The European Union

March 2017
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2. Functioning
3. Treaties
4. Organs and institutions
Europe 70 years ago

The EU was born after the Second World War from the idea of ‘never again war’.

Berlin during the Second World War © FDFA
Enlargement steps of the EU

Applicant countries:
Albania, Macedonia, Montenegro, Serbia, Turkey

Founding states:
Belgium, France, Italy, Luxemburg, Netherlands, Germany

- **EU28** (2013)
  - Croatia

- **EU27** (2007)
  - Bulgaria, Romania

- **EU25** (2004)
  - Cyprus, Czech Rep., Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia

- **EU15** (1995)
  - Austria, Finland, Sweden

- **EC12** (1986)
  - Portugal, Spain

- **EC10** (1981)
  - Greece

- **EC9** (1973)
  - Denmark, Ireland, United Kingdom

- **EC6** (1957)
  - Founding states: Belgium, France, Italy, Luxemburg, Netherlands, Germany
Brexit – important steps

• 23.06.2016: Referendum on UK’s membership of the EU («Leave» 51.9%)

• 29.03.2017: UK formally notified the EU of its intent to leave, triggering art. 50 of the Treaty on European Union (TEU), which launches withdrawal negotiations

• Art. 50 TUE:
  • Since notification, a two-year time frame to complete the negotiations has been running
  • This period can be extended by unanimous agreement of the European Council, with the consent of the UK
Profile

- **Name**: European Union
- **Birthday**: 25 March 1957
- **Birthplace**: Rome
- **Principal residence**: Brussels
- **Marital status**: supranational alliance of sovereign states
- **Size**: 28 member states, >507m people, area of >4m km²
- **Weight**: Economy (GDP 2015): 13,490 bn EUR; trade (2014): share of global imports 15.5%, share of global exports 15.9% (Eurostat)
- **Official languages**: 24
- **Awards**: Nobel Peace Prize 2012
EU symbols

- **Flag**: A circle with twelve yellow stars against a blue background as a symbol of unity, solidarity and harmony among the peoples of Europe

- **Anthem**: ‘Ode to Joy’ by Ludwig van Beethoven

- **Europe Day**: 9 May – day of the Schuman Declaration of 1950, which laid the foundation of the European Union

- **Motto**: ‘United in diversity’ – the EU countries are committed to peace and prosperity while respecting Europe's different cultures and languages
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Political system and functioning

• The EU is a **supranational alliance** of sovereign states.

• By virtue of the **legal personality** it acquired after the coming into force of the Lisbon Treaty, the EU can be a signatory to international agreements.

• The member states cede some of their decision-making powers and competences to **community institutions**.

• EU institutions can act in only those areas that have been **defined in the treaties**. In such areas the legal instruments adopted by the Commission, Council of Ministers and Parliament are **legally binding** on the member states and take precedence over national law.

• The member states remain responsible for areas where they have not transferred powers to the EU, unless they are unable to achieve the proposed objectives (**principle of subsidiarity**).
Single market and four fundamental freedoms

**Single market:** area with no internal borders, in which the free movement of goods, persons, services and capital is ensured according to the provisions of the treaties (art. 26 TFEU)

1. **Free movement of persons:** all EU citizens can move freely, reside and take up work within the EU area.

2. **Free movement of goods:** goods are not subject to border controls, tariffs or quotas within the EU. This simplifies and promotes trade between member states.

3. **Free movement of services:** service providers from a EU state are free to offer their services in any state of the EU single market even without settling there.

4. **Free movement of capital:** restrictions on capital and payment transactions between states of the EU single market are prohibited.
The Economic and Monetary Union (EMU)

- Coordination of economic policy-making between member states
- Coordination of fiscal policies, notably through limits on government debt and deficit
- Independent monetary policy run by the European Central Bank (ECB)
- Single currency respectively euro area
- Member states: 19 states
Foreign and Security Policy

- **Objectives:** Through a joint approach in foreign and security policies, EU member states have pursued concerted action to safeguard the fundamental interests, values, safety, independence, and integrity of the EU.

