

## **EUROPEAN REGIONAL INTEGRATION: THE PRECONDITIONS AND AIMS OF FOUNDATION**

### **Introduction**

On the nowadays stage of international relationship, the national economies, irrespective of their quantity and quality characteristics, are functioning in terms of developing globalization processes. Moreover, it should be taken into account that economic development is multidimensional and multi-factor process, which often includes instability and periodic crisis phenomenon. The special way of protection of national economies from global instability is formation of regional integration unions that make preconditions for the role of states on the world political and economic arena.

### **1. The preconditions of EU foundation**

The foundation of the European Union is doubtlessly one of the most important geopolitical events of the second part of 20th century. It has not only served as a fundament for political, economic and social changes in Europe, but also significantly influenced on the balance of powers in the whole world.

During the 19th and first 10 years of 20th century Europe was the world leader in science, economy and culture. Due to founded colonial empires and trade companies Europeans took leading positions. However, the First (1914-1918) and the Second (1939-1945) world wars were followed by catastrophic consequences for Europe. Finally, only with the beginning of 90s the process of revival of European economic and political power gained its actual institutional basis.

Nowadays European Union is the most institutionally perfect integration community of the modern world. The formation of EU had its historical, economic, political, social and cultural preconditions which began to form long before the official date of Union foundation (1 Nov 1993).

The movement for united Europe arose in early 17th century. The first author of the idea of the United States of Europe was an English politician William Penn. In 1693, while

investigating the problems of war and peace in Europe, he proposed to establish the All-European parliament (European Dyet, Parliament or Estates) [1]. In 1728 the French writer and politician Charles de Saint-Pierre proposed to create the European League containing 18 independent countries [2]. However, at that period «...the states could not refuse their old ambitions that is why there were practically no trends towards the union of different countries.»[3]

Only after the World War I, that lead to ruining of European economic and political systems, the idea of arranging united European area again appeared in the works of outstanding scientists and politicians.

In 1923 the Austrian politician count Richard Coudenhove-Kalergi published a declaration named “Paneuropa” where he introduced the plan of founding a confederation uniting all European countries. “Paneuropa is not an instrument of today’s European policy, it’s completely opposite one. This is a new source of power, new stream of ideas that will gain more and more influence every year”, he wrote [4; 5].

In 1929, on the Nation’s League Assembly the French prime-minister, the laureate of Nobel prize for peace (1926) introduced the idea of creating a federation of European countries on a solidarity basis, in order to achieve economic and political prosperity of European countries.

The famous English economist John Maynard Keynes also supported the idea of creating a political and economic union of European countries. In 1931, French politician Edward Herriot published a book «The United States of Europe». Two years later, the British politician and academician, James Arthur Salter published a book with the same name. Unfortunately, world economic crisis of 1930s and the World War II interfered with implementing the ideas of united Europe. «The barbarism in Europe of the first part of 20<sup>th</sup>

century was so devastating that it could impress even the wildest savages. While the opportunities of constructive development were higher than ever before, the Europeans were involved into the range of wars that killed more people than all the wars before. ... The horror of fascism and communism together with two cruel world wars resulted in deaths, ruins and degradation»[3]. As a consequence, at the beginning of 1945 almost all past achievements of European civilization were missed. The European continent was divided into two competing economic and military blocks, whose competition lasted unproductively for at least 40 years. The European political, economic and military power was given to the USA and USSR. However, the fact of dividing Europe after the Second World War accelerated the new wave of European uniting movement.

The new push to thoughts about the trends of European development was provided by an outstanding statesman and political leader of Great Britain Winston Churchill. On the September 19, 1946, in Zurich, he made a speech, which stated that the post-war tragedy in the heart of Europe should be finally put to an end, and stressed the necessity of creating the United States of Europe. "If Europe unites once, then, fortunately, there will be no more boundaries. And this will bring wealth and fame to 300 or 400 million people" - W. Churchill said. The very first step on this way should have been a partnership between West Germany and France. He also proposed the "fraternal union" of three interconnected circles: British Commonwealth, European Union and the United States, whereas Britain could become a special chain element able to provide communication between the three political players [6].

## **2. First steps to the EU foundation**

The implementing of W. Churchill's ideas in practice were accelerated by the communist insurgency in Prague February 25, 1948 that destroyed a single sprout of democracy in Eastern Europe of post-war times. Having shocked Western societies it became a push to sign the Brussels Treaty of collective security from March 17, 1948 between Great Britain, France and the Benelux countries (Belgium, Netherlands, Luxembourg).

