



# How Does the EU Work?

## History, Structure & Collaboration



### Introduction

The **European Union** (EU) is an example of democratic collaboration between independent countries, not only a political or economic partnership for a common goal. The EU was founded with the goal of bringing about peace and stability following World War II, and it has since developed into a union based on common ideals such as democracy, the rule of law, human rights, and solidarity.

As the world faces multiple challenges: **climate change, migration, and digital transformation**, the EU brings its member states together to act collectively and increase their impact. At its core, the EU depends on **active citizens**. Beyond electing Members of the European Parliament (MEPs), citizens can shape policies through debates and various initiatives.

Understanding how the EU works empowers people to:

- ✦ Make well-informed electoral decisions,
- ✦ Take part in shaping policies,
- ✦ Hold organisations responsible,
- ✦ Enhance democratic life in Europe and at the national level.

To put it briefly, understanding how the EU functions help citizens to take part in the democratic process throughout Europe, not just in their own country.



### Key concepts and definitions

- ◆ **European Union (EU):** A political and economic union of 27 states, collaborating on justice, security, trade, and the environment. The EU is based on principles like democracy, human rights, and the rule of law and is run by a number of common institutions.



- ◆ **Treaty on European Union (Maastricht Treaty, 1993):** Formally established the EU, introduced EU citizenship, and laid the foundation for common policies.
- ◆ **European Citizenship:** Granted automatically to nationals of member states, allowing free movement, voting rights, and consular protection abroad.
- ◆ **European Commission:** Proposes laws and ensures they're implemented.
- ◆ **European Parliament:** The directly elected body representing citizens.
- ◆ **Council of the EU:** Represents national governments; negotiates and adopts legislation with the Parliament.
- ◆ Being an **active EU citizen** means staying informed, voting in elections, participating in public civic initiatives (e.g. European Citizens' Initiative), and engaging with EU policy debates.



## Real-world examples

- ◆ **Cooperation in Europe before EU:** 18 April 1951 – European Coal and Steel Community (ECSC) Six countries - France, Germany, Italy, Belgium, the Netherlands, and Luxembourg - sign a treaty to place their coal and steel industries under joint control. This marks the first step toward economic integration, reducing the risk of war through shared resources. The ECSC became active in 1952.
- ◆ **The Eurozone Crisis & the Creation of the Banking Union:** Following the 2008 financial crisis, EU introduced coordinated recovery measures between 2010–2019, including aid packages for struggling states such as Greece, Ireland, and Portugal. It also created the Banking Union to strengthen oversight and manage failing banks, reducing the risk of future crises. This highlighted how EU institutions, like the European Central Bank and European Commission, cooperate to safeguard economic stability through shared sovereignty.
- ◆ **The Paris agreement and climate change:** The EU played a leading role in negotiating the Paris Climate Agreement, focused on minimising

emissions. This led to the creation of the European Green Deal in 2019, aiming for a climate-neutral continent by 2050. This showcases how the EU acts when setting unified environmental policies through shared legislative processes and dialogue amongst all member states in long-term, democratically mandated goals.

- ◆ **Brexit:** In 2016, the UK held a national referendum and voted to leave the EU. The formal exit process began under Article 50 of the Treaty on European Union, marking the first time a member state chose to depart. However, this is an important example of democratic choice within the EU framework. It also tested the EU's legal and political capacity to manage withdrawal while maintaining unity among remaining members.



## Data and statistics

- ◆ **Open borders:** The Schengen area allows people to move around without border checks since 1985. It underpins the EU's free movement principle, thanks to which every EU citizen can travel, work and live in any EU country without special formalities. All EU Member States, except for Cyprus and Ireland, are members of the Schengen area. Bulgaria and Romania joined most recently, in March 2024. 4 non-EU countries (Iceland, Norway, Switzerland and Liechtenstein) are also part of Schengen.
- ◆ **Single currency:** Launched in 1999, the euro is the official currency of 20 EU countries. These countries are known as the euro area. The euro has advanced European integration by enabling people in the euro area to take advantage of the single market. Most EU countries export between 50% and 80% of their goods to other countries in the EU.
- ◆ **Student exchanges:** Since 1987, student exchanges in the EU are organised through the Erasmus+ programme. In the first year, 3,200 students from 11 European countries participated. Since then, Erasmus+ has allowed 15 million people to live and study in 34 countries in the EU and beyond.



## Challenges and controversies

- ◆ **Democracy and citizen engagement:** The EU is often criticised for the gap between EU decision-making and citizens' direct influence, especially in unelected bodies like the European Commission or the Council of the EU.
- ◆ **Brexit:** The United Kingdom's exit from the EU (Brexit) in 2020 showed growing scepticism in parts of Europe toward EU membership and integration. Brexit sparked a reflection on internal communication, unity and addressing the public concerns, transparency, encouraging to review the communication model.
- ◆ **Migration crisis in 2015:** Exposed the cracks in EU Solidarity, with some countries accepting the large number of asylum seekers, other resisted with quotas and numbers of how many people there can help. Failing distribution of refugees and balancing between humanitarian responsibility and national control showed a gap in common policy and funding for border protection, agreements with countries of origin and transit.
- ◆ **Enlargement:** As more countries seek EU membership (e.g., Western Balkans, Ukraine, Moldova), concerns grow over how far and fast the EU should expand. With different questions raised about integration and capacity to do so without losing cohesion, EU faces public skepticism in existing member states about further enlargement.
- ◆ **Foreign policy and autonomy:** The EU struggles to speak with one voice on the global stage, especially on security and foreign policy (e.g., Russia, China, Middle East). However, there is an ongoing debate on how EU should approach global issues, for example responses to the war in Ukraine among member states (e.g., energy dependencies, arms support), or challenges in coordinating sanctions or defence policy due to unanimity requirements.
- ◆ **Data Protection & Digital Sovereignty:** With the General Data Protection Regulation (GDPR), in particular, the EU has taken the lead in regulating



Big Tech and protecting digital rights. Conflicts about data privacy, usage, and cross-border data flows have arisen with international digital corporations, especially those with U.S. bases. Finding a balance between innovation and regulation - ensuring user protection without limiting technical advancement - is a common topic of discussion. The EU's overall objective of gaining digital sovereignty - more control over its data, infrastructure, and digital services to reduce dependency on outside suppliers and demonstrate its strategic independence in the digital realm - underpins these efforts.



## Further reading and resources

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All sources accessed September 15th, 2025.



**Co-funded by  
the European Union**

Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or the European Education and Culture Executive Agency (EACEA). Neither the European Union nor EACEA can be held responsible for them.

Project code: KA220-YOU-000286883