- **Tasks:** preserving peace, strengthening international security, promoting international cooperation; cultivating democracy, rule of law, respect for human rights, and development and consolidation of fundamental freedoms

- Decision upon joint measures through a **Common Foreign and Security Policy (CFSP)**

- **European External Action Service (EEAS)** under leadership of the High Representative of the Union for Foreign Affairs and Security Policy, as well as the diplomatic services of the EU member states implement the CFSP.
Schengen

• Facilitates travel by **abolishing identity checks** at the Schengen internal borders

• Guarantees security thanks to closer **cross-border cooperation between the police and justice systems**, i.a. through the Schengen Information System (SIS II) and enhanced external border controls

• Common visa policy for short stays of not more than 3 months (**Schengen visa**)

Dublin

• Coordinates national responsibilities for asylum procedures

• Access to the EURODAC fingerprint data bank allows the identification of multiple and abusive asylum applications
The Schengen member states

- States of the Schengen Area
- Non Schengen Member States with special status
- Schengen Member State with special status
- Future Member States
- Associated States
EU budget

• The EU cannot itself impose taxes or levies. Instead, its three main sources of revenue are:

1. contributions by EU member states
2. a percentage of the member states’ value added tax revenues
3. import duties levied at the EU’s external borders

• Budget rather small, a little over 1% of the member states’ GDP

• About 90% of budget revenues flow back to the member states.

• The majority of EU spending is allocated to agriculture, the promotion of development of rural areas, structural and cohesion funds for financing sustainable development, in regional convergence, in competitiveness and in research and innovation.

• European Parliament and Council of Ministers have to adopt the EU budget every year. A binding financial framework is also adopted for seven years.
EU budget 2016 (bn EUR)

Total: 155.004

- Competitiveness for growth and jobs
- Economic, social and territorial cohesion
- Sustainable growth: natural resources
- Security and citizenship
- Global Europe
- Administration
- Special Instruments and compensation

Source: European Commission
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### EU Treaties – overview

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<th>Rome</th>
<th>Merger Treaty</th>
<th>Single European Act</th>
<th>Maastricht</th>
<th>Amsterdam</th>
<th>Nice</th>
<th>Lisbon</th>
</tr>
</thead>
</table>

- **European Union (EU)**
  - **European Coal and Steel Community (ECSC)**
    - **European Atomic Energy Community (EAEC / EURATOM)**
      - **European Economic Community (EEC)**
        - **European Community (EC)**
          - **European Communities**
          - **Common Foreign and Security Policy (CFSP)**
          - **Police and Judicial Co-operation in Criminal Matters (PJCC)**

  - **Dissolution of the organisation**
  - **Incorporation into new treaties**

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EU Treaties – timeline

2007
Treaty of Lisbon (in force since 1 Dec 2009)
Reform treaty with institutional innovations

2004
Constitutional Treaty (not entered into force)
Draft treaty on a constitution for the EU, simplification of the agreements

2001
Treaty of Nice
Institutional reform of the EU in view of the enlargement to 25 members

1997
Treaty of Amsterdam
Extension of the Community's competencies (qualified majority voting, co-decision of parliament)

1992
Treaty of Maastricht
Foundation of the European Union, single currency, structure of the three pillars

1986
Single European Act
Completion of single market

1957
Euratom Treaty
Civilian use of nuclear power

1957
EEC Treaty
Creation of the European Economic Community; Single market based on the ‘four freedoms'

1951
ECSC Treaty
Common Market for Coal and Steel
Treaty of Lisbon

Efficient and modern institutions

• More majority voting – less unanimity
• Permanent President of the European Council
• High Representative for Foreign and Security Policy
• European External Action Service

Simpler structure

• ‘European Communities’ → ‘European Union’

Democracy and participation

• Powers of the European Parliament are strengthened
• Citizens’ initiative
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Organs and institutions – overview
Organs and institutions 2016

European Council
- Heads of State or Government, President of the European Council, President of the European Commission

European Parliament
- 751 deputies
- Strasbourg/Brussels

Council of the European Union
- Ministers of the states
- Brussels

European Commission
- 28 commissioners
- Brussels

Court of Justice of the EU and Court of First Instance
- 28 judges each
- Luxembourg

European Central Bank
- 19 Euro countries
- Frankfurt

Court of Auditors
- 28 members
- Luxembourg

Economic and Social Committee
- 350 members

Committee of the Regions
- 350 members
Heads at the top of the EU

Jean-Claude Juncker (LU)
President of the European Commission

Martin Schulz (DE)
President of the European Parliament

Federica Mogherini (IT)
High Representative of the Union for Foreign Affairs and Security Policy, Vice-President of the European Commission

Donald Tusk (PL)
President of the European Council
The European Parliament

Competence

• Participation in law-making
• Decisions (jointly with the Council) on EU finances
• Supervision of the Commission
• Election and approval of members of the Commission and the Commission president

Composition and election

751 deputies. Direct elections every five years in each individual EU state. The EP is thus the only EU institution that is appointed through direct elections.

