



Engineering Practice in the European Union

Lecture No 3.

HOW THE EU WORKS?

TASKS AND RESPONSIBILITIES OF INSTITUTIONS AND BODIES, COMMON POLICIES AND COORDINATION OF NATIONAL INTERESTS

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RECOMMENDED READINGS

❖ European Union

http://europa.eu/about-eu/institutions-bodies/index_en.htm

❖ EUROPA - European Union official website

http://europa.eu/index_en.htm

❖ European Union - European organization

<http://www.britannica.com/topic/European-Union>

❖ Europedia

http://www.europedia.moussis.eu/books/Book_2/1/index.tkl?term=common%20policies&s=1&e=20&pos=1&all=

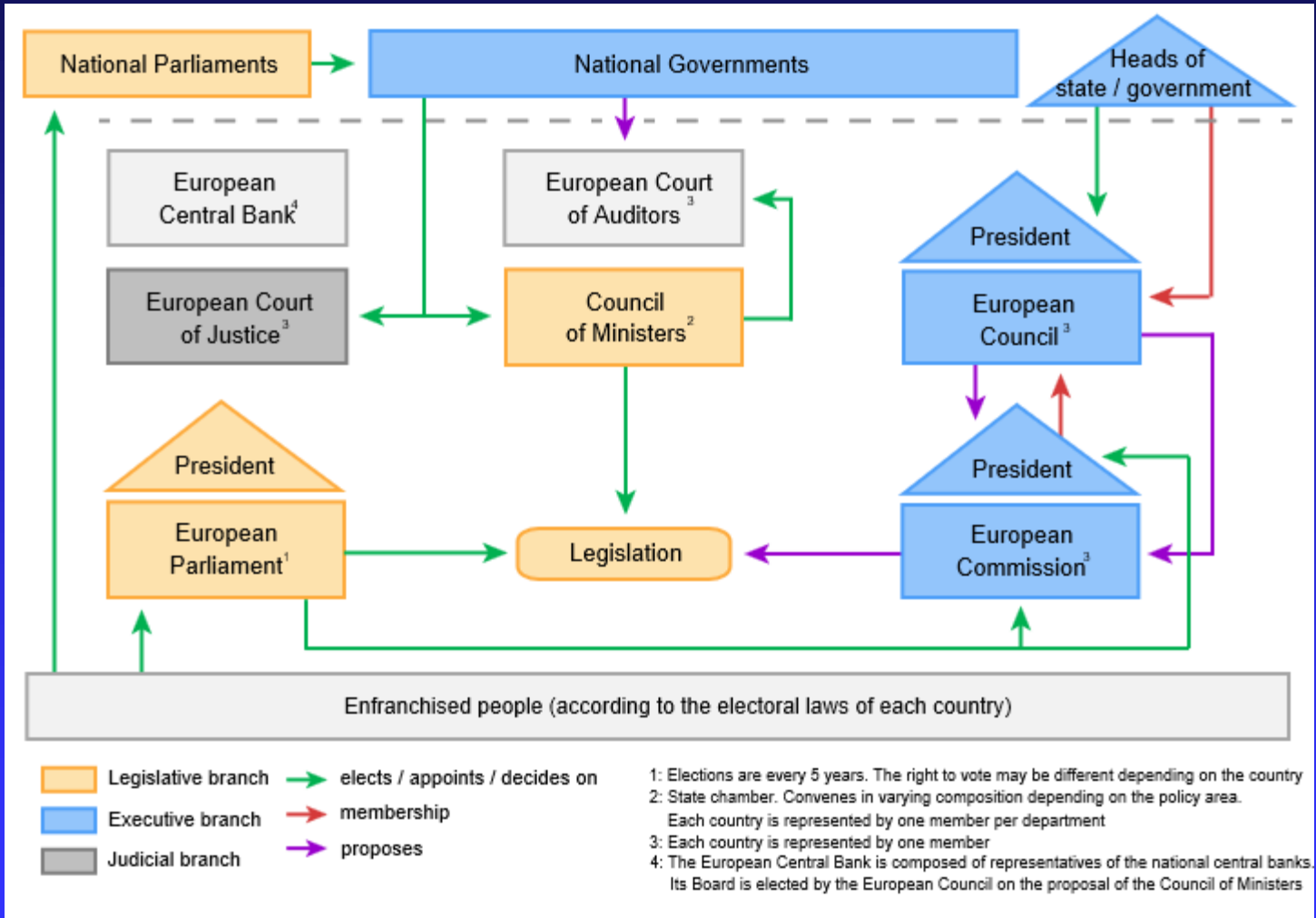


EU COMMON POLICIES

- ❖ **The fundamental elements of the multinational integration process are common policies built by common institutions, pursuing common goals and serving common interests**
- ❖ **Regional and social common policies pursue the objective of economic and social cohesion**
- ❖ **Common policies on taxation, State-aid, competition and environment protection ensure a level playing field for European businesses**
- ❖ **The foreign, security and defense policy aims to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms**
- ❖ **Industry, energy, transports and agriculture are organised gradually at European level by specific legislation adopted in the context of sectoral common policies**



