29. Which of the following issues was addressed directly by the Good Friday Agreement of 1998?

A) socialism v. market economic
B) integration of the British economy with the EU
C) devolution of power to the Scottish Parliament
D) devolution of power to a Northern Ireland Parliament
E) the role of the Anglican Church in shaping political policies

30. Wales, Scotland, and Northern Ireland have different political traditions, but what do they all have in common?

A) The government of Ireland at one time ruled all of them.
B) All have been independent countries at some time in the past.
C) All are currently part of the United Kingdom, but London has devolved some powers to their regional governments.
D) None have been granted representation in the House of Commons in London, although all have demanded it.
E) They all were at one time part of the United Kingdom, but today they are independent nations.

Country-Context Question (20 minutes):

An important characteristic of British political culture is multi-nationalism. An increasingly important characteristic of British political culture is ethnic diversity.

a) Describe multi-nationalism in Britain, and explain one problem that multi-nationalism has posed for the British government.

b) Describe one policy that the British government has enacted to address the problem you identified in a).

c) Describe ethnic diversity in Britain, and explain one problem that ethnic diversity has posed for the British government.

d) Describe one policy that the British government has enacted to address the problem you identified in c).

CHAPTER THREE: THE EUROPEAN UNION AND OTHER INTERNATIONAL ORGANIZATIONS

As we have seen, one major trend in Britain is **devolution**, or the process of decentralizing the unitary state to share policymaking power with regional governments. Yet all the countries of Europe, including Britain, are deeply affected by a countertrend – **integration.** Integration is a process that encourages states to pool their sovereignty in order to gain political, economic, and social clout. Integration binds states together with common policies and shared rules. The **supranational organization** that integrates the states of Europe is called the European Union.

INTERNATIONAL ORGANIZATIONS

International organizations have been around for some time now, but their nature is changing, with some real implications for the sovereignty of individual nation-states. Several countries formed the Concert of Europe in the early 19th century in an effort to restore balance of power after the fall of Napoleon Bonaparte. It was a voluntary agreement, and it did not prevent the outbreak of several limited wars. However, many scholars believe that the effort to balance power that the agreement sparked was at least partly responsible for the relative peace among quarrelsome European neighbors until World War I began in 1914. That war stimulated another more global effort to form a lasting international organization, and resulted in the creation of the League of Nations, whose fate was doomed with the outbreak of World War II in 1939. Even before the United States joined the war, U.S. President Franklin Roosevelt and British Prime Minister Winston Churchill agreed to try again when the war ended. In this spirit the United Nations was formed in 1945.

greenhouse gases that contribute to global warming. One of the strongest criticisms of the World Bank has been the way in which it is governed. While the World Bank represents 186 countries, a small number of economically powerful countries choose the leadership and senior management of the World Bank, and so critics say that their interests dominate the bank.

Regional Organizations

During the Cold War era, regional military alliances appeared, and countries joined based on their affiliation either with the United States or Russia. The North Atlantic Treaty Organization (NATO) formed in the late 1940s with 14 European members, the United States, and Canada. An opposing alliance – the Warsaw Pact – began in 1955 and was composed of the Soviet Union and six eastern European countries. Together the two organizations were designed to maintain a bipolar balance of power in Europe. The Warsaw Pact disbanded with the breakup of the Soviet Union, and NATO expanded to include many of its former members. Other regional organizations include the Organization of American States (OAS), created to promote social, cultural, political, and economic links among member states; the Arab League, which was founded to promote the interests and sovereignty of countries in the Middle East; and the Organization for African Unity (OAU), that has promoted the elimination of minority white-ruled governments in southern Africa. The number of regional international organizations has grown steadily over the past 70 years or so, but the one that has integrated states the most successfully so far is the European Union.

THE EUROPEAN UNION

Europe's history is one of diverse national identities. Its wars have encompassed the continent as first its kingdoms, and then its countries, fought over religion, power, land, and trade. Perhaps most dramatically, its conflicts erupted in two devastating world wars during the 20th century. Shortly after World War II ended, European leaders decided on a new direction – cooperation among nations – that led to the creation of the European Union, a supranational organization that has not supplanted nationalism, but has altered its members' policymaking practices substantially.

