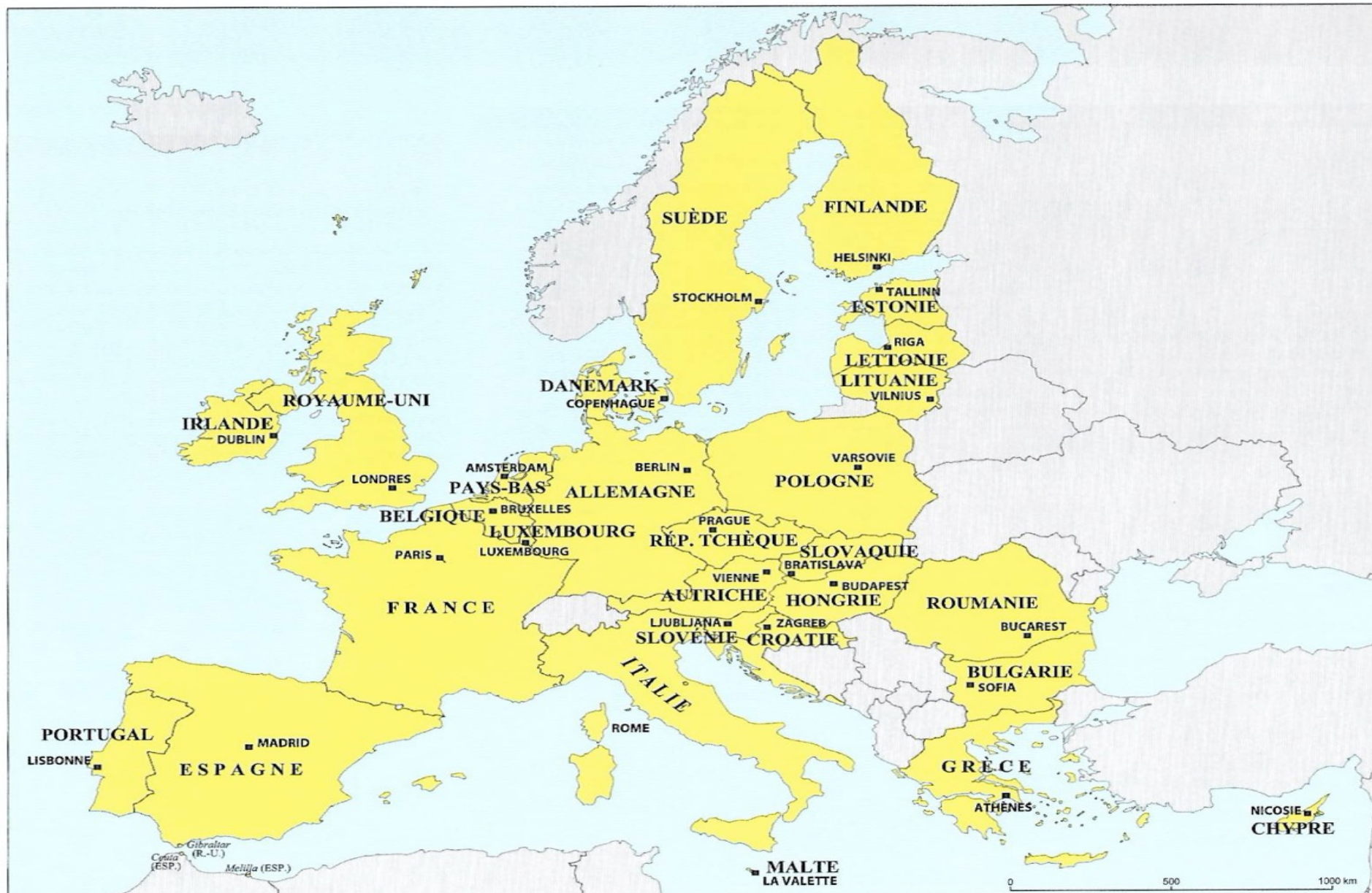


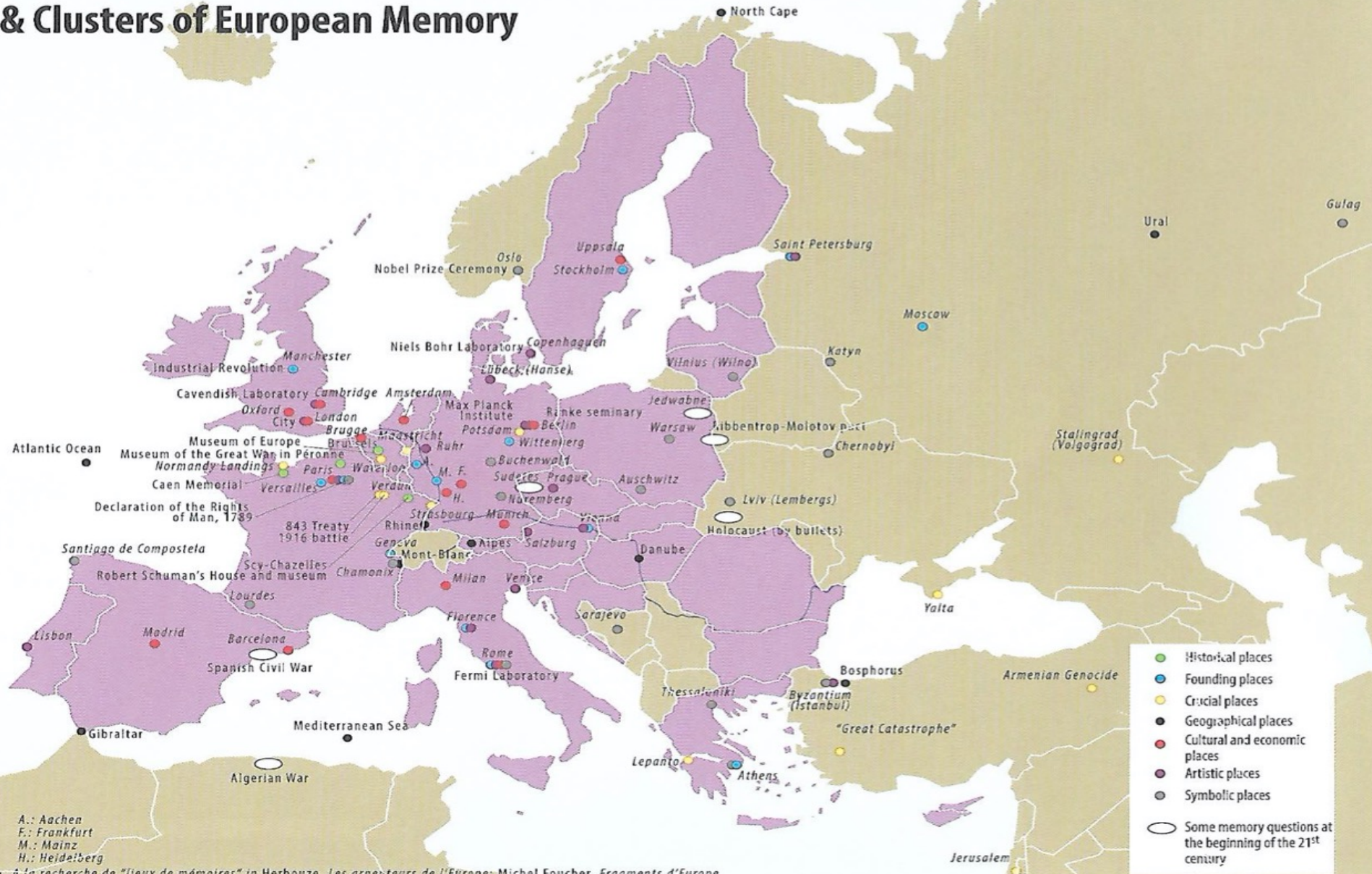
European Union 2019





Ministère des Affaires étrangères et du Développement international, direction des Archives (pôle géographique) © 31 août 2015

Places & Clusters of European Memory



Sources: Pierre Nora, *À la recherche de "lieux de mémoires"* in Herbouze, *Les arpenteurs de l'Europe*; Michel Foucher, *Fragments d'Europe*.

Pascal Orrier for the Robert Schuman Foundation, December 2016. © FRS.

The European Union has 28 Member States

Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Slovenia, Sweden.

Geography

– Surface area: 4,234,000 km²
(Source: European Commission)

– Coastline: around 80,000 km (EU) ; 42,672 km (Schengen Area)
(Sources: Frontex)

Population

Population 512.6 million inhabitants (1st January 2018)
Gross growth rate: -0.4‰ (2017)
Migratory balances: 2.5‰ (2017)
Total demographic growth: 2.1‰ (2017)
Gross birth rate: 9.9‰ (2017)
Gross death rate: 10.3‰ (2017)
Life expectancy at birth: men 77.4 years, women 83.2 years (2017)

Immigration

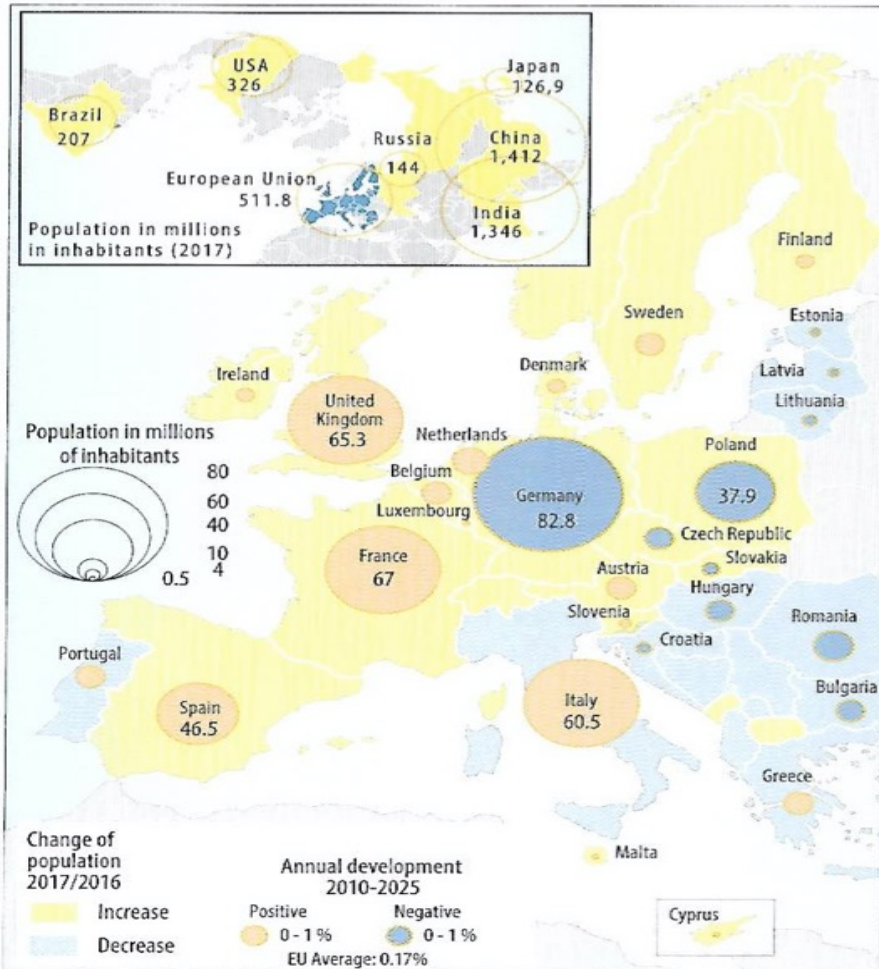
Non-European citizens: 20.7 million, i.e. 3.9% (2016)
Citizens from a Member State living in another Member State: 14.3 million (2017)
First time asylum seekers : 672,000 (2017)
Asylum requests: 650,000 (2017)
Asylum requests accepted: 538,000 (2017)
(Source: Eurostat)

Economy

GDP (billions of €): 15,326 (2017)
GDP/capita (PPA): 27,700 (2017)
Growth GDP: 2.5% (2017)
Unemployment rate: 7.3% (2017)
Employment rate 20-64 year olds: 72.2% (2017)
Annual inflation rate: 1.7% (2017)
Government deficit (in % of the GDP): 0.6% (2017)
Government debt (in % of the GDP): 81.6% (2017)
Government spending (in % of the GDP): 45.6% (2018)
Government revenues (in % of the GDP): 44.9% (2016)
Exports outside the EU (in billions €): 7 048.9 (2017)
Imports from outside EU (in billions €): 6 468.4 (2017)
Trade Balance (in billions €): 580.4 (2017)
Current Account Balance (in billions €): 63 (2017)
Foreign Direct Investment Stocks (in % of the GDP): 60% (2017)
(Source: Eurostat)

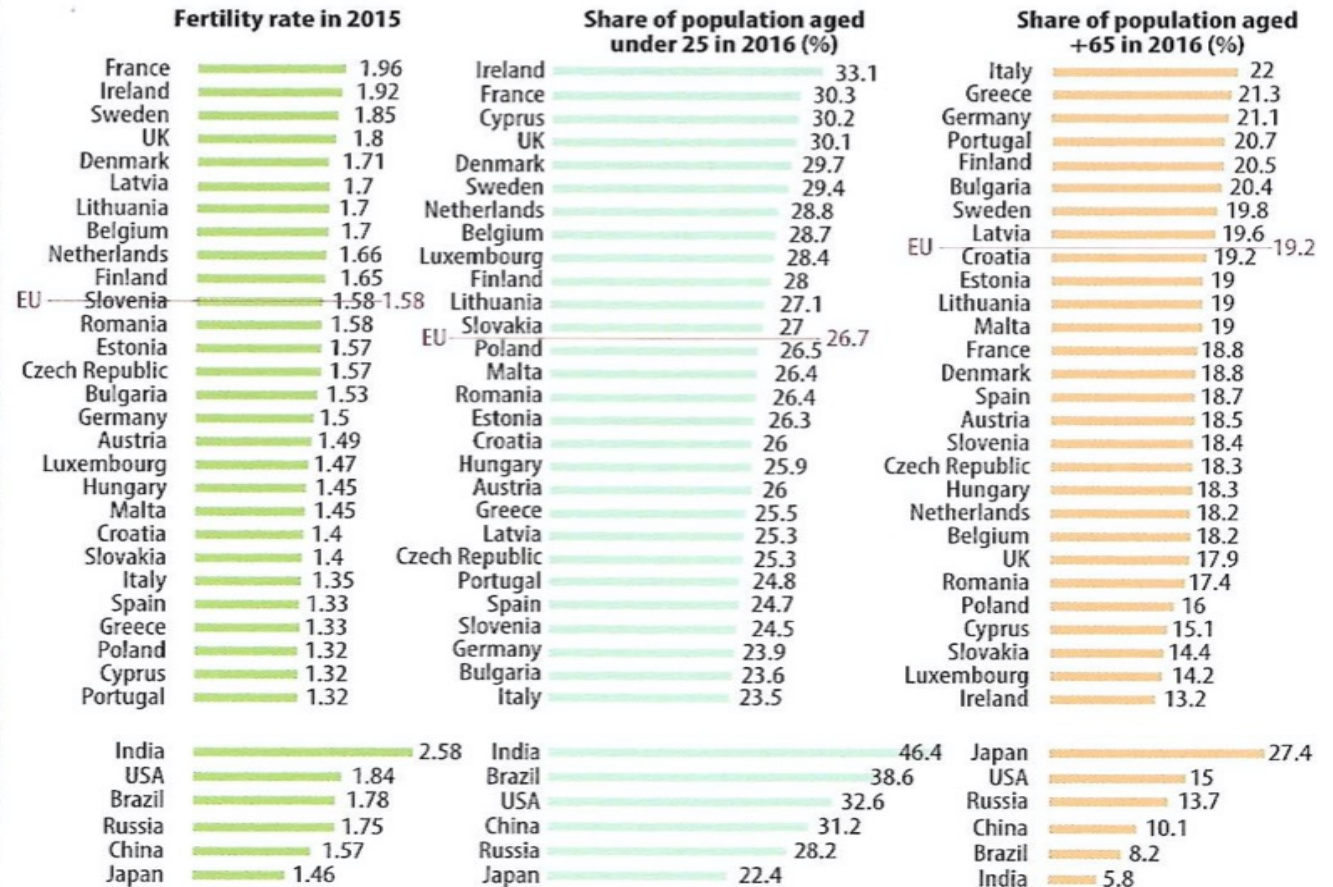
Population of the EU Member States (2018)

Population of the EU Member States in 2017



Sources: Eurostat, Population Reference Bureau, World Bank.

EU States' demographic dynamics



To ensure generation renewal fertility rate must be over or equal to 2.1.

