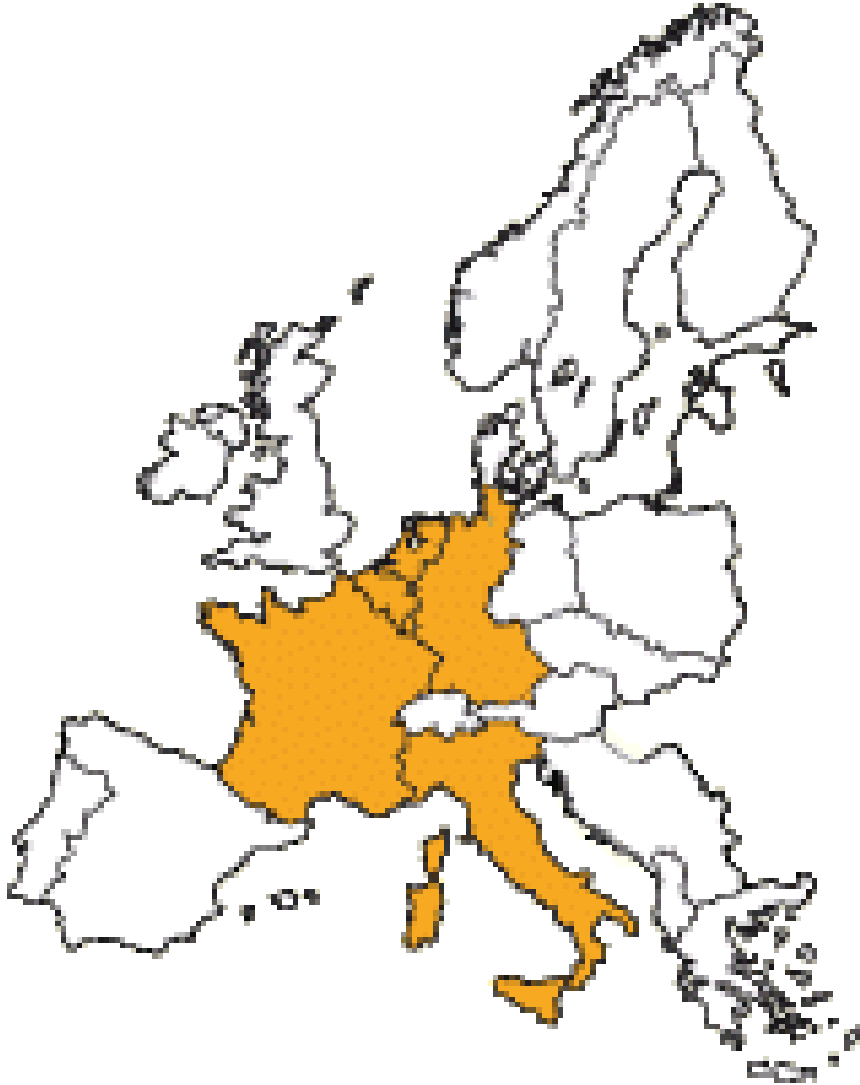
- “(…) The coming together of the nations of Europe requires the elimination of the age-old opposition of France and **Germany**. Any action taken must in the first place concern these two countries”.
- “It proposes that Franco-**German** production of coal and steel as a whole be placed under a common High Authority, within the framework of an organization open to the participation of the other countries of Europe”.
- “The solidarity in production thus established will make it plain that any war between France and **Germany** becomes not merely unthinkable, but materially impossible”.

# The European Communities

1951, the Treaty of Paris:  
the foundation of the  
European Coal and Steel  
Community

1957, the treaties of Rome:  
the foundation of the  
European Economic  
Community and the  
European Atomic Energy  
Community (AKA Euratom)

The European Economic Community – the 6 «founding member States»



