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# FROM ECONOMIC COMMUNITY TO POLITICAL UNION: TRACING THE DEVELOPMENT OF THE EUROPEAN UNION

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## INTRODUCTION

The European Union (hereinafter referred as EU), is the biggest experiment of political supranational governance. It is a regional integration shaping political, economic and social landscape of Europe. The EU has widely been portrayed as a *sui generis* political entity, that blends the features of both a federation and a confederation. The European Union (EU) came in force with the Maastricht Treaty in 1993, which also introduced the EU citizenship. It became an international legal entity with the Treaty of Lisbon in 2009. The EU's origin dates back to 1948 with the Inner Six states (Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany) as an economic community in the aftermath of World War II, focusing on coal and steel, which later evolved into a political and economic integration of 27 European nations, enclosing over 500 million citizens.

## HISTORY

The idea of uniting European countries first came to notice in 754, in the *Mozarabic Chronicles*, then again in 1453, in *Fall of Constantinople*. It was further mentioned by *Abbot Charles de Saint-Pierre*, in 1713, as an attempt to create an economic European League of 18 states, with no internal borders. The perception of 'United States of Europe', was shared by *Marquis de Lafayette* and *Tadeusz Kościuszko* after the American Revolutionary War. In 1849, during a speech at International Peace Congress, the pacifist *Victor Hugo* used the term 'United States of Europe' and supported the establishment of "a supreme, sovereign senate that would serve Europe in the same capacity as the parliament serves England."

It is very evident the idea of internationalism existed will before the 19<sup>th</sup> CE, but was only accounted as a rection to World War I. *John Maynard Keynes*, suggested the creation of a European customs union to aid the struggling post-war economies in 1920. In 1923, *Richard*

von Coudenhove-Kalergi, found and led the *Pan-European Union Movement*. He further found the European Parliamentary Union in June 1947.

By the end of the war, UK, USA and Soviet Union in *Tehran Conference* made plans to establish joint institutions. When the World War II ended, it caused a rise in the conception of unity in Democratic European Countries, as an escape from extreme nationalism and the loss faced.

The process of EU integration is a complex one with multiple treaties and multiple outcomes. Though the idea of uniting Europe was always in the hearts and the minds of the people of Europe, it finally came into force in 1957, when Belgium, France, Italy, Luxembourg, Netherlands, and West Germany signed the Treaty of Rome forming an integrated European Union.

### OVERVIEW OF TIMELINE, TREATIES AND THEIR OUTCOMES



**1951: THE TREATY OF PARIS- The European Coal and Steel Community**

The famous Treaty of Paris, signed on 18 April 1951, which came into force on 25 July 1952, established the European Coal and Steel Community (ECSC) as its main outcome. Six members consisting of Belgium, Federal Germany, France, Italy, Luxembourg and Netherlands were a part of this treaty. The ECSC developed a common market for coal and steel, the two industries that were very crucial to the post-war reconstruction of Europe. It was tasked with permanently supervising the market of coal and steel, maintaining transparency in the prices and compliance with the competition rules. The primary aim of the treaty was to foster economic growth, employment and improved living standards through a common market for coal and steel. Further, the treaty encouraged the growth of international trade and urbanisation of production process. It created a common market for facilitating free movement of products without customs or taxes and restricted discriminatory practices like special charges imposed by the states. All this process, led to economic cooperation and interdependence among its members. The success of this treaty laid down the stepping stones for the creation of the European Economic Community (EEC) and the European Atomic Energy Community (Euratom) in the following years.

The ECSC's institutional structure consisting High Authority, Council of Ministers, Court of Justice and Common Assembly, served as a model for the subsequent European Communities and the European Union. ECSC manifested both supra-nationalism and intergovernmentalism.

**1957: THE TREATY OF ROME- The European Economic Community**

The Treaty of Rome was signed on March 25, 1957 that led to the formation of the European Economic Community (EEC). This treaty, which came into force on January 1, 1958, was the result of a shared vision among six founding member states. These nations wished to promote the integration beyond the two sectors that were covered by ECSC and aimed for the economic union which would enhance the well-being and also maintain peace in the Europe.