Internal Migration

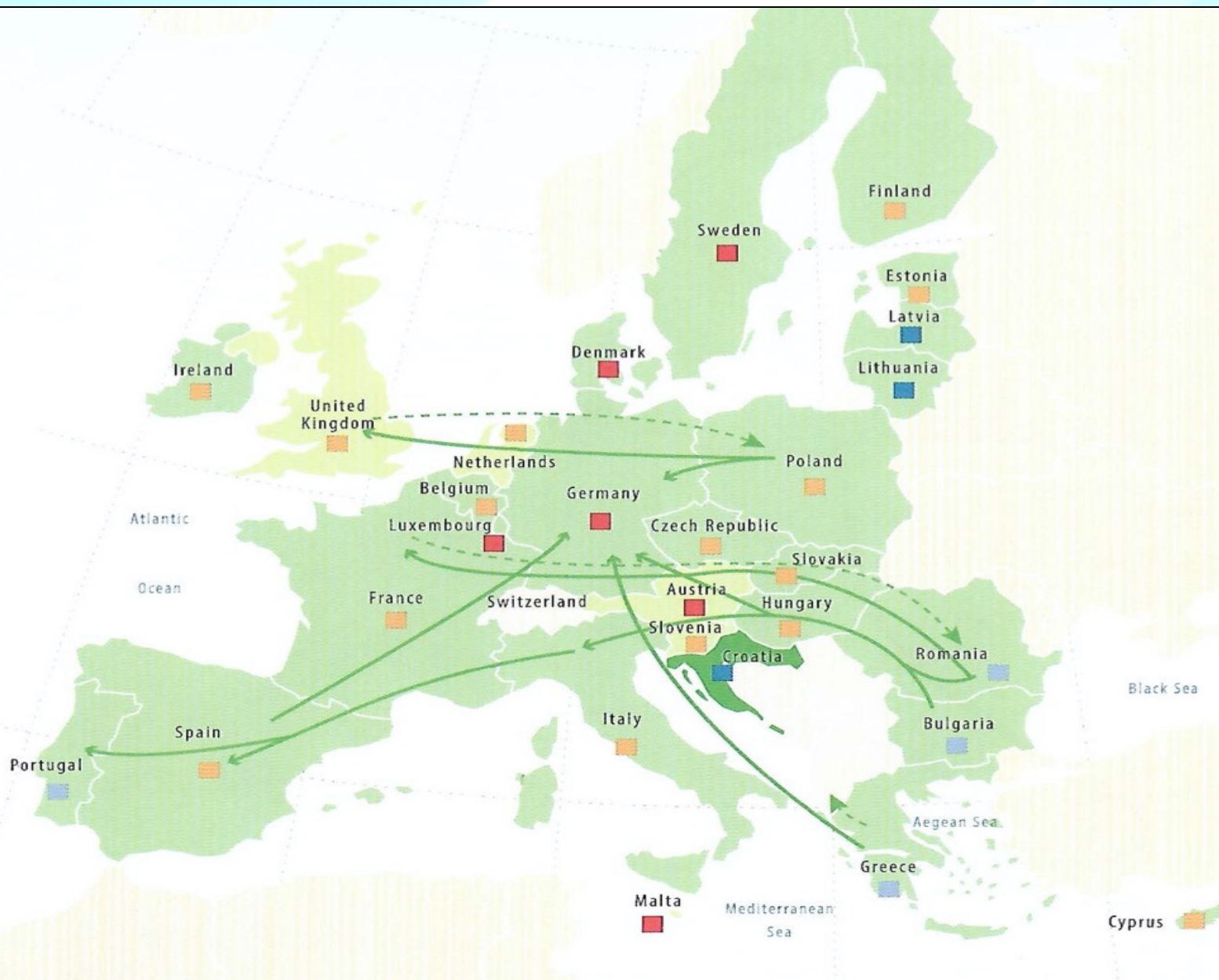
Policies of openness to Internal migration

(situation on 1st January 2018):

- Major internal migration*
- Return after the economic crisis and expulsions
- EU Member States that have opened their labour market to workers from all EU Member States
- EU Member States that have opened their labour market to workers from all EU with the exception of Croatia (safeguard clause possible until 2020)
- Croatia applies the rule of reciprocity. Its labour market remains limited for the nationals of the 5 States that apply the safeguard clause but is open to nationals from the 22 others

Migratory Balance in 2016

- Positive
- 5 - 19,6%
- 0 - 5%
- Negative
- 0 - 5%
- 5 - 17,6%
- EU Average: 3%



* except for cross-border workers. The flows represented are not quantified.

Sources: Eurostat, European Commission DG "Employment, Social Affairs & Inclusion".

Pascal Orrier for the Robert Schuman Foundation, January 2018, © FRS.

External Migration: the EU and surrounding territories

- European Union external borders
- Schengen Area borders
- European Border and Coast Guard Agency head-office (October 2016)

Legal point of entry

- On-going agreement on local crossbordering transit
- Agreement on local border crossing transit signed but not ratified

Proportion of foreign residents

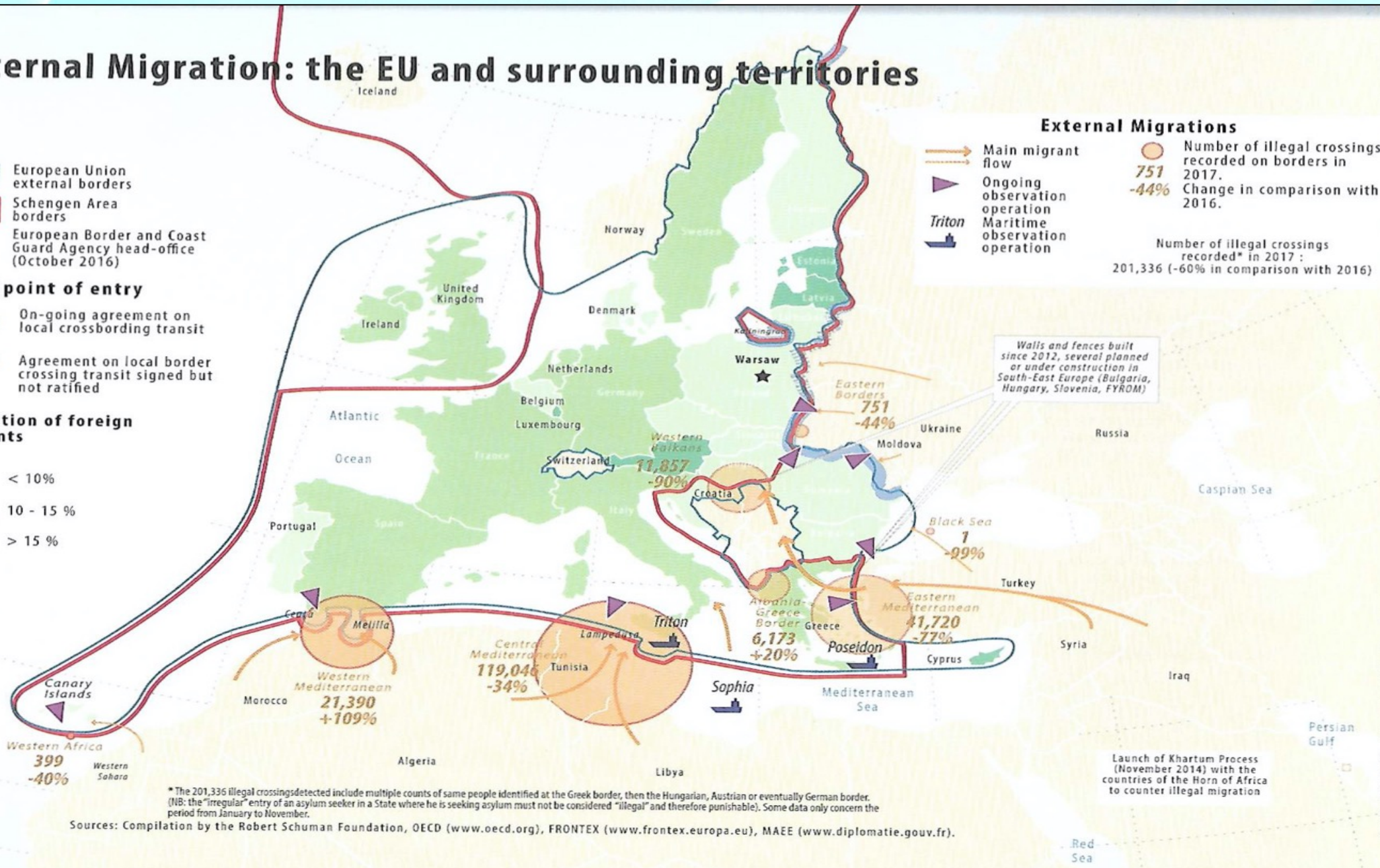
- < 10%
- 10 - 15%
- > 15%

External Migrations

- Main migrant flow
- Ongoing observation operation
- Triton
- Maritime observation operation

Number of illegal crossings recorded on borders in 2017: **751** (-44% Change in comparison with 2016).

Number of illegal crossings recorded* in 2017: **201,336** (-60% in comparison with 2016)



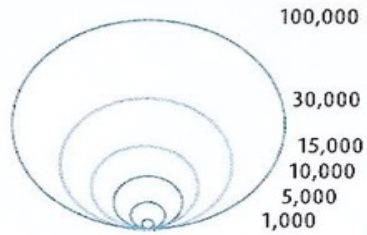
* The 201,336 illegal crossings detected include multiple counts of same people identified at the Greek border, then the Hungarian, Austrian or eventually German border. (NB: the "irregular" entry of an asylum seeker in a State where he is seeking asylum must not be considered "illegal" and therefore punishable). Some data only concern the period from January to November.

Sources: Compilation by the Robert Schuman Foundation, OECD (www.oecd.org), FRONTEX (www.fronter.europa.eu), MAEE (www.diplomatie.gouv.fr).

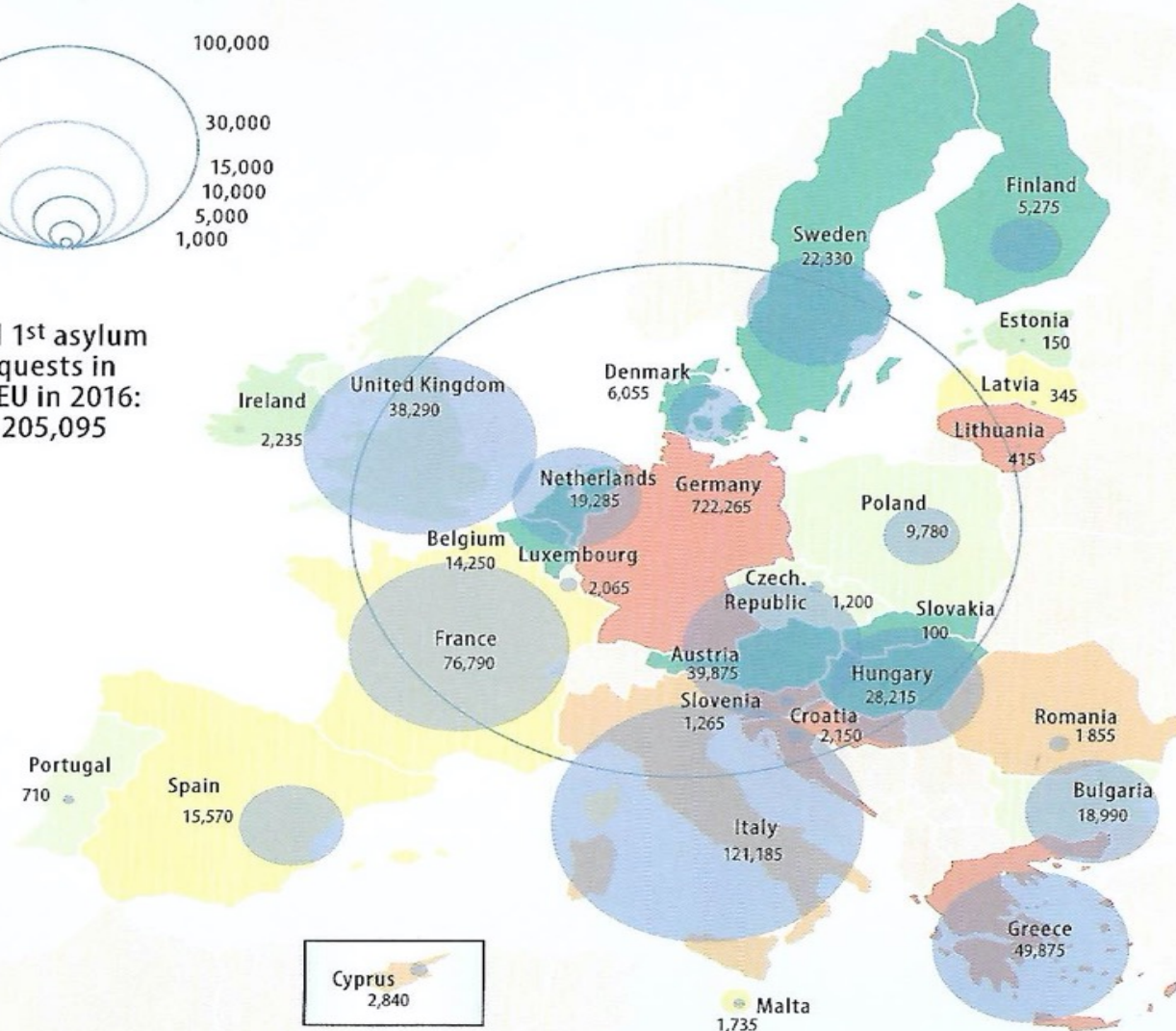
Pascal Orrier for the Robert Schuman Foundation, January 2018, © FRS.

The EU and Asylum Requests

Number of asylum requests in 2016



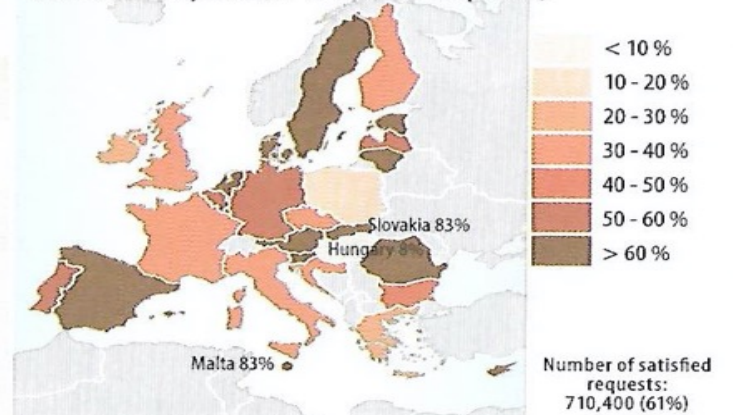
Total 1st asylum requests in the EU in 2016: 1,205,095



Sources: UNHCR, Eurostat., European Commission.

* The European program planned to distribute approximately 100,000 asylum seekers arrived in Italy and Greece. Two years later, only 28 % of the quotas had been fulfilled.

Consent to asylum (in % of total requests)



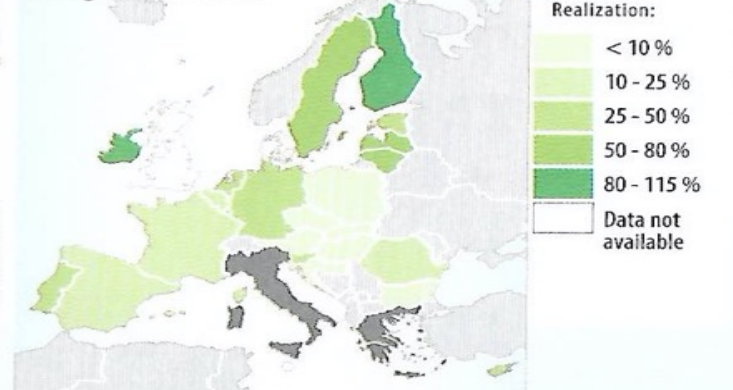
Development 2016/2015

- High increase (> 50 %)
- Moderate increase (25 - 50 %)
- Low increase (1 - 25 %)
- Low decrease (1 - 25 %)
- Moderate decrease (25 - 50 %)
- High decrease (> 50 %)

Major origins of asylum seekers in the EU in 2016 and % of total:

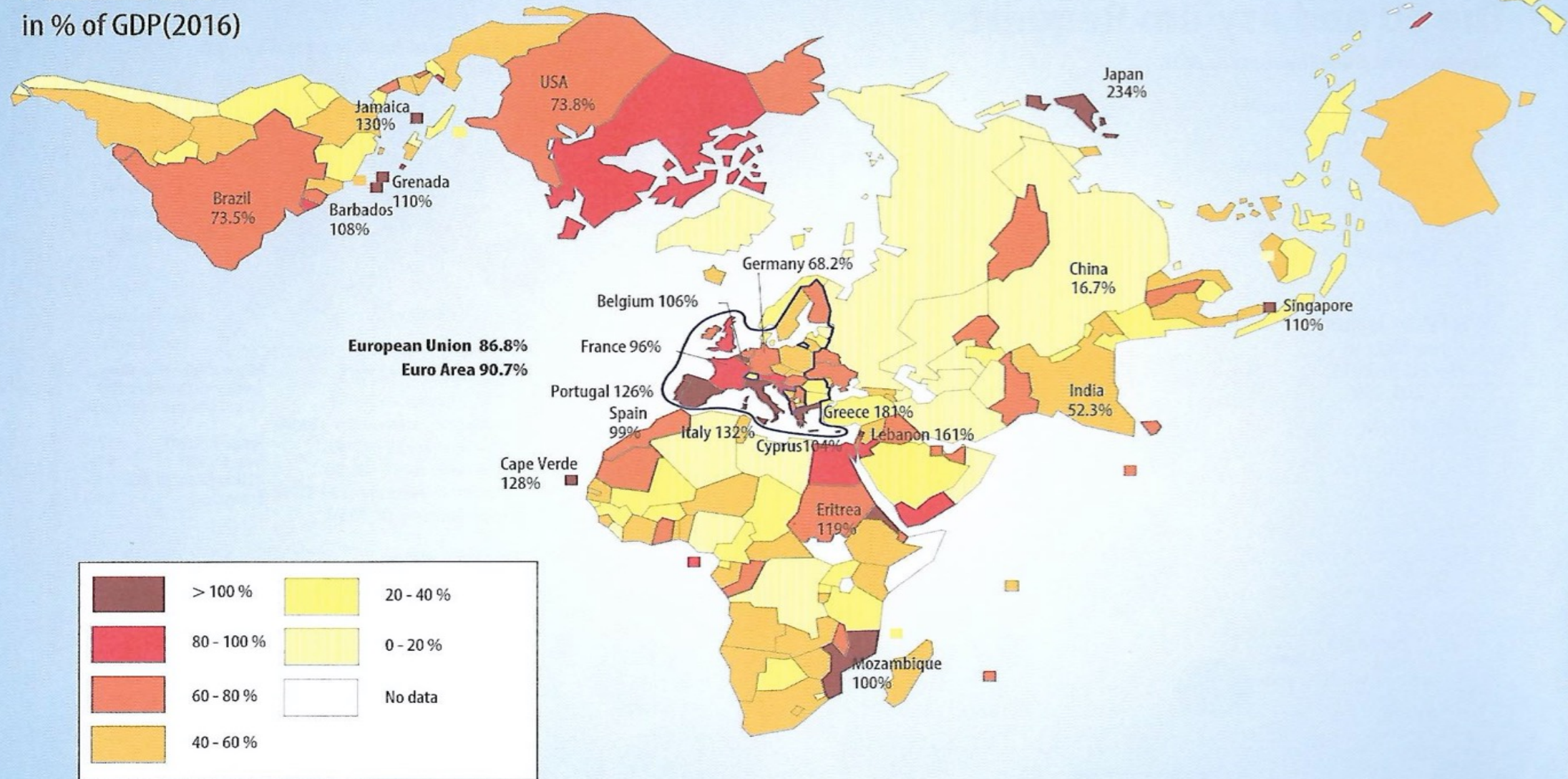
Syria	405,600	57 %
Iraq	65,800	9 %
Afghanistan	61,800	9 %
Eritrea		5 %

Refugee Relocation*



Pascal Orrier for the Robert Schuman Foundation, January 2018, © RFS.

