The European Council is the meeting place for the leaders of the EU member states, their foreign ministers, and the president of the Commission. This group convenes periodically at short summit meetings and provides strategic policy direction for the EU. For some scholars, it is best understood as part of the Council of Ministers and as the grandest of the technical councils; for others, its rules and powers are too different from the Council of Ministers, and it is best understood as a separate entity.

The Council is something like a steering committee or a board of directors for the EU; it sketches the broad picture and usually leaves it to the other institutions (particularly the Commission and the Council of Ministers) to fill in the details. It was created in 1974 in response to a feeling among EC leaders that the Community needed stronger leadership to clear blockages in decision making and to give it a sense of direction. Its existence was given legal recognition with the Single European Act, Maastricht confirming that the Council would “provide the Union with the necessary impetus for its development and shall define the general political guidelines thereof.”

The Council is intergovernmental at heart, but this does not mean that it ignores general European interests. It has been an important motor for integration, launching major new initiatives (including every new EU
The European Council and Specialized Agencies

The European Union treaty), issuing key declarations on international crises, generating EU institutional changes, and giving new momentum to EU foreign policy. It has been argued that without Council summits, the Community would not have survived the Eurosclerosis of the 1970s, launched the single market program during the 1980s, or adjusted to changes in the international environment during the 1990s. However, the Council has also had its failures, including its inability to speed up agricultural and budgetary reform and to reach agreement on common EU responses to the two Gulf wars, the Bosnian conflict, and the crisis in Kosovo in 1998 and 1999.

While the Council takes the broad view on European issues, a growing family of more specialized agencies has been created through the years to deal with the narrower interests of the EU. Most prominent among these has been the European Central Bank, which is responsible for managing the euro and setting interest rates for the euro zone, and Europol, a criminal intelligence organization that oversees information exchange on problems such as terrorism and drug trafficking. Meanwhile, the Economic and Social Committee provides employers, workers, and other sectional interests with a forum in which they can meet and develop advice for the EU institutions, while the Committee of the Regions does much the same for local and regional governments. As the EU has become busier, the list of specialized agencies has grown, so that new bodies now deal with everything from vocational training to occupational safety and health, fisheries control, disease prevention and control, environmental information, the monitoring of racism, and maritime and aviation safety.

Evolution

The idea of holding formal high-level meetings among Community leaders traces its roots back to Charles de Gaulle's ideas about political union. In July 1960 he broached the idea of a European political union that would include periodic summit meetings of heads of state or government and foreign ministers. Although his motives were distrusted by many of his EEC partners, the idea survived, and the first formal summits were held in 1961 (Paris in February, Bonn in July). At the Paris meeting, a committee was formed under the chairmanship of Christian Fouchet, French ambassador to Denmark, which produced a draft treaty for a "union of states," including a suggestion for a council of heads of government or foreign ministers that would meet every four months and make decisions on the basis of unanimity. But because the Fouchet plan was an attempt to build a Community dominated by France, it met with little support outside that country.

No more summits were held until 1967 and 1969, by which time it was becoming increasingly obvious to many that the EC had no clear sense of direction, and that decision making had become blocked by struggles over national interests in the Council of Ministers. The end of the Bretton Woods system in 1971 emphasized Europe's inability to respond quickly and effectively to major external crises, as did the Community's half-hearted response to the 1973 energy crisis, which prompted French foreign minister Michel Jobert to declare that Europe was a "nonentity." What was needed, Jean Monnet argued, was "a supreme body to steer Europe through the difficult transition from national to collective sovereignty"; he suggested calling it the "Provisional European Government."

Agreement was reached at a summit in Copenhagen in December 1973 to arrange more frequent meetings among heads of government. The EC was by now in the depths of Eurosclerosis, and the urgency of taking action was brought to a head by changes of leadership in Britain, France, and Germany. In Britain, pro-European Prime Minister Edward Heath lost the February 1974 election to Harold Wilson, who demanded renegotiation of the terms of Britain's membership. Meanwhile, the pro-European Valéry Giscard d'Estaing was elected president of France in May, the same month that Willy Brandt was replaced as West German chancellor by Helmut Schmidt, who switched the focus of German foreign policy from Ostpolitik (accommodation with the East) to a new emphasis on the EC. Giscard and Schmidt were both economists who had worked together as finance ministers during the early 1970s, and both appreciated the complexity of the kinds of economic issues that were now jostling for attention.

