



Contemporary World

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4th Lecture

Global Economic Organizations

- The European Union
- The Group of Eight
- World Bank
- IMF
- NAFTA
- ASEAN, SAFTA, OPEC
- See Chapter 11



Europe Between Two Wars

- Survival of the Fittest Herbert Spencer and Charles Darwin
- Lebensraum
- Nazism
- Fascism
- 2nd World War



European Union



A BRIEF HISTORY OF THE EU



The European Union has gone through many incarnations since its origins



European Coal and Steel Community

- * 1952: The basis of the EU began with the signing of the *Treaty of Paris*, establishing the European Coal and Steel Community (ECSC), to regulate European industry & improve commerce, post WWII.
- * The six founding states were Belgium, France, Germany, Italy, Luxembourg, and The Netherlands.
- * 1957: the *Treaties of Rome* were signed by the six member states, forming:
 - The European Economic Community (EEC)
 - The European Atomic Energy Community (Euroatom)
- * These units worked concurrently with the ECSC.



The European Community

- 1967: ECSC, EEC, and EuroAtom merged to form the basis of the EC.
- 1973: the United Kingdom, Denmark, and Ireland joined the EC.
- 1981: Greece joined.
- 1986: Spain and Portugal joined.
- 1995: Finland, Sweden, and Austria joined.





Goals of the EC

- To continue to improve Europe's economy by regulating trade and commerce.
- To form a single market for Europe's economic resources.
- As these goals were accomplished, other goals were developed:
 - Environmental movements
 - Regulatory acts
 - Human rights concerns.

THE EUROPEAN UNION



1992: the *Maastricht Treaty* was ratified, which rechartered the EC as the **European Union**.



Basis of the EU

The European Union is based on the rule of law and democracy. It is neither a new State replacing existing ones nor is it comparable to other international organisations. Its Member States delegate sovereignty to common institutions representing the interests of the Union as a whole on questions of joint interest. All decisions and procedures are derived from the basic treaties ratified by the Member States.



Principal Objects of the EU

- Establish European Citizenship
- Ensure freedom, security, and justice
- Promote economic and social progress
- Assert Europe's role in the world



The EU is run by five institutions, each playing a specific role

- **European Parliament**
 - elected by the peoples of the Member States
- **Council of the Union**
 - composed of the governments of the Member States
- **European Commission**
 - driving force and executive body
- **Court of Justice**
 - compliance with the law
- **Court of Auditors**
 - sound and lawful management of the EU budget



European Parliament

- Members elected every 5 years
 - 625 members as of July 2003
- Three essential functions:
 - Legislate laws along w/ Council
 - Budget authority along w/ Council
 - Supervision of Commission



Council of the EU

- Composed of the head of each member country (Prime Minister/ President, etc) & the President of the EU Commission
 - 1 Minister acts as President, rotating twice yearly
 - 2 meetings a year, in President's country
- Main decision making body of the EU
- Responsibilities
 - Legislation & budgetary policies along w/ Parliament
 - Economic policies
 - International agreements



European Commission

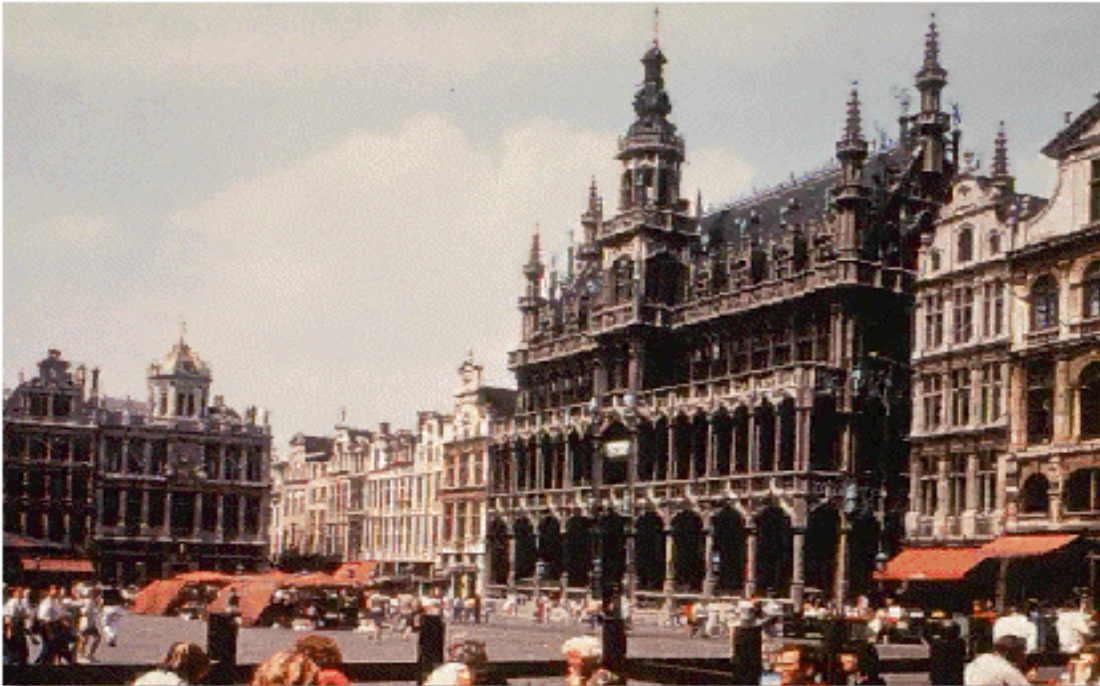
- Embodies and upholds the general interest of the Union.
- 20 members: 1 President, 2 vice-Presidents & 17 Commissioners
 - Elected every 5 years by the Member States after they have been approved by the European Parliament.
- As the EU's executive body, it:
 - Drafts legislation for Parliament & Council; Implements legislation
 - Guardian of treaties, along with Court of Justice
 - Represents EU internationally
 - Manages the 15 EU agencies
 - http://europa.eu.int/agencies/index_en.htm
- http://europa.eu.int/comm/index_en.htm