Public Debt in % of GDP(2016)

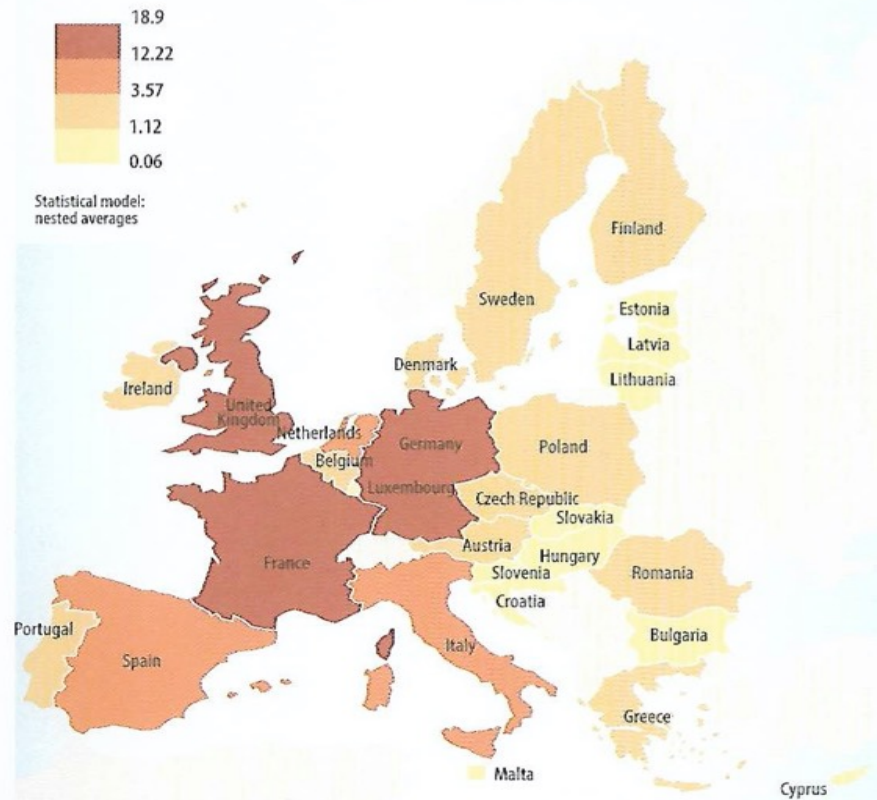


Sources: IMF; CIA World Factbook.

Paolal Orler for the Robert Schuman Foundation, January 2018, © ERS.

European Union Budget, 2017

Member States' contribution to Community Budget, 2016 (in %)



Source: EU Portal (<http://europa.eu/>).

**Total Commitment Payments
2014-2020:
€1,082 billion**

2014: €142.5 billion

2015: €146.4 billion

2016: €150.2 billion

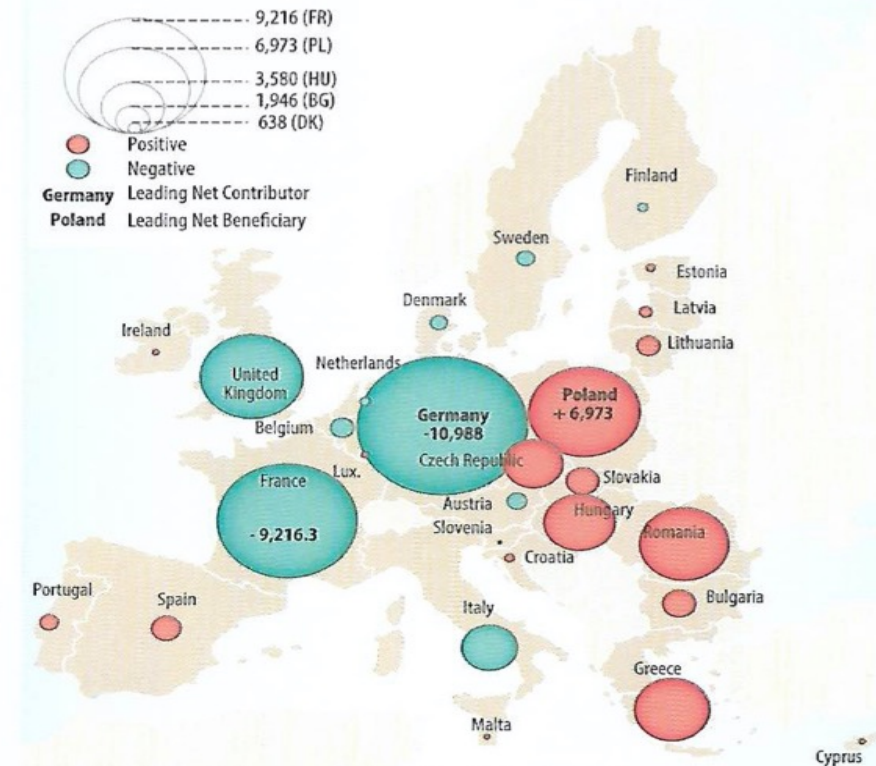
2017: €154.3 billion

2018: €158.3 billion

2019: €162.9 billion

2020: €167.6 billion

Net operational budgetary balance*, 2016 (in millions €)



* this is the difference between payments made by a Member State to the EU budget and EU spending in the said Member State. Joint administrative spending is excluded from this calculation.

Pascal Order for the Robert Schuman Foundation, January 2018, © FRS.

Structural funds and European investment 2014-2020* (millions €, current prices)

	Cohesion Funds	Less developed regions	Regions in transition	More developed regions	Outer most and least populous regions	European territorial cooperation		Youth employment initiative	Rural development	Maritime and Fisheries Funds	Total
						Cross border coopération	Cross Border cooperation				
Belgium						219.0	44.2				
Bulgaria	2,278.3	5,089.3	–	–	–	134.2	31.5	55.2	2,338.8	88.1	10,015.3
Czech Republic	6,258.9	15,282.5	–	88.2	–	296.7	43.0	13.6	2,170.3	31.1	24,184.3
Denmark	–	–	71.4	255.1	–	204.2	22.7	–	629.4	208.4	1,391.1
Germany	–	–	9,771.5	8,498.0	–	626.7	338.7	–	8,217.9	219.6	27,672.3
Estonia	1,073.3	2,461.2	–	–	–	49.9	5.5	–	725.9	101.0	4,416.8
Ireland	–	–	–	951.6	–	150.5	18.3	68.1	2,190.0	147.6	3,526.1
Greece	3,250.2	7,034.2	2,306.1	2,528.2	–	185.3	46.4	171.5	4,196.0	388.8	20,106.6
Spain	–	2,040.4	13,399.5	11,074.4	484.1	430.0	187.6	943.5	8,290.8	1,161.6	38,011.9
France	–	3,407.8	4,253.3	6,348.5	443.3	824.7	264.6	310.2	9,909.7	588.0	26,350.2
Croatia	2,559.5	5,837.5	–	–	–	127.8	18.3	66.2	2,325.2	252.6	11,187.2
Italy	–	22,324.6	1,102.0	7,692.2	–	890.0	246.7	567.5	10,429.7	537.3	43,790.0
Cyprus	269.5	–	–	421.8	–	29.5	3.3	11.6	132.2	39.7	907.6
Latvia	1,349.4	3,039.8	–	–	–	84.3	9.3	29.0	969.0	139.8	5,620.6
Lithuania	2,048.9	4,628.7	–	–	–	99.9	13.9	31.8	1,613.1	63.4	8,499.6
Luxembourg	–	–	–	39.6	–	18.2	2.0	–	100.6	–	160.3
Hungary	6,025.4	15,005.2	–	463.7	–	320.4	41.4	49.8	3,455.3	39.1	25,400.3
Malta	217.7	–	490.2	–	–	15.3	1.7	–	99.0	22.6	846.6
The Netherlands	–	–	–	1,014.6	–	321.8	67.9	–	607.3	101.5	2,113.1
Austria	–	–	72.3	906.0	–	222.9	34.4	–	3,937.6	7.0	5,180.2
Poland	23,208.0	51,163.6	–	2,242.4	–	543.2	157.3	252.4	10,941.2	531.2	89,039.4
Portugal	2,861.7	16,671.2	257.6	1,275.5	115.7	78.6	43.8	160.8	4,057.8	392.5	25,915.3
Romania	6,935.0	15,058.8	–	441.3	–	364.0	88.7	106.0	8,015.7	168.4	31,177.9
Slovenia	895.4	1,260.0	–	847.3	–	54.5	8.4	9.2	837.8	24.8	3,937.4
Slovakia	4,168.3	9,483.7	–	44.2	–	201.1	22.3	72.2	1,890.2	15.8	15,897.7
Finland	–	–	–	999.1	305.3	139.4	21.9	–	2,380.4	74.4	3,920.6
Sweden	–	–	–	1,512.4	206.9	304.2	38.1	44.2	1,745.3	120.2	3,971.2
United Kingdom	–	2,383.2	2,617.4	5,767.6	–	612.3	253.3	206.1	2,580.2	243.1	14,663.2
Interegional cooperation											571.6
Urban innovation action											371.9
Technical Assistance											
European Union	63,399.7	182,171.8	35,381.1	54,350.5	1,555.4	7,548.4	2,075.0	3,211.2	95,577.1	5,749.3	453,180.6

European Union Structural Funds per country for the period 2014-2020

The Structural Funds are loans made available by the European Union to the poorest States or regions in the Union. This comprises three funds: the Cohesion Fund, the European Regional Development Fund and the European Social Fund. The absorption of the funds varies depending on the Member States, which establishes an indicator of each country's administrative capability.

Multiannual financial framework 2014-2020 – Commitment appropriation in millions of EUR (2011 prices)

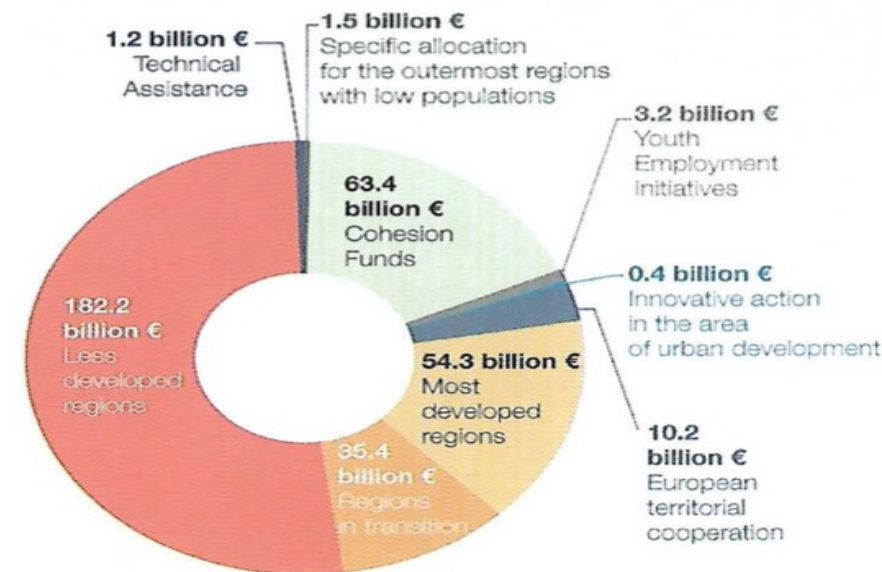
	2014	2015	2016	2017	2018	2019	2020	Total
Ia. Competitiveness for growth and employment								
Sub-total	15,605.00	16,321.00	16,726.00	17,693.00	18,490.00	19,700.00	21,079.00	125,614.00
Ib. Economic, social and territorial cohesion								
Sub-total	44,678.00	45,404.00	46,045.00	46,545.00	47,038.00	47,514.00	47,925.00	325,149.00
2. Sustainable Growth: natural resources								
Sub-total	55,883	55,060.00	54,261.00	53,448.00	52,466.00	51,503.00	50,558.00	373,179.00
3. Security and citizenship								
Sub-total	2,053.00	2,075.00	2,154.00	2,232.00	2,312.00	2,391.00	2,469.00	15,686.00
4. Europe in the world								
Sub-total	7,654.00	8,083.00	8,281.00	8,375.00	8,553.00	8,764.00	8,794.00	58,704.00
5. Administration								
Sub-total	8,218.00	8,385.00	8,589.00	8,807.00	9,007.00	9,206.00	9,417.00	61,629.00
6. Compensation								
Sub-total	27.00	0.00	0.00	0.00	0.00	0.00	0.00	27.00
Grand-total	134,318.00	135,328.00	139,056.00	137,100.00	137,866.00	139,078.00	140,242.00	959,988.00

Comparative elements, EU-other major powers

	EU	USA	Japan	China	India	Russia	Brazil
Population in millions of inhabitants (2018)	512.6	328.4	126.5	1 386.5	1 339.2	144.4	209.3
GDP in billion \$ (2017)	17,728	19,391	4,872	12,238	2,585	1,578	2,056
GDP/capita in PPP (2017)	32,777	62,150	44,430	18,070	7,780	28,960	16,200
GDP Growth (2017)	2.4%	2.3%	1.8%	6.9%	6.6%	1.5%	0.9%
Inflation (2017)	1.5%	1.7%	-0.2%	1.6%	3.6%	3.7%	3.4%
Unemployment (2017)	7.2%	3.9%	2.9%	4%	6.2%	5.5%	11.6%
Government debt in % of the GDP (2011)	81.1%	108%	236%	51.2%	68.9%	18.7%	87.3%

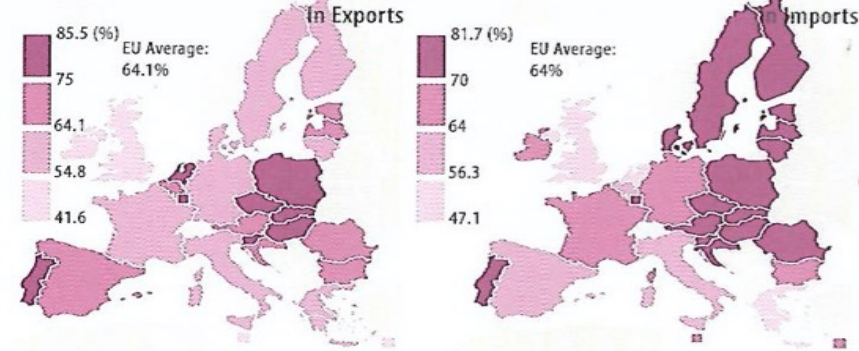
(Sources: Eurostat & IMF. The varying sources explain the differences with other data presented in this book).

Financing as part of the Cohesion Policy 2014-2020 (351.8 billion €)

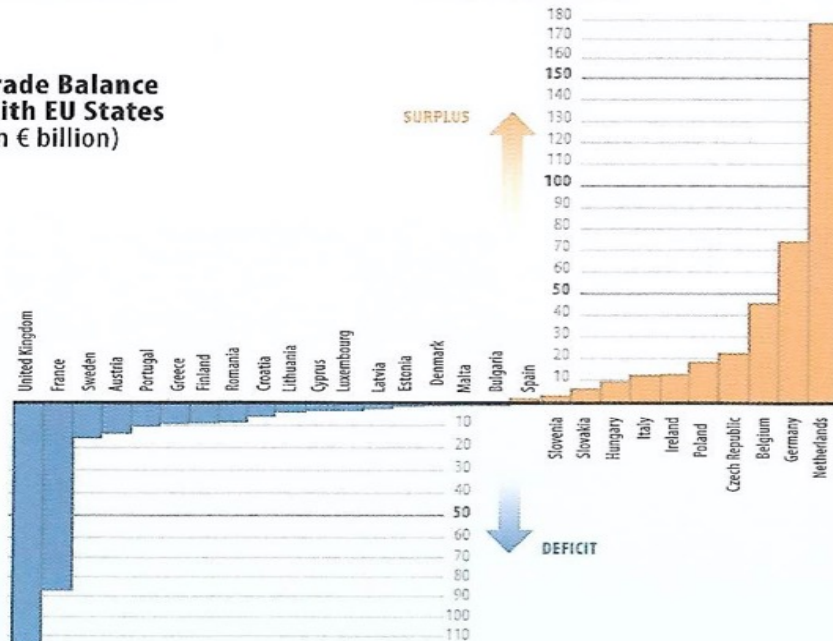


Intra-Community Trade, 2016

Share of intra-community Trade



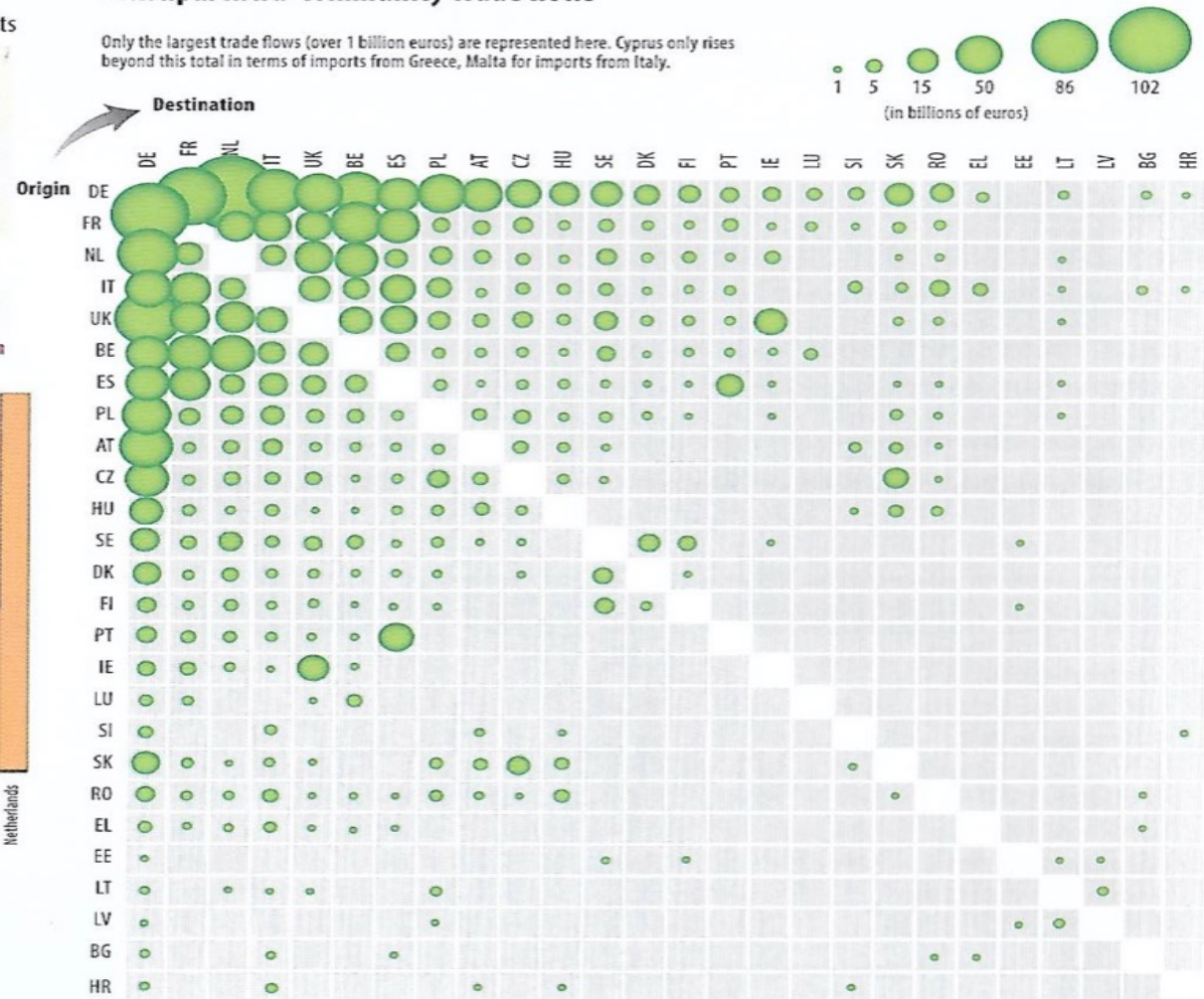
Trade Balance with EU States (in € billion)



Source: Eurostat (<http://epp.eurostat.ec.europa.eu>).