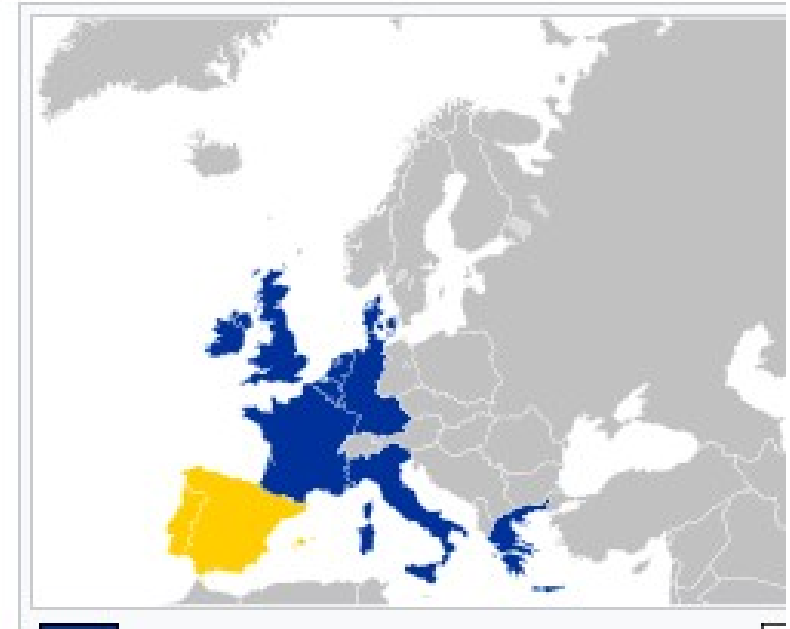
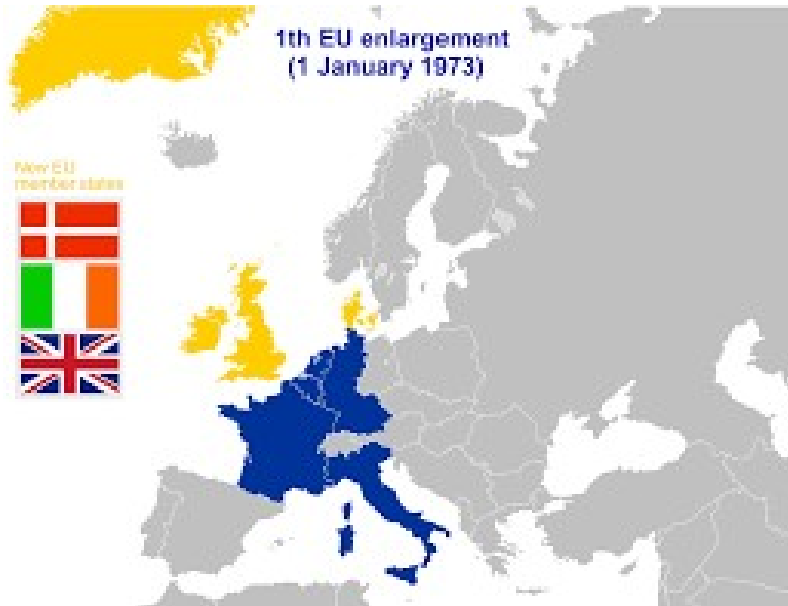
«Les trente  
glorieuses» or  
the Golden Age

Late 1940s – early 1970s



# The EC «enlargements»

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# The Single (Internal) Market

“An area without internal frontiers in which the free movement of goods, services, capitals and persons is ensured”

# The fall of the Berlin Wall

November 1989



**DAILY NEWS**

**FREEDOM!**



**Berlin Wall comes tumblin' down**

# Helmut Kohl and the Ten points (November 1989)

It was a surprising roadmap for German reunification after the fall of the Berlin Wall. The 10 points sought to deepen cooperation with East Germany in exchange for economic reforms, moving from a loose confederation toward a reunified federal state within Europe.”



What to  
do  
(again)  
with (a  
reunified  
)  
Germany  
?