This combination of crises and changes in leadership formed the background to the December 1974 summit of heads of government in Paris, where it was decided to formalize the links among them. Giscard and
Schmidt argued for the need to bring leaders together regularly to provide policy direction and to clear logjams. A declaration was issued committing heads of government to meet at least three times annually and emphasizing the need for “an overall approach” to the challenges of integration and the importance of ensuring “progress and overall consistency in the activities of the Communities and in the work on political co-operation.”

The wording of the declaration was kept deliberately vague; it said nothing about the exact powers of the new body or its relationship to the other institutions, gave it no legal standing, and was careful not to allow its creation to disturb or complicate the existing EC decision-making system. Concerns among the Benelux states that the summits would weaken the supranational qualities of the Community were offset in part by an agreement to hold direct elections to the European Parliament. The new body even lacked a name until Giscard’s announcement at a press conference at the close of the meeting that “the European summit is dead; long live the European Council.”

Suggestions that a new secretariat be created for the Council were outweighed by desires not to expand the European bureaucracy or weaken the work of existing institutions. This is why the Council—which has been institutionalized to the extent that it exists and follows increasingly routine patterns of functioning—is the only branch of the EU without a secretariat or a large, salaried body of staff.

The first meeting of the Council was held in Dublin in March 1975 under the lumbering title of “the Heads of Government Meeting as the Council of the Community and in Political Cooperation.” It met more or less three times a year throughout the 1970s and 1980s, but a decision was made at the December 1985 summit to hold just two regular summits each year, in June and December, with additional extraordinary meetings as needed. Legal recognition of the Council finally came with the Single European Act, which confirmed the membership of the Council and reduced the number of annual meetings from three to two.

**Structure**

The European Council brings together the heads of government of the EU member states (and the head of state in the cases of Cyprus and France), their foreign ministers, the president of the European Commission, and small retinues of staff and advisers. They convene at regular annual summits lasting no more than two days, which are chaired by the leader of the member state holding the presidency of the Council of Ministers. If the Lisbon Treaty is accepted as planned, then the rotating presidency of the European Council and Council of Ministers will be replaced with a full-time president, responsible for chairing the European Council, overseeing all the preparatory work currently undertaken by the presidency, and charged with being a key external representative for the EU. The president will be elected by the Council using a qualified majority vote for a term of two and a half years, renewable once. He or she cannot be a sitting leader of a member state but can have a position in another EU institution, opening the prospect of the roles of president of the European Commission and president of the European Council being rolled into one.

European Council summits once took place either in the capital of the member state or in a regional city or town, such as Cardiff, Venice, Strasbourg, or—in December 1991—Maastricht in the Netherlands, where the Treaty on European Union was agreed. The Greeks used their summits to mix business and pleasure, convening them on the islands of Rhodes (1988) and Corfu (1994). In order to ensure less cost and greater efficiency, almost all European Council meetings are now held in Brussels.

The Council has multiple personalities. It can be seen as the decision maker of last resort, as a collective presidency in which sovereignty is pooled, as a body that parallels other EU institutions by dealing with issues outside their competence, or as a true “council” that can engineer broad package deals. There are three keys to understanding the way the Council works and fits into the EU system:

- **Flexibility.** The lack of rules, regulations, and attendant bureaucrats gives the Council a level of freedom and independence enjoyed by none of the other EU institutions.
- **Informality.** European Council summits are built on months of advance preparation, but agendas are kept general, summits try to keep away from formal votes, and meetings are kept as small and informal as possible.
Delegation. Any signs that the Council is becoming bogged down in the routine day-to-day business of the EU are usually resisted. The Council instead focuses on the big picture, leaves other institutions to work out the details, and acts as something like a court of appeal if attempts to reach agreement at a lower level fail.\(^{10}\)

The organization of the meetings is left largely to the presidency. Some European leaders take a hands-on approach to determining the agenda, while others are more low-key. The major goal of each summit meeting is to agree to a set of Conclusions of the Presidency. An advanced draft of this document usually awaits the leaders at the beginning of the summit, and it provides the focus for their discussions (see Box 9.1).