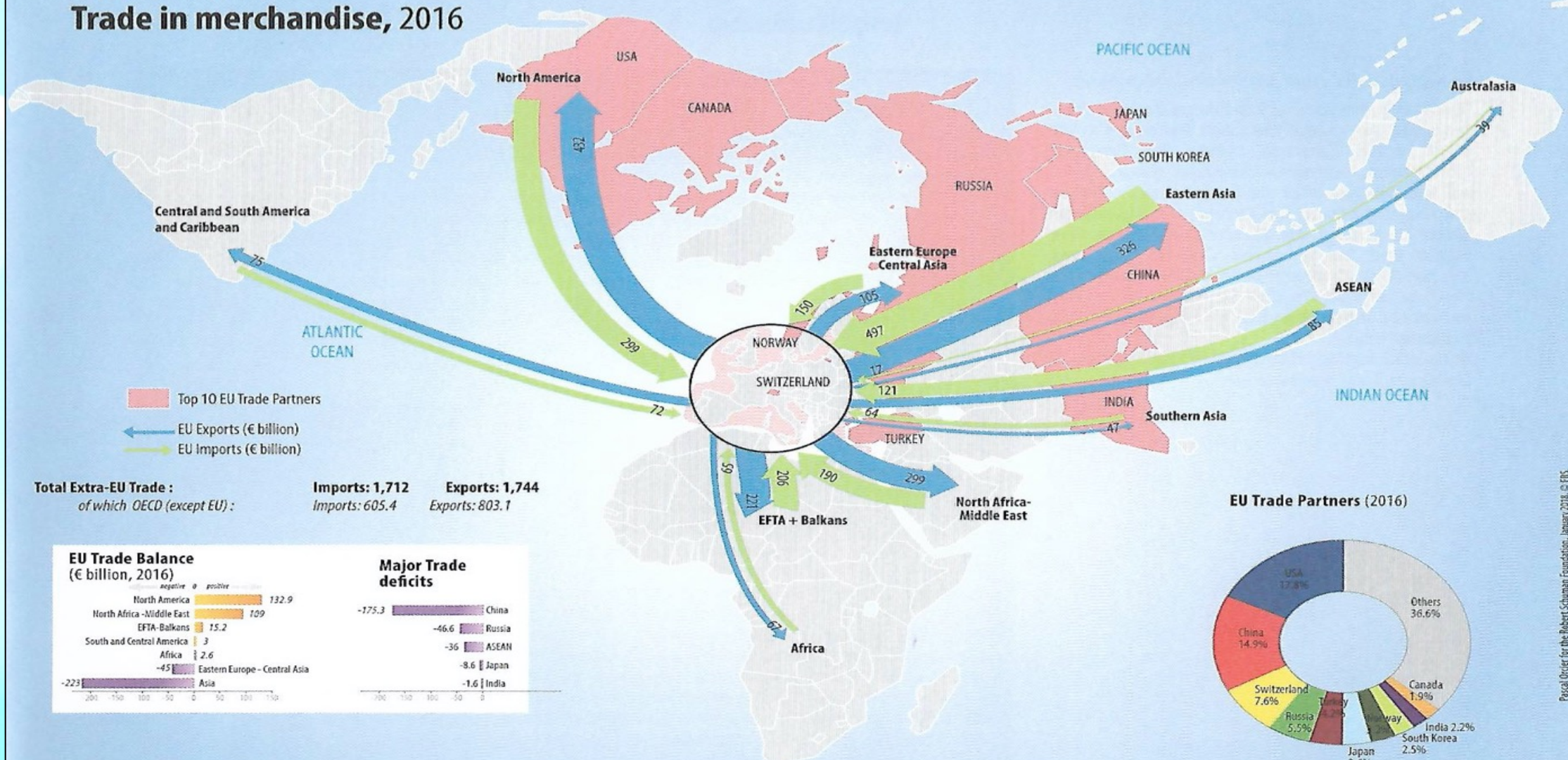
Principal Intra-Community Trade flows

Only the largest trade flows (over 1 billion euros) are represented here. Cyprus only rises beyond this total in terms of imports from Greece, Malta for imports from Italy.



Pascal Orcier for the Robert Schuman Foundation, January 2018, © FR5.

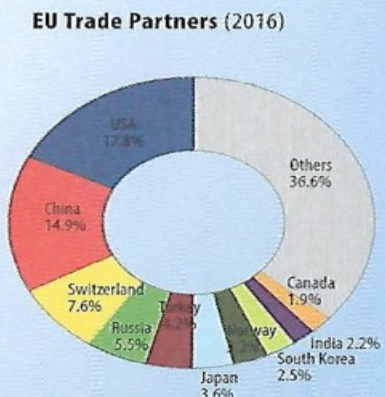
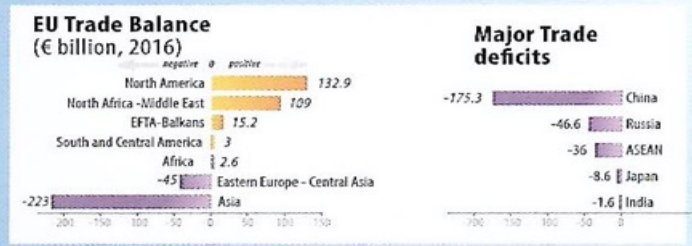
Extra-EU Trade Trade in merchandise, 2016



■ Top 10 EU Trade Partners
← EU Exports (€ billion)
→ EU Imports (€ billion)

Total Extra-EU Trade :
 of which OECD (except EU) :

Imports: 1,712	Exports: 1,744
Imports: 605.4	Exports: 803.1



Source: EU DG Trade.

Pascal Oriet for the Robert Schuman Foundation, January 2018, © FRS

Institutions

Institutions and political situation:

The main institutions of the European Union form a triangle. Hence the European Parliament is the voice of the European people, the European Commission represents European general interest and the Council of the European Union that of the Member States. The Council of the European Union comprising the Ministers of the Member States and the European Council comprising the heads of State and government must not be confused with the Council of Europe (a different international organisation that is independent of the European Union).

The institutions' legislative branch has two bodies: the Council and the Parliament.

THE 11 EUROPEAN TREATIES

The competences transferred to the common institutions have been defined in the ten European treaties:

The Treaty of Paris, signed on 18th April 1951 entering into force on 23rd July 1952, expired on 23rd July 2002. It established the ECSC (European Community of Steel and Coal).

The Treaty of Rome, signed on 25th March 1957, entering into force on 1st January 1958, established the European Economic Community and provided for Customs Union and the Common Market.

The Treaty establishing a European Community of Atomic Energy (Euratom), was negotiated and ratified under the same conditions as the Rome Treaty and sets out the joint tasks related to nuclear supplies and the control of their security.

The treaty to merge the institutions, signed in Brussels on 8th April 1965, entering into force on 1st July 1967, established a Commission and a Council for the three European Communities (ECSC, EEC, EURATOM).

The European Single Act, signed in Luxembourg and The Hague on 17th and 28th February 1986, entering into force on 1st July 1987, aimed to transform the common market into a truly single market.

The Treaty on European Union signed in Maastricht on 7th February 1992, entering into force on 1st November 1993, notably provided for the Economic Union and the adoption of the euro as a single currency; it laid the foundations for a common foreign and security policy.

The Amsterdam Treaty, signed on 2nd October in 1997, entering into force on 1st May 1999, extended the area of competences of the European Union to the Security and Justice policy.

The Nice Treaty, signed on 26th February 2001, entering into force on 1st February 2003, adapted the functioning of the Union to the future enlargements.

The Treaty establishing a Constitution for Europe, signed in Rome on 29th October 2004 never entered into force since the UK, France, Ireland and the Netherlands did not ratify it and Poland and the Czech Republic never established the ratification instruments.

The Lisbon Treaty, signed on 13th December 2007, entering into force on 1st December 2009 was based on the measures contained in the European Constitution, which it did not replicate entirely. However, it did provide for major institutional changes and confirmed further transfers of competences. It replaced and consolidated the existing treaties with two others, which now are the reference in terms of anything related to Europe: The Treaty on European Union (TEU) and the Treaty on the Functioning of the European Union (TFEU).

The Treaty on Stability and Coordination and Governance, (TSCG), otherwise known as the European Budgetary Pact was signed on 2nd March 2012 in Brussels.

European Parliament

The European Parliament is based in Strasbourg, its committees, as well as 6 mini-sessions, take place in Brussels. Its Secretariat General is in Luxembourg. Every time there has been a revision of the treaties, the Parliament's competences have been increased. It is the co-legislator, has real budgetary power and approves the choice of the President of the Commission, as well as the Commissioners. Parliament can withdraw its confidence from the Commission via a vote of no confidence. Since the entry into force of the Lisbon treaty Parliament has comprised 751 MEPs from 28 Member States. The election, which takes place every five years (the most recent election was in 2014), has taken place by direct universal suffrage since 1979 in all Member States, with the attribution of seats according to the principle of decreasing proportionality.

There are 8 political groups:

- EPP: – European People's Party (Christian Democrats)
- S&D: Progressive Alliance of Socialists and Democrats
- ECR: European Conservatives and Reformists
- ALDE: Alliance of Liberals and Democrats for Europe
- GUE/NGL: European United Left/Nordic Green Left
- Greens/EFA: Verts/European Free Alliance
- EFD: Europe of Freedom and Direct Democracy
- ENF: Europe of Nations and Freedom

Women's representation: 273/751 (36.35%)

Operating Budget 2017: 1.9 billion €

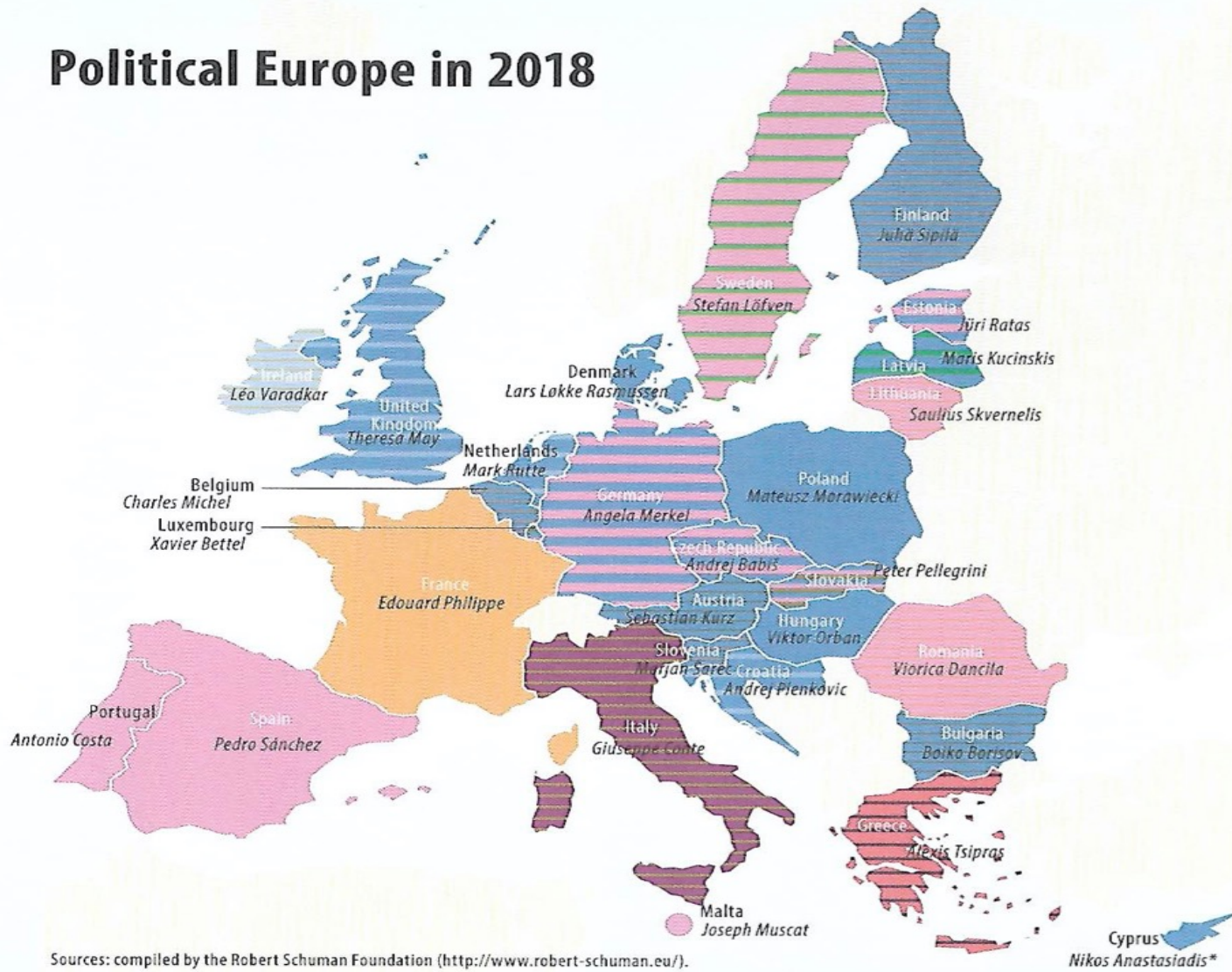
Number of civil servants: 6,000

(Source: European Parliament)

	EPP	S&D	ECR	ALDE	GUE/ NGL	Greens/ EFA	EFD	ENF	N-A	Total
Germany	34	27	6	4	8	13	1	1	2	96
France	20	12	-	7	5	6	6	15	3	74
United Kingdom	2	20	19	1	1	6	18	1	5	73
Italy	14	31	3	-	3	1	14	6	1	73
Spain	17	14	-	8	10	5	-	-	-	54
Poland	22	5	18	-	-	-	1	2	3	51
Romania	13	13	2	3	-	-	-	-	1	32
The Netherlands	5	3	2	7	3	2	-	4	-	26
Greece	5	4	1	-	6	-	-	-	5	21
Belgium	4	4	4	6	-	2	-	1	-	21
Portugal	8	8	-	1	4	-	-	-	-	21
Czech Republic	7	4	2	4	3	-	1	-	-	21
Hungary	12	4	-	-	-	2	-	-	3	21
Sweden	4	6	2	3	1	4	-	-	-	20
Austria	5	5	-	1	-	3	-	4	-	18
Bulgaria	7	4	2	4	-	-	-	-	-	17
Denmark	1	3	3	3	1	1	-	-	1	13
Slovakia	6	4	3	-	-	-	-	-	-	13
Finland	3	2	2	4	1	1	-	-	-	13
Ireland	4	1	1	1	4	-	-	-	-	11
Croatia	5	2	1	2	-	1	-	-	-	11
Lithuania	3	2	1	3	-	1	1	-	-	11
Latvia	4	1	1	1	-	1	-	-	-	8
Slovenia	5	1	-	1	-	1	-	-	-	8
Estonia	1	1	-	3	-	1	-	-	-	6
Cyprus	1	2	1	-	2	-	-	-	-	6
Luxembourg	3	1	-	1	-	1	-	-	-	6
Malta	3	3	-	-	-	-	-	-	-	6
TOTAL	219	187	73	68	52	52	42	34	24	751

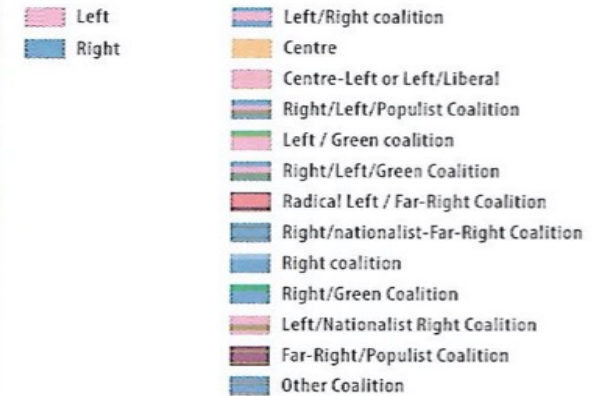
Italian Antonio Tajani (EPP) is the president of the European Parliament (until 2019)

Political Europe in 2018



Sources: compiled by the Robert Schuman Foundation (<http://www.robert-schuman.eu/>).

Governments' Colours



Jüri Ratas Head of Government

Elections planned in 2019:

- 3rd March: Estonia, *legislative*
- March, Slovakia, *presidential*
- 14th April: Finland, *legislative*
- 12th May: Lithuania, *presidential*
- 23-26th May: EU, *European Parliament*
- 26th May: Belgium, *legislative*
- June: Denmark, *legislative*
- September: Greece, *legislative*
- October: Portugal, *legislative*
- Autumn: Latvia, *presidential*
- Autumn: Poland, *legislative*
- Autumn: Malta, *presidential*
- November: Romania, *presidential*

* posts of both President and Prime Minister.