A Brief History

The organization began in an effort to revitalize a war-torn Europe after World War II ended. The most immediate need was to repair the nations' broken economies, so the initial goals were almost completely economic in intent. In 1949 the Council of Europe was formed, and although it had little power, it provided an opportunity for national leaders to meet. The following year an international authority was formed to coordinate the coal and steel industries, both damaged heavily during the war. Later evolutions of the new organization included:

- **The EEC** (European Economic Community) – The Treaty of Rome established the EEC – informally named the **"Common Market"** – in 1957. Its most important provisions called for the elimination of all bilateral tariffs between European nations, and the creation of new ones that applied to all.

- **The EC** (European Community) – Established in 1965, the EC expanded the organization's functions beyond economics. One major concern other than tariffs and customs was a unified approach to the peaceful use of atomic energy. However, the development of the EC was limited by disagreements as to how much power it should be given, with many nations concerned that their national sovereignty would be weakened. The urge toward integration was given a boost by the collapse of Soviet dominance in eastern Europe in the late 1980s. With new democracies emerging, their transitions from communism to capitalism demanded guidance from an international regional power.

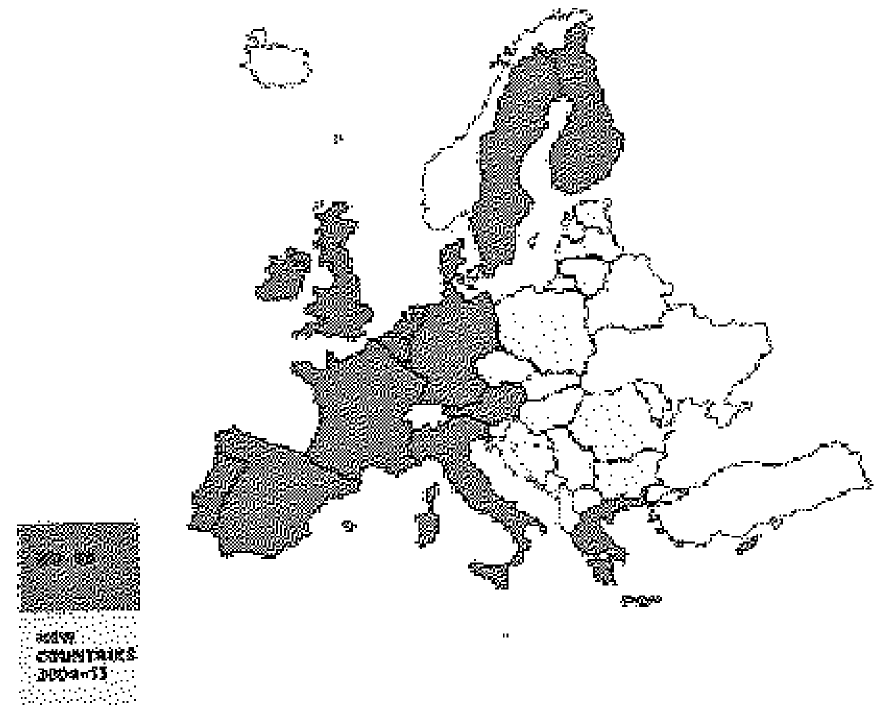
- **The EU** (European Union) – The 1991 **Maastricht Treaty** created the modern organization, and gave it authority in new areas, including monetary policy, foreign affairs, national security, transportation, the environment, justice, and tourism. An important goal was to coordinate economic policies, particularly through a common currency (**the euro**) to replace the national currencies of the member-states, such as the French franc and the German mark; and a common **European Central Bank**, with enormous supranational authority to influence the economic policies of the member-states. The treaty established the **three pillars**, or spheres of authority:

1. Trade and other economic matters, including economic and monetary union into a single currency, and the creation of the European Central Bank
2. Justice and home affairs, including policy governing asylum, border crossing, immigration, and judicial cooperation on crime and terrorism
3. Common foreign and security policy, including joint positions and actions, and common defense policy