On July 20, 1948, French Foreign Minister George Bideaux before his retirement

presented a speech in favor of European unification. Later, this idea supported the French statesmen Robert Schuman and Rene Pleven, as well as by the prominent French economist Jean Monnet, who is considered to be the main architect of European unity. Thus, after the Second World War, the idea of the united Europe sounded with the new force.

In 1949, the Council of Europe was established; this organization exists up to this day. Council of Europe, however, was (and still is) something of a regional equivalent of the UN, which concentrated its activities on issues of human rights in European countries.

On May 9, 1950 the French Foreign Minister Robert Schuman presented in Paris, so called "Schuman's Plan", which introduced the way of formation of economic, political and military structures of Europe. He proposed creating a single supreme authority to oversee the joint Franco-German coal and steel production (this idea was developed in 1945 by Jean Monnet [7]). Thus were laid the foundations of modern European Union.

On April 8, 1951 in Germany, Belgium, Netherlands, Luxembourg, France and Italy signed a treaty establishing the European Coal and Steel Community (ECSC), whose goal was to unify European resources of steel and coal. This agreement became valid from July 1952.

European Coal and Steel Community was the beginning of the Schuman's Plan realization. The Schuman's plan was based on so-called "Communitaristic" method, which was developed by Jean Monnet. This method includes four basic components:

Federalization of Europe based on association of basic industries and the formation of "High Authority";

Gradual process of integration, primarily through mergers of economic interests;

Integration is a way of solving social problems and improvement of the social position of people regardless not depending from nationality;

Limitation of state sovereignty and create supranational branches of power [8].

Thus, by the plan of Monnet-Schuman, European states do not disappear from the map, and gradually integrate their efforts to address the political and social-economic problems by giving its sovereign rights to international institutions, which are endowed with full

authority of public power (legislative, executive and judicial). And the first step towards European integration was the single market of the two leading sectors of the post-war European economy - coal and steel.

In order to deepen economic integration of the same six countries in March 1957 signed an agreement in Rome establishing the European Economic Community (EEC), also known as the Common Market, and the European Atomic Energy Community (EURATOM). EEC was created primarily as a customs union of six states and their aim was to ensure free movement of goods, services, capital and people. EURATOM was to promote peaceful unification of nuclear resources of these countries. Signed In 1965, and valid from 1967, the agreement about establishing United Commission and forming a single unified European Council, better known under the informal name of "Merger Agreement". As a result, three European communities (European Coal and Steel Community, European Economic Community and the European Atomic Energy Community) joined together and formed the European Community.

In 1959 the European Parliament was established, firstly playing consultative role and later the legislation one. The process of development and transformation of the European Communities in the modern European Union was held by, firstly, transferring more and more management functions to supranational level and, secondly, increasing the quantity of the participating states (from 6 to 27 members).

The development of economic and political relations between the members of the European Communities in the 1980s caused the necessity of juridical transformations that were laid down in Paris (1951) and Rome (1957) agreements. In this regard, in 1985 the Council of the European Communities decided to convene a special conference of member governments. After the conference in February 1986 in Luxembourg was signed the Single European Act, which became valid on July 1, 1987 after being ratified by Member States.

The Single European Act was a document that regulated the activity of all areas of the integration process in Europe: social, economic and political integration, and clearly defined the main aim: "the gradual foundation of the

European Union".

### **3. The evolution of the European Union**

After the Single European Act was signed and became valid, plans of foundation of European Union came up to a stage of their practical implementation. In 1990 two conferences started working on the development of appropriate economic and political union. The overall result of these conferences was the Maastricht Treaty. On February 7, 1992 twelve members of the European Community (Belgium, Germany, Italy, Luxembourg, Netherlands, France, Britain, Denmark, Finland, Greece, Spain and Portugal) signed the Treaty about the foundation of European Union in Maastricht (Netherlands).

According to above-mentioned agreement, the relations between the member countries were based on significant limitation of sovereignty, which caused the need for many of these constitutional reforms. The document ratification through a referendum was held and took over one and a half years. Finally, the European Union Treaty came into force on November 1, 1993.

Since the entry into force of the Maastricht Treaty the substantial changes in the European integration construction were made. Maastricht Treaty solved the problem of previous years connected with the economic and political systems of European countries, having established the three pillars: the economic and monetary union, common foreign and security policy and the general policy of the Interior Justice [8].

The European Union Treaty not only combined and synthesized into one organizational structure of different areas of the integration process, but also marked a new stage in the creation of closer union of European nations. With the signing of the Maastricht Treaty the powers of the European Community expanded to activities in such fields as culture, education, youth policy, regional networks, health care, consumer protection and others.