		France	Germany	UK	Italy	Spain	Poland	EU
% of MEPs of the Group	EPP	9.25%	15.75%	0%	6.95%	7.87%	10.65%	100%
	S&D	6.91%	14.36%	9.57%	16.4%	15.31%	2.65%	100%
% of MEPs present in the 2 main groups		16.6%	30.11%	9.57%	23.45%	15.31%	13.3%	100%
Presidency and coordinators	Presidency Group	1	3	2	1	0	0	10
	Presidency of the Committees	3	5	2	2	0	4	22
	Number of coordinators	10	28	10	6	11	3	129
Presence in 4 influential committees (% of the Commission)	Economic and Monetary Affairs	4	11	5	6	3	3	60
	Environment, Public Health & Food Safety	8	10	6	7	4	4	68
	Transport and Tourism	6	6	4	5	4	5	49
	Internal Market and Consumer protection	4	3	4	4	2	2	39

*The Greens/EFA, Europe of Freedom and Democracy (EFD) and Europe of Nations and Freedom (ENF) have 2 co-presidents
(Source: Robert Schuman Foundation)

European Council

This is the institution in which the heads of State and government meet. During their meetings, which take place once every three months, they set the general major political guidelines, without having any legislative function. The European Council selects its president, the appointment of the President of the Commission, of the High Representative and of the President of the European Central Bank. The President in office at the moment is Pole Donald Tusk and the HQ of this institution is in Brussels.

Council of the European Union

The Council, is a co-legislator with the European Parliament under a procedure of co-decision. It decides alone on the Common Foreign and Security Policy. The Council comprises Ministers of the 28 Union Member States, who meet in ten groups, according to the issues addressed. The Council meets in Brussels or Luxembourg (three times a year). The Council is chaired by the representative of one of the Member States for six months.

Council Groups:

- Foreign Affairs
- General Affairs
- Economic and Financial Affairs (Ecofin)
- Justice and Internal Affairs (JAI)
- Employment, political, social, health and consumer (EPSCO)
- Competitiveness (internal market, industry, research and space)
- Transport, telecommunications, and energy
- Agriculture and fisheries
- Environment
- Education, youth, culture and sport

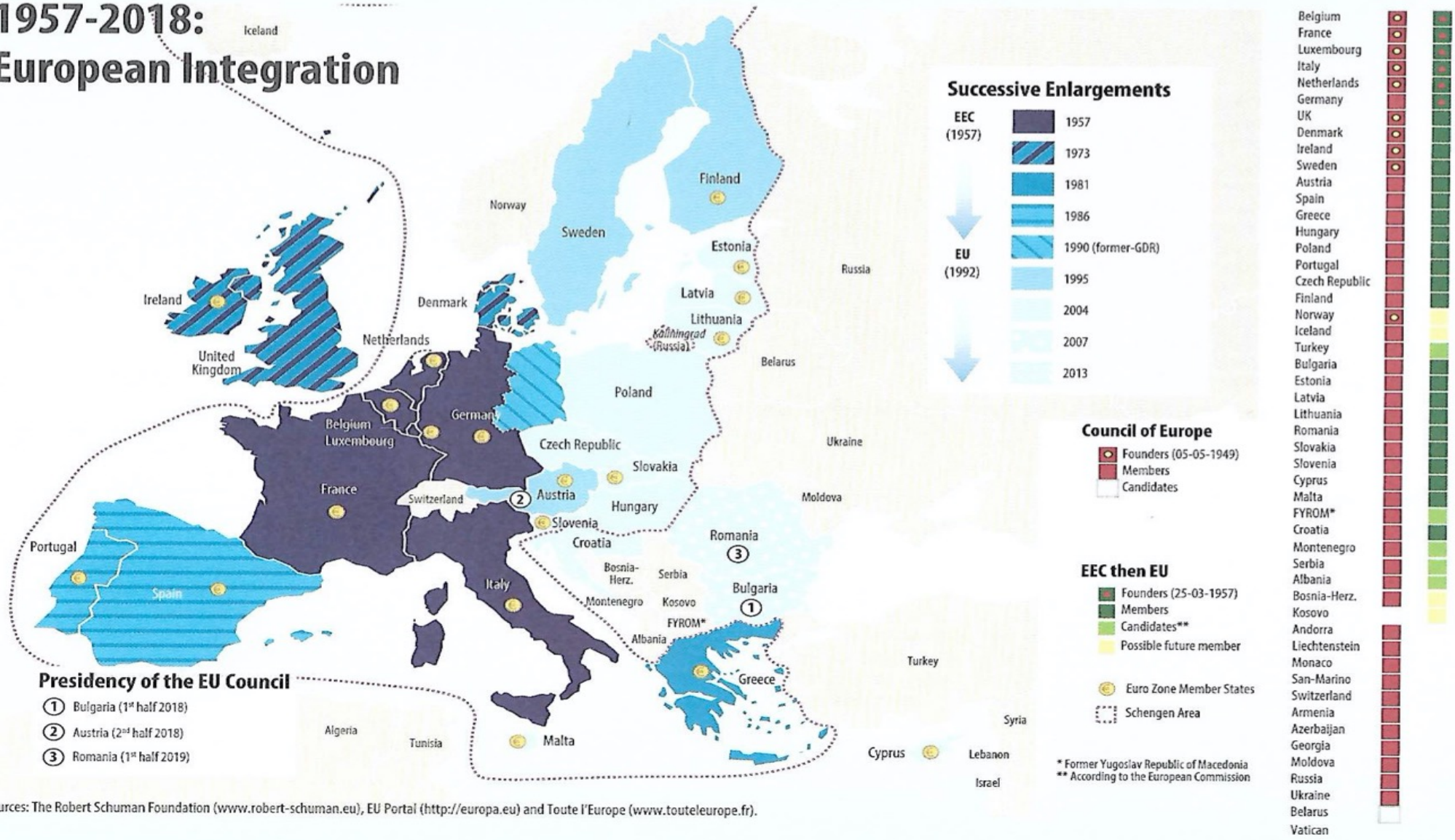
Rotating presidency:

- July – December 2018: Austria
- January – June 2019: Romania
- July – December 2019: Finland
- January – June 2020: Croatia
- July – December 2020: Germany
- January – June 2021: Portugal
- July – December 2021: Slovenia

Voting system:

The voting system and the number of votes of each Member State are set by the Treaties, which also define the cases in which the simple or qualified majority or unanimity are required.

1957-2018: European Integration



Sources: The Robert Schuman Foundation (www.robert-schuman.eu), EU Portal (<http://europa.eu>) and Toute l'Europe (www.touteurope.fr).

Pascal Orrier to the Robert Schuman Foundation, January 2018, © FHS.

Since November 1st 2014, the decision making process within the Council of Ministers has changed. For the qualified majority (80% of decisions involving legislative acts) a double majority now applies and requires:

- 55% of the Union's States (i.e. 16 Member States)
- 65% of the Union's population.

These measures help to take into account the **“respective weight of the Member States”**. A **blocking minority** has to include at least four Member States representing more than 35% of the Union's population.

In the **qualified majority** votes, abstentions count as a negative vote.

Other voting procedures involve the **simple majority** (15 Member States) or **unanimity**.

Since the Lisbon Treaty the number of issues submitted to the qualified majority has increased, rising from 70 to 109. The categories involved are mainly the area of freedom, security and justice, as well as external actions. The number of issues submitted to the unanimous voted has also increased from 69 to 75 due to the new European prerogatives relating to the European External Action Service (EEAS) for example or the European Union's membership of the European Convention of Human Rights (ECHR). Moreover the Council decides according to the simple majority on 7 issues linked to its internal organisation and to its relations with the Commission, the European Council on two issues, regarding the possibility it has to reject the inauguration of an intergovernmental conference as part of the revision of the treaties, as well as establishing internal procedures.

Operating budget 2017: 561.6 million €

Number of civil servants 2015: 3048

(Source: Council of European Union)

Country	% of the population
Germany	16.1%
Austria	1.7%
Belgium	2.2%
Bulgaria	1.4%
Cyprus	0.2%
Croatia	0.8%
Denmark	1.1%
Spain	9.1%
Estonia	0.3%
Finland	1.1%
France	12.8%
Greece	2.2%
Hungary	1.9%
Ireland	0.9%
Italy	11.7%
Latvia	0.4%
Lithuania	0.6%
Luxembourg	0.1%
Malta	0.1%
The Netherlands	3.3%
Poland	7.5%
Portugal	2.0%
Czech Republic	2.1%
Romania	3.9%
United Kingdom	13%
Slovakia	1.1%
Slovenia	0.4%
Sweden	1.9%

European Commission

The Commission embodies the Union's general interest. It is the guardian of the treaties and holds a monopoly over legislative initiative. Hence it plays both a legislative and an executive role in regard to the competences transferred to the Union, ie competition law, the common agricultural policy, the protection of fishing resources and customs union. The College of Commissioners comprises one commissioner per Member State. They are appointed for a five year period by the European Council and are subject to the Parliament's approval.

Territories of Europe

 Council of Europe
Member States

European Union on 1st January 2018:

-  Member States
-  Candidate Countries: ongoing negotiations with Turkey (16 chapters opened out of 35, 1 closed, 8 frozen), Montenegro (30 chapters opened, 3 closed) and Serbia (12 chapters opened, 2 closed)
-  Perspective of EU enlargement (EU Commission, 6th February 2018): 2025 (Serbia & Montenegro), 2030 (Albania & FYROM), later (Bosnia-Herzegovina & Kosovo)
-  Brexit, process of withdrawal of the United Kingdom from the European Union started
-  Euro Zone Member States
-  Schengen Area Member States

The Azores (Portugal) and Greenland (Denmark) which are not visible on this map, are part of the Schengen Area.
Membership of Romania and Bulgaria has been delayed due to the veto of many Member States; membership of Croatia could be completed by the end of the decade. Membership of Cyprus depends on the settlement of its internal conflict. The UK and Ireland are non-signatories to the Convention.

EU partners:

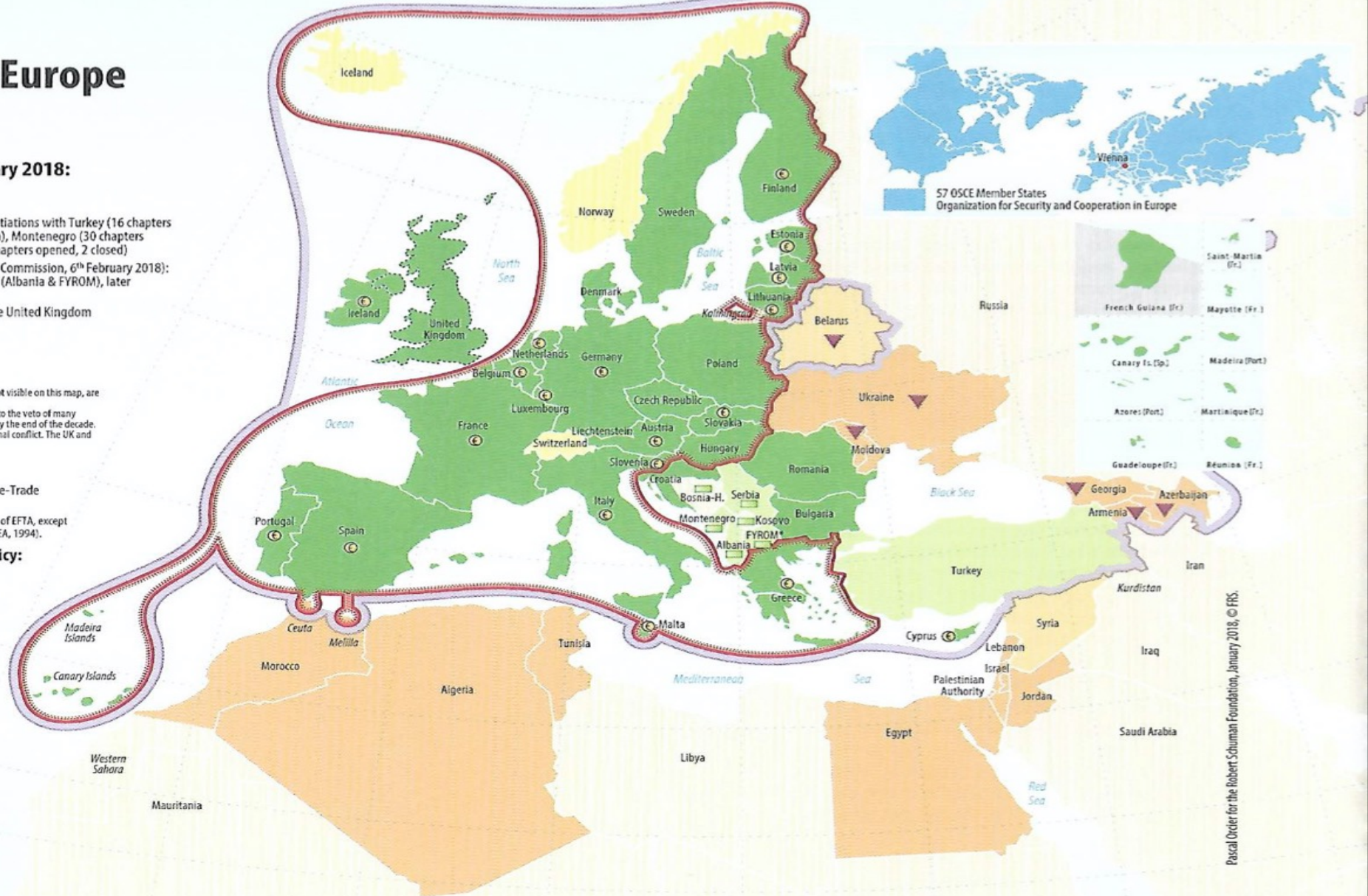
-  Member States of the European Free-Trade Association (EFTA)
- The States of the European Union associated with those of EFTA, except Switzerland, are part of the European Economic Area (EEA, 1994).

The European Neighbourhood Policy:

-  Agreements signed
-  Agreement not signed
-  Eastern Partnership (December 2008)

* Former Yugoslav Republic of Macedonia (FYROM)

Sources: Compilation of the Robert Schuman Foundation (<http://www.robert-schuman.eu/>), EU Portal (<http://europa.eu/>), Council of Europe (<http://www.coe.int/>) and OSCE (<http://www.osce.org/>).



Permal Order for the Robert Schuman Foundation, January 2018, © RFS.

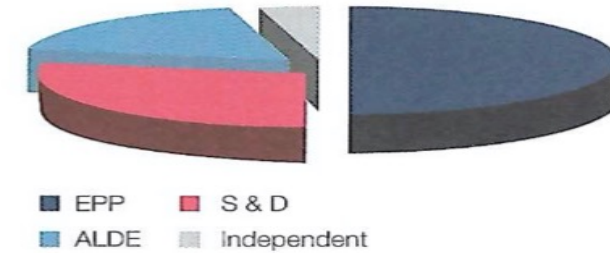
The composition of the Juncker Commission

Jean-Claude Juncker (Luxembourg)	President of the Commission
Frans Timmermans (The Netherlands)	First Vice-President Better Regulation, Interinstitutional Relations, Rule of Law and the Charter of Fundamental Rights
Federica Mogherini (Italy)	Vice-President High Representative for the Common Foreign and Security Policy
Andrus Ansip (Estonia)	Vice-President Digital Single Market
Maros Sefcovic (Slovakia)	Vice-President Energy Union
Valdis Dombrovskis (Latvia)	Vice-President for the Euro and Social Dialogue, responsible for financial stability, financial services and capital markets union.
Jyrki Katainen (Finland)	Vice-President Employment, Growth, Investment and Competitiveness
Violeta Bulc (Slovenia)	Transport
Gunther Oettinger (Germany)	Budget and Human Resources
Johannes Hahn (Austria)	Neighbourhood Policy and Enlargement Negotiations
Cecilia Malmström (Sweden)	Trade
Neven Mimica (Croatia)	International Cooperation and Development
Miguel Arias Canete (Spain)	Action for the Climate and Energy
Karmenu Vella (Malta)	Environment, Maritime Affairs and Fisheries
Vytenis Povilas Andriukaitis (Lithuania)	Healthcare and Food Safety
Dimitris Avramopoulos (Greece)	Migration and Internal Affairs
Marianne Thyssen (Belgium)	Employment, Social Affairs, Competences and Worker Mobility
Pierre Moscovici (France)	Economic and Financial Affairs, Taxation and Customs Union
Christos Stylianides (Cyprus)	Humanitarian Aid and Crisis Management
Phil Hogan (Ireland)	Agriculture and Rural Development
Julian King (United Kingdom)	Security Union
Elzbieta Bienkowska (Poland)	Internal Market, Industry, Entrepreneurship and SME
Vera Jourova (Czech Rep)	Justice, Consumers, Gender Equality
Tibor Navracsics (Hungary)	Education, Culture, Youth and Citizenship
Corina Cretu (Romania)	Regional Policy
Margrethe Vestager (Denmark)	Competition
Carlos Moedas (Portugal)	Research, Science and Innovation
Mariya Gabriel (Bulgaria)	Digital Economy and Society

EPP (European People's Party, Christian Democrats)	14	50%
S&D (Progressive Alliance of Socialists and Democrats)	8	28.5%
ALDE (Alliance of Liberals and Democrats for Europe)	5	17.9%
ECR (European Conservatives and Reformists)	1	3.6%

In parenthesis the countries of origin of the people quoted.

Distribution of European Commission members according to their political affiliation



(Source: Fondation Robert Schuman)

The institutions of Europe employ some 55,000 people of whom 32,546 work for the Commission in 2017.

