

**University of Agder**  
**Department of Political Science and Management**  
**ST 202 European Union: Politics and Institutions**  
**Instructor: Dr. Stefan Gänzle**  
**May 18, 2010**

## Final exam

**DURATION: 5 hours**  
**CLOSED-BOOK EXAM**

**THREE PARTS :**

- I. 15 identifications/ 10 multiple choice questions (MCQ) (25%)**  
**II. 4 small and focused questions (50%)**  
**III. 1 essay (question) (25%)**

**ALL answers shall be given in English with the exception of the essay question (part III). You may answer the question in English or Norwegian. You are allowed to use a bilingual dictionary.**

**I. Identifications/ Multiple choice questions [25%]:**

*Please tick a box (only one)*

1. The Organization for Economic Cooperation in Europe (OEEC) was established in April  1946  1948  1950  1952
2. The Council involves more than  500  5 000  25 000  80 000 national officials who meet at the ministerial, COREPER and working group levels.
3. Together, Germany, France, Italy and the United Kingdom currently have  116  200  133  100 votes in the Council
4. The first direct elections to the European Parliament took place in  1951  1979  1980  1988

5. The first stage of EMU required Member States to engage in  closer coordination of economic policies  in the establishment of the ECB  in fixing the exchange rates  in introducing a single currency

6. Which criterion – according to Robert Mundell – does not need to be met in order to qualify for an optimum currency area?  Similar business cycles  Cultural affinity  Financial transfer mechanism  Labor mobility?

7. The Delors Report offered a blueprint for  EMU  CFSP  EEC  SEA.

8. Which country is not covered by the European Neighborhood Policy?  Russia  Morocco  Ukraine  Moldova

9. On 17 July  2007  2008  2009  2006, Iceland submitted its bid for EU membership.

10. Which countries are not members of the EU?  Turkey and Croatia  Bulgaria and Romania  Luxemburg and Belgium  Ireland and Denmark

*Please explain in a few words or sentences:*

1. Acquis communautaire:

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2. Bretton Woods:

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3. Copenhagen criteria:

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4. Co-decision procedure:

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5. Comitology:

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6. Common Market organization (CAP):

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7. Conciliation process:

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8. Confederation:

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9. Convergence criteria:

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10. Copenhagen criteria:

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11. Council of Europe:

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12. Democratic deficit:

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13. European Monetary System:

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14. Europeanization:

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15. Financial perspective:

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**II. Short answer/short question:** Answer (in full sentences!) four of the following five questions! (50%)

Why was US support to European integration at the end of 1940s of paramount importance?

What are the core functions of the European Parliament?

What is the role of the Community Courts in the process of European integration?

What are the (five) core principles of EU regional policy? Explain briefly!

Is it possible to describe the EU as an optimum currency area? Apply at least three of R. Mundell's criteria for an OCA.

**III. Essay question:** Answer only one of the essay questions (25%)

What are the main obstacles for forging a fully-fledged Common Foreign and Security Policy?

Describe the process the EU's Eastern 'enlargement' from the end of the 1980s to 2007! Why did the EU enlarge?

***Good luck!  
Have a great summer!***





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## Part 1 - Identifications

1. The Acquis communautaire is the body of EU-laws, consisting of three parts:
  - The Treaties
  - Directives
  - Rulings of the European Court of Justice

The Acquis has to be adopted and implemented both by Member States and Member Candidates

2. The Bretton Woods was a system created to help rebuild Europe after The Second World War. It provided fixed exchange rates for European currencies against the American Dollar, and the goal was to stimulate trade amongst the Western European states.

3. ~~The~~ After the Soviet Union collapsed, expansion of the European Union ~~was~~ eastwards to the former Communist states was put on the agenda. A European Council Summit in Copenhagen agreed on a set of criteria for states wanting to join the EU. Among these were liberal democracy, open market economy and rule of law.

4. The Co-decision procedure is one of many decision and legislative procedures in the EU. With this procedure the EU-Council and the





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European Parliament have to agree on a decision or a law. Until recently rarely used, but more common after expanding EP's power to increase democracy in the EU institution.

5. Comitology is used for describing the extensive use of committees and project committees within the EU institutions.

6. The Common Market organization of the Common Agricultural Policy focuses on ~~that there~~ a common market for agricultural products within the Member States. Preceeds the Single Market of the EU.

