

**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:

~~The Europe~~  
 Term of the European community law body. The separation part of the EU.

2. Bretton Woods:

Financial order ~~to~~ until the 1970's. The dollar was closely attached to the gold. US guarantee ~~to~~ in the financial system which ~~was~~ ended in the 1970's

3. Copenhagen criteria:

Criteria to get in in the EU. 1) stable institution which can ensure democracy  
 2) Market economy  
 3) have the eligibility to adopt EU regulation and laws  
 4) Acquis communautaire

4. Co-decision procedure:

Equalize the legislative power between the council and the European parliament. Issues ~~are~~ who have these procedure need to have both approval from the council and parliament

### 5. Comitology:

term on how they work in the European parliament.  
They work in a committee structure, where each committee has some specific policy areas.

### 6. Common Market organization (CAP):

CMO <sup>was</sup> a organization who worked to promote market unity in the common agriculture policy. → guaranteed prices and intervention if they produced too much.

### 7. Conciliation process:

The process when the EU council and the parliament can not agree with a legislative proposal. ~~Many think that what is necessary about EU is.~~

### 8. Confederation:

Cooperation within a institutional framework, but it is the member states who have the superior position. Many think that is the right description of the EU.

### 9. Convergence criteria:

Criteria needed to join EMU.

- 1) No more budget deficit than 3% of GDP
- 2) No more than 60% debt of GDP

### 10. Copenhagen criteria:

Criteria to get in the EU. 1) stable institutions which can ensure democracy

- 2) stable economy
- 3) have the eligibility to adopt EU regulations and laws 4) Agri's communautaire

### 11. Council of Europe:

Established in 1949. Organization not attached to the EU. work on democracy issues, human rights etc.

### 12. Democratic deficit:

two approaches: institutional: the transition of legislative power has to the EU has not been followed up equal possibility for scrutiny in national parliament.

Psych-sociological: there is no "we" feeling about european politics. Not close enough to the EU citizens.



13. European Monetary System:

~~The second part of EMU.~~ EMS. Before the creation of EMU you had a European monetary system which would ensure that it will not be any huge fluctuations between the currencies.

14. Europeanization:

construction, dispersion and institutionalized of norms, rules, <sup>way</sup> things of doing things first defined in the EU and then implemented in domestic policies. (Top-down approach)  
The top-down and bottom-up approach recognize that this could be a two-way process.  
The horizontal approach look at countries adopt policies across boarder without interfering from the EU level

15. Financial perspective:

the perspective which was of vital importance on the beginning of European integration. It was in term of financial improvement they found it necessary to cooperate.

**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!**



## II Short answer/short question

- 1) US support was of vital importance for European integration because they demanded the European countries to cooperate if they should receive financial aid to recover after the world war 2.

The Marshall plan set two conditions for financial aid:

- 1) The end of barriers on the borders and
- 2) it was up to the Europeans to distribute the aid, something that created the OEEC

The establishment of NATO and the US, large degree of interest in West-European politics was very important with regard to the threat from USSR. US was very keen to have West-Germany as a part of European integration and the western world.

So, the US with their Marshall plan and huge interest in European politics made some understand that the only way to recover and grow economically is to collaborate on things with common interest which gave the rise of ECSC in 1951, which was a pooling of coal and steel resources.

## 2) Core institutions of the European parliament

- + The European parliament's origin are quite modest. It was called the common assembly. Throughout various reforms and treaties they have increased their powers and have become a very influential institution in the EU





Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 2 av 8

• ~~with~~ The European Parliament is the only democratic elected body in the EU and is therefore a legitimate power of the EU.

With the introduction of co-decision procedure the EP has become a legislative power instead of just a institution who needed to be consulted like they were in the early days of European integration.

The European Parliament have also increased their power in what we can call „parliament“ function as they now have the opportunity to dismiss the Commission and they have the opportunity to veto a assignment of a commissioner if they do not feel the person is suited for the job.

The European Parliament has also get a huge budgetary role as any budget expenditure need the approval from the EP.

~~As in terms~~ They also try to have a scrutiny role even though that is quite problematic because a lot of the ~~decision making~~ <sup>the work in the</sup> council and commission is „behind closed doors“.

When it comes to the organization of EP they work in committees, they are separated in cross national party preferences and they have plenary sessions.

The EP is what we can call a supranational body of the EU and is often referred to as pro integrationist, which as we can see of what I have written earlier has increased their power a lot with the claim that they are the only legitimate institution of the EU.







Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 3 av 8

### EU as an optimum currency area:

- It is an economist approach on when it is economically beneficial to have a single currency or fixed exchange rates.

~~For something~~ For a region to be a optimum currency area you need:

- 1) labour mobility
- 2) similar business cycle
- 3) capital mobility
- 4) financial transfer mechanism
- 5) fiscal cooperation

I will in this assignment apply for three of the criteria:

#### labour mobility:

with the common market, in theory it should be free movement of people, and in addition the Schengen agreement you are allowed to travel without passport in all countries which are in this agreement.

So in theory I mean that this criteria is <sup>accomplished</sup> ~~at~~. We can also see it that for example a lot of polacs go to norway to work and have the same working condition as the norwegians have.