Operating Budget 2016: 8.935 billion €

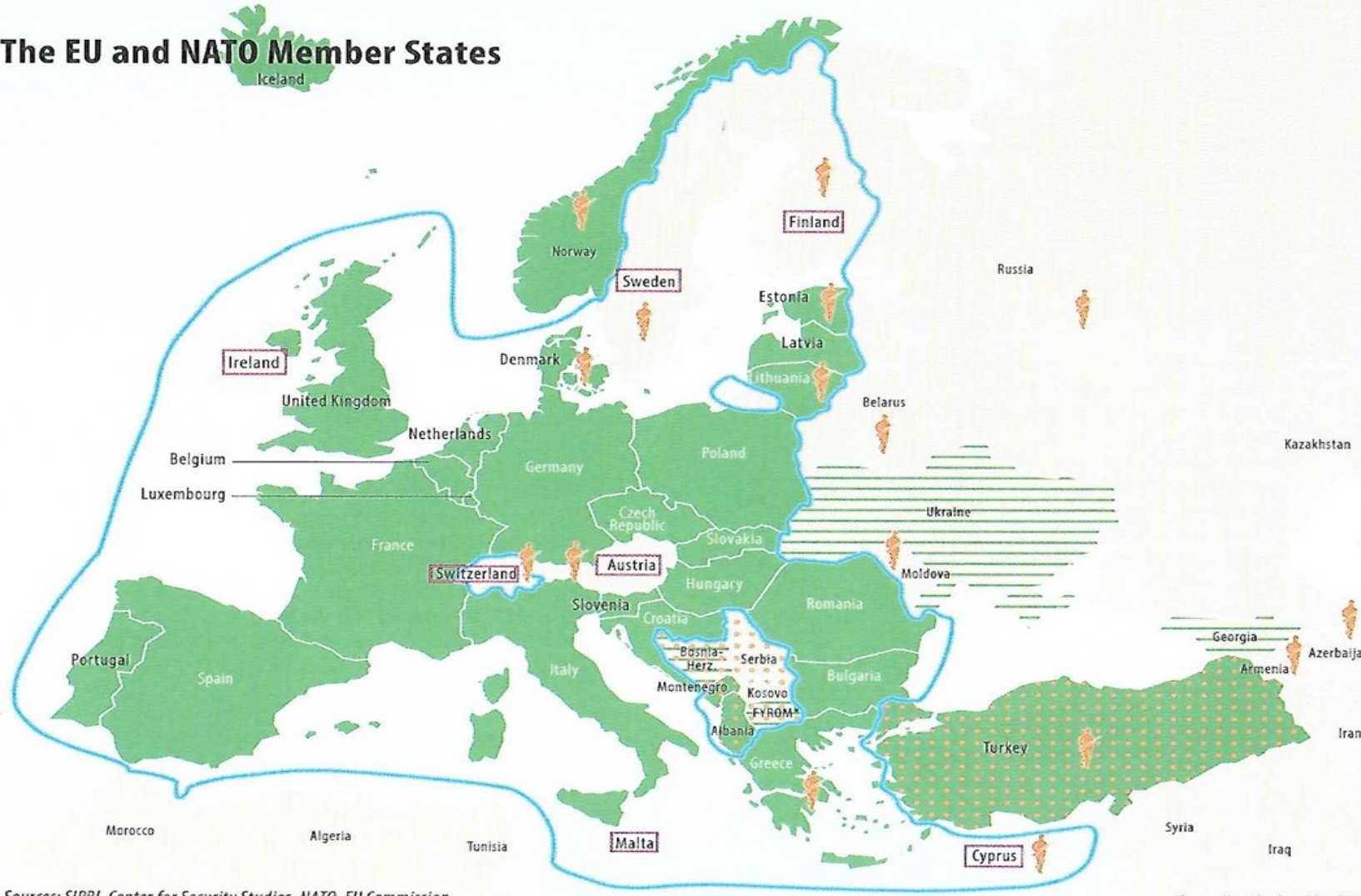
Court of Justice of the European Union

The Court ensures the implementation of the treaties and the uniform interpretation of community law. Comprising 28 judges (one per Member State) appointed for a mandate of six years, the Court delivers decisions that apply to the whole Union. The president of the court is Dutchman Koen Lenaerts and the institution's HQ is in Luxembourg.

European Central Bank

The ECB defines and implements the Union's monetary policy. It is independent. It has a mandate to maintain price stability and to contribute to the Union's general policies (high employment and sustainable growth). Italian Mario Draghi is the president of the institution, whose HQ is in Frankfurt (see information page on the euro area).

The EU and NATO Member States



- NATO (+ USA, Canada)
- NATO Candidate countries
- European Union
- EU Candidate countries
- Finland Neutral States**

Upkeep of conscription: 16 States of which 8 in the EU
 Lithuania restored conscription in 2015, Sweden in 1918.
 Ukraine has restored waves of mobilization. The terms and duration of conscription vary from one country to another: in Norway, both men and women are concerned; in Finland it is obligatory for men, for six, nine or twelve months, and it can take the shape of civil service; in Denmark, conscription is facultative and its duration is reduced; in Greece, duration is nine months in the army, one year in the navy; in Russia, it has been reduced to twelve months and concerns men from 18 to 27 years old; in Armenia the duration is two years for men.

Iceland does not have an Army.

**according to different definitions of neutrality; all participate in the NATO Partnership for Peace (PfP); Cyprus hosts British naval bases in Akrotiti and Dhekelia.

Sources: SIPRI, Center for Security Studies, NATO, EU Commission.

*Former Yugoslav Republic of Macedonia

European Court of Auditors

It monitors the community's finances and acts in the financial interests of the citizens of Europe. It assesses all of the Union's revenues and spending. Its HQ is in Luxembourg and its president is German Klaus-Heiner Lehne.

Other organisations and services

- **European Economic and Social Committee**

- HQHQ: Brussels
- President: Luca Jahier (Italian)

A consultative institution, it represents economic and social players with the legislative institutions. The Committee's members are appointed by the Council and put forward by the Commission.

- **Committee of Regions**

- HQ: Brussels
- President: Karl-Heinz Lamberts (Belgian)

This is a consultative body representing the regional and local authorities. Its consultation is obligatory – likewise that of the Economic and Social Committee, when the interests it represents are involved. The Committee's members are appointed by the Council and put forward by the Member States.

- **European Investment Bank**

- HQ: Luxembourg
- President: Werner Hoyer (German)

Via its loans and low interest rates that are provided by the European Investment Funds, the EIB helps support the Union's economy and its projects. It is non-profit making and is co-owned by the Member States – it acts in support of their economic development.

- **European Ombudsman**

- HQ: Strasbourg
- Emily O'Reilly (Irish)

Elected by the European Parliament for a five year mandate, he/she serves as an intermediary between the citizens and the European authorities. He/She investigates cases of poor administration and tries to settle litigation between citizens and the institutions.

- **European External Action Service**

- HQ: Brussels
- High Representative: Federica Mogherini (Italian)

The EEAS is the Union's diplomatic service, guaranteeing the coherence and coordination of the Union's external action. It is a separate service from the Commission and the Council. Its goal is to

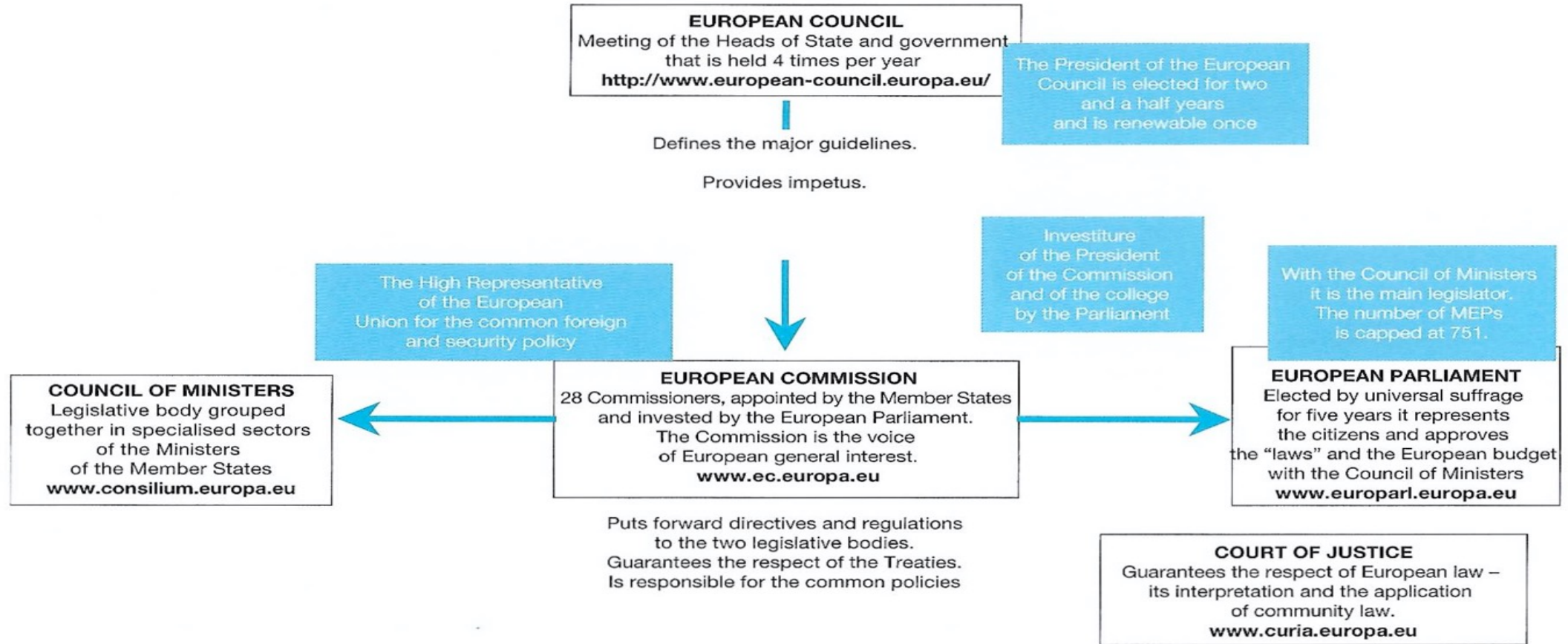
strengthen the Union's diplomatic voice. 3,500 people work for it. Its budget totals 657 million euros (provisional 2017). Its Secretary General is Helga Schmidt (German).

(Source: Robert Schuman Foundation)

Agencies

European Union has 53 decentralised agencies and organisations created to undertake technical, scientific and specific administrative tasks. Notably we have to make the distinction between the executive agencies that depend on the Commission (6), the agencies for the Common Security and Defence Policy (3), the Euratom agencies (2) and the agencies that focus on financial stability (5).

THE INSTITUTIONAL FUNCTIONING OF THE EUROPEAN UNION



Europe and the Citizens' Direct Vote

Referenda on European Issues in the Member States

	Date	State Member	Vote on	% of vote	Turnout
1	23.04.1972	France	Enlargement of the EEC	68.28%	60.27%
2	10.05.1972	Ireland	Membership EC	83.1%	70.88%
3	24.25.09.1972	Norway	Membership EC	46.5%	79.2%
4	02.10.1972	Denmark	Membership EC	63.29%	90.4%
5	03.12.1972	Switzerland	Area of free trade with the EEC	72.5%	52%
6	05.06.1975	United Kingdom	Continuation of Membership EC	67.23%	64.03%
7	23.02.1982	Greenland	Membership EC	45.96%	74.91%
8	27.02.1986	Denmark	Common Market (SEA)	56.34%	75.39%
9	26.05.1987	Ireland	Common Market (SEA)	69.92%	44.09%
10	18.06.1989	Italy	Mandate for the Spinelli Treaty	88.06%	85.4%
11	02.06.1992	Denmark	Maastricht Treaty	47.93%	83.1%
12	18.06.1992	Ireland	Maastricht Treaty	6.7%	57.31%
13	20.09.1992	France	Maastricht Treaty	51.05%	69.69%
14	06.12.1992	Switzerland	Membership EEA	49.7%	78%
15	13.12.1992	Liechtenstein	Membership EEA	55.81%	87%
16	18.05.1993	Denmark	Maastricht Treaty	56.77%	85.5%
17	12.06.1994	Austria	Membership EU	66.58%	82.35%
18	16.10.1994	Finland	Membership EU	56.88%	70.4%
19	13.11.1994	Sweden	Membership EU	52.74%	83.32%
20	20.11.1994	Aland Islands	Membership EU	73.64%	49.1%
21	28.11.1994	Norway	Membership EU	47.8%	89%
22	09.04.1995	Liechtenstein	Membership EEA	55.88%	82.05%
23	08.06.1997	Switzerland	Launch of EU membership negotiations	25.9%	35%
24	22.05.1998	Ireland	Amsterdam Treaty	61.74%	56.26%
25	28.05.1998	Denmark	Amsterdam Treaty	55.1%	76.24%
26	21.05.2000	Switzerland	Bilateral Treaties with the EU	67.2%	48%
27	28.09.2000	Denmark	Membership EMU	46.87%	87.2%
28	04.03.2001	Switzerland	Launch of EU membership negotiations EU	23.3%	55%
29	07.06.2001	Ireland	Nice Treaty	46.13%	34.79%
30	19.10.2002	Ireland	Nice Treaty	62.89%	48.45%
31	08.03.2003	Malta	Membership EU	53.6%	91%
32	23.03.2003	Slovenia	Membership EU	89.6%	60.3%
33	12.04.2003	Hungary	Membership EU	83.8%	45.6%
34	11.05.2003	Lithuania	Membership EU	91.1%	63.4%

	Date	State Member	Vote on	% of vote	Turnout
35	17.05.2003	Slovakia	Membership EU	92.5%	52.2%
36	08.06.2003	Poland	Membership EU	77.5%	58.9%
37	14.06.2003	Czech Republic	Membership EU	77.3%	55.2%
38	14.09.2003	Estonia	Membership EU	66.8%	64%
39	14.09.2003	Sweden	Membership EMU	42%	82.6%
40	20.09.2003	Latvia	Membership EU	67%	72.5%
41	19.10.2003	Romania	EU Membership preparation	89.7%	55.7%
42	20.02.2005	Spain	Constitutional Treaty	76.7%	42%
43	29.05.2005	France	Constitutional Treaty	45.3%	69%
44	01.06.2005	The Netherlands	Constitutional Treaty	38.2%	63%
45	05.06.2005	Switzerland	Schengen Agreements	54.6%	56%
46	10.07.2005	Luxembourg	Constitutional Treaty	56.5%	89%
47	25.09.2005	Switzerland	Extension Agreement on Free Movement of People	56%	54.4%
48	26.11.2006	Switzerland	Federal Law on Cooperation with Eastern Europe	53.4%	44.3%
49	12.06.2008	Ireland	Lisbon Treaty	46.6%	53%
50	08.02.2009	Switzerland	Extension Agreement on Free Movement of People to Bulgaria and Romania	59.6%	51.6%
51	02.10.2009	Ireland	Lisbon Treaty	67.13%	59%
52	22.01.2012	Croatia	Membership EU	66.67%	43.5%
50	08.02.2009	Switzerland	Extension Agreement on Free Movement of People to Bulgaria and Romania	59.6%	51.6%
51	02.10.2009	Ireland	Lisbon Treaty	67.13%	59%
52	22.01.2012	Croatia	Membership EU	66.67%	43.5%
53	31.05.2012	Ireland	Budgetary Pact	60.29%	50.60%
54	25.05.2014	Denmark	Membership of the European Patent Convention	62.5%	55.8%
55	05.07.2015	Greece	Acceptance of proposals of European and international institutions in exchange for further financial assistance	38.69%	63%
56	06.04.2016	The Netherlands	Association Project between the European Union and Ukraine	38.41%	32.28%
57	23.06.2016	United Kingdom	Remain or Leave the EU	51.9%	(leave) 72.2%
58	02.10.2016	Hungary	Referendum on the quotas of migrants	98.36%	44.32%*

* according to the Hungarian Constitution because turnout was not enough (<50%) the referendum is invalidated.

HISTORIC POINTS OF REFERENCE

- **9th May 1950:** declaration by Robert Schuman, French Foreign Minister, suggested that Germany and France pool the management of steel and coal.
- **24th July and 10th August 1952:** entry into force of the treaty establishing the European Community of Steel and Coal (ECSC) and launch of the High Authority in Luxembourg, chaired by Jean Monnet.
- **20th August 1954:** the French National Assembly reject the Treaty of Paris on the European Community of Defence (ECD).
- **1st January 1958:** entry into force of the Rome Treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom), signed on 25th March 1957.
- **17th January 1962:** adoption of the first regulations of the Common Agriculture Policy.
- **1st July 1965:** General de Gaulle refuses to increase the powers of the community institutions; this was the crisis of the "empty chair".
- **29th January 1966:** Luxembourg compromise. The rule of unanimity is maintained at the Council of Ministers when a Member State declared that vital national interest was at stake.
- **1st July 1967:** entry into force of the treaty merging the three Community executives, establishing a Council, a single Commission signed on 8th April 1965.
- **1st July 1968:** completion of Customs Union 18 months ahead of time.
- **1st January 1973:** Membership of Denmark, Ireland and the United Kingdom.
- **13th March 1979:** entry into force of the European Monetary system, created on 5th December 1978 by the European Council in Brussels.

- **From 7th to 10th June 1979:** first elections of the European Parliament by direct universal suffrage, Simone Veil is elected President.
- **1st January 1981:** Membership of Greece.
- **1st January 1986:** Membership of Spain and Portugal.
- **1st July 1987:** entry into force Single European Act, decided on 4th December 1985, signed on 17th and 28th February 1986, planning the creation of the Single Market before 1993.
- **1st July 1990:** first phase of the Economic and Monetary Union (EMU): free movement of capital.
- **1st January 1993:** entry into force of the Single Market.
- **1st November 1993:** entry into force of the Maastricht Treaty, adopted at the European Council of 9th and 10th December 1991 and signed on 7th February 1992 in Maastricht.
- **1st January 1995:** Membership of Austria, Finland and Sweden.
- **13th-14th December 1996:** adoption of the EMU's stability and growth pact.
- **1st January 1999:** introduction of the single currency on the financial markets.
- **1st May 1999:** entry into force of the Amsterdam Treaty, signed on 2nd October 1997.
- **1st January 2002:** introduction of coins and notes in euros in 11 Member States.
- **1st February 2003:** entry into force of the Nice Treaty, signed on 26th February 2001.
- **1st May 2004:** Membership of 10 new Member States: Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Czech Republic, Slovakia, Slovenia.
- **1st January 2007:** Membership of Bulgaria and Romania.
- **1st December 2009:** entry into force of the Lisbon Treaty. The European Council

acquires a President and a High Representative for the Common Foreign and Security Policy, who is also Vice-President of the Commission. The European Parliament becomes a legislator almost in its own right.