POLITICAL SYSTEM OF THE EU





INSTITUTIONAL SET-UP

- ❖ Directly elected MEPs represent European citizens in the *European Parliament*
- ❖ EU's priorities are set by the *European Council*, which includes national and EU leaders
- ❖ Interests of the EU as a whole are promoted by the *European Commission*, whose members are appointed by national governments
- ❖ Governments defend their own country's national interests in the *Council of the European Union* (composed from ministers)



MAIN EU INSTITUTIONS & BODIES

1

1. **European Parliament** *(legislative)*
2. **European Council** *(strategic)*
3. **Council of the European Union** *(legislative)*
4. **European Commission** *(executive)*
5. **Court of Justice of the European Union (CJEU)** *(judiciary)*
6. **European Central Bank (ECB)** *(financial)*
7. **European Court of Auditors (ECA)** *(supervisory)*
 - ❖ *European External Action Service (EEAS)*
 - ❖ *European Economic and Social Committee (EESC)*
 - ❖ *Committee of the Regions (CoR)*
 - ❖ *European Investment Bank (EIB)*
 - ❖ *European Ombudsman*
 - ❖ *European Data Protection Supervisor (EDPS)*



MAIN EU INSTITUTIONS & BODIES

2





EU LAW

- ❖ The European Union is based on the ***rule of law***, i. e. every action taken by the EU is founded on treaties that have been approved voluntarily and democratically by all EU member countries (ratification by elected national parliaments)
- ❖ EU law is divided into 'primary' and 'secondary' legislation; the ***treaties*** (primary legislation) are the basic or ground rules for all EU action
- ❖ Secondary legislation – which includes ***regulations, directives and decisions*** – are derived from the principles and objectives set out in the **treaties**



THE EUROPEAN PARLIAMENT



1

- ❖ **The European Parliament is the EU's law-making body**
- ❖ **It is directly elected by EU citizens/voters every 5 years in all Member Countries**
- ❖ **Established in: 1952 as Common Assembly of the European Coal and Steel Community; 1962 as European Parliament**
- ❖ **First direct elections were held in 1979, the latest one (until now) in May 2014, next in 2019**



THE EUROPEAN PARLIAMENT



2

- ❖ EU institution with legislative, supervisory, and budgetary responsibilities
- ❖ Members: 751 MEPs (**M**embers of the **E**uropean **P**arliament) forming political groups
- ❖ Current President (since 17 January 2017): **Antonio Tajani** (Italy, EPP)
- ❖ Location: Strasbourg (France), Brussels (Belgium) and Luxembourg





EUROPEAN PARLIAMENT BUILDING IN BRUSSELS





EUROPEAN PARLIAMENT BUILDING IN STRASBOURG



Timár, 2017



WHAT DOES THE EUROPEAN PARLIAMENT (*EP*) DO?

❖ In its *legislative* role:

- ❖ Passing EU laws, together with the Council of the EU, based on European Commission proposals
- ❖ Deciding on international agreements
- ❖ Deciding on enlargements
- ❖ Reviewing the Commission's work programme and asking it to propose legislation

❖ In its *supervisory* role:

- ❖ Democratic scrutiny of all EU institutions
- ❖ Electing the Commission President and approving the Commission as a body. Power of voting a motion of censure, obliging the Commission to resign
- ❖ Granting discharge, i.e. approving the way EU budgets have been spent
- ❖ Examining citizens' petitions and setting up inquiries
- ❖ Discussing monetary policy with the European Central Bank
- ❖ Questioning Commission and Council
- ❖ Election observations

❖ In its *budgetary* role:

- ❖ Establishing the EU budget, together with the Council of the EU
- ❖ Approving the EU's long-term budget, the "Multiannual Financial Framework"





COMPOSITION OF *EP*



1

- ❖ The number of MEPs for each (28) country is roughly proportionate to its population, but this is by degressive proportionality: no country can have fewer than 6 or more than 96 MEPs and the total number cannot exceed 751 (750 plus the President)
- ❖ MEPs are grouped by political affiliation, not by nationality
- ❖ The President represents Parliament to other EU institutions and the outside world and gives the final go-ahead to the EU budget