The Treaty of Rome aimed at setting up the Common Market with liberalisation of trade in goods, labour, services and capital – the so-called four freedoms. This objective was fundamentally different to the sectoral approach of the ECSC. The established terms of the treaty in question were aimed at the long-standing process of liberalization of trade relations and the convergence of economic policies within the member nations, thus the long-term goal

was to achieve not only an economic but also a political union across Europe. The EEC Treaty promoted local selling within the communities and improved the level of market integration within the European region. At the same time the treaty envisaged setting of the Common Customs Tariff for the relations with third countries and thus the creation of the customs union. This two-pronged policy was undertaken with the intent of developing internal harmony alongside a coherent external foreign trade policy in which the EEC was eventually set for becoming an influential actor on the international level. It called for the development of a common transport policy for the movement of goods and people across borders.

Adding to the economic integration, it also focused on closer relations between member states, which directed towards a greater unity, enclosing not only economic but also social and political integration. This economic interdependence formed a strong foundation for the future cooperation and integration efforts, promoting border European unity.

#### **1957: THE TREATY OF ROME- The European Atomic Energy Community (EURATOM)**

Treaty of Rome not only, set up the EEC, but it also founded the EURATOM. This bi-polar policy corresponded well to the requirements and ambitions of the Europe after the Second World War. On one hand, deeper economic integration, on the other – nuclear energy as the source of power without using atomic weapons.

It was intended from the beginning as a nuclear community with exclusive and specific character as a community of atomic energy applied for peaceful purposes only. Its creation was based on the recommendation of a committee presided by *Paul-Henri Spaak the Belgian Prime Minister* and an advocate of European integration. The *Spaak Report of 1956* set out the constitutive ideas of both EURATOM and the EEC. Economic integration is emphasized, however, political goals, which caused much concern in preceding endeavours at integration, are not expressly outlined.

The Treaty of Rome set out EURATOM's primary objectives which were proliferation of nuclear energy, establishment of unified market of nuclear products, and guarantee of both safety and security of the nuclear activities in member states.

The inclusion of EURATOM together with the EEC in the Treaty of Rome bore the understanding of the European leaders in the significance of nuclear energy in future development of Europe. They feared that if left neglected they would permanently enslave the country to foreign oil, retard the development of technologies that could cut the demand for energy, and block the country from attaining economic prosperity. The treaty therefore embodied the common understanding whereby nuclear power was strength that could be developed and used for the gains of all the member states without the negative connotations of domination but instead it was an energy source whose threats were to be controlled collectively by the members' collective authority. The creation of EURATOM was a symbolic step towards the integration's progressive and innovative focusing on the energy policy and science.

### **1965: THE MERGER TREATY- Merged ECSC, EEC, EAEC**

The Merger Treaty signed in 1965 and came into force in 1967, was an important development in European integration through rationalization of institutions of the three European Communities. This treaty centralised the executive of the European coal and steel community (ECSC), European economic community (EEC) and the European atomic energy community (EURATOM). Before the signing of this treaty, all the communities each had their individual executive bodies hence there was a problem of duplication of duties. The Merger Treaty tackled this problem by having one Council of Ministers and one Commission for all the three communities. This consolidated Council assumed the duty of supervising the policies of member states and also making the major determinations whereas the amalgamated Commission concretized and executors' community laws.

Though it preserved the legal frameworks' separation for every community, the treaty significantly improved efficiency. It maintained common institutions for all the communities such as the European Parliament and the European Court of Justice. These cases of institutional integration provided the initial framework for easier combined policies and additional integration. Cutting out duplicative bureaucratic processes and enhancing cooperation between policy sectors, the Merger Treaty predicted further European integration and became one of the essential building blocks of the future European Union.