- **7th May 2010:** adoption by the European Council of the European stabilisation mechanism to help States in difficulty (Greek crisis).
- **17th June 2010:** adoption by the European Council of stricter governance rules (European budgetary review semester).
- **28th-29th October 2010:** adoption by the European Council of a permanent crisis management mechanism for the euro area (Irish crisis).
- **2nd March 2012:** the treaty on stability, coordination and governance, TSCG, better known as the European Fiscal Stability Treaty was signed on 2nd March 2012 in Brussels by the heads of State and government of 25 Member States of the European Union (except for the UK and the Czech Republic). This treaty provides for the application of stricter rules in terms of the fight to counter deficits and government debt, but also it provides for possible sanctions against States who are not strict enough in this area.
- **1st July 2013:** Membership of Croatia
- **1st January 2015:** 19 Member States use the euro as their single currency
- **23rd June 2016:** The 51.9% of the British population expressed its wish to leave the European Union.
- **29th March 2017:** Trigger by the UK of article 50 of the Treaty on European Union: start of withdrawal procedure of the UK from the EU.
- **To date:** 26 States joined Schengen: 22 Member States of the European Union (except for Ireland, the United Kingdom, Cyprus, Romania and Croatia), as well as Iceland, Norway, Switzerland and Liechtenstein.

PERSONALITIES, FOUNDING FATHERS

The Fathers of Europe

Some names are inseparable from the first stages of European integration: Robert Schuman for his Declaration on 9th May 1950, Jean Monnet, for his inspiration and for being the first President of the High Authority of the ECSC, Konrad Adenauer, the German Chancellor who brought the young Federal Republic of Germany into the project, likewise Alcide De Gasperi, President of the Italian Council, Paul-Henri Spaak, Belgian Prime Minister, Johan Willem Beyen, Dutch Prime Minister and Joseph Bech,

head of the Luxembourg government. Seven founding fathers for the nascent integration, the ECSC – that would have a great future in the European Union.

Many others before them had promoted the idea of a United Europe, Aristide Briand and Richard Nikolaus de Coudenhove-Kalergi, notably, but further back than that, Victor Hugo with his famous speech on the “United States of Europe” on 21st August 1849 at the Peace Congress not forgetting Winston Churchill, who in his “Speech to Student Youth” at the

University of Zurich in 1946 expressed his vision of a united Europe as a remedy to the continent’s nationalist passions.

Others after them also played a major role in the integration of Europe: German Walter Hallstein, the first President of the European Commission in 1958, Italian Altiero Spinelli, an intellectual and politician, author of the Ventotene Manifesto, and the inspiration behind the project for a treaty on European Union in 1984 and Jacques Delors, President of the European Commission from 1985 and 1995.

CAPITALS

The Union’s Three Capitals

Brussels

In Brussels, the rue de la Loi and Schuman Square, to which it leads, are highly symbolic of the European Union. Here we find the European Commission’s main buildings, but also those of the Council of the European Union. Its name itself is emblematic: although the name “rue de la Loi” is older than the European Union, the latter is no less important in terms of legislative acts; Robert Schuman was one of the main founding fathers of European integration. A little further away are Luxembourg Square and the European Parliament; and between these two entities nestle many European and foreign diplomatic buildings housing regional representations, small and large businesses, NGOs and associations ... in a surface area of around 1km² a European and international microcosm is formed,

where civil servants, politicians, diplomats and representatives of civil society meet; where all kinds of languages are spoken and where the motto *in varietate concordia* finds all of its meaning.

Strasbourg

In Strasbourg the Parc de l’Orangerie forms the European Quarter. Facing each other across a watercourse are the European Parliament, the institution of the European Union and the Council of Europe, another European organisation, recalling that European integration has not occurred in a uniform fashion, but that other different paths have been explored. Their proximity also shows the legal closeness of the European Union and the Council of Europe, the first trying to integrate the acts of the second automatically into its legislative corpus, and notably, the European Court of Human Rights, is also established in the neighbourhood.

Further to the south, we find Europe Bridge and the Mimram Passerelle linking France and Germany on either side of the Rhine, commemorating Franco-German rapprochement, the engine behind European integration which succeeded in bringing Europe’s fratricidal struggles to an end.

Luxembourg

The Kirchberg Plateau is home to many European Union institutions and organisations. With a lower media profile, their legal and financial role is still vital: the decisions of the European Union’s Court of Justice have significantly strengthened the European Union’s legal corpus and the funds of the European Investment Bank have helped towards many varied, large scale projects across Europe and also outside its borders. The quieter, more insulated environment hides work that is eminently technical but nevertheless vital.

THE EURO AREA

As of 1957, the Rome Treaty provided in article 67 that the Member States would progressively do away with restrictions governing the movement of capital, and its article 105 established a consultative monetary committee. Each Member State should address its exchange policy as an issue of common interest.

During the founding of the EEC, its creators had already decided to have a single currency. A European monetary agreement establishing flexibility between the European currencies and the dollar under the framework of the Bretton Woods agreements was concluded on 2nd September 1958. In 1964, the Community's Council decided to establish a committee of governors of the central banks of the Member States which started to work together.

Towards the Single Currency

The first "Barre Plan" on 12th February 1969, which in reality was a Commission memorandum addressed to the Community's Council, established the principle of monetary support and financial assistance that Member States might provide one another. The second "Barre Plan" on 4th March 1970 put forward a three stage process towards Economic and Monetary Union. It was the Luxembourg Prime Minister Pierre Werner's report, which on 8th October of that same year, lay out the path to this Union. On 10th April 1962 the Basel Agreement was signed between the central banks of the Member States of the common market and the candidate countries. It established the "European currency snake", which limited the variations between European currencies in relation to the dollar. The pound Sterling, left the snake two months later (23/6).

This mechanism was confirmed on 12th March 1973, but no longer included the commitment to support

the dollar. In 1975 community loans and on 21st April the European Currency Unit (ECU), based on a basket of currencies were introduced. In 1978 (7th July), the European Council agreed to the major outlines of a European Monetary System that entered into force on 13th March 1979. The currencies of Europe were now linked to each other and could not vary by more or less 2.25% in relation to the average of the others – except for the Italian lira which was excepted. On 1st July 1990 via a directive that implemented the Rome Treaty (art. 67), the movement of capital in Europe was declared free. At the same time Jacques Delors was given the task of laying out the real stages that were to lead to Economic and Monetary Union (EMU). Progress towards Monetary Union started on 1st July 1990. An intergovernmental conference prepared the draft of the treaty that was signed in Maastricht on 7th February 1992. It entered into force on 1st November 1993. In mid-December 1995 the name "euro" was adopted for the single currency. The European Council of Amsterdam (1997) adopted the Stability and Growth Pact as well as the ERM2, which enabled the regulation of relations between the countries that did not belong to the single currency and the others. On 1st and 3rd May 1998 the list of countries entering the Monetary Union on 1st January 1999, as well as the parities between the currencies that are part of the euro were set. The European Central Bank and the European System of Central Banks (ESCB) were established on 1st June.

The creation of the euro

On 1st January 1999 the euro was created. New government debt securities were issued in euros and the single currency was floated in the financial system. Greece entered into the Monetary Union on 1st January 2001. On 1st January 2002 euro notes and coins were introduced in the 12 countries that made up the Monetary Union.

After Willem Duisenberg, the first ECB President, Jean-Claude Trichet was appointed as head of the European bank on 1st November 2003. He remained in office until the end of October 2011, when he was replaced by Mario Draghi, governor of the Italian Central Bank. The euro area grew successively six times: on 1st January 2007 with Slovenia, in 2008 with Cyprus and Malta, in 2009 with Slovakia, in 2011 with Estonia, in 2014 with Latvia and in 2015 with Lithuania. The euro is the currency in the 19 countries which have adopted it, but also in three other States: Monaco, San Marino and the Vatican, which are linked by preferential agreements to the euro's Member States. It is also used by Andorra, Monaco, Montenegro and Kosovo – without the latter taking part either in the emission of currency or in the European System of Central Banks and thanks to decisions taken by their government. Euro coins have a national side and a European side. The euro notes issued by the European Central Bank represent bridges, doors and windows, symbols of uniting Europe.

Joining the Union means adopting the euro

Membership of the euro is obligatory for all Member States of the European Union, except for the United Kingdom and Denmark due to their opt out clauses. Every member of the European Union is obliged to adopt the euro as its currency as soon as it fulfils the convergence criteria, i.e. controlled inflation and a level of government debt and deficit in line with the so-called Maastricht criteria (60% and 3% of the GDP). The currencies of the future candidates to the euro area are, if their governments so wish it, pegged to the euro via a set exchange rate that helps them prepare their entry into the single currency. This is the case with the Danish crown and the Bulgarian lev. Sweden refused to adopt the single currency after a referendum and now finds itself

in a specific situation. Finally, around fifty countries are linked to the Member States using the single currency. These are the ones using the CFA franc, the Pacific franc, the Comorian franc and the Cape Verdean escudo.

The ECB at the heart of the financial system

All of the central banks of the countries of the European Union that belong to the European System of Central Banks, and in virtue of this, which meet four times a year within the General Council, coordinate the activities of the national central banks and that of the European Central Bank, in order to prepare the convergence of the States which want to join the euro. The central banks of the Member States of the euro area comprise the Eurosystem.

At the head of this we find the ECB, which defines the monetary policy, leads exchange operations, holds and manages the exchange reserves and guarantees the smooth functioning of the payment and settlement system, issues coins and notes and also ensures the role of banking surveillance. The Central Bank and the Eurosystem have been given the mandate to guarantee price stability (2% mid-term), a condition for employment rich growth. The Central Bank is managed by the Council of Governors, comprising a Board, i.e. the President, the Vice-President and four members of the Council and the governors of the national central banks. The ECB employs around 2,577 people and its capital totals 10.8 billion €. Since 2013, the ECB ensures the prudential surveillance of lending institutions. In less than 10 years the common policy of the euro area's Member States has helped the euro to rise to second place in the world i.e. 30% for the issue of securities (financing) and 22.2% for monetary reserves. It is the second currency in the world regarding transactions and competes with the dollar in terms of the quantity of notes that are circulated.

The euro, a strong currency

It is a strong, credible currency which inspires confidence and which has acquired its place in international financial relations in a record time. The financial triggered in 2007 in the US by the subprimes threatened the entire international financial system, notably during the collapse of the Lehman Brothers on 15th September 2008. With its policy to provide liquidities and interventions with the banks, the ECB probably prevented the international financial world from crashing any further.

The government debt crisis

In the new world competition, which has been reflected in high financial imbalances between continents, international investors who were concerned by differences in competitiveness, government debt and economic policies between the Member States, turned their attention to the governance of the euro area.

Since there were no adapted procedures and tools for the common management of these issues the governments had to design and provide response very quickly. Many meetings between the heads of State and government and the European Council led to the introduction of new budgetary obligations, with the creation of the European Financial Stability Funds and the European Stability Mechanism, a real blueprint for a European Monetary Fund.

Indeed several Member States (Greece, Portugal, Ireland, Cyprus) had accumulated high levels of government debt, which caused doubt about their ability to reimburse; this obliged the European Union, with the support of the International Monetary Fund to come to their aid. These events led to a confidence crisis regarding the governance of the euro area Member States' ability to assume joint responsibility. The Central Bank had to act on its own to implement a financial liquidities system, then, with targeted purchases, it strength-

ened the credibility of the debt of the countries that had been under strain, without any of these measures featuring in the treaties. By controlling inflation, which has been mastered completely, the European Central Bank proved to be a vital federal institution in rising to the challenges of the financial crisis. Under the impetus of Germany and France the euro area States organised aid for Greece on three occasions, then Portugal, Ireland and Cyprus. They decided to provide the euro area with permanent institutions (a president and a secretariat, that are responsible for convening and preparing at least two meetings per year) which would pioneer the permanent strengthening of the Union's economic governance. The latter also strengthened discipline and the rules applicable to the way budgetary policies are drawn up by the Member States by introducing a new "Euro Plus Pact" then the "European Semester", in the first half of the year when national draft budgets are submitted for assessment, and which provides for financial sanctions against the States that do not respect the common rules. However the pace of European decisions, unfavourable exposure of the debate within the euro area, as well as the involvement of the private sector in the rescue of Greece contributed to the weakening of investor confidence in the financial strength of several of its Member States, which led to the collapse of the Greek and Italian governments and the development of speculation against sovereign debt securities in Europe. In 2017 the euro area recovered international confidence which justifies its position as the world's leading economic power in view of the new budgetary surveillance procedures and the coordination of its economic policies decided upon by all of the Member States, except for the UK.

INFORMATION SHEET IN FIGURES

- The euro is the currency adopted by **19 Member States of the European Union** (Germany, Austria, Belgium, Cyprus, Spain, Estonia, Finland, France, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Portugal, Slovakia, Slovenia)
- Moreover the euro is the official currency of six third countries, who are not members of the EU nor of the European Central Bank System, (Monaco, San-Marino, Vatican, Andorra, Kosovo, Montenegro)

Surface area: 2,842,976 km²

Demography

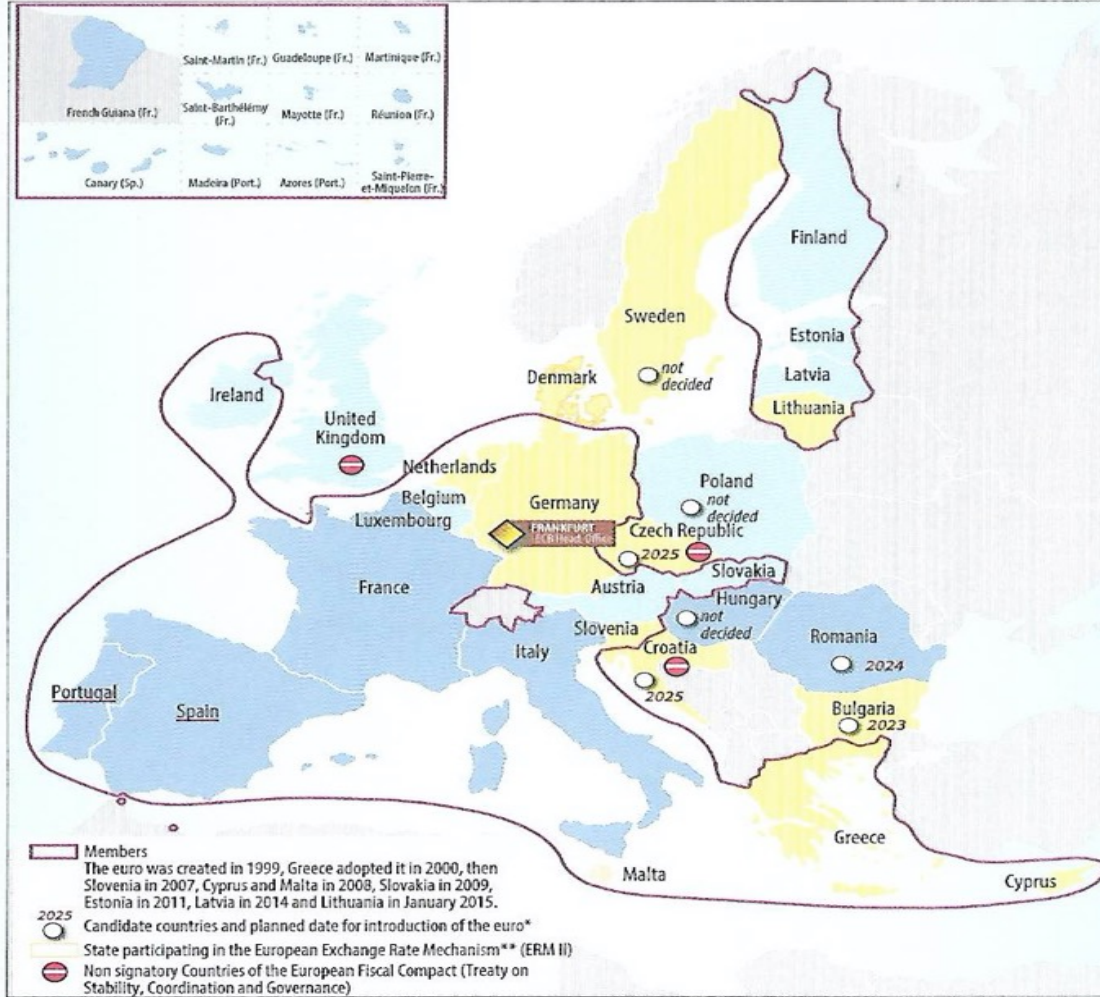
- Population: 341,008,867 (2017)
- Natural growth rate: 0.6‰ (2017)
- Migratory balance: 2.8‰ (2017)
- Total Demographic Growth: 2.2‰ (2017)
- Total gross birth rate: 9.5‰ (2017)
- Total gross death rate: 10.1‰ (2017)
- Life expectancy: men: 79.3 years, women: 84.6 years (2016)

Economy

- GDP (in billions of €): 9, 938.3 (2017)
- GDP per capita (PPP): 32,234 (2017)
- GDP Growth: 2.5% (2017)
- Unemployment: 8.5% (2018)
- Annual Inflation rate: 1.4% (2017)
- Government deficit: 0.6% (2017)
- Government debt: 86.7% of the GDP (2017)
- Government spending (in% of the GDP): 47.1% (2017)
- Public revenues (in % of the GDP): 41.3% (2017)
- Exports outside of the EU (in billions of €): 1,775.5 (2017)
- Imports outside of the EU (in billions of €): 1,583.3 (2017)
- Foreign Direct Investment Stocks (in % of the GDP): 45% (2017)

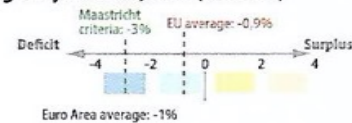
Euro Map

Euro area



* These dates are only indicative, subject to possible delays and the approval of the European financial authorities.
** apart from respecting the convergence criteria defined in the Maastricht Treaty any candidate State to the euro area has to take part in the ERM II for two years. During this time the national currency can only fluctuate against the euro within a range of more or less 15%. Denmark, although not obliged to adopt the euro, decided to take part in 1999 by adopting a tighter margin (2.25%).
Bulgaria expects to join the ERM II in 2019.

