European Union on Demand

An Overview of Some Key Policies of the European Union

Second Edition

ŠPELA MAJCEN
NADA TRUNK ŠIRCA

ToKnowPress

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Špela Majcen and Nada Trunk Širca

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Foreword

European Union on Demand simply, concisely and transparently presents basic information on the European Union (EU). Anyone, regardless of their age, can find out almost anything on the EU, which an EU citizen should know.

European Union policy has an important influence on the lives of individuals, communities and individual countries. However, sometimes EU citizens are not aware of the importance and influence of these policies, which are, when correctly understood generally positive for both countries and individuals. The complexity of EU policies makes it impossible for the individual to be actively involved in shaping policies. Therefore, education on the role and content of the EU should be a component of the curricula on all levels of education.

This book is mainly addressing the young people, students of different countries and nationalities who do not have any EU themed content on their study programme and to serve as study material in programme subjects on the EU which are not based on European studies.

In deepening and widening their knowledge on the European Union, young people (and others) will discover what options and opportunities the European Union offers them to increase the awareness of European identity and citizenship. This will encourage young people to be active citizens and thus become actively involved in forming future regulations, policies, and principles in our European Union. In strengthening active citizenship we also encourage the development of competencies young people need to efficiently be included in a fast changing society, transnational European education environment and common labour market.

The book is written in English as it is meant for all young people and EU citizens. The majority of the content which relates to links on the official EU webpage, is published in all official EU languages, thus the text is used simultaneously in different language environments and is always up to date.

This book is the second edition of the book which was first published in 2015 by ToKnowPress and prepared within the framework

of the EACEA projects by International School for Social and Business Studies (ISSBS). ISSBS is a flexible and relative small higher education institution in the north-eastern part of Slovenia specialised in the field of business and social studies at bachelors, masters and PhD levels, with the main focus on social responsibility. In 2012, ISSBS has carried out the JM Learning at schools project 'EU PIKA' (EU policies, institutions, cooperation, actions), and in 2013, the JM Learning at schools project 'EU PIK@' (EU enterprises, innovation) with more than 500 participants for each project (in total more than 1000 participants) with different levels of schooling involved. From 2013 to 2016 (3 years), ISSBS was implementing the JM module EU LAJF (EU learning, actions, jobs and fun) at Bachelors level, and in 2016/2017 carried out an elective the course EU LAJF also without JM support. In 2017, ISSBS became holder of a JM project 'EU Integration and Financial Education' (€U-INFED), which was successfully completed in August 2018. Also in 2017, prof. dr. Nada Trunk Širca became a JM chair with successful application 'EU Integration; European HE Area and Labour Market' (EU:HELM). With projects such as EU PIK@ and €U-INFEDISSBS strengthened its connections with elementary and high schools in the Savinja region and through modules EU LAJF and chair EU:HELM, connections with higher education institutions that are implementing non-EU related programmes, have been enhanced. In 2018, ISSBS has begun with a three-year JM module 'EU Integration and Monetary Policies' (€U-IMOP). ISSBS is becoming a widely recognised institution in the region for promoting EU topics at schools at different levels, especially for high education students from different (i.e., non-EU-related) disciplines.

In order to enhance/highlight visibility of ISSBS as central institution for promoting EU studies, have been introduced also:

- Website of JM projects – Learn EU (https://learn-eu.net), in order to contribute to synergies of the JM projects.
- Special EU section in frame of MakeLearn conference (https://makelearn.mfdps.si/call/#tracks).

The Jean Monnet programme aims at stimulating teaching, research and reflection in the field of European integration studies at the level of higher education institutions within and outside the European Community. European integration studies are defined as

the analysis of the origins and evolution of the European Communities and the European Union in all its aspects. They cover both the internal and external dimension of European integration, including the European Union's role in the dialogue between peoples and cultures and the European Union's role and perception in the world.

Dr Aleš Trunk

EU:HELM JM Chair
€U-iMoP JM Module
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Introduction

Whatever we do and wherever we are, individuals are a part of a reality, influenced among other also by political structure of the society. In order to achieve greatest gains from any activity, it is therefore beneficial to know how policies are adopted and how we can influence them in a way to bring us additional advantages.

The European Union (EU) is a reality not only for its citizens and Europeans but also for foreign partners. It is a unique political system that has until now not yet been replicated in any other region in the world. It is more than an international organisation and less than a State. *The* sui generis *form of the* EU *makes it a complex yet interesting topic to study, as well as a challenging environment hiding many possibilities for those who know how to harness them.*

This book was prepared in a way that will allow the reader to constantly follow the dynamic process of EU policy making and changing rules, related to our everyday life. Practical examples of implementation of EU legislation are offered and future prospects announced.

The book is organised in four main chapters and a number of sub-chapters. The first chapter covers an overview of the evolution of EU integrations, its legal basis, fundamental values and institutions. The following three chapters focus on policies, dividing them into economic integration policies, monetary policies and political cooperation.

To allow readers to engage actively in the EU decision-making process, introductions of the policy chapters offer an overview of key decision-makers and other players in various policy fields. The sub chapters then give a more detailed view into the individual policies, including live links to relevant contents online. This allows the book to remain up to date even when a new document is adopted or additional rules enter into force. Readers can check latest news with a simple click of the mouse on the symbol at the right☞.

