

Vivekanand College, Kolhapur (Autonomous)

Department of BBA

Subject- International Business

Topic- European Union



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European Union (EU)-

- The origin of the EU goes back to the European Coal and Steel Community (ECSC) which was formed with the West Germany, France, Italy, Belgium, Netherlands and Luxembourg in 1952.
- The aim of the ECSC was to eliminate import duties and quotas on coal, iron, steel and scrap in member countries.
- The successful functioning of ECSC stimulated the member countries to extend this facility to all commodities by the treaty of Rome in 1957.
- This Rome treaty set up the European Economic Community (EEC) and the European Atomic Energy Community (Euratom), extending the common market for coal and steel to all economic sectors to the member countries.

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- With the introduction of uniform monetary policy, common currency and fiscal policy among the member countries the EEC became European Union.
 - Up to today total 27 member countries are in EU.
 - In 2013 Croatia add. And in United Kingdom left in Jan. 2020.
 - The requirement for joining the EU as members are i) the country must be European country and ii) it must be a democratic country.



► **Activities of the European Union-**

1. Elimination of custom duties and quotas among member countries.
2. Formulation of common custom tariff to non member countries.
3. Abolition of all obstacles for movement of persons, services and capital among member countries.
4. Formulation of common policy in the area of agriculture and transport.
5. Application of programmes in order to coordinate the economic policies of the member countries.
6. Help to control the disequilibrium in the balance of payments of the member countries.
7. Establishment of European Social Fund with a view to enhance the employment opportunities for workers and to improve their standards of living.
8. **Establishment of European Investment Bank.**



► Organization of EU-

- European council is the main administrative body of the EU.
- Each member country is represented by a minister in this council.
- Each member country holds the presidency of the council for six monthly period by rotation.
- A committee of permanent representatives acts as the secretariat of the council. It also called “Corper.”
- The corper makes all important decisions.
- The corper is the link between the EU and member governments.