

**Better Governance:  
recent developments in the  
European Union**

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# Introduction

- Better Governance: towards one European government. Why?
- Europe: nation-states or a federation
- Europe: step by step -> progress by treaty
- Europe in problems
- How to solve these problems
- Can other countries (China) support Europe?

# The European Union: 500 million people – 27 countries



Member states of the European Union  
Candidate countries

# Enlargement: from six to 27 countries

1952



1973



1981



1986



1990



1995



2004



2007



# Why one Europe?!

- After the 2nd World War France, Germany, Italy, Belgium, Luxemburg & the Netherlands want no more war in Europe.
- Escape from the extreme forms of nationalism which had devastated the continent
- First step in the direction of one federation of Europe
- France: Europe of Nation-States (De Gaulle)

# The treaties – basis for democratic cooperation built on law

**1952**

The European Steel and Coal Community

**1958**

The treaties of Rome:  
The European Economic Community  
The European Atomic Energy Community  
(EURATOM)

**2009**

Treaty of Lisbon

**1987**

The European Single Act: the  
Single Market

**2003**

Treaty of Nice

**1999**

Treaty of Amsterdam

**1993**

Treaty of European Union  
– Maastricht

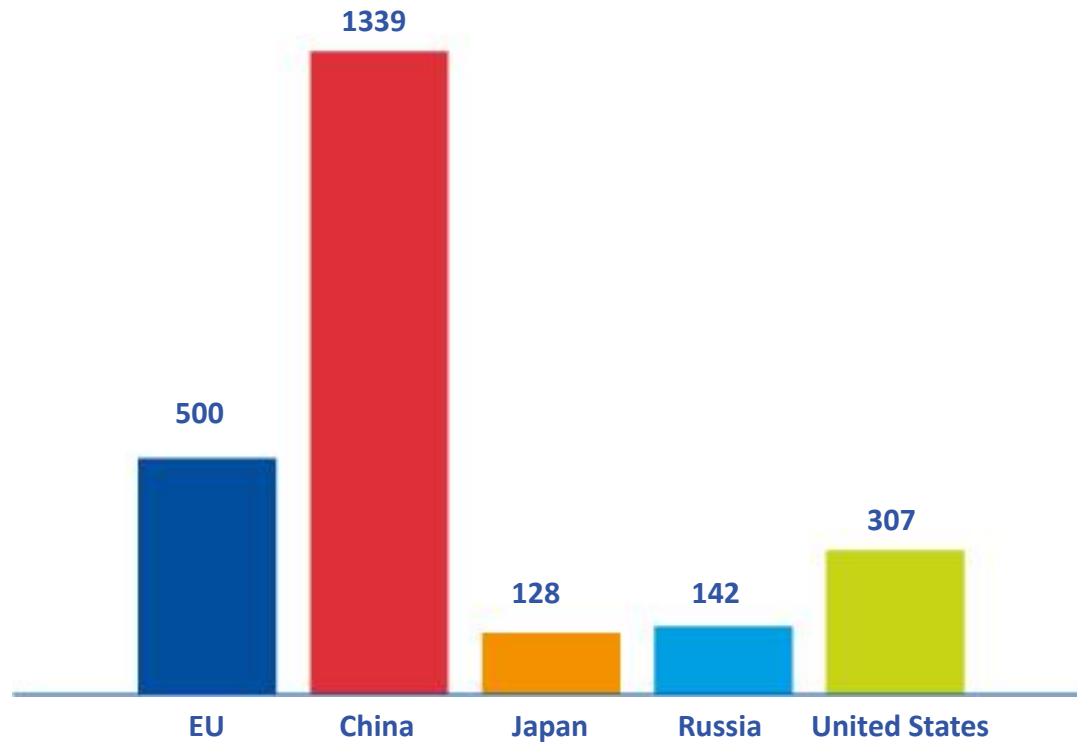


# Progress: treaty by treaty

- Treaty of Paris (1952): EC&SC
- Treaty of Rome (1958): EEC & Euratom
- European Single Market (1987)
- Treaty of Maastricht (1993): European Union
- Treaty of Amsterdam (1999): more power EU
- Treaty of Nice (1993): 10 more members
- Treaty of Lisbon (2009): more institutional changes (immigration)
- Eurocrisis (2011): European Financial Stability Fund (EFSF)