Court of Justice

- 15 judges and 8 advocate generals appointed by member states for 6 year terms.
- The Court of Justice ensures that Community law is uniformly interpreted and effectively applied.
- It has jurisdiction in disputes involving Member States, EU institutions, businesses and individuals

The EU Headquarters



- Brussels, Belgium
- Selected as the headquarters of the European Union because of its centralized location in Europe.



CURRENT EU ISSUES

1. Enlargement:

- *Ten countries joined the EU in 2004, making 25 countries total.

2. The Euro:

- *The Common Currency for the EU Countries.

3. Multilingualism:

- *20 official languages (as of 2004) for 25 countries.

4. Openness, Access and Transparency:

- *How to get the documents to the people?

5. Safety & security of Europe:

- *Against terrorism.



ENLARGEMENT: 10 more countries become EU Member States in 2004



country - date of EU application

- Cyprus - 3 July 1990
- Malta - 16 July 1990
- Hungary - 31 March 1994
- Poland - 5 April 1994
- Slovakia - 27 June 1995
- Latvia - 13 October 1995
- Estonia - 24 November 1995
- Lithuania - 8 December 1995
- Czech Republic - 17 January 1996
- Slovenia - 10 June 1996



Member States

1. Austria (1995)
2. Belgium (1958)
3. Bulgaria (2007)
4. Croatia (2013)
5. Cyprus (2004)
6. Czech Republic (2004)
7. Denmark (1973)
8. Estonia (2004)
9. Finland (1995)
10. France (1958)
11. Germany (1958)
12. Greece (1981)
13. Hungary (2004)
14. Ireland (1973)
15. Italy (1958)
16. Latvia (2004)
17. Lithuania (2004)
18. Luxembourg (1958)
19. Malta (2004)
20. Netherlands (1958)
21. Poland (2004)
22. Portugal (1986)
23. Romania (2007)
24. Slovakia (2004)
25. Slovenia (2004)
26. Spain (1986)
27. Sweden (1995)



Applicant Countries whose requests for EU membership are still pending



- [Albania](#)
- [Montenegro](#)
- [Serbia](#)
- [The former Yugoslav Republic of Macedonia](#)
- [Turkey](#)

NORWAY?



- Norway has never been a member of the EU, but is 'partners' with EU for certain economic reasons.
- Their economy has historically been very good and they had no desire to 'merge' with lesser economies.
- As of 2002, the Norwegian economy began to decline. There is a now a developing majority of Norwegian that want Norway to join the EU.

SWITZERLAND?

- Switzerland has never been a member of the EU, but is 'partners' with EU for certain economic reasons.
- Switzerland Just joined UN in 2002.
- Swiss Government want Switzerland to join for economic reasons but the Swiss people continue to vote against joining the EU.



THE EURO

- The euro – Europe's new single currency - represents the consolidation and culmination of European economic integration.
- Its introduction on January 1, 1999, marked the final phase of Economic and Monetary Union (EMU), a three-stage process that was launched in 1990 as EU member states prepared for the 1992 single market.