### How the Council Works

Preparation is the key to the success of European summits.\(^{11}\) Officially, the Council has no set agenda, but some direction is needed, so senior officials from the presidency usually work with the Council of Ministers to identify agenda items, which are channeled through the Antici Group to the Committee of Permanent Representatives. Preparation begins as soon as a member state takes over the presidency in January or July. The monthly meetings of the foreign ministers under the General Affairs and External Relations Council try to resolve potential disagreements, and as the date for the summit approaches, the prime minister and foreign minister of the state holding the presidency become more involved. The more agreements they can broker in advance, the less likely it is that the summit will end in failure.\(^{12}\)

About ten days before the summit, foreign ministers meet to finalize the agenda and to iron out any remaining problems and disputes. The items on the agenda depend on circumstances: national delegations normally have issues they want to raise, there has to be some continuity from previous summits, and leaders often have to deal with a breaking problem or an emergency that requires a decision. Some issues (especially economic issues) are routinely discussed at every summit, the Commission

### Box 9.1 European Summits

Meetings of the European Council usually run over a period of two days, although emergency or informal summits will normally last no more than a day. They begin with discussions over breakfast and move into the nuts and bolts at plenary sessions during the morning and afternoon. Overnight, officials from the presidency and the General Secretariat of the Council of Ministers will work on the draft set of Conclusions, which are discussed at a second plenary on the morning of day two, and—if necessary—at a third in the afternoon. The summit then normally ends with a press conference and publication of the Conclusions.

During summit plenaries, the prime ministers of the member states (and the presidents of Cyprus and France) sit around a table with their foreign ministers and two officials from the Commission, including the president. To keep meetings as manageable as possible, few other people are allowed into the room; no more than one adviser per country, two officials from the country holding the presidency, one from the Council of Ministers Secretariat, and three from the Commission—perhaps sixty people in all. National delegations are limited to seventeen members each.

The Council tries to make its decisions on the basis of consensus, but an occasional lack of agreement may force a formal vote, and some member states may want to attach conditions or reservations to the Conclusions. In addition to the formal plenary sessions, summits usually break out into subsidiary meetings, including those of foreign ministers, and regular bilateral meetings of prime ministers over breakfast or coffee. This has become more common as membership in the EU has grown—it is sometimes easier to negotiate in smaller groups than in meetings of the whole.

The summits are almost always major media events and are surrounded by extensive security. In addition to the substantive political discussions that take place, great symbolism is attached to the Conclusions, which are assessed according to the extent to which they represent breakthroughs or show EU leaders to be bogged down in disagreement. Failure and success reflect not only on the presidency but on the entire process of European integration. The headline-making nature of the summits is sufficient to focus the minds of participants and to encourage them to agree. A “family photo” is also taken of the national leaders and the president of the Commission, symbolizing the process of European integration. The smiles on their faces would look shallow if major disagreements had not been resolved.
may promote issues it would like to see discussed, and an active presidency might use the summit to bring items of national or regional interest to the attention of the heads of government. Summits may also occasionally launch or finalize a major policy initiative, such as the June 2007 summit, which reached agreement on a draft of the reform treaty, which then had to be developed in detail and ratified by the member states. Some summits are routine and result in general agreement among leaders; in others, deep differences of opinion arise, with some member states perhaps refusing to agree to a common set of Conclusions.

The exact role of the European Council has been kept deliberately ambiguous by its members. An attempt to define that role was made at the Stuttgart European Council in 1983, which agreed on the Solemn Declaration on European Union, drawn up to preempt the draft treaty on European Union being worked on by Parliament. “A good rule of thumb in European matters,” mused Guy de Bassompierre, “is that the more solemn the declaration, the more empty it is of true content.”