Membership

Ongoing expansion is a major characteristic of the European Union, with a total membership of 28 countries as of 2015. The European Union began with six members in 1957: Belgium, France, Germany, Italy, Luxembourg, and the Netherlands. Denmark, Great Britain, and Ireland joined in the early 1970s; Greece in 1981; Portugal and Spain in 1986; and Austria, Finland, and Sweden in 1995. Ten countries joined on May 2, 2004: Cyprus (Greek part), the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. Bulgaria and Romania joined on January 1, 2007. Enthusiasm for further growth has waned in recent years, as questions of economic and political stability of newer members has threatened to break the union apart. Even so, Croatia was admitted for membership in June 2013.

Several countries are currently under consideration as candidates for membership, including Macedonia and Turkey. Turkey is controversial for many reasons, including its relatively low Gross Domestic Product per capita of about 12,000 euro, considerably less than the EU average. Turkey also has been questioned because of its history of authoritarian governments. Turkey's candidacy also brings up the question of whether or not it is actually a European country since most of the country is technically in Asia. A deeper issue is the largely Muslim population of Turkey. If the EU is mainly an economic organization,



The European Union. Ongoing expansion is a major characteristic of the European Union, with a total membership of 28 countries as of 2015.

then it shouldn't matter that all Turkey's religious leanings are quite different from those of current members, whose populations are overwhelmingly Christian. However, if the EU fulfills its other pillars (justice and home affairs, and common foreign and security policy), some fear that religious differences could hinder the integration process.

Even though the political and economic muscle of so many countries united is considerable, this rapid integration presents many difficult issues for the EU. First, organizational issues abound. Structures that work for six countries do not necessarily operate smoothly for 28. Second, the expansion brings in many former communist countries whose economies were relatively weak by the end of the 20th century. Older member-states worry that immigrants from the east will flood their labor markets and strain their economies. EU supporters believe that these problems will be overshadowed by the benefits of common markets, currencies, political policies, and defense.

In order to be accepted for membership, candidate nations must provide evidence to meet three important criteria:

- a stable and functioning democratic regime
- a market-oriented economy
- willingness to accept all EU laws and regulations

The rapid growth of the EU has brought about what some have called **enlargement fatigue**. Polls show a decline in support for enlargement among EU voters, and many believe that the French and Dutch rejections of the European Constitution (see p. 179) partly reflected dissatisfaction over the 2004 enlargement. Also, many EU governments have lost their enthusiasm for further growth, particularly France, Germany, and Austria. The economic benefits of the recent expansions are still questionable, and the concerns surrounding Turkey have cooled some support. Of course, there is a limited amount of growth potential remaining because only a few countries of the continent are non-members, including Norway, Switzerland, the Balkan states, Belarus, Moldova, and the Ukraine.

Organization

The European Union is composed of four major bodies: The Commission, the Council of Ministers, the European Court of Justice, and the European Parliament.

- **The Commission** – This body currently has 28 members, one from each member state of the EU, supported by a bureaucracy of several thousand European civil servants. Each Commissioner takes responsibility for a particular area of policy, and heads a department called a Directorate General. The Commission is headed by a president, currently Jose Manuel Durao Barroso of Portugal. Although their home governments nominate them, commissioners swear an oath of allegiance to the EU and are not supposed to take directions from their national governments. The Commission forms a permanent executive that supervises the work of the EU, much in the way that a national cabinet operates.

- **The Council of Ministers** – Whereas the Commission acts cooperatively as the director of EU activities, the Council demonstrates the continuing power of the states. The Council consists of foreign ministers, finance ministers, the president of France, and all the prime ministers of the other members. They hold frequent meetings -- some for only one type of minister -- and the heads of state meet every six months as the **European Council**. The Council is central to the EU's legislative process. Until 2009, the president of the Council rotated every six months, but the Lisbon Treaty made the position permanent and full-time, with a 2½ year term of office, renewable once. The first president appointed under these conditions was Herman Van Rompuy of Belgium, who was reappointed in 2012. In 2014, Donald Tusk, the former Polish prime minister, became the second president under the new rules. The Commission may initiate legislation, but its proposals don't become law until they have been passed by the Council. Each country is assigned a number of votes in proportion to its share of population.