POLITICAL GROUPS IN *EP*



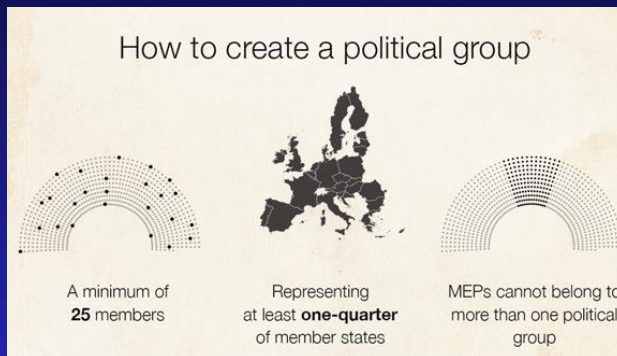
- ❖ **The political groups of the EU Parliament reflecting a range of political affiliations:**
 - ❖ **European People's Party (EPP)**
 - ❖ **Progressive Alliance of Socialists and Democrats (S&D)**
 - ❖ **Group of the Alliance of Liberals and Democrats for Europe (ALDE),**
 - ❖ **European Conservatives and Reformists (ECR)**
 - ❖ **The Greens–European Free Alliance (Greens–EFA)**
 - ❖ **European United Left–Nordic Green Left (GUE-NGL)**
 - ❖ **Europe of Freedom and Direct Democracy (EFDD)**
 - ❖ **Europe of Nations and Freedom (ENL)**
 - ❖ **Non-inscrits/Non-attached (NI)**