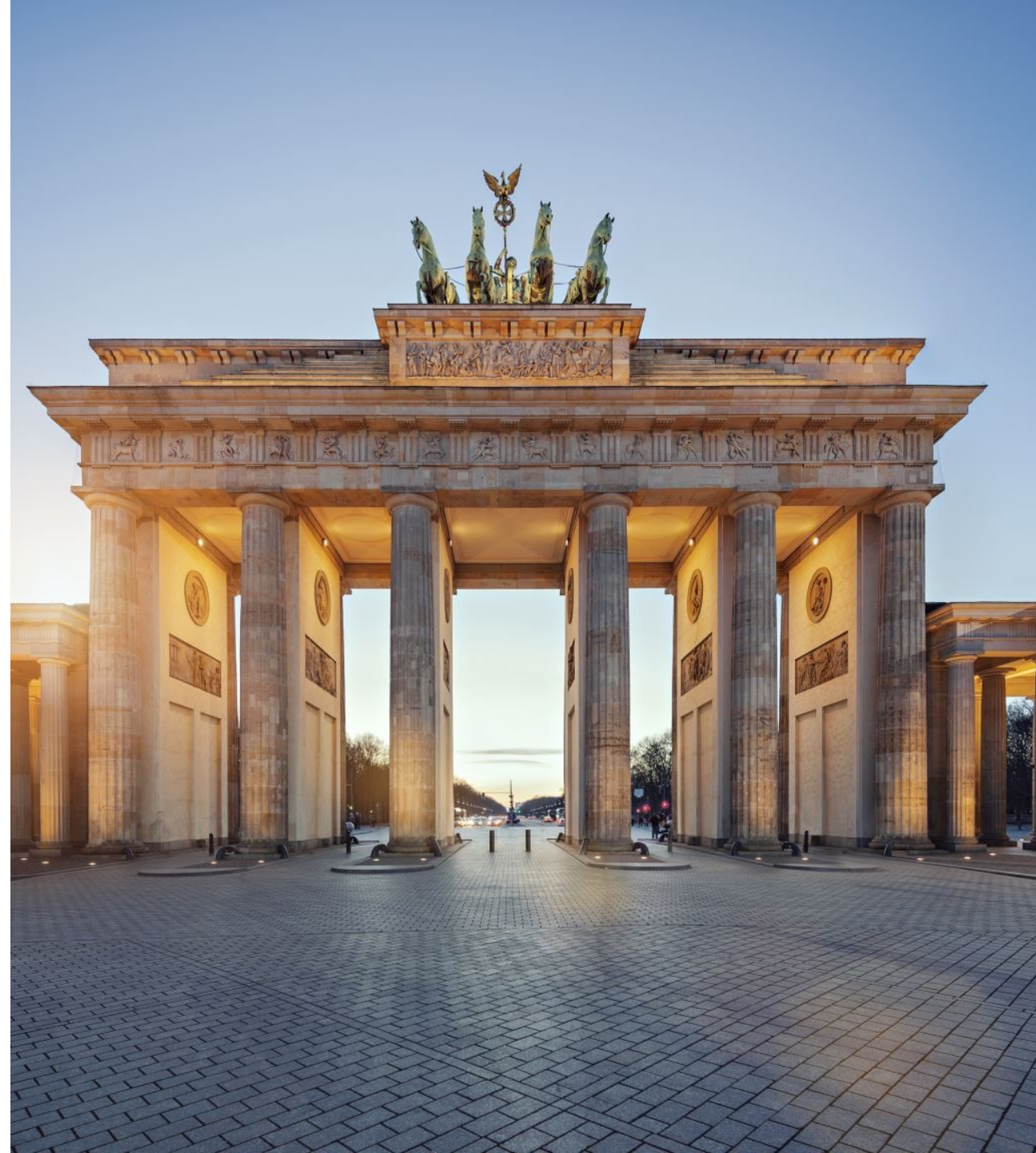
Margaret Thatcher believed a unified Germany would be too dominant economically and politically. She tried to persuade Gorbachev to actively oppose reunification, arguing that neither Britain nor other European nations actually wanted it

François Mitterrand wanted a reunified Germany be firmly anchored in a unified Europe

Giulio Andreotti (Italian Prime minister 23 .7. 1989 – 28 .6. 1992 ): «I love Germany so much that I would prefer there to be two of them”

# German reunification

The German reunification (*Deutsche Wiedervereinigung*) was the process in 1990 in which the German Democratic Republic (East Germany) joined the Federal Republic of Germany (West Germany) to form the reunited nation of Germany, and when Berlin reunited into a single city. The end of the unification process is officially referred to as German unity celebrated on 3 October (German Unity Day)



# Germany before and after the reunification



# Thomas Mann, 1953

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The alternative: «a  
German Europe or a  
European Germany».



How to dispel fears and mitigate concerns?

