

# ICE

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## THE EUROPEAN UNION'S ECONOMIC MODEL

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ANGEL, Benjamin

### Euro exchange rate policy and agreements pegging third country currencies to the euro

**Abstract:** A little over than five years since its inception, the euro has gradually positioned itself as the second major international currency, second to the dollar and considerably outdistancing the yen. By year-end 2003, the euro was being used in 30 per cent of the existing international bond issues (excluding State bonds), 45 per cent of new issues (on a par with the US currency) and over 25 per cent of the transactions on currency exchange markets. The euro was the sole benchmark for thirty-some countries and ten or so more included it in a basket of currencies. In addition, one of the consequences of the dynamism of the European tourist industry is that the euro has begun to prevail in most of the planet's tourist areas (except on the American continent), while the proportion of international billing denominated in the currency and reserves in central banks is likewise on the rise. The growing internationalisation of the European tender has naturally prompted operators to follow its exchange rates very closely. After reviewing the fundamentals and development of euro exchange rate policy, the present article examines the exchange rate agreements that peg other currencies to the euro.

**Key words:** European integration, monetary integration, exchange rate policy, euro, EU.

**JEL Classification:** F02, F36.

BLÁZQUEZ NAVARRO, Irene

### Distribution of economic authority in the EU. Applicability of the principles of subsidiarity and proportionality

**Abstract:** This article introduces the basic premises of the model for distributing authority in the European Community, where economic union has been instituted and consolidated. An analysis is provided of the criteria determining the Community's domains of competence and the principles that govern the exercise of its authority. A general overview is then provided of the Community's internal and external authority in economic affairs. Particular attention is lent to delimiting the matters where competence is reserved exclusively to the Community and where it is shared (or where distribution is *sui generis*) and how this will be affected by the provisions in this regard contained in the Treaty establishing a Constitution for Europe. Finally, the content and regulation of common trade policy is addressed in greater detail, an area in which the shortcomings of the complex system of vertical division of power between the Community and the Member States are particularly visible. Defining this distribution of authority is presently one of the problems of greatest relevance to be addressed by the European Union.

**Key words:** European integration, administrative competences, shared competences, EU.

**JEL Classification:** F02, H10.

**ESPINA MONTERO, Álvaro**

**Is there a European employment model? The Luxembourg process**

**Abstract:** A study of the chief guidelines on employment and the labour market in the European Union (EU-15) in the final third of the twentieth century reveals that there is no such thing as a European employment model, *per se* - a finding confirmed by a detailed analysis of more recent developments. At best, it might be said that there is a numeric predominance in the continental EU of countries with corporatist and family-oriented Welfare State societies, characterized by a tradition scanty prone to include women in the work force, the institutionalization of labour markets with a protective bias and guarantees for male head of household employment and income. Taking this as the baseline, the author analyzes the impact of the European Employment Strategy and globalization on the trends that are beginning to materialize.

**Key words:** European integration, labour market, employment policy, economy internationalization, Welfare State.

**JEL Classification:** F02, J20.

**FERNÁNDEZ NAVARRETE, Donato**

**The European Union's economic model: fundamentals and limitations**

**Abstract:** The main characteristics of the Union's economic model for Europe are outlined in this study. A review of the history of the model highlights the clarity and consistency achieved with the 1993 Maastricht Treaty and later enhanced by Economic and Monetary Union (EMU) in 1999. From the economic standpoint, the European Constitution, which is presently undergoing ratification by the Member States, adds little to the provisions of the Treaty establishing the European Community, which is still in force. The issue of the distribution of economic authority between the Union and the Member States is also addressed in this paper, along with the co-ordination of this authority by the Council of Ministers. The article concludes with an analysis of the model's chief limitations.

**Key words:** European integration, economic and monetary union, EU.

**JEL Classification:** F02, F36.

**HERNÁNDEZ GARCÍA, Gloria**

**Controlling the public sector deficit and indebtedness: the Stability and Growth Pact**

**Abstract:** The purpose of this paper is to analyze the Stability and Growth Pact (SGP) after its first five years in effect. The issues reviewed include the causes that prompted its

adoption, its main rules, the problems arising around its practical implementation and finally, the changes its revision is most likely to introduce.

**Key words:** European integration, fiscal policy, public deficit financing, Stability and Growth Pact, EU.

**JEL Classification:** F02, F36, H62.

**MAHÍA CASADO, Ramón; ARCE BORDA, Rafael de; and ESCRIBANO FRANCÉS, Gonzalo**

#### **Tariff protection for world agricultural trade ten years after the Uruguay Round Agreement on Agriculture**

**Abstract:** The present paper contains an analysis of the present status of tariff protection for international agricultural trade ten years after the Uruguay Round Agreement on Agriculture. The descriptive analysis given illustrates the scant progress made in the areas of tariff «disarmament», the elimination of the heterogeneity of tariff schedules, the reduction of tariff progressiveness, the suppression or correction of tariff ceilings and the elimination of tariff quota arrangements.