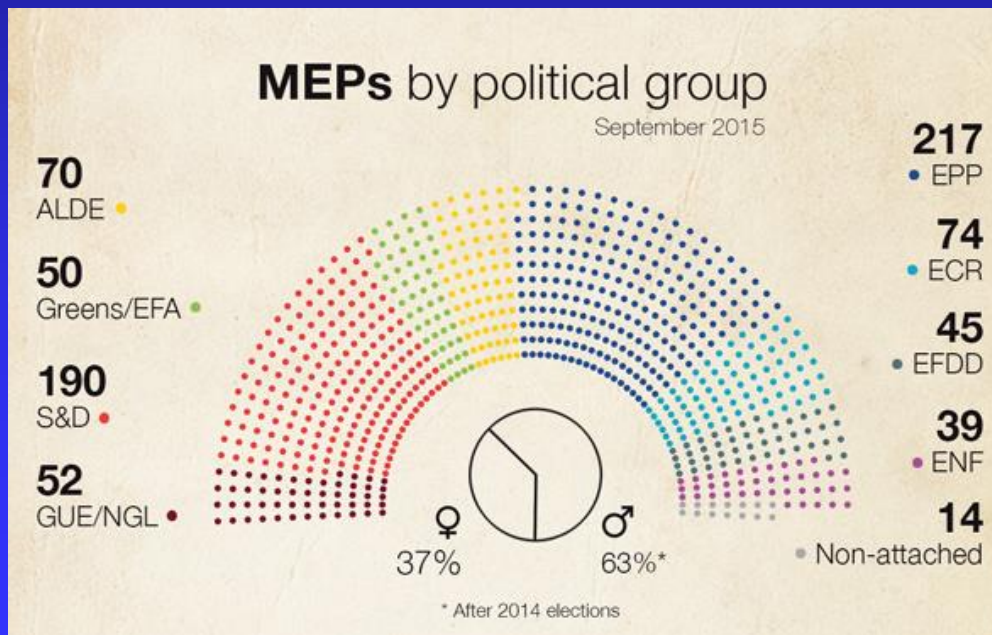
COMPOSITION OF EP



2



| | EUROPEAN COMMISSION | S&D | ELDR | AD | RENEW | THE LEFT | EFDD | ENF | NI | TOTAL |
|----------------------------|---------------------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| BE | 4 | 4 | 4 | 6 | | | 2 | | 1 | 21 |
| BG | 7 | 4 | 2 | 4 | | | | | | 17 |
| CY | 7 | 4 | 2 | 4 | 2 | | | 1 | | 20 |
| DK | 1 | 3 | 4 | 3 | 1 | 1 | | | | 13 |
| DE | 34 | 27 | 8 | 4 | 8 | 13 | | | 2 | 96 |
| EE | 1 | 1 | | 3 | | 1 | | | | 6 |
| IE | 4 | 1 | 1 | 1 | 4 | | | | | 11 |
| IT | 5 | 4 | 1 | | 6 | | | | 5 | 21 |
| ES | 17 | 14 | | 8 | 11 | 4 | | | | 54 |
| FR | 20 | 13 | | 7 | 4 | 6 | 1 | 20 | 3 | 74 |
| GR | 5 | 2 | 1 | 2 | | 1 | | | | 11 |
| HR | 15 | 31 | 2 | | 3 | | 17 | 5 | | 73 |
| HU | 2 | 2 | | | 2 | | | | | 6 |
| PL | 4 | 1 | 1 | 1 | | 1 | | | | 8 |
| PT | 2 | 2 | 1 | 4 | | 1 | 1 | | | 11 |
| RO | 3 | 1 | | 1 | | 1 | | | | 6 |
| Slovakia | 12 | 4 | | | | 2 | | | 3 | 21 |
| SI | 3 | 3 | | | | | | | | 6 |
| SK | 5 | 3 | 2 | 7 | 3 | 2 | | 4 | | 28 |
| CZ | 5 | 5 | | 1 | | 3 | | 4 | | 18 |
| UK | 23 | 5 | 19 | | | | 1 | 2 | 1 | 51 |
| EUROPEAN COMMISSION | 7 | 8 | | 2 | 4 | | | | | 21 |
| EUROPEAN PARLIAMENT | 12 | 15 | 1 | 3 | | | | 1 | | 32 |
| EUROPEAN COURT OF JUSTICE | 5 | 1 | | 1 | | 1 | | | | 8 |
| EUROPEAN OMBUDSMAN | 6 | 4 | 3 | | | | | | | 13 |
| EUROPEAN COURT OF AUDITORS | 3 | 2 | 2 | 4 | 1 | 1 | | | | 13 |
| EUROPEAN COURT OF JUSTICE | 4 | 6 | | 3 | 1 | 4 | 2 | | | 20 |
| EUROPEAN COURT OF JUSTICE | | 20 | 21 | 1 | 1 | 6 | 22 | 1 | 1 | 73 |
| TOTAL | 216 | 190 | 75 | 70 | 51 | 50 | 45 | 38 | 15 | 750 |





HOW DOES THE *EP* WORK?



- ❖ **Parliament's work comprises two main stages:**
 - ❖ ***Committees - to prepare legislation***

The Parliament numbers 20 committees and two subcommittees, each handling a particular policy area; the committees examine proposals for legislation, and MEPs and political groups can put forward amendments or propose to reject a bill - these issues are also debated within the political groups
 - ❖ ***Plenary sessions – to pass legislation***

This is when all the MEPs gather in the chamber to give a final vote on the proposed legislation and the proposed amendments. Normally held in Strasbourg for four days a month, but sometimes there are additional sessions in Brussels



EUROPEAN COUNCIL



1

- ❖ Strategic institution, defines the general political direction and priorities of the EU
- ❖ Members: Heads of state or government of EU countries, European Commission President, High Representative for Foreign Affairs & Security Policy
- ❖ Currently EU President: *Donald Tusk* (Poland)
- ❖ Currently EU High Representative: *Federica Mogherini* (Italy)
- ❖ Established in: 1974 (informal forum), 1992 (formal status), 2009 (official EU institution)
- ❖ Location: Brussels (Belgium)