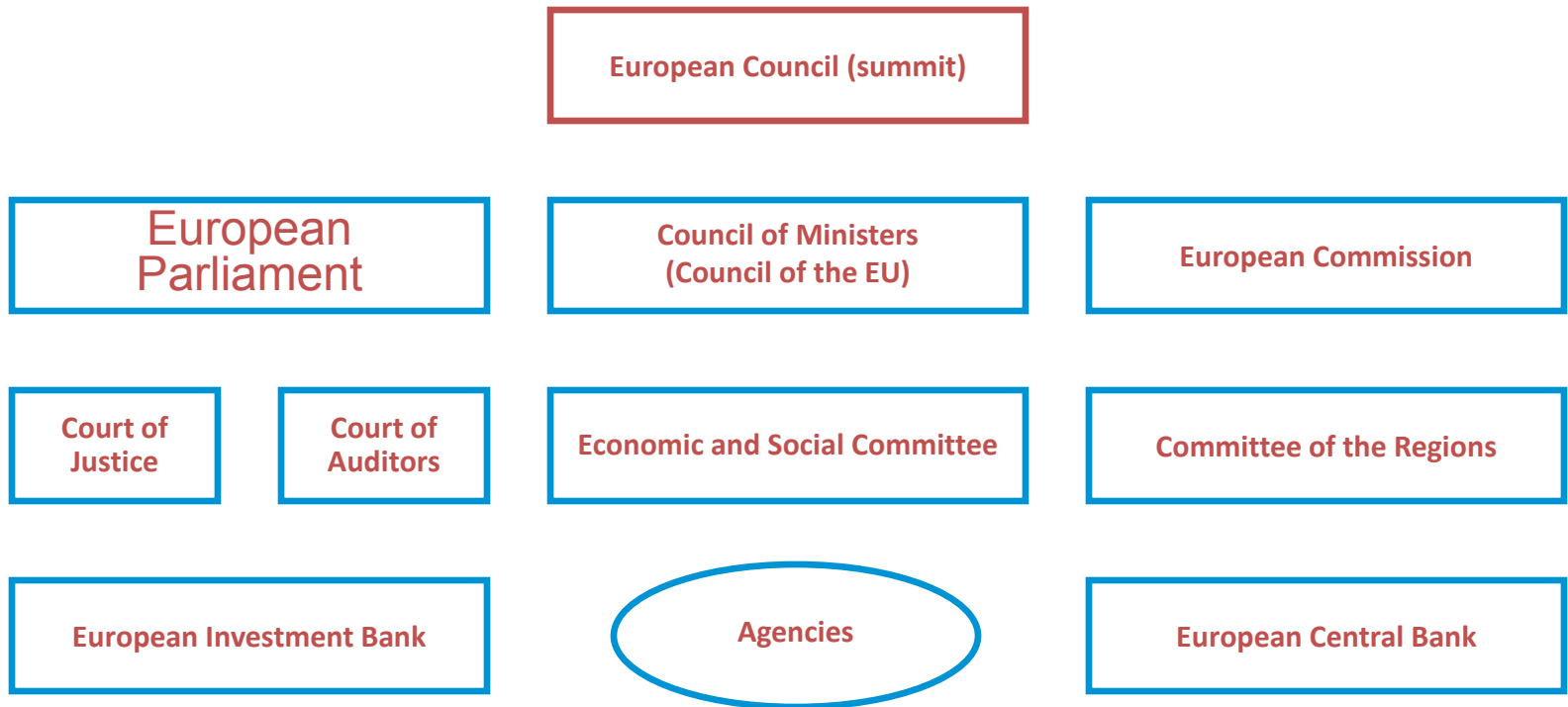
# EU population in the world

Population in millions, 2009





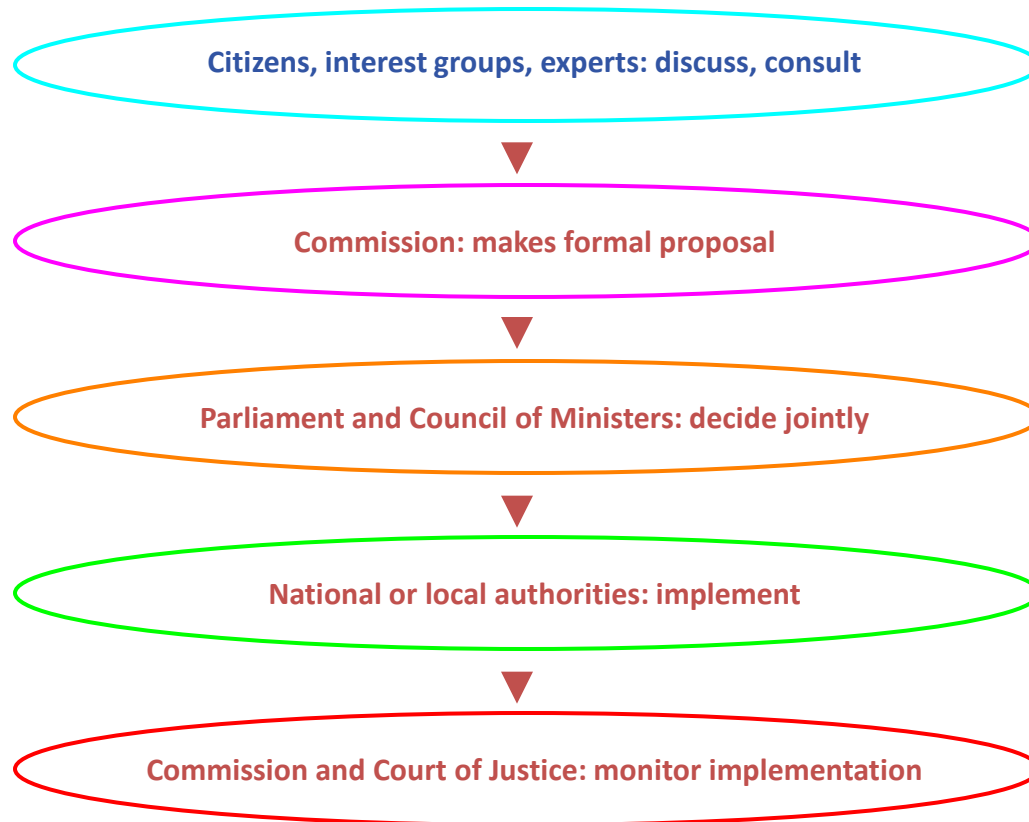
# The EU institutions



# European Institutions

- European Council of National Leaders
- Council of the EU (National ministers)
- European Commission (27 members)
- European Parliament (736 members, directly elected by the European people, every 5 years since 1979)
- European Court of Justice
- European Court of Auditors

# How EU laws are made



# Stability-& Growth Pact (1997)

- Reference value for
  - Government deficit is 3% GDP
  - National debt is 60% GDP
- Sanctions via excessive deficit procedure
- The Pact, spoiled by France & Germany(2003)
- Greece fooled the EU
- No political commitment

# The euro – a single currency for Europeans



**Can be used everywhere in the euro area**

- ▶ **Coins:** one side with national symbols, one side common
- ▶ **Notes:** no national side

-  **EU countries using the euro**
-  **EU countries not using the euro**

# Euro-crisis consequent on budgetary deficits & state -debt

- Unrest on the financial markets
- Lower ratings for banks and countries
- Higher interest-rates for weak countries
- Big differences between North and South Europe, economically & culturally
- How long is the North able and willing to support the South?
- Is the Emergency Fund (EFSF) big enough?