**Key words:** agriculture, free trade agreements, commercial policy, agricultural products, Uruguay Round.

**JEL Classification:** Q17.

**MALO DE MOLINA, José Luis**

#### **Eurozone monetary policy: implementation and development**

**Abstract:** In this paper the author addresses the importance of Economic and Monetary Union in the context of the construction of Europe and discusses some of the most prominent features of the implementation of the single monetary policy, such as prior convergence and the preparatory work that went into establishing the complicated technical and institutional framework required. In this same vein, a description is given of a few of the specific characteristics of EMU, such as the independence of the monetary authority or the co-ordination between national central banks, the ECB and the system's governing bodies. The explanation of Eurosystem monetary policy that follows stresses that price stability is a major objective and discusses the strategy designed to attain it. Finally, the effectiveness of single monetary policy since inception is assessed and some of the challenges it will face in the immediate future are described.

**Key words:** European integration, monetary integration, price stability, EU.

**JEL Classification:** F02, F36.

**MATÍAS CLAVERO, Gustavo**

**The Lisbon knowledge society strategy: the new economy**

**Abstract:** The Lisbon strategy approved by the European Council in 2000, scheduled for mid-term review in 2005, is the EU's broadest and most ambitious project after monetary union and the Union's successive enlargements. It purports to make Europe the world's largest knowledge economy between now and 2010 as a way of increasing productivity and competitiveness so as to ensure the ongoing enhancement of the Welfare State, cohesion and sustainability, the EU's other chief priorities. The background and reasons for this European counter-offensive are analyzed, together with its specific objectives, which have been enlarged and re-interpreted in the Council's yearly performance reviews.

**Key words:** European integration, productivity, competitiveness, sustainable development.

**JEL Classification:** F02, F36.

**MILLÁN GARCÍA, Antonio**

**Social protection in the European Union: a homogeneous model?**

**Abstract:** The Welfare State is indisputably one of the most characteristic features of the European economic model. Nonetheless, the transformation taking place within the European Union, along with the changes in the demographic, social and labour structure of European countries, suggest that the existing models have to be revised and adapted if they are to meet future needs. Reflections on the subject are set out in this paper, beginning with a discussion of the present status of social protection systems in Europe in general and Spain in particular and analyzing the recommendations and measures proposed both at the European and national levels.

**Key words:** social welfare, pensions, Welfare State, EU, Spain.

**JEL Classification:** J11, J26, H55.

**PABLO VALENCIANO, Jaime de and PÉREZ MESA, Juan Carlos**

**Feasibility of increasing European tomato exports to the US: the case of Spain**

**Abstract:** The likelihood of mass penetration of the US market by the European tomato is analyzed in this article. The review focuses on Spain as the country with greatest potential. First, the circumstances conditioning trade relations are reviewed, along with the challenges facing local producers and the potential for domestic consumption. Competition from farmers outside the EU is studied to determine whether and to what extent the fresh produce market is glutted. This is followed by an analysis of the obstacles to be surmounted to mass market Spanish tomatoes, chiefly short export timetables and high

shipping costs. Finally, a tomato export function is estimated to analyse the factors affecting shipments to the US.

**Key words:** agriculture, exports, agricultural products, Spain, USA.

**JEL Classification:** F14.

## PRIETO KESSLER, Eduardo

### Antitrust policy in the European Union

**Abstract:** Antitrust policy is one of the fundamental pillars underpinning the construction of Europe. New Member States joining the EU, the need to improve the effectiveness of enforcement or the challenges posed by growing market globalization have given rise to intense reform of European competition law to reinforce the effectiveness of intervention and improve the bases for decision-making.

**Key words:** European integration, competition, business concentration, EU.

**JEL Classification:** F02, K21.

## VIÑALS ÍÑIGUEZ, José

### The European economic and social model: an inconsistent trinity?

**Abstract:** This paper contains a survey of European economic development over the past few decades, which brought an intensification of economic and monetary integration, and compares it with developments in the United States. As sustained throughout the paper, the chief economic problem afflicting Europe is its declining growth, which may ultimately question the sustainability of the European model which, moreover, has to rise to the challenge entailed in the recent enlargement of the EU.

**Key words:** European integration, economic and monetary union, economic growth, Welfare State, EU.

**JEL Classification:** F02, F36.