Reinforcing  
Europe was the  
answer

# Creating the European Union

A two-track process





# The European Monetary Union (EMU)

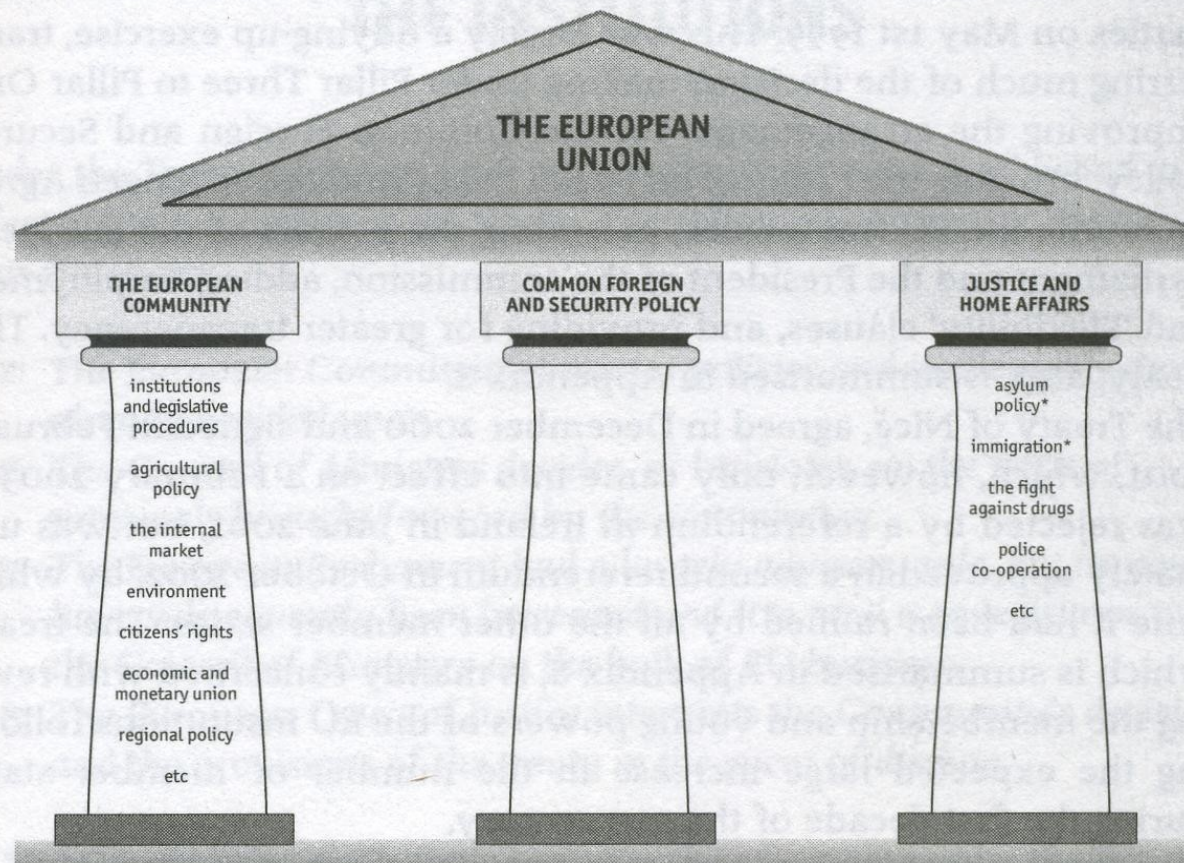
# The Franco-German axis at work for the «Political Union»

Mitterrand and Kohl advocated greater democratic legitimacy, more efficient decision-making, coherent socio-economic policy, a common foreign and security policy

The European Council, June 1990, opened two Intergovernmental Conferences (IGCs): on EMU and on «political union»

## The three pillars of the European Union

2



\*Transferred to Pillar One under the Amsterdam treaty.

# The treaty of Maastricht

It established the  
«European  
citizenship»

It reinforced the  
European  
parliament

# The European citizenship

- non-discrimination on the basis of nationality
- move and reside freely within the EU
- **vote for and stand as a candidate in European Parliament and municipal elections**
- **consular protection (help from the embassy or consulate of any other EU country to EU citizens in distress in a country outside the EU where they have no embassy or consulate of their own country)**



# The Co- decision

A legislative proposal can become EU policy only with the approval of **both the Parliament** and the Council, the EU's principal legislative body

# The Maastricht criteria

- **There are five criteria set out in the Treaty of Maastricht that must be met by European countries if they wish to adopt the European Union's single currency**, the euro.
- They are: **1)** inflation of no more than 1.5 percentage points above the average rate of the three EU member states with the lowest inflation over the previous year.
- **2)** A national budget deficit at or below 3 percent of gross domestic product (GDP).
- **3)** National public debt not exceeding 60 percent of gross domestic product. A country with a higher level of debt can still adopt the euro provided its debt level is falling steadily.
- **4)** Long-term interest rates should be no more than two percentage points above the rate in the three EU countries with the lowest inflation over the previous year.
- **5)** The national currency is required to enter the ERM 2 exchange rate mechanism two years prior to entry

A complex  
ratification  
process



# The process of ratifying: Denmark

The first Danish Maastricht Treaty referendum was held on 2 June 1992 and ratification of the treaty was rejected by a margin of 50.7% to 49.3%.