The next stage of development has been a further expansion of the number of member associations of the integration. In 1994 in Austria, Finland, Norway and Sweden the referendums about EU membership were held. The results on January 1, 1995 showed that

Austria, Finland and Sweden joined the European Union. However, most Norwegians voted against joining.

After signing of the Maastricht Treaty the transformations in European integration association, at the same time with a number of quantitative expansions, began intensely moving in the direction of intensified reforming of the EU law basis. One of the main points of the Maastricht Treaty was the reformation of legislation system in 1996.

As a result, on October 2, 1997 the member countries signed a document called the Treaty of Amsterdam that was about implementing changes into the European Union Treaty as well as into the European communities agreements and some related acts. Amsterdam Treaty came into force on May 1, 1999

The main points of the Amsterdam Treaty run as follows:

1. The powers of the European Union and of the European Parliament in particular were significantly increased. Under the jurisdiction of the EU from that time refers visa, immigration policy, asylum, employment policy and others. The European Union was granted special powers to issue regulations on criminal law and process.

2. Amsterdam Treaty was the first one at the Union level that affirmed the general principles of constitutional structure and established sanctions to Member States for breaking them.

3. The Schengen agreement was included into the laws of the European Union.

Further development of the European Union took place in two areas: geographic expansion to the East and institutional reform of political structures.

Admission of new members to the European Union required the development of governing bodies in order to strengthen the Union's supranational institutions and political centralization in Europe. To prepare the institutional background for further EU enlargement on February 26, 2001 the Treaty of Nice [8] was signed, which formed a new foundation for the functioning of the European political authorities.

At the end of the twentieth century with the fall of the Berlin Wall (1989) and the

collapse of the Soviet Union (1992), the first time since World War II, the real possibility of merging Western and Eastern Europe appeared. Eight Eastern European countries (Poland, Hungary, Czechoslovakia, East Germany, Romania, Bulgaria, Yugoslavia and Albania), separated from Western Europe with "Iron Curtain", during post-war years were moving the same development way as the Soviet republics.

On May 1, 2004 10 countries - Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Slovenia, Cyprus and Malta - became members of the European Union, and on January 1, 2007 the next expansion took place - the EU was joined by two other countries - Bulgaria and Romania.

This extension can be called one of the most ambitious projects of the EU. The necessity of this step was largely determined by geopolitical strategy of Western Europe, the aim of which was to prevent the return of Eastern European countries under Moscow's influence. However, the level of economic and political development of new EU members was much lower than the average European, which has led to increased budgetary expenditures in the leaders of the EU.

Another problem of the EU East enlargement is that the existing institutional system is not effective enough and requires further reformations. However, recent attempts to reform the EU structural suffered fiasco - in 2005 on the referendum France and the Netherlands rejected the draft European Constitution, what greatly slowed the formation of a united Europe.

The second attempt to form new basis for the activities of the European Union was December 13, 2007 when the Lisbon reform Treaty was signed [9].

The Reform Treaty is actually aimed to replace the EU constitution. Officially the agreement is called the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community.

The document contains a draft reform of institutions and mechanisms of decision-making, taking into account the EU enlargement. The Treaty of reforms is forecasted to clearly separate powers between EU institutions and

national authorities.

After the Lisbon Treaty enters its force, the double conception of European Union and the European Community will not exist any more. There will be only "European Union" acquiring the legal status.

The Reform Treaty involves the introduction of double majority voting procedure, which means that any decision will have to be approved by votes of 55% representing 65% of the EU population. However, this system will begin working only in 2014 with a transitional period up to 2017.

In particular, the Agreement imposes the post of EU president, appointed for two years. Furthermore, the Lisbon Treaty involves empowering of EU High Representative of common foreign policy. The European Commission, which owns the EU legislative initiative will decrease the number of

commissioners.

The Reform Treaty represents great opportunities to national parliaments for active participation in the process of EU legislation. At the same time, the European Commission is given the right to control member countries more strictly, for example, handing them to the EU Court.

In the EU the number of areas on which the decision will be approved by the majority voting will increase.

Lisbon Treaty had to enter into force on January 1, 2009 after being ratified by 27 European Union members. The process of ratification was longer because of the Czech Republic and Ireland, but finally document came in force from December 1, 2009.