Combining the 1974 Paris Declaration, the 1977 London European Council statement, and the 1983 Stuttgart Declaration produces a list of goals for Council summits as follows:

- To exchange views and reach a consensus.
- To give political impetus to the development of the EU.
- To begin cooperation in new policy areas.
- To provide general political guidelines for the EU and the development of a common foreign policy.
- To guarantee policy consistency.
- To reach common positions on foreign policy issues.

More specifically, the Council makes the key decisions on the overall direction of political integration, internal economic matters, foreign policy issues, budget disputes, treaty revisions, new member applications, and institutional reforms. The summits achieve all this through a combination of brainstorming, intensive bilateral and multilateral discussions, and bargaining. The mechanics of decision making depend on a combination of the quality of organization and preparation, the leadership skills of the presidency, the ideological and personal agendas of the individual leaders, and the strength of their political bases at home. Also, most European governments are coalitions, meaning that national leaders have to please a broader constituency and are less able to follow the courage of their convictions.

The interpersonal dynamics of the participants are also important:

- The political significance of the Franco-German axis has always been critical, given additional influence by the strong personal relations that have usually existed between the leaders of the two states (Brandt and Pompidou, Schmidt and Giscard, Kohl and Mitterrand, Schröder and Chirac, and Merkel and Sarkozy).
- Leaders who have been in office for a relatively long time or who have a solid base of political support at home will be in different negotiating positions from those who have not. The June 2007 European Council suffered from something of a leadership and experience vacuum: the leaders of Austria, France, Germany, the Netherlands, and Sweden were all relatively new, and the leaders of several other countries—including Bulgaria, the Czech Republic, Finland, Poland, and Romania—governed in uneasy coalitions. Greece, Hungary, Ireland, Latvia, and Spain were among the few EU countries at the time whose governments had both stable majorities and some longevity.
- Some leaders are respected and have strong credibility, while others do not. For example, German Chancellor Helmut Kohl became a towering presence on the EU stage, holding on to office for sixteen years (1982–98) and becoming something of an elder statesman of European integration (helped, of course, by the dominating economic power of Germany). By 2002–03 there was no longer a single dominant leader on the European scene, although the tripartite relationship among Tony Blair, Jacques Chirac, and Gerhard Schröder was playing an influential role on several issues, notably defense matters and European foreign policy. As this book went to press, Gordon Brown, Nicolas Sarkozy, and Angela Merkel were the prime candidates for taking up the mantle of leadership.
In addition to the regular biannual summits, special meetings of European leaders can also be convened to deal with a breaking issue or a persistent problem. Examples include the November 1989 summit in Paris to discuss rapidly changing events in Eastern Europe, the October 1992 summit in Birmingham to discuss the crisis in the Exchange Rate Mechanism (ERM), the July 1994 summit convened to choose a successor to Jacques Delors, the March 1999 summit to negotiate reforms to the EU budget, and the February 2003 summit held to try to heal rifts among the member states over the impending invasion of Iraq. There will also occasionally be informal meetings of EU leaders, held outside the confines of the European Council but often designed to discuss matters of importance to the EU. Examples include the October 2005 meeting at Hampton Court near London to discuss globalization, and the October 2006 meeting with Russian President Vladimir Putin at Lahti in Finland.

Since the European Council has more power over decision making than any other EU institution, it has tended to take power away from the other institutions. It can, in effect, set much of the agenda for the Commission, override decisions reached by the Council of Ministers, and sideline Parliament. Any hopes that the Commission might have harbored for developing an independent sphere of action and power largely disappeared with the rise of the European Council. Certainty regarding the current and potential future role of the Council is clouded by its ambiguities, and opinion remains divided over whether it is an integrative or a disintegrative body.15

**Specialized Agencies**

As the reach of the EU has broadened and deepened, the work of its more specialized institutions—and the pressure for the creation of new institutions—has grown. Some have been there since the early days, while others have been set up more recently in response to new needs. As their number and authority increases, so the EU increasingly takes on the trappings of a federal government of Europe.