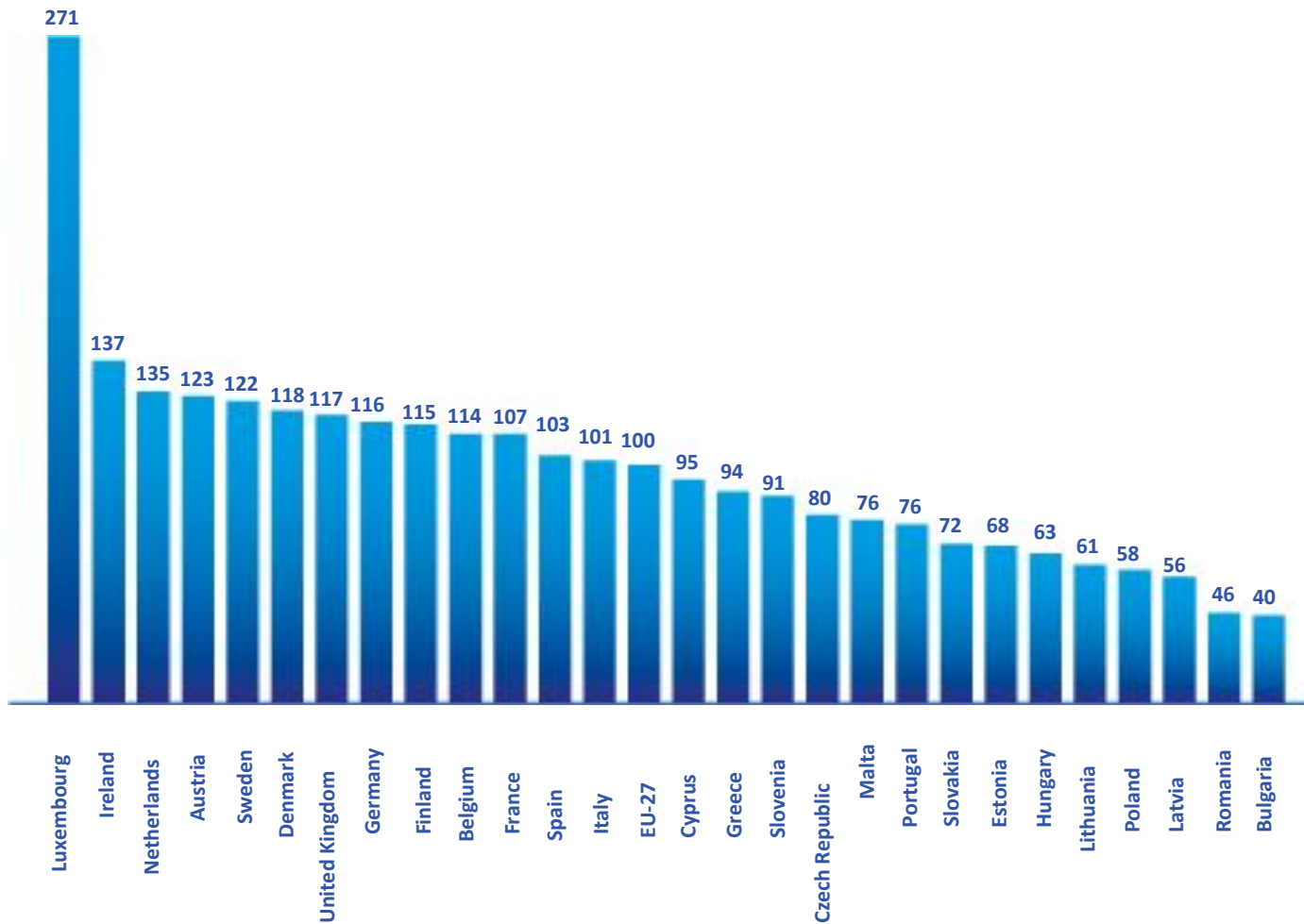
# The Solution of the Eurocrisis

- Leaders of Euro-countries (26/7 October 2011):
  - Support for Greece
  - \* Strengthening of the Stability & Growth-Pact
  - Extension of the EFSF
  - Strong supervision on National Budgetary Policies
  - IMF as supervisor in Italy
  - IMF Facility

# GDP per inhabitant: the spread of wealth

## 2008 GDP per inhabitant

Index where the average of the 27 EU-countries is 100





# More Power for EU

- Introduction of the Euro has political consequences. No action.
- European (Economic) Government
- Stronger Role for the European Parliament to control governments
- Six- Pack

# Support of China and other countries is necessary

- The role of Europe in the world-economy is still so important, that these problems must be solved for the well-being of all countries in the world
- IMF has to play an important role (the Witteveen Facility)
- Trust in the financial markets has to be restored to the benefit of us all