Budgetary balance, 2017 (% of GDP)

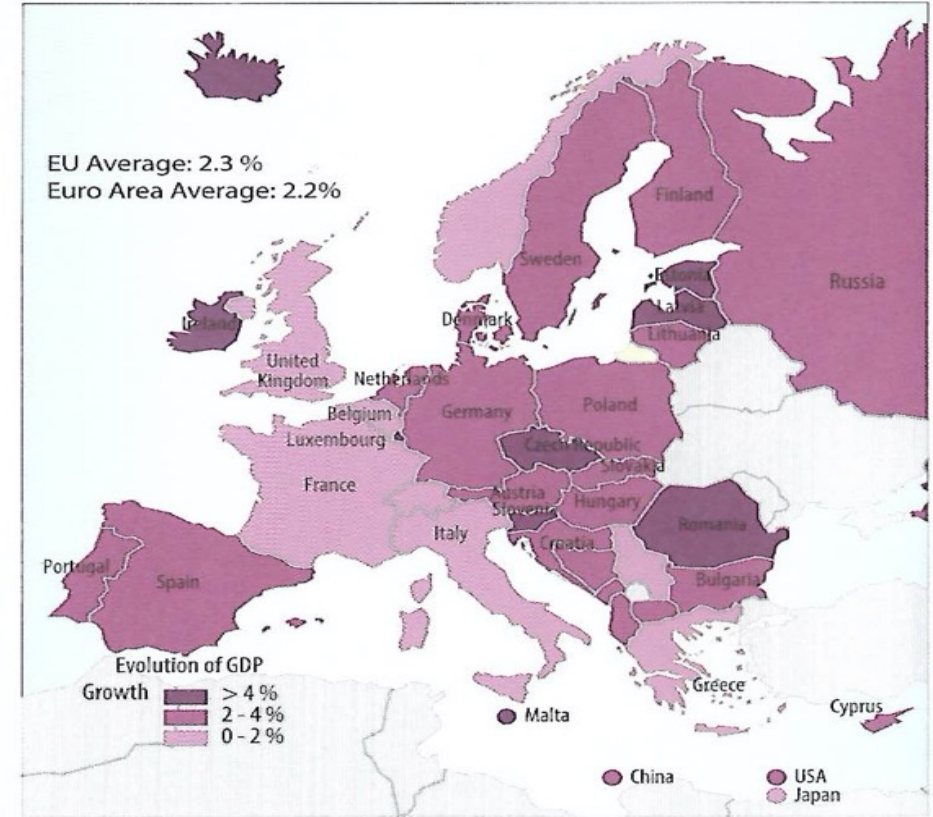


Spain. Countries not respecting the Maastricht criteria in 2017

Sources: Robert Schuman Foundation (<http://www.robert-schuman.eu>), EU Portal (<http://europa.eu>) and European Commission Portal (http://ec.europa.eu/economy_finance).

Economic growth in Europe

Economic Growth in Europe (2017)



Sources: Eurostat; OECD.

Institutions and Mechanisms

Eurogroup

The Eurogroup is the body in which the Economy and Finance Ministers of the euro area meet, to which the European Commission and the European Central Bank are also invited. Business pertaining to the single currency is discussed within this organisation. They generally convene before each "Economy and Finance Council" and since 13th January 2018 has been chaired by Portuguese Finance Minister Mario Centeno.

The European Central Bank

A European Union institution in its own right, the European Central Bank, based in Frankfurt, (Germany), is responsible for the European Union's monetary policy and notably for the euro, the single currency common to 19 member States. Created in 1998 by the Treaty on European Union it was granted the competences of the central banks of the Member States in all matters monetary as of 1st January 1999. Together they form the Eurosystem. It has been managed by Italian Mario Draghi since 1st November 2011. His predecessors were Dutchman Wim Duisenberg (June 1998-October 2003) and Frenchman Jean-Claude Trichet (October 2003-November 2011).

The European System of Central Banks (ESCB) comprises the European Central Bank and all of the central banks of the Member States of the European Union including those which do not take part in the euro.

Its main task is to guarantee price stability and therefore purchasing power, i.e. maintain inflation at a rate that is deemed reasonable (2% on average). Its competences notably include the emission of notes, giving Member States permission to issue coins, interventions on the exchange markets and international and European cooperation.

The European Central Bank defines the monetary policy, undertakes exchange transactions, holds and manages exchange reserves and ensures the smooth functioning of the payment systems. Since 2013 it ensures the surveillance of lending establishments.

The Council of Governors meets the members of the Board and the governors of the Member States' central banks twice a month. It decides on the policy to undertake and the Board (comprising the President, the Vice-President and four other members) implements it. Its decision making system is complex: all of the governors of the central banks take part, but not all have a right to vote. Indeed they are split into two groups: one comprises the representatives of the five biggest countries, who have four votes; the other comprises the other 12 countries and have 10 votes. Long term, the plan is to create three groups: one would include the representatives of the five biggest countries; the second would comprise half of the governors representing the countries of intermediary economic importance with 8 votes, and the last group would include the others, representing the smallest countries with 3 votes. There cannot be more than 21 votes.

In order to complete its task total independence was given to the European Central Bank. But the ECB publishes a quarterly activity report that its President is invited to present on a regular basis to the competent committee at the European Parliament.

The distribution of the ECB's capital develops with each enlargement. The ECB's capital totals 10.825 billion €. The contribution of the central banks of the euro zone to the ECB's capital totals 7.620 billion €. Its distribution is as follows:

Contributions by euro area central banks to the ECB's capital

National Central banks	Capital distribution key (in %)	Freed Capital (€)
Nationale Bank van België/Banque Nationale de Belgique	2.4778	268,222,025.17
Deutsche Bundesbank (Germany)	17.9973	1,948,208,997.34
Eesti Pank (Estonia)	0.1928	20,870,613.63
Banc Ceannais na hÉireann/Central Bank of Ireland (Ireland)	1.1607	125,645,857.06
Bank of Greece (Greece)	2.0332	220,094,043.74
Banco de España (Spain)	8.8409	957,028,050.02
Banque de France (France)	14.1792	1,534,899,402.41
Banca d'Italia (Italy)	12.3108	1,332,644,970.33
Central banke de Cyprus (Cyprus)	0.1513	16,378,235.70
Latvijas Banka (Latvia)	0.2821	30,537,344.94
Lietuvos bankas (Lithuania)	0.4132	44,728,929.21
Banque centrale du Luxembourg (Luxembourg)	0.2030	21,974,764.35
Central Bank of Malta (Malta)	0.0648	7,014,604.58
De Nederlandsche Bank (The Netherlands)	4.0035	433,379,158.03
Oesterreichische Nationalbank (Austria)	1.9631	212,505,713.78
Banco de Portugal (Portugal)	1.7434	188,723,173.25
Banka Slovenije (Slovenia)	0.3455	37,400,399.43
Národná banka Slovenska (Slovakia)	0.7725	83,623,179.61
Suomen Pankki - Finlands Bank (Finland)	1.2564	136,005,388.82
Total¹	70.3915	7,619,884,851.40

¹) Because of figures being rounded up, the totals might not correspond to the sum of the figures indicated.

National Central Bank	Capital distribution key (in %)	Freed Capital (€)
Българска народна (Banque nationale de Bulgarie) (Bulgaria)	0.8590	3,487,005.40
Česká a národní banka (Czech Republic)	1.6075	6,525,449.57
Danmarks Nationalbank (Denmark)	1.4873	6,037,512.38
Hrvatska narodna banka (Croatia)	0.6023	2,444,963.16
Magyar Nemzeti Bank (Hungary)	1.3798	5,601,129.28
Narodowy Bank Polski (Poland)	5.1230	20,796,191.71
Banca Națională a României (Romania)	2.6024	10,564,124.40
Sveriges riksbank (Sweden)	2.2729	9,226,559.46
Bank of England (United Kingdom)	13.6743	55,509,147.81
Total¹	29.6085	120,192,083.17

1) Because of figures being rounded up, the totals might not correspond to the sum of the figures indicated.

The European Exchange Mechanism (EEM II) and the countries using the euro

The European Exchange (Rate) Mechanism (EEM) is the system pegging the euro to the currencies of certain Member States of the European Union which have not yet adopted it. It is supposed to help these States benefit from greater monetary stability in view of a future integration of the euro area.

At present Denmark is a member of the EEM II and the Danish crown is pegged to the euro with fluctuations limited to 1.5%. In the future other countries are due to integrate EEM II: Bulgaria, Hungary, Poland, Romania and the Czech Republic. The UK and Sweden do not take part.

Moreover euro is the *de jure* currency in three States that are not members of the European Union, but whose currency is traditionally pegged

to that of their neighbours: this is the case for Monaco (whose monetary policy is linked to that of France), San Marino and the Vatican (which are linked to Italy).

Finally three other States outside of the European Union use the euro: Andorra, Kosovo and Montenegro – the latter previously used the Deutsche Mark.

We should note that the currencies of many States are pegged to that of a former colonial power and are now linked to the euro, notably in Africa.

Comparative elements

Comparative table of the situation in the European Union, the euro Area and five other major economic powers: the US, Japan, China, India and Brazil.

	EU	Euro area	USA	Japan	China	India	Russia	Brazil
Population in millions of inhabitants (2017)	512.6	340.8 (2016)	325.4	126.7	1 386	1.336	146.4	207.9
GDP in billions \$ (2017)	18,400	16,397	18,569	4,939	11,199	2,263	1,283	1,796
Share of the GDP in the world's GDP	23.64	NC	22.37	5.9	13.3	2.65	2.39	3.01
GDP/capita (2016)	39,632 \$	42,074 \$	57,466 \$	38,894 \$	8,123 \$	1,709.39 \$	8,748 \$	8,649 \$
GDP Growth (2016)	1.9%	1.8%	1.6%	1.0%	6.7%	7.1%	-0.2%	-3.6%
Inflation (2016)	0.3%	0.3%	1.37%	-0.10%	1.8%	5.91%	9.77%	10.71%
Unemployment (2016)	8.2%	9.7%	4.7%	3.1%	4.02%	3.5%	5.4%	11.5%
Government debt in % of the GDP (2016)	85.2	89.3	97.8	234	20.10	69.5	13.3	67.5

THE EURO HISTORIC POINTS OF REFERENCE

• 1957

25th March: Article 67 of the Rome Treaty provides that the Member States would progressively do away with the restrictions to the movements of capital and article 105 introduced a Monetary Committee to coordinate monetary policies.

• 1969

12th February: The Commission puts forward the first "Barre Plan" for the coordination of economic and monetary policies.

• 1970

4th March: Second Barre Plan, comprising a three stage plan towards Economic and Monetary Union (EMU)

8th October: Pierre Werner delivers his report on the achievement in three stages of Economic and Monetary Union.

• 1971

22nd March: The Council and the representatives of governments adopt a resolution on the gradual achievement of Economic and Monetary Union.

• 1972

10th April: Conclusion of the Basel Agreement between the central banks of the member countries of the Common Market and the candidate countries. It provides for the introduction of the currency snake, setting the limit on the differences between the exchange rates of two currencies at 2.25%.

23rd June: The United Kingdom leaves the European currency snake.

• 1973

12th March: European exchange rates no longer pegged to the dollar. The "snake emerges from the tunnel".

14th March: Norway and Sweden join the currency snake.

3rd April: Creation of the European Monetary Cooperation Fund (EMCF)

• 1975

17th February: Introduction of community loans

21st April: Creation of the European Currency Unit (UCE)

• 1978

6th-7th July: The European Council of Bremen adopts the conclusions of the foundations of the European Monetary System (EMS).

• 1979

12th March: Conclusion of the final agreement on the functioning of the EMS

• 1989

26th-27th June: The European Council of Madrid approves the Delors Committee Report and decides to launch the first stage in the creation of the Economic and Monetary Union.

• 1990

1st July: EMU enters its initial stage.

15th December: Intergovernmental conference on EMU

• 1991

9th-10th December: the European Council adopts the treaty on European Union providing for the introduction of the EMU.

• 1992

7th February: The treaty on European Union signed in Maastricht

• 1993

1st November: Entry into force of the Maastricht Treaty.

31st December: The French parliament votes in support of the independence of the Banque de France.

• 1994

1st January: EMU enters its second phase. Creation of the European Monetary Institute, a forerunner of the European Central Bank.

• 1995

15th-16th December: The name "euro" is given to the single currency.

• 1997

16th-17th June: the European Council of Amsterdam adopts the European exchange (rate) mechanism 2 (EEM 2) and the stability and growth pact.

• 1998

1st-3rd May: The European Council decides on the countries entering Monetary Union on 1st January 1999.

26 May: Appointment of the members of the ECB board (first President: Willem F. Duisenberg)

1st June: Creation of the European Central Bank and of the European System of Central Banks.

31 December: Setting of the conversion rates between national currencies and the euro

31 December - 3rd January: The financial sector proceeds to the conversion over to the euro.

• 1999

1st January: EMU enters into the third phase. Creation of the euro.

• 2001

1st January: Greece adopts the Euro.

• 2002

1st January: Introduction of notes and coins in euro

• **2003**

1st November: Jean-Claude Trichet appoints the second President of the ECB

• **2005**

1st January: Jean-Claude Juncker, Luxembourg Prime Minister, appointed President of the Eurogroup.

22nd-23rd March: the European Council reforms the stability and growth pact

• **2007**

1st January: Slovenia adopts the Euro.

• **2008**

1st January: Cyprus and Malta adopt the Euro.

• **2009**

1st January: Slovakia adopts to the Euro.

• **2010**

2nd May: Adoption of the first aid plan for Greece (110 billion €)

7th-9th May: Creation European Financial Stability Facility, (EFSF).

21st November: the EFSF, the IMF, the UK, Sweden and Denmark grant Ireland a loan of 85 billion €.

• **2011**

1st January: Estonia adopts the Euro.

25th March: Creation of the European Stability Mechanism (ESM). Adoption of the "Euro Plus Pact".

17th May: Portugal receives a loan from the EU and the IMF totalling 78 billion €.

October: Strengthening of the EFSF and the Adoption of the Six Pack (reform of economic governance).

27th October: the European Council adopts a second support plan for the States in difficulty, with a strengthening of the EFSF and a 50% discount of the Greek government debt. It decides to institutionalise the euro area whose head of States and government must meet at least twice a year.

1st November: Mario Draghi is appointed as the third President of the ECB.

8th December: the ECB adopts measures to support the strengthening of bank loan activities and the liquidity of the monetary market of the euro area (long term refinancing operations - LTRO).

• **2012**

2nd February: The Member States of the euro area introduce a permanent stability mechanism. The European Stability Mechanism (ESM) takes on the role attributed to the European Financial Stability Facility (EFSF) by providing financial assistance to the Member States of the euro area as much as is required.

2nd March: The treaty on the stability, coordination and governance treaty (TSCG) better known as the European Fiscal Stability Treaty was signed by 25 heads of State and government of the European Union (all except the United Kingdom and the Czech Republic). It has been in force since 1st January 2013.

14th March: second rescue plan for Greece, to a total of 164.5 billion €.

24th April: The EU and the IMF grant Cyprus a loan of 10 billion €.

13th June: Adoption of the Two Pack (strengthening of budgetary discipline and the reduction of deficits).

28th and 29th June: Adoption of the pact for growth and employment. Launch of the project for Banking Union.

July: Agreement for a loan to a total of 100 billion € to Spain

26th July: Repeating that the "euro is irreversible" the President of the ECB, Mario Draghi indicated that (the ECB is ready to do whatever it takes to preserve the euro) marking a decisive change in the ECB's policy.

6th September: Mario Draghi announced that the ECB was to launch a new programme "Outright monetary transactions" (OMT).

12th September: the European Commission proposes a Single Supervisory Mechanism (SSM).

8th October: the ESM entered into force.

13th December: Agreement on European banking union.

• **2014**

1st January: Latvia adopts euro

January: Ireland became the first euro area country to emerge from a macro-economic aid programme.

• **2015**

1st January: Lithuania adopts the euro
Development in ECB rules regarding the vote within the council of governors.

22nd January: The ECB President announces the start of the programme to repurchase private and public debt which was continued until September 2016.

9th March: Start of the "Quantitative Easing" programme undertaken by the ECB

5th July: Referendum in Greece on the acceptance of proposals by the European and institutions in exchange for further financial assistance.

8th-9th July: Greece officially asks for aid from the ESM and submits a programme of reform to the leaders of the euro area.

12th-13th July: Greece and its European and international creditors come to agreement on a third financial assistance programme of 86 billion € over three years in support of Greece.

16th July: The Greek Parliament adopts the first series of reform (VAT increases, measures on retirement pensions, adoption of a golden budgetary rule) provided for by the agreement concluded on 12th and 13th July.

4th August: The Council validates the adoption of a regulation modifying the European Financial Stabilisation Mechanism (EFSM) on 17th July

approved by the Commission and the Council, whereby they guarantee the protection of States that are not members of the euro area against any possible economic and financial risks caused by the financial assistance granted to a euro area Member State.

30th September: Commission adopts an action plan (33 measures) to build the Capital Markets Union.

5th October: The Greek parliament unveils its budgetary proposals for 2016 comprising further budgetary cuts in exchange for a rescue plan of 86 billion € signed in July with the creditors.

21st October: The Commission publishes the list of necessary work for the implementation of the EMU's "Deepening by Doing" included in the Five Presidents' Report.

17th November: Greece comes to agreement with its creditors which disburse 2 billion € in loans and 10 billion € to recapitalise the banks.

3rd December: The ECB announces the extension of "Quantitative Easing" until March 2017 at least.

8th December: The European Stability Mechanism pays 2.71 billion € to recapitalise the banks of Greece.

• 2016

1st January: Entry into force of the Single Resolution Mechanism (SRM), the second pillar of Banking Union.

10th March: The ECB's Council of Governors decides to increase its monthly assets purchases from 60 to 80 billion – in force until the end of March 2017.

31st March: Cyprus officially and successfully concludes its financial assistance programme supported by the European Union and the IMF for the last three years.

9th May: Exceptional Eurogroup meeting which defines a package of measures that have to be adopted by Greece equivalent to 3% of the GDP and a security mechanism if the budgetary surplus goal of 3.5% is not achieved in 2018.

24th May: An agreement is concluded between Greece and its creditors which announce the release of a further tranche of financial aid of 10.3 billion € for the summer 2016.

25th October: the European Stability Mechanism allows the additional disbursement of 2.8 billion € to Greece, as part of the second tranche in the financial assistance plan.

• 2017

15th June: Revival of the plan to rescue Greece with 8.5 billion € by the EU and the IMF.

• 2018

20th August: Greece's exit from the last financial assistance programme.