### **1986: THE SINGLE EUROPEAN ACT- Creating single internal market**

The Single European Act signed in 1986 and effective from 1 July, 1987 could be considered as one of the most important steps in the process of European integration. It sought to finish the internal market by 1992, this therefore was the follow up of the Treaty of Rome and the

reborn of the European idea after years of stagnation in the early 1980s known as Euro sclerosis.

The SEA's ultimate purpose was to further liberalise trade of goods, services, capital and persons with the European Communities. Qualitative institutional changes that it brought include the measures which aimed at enhancing the actual operational decisions of the Council in particular through measures that extended the application of qualified majority vote. The treaty also brought a change in decision-making within the European Union by increasing the powers of the European Parliament through what was referred to as the 'cooperation procedure' in certain policy areas.

Furthermore, the SEA broaden the competencies of Community to areas like economic as well as social cohesion, research and technology and environment policy. It adopted a strict schedule of creating an internal market by the end of December, 1992 after the effective creation of the customs union that was done in 1968.

It was put into force in response to economic crises and internal tensions of the early 1980; it gave new impulse to European integration turning "pessimism of the Europeans" into active one. In this way, the SEA paved the way to further economic integration deepening Europe's economic structure and fostering its positions in the international arena

### **1992: THE MAASTRICHT TREATY- The Treaty on European Union (TEU)**

The Maastricht Treaty, called also the Treaty on European Union (TEU), is an agreement signed on 7th February of the year 1992 and executed on the 1<sup>st</sup> November, 1993. It is regarded as a turning point for the subsequent stages of the European unification process. This treaty created the European Union which switched the existing European Communities into new phenomenon and undertook considerable political and economic changes due to the transformation in the global environment caused by the German unification as well as the breakup of the Soviet Union.

"The creation of a three-pillar structure for the EU was the most effective:

1. The European Communities (First Pillar): This included EEC, ECSC, and EURATOM, maintaining their traditional activities and decision-making procedures.

2. Common Foreign and Security Policy (Second Pillar): This aimed to protect the values of EU, strengthen security, preserve peace, promote international cooperation, and promote democracy.
3. Cooperation on Justice and Home Affairs (Third Pillar): This focused on internal security, including border control, fighting terrorism and organized crime, judicial cooperation, and developing common asylum policies.”<sup>1</sup>

The Maastricht Treaty introduced several key elements:

- European citizenship which presented EU citizens the right to move, reside, and participate in European elections across the member states.
- The foundation for the Economic and Monetary Union (EMU) and the single currency (euro) throughout the union.
- Expansion of EU promoted education, culture, and consumer protection.
- The principle of subsidiarity to balance EU and national decision-making.

Such transformations indicated the will of the member countries to pursue further integration and joint decision-making. The treaty was known to be one aimed at achieving a complete monetary union by 1999 which meant being able to make common decisions concerning countries’ foreign relations as well as internal politics.

The Maastricht Treaty was the most powerful step towards the integration of the nations within the European Union. Its significance was also that it justified and orientated the politics regarding future enlargement in all its vertical, political, economic and social connotations of what fully made up the Union that is fairly current today.

### **1997: THE TREATY OF AMSTERBAM**

The Treaty of Amsterdam of 1997 was designed to consolidate the democratic credibility of the European Union, extend its openness, and meet the imminent tasks of expansion with new members from Central and Eastern Europe. The new set of priorities in Amsterdam consisted

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<sup>1</sup> [https://european-union.europa.eu/principles-countries-history/principles-and-values/founding-agreements\\_en](https://european-union.europa.eu/principles-countries-history/principles-and-values/founding-agreements_en)

of strengthening the functions of the European Parliament by providing it with greater powers of co-decision in the legislative process and controls over the European Commission. New policy areas introduced by the treaty included employment and justice and home affairs, reflecting the evolving needs of the EU. It reinforced the capacity to act of the EU in external relations with the creation of the post of High Representative for the Common Foreign and Security Policy. In preparation for the forthcoming enlargement, it simplified and rationalized the procedure for taking decisions.