Chapter One

Europeans: Who We Are and How We Function

Starting the journey into the functioning and politics of the European Union (EU) it is almost impossible to ignore a specific debate, which is close to the hearts of political scientists dealing with Europe. We often ask ourselves 'What is Europe?,' 'Who are Europeans' and 'Does a European identity exist?' Geographically speaking, Europe is not a real continent. Looking back into the textbooks, Europe's geographic borders should include a part of Russia and a part of Turkey. However, Europe is in many cases defined not only by its geography, but also by its religious heritage, cultural background and values.

Furthermore, Europeans are not a nation. They are a conglomerate of a number of nationalities, linguistic and other minorities as well as immigrants that have come to the European countries in search of study, job or shelter. Europeans are a phenomenon of multiple identities – local, regional, national and European, depending on the context they are in.

But in spite of their diversity, Europeans share many common traits. From a joint cultural heritage and history, to their culinary traditions and languages. There is probably no country in Europe that wouldn't produce its own type of a strong alcohol or find at least one small similarity with another European language (yes, even Hungarians, Finnish and Estonians can do that).

In this book we will, however, be talking about a specific Europe. The Europe that was born from the ashes of the Second World War. The Europe that is today defined with the borders and policies of the European Union. The borders and policies that have been changing throughout the history and will most probably keep changing for the foreseeable future.

The Europe that we're talking about is a constant process of evolution and change, based on political priorities, economic conditions and citizens' engagement. Europe is a never accomplished political project. And as such, Europe and the EU are subject to con-

One of the first concrete ideas of European integration were presented in 1922 by Richard Coudenhove-Kalergi, son of an Austrian diplomat and his Japanese wife. He formulated a vision of a politically, economically and militarily united Europe in the article 'Pan-Europa – a proposal' on 15 November 1922 in the *Vossische Zeitung* published in Berlin. Today, Paneuropean Movement is presided by an Honorary President Otto Von Habsburg. More information can be found here ☞

stant debates, assessments of the integration and long-term plans for its policies. Europeans are critical to the world around them and thereby also the European Union. This does not mean, however, that they want its dissolution. They wish for change and they work towards designing the integration process in a way that suits them best. If we discuss Europe, it doesn't mean we don't believe in it. It means simply that we wish to make a difference, whether this leads to more or sometimes less integration. *The fascinating thing about Europe is exactly this. It is like the river that runs through a mill. The same water never passes twice. And Europe of today will never exist again.*

1.1 History and Evolution of the European Union

The history of the European Union starts at the end of the Second World War (WWII). This was the second Great War in half a century and the European continent was drained out of resources and the population was under great strain, also psychologically. Two wars gravely affected the population as it even happened that the same generation of soldiers fought in both conflicts. Some ideas of European cooperation and integration have already existed during the period between two wars but the first concrete step was taken after it has become clear to the European countries that something concrete needs to be done to prevent any possible future war on the continent.

This first step towards a peaceful continent and a free Europe was proposed by the then French Minister for Foreign Affairs, Robert Schuman. He presented, in his famous speech at the Salon de l'Horloge on the 9th May 1950 ☞, his plan for economic cooperation in Europe that would in time lead to a de facto solidarity among countries, preventing future armed conflicts. Read more

While it is true that Germany is referred to in the Treaties and textbooks as the 'Federal Republic of Germany' let's not forget that the country was divided at the time. The only Germans that entered European integrations were those in the Western part of the country and their compatriots in the Western part of the divided Berlin. Once Germany reunited, it felt this should be done in the frame of the European Communities, therefore making East Germany the only 'new' Member State not having gone through an accession process. For more information, click on this link ☞

about the Schuman Declaration here ☞. At its core lied the wish that France and Germany, biggest adversaries in the past hundred years, reach a level of co-dependency that will prevent them from fighting. His idea was endorsed by five more countries of Western Europe and in 1952 the Treaty of Paris ☞ was signed. This treaty established the European Coal and Steel Community (ECSC). Integration in these domains was both of practical as well as strategic importance. Practical because coal was a great resource in some key regions in Western Europe at the time and could bring important economic benefits. Strategic because coal and steel were two main resources needed in warfare at the time. By pooling them under the auspice of a common 'High Authority' countries agreed to share them, thereby preventing individual developments of war industries in Europe. Besides France and Germany, four other countries joined the integration. These were Belgium, Netherlands, Luxembourg and Italy.

FROM ESCS TO THE EEC

As the advantages of integration in the field of coal and steel became quickly visible, the signatories of the treaty decided to extend their cooperation to two other domains. In March 1956 two international treaties, called the Treaties of Rome were signed and two new Communities were created. The European Economic Community ☞ (EEC) established cooperation of member states among others in the fields of customs and quotas, agriculture, transport and competition policy. The other treaty established the European Atomic Energy Community ☞ (Euratom) forming cooperation in the fields of research and dissemination of technical information, establishment of uniform safety standards to protect the health of workers

There is a difference in date of adoption and date of entry into force of European Treaties. This is due to procedural reasons. Once the Treaty is signed by all Heads of States, it needs to still be ratified by each Member State according to its internal practices (in most cases national Parliaments ratify international treaties or a national referendum is held). The Treaty can only enter into force once it has been ratified by all Member States. In some cases, ratification has proven to be quite a painful process and rejection is possible. For more information click here☞.

and of the general public, facilitate investments, ensure equitable supply of ores and nuclear fuels, ensure safe handling with nuclear materials, own special fissile materials, create a common market in specialised materials and equipment and promote peaceful use of nuclear energy.

The institutions of the two new Communities were agreed to be based in Brussels, Belgium. While the Euratom Treaty clearly