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MINISTRY OF EDUCATION,  
YOUTH AND SPORTS



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UNIVERSITY  
OF DEFENCE

INVESTMENTS IN EDUCATION DEVELOPMENT

Course: World Economy

## Contents

The aim of the lecture is to describe the history of the European Union and its position in the world economy. Text is an overview of information resources for students (including links to official sources and supplement materials (green box)).

### Content:

- 1) introduction – history of the EU
- 2) Enlargement of the EU

The development of European integration group is linked with famous people, politicians and high government officials who formulated the basic ideas, values and principles upon which was the current form of European groups. Among the important forerunner of the current form of the European Union, it is possible to perceive politicians like Richard Coudenhove-Kalergi (1894-1972), Edouard Herriot (1872-1957) and Winston Churchill (1874-1965). Richard Coudenhove-Kalergi sought to create such a state that could compete with powers like the United States, Russia, China and countries of the Commonwealth. The proposed model of a united Europe but especially in the aftermath of World War II was not realized. World War became for a long time the main factor leading to finding possible solutions to the model of a united Europe based on the requirement to ensure a secure, peaceful development in European countries. In the period after the Second World War was to the beginnings of deeper European integration is seen as a reaction to the war, which ultimately caused a huge loss of human life and the overall condition of the economies of European countries.

Estimates of the number of people killed during the Second World War

| <b>country</b> | the number of killed<br>soldiers | the number of killed<br>civilians |
|----------------|----------------------------------|-----------------------------------|
| <b>Germany</b> | 2 850 000                        | 500 000                           |

|                      |         |              |
|----------------------|---------|--------------|
| <b>Great Britain</b> | 397 762 | 65 000       |
| <b>France</b>        | 210 761 | 108 000      |
| <b>Italy</b>         | 77 500  | 40 – 100 000 |

Source: (Krejčí, 2010)

| <b>country</b>         | pre-war year when GDP equaled the level of GDP reached in 1945 |
|------------------------|--|
| <b>Austria</b>         | 1886   |
| <b>Belgium</b>         | 1924   |
| <b>Denmark</b>         | 1936   |
| <b>Finland</b>         | 1938   |
| <b>France</b>          | 1891   |
| <b>Germany</b>         | 1908   |
| <b>Italy</b>           | 1909   |
| <b>the Netherlands</b> | 1912   |

Source: (Krejčí, 2010)

*Limited economic development in war affected territories was carrying a constant need to ensure in particular the basic products, ie products of everyday use. Europe was devastated by years of conflict during World War II. Millions of people had been killed or wounded. Industrial and residential centers in England, France, Germany, Italy, Poland, Belgium and elsewhere lay in ruins. Much of Europe was on the brink of famine as agricultural production had been disrupted by war. Transportation infrastructure was in shambles. The only major power in the world that was not significantly damaged was the United States.<sup>1</sup>*

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<sup>1</sup> <http://marshallfoundation.org/marshall/the-marshall-plan/>

History of the Marshall plan:

<http://marshallfoundation.org/marshall/the-marshall-plan/history-marshall-plan/>

<http://marshallfoundation.org/marshall/the-marshall-plan/marshall-plan-speech/>

Germany after World War II experienced a relatively rapid recovery of the domestic economy, which could cause the other European countries next wave of concern about the potential for aggressive behavior in Germany. The way out of this situation seemed to Brussels Treaty of March 17, 1948, under which they were established so. West Union, whose primary mission was mainly to ensure possible defenses against possible German aggression. In order to solve this neighbouring countries agreed in The Treaty of Paris to form an area of free trade for several key resources including coal, steel and iron ore, chosen for their key role in industry and the military. This body was called the European Coal and Steel Community and involved Germany, Belgium, France, Holland, Italy and Luxembourg.

[http://europa.eu/legislation\\_summaries/institutional\\_affairs/treaties/treaties\\_ecsc\\_en.htm](http://europa.eu/legislation_summaries/institutional_affairs/treaties/treaties_ecsc_en.htm)

Treaty of Rome of 27. 3. 1957.

[http://ec.europa.eu/archives/emu\\_history/documents/treaties/rometreaty2.pdf](http://ec.europa.eu/archives/emu_history/documents/treaties/rometreaty2.pdf)

The general objective of the European economic community, was formulated in article 2 of the Treaty establishing the EEC, whose aim was "the gradual convergence of economic policies of the Member States, to promote throughout the community a harmonious development of economic activities, a continuous and balanced growth, greater stability, accelerated raising of the standard of living and closer relations between the States that make up the Community. As the specific objectives of the EEC Treaty were identified the following priority areas:

- a) support for the establishment of common policies in agriculture, in transport and in foreign trade,
- (b) implementation of the common rules on competition, security
- (c) coordination of economic policies,

(d) associate overseas territory in order to promote their economic and social development.