The Amsterdam Treaty represented an important step that the EU was to take in the direction of openness, accountability, and responsiveness to its citizenry. Strengthening the European Parliament and adding new policy competencies to those established by the Maastricht Treaty—the perceived democratic deficit in the EU—the Amsterdam Treaty set out to ensure that the union's institutions and decision-making processes would remain effective and legitimate amidst an ever-growing and more diverse membership. It refashioned and refined the Maastricht Treaty on European Union, with a number of significant amendments intended to prepare the EU for later enlargement. The Treaty established the following EU goals: to promote economic and social advance, to assert its distinctiveness on the international look, to enhance the rights and interests of EU citizens, and to ensure that the EU offers an area of freedom, security, and justice, together with the set of EU rules (*Acquis Communautaire*).

### **2001: THE TREATY OF NICE**

The Treaty of Nice, signed in 2001, focused on refining the structure of EU and decision-making processes for the union's largest enlargement in 2004, which saw 10 new member states as joining ones. Primary outcomes of the treaty included revising the composition and voting procedures of the ECC to include the new member states. The treaty further broadened the use of majority voting in the Council, making it more efficient in decision-making, and boosting the role of the European Parliament in the legislative process. It also focused on the concerns about expanding the scope of authority of the union.

The Treaty of Nice was essential for setting up the EU's institutional framework for the historic enlargement, assuring the uniform effectiveness of the decision-making processes and that legislative structures could adapt to the increased diversity and complexity which came with the enlargement of the EU. It also amended the Treaty on European Union (TEU) and the Treaty establishing the European Community (TEC), making the EU institutions to function

efficiently in a union of 27 member countries. The Treaty of Nice aimed to make EU institutions more efficient and legitimate, preparing the EU for its enlargement.

### **2007: THE TREATY OF LISBON**

The Treaty of Lisbon, 2007, marked a significant milestone in the evolution of the European Union. It intended to bring more efficiency into the EU's decision making, increase the powers of the European Parliament and offer more clarity when it comes to distribution of competencies between the Member States. The main outcomes were the introduction of the permanent position of President of the EC, providing EU with better and stable leadership. In the treaty, powers of shared decision making in most matters of legislation was awarded to the European Parliament which is the directly elected suffrage of the EU citizens. It also provided answers to the concerns regarding the competences disputably falling under the EU jurisdiction, and scope of powers of the union; streamlined EU institutional structure and decision-making mechanisms, to make them more effective and quicker in response.

The Treaty of Lisbon was a crucial stage in the further evolution of the EU enlarging the scale of the integration process and responding to the new conditions of development of a large union, which faces difficulties in decision making due to the enlargement of the number of members, the search for the ways to increase the democratic nature and effectiveness of the EU institutions, as well as the requirement to strengthen the vision of the Union in providing for the key world processes and problems Here it was intended to remove stagnation points in the decision-making processes at the EU level and to become a democratic organism effective in its work. The changes incorporated were very extensive, in the sense that the TEC was renamed to the "Treaty on the Functioning of the European Union" abbreviated as the TFEU. This treaty established the right of the European Parliament to present changes in the Treaties, developed the procedure for the simplification of the revision and fixes the legal status of the Eu on the basis of the Treaty of European Union (TEU) with TFEU that are equally important. The Treaty of Lisbon therefore made the EU ready and to confront with the new challenges of the 21<sup>st</sup> century.

### **CONCLUSION**

The integration of the European Union is one of the most complex and the biggest experiment in the political history. Even though the process seems to be intimidating, it still made Europe

grow in multiple factors making it a supranational integration. The multiple treaties led to its integration, each process refining the governance even more and slowly taking it from economic union to a political one as well. All these treaties also led to various outcomes which only further strengthened the union. The next major event in the EU was BREXIT, which was the resigning of Britain as a member of EU. But EU still stands to be the greatest political integration seen till date.

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