**European Central Bank (ECB).** Created in 1998, the job of the European Central Bank is to ensure price stability by setting interest rates and managing foreign reserves for the countries participating in the euro, now used officially by 314 million consumers in fifteen countries, and unofficially by millions more in many other countries. As the euro has become more familiar to governments, business, and consumers, so the ECB has grown in stature. Howarth and Loedel may be overstating the case when they describe it as a "leviathan" and "the most important institutional creation in Europe since the institutionalization of the nation state in the seventeenth century,"16 but it is certainly symbolic of the extent to which national powers have been transferred to the European level. It does not yet have the regional or global political and economic clout of the U.S. Federal Reserve, but it comes in a strong second.

First proposed in 1988, the framework of the Bank was described in the Maastricht Treaty, and its precursor—the European Monetary Institute (EMI)—was founded in 1994, charged with strengthening central bank cooperation and coordination of monetary policy in preparation for the creation of the euro. The ECB was formally established on June 1, 1998, replacing the EMI. Based in Frankfurt, Germany, the Bank works within two overlapping spheres: the European System of Central Banks (ESCB), of which all national banks in the EU are members, and the Eurosystem, which comprises only the national banks of those member states that have adopted the euro.

The Bank has three main organizational units. First, there is a Governing Council consisting of the central bank governors from each state in the euro zone and the Bank’s Executive Board. This meets twice-monthly to discuss monetary and economic developments in the euro zone and to make decisions on monetary policy. Second, there is an Executive Board consisting of the president, the vice president, and four other members, all of them appointed by “common accord” of the member state governments to serve nonrenewable terms of eight years. It manages the day-to-day business of the Bank and implements euro zone monetary policy in accordance with Governing Council decisions. Finally, the Bank has links to non-euro zone countries through a General Council composed of the central bank governors of the twenty-seven member states. If and when all EU member states adopt the euro, the General Council will be dissolved.
The Bank got off to a shaky start, thanks to yet another of the farcical nationalistic squabbles that occasionally divert the work of EU institutions. Most governments were in favor of seeing Wim Duisenberg, the Dutch president of the EMI, confirmed as the first president of the ECB. The French government disagreed, preferring the governor of the Bank of France, Jean-Claude Trichet. After a twelve-hour debate at the May 1998 summit convened to launch the euro, a messy compromise was reached whereby Duisenberg would serve half a term (1998–2002), then would “voluntarily” step down in favor of Trichet. In the event, Trichet’s appointment was delayed because of a court case resulting from charges that he ignored financial mismanagement at the Credit Lyonnais bank while he was an official with the French Treasury. He was cleared in June 2003 and took over as ECB president for an eight-year term in November of that year.

The Bank has significant policy-making powers and considerable autonomy, and it plays a major role in the direction of European integration. It was based on the model of the German Bundesbank, famous for both its competence and its independence. The Bundesbank, created in 1957, was in turn based on the model of the U.S. Federal Reserve. So important was the Bundesbank model, indeed, that Chancellor Helmut Kohl’s insistence that the Bank be headquartered in Frankfurt won out over French arguments that it should be based in France, which had a long history of political interference in monetary affairs. The German role in both the design and the location of the Bank has ensured that the German model of central banking and monetary policy has been exported throughout the euro zone.

European Investment Bank (EIB). Based in Luxembourg, the EIB is an autonomous institution that was set up in 1958 under the terms of the Treaty of Rome to encourage “balanced and steady development” within the EEC by providing long-term finance for capital projects. It must give preference to projects that help the poorer regions of the EU, and promote communications networks, environmental protection, energy conservation, and the modernization and improved competitiveness of EU industry; it can also make loans to non-EU members. Its funds come from borrowing on worldwide capital markets and from subscriptions by EU member states. It deals only in large loans, rarely lends more than half of the total investment cost of a project, and often cofinances projects with other banks. The Bank’s major focus in recent years has been on projects that help promote the single market through the development of trans-European road, rail, and communications networks; its single biggest project was the Eurotunnel between Britain and France, which opened in 1994 (and has operated at a loss ever since). It has also supported the Airbus project and France’s high-speed train system (see chapter 12), financed projects that were aimed at helping Eastern European countries prepare for EU membership, and financed development projects in poorer non-European countries such as Lesotho and Chad.