EUROPEAN COUNCIL



2

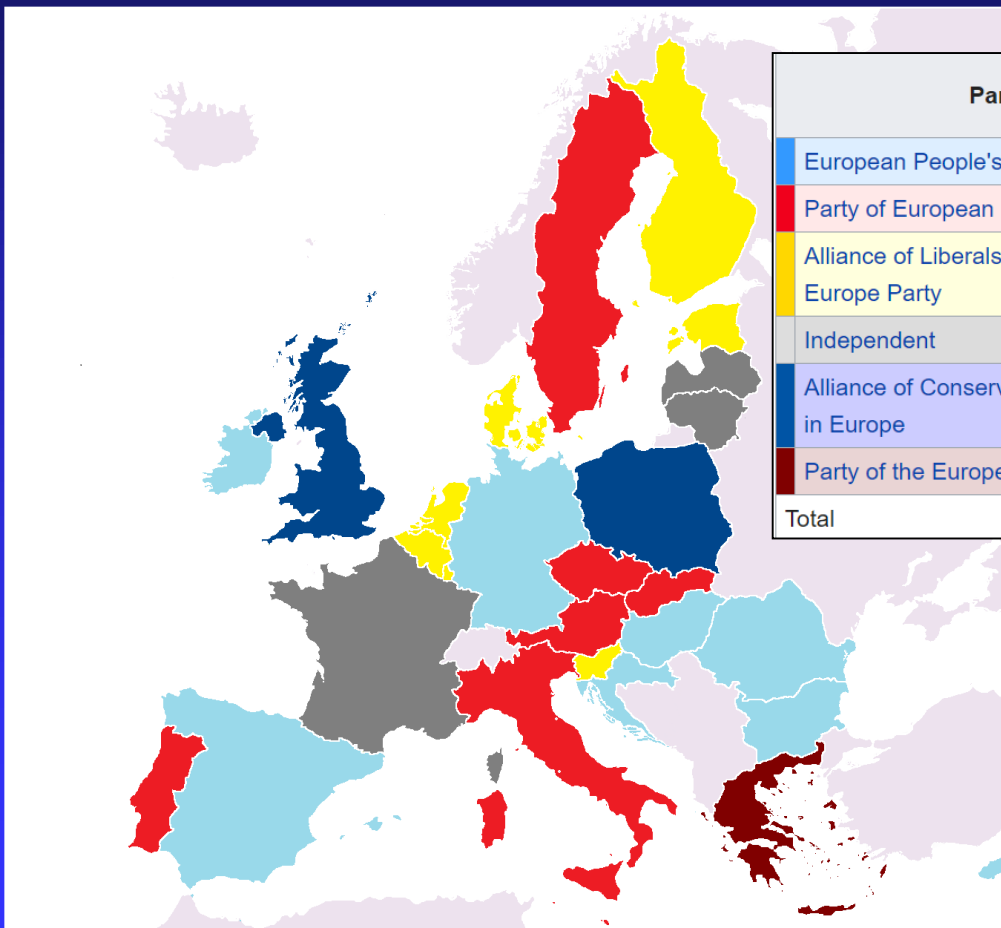
- ❖ It is convened and chaired by its President, who is elected by the European Council itself for a once-renewable two-and-a-half-year term (the President represents the EU to the outside world)
- ❖ It represents the highest level of political cooperation between EU countries (*EU Summit*)
- ❖ The Council takes the form of (usually quarterly) summit meetings between EU leaders
- ❖ It generally decides issues by consensus – but by unanimity or qualified majority in some cases (only the heads of state/government can vote)



EUROPEAN COUNCIL



3



| Party | Number of seats | Share of population |
|---|-----------------|---------------------|
| European People's Party | 8 | 34.25% |
| Party of European Socialists | 7 | 20.87% |
| Alliance of Liberals and Democrats for Europe Party | 7 | 8.54% |
| Independent | 3 | 14.00% |
| Alliance of Conservatives and Reformists in Europe | 2 | 20.22% |
| Party of the European Left | 1 | 2.11% |
| Total | 28 | 100% |

The Member States of EU by the European party affiliations of their leaders, as of 04. October 2017



WHAT DOES THE EU COUNCIL DO?



- ❖ Decides on the EU's overall direction and political priorities – but *does not pass laws*
- ❖ Deals with complex or sensitive issues that cannot be resolved at lower levels of intergovernmental cooperation
- ❖ Sets the EU's common foreign & security policy, taking into account EU strategic interests and defence implications
- ❖ Nominates and appoints candidates to certain high profile EU level roles, such as the ECB and the Commission
- ❖ On each issue, the European Council can:
 - ❖ ask the *European Commission* to make a proposal to address it
 - ❖ pass it on to the *Council of the EU* to deal with



EUROPEAN COUNCIL'S BUILDING, BRUSSELS



EUROPA BUILDING



EUROPEAN COMMISSION (*EC*)



- ❖ Promotes the general interest of the EU by proposing and enforcing legislation as well as by implementing policies and the EU budget
- ❖ It is the EU's politically independent executive arm (but is *not a federal government*)
- ❖ Members: A team or 'College' of Commissioners, 1 from each EU country (currently 28)
- ❖ Current President: *Jean-Claude Juncker*
- ❖ Year established: 1958
- ❖ Location: Brussels (Belgium)





WHAT DOES THE *EC* DO?