Main seat: Strasbourg
EP: Composition

Number of seats per member state 2016 (Total 751)

<table>
<thead>
<tr>
<th>Country</th>
<th>Seats</th>
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<tbody>
<tr>
<td>Germany</td>
<td>96</td>
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<tr>
<td>France</td>
<td>74</td>
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<tr>
<td>Italy</td>
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<td>UK</td>
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<td>Spain</td>
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<td>Poland</td>
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<td>Romania</td>
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<td>Netherlands</td>
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<td>Belgium</td>
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<td>Greece</td>
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<td>Denmark</td>
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<td>Latvia</td>
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<td>Slovenia</td>
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<td>Luxembourg</td>
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<td>Estonia</td>
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<td>Cyprus</td>
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<td>Malta</td>
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</tbody>
</table>
European Council

Competence

• **Highest political institution guiding the EU:** It ‘…provides the Union with the necessary impetus for its development and defines the general political directions and priorities thereof’ (article 15 TUE).

• As the highest EU institution, it seeks to achieve compromises in contentious matters and negotiations.

Composition and election

• Heads of state and government, the presidents of the European Council and the European Commission

• The Council convenes for the **EU summit** at least twice every six months. The permanent president of the European Council prepares and chairs the summit and gets appointed by the Council for a term of two and a half years; this term can be extended once for the same duration.
Council of the EU (Council of Ministers)

Competence

• Jointly with the European Parliament responsible for EU legislation and the EU budget

• Coordinates economic and social policy. Sole decision-making body with regard to the Common Foreign and Security Policy and certain areas of trade and social policy

Composition

• Varies by policy area: each composition consists of one representative per member state, who is authorised by his or her government to take binding decisions.
Council of the EU: voting system

Qualified majority (double majority)
• 55% of all EU states representing at least 65% of the EU population
• Blocking minority: at least four members of the Council representing over 35% of the EU population

Ordinary legislative procedure

Simple majority
• at least 15 members of the Council

For procedural and administrative matters

Unanimity
• requires approval of all members of the Council (abstention possible)

For sensitive matters such as taxation and foreign policy
Council of the EU: weighting of votes

Number of votes per member state 2016 (Total 352)
European Commission

Competence

• Ensures the correct implementation of legislation, **administrers** the budget and is responsible for framework and promotion programmes
• Guardian of the treaties: **monitors** compliance with EU laws and brings cases of possible non-compliance before the European courts
• Regarding legislation exclusive **right of initiative** for legislative proposals
• **Negotiates** international treaties at the international level and represents the EU in certain international organisations (e.g. WTO)

Composition and election

• 28 Commissioners: one per EU member state, among them the Commission President and the Vice-Presidents
• The Commission President is nominated by the European Council and elected by the Parliament. Commissioners are appointed by national governments. Parliament approves the election.
Further organs and institutions

- **Court of Justice of the European Union (CJEU):** the EU’s judicial authority: ensures that the law is respected in the interpretation and application of EU treaties.

- **European Court of Auditors (ECA):** audits the EU’s finances: examines the use of financial resources by EU institutions.

- **European Central Bank (ECB):** responsible for monetary policy in the Eurozone.

- **European Economic and Social Committee (EESC):** composed of representatives from European interest groups, advices EU institutions, gives opinions on EU draft laws.

- **Committee of the Regions (CoR):** comprises representatives of local and regional authorities, advices EU institutions on issues concerning local and regional governments (e.g. environment, education, public health).

- **European External Action Service (EEAS):** shapes the diplomatic relations of the EU, headed by the High Representative of the EU for Foreign and Security Policy.
Further information

• Switzerland’s European policy
  www.fdfa.admin.ch/europe_en

• Publications
  www.fdfa.admin.ch/europe/publication

• Free movement of persons
  www.personenfreizuegigkeit.admin.ch (German)