- **The European Parliament** – Contrary to the implications of its name, the European Parliament historically has not had a great deal of legislative power. However, since 1979 its members (MEPs) have been directly elected by the people of their respective countries, so they do have some independence from their national governments. Parliament may propose amendments to legislation, and it may reject proposals from the Council outright. However, the Council may override a rejection by a unanimous vote. EU citizens vote directly for representatives to the EP every five years. Apportionment of representatives is not strictly based on population, and smaller member-states have disproportionately greater representation than larger ones. The meetings of the EP are held in Strasbourg, although committees meet in Brussels. The Lisbon Treaty enhanced the power of the EP significantly, since new rules govern its relationship with the European Council.

- **The European Court of Justice** – The ECJ is the supreme court of the European Union, and it has the power of judicial review. It meets in Luxembourg, where it interprets European law, and its decisions may limit national sovereignty. For example, the ECJ ruled against Italy's policy of jailing illegal migrants who do not obey expulsion orders. In 2011, it decided that insurance companies in Britain were not allowed to charge women drivers (less of an accident risk) a lower premium than men. As such, the ECJ is more powerful than most national judicial systems of the EU's member-states. It has a broad jurisdiction, and hears cases that rule on disagreements among the Commissioners, the Council of Ministers, and the members of parliament. It also may settle disputes among member nations, private companies, and individuals. The ECJ consists of 28 judges, with each one nominated by a different member state. Cases are decided by a simple majority.

ORGANIZATION OF THE EUROPEAN UNION

Policymaking Power

Although the European Union has made only rudimentary policy in many areas – such as defense and social policy – it clearly sets strong policies in other areas that previously were controlled by the individual countries. Three areas of active policymaking are:

- **Creating and maintaining a single internal market** – By and large, the EU has removed most of the old tariffs and other barriers to trade among its members. For example, trucking goods across national borders is much easier today than it was before the EU was created. Also, most professional licenses, such as those for doctors and beauticians, are accepted in all member states. An exception is that lawyers' licenses are only good in the country that issues them. So policy differences still exist among the nations, but the single market has greatly affected both European governments and their citizens. More options are available to shoppers and consumers now that goods are freely transported across national borders.

- **Union of monetary policy** – The EU has made remarkable strides in its ability to set European **monetary policy**, the control of the money supply. Today the euro has replaced many of the old national currencies, which are well on their way to being phased out. Also, the power to set basic interest rates and other fiscal policies is being passed from national banks and governments to the **European Monetary Union** and its new central bank. Today, in most of the member countries, the euro is accepted as a common currency both in banking and for everyday business transactions. Most of the newer members are in the process of changing their currencies to the euro, but two exceptions to the rule are Britain and Sweden, which still refuse to give up their national currencies in favor of a common European currency. The economic recession that began in late 2007 was a challenge for the viability of the euro, but so far there has been no strong movement to abandon it. For most of the newer members, the recession made conversion to the euro even more important, since their national currencies are generally not as stable as the euro. The recession also put pressure on the economic coordination capabilities of the EU. Most of the stimulus money generated in Europe after the worldwide monetary crisis in September 2008 came from individual member-states. In November 2008 the European Commission set out proposals for a Europe-wide fiscal stimulus, but it had no authority to compel member-states to contribute, so it had to serve mainly a coordinating role. What followed was disagreement among member-states over how or whether to use the stimulus money, illustrating the reluctance that governments have in ceding control over their own revenues.

- **Common agricultural policy** – Implementation of policy in this area has generally been less successful than others, but the EU has put in place significant new agricultural programs, with almost half of the organization's budget going to this policy. One goal has been to modernize inefficient farms so that they might compete in the common market. In order to meet this goal, the EU established **farm subsidies**, guarantees of selling goods at high prices. The subsidies have proved very expensive and have yet to improve farm efficiency in any measurable way. Recent reforms of the system have transferred subsidies away from price supports for specific crops and toward direct payments to farmers. A growing chunk of the money goes to rural-development projects, not farming as such.