The EURO

Early 1990's

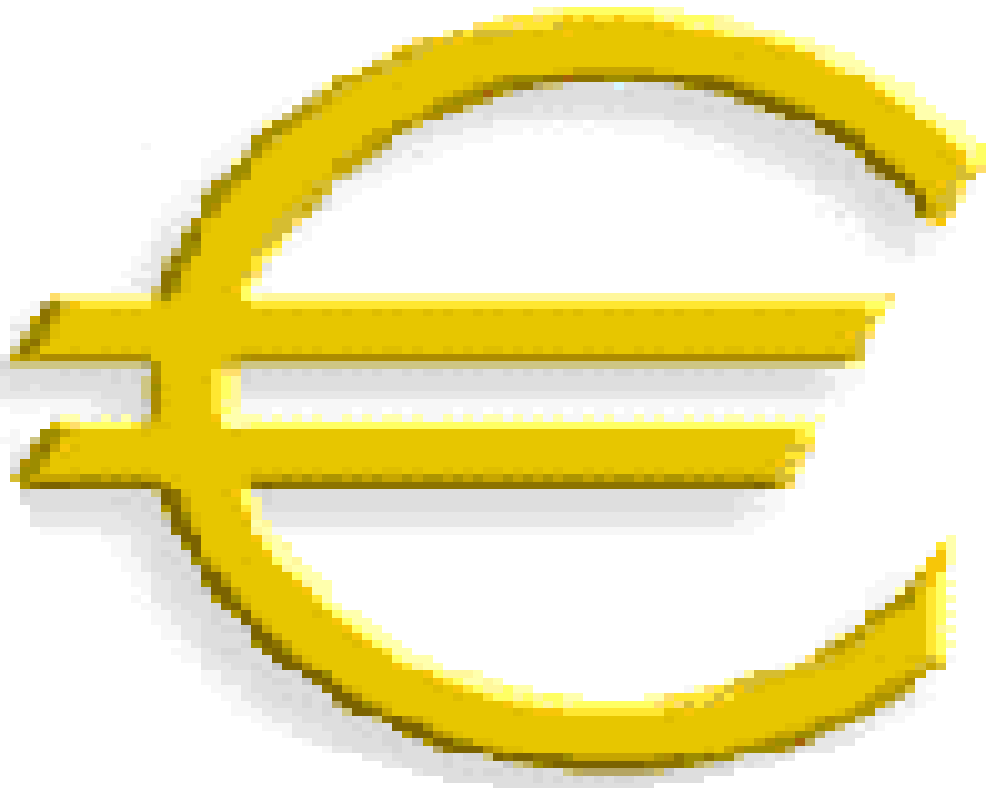
- 1990: Aimed at boosting cross-border business activity, the first stage of EMU lifted restrictions on movements of capital across internal EU borders.



- 1994: The European Monetary Institute was established in Frankfurt to pave the way for the European Central Bank.
- 1999: the Euro was introduced as the single currency for eleven EU member states: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

The EURO

1999-Present



- 1999-2002: The Euro and the previous national currencies were concurrently used in participating states.
- 2002: The participating countries had their previous national currencies withdrawn permanently as legal tender.
- EU member states not yet using the Euro as currency: Denmark, Greece, Sweden



What Does it Take to qualify for Membership in the EU:

1. The candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.
2. The candidate country has the existence of a functioning market economy, as well as the capacity to cope with competitive pressure and market forces within the Union.
3. The candidate country has the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.



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The Schengen Agreement

And its implications on tourism



What is Schengen?

- The name "Schengen" originates from a small town in Luxembourg
- In June 1985, seven European Union countries signed a treaty to end internal border checkpoints and controls
- More countries have joined the treaty over the past years



What is Schengen?

- There are now 25 European countries that are party to the Schengen Agreement, which eliminates all internal border controls between them
- Once you enter one Schengen country you may travel continuously for up to 90 days within the member countries
 - Within the Schengen area, you do not show your passport when crossing country borders



Not the EU

- All Schengen countries are in Europe. However, it should not be confused with the EU (European Union)
 - Schengen and European Union are two different agreements between European countries
- Schengen includes all European Union countries (except Ireland and United Kingdom) and three non-EU members (Iceland, Norway, and Switzerland)



Schengen and Tourism

- If you are **traveling for business or tourism**:
- Canadians **don't need a visa** for the initial entry into the Schengen area, but you must have a passport valid three months beyond the proposed stay.
 - Ex: for a two-week business trip, the passport must be valid for four months; for a two-month holiday the passport must be valid for five months.



Countries from which you do not need a visa to enter Europe.

ANDORRA	MACEDONIA
ANTIGUA & BARBUDA	MALAYSIA
ARGENTINA	MAURITIUS
AUSTRALIA	MEXICO
BAHAMAS	MONACO
BARBADOS	MONTENEGRO
BRAZIL	NEW ZEALAND
BRUNEI DARUSSALAM	NICARAGUA
BULGARIA	PANAMA
CANADA	PARAGUAY
CHILE	ROMANIA
COSTA RICA	SAINT KITTS & NEVIS
CROATIA	SAN MARINO
CYPRUS	SERBIA
EL SALVADOR	SEYCHELLES
GUATEMALA	SINGAPORE
HOLY SEE (VATICAN CITY)	SOUTH KOREA
HONDURAS	USA
ISRAEL	URUGUAY
JAPAN	VENEZUELA



Schengen and Tourism

- Once you've been in the Schengen area for 90 days, you must leave and stay outside the area for 90 days before you can reenter without a visa
- If you are traveling for reasons other than business or tourism (such as employment, study, internship, etc.) you may need to get a visa, depending on which countries you intend to visit



Watch out!

- Although European Union regulations require that non-EU visitors obtain a stamp in their passports upon initial entry to a Schengen country, many borders are not staffed with officers carrying out this function
- If you want to be sure your entry is properly documented, you must ask for a stamp at an official point of entry
 - Without the stamp, you may be questioned and asked to prove how long you have been staying in Schengen countries when you leave