- ❖ **Proposes laws for adoption by the Parliament and the Council that:**
 - ❖ protect the interests of the EU and its citizens on issues that can't be dealt with effectively at national level
 - ❖ get technical details right by consulting experts and the public
- ❖ **Manages EU policies & allocates EU funding**
 - ❖ Sets EU spending priorities, together with the Council and Parliament
 - ❖ Draws up annual budgets for approval by the Parliament and Council
 - ❖ Supervises how the money is spent, under scrutiny by the *Court of Auditors*
- ❖ **Enforces EU law**
 - ❖ Together with the Court of Justice, ensures that EU law is properly applied in all Member Countries
- ❖ **Represents the EU internationally**
 - ❖ Speaks on behalf of all EU countries in international bodies, in particular in areas of trade policy and humanitarian aid
 - ❖ Negotiates international agreements for the EU



COMPOSITION OF THE *EC*



- ❖ Political leadership is provided by a team of (currently 28) Commissioners (one from each EU country) – led by the Commission President, who decides who is responsible for which policy area
- ❖ The College of Commissioners, includes the President of the Commission, his seven Vice-Presidents, among them the First Vice-President, and the High-Representative of the Union for Foreign Policy and Security Policy, and 20 Commissioners in charge of various portfolios
- ❖ The day-to-day running of Commission business is performed by its staff (lawyers, economists, etc.), organised into departments known as Directorates-General (DGs), each responsible for a specific policy area



HOW DOES THE *EC* WORK?



1

- ❖ The President defines the policy direction for the Commission, which enables the Commissioners together to decide strategic objectives, and produce the annual work programme
- ❖ Decisions taken are based on collective responsibility; all Commissioners are equal in the decision-making process and equally accountable for these decisions
- ❖ Priority projects are defined to help ensure that the College works together in a close and flexible manner



HOW DOES THE *EC* WORK?



2

- ❖ In general, decisions are made by consensus, but votes can also take place; in this case, decisions are taken by simple majority, where every Commissioner has one vote
- ❖ The relevant DG (headed by a Director-General, answerable to the relevant Commissioner) then takes up the subject; this usually done in the form of draft legislative proposals
- ❖ These are then resubmitted to the Commissioners for adoption at their weekly meeting, after which they become official and are sent to the Council and the Parliament for the next stage in the EU legislative process



HQ OF THE *EC*

(Berlaymont Building, Brussels)



Timár, 2017



COUNCIL OF THE EUROPEAN UNION



1

- ❖ Meeting of government ministers from each EU country to discuss, amend and adopt laws, and coordinate policies
- ❖ Members: relevant *Government ministers* from each EU country, according to the policy area to be discussed
- ❖ President: Each EU country holds the presidency on a 6-month rotating basis
- ❖ Established in: 1958 (as Council of the European Economic Community)
- ❖ Location: Brussels (Belgium)



COUNCIL OF THE EUROPEAN UNION



- ❖ There are no fixed members of the Council of the EU. Instead, the Council of the EU meets in 10 different configurations, each corresponding to the policy area being discussed
- ❖ Depending on the configuration, each country sends their minister responsible for that area
- ❖ The ministers have the authority to commit their governments to the actions agreed on in the Council of the EU meetings
- ❖ Together with the European Parliament, the Council of the EU is the main decision-making body of the EU (co-decision procedure)



COUNCIL OF THE EU CONFIGURATIONS



1. **Agriculture and fisheries**
2. **Competitiveness**
3. **Economic and financial affairs (ECOFIN)**
4. **Education, youth, culture and sport**
5. **Employment, social policy, health and consumer affairs**
6. **Environment**
7. **Foreign affairs**
8. **General affairs**
9. **Justice and home affairs**
10. **Transport, telecommunications and energy**



LEGISLATIVE PROCEDURES



Ordinary

COMMISSION

proposes
legislation

COUNCIL

PARLIAMENT

codecision

The Council, acting either unanimously or by a qualified majority depending on the policy area concerned, can adopt legislation based on a proposal by the Commission after consulting the European Parliament

Special

The Council can adopt legislation based on a proposal by the European Commission after obtaining the consent of Parliament. Thus Parliament has the legal power to accept or reject any proposal but no legal mechanism exists for proposing amendments

consultation

consent

LEGAL ACTS: REGULATION, DIRECTIVE, ETC.



COUNCIL OF THE EUROPEAN UNION



3

- ❖ Not to be confused with:
 - ❖ *European Council* - quarterly summits, where EU leaders meet to set the broad direction of EU policy making
 - ❖ *Council of Europe* - not an EU body at all
- ❖ The Foreign Affairs Council has a permanent chairperson - the EU High Representative for Foreign Affairs and Security Policy
- ❖ All other Council meetings are chaired by the relevant minister of the country holding the rotating EU presidency



THE ROTATING PRESIDENCY



- ❖ The presidency of the Council rotates among the EU member states every 6 months; during this period, the presidency chairs meetings at every level in the Council, ensuring the continuity of the EU's work
- ❖ Introduced by the Lisbon Treaty in 2009, Member States holding the presidency work together closely in groups of three, called 'trios'
- ❖ The trio sets long-term goals and prepares a common agenda determining the topics and major issues that will be addressed by the Council over 18 (3x6) month period



WHAT DOES THE COUNCIL OF THE EU DO?