7. Conciliation process is a part of the Co-decision procedure. If the EU-Council ~~and~~ and the EP do not agree on a policy, representatives from both institutions will meet together with representatives from the Commission to try and reach an agreement.

8. Confederation is an intergovernmental cooperation between sovereign and autonomous states on selected policies, e.g. ~~Common~~ defence. All decisions are made unanimously and each state have veto.







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9. One of the criterias for joining the EMU is the Convergence criteria, which sets limits to budget deficits and public debt.

11. The Council of Europe ~~was an organization which~~ ~~work to promote democracy and human rights.~~ institutionalized meetings between foreign ministers to discuss common problems and agree on common positions.

12. The democratic deficit can be described in two ways:  
- The gap between the institutions of the EU and the citizens of the EU. No European demos.  
- The lack of representation and accountability within the EU institution, focusing on the flaws of the institutional design.

13. The European Monetary System was the first step against the EMU. The goal was stable exchange rates between the currencies, with limited fluctuations.

14. Europeanization is a loose concept used extensively the last decades in EU-research research. There is no agreed definition of the term, and is difficult to separate from other trends like globalization. Often used to describe the EU's influence on the domestic levels.





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## Part 2 - Short questions

Why was US support to European integration at the end of 1940s of paramount importance?

There are several answers to this question, which can be split in two categories:

- Financial reasons: The Marshall Plan aided substantially to the rebuilding of Europe after the war. But instead of aiding individual countries, the USA left the European states to divide the aid amongst themselves through The Organization for Economic Cooperation in Europe (OECE, later OECD). This forced the Western European states to cooperate on an unprecedented scale. In addition, the Bretton Woods system where European currencies were guaranteed their value in US Dollars, secured stable exchange rates, which promoted an explosive growth of trade among the European states which ~~resulted~~ resulted in a quick reconstruction, blooming economies and increased standards of living.

- Political reasons: While France wanted to keep Germany weak to make sure they never would start another war, the USA saw the importance of a strong West-Germany. The German economy had long been the powerhouse of Europe and was regarded as crucial by the Americans to rebuild Europe. They also pointed to the failure of the French tactic between the wars, and that this would not secure peace. In addition, West-Germany was the frontline of the







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Cold War with the Warsaw-pact countries on the other side of the border. A prosperous West-Germany was important to keep the communists ~~off~~ out of Western Europe and protecting the western way of life.

What are the core functions of the European Parliament?

The origins of the European Parliament lies in the Common Assembly from the Treaty of Rome. Then it had just an advisory role, which it was restricted to for many decades. To gain more power, it changed its name to the European Parliament and introduced direct elections. Over the years it grew from an initial 78 members to over 700 as of now. They used the pressure for democratization of the EU in their advantage.

This resulted in many new functions and power. In addition to advising the Commission, the EU-Council and the European Council, the EP now controls the non-compulsary budget, elects the President of the Commission (after nomination by the EC), can throw the Commission for gross mismanagement by absolute majority. They can now also propose laws to the Commission, and with the extended use of Co-decision, they are now a key player in legislation.

It is also the institution which represents the citizens of the EU, but to which extent is another discussion.







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What is the role of the Community Courts in the process of European integration?

The Community Courts can be ~~viewed~~ viewed as the engine driving European integration forward, especially the ECJ. Even though the jurisdiction of the courts are narrow and limited, they possess some key functions that makes them able to drive forward the integration process.

Because they have been tasked with interpreting the community laws, which the single market amongst other things fall under, and filling in gaps in the laws, they have substantial room for manuvre. Just look at the ruling of the ECJ that EU-law is supraordinate ~~domestic~~ law. Even if many disagrees, most follow that ruling. The Community courts have been vital to ~~the~~ breaking down trade barriers, especially non-physical ones such as national standards, ruling that if the product is allowed in one Member State, it is allowed in the entire common market, unless there are special circumstances such as health considerations.

The Community Courts have two tools at their disposal:  
- Direct actions which both starts and ends in the supranational courts. An example of this is the case where the French Cassis di Dijon were not allowed for sale in Germany because of supposed ~~health~~ health reasons, and the ECJ ruled this prohibition to be ~~illegal~~ illegal according to community laws, and the Germans were forced to open ~~up~~ their market for





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the product in question.

- Preliminary rulings. In cases involving EU-law, the national courts may ask the Community Courts for advice and interpretation.

Is it possible to describe the EU as an optimum currency area?