But I do not think there are a full labour mobility because there are many obstacles which prevent people from having a full mobility. That could be that a lot of countries can not manage to give the same working conditions as for example they have in the Scandinavian countries, when it comes to salaries, working time and so forth. So in theory it is accomplished, but in practice there are too much socio economic gap to get full mobility





Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 4 av 8

### Similar business cycle:

It refers to that economic growth or economic decline will enter approximately at the same time within and between the countries. This is so the ECB, European central bank will have greater opportunity to influence the economy in the Area.

As we can see after the financial crisis we have had the last couple of years this is not the case. There are huge differences in business cycles within the union, whereas some countries are doing quite well as others have huge problems.

This could be a problem because as when one country need to have a low interest rate set by the ECB another country wants to have a relatively high interest rate so the inflation will not rise.

Even though all countries are interdependent of each other I do not think this criteria is accomplished in the EU.

### Capital mobility (financial transfer mechanism)

As of the common market they have accomplished capital mobility in the sense that everyone who ~~needs~~<sup>wants</sup> to invest in the EU country are free to transfer their money between and within the countries.

As a conclusion I do not think the EU is a fully fledged optimum currency area, but on the other hand I think there are almost no country or region who are. Even in a small country like Norway we can see that there are no similar business cycle.







Five core principles of EU regional policy:

\* First I will say that the ultimate goal of the European regional policy is to make the disparities between the regions smaller.

1) Coordination

- you need to coordinate the several structural funds so they work together to prevent the disparities between countries and regions. These structural funds are: ESP (European social fund) ERDF (European regional development fund) EAGGF (European agricultural guidance and guarantee fund. (the guidance part))

- 2 additionality

the "aid" and help shall not be instead of national regional policy but in addition.

- concentration

the aim is to concentrate the help and aid to the areas who need it the most. This principle has had huge consequences because of the enlargement of countries who ~~are~~ are not that developed.





Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 6 av 8

### III ESSAY QUESTION EU'S EASTERN ENLARGEMENT

The EU's eastern enlargement has to be seen together with the huge event of the communist collapse. With the fall of the Berlin wall the EU suddenly had to take into consideration a range of countries which were between the western world and Russia.

While the other enlargement were countries which either regret that they did not join at the beginning such as UK, Ireland and Denmark or countries who had no problem fitting the Copenhagen criteria the CEE countries were far behind matching these criteria.

After the 1995 enlargement there was simply no more countries who fitted the original EU context except from Norway, Switzerland and Iceland who did not want to join of various reasons.

The process of eastern enlargement has been highly technical and complex and it has taken several years from the first CEE countries first obliged for membership until they finally joined.

The core element is the Copenhagen criteria which states has to achieve for getting to be a candidate country. It is the Council who unanimously has to accept a country to join. There are several steps in this process. First a country has to apply, then it is the Commission who sample up information about this country's according to where they are in the process of achieving these Copenhagen criteria. The Commission will draft a proposal to the Council whether they think a country should get candidate status or not. If they get candidate status it is a huge political recognition from the







Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 7 av 8

member states that they will intensify their relationship. After that they start the negotiating process with each applying state.

This is a long process which ultimately lead to accession in the EU or a delay or in the worst case in rejection.

Romania and Bulgaria could not become a fully fledged member at the first time of negotiating so the huge expansion was first from 15 to 25 countries. Romania and Bulgaria joined later so there are now 27 members in the EU.

- To meet some critical voices of the existing member states there is possible to implement sanctions if countries do not fulfill their obligations.
- The EU enlargement policy is the most successful foreign policy issue. In that I mean that enlargement is a very good measure to influence other countries.

There are several reasons why the EU enlarge. We have to see it from both the ~~EU~~ existing EU side and the applying countries.

First of all the EU wanted to enlarge because that is a good way to implement democracy and market economy in Europe. As of meeting the Copenhagen criteria the applying countries was forced to implement these two core principles of the western world. The EU find this beneficial both in economically and in moral terms. Getting these countries in the EU would make the common market area bigger which are of huge positive consequence for the EU as an economic





Emnekode : ST-202  
Kandidatnr. : 1667  
Dato : 18.05.10  
Ark nr. : 8 av 8

and global power. It would eventually after the new member countries met the convergence criteria also make the EURO stronger and maybe make it a option to the dollar.

As I mentioned earlier the EU enlargement also have a moral dimension that is trying to get the social disparities between countries in europe smaller. It could be superficial to think that the existing EU members would want to let countries join so they have to pay more and get less when it comes to EU's regional policy, but I think that EU as a huge civilian power also saw that moral dimensia when they decided to let the countries join the EU

Also, implementing the CEE countries made the countries going further away from the Russia

When it comes to the reason why the CEE countries wanted to join economically beneficial or of huge importance. A opportunity for joining the common market with free movement of goods, services, capital and people would help them recovering from the USSR period. Additionally there was a huge opportunity to get regional funds and help in creating ~~to~~ new structures in their country.

- I will in the end say that for the applying countries there could be seen a option between the western world or closer colaberation with Russia.