- ❖ **Negotiates and adopts EU laws, together with the European parliament, based on proposals from the European Commission**
- ❖ **Coordinates EU countries' policies**
- ❖ **Develops the EU's foreign & security policy, based on European Council guidelines**
- ❖ **Concludes agreements between the EU and other countries or international organisations**
- ❖ **Adopts the annual EU budget - jointly with the European Parliament (co-decision)**



COUNCIL OF THE EUROPEAN UNION



4

- ❖ Overall consistency is ensured by the **General Affairs Council** - supported by the **Permanent Representatives Committee (COREPER)** composed of EU countries' **Permanent Representatives to the EU**, who are, in effect, **national ambassadors to the EU**
- ❖ **Eurozone countries coordinate their economic policy through the Eurogroup**, which consists of their **economy and finance ministers**, which meets the day before **Economic & Financial Affairs Council (ECOFIN)** meetings



HOW DOES THE COUNCIL OF THE EU WORK?



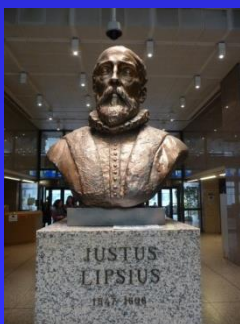
- ❖ All discussions & votes take place in public
- ❖ To be passed, decisions usually require a qualified majority:
 - ❖ 55% of countries (with 28 current members, this means 16 countries)
 - ❖ representing at least 65 % of total EU population
- ❖ To block a decision, at least 4 countries are needed (representing at least 35% of total EU population)
- ❖ Exception - sensitive topics like foreign policy and taxation require a *unanimous vote*
- ❖ *Simple majority* is required for procedural & administrative issues



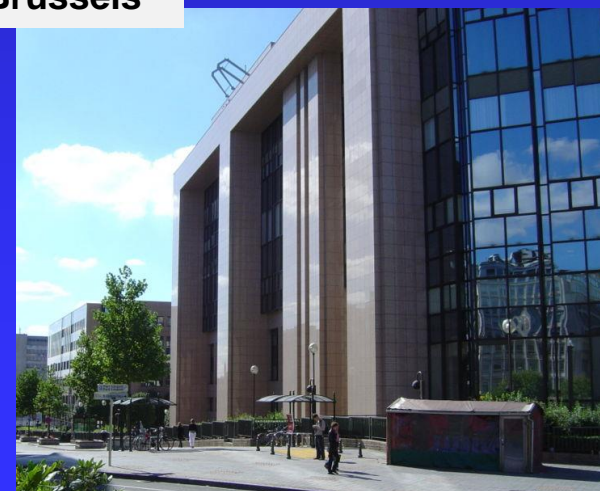
HQ OF THE COUNCIL OF THE EU



Justus Lipsius Building, Brussels



Timár, 2017





COURT OF JUSTICE OF THE EU (*CJEU*)



1

- ❖ Interprets EU law to make sure it is applied in the same way in all EU countries and settles legal disputes between national governments and EU institutions
- ❖ **Composition:**
 - ❖ Court of Justice (ECJ): 1 judge from each EU country, plus 11 Advocates General
 - ❖ General Court: 1 judge from each EU country
 - ❖ Civil Service Tribunal: 7 judges
- ❖ **Established in: 1952**
- ❖ **Location: Luxembourg**



COURT OF JUSTICE OF THE EU (*CJEU*)



2

- ❖ *Court of Justice* hears applications from national courts for preliminary rulings, annulment and appeals;
- ❖ *General Court* hears applications for annulment from individuals, companies and less commonly, national governments (focusing on competition law, State aid, trade, agriculture and trade marks related disputes); and
- ❖ *Civil Service Tribunal* is a specialised court which hears disputes between the EU and its staff



WHAT DOES THE *CJEU* DO?



- ❖ **The Court gives rulings on cases brought before it; the most common types of case are:**
 - ❖ **interpreting the law (preliminary rulings)**
 - ❖ **enforcing the law (infringement proceedings)**
 - ❖ **annulling EU legal acts (actions for annulment)**
 - ❖ **ensuring the EU takes action (actions for failure to act)**
 - ❖ **sanctioning EU institutions (actions for damages)**



HOW DOES THE *CJEU* WORK?