To sum up, there were 5 main stages of formation and development of the «United Europe Project»

THE STAGES OF EU FORMATION AND DEVELOPMENT		
Stage 1 – real economic integration		European Community (Belgium, West Germany, Italy, Luxembourg, Netherlands, France)
1951	Paris agreement – establishing of European Coal and Steel Community (ECSC)	
1957	Rome agreement – establishing European Economic Community (EEC) and European Atomic Energy Community (EURATOM)	
1965	Agreement about ECSC, EEC and EUROATOM merger.	
Stage 2 – quantity expansion of regional union («West Direction»)		The European Community (12 members: Belgium, Great Britain, Greece, Denmark, West Germany, Ireland, Spain, Italy, Luxembourg, Netherlands, Portugal, France)
1973	First west expansion – joining of Denmark, Ireland and Great Britain	
1981	Second west expansion – joining of Greece.	
1986	Third west expansion – joining of Spain and Portugal.	
Stage 3 – political and economic reformations		
1985	Schengen agreement	
1986	The Single European Act (SEA) was the first major revision of the 1957 Treaty of Rome.	
1992	Maastricht Treaty – the foundation of the European Union	The European Union (15 members: Austria, Belgium, Great Britain, Greece, Denmark, Germany, Ireland, Spain, Italy, Luxembourg, Netherlands, Portugal, France, Finland, Sweden)
1995	The fourth western expansion – joining of Austria, Finland and Sweden	
1997	Amsterdam agreement	
2000	Nice agreement	
Stage 4 - quantity expansion of regional union («East direction»)		The European Union

2004	First Eastern Enlargement – joining of Estonia, Cyprus, Latvia, Lithuania, Malta, Poland, Slovenia, Slovakia, Czech Republic and Hungary.	(25 members: Austria, Belgium, Czech Republic, Great Britain, Greece, Hungary, Denmark, Estonia, Cyprus, Germany, Ireland, Spain, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland Portugal, Slovakia, France, Finland, Sweden, Slovenia)
2007	Second Eastern enlargement – joining of Bulgaria and Romania.	The European Union (27 members: Austria, Belgium, Bulgaria, Czech Republic, Great Britain, Greece, Hungary, Denmark, Estonia, Cyprus, Germany, Ireland, Romania, Spain, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland Portugal, Slovakia, France, Finland, Sweden, Slovenia)
	Stage 5 – institutional reformations.	
2007-2009	Lisboan Treaty and its ratification.	

### Conclusion

The investigations showed that the European Union is a system that is based on common economic and political interests and cultural values. All existing relations between member states are regulated by the states on contractual basis. The leading role in the Commonwealth is devoted to sovereign states. The Member countries form the international law regulations and create intergovernmental organizations by signing special agreements that partly delegate powers of government. The effectiveness of the European Union system functioning depends on both each state activities and the super-state organizations.

The history of intensive formation of the Commonwealth of European countries began after the Second World War. The development of relations between the countries is trending both towards deeper economic and political cooperation, and towards geographical expansion. However, in early 2010 the European Union faced a necessity of institutional modernization that would help to improve the integration of all regional associations as well as to create an economically strong and politically cohesive Europe, that would play main role on the global level. The especially important question touches modernization of the EU institutions and foundation of a strong European center. In the situation of global financial crisis

that started in 2008, the EU should provide all the member states with certain guarantees, improve internal and external economic policy and influence on the stabilization globally.

### Literature

1. Hans Fantel, William Penn Apostle of Dissent. – N.Y.: William Morrow & Co., 1974. – P. 6.
2. Hont I. Jealousy of Trade: International Competition and the Nation-State in Historical Perspective. Cfmbridge, MA: Harvard University Press, 2005. – 541 p.
3. Дэвис Н. История Европы / Н. Дэвис. – М.: АСТ Москва: Хранитель, 2006. – 943 с.
4. Coudenhove-Kalergi R. Pan-Europe. N.Y.: Alfred A. Knopf, 1926. – 215 p.
5. Coudenhove-Kalergi R. Die Europäische Nation. – Stuttgart: Deutsche Verl., 1967. – 163 S.
6. Роуз Н. Черчилль. Бурная жизнь / Н. Роуз / пер. Е.Ф. Левиной. – М.: Изд-во «АСТ», 2004.
7. Jean Monnet. The First Statesman of Interdependence by Francois Duchene, 1994.
8. Право Европейского Союза: учебник для вузов / под ред. С.Ю. Кашкина. – М.: Юристъ, 2004. – 925 с.
9. Лиссабонский договор [Электронный ресурс]. – Режим доступа:

(<http://www.index.html>).

[eiroinfo.lv/krievu/lisabona\\_](http://eiroinfo.lv/krievu/lisabona_)