Towards Economic and Political Unity

European Union

The political leaders and policy experts of Europe considered economic integration one of the surest means of promoting regional prosperity and maintaining regional peace. The idea that economic integration would make another World War II either impossible or much less likely was an assumption that almost everyone shared. The European Community had expanded throughout the 1970s and 1980s into a large free trade zone and the trend was towards further European unity. In the early 1990s, the Maastricht Treaty, also called the Treaty on European Union, created a new economic and monetary union. The EC was renamed the European Union and it possessed uniform labor laws, a common currency, and a central bank.

The European Union consists of many interlocking institutions:
> 1. The executive branch is the **European Commission**, which consists of one appointed commissioner from each member state. The EC proposes new laws and enforces existing laws. (EU minded)
> 2. One half of the legislative branch is the **Council of Ministers**, which consists of the minister of each member state. (Nation-state minded)
> 3. The other half of the legislative branch is the **European Parliament**, which consists of elected representatives from each member state. (766 representatives)
> 4. The judicial branch is the **European Court of Justice**, which is responsible for interpreting EU laws and treaties.
> 5. The **European Central Bank** oversees monetary policy.
> 6. The **European Council** is made up of the heads of state of each member state, which is responsible for driving the agenda and integrating efforts.

The European Union is a political hybrid in that it is both supranational and a collection of individual sovereign states. National identities began to weaken in much of Europe in the 1990s as people increasingly thought of themselves as Europeans rather than a particular nationality. Furthermore, while some remained concerned about immigrants from outside the European Union altering national identities, the people of the EU became increasingly comfortable with immigrants from other EU member states. The notion of what "foreign" meant began to mean "non-European" rather than non-French or non-German. However, as the EU has revealed the political and economic challenges of unification, people have begun to react against the notion of European unity in favor of more traditional nationalism.

Another factor in the construction of a European identity was the economic and cultural relationship with the United States. As the United States began to play an ever-larger economic and cultural role many Europeans reacted against what they considered the "Americanization" of the world. Americanization was the term given to the perceived cultural homogeny being produced by global capitalism.

Globalization and Neo-liberalism

Europe created the first global economy and global markets during the Age of Exploration and the Industrial Revolution. The trend towards global interdependence begun with the birth of mercantilism has continued to the present-day.

Mercantilism (1500-1800)
    -nation vs. nation
    -national monopolies granted (British East India Company)
    -high tariffs to protect domestic industries
    -overseas colonies
    -small joint-stock companies invest in foreign labor

Liberalism (1800-1900)
    -company vs. company
    -large joint-stock companies compete within and across national boundaries
    -low tariffs to encourage free trade
    -*laissez-faire* approach to industrialization

Socialism/Keynesian (1900-1970)
    -government regulation of industrialization
    -increased labor union power
    -increased public spending
    -increased nationalization of industries

Neo-liberal (1970s to present)
    -return to aspects of *laissez-faire*
    -decreased labor union power
    -decreased public spending
    -decreased government regulation (particularly in finance)
    -increased privatization of nationalized industries and/or public services
    -corporations become transnational (global) and more powerful than nation-states