- ❖ Each judge and advocate general is appointed for a renewable 6-year term, jointly by national governments; in each Court, the judges select a President who serves a renewable term of 3 years
- ❖ Each case is assigned to 1 judge (the "*judge-rapporteur*") and to 1 advocate general
- ❖ Cases are processed in 2 stages:
 - ◆ *written stage* (the parties give written statements to the Court, the rapporteur summarises them and the Court decides: how many judges (3, 5 or 15) will deal with the case depending on its importance and complexity
 - ❖ *oral stage* – a public hearing (lawyers from both sides can put their case to the judges and the Advocate General) the judges then deliberate and give their verdict



THE BUILDING OF *CJEU* (Luxembourg)





EUROPEAN CENTRAL BANK (*ECB*)



- ❖ Manages the euro and frames and implements EU economic & monetary policy
- ❖ Its main aim is to keep prices stable, thereby supporting economic growth and job creation
- ❖ Works independently from national governments
- ❖ Currently President: *Mario Draghi (Italy)*
- ❖ Members: ECB President and Vice-President and governors of national central banks from all EU countries
- ❖ Established in: 1998
- ❖ Location: Frankfurt (Germany)





WHAT DOES THE *ECB* DO?

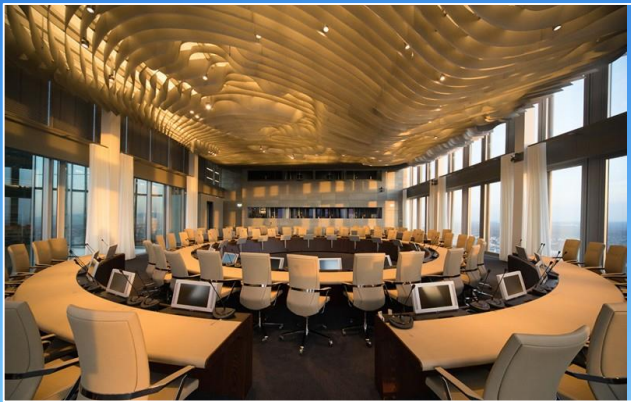


- ❖ Sets the interest rates at which it lends to commercial banks in the Eurozone thus controlling money supply and inflation
- ❖ Manages the Eurozone's foreign currency reserves & buying or selling of currencies to balance exchange rates
- ❖ Ensures that financial markets & institutions are well supervised by national authorities and that payment systems work well
- ❖ Ensures the safety and soundness of the European banking system
- ❖ Authorises production of euro banknotes by eurozone countries
- ❖ Monitors price trends and assesses risks to price stability



HQ OF THE *ECB*

(Frankfurt am Main, opened 2015)





EUROPEAN COURT OF AUDITORS (*ECA*)



- ❖ As the EU's independent external auditor, the *European Court of Auditors* (ECA) is the guardian of the financial interests of EU citizens/taxpayers
- ❖ It doesn't have legal powers, but works to improve the European Commission's management of the EU budget and presents annual report on the previous fiscal year
- ❖ Gives its opinion on EU financial legislation, aiming to promote accountability and transparency
- ❖ President: *Klaus-Heiner Lehne* (D, since 13.09.2016)
- ❖ Members: 1 from each EU Member State
- ❖ Established in: 1977
- ❖ Location: Luxembourg





WHAT DOES THE *ECA* DO?



- ❖ Audits EU revenue & expenditure, to check EU funds are correctly raised, spent, achieve value for money and accounted for
- ❖ Checks any person or organisation handling EU funds – including spot checks in EU institutions (especially the Commission), EU countries and countries receiving EU aid
- ❖ Writes up findings and recommendations in audit reports, for the European Commission and national governments
- ❖ Reports suspected fraud, corruption or other illegal activity to the European Anti-Fraud Office (OLAF)
- ❖ Produces an annual report for the European parliament and Council of the EU
- ❖ Gives its expert opinion to EU policymakers on how EU finances could be better managed



HOW DOES THE *ECA* WORK?



- ❖ It carries out 3 types of audit:
 - ❖ Financial audits – checking that accounts accurately present the financial position, results and cash flow for the year
 - ❖ Compliance audits – checking that financial transactions follow the rules
 - ❖ Performance audits – checking that the EU funds achieve its goals with the fewest possible resources and in the most economical manner
- ❖ The Court is divided into audit groups called '*chambers*'; they prepare reports & opinions for Court members to adopt, thus making them **official**



HQ OF *ECA*

(Luxembourg)



EUROPEAN
COURT
OF AUDITORS



Timár, 2017