According to Robert Mundell there are several criterias for an OCA:

- Similar business cycles: Even with similar business cycles in the Western part of the European mainland, the EU falls short with the UK following more the business cycles of the USA, even if the UK ~~is~~ business cycles ~~are~~ approaching rest of Europe. This criterias points to common ups and downs in the economy.
- Similar level of economic development: Yet again the EU falls short, since there are huge differences within the EU, especially between the "old" Member states and the Member States from the eastward expansion.
- Similar budgetary policies: Another point where the EU don't match Mundell's OCA. Some countries at present experiences huge budget deficits and ~~enormous~~ gigantic public debts, especially the southern Member States, such as Greece, Spain and Portugal. But also other countries such as the UK and Ireland are in trouble.







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### Part 3 - Essay

What are the main obstacles for forging a fully-fledged Common Foreign and Security Policy (CFSP)?

To answer this question we must first clarify what the CFSP is. The desire to have a stronger voice on the global scene combined with the fall of the Soviet Union, which led to cuts in American military spending, especially in Europe, made powerful incentives for the Member States to cooperate on protecting their interest. And the Balkan wars proved the CoE too weak to handle crises.

The Maastricht Treaty established a second pillar to the Community called CFSP, which was purely intergovernmental, leaving the Commission and the EP powerless on this policy area, even if much of it crossed into the Commission's turf, since the Commission is responsible for negotiating trade agreements on behalf of the Community.

After the St. Malo process in 1998, the CFSP have another dimension in addition to ~~joint~~ common positions in foreign policy questions, namely the European Security and Defence Policy (ESDP). This was a result of the new government in the UK, elected on a pro-European line, wanting to show goodwill to ~~the~~ European integration, and defence was an area with low political costs of integration. In addition the UK initiative allowed them to set the terms in a way that gained their interests.

The result was called the Headline Goal where the EU were supposed to raise 60 000 troops in 60 days for a duration up to one year. All this is gathered in the capabilities catalogue.





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But there is also a civilian dimension to the ESDP, including 5000 police forces to assist in maintaining and establishing order and training local police. Crisis teams to assist in disasters. Bureaucrats to help creating and developing institutions, and judges, attorneys etc to help establish rule of law. Where the earlier Eurocorps ~~was~~ relied on former WEU assets, the ESDP can use NATO assets ~~after~~ the Berlin Plus-agreement. This is actually a huge step since the WEU assets were practically non-existing.

Incorporated into the ESDP is the Petersberg tasks, which focuses primarily on peace making and keeping, rescue missions and humanitarian interventions.

The Common Strategies are decided unanimously in the European Council, but the means are decided by CMU in the EU council.

This background information allows for a further discussion on the main obstacles. The first and most important obstacle is that CFSP is a intergovernmental policy cooperation. With almost 30 countries ~~having~~ with different national countries having to agree unanimously on a question, there is much work in finding the lowest common denominator, much less a substantive agreement on action. This task proved too vast on several occasions such as Kosovo in the late 90s and the war on Iraq where the UK supported the US led invasion, while France and Germany took a stand against it.

There are also two other subconditions to this obstacle. The first is that as a consequence of a fully-fledged







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CFSP where the EU would speak with one voice on the international scene, ~~the UK and~~ the two <sup>permanent</sup> seats of the UK and France in the UN Security Council would have to be converted into one. This is something either the UK nor France would probably never agree to.

The second is that for many of the new Member States, the USA is their first line of defence and guarantee of their security through common membership in NATO. Especially the ones bordering Russia. For them a close relationship with Washington is much more important than what a fully-fledged CFSP could offer them. So their reluctance combined with the intergovernmental traits of CFSP makes substantial progress difficult at best.

Another obstacle is the ongoing Global War on Terror which started after the terrorist attacks on New York and Washington on 11. September 2001 and the following invasions of Afghanistan and Iraq. While the Af operation in Afghanistan poses no political problems such as the Iraq war has done, both wars consume huge resources from both the EU/NATO and the USA. With most of the military and economic resources bound up to these operations, there is slim resources for reaching the headline goal of ESPP, placing it operationally on the shelf for many years to come, limiting the EU to what it does best: being a "soft" superpower.

Though it should be noted that the CFSP/ESPP have several minor operations in many regions, but the EU lacks both military capabilities and economic resources to be a military superpower. Even if the economic resources could be







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diverted to that goal, it would probably end that government's reign considering that the money would have to be diverted from welfare, health, education and so on, or even less popular: taxes