By the late 1990s, the European Union began to lay the groundwork for future policies in these areas:

- **Common defense** – European integration began with economic policy, so EU defense policy is much less well developed than those for trade and common currency. However, the Maastricht Treaty made foreign and defense policy one of the three "pillars" of the EU, so some defense policies have been put in place. In 1999, the European Council placed **crisis management** tasks at the core of the development of common security and defense of EU members. Crises were defined as humanitarian, rescue, and peacemaking tasks. The Council set as a goal that the EU should be able to deploy up to 60,000 troops within sixty days that could be sustained for at least one year. The agreement left troop commitment and deployment up to the member-states, and, as a result, did not create a European army.

- **Justice and Home Affairs** – The 1997 **Treaty of Amsterdam** set major policy initiatives for judicial affairs. The aim was to establish within a few years the **free movement** of European Union citizens and non-EU nationals throughout the Union. Free movement has involved setting policy regarding visas, asylum, and immigration. Additionally, the Treaty of Amsterdam helped to define cooperation among national police forces and judicial authorities in combating crime. Although member nations may support an EU structure in areas of justice, freedom, and security, they are not compelled to participate. In these areas, Britain, Ireland, and Denmark restrict their participation to only a few select provisions.

- **Terrorism** – The EU has become very concerned about terrorism since the September 11, 2001 attacks on the World Trade Towers and the Pentagon in the United States. More recent bombings have rocked transportation systems in Spain (2004) and Britain (2005), reminding Europeans that terrorists have almost certainly taken advantage of the increasing ease of travel across country borders created by integration of nations. Beginning in April 2004, United States and European Union officials held a series of policy dialogues on border and transportation security that focused on better addressing common security concerns and identifying areas where U.S.-EU cooperation and coordination might be enhanced.

The European Constitution and the Lisbon Treaty

On October 29, 2004, European heads of government signed a treaty establishing a **European Constitution.** The intention of the Constitution was to replace the overlapping sets of treaties that govern member-states' interactions, and to streamline decision-making as the organization had grown to 27 states by then. The Constitution went through the process of ratification by member-states, and was scheduled to go into effect on November 1, 2006. However, in mid-2005, French and Dutch voters rejected the treaty in separate referenda, prompting other countries, including Britain, to postpone their ratification procedures. In December 2007, in an effort to salvage the goals of the Constitution, the heads of state or government of the then-27 member-states signed the **Lisbon Treaty**, a document that attempted to consolidate previous treaties that were still in force. Some important provisions of the treaty are:

- **A strengthening role for the European Parliament** – The treaty gives the Parliament new powers over EU legislation that place it on an equal footing with the European Council, gaining new rights in farm subsidy policies, border controls, asylum, and integration. Members of the European Parliament (MEPs) also have more say over the EU Budget, bowing to national government in only a handful of areas like tax and foreign policy.
- **A greater involvement of national parliaments** – National parliaments have more opportunities to be involved in the work of the EU, particularly through a new mechanism that ensures that the Union only acts where results can be better achieved at EU level. The aim is to enhance democracy and increase legitimacy in the functioning of the Union.
- **Clarification of the relationship between member-states and the EU** – The treaty created a system called "categorization of competencies" that more clearly delineates the realms of responsibility of the EU in contrast to the initiatives best left up to the national governments.
- **Withdrawal from the Union** – For the first time, the possibility for a member-state to withdraw from the EU was recognized.
- **The creation of a permanent president of the EU** – Before the treaty was signed, the presidency of the European Council rotated every six months and it was usually filled by the top executive of one of the member-states, and so the position has a limited amount of power. The Lisbon Treaty made that position permanent and full-time, and provides for a 2 ½ year term of office, renewable once.
- **Introduction of a Charter of Fundamental Rights** – The Charter promotes individual civil, political, economic, and social rights for European citizens.

The negative reactions in France and the Netherlands to the European Constitution reflected a growing resistance to integration, especially as the European Union membership continues to grow. Many fear that the power shift from national to supranational institutions will result in a **democratic deficit**, the loss of direct control of political decisions by the people. The European Parliament is the only directly elected body, and it is the weakest of the major EU bodies. The EU, then, is perceived by many as lacking accountability to citizens in member-states. The provisions of the Lisbon Treaty were meant to address these concerns, but it too was rejected by a popular referendum, this time in Ireland in June 2008. However, the treaty was eventually ratified by all the member-states, and it went into effect in December 2009.