The EIB is managed by a Board of Governors consisting of the finance ministers of the member states, who appoint a decision-making Board of Directors (twenty-seven members plus a representative from the European Commission) to five-year renewable terms, and a nine-person Management Committee to six-year renewable terms. Philippe Maystadt of Belgium was appointed president and chairman of the board of directors in 2000 and renewed for a second term in 2006.

Court of Auditors. This is the EU’s financial watchdog, based in Luxembourg and founded in 1977 to replace the separate auditing bodies for the EEC/Euratom and for the ECSC. The Court likes to call itself the “financial conscience” of the EU. It carries out annual audits of the accounts of all EU institutions to ensure that revenue has been raised and expenditure incurred in a lawful and regular manner and to monitor the Union’s financial management. Its most important job relates to the EU budget, which it audits on the basis of both accounts supplied by the Commission by June each year and its own independent research. The Court reports back to the Commission, the Council of Ministers, and Parliament by the end of November each year. Parliament is supposed to approve the Court’s report by the following April, but can use the report to force changes in the Commission’s spending and accounting habits. The Court has issued often scathing criticisms of waste, mismanagement, and fraud in the EU’s financial affairs. It has found everything from excessive expense claims by European commissioners to massive fraud in funds made available under the Common Agricultural Policy. It has been
particularly critical in recent years of the inadequacy of steps taken by the Commission to keep an eye on how structural funds are used and managed. Although the nature of its work would seem to make it unpopular with the Commission, in fact the two bodies have a close working relationship. The Court also has a symbiotic relationship with Parliament; each has helped promote the powers and the profile of the other.

It is headed by twenty-seven auditors, one appointed from each member state for a six-year renewable term. Nominations come from the national governments and must be approved unanimously by the Council of Ministers following nonbinding approval by Parliament (which the EP would like to upgrade to binding approval). The auditors then elect one of their number to serve as president for three-year renewable terms. The members of the Court must be members of an external audit body in their own country or have other appropriate qualifications, but they are expected to act in the interests of the EU and to be completely independent. Much like the Court of Justice, the members can sit in chambers of a few members each.

European Police Office (Europol). With the Single European Act opening up the borders between member states, and Maastricht making justice and home affairs one of the three pillars of the European Union, some direction had to be given to the development of police cooperation; hence the creation of Europol. Based in The Hague, Europol is not a law enforcement body in the pattern of the FBI in the United States but a criminal intelligence organization more like Interpol, the international police organization founded in 1923 and headquartered in Lyon, France. Its job is to oversee an EU-wide system of information exchange targeted at combating terrorism, drug trafficking, vehicle smuggling, clandestine immigration networks, illegal nuclear material trafficking, money forging and laundering, and other serious forms of international crime. It coordinates operations among the national police forces of the EU, playing a supporting role to them. Some scholars see it as the forerunner of a European police force, but since there is no common penal code or police law in the EU, such a force is unlikely to emerge any time soon.19

Set up in 1994 as the Europol Drugs Unit, it operated in limbo thanks to a refusal by the British government to agree on questions about

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**Box 9.2 Specialized Agencies of the European Union**

In addition to the institutions discussed in the body of the text, numerous agencies have been created by the EU to deal with specific aspects of its work. Listed by their year of creation, they include the following:

- **European Centre for the Development of Vocational Training (CEDEFOP)** (based in Thessaloniki, Greece; established 1975).
- **European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)** (Dublin, 1975).
- **Office for Harmonization in the Internal Market** (Alicante, Spain, 1994). Responsible for the registration and administration of EU trademarks and designs.
- **Translation Centre** (Luxembourg, 1994). A self-financing office that helps most of these specialized agencies with their translation needs.
- **European Agency for Safety and Health at Work** (Bilbao, Spain, 1995). Provides information in support of improvements in occupational safety and health.
- **European Monitoring Centre for Drugs and Drug Addiction** (Lisbon, Portugal, 1995). Provides information on drugs and drug addiction that can be used in anti-drug campaigns.
- **Community Plant Variety Office** (Angers, France, 1996). An independent agency that is responsible for implementing EU plant variety rights.
- **European Monitoring Centre on Racism and Xenophobia** (Vienna, 1998). Provides information on racism, xenophobia, and anti-Semitism in Europe.
- **European Food Safety Authority** (Brussels, 2002). Provides independent scientific advice on issues relating to food safety.
- **European Aviation Safety Agency** (Brussels, 2003). Promotes civil aviation safety in the EU.
- **European Railway Agency** (Valenciennes/Lille, France, 2004). Promotes an integrated and competitive European rail network.
- **European Centre for Disease Prevention and Control** (Stockholm, 2005). Works to strengthen Europe's defenses against infectious disease.
- **European Chemicals Agency** (Helsinki, 2006). Manages the registration and evaluation of chemicals.
Europol’s job being interpreted by the European Court of Justice. Britain acquiesced when it was given an opt-out on Court rulings, the Europol Convention was signed at the European Council in Florence in June 1996, and Europol became fully operational in July 1999. It is overseen by a Management Board with one representative from each of the member states, and it is run by a Directorate made up of a director appointed for five years (who can be renewed for a term of four years), and three deputies appointed for four-year terms, renewable once. The appointments are made by the Council of Ministers.

**European Environment Agency (EEA).** The Community began developing environmental policies in 1972 (see chapter 14) and instituted a series of five-year environmental action programs in 1973. With new powers over environmental policy given to the Commission by the SEA, the need for a new system of administration became more pressing, prompting a decision in 1990 to create the EEA. Further progress became bogged down because France refused to agree to a site for the EEA until assurance was given that plenary meetings of Parliament would not be moved from Strasbourg; the stalemate finally ended in 1993 with the decision to locate the EEA in Copenhagen.

The EEA has just 170 staff members, and its main job is to provide information; this makes it quite different from the U.S. Environmental Protection Agency, which has a staff of nearly 20,000 and is responsible for ensuring that states implement most of the major pieces of federal environmental law. EU member states opposed the idea of creating an inspectorate that could become involved in national environmental monitoring. The EEA runs a European Information and Observation Network to collect information from the member states and neighboring non-EU states. This information is intended to be used to improve the quality and effectiveness of EU and national environmental policies and to measure the results of those policies. The EEA has published a series of reports on the state of the European environment (in 1995, 1998, 2003, and 2005), which provide compelling data on trends in environmental protection. It also works with other international organizations, such as the Organization for Economic Cooperation and Development, the Council of Europe, and the UN Environment Program.

EU member states are members, along with Iceland, Liechtenstein, Norway, Switzerland, and Turkey.

**European Bank for Reconstruction and Development (EBRD).** The EBRD is not an EU institution, but its work has an important impact on the economic policies of the EU. Much like the International Bank for Reconstruction and Development (the World Bank), the EBRD was founded to provide loans, encourage capital investment, and promote trade, but its specific focus is in helping the countries of Eastern Europe make the transition to free-market economies. Suggested by French president François Mitterrand in 1989 and endorsed by the European Council, the EBRD began operations in March 1991, and it is now the single largest investor in Eastern Europe and the former Soviet Union. While the World Bank lends mainly to governments, the EBRD (at the insistence of the United States) makes 60 percent of its loans to the private sector.

Based in London, it is an independent bank owned and operated by its sixty shareholder countries, together with the EU and the European Investment Bank; the largest shares are held by the United States, Britain, France, Germany, Italy, and Japan. It has a Board of Governors consisting of representatives from each shareholder country, typically the minister of finance. The Board appoints a president who oversees the operations of the Bank; Jean Lemierre of France was appointed the Bank’s fourth president in 2000.