Subsequently, alterations were made to the treaty through the addition of the *Edinburgh Agreement* which lists four Danish exceptions, and this treaty was ratified the following year on 18 May 1993 after a second referendum was held in Denmark

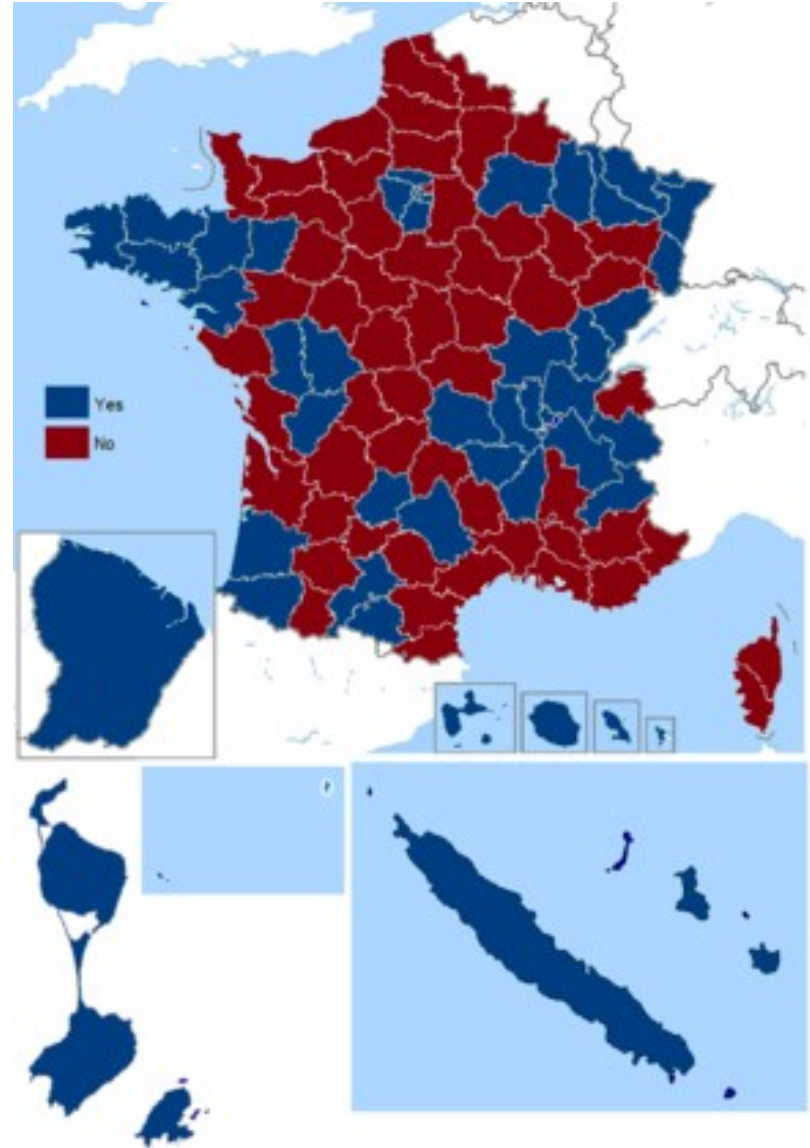
# The Edinburgh Agreement

- Denmark does not participate in the elaboration and the implementation of decisions and actions of the Union which have **defence implications** but will not prevent the development of closer cooperation between Member States in this area.
- Denmark **will not participate in the single currency**, will not be bound by the rules concerning economic policy which apply only to the Member States participating in the third stage of Economic and Monetary Union, and will retain its existing powers in the field of monetary policy according to its national laws and regulations, including powers of the National Bank of Denmark in the field of monetary policy.

# The process of ratifying: France

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- In September 1992, a referendum in France only narrowly supported the ratification of the treaty, with 50.8% in favour.
- Opponents included the French Communist Party (PCF) and far-left parties such as the Revolutionary Communist League (LCR) or Workers' Struggle (LO), who opposed what they considered as **an advance of neo-liberalism**, as well as Euro-sceptics such as the far-right National Front
- Opponents to the treaty were also in the main right-wing party, the Rassemblement pour la République (Rally for the Republic)



# The process of ratifying: United Kingdom

In the United Kingdom, the ratification was challenged by the “Maastricht Rebels” within the governing Conservative Party and the opposition.

The number of rebels exceeded the Conservative majority in the House of Commons, and thus the government of John Major came close to losing the confidence of the House

# The birth of the European Union

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The Maastricht Treaty entered into  
force on November 1, 1993



# 1999: the birth of the Eurozone

- In 1998, 11 EU member states had met the convergence criteria, and the eurozone came into existence with the official launch of the euro (alongside national currencies) on 1 January 1999 in those countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