The post-World War II visionaries who first conceived of a European Union saw not only an economically united Europe, but one with close political cooperation as well. So far, the European Union has shown little movement toward political integration, although the Maastricht Treaty of 1991 did include it within the "three pillars", or spheres of authority. More cooperation in foreign and national security policy is still on the EU's agenda, but economic integration remains the focus today.

Economic Issues

The European Union has long been defined by a tension between **economic liberalism** that favors open, free markets, and an economic nationalism that seeks to protect national economic interests from the uncertainty of free markets. The older, more established EU members tend to reflect the latter policy orientation, while the newer, less economically stable members often favor economic liberalism. Supranationalism encourages economic integration but the proper balance with national interests is often a controversial topic. The **sovereign**

debt crisis that began with the near-collapse of the Greek economy in 2010 illustrates this tough issue, and the arguments that have erupted since then strike at the heart of this old tension.

Austerity Programs

In reaction to the sovereign debt crisis, many European countries put **austerity programs** in place. These programs were designed to reduce budget deficits by cuts in spending and tax increases, and they quickly became controversial as unemployment rates increased and GDPs stagnated. Countries that put austerity programs in place include Germany, the Czech Republic, Britain, Italy, Greece, Ireland, Portugal, Romania, and Spain. In many places, the programs sparked protests, especially as government welfare programs were cut. Austerity programs became quite controversial as economists debated their effectiveness in solving the debt crisis.

The Greek Crisis

It was no surprise that the debt crisis began in Greece, which failed to join the euro area when it was set up in 1999 because it did not meet the economic or fiscal criteria for membership. Revisions to its budget figures showed that it probably shouldn't have been allowed in when it did join in 2001. After the international banking crisis of 2008, concern for "sovereign debts" (debts of individual EU countries) increased, especially for those with high debt-to-GNP ratios. Attention focused first on Greece, and in May 2010, the eurozone countries and International Monetary Fund agreed to a large loan to Greece, conditional on the implementation of harsh austerity measures. The Greek bailout was followed by a rescue package for Ireland in November and another for Portugal in May 2011.

During the summer of 2015, Greece once again could not meet its credit obligations, and the Greek prime minister, Alexis Tsipras, staged a showdown with Greece's creditors — the other nations that use the euro, the European Central Bank, and the International Monetary Fund. Mr. Tsipras balked at further austerity measures, and sponsored a referendum in which Greek voters strongly supported him. However, the prime minister finally gave in and accepted a new package of budget cuts, tax increases and other economic policy changes in return

for an additional 86 billion euros, or $97.2 billion, in aid necessary to reopen Greece's banks and avert default on its loans.

Bailouts and Economic Restructuring

These bailouts have been controversial, with some arguing that they are essential for keeping the economic health of the entire EU region, but others complaining that it is unfair to expect taxpayers in healthier countries to pay for the economic woes of less stable members. The bailouts are particularly unpopular in Germany, where one poll showed that a majority of the public thinks that the rescue of Greece was a mistake. As talk of a second bailout for Greece materialized in mid-2011, there was strong resistance in Germany to further assistance to the Greek economy. At summit meetings in 2011, European political leaders discussed the possibility of "**restructuring**" the economies of Greece, Ireland, and Portugal. **Economic structural adjustment** would mean that at least part of the debt would be forgiven. Supporters of restructuring claim that it is the only way to allow the weakened countries to recover; critics believe that restructuring makes the stronger countries pay for the weaker ones, a process that they claim weakens the entire continent. The crisis seriously questions the economic stability of the euro and the European banking system, and so the solutions that European leaders find will almost certainly influence the future development of the EU.