**European Economic and Social Committee (EESC).** Based in Brussels, the EESC is an advisory body set up under the Treaty of Rome to give employers, workers, and other sectional interests a forum in which they could meet, talk, and issue opinions to the Commission, the Council of Ministers, and—more recently—the European Parliament. It was modeled on parallel bodies that existed in five of the six founding members of the EEC (West Germany being the exception) and was created in part because of fears that the European Parliament would not represent sectional interests; the fears proved unfounded. The EESC has 344 members, drawn from the member states roughly in proportion to population size (see Table 9.1). They are proposed by national governments and appointed by the Council of Ministers for renewable four-year terms. There are three groups of members;
The European Union

Table 9.1 Membership of the EESC and the CoR

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</tr>
<tr>
<td>Netherlands</td>
<td>12</td>
<td>5</td>
</tr>
<tr>
<td>Portugal</td>
<td>12</td>
<td>Total 344</td>
</tr>
</tbody>
</table>

- Group I comes from industry, services, small businesses, chambers of commerce, banking, insurance, and similar areas.
- Group II is made up of representatives from labor unions.
- Group III represents more varied interests, such as agriculture, small businesses, consumer and environmental groups, and the professions.

A president is elected by the EESC for a two-year term and chairs two-day meetings of the Committee in Brussels about nine or ten times each year. The three groups hold separate meetings to discuss matters of common interest, breaking down into smaller sections to deal with specific issues, such as agriculture, social policy, transport, energy, regional development, and the environment. Although questions have long been raised about its value, consultation of the EESC by the Commission is mandatory in several areas, including agriculture, the movement of workers, social policy, regional policy, and the environment.

The fundamental weakness of the EESC is that neither the Commission nor the Council of Ministers is obliged to act on its opinions or views. “Consultation” is an ambiguous concept, and although the Commission can “take note” of an EESC opinion and the Council of Ministers can recognize a “useful” opinion, this amounts to little. The influence of the EESC is further minimized by the fact that its members are unpaid part-time appointees (they can claim expenses for attending meetings) and are not officially recognized as representatives of the bodies to which they belong. Also, EU proposals are often sent to the EESC only after they have reached an advanced stage of agreement by the Council of Ministers and Parliament. The best that can be said of the EESC is that it is another forum for the representation of sectional interests, but as the European Parliament becomes stronger and the number of lobbyists in Brussels grows, the value of the Committee in its present form becomes more questionable.

Committee of the Regions (CoR). Disparities in wealth and income across Europe have always posed a handicap to the process of integration; there can never be balanced free trade, a true single market, or even meaningful economic and political union so long as some parts of the EU are richer or poorer than others. The problem was addressed by the creation of three entities: the European Regional Development Fund in 1975, an ad hoc Assembly of European Regions in 1985, and a Consultative Council of Regional and Local Authorities in 1988. The need for a stronger response led to the creation under the terms of Maastricht of the Committee of the Regions.

Based in Brussels, the CoR met for the first time in January 1994. It has the same membership structure as the EESC: 344 members chosen by the member states and appointed by the Council of Ministers for four-year renewable terms. Although Maastricht did not specify what qualifications Committee members should have (beyond saying they should be “representatives of regional and local bodies”), most are elected local government...
officials, including mayors and members of state, regional, district, provincial, and county councils. It meets in plenary session five times per year and has the same advisory role as the EESC. It promotes subsidiarity and must be consulted by the Commission and the Council of Ministers on issues relating to economic and social cohesion, trans-European networks (see chapter 12), public health, education, and culture, and provides the EU with a local and regional perspective on policy. However, it suffers from the same structural problems as the EESC.

Further Reading


There are surprisingly few full-length studies of the European Council, and most are now quite dated. These are two of the more recent, still useful for background.


Two of the increasing number of studies that are being written on this emerging and critical actor in European politics and economics.


A study of European police cooperation, focusing on Europol and the key events and actors in its development.

Notes