50 years anniversary of the common Europe – video – recurrence of key milestones  
<http://www.youtube.com/watch?v=UvRznNKYI08>

The question of further development of the community was discussed at the Hague summit (1969). Negotiation about the enlargement of the EEC have been started with Great Britain, Ireland, Denmark and Norway. United Kingdom, Ireland and Denmark. Norway as the fourth candidate country on the basis of the results of the referendum had not entered into the European Community.

Process of Enlargement of the European Community - Greece (1981), Spain (1986) and Portugal (1986) - the economically less developed countries. In the case of the candidacy of Greece, however, it was necessary to create a longer pre-accession period and to consider the provision of financial assistance from the community.

The development process of the adoption of the Treaty on European Union was influenced by both the type of this document, which changed the basic contractual framework of the community, and for this reason it was necessary to approve the Treaty by all the Member countries. The Treaty on European Union (TEU), was signed in Maastricht on 7 February 1992.

Enlargement: Austria, Sweden, Finland

Period of 90 years of the 20th century is characterized by developing an intense cooperation between traditional countries of the European Union and the post-Communist countries. The cooperation was officially founded on the basis of the signature European agreement of 13 potential candidate countries. Assessment of the preparedness of the candidate countries into the European Union was the content of the document, Agenda 2000, namely its second part entitled the challenges of enlargement. The candidate countries have been evaluated on the basis of the General input criteria formulated in the form of the political and economic criteria (The Copenhagen criteria). As for the possible candidates were identified by country: Czech Republic, Hungary, Poland, Slovenia and Estonia.

| <b>country</b>        | date for formal application for membership in the European Union |
|-----------------------|--|
| <b>Bulgaria</b>       | 14. 12. 1995   |
| <b>Czech Republic</b> | 17. 1. 1996  |
| <b>Estonia</b>        | 24. 11. 1995   |
| <b>Hungary</b>        | 31. 3. 1994  |
| <b>Latvia</b>         | 13. 10. 1995   |
| <b>Lithuania</b>      | 8. 12. 1995  |
| <b>Poland</b>         | 5. 4. 1994   |
| <b>Romania</b>        | 22. 6. 1995  |
| <b>Slovakia</b>       | 27. 6. 1995  |
| <b>Slovenia</b>       | 10. 6. 1996  |
| <b>Turkey</b>         | 14. 4. 1987  |
| <b>Malta</b>          | 16. 7. 1990  |
| <b>Cyprus</b>         | 3. 7. 1990   |

Moment of the official EU enlargement to new Member Union in 2004 prior to the adoption especially two key documents - the Treaty of Amsterdam and the Treaty of Nice. On the basis of the European Council in Luxembourg and the results of the European Council summit in Helsinki confirmed negotiations with all candidate countries. The Czech Republic, Slovakia, Hungary, Poland, Slovenia, Estonia, Lithuania, Latvia, Malta and Cyprus were thus finally regarded as future members of the European Union. Readiness of the candidate countries for accession was evaluated from an economic, institutional and administrative point of view through the so-called Evaluation reports (Agenda 2000).

<http://aei.pitt.edu/3137/>

|                       |  |
|-----------------------|--|
| candidates country    | readiness for the accession (Evaluation Reports)   |
| <b>Malta</b>          | Criticism higher degree of state involvement in the economy, higher national debt  |
| <b>Slovenia</b>       | criticism of the reform of the pension system  |
| <b>Hungary</b>        | criticism of the state prison system in the country, the fight against corruption and the situation of the Roma minority |
| <b>Litthuania</b>     | inefficient justice  |
| <b>Slovakia</b>       | criticism of the fight against corruption  |
| <b>Poland</b>         | criticism of the trade deficit, budget deficit, high unemployment  |
| <b>Czech Republic</b> | criticism of the fight against corruption  |
| <b>Estonia</b>        | criticism agriculture and environmental protection   |
| <b>Latvia</b>         | criticism agriculture and environmental protection   |
| <b>Cyprus</b>         | criticism of excessive dependence of the domestic economy on tourism income  |
| <b>Bulgaria</b>       | criticism of the fight against corruption  |
| <b>Romania</b>        | criticism of the poor economic situation of the country  |

Two more countries from eastern Europe, Bulgaria and Romania joined the EU (2007), bringing the number of member states to 27 countries. Croatia joins the EU, bringing the total number of member countries to 28. The EU now also has 24 official languages.

[http://europa.eu/about-eu/eu-history/founding-fathers/index\\_en.htm](http://europa.eu/about-eu/eu-history/founding-fathers/index_en.htm)

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