The sovereign debt crisis has impacted the economies of almost all European countries, not just those with the most fragile economies. The countries that adopted the euro were supposed to adhere to strict spending standards to prevent their debt from getting too big. They agreed to a debt target of 60 percent of their economic output. Some did, but others could finance their deficit spending at relatively low interest rates as long as Europe's economy remained healthy. However,when the financial crisis erupted, the economies shrank and their debts ballooned. Investors began to lose faith in the ability of those countries to repay their debts. In 2012, according to estimates by the *New York Times*, not even the strongest economies in Europe met the target. Germany's ratio of gross government debt to gross domestic product was 79%, but other countries had much higher ratios, such as Greece, with a ratio of 153%.

Migration Issues

Migration has long been an issue for EU member-states, but the rising number of refugees seeking asylum in Europe reached a crisis level in 2015. Most were fleeing war-ridden states, especially Syria, Afghanistan, and Eritrea. The crisis drew attention in April 2015, when five boats carrying almost two thousand migrants to Europe sank in the Mediterranean Sea, leaving more than 1,200 people dead. The European Union has struggled to cope with the crisis, with EU member-states receiving about 395,000 new asylum applications during the first half of 2015. In September 2015, EU interior ministers approved a plan to relocate 120,000 asylum seekers over two years from Italy, Greece, and Hungary to all other EU countries (except Denmark, Ireland, and Britain). These mandatory migrant quotes quickly became controversial, with the Czech Republic, Hungary, Romania, and Slovakia voting against them. Britain agreed to accept 20,000 migrants over five years, but only those coming from states outside Europe.

Does the European Union represent the trend toward globalization in the world? Or is it a better example of fragmentation? Perhaps the EU is forging the way toward global connections, particularly in terms of trade and economic cooperation. On the other hand, it may be forming a bloc that invites other parts of the world to create blocs of their own, setting the stage for fragmentation and conflict among cultural areas. Only time will tell.

COMPARATIVE CAPITALISM: THE EUROPEAN AND U.S. MODELS

Whereas capitalism is the accepted economic philosophy in the United States and Europe today, two competing models had developed by the late 20th century. The U.S. model, largely shared by Britain since Thatcherism took hold in the 1980s, places greater emphasis on free enterprise and the market, whereas continental western Europe has evolved a **social market economy** that is team-oriented and emphasizes cooperation between management and organized labor. The European model provides a stronger economic safety net -- such as universal health care, day care for children, and generous pensions for government workers. Government-subsidized transportation systems are also characteristic of the social market economy. The two systems are based on two different attitudes toward equality, with the U.S. culture emphasizing the individual's right to compete in the marketplace and accepting any inequality that results from that competition. Many Europeans tend to view unrestricted competition more as a threat than an opportunity, since it can lead to vast inequalities. One explanation for these different views is that Europeans are more accustomed to a strong government role in society, and Americans tend to distrust their government more. Another explanation is that Americans see more possibilities for upward mobility, with each individual believing that (s)he will someday be rich, too.

IMPORTANT TERMS AND CONCEPTS

The Commission
Common Market
The Council of Ministers
crisis management
democratic deficit
EC
economic liberalism
economic structural adjustment
EEC
enlargement fatigue
European Central Bank
European Constitution
European Council

European Court of Justice
European Parliament
European Monetary Union
EU
farm subsidies
free movement
integration
Lisbon Treaty
Maastricht Treaty
MEPs
mixed economy
monetary policy
requirements for EU membership
restructuring
social market economy
sovereign debt crisis
supranational organization
"three pillars"
Treaty of Amsterdam

EU Questions

Multiple-choice Questions

1. In order to gain political, economic, and social clout, states in Europe have gone through a process of integration that requires them to

A) compete with one another for scarce resources
B) pool their sovereignty
C) form alliances with North American states
D) form an international army
E) lose their democratic forms of government

2. In the years after it was created in 1991, the European Union brought about the most change in Europe in regard to its

A) ability to coordinate international security
B) creation of an international judicial system
C) ability to control border crossings and immigration
D) creation of a common currency for most of its members
E) coordination of common agricultural policies

3. Which of the following international organizations were created to be global in nature?

A) NATO and the United Nations
B) OAS and NATO
C) the WTO and the EU
D) the United Nations and the WTO
E) the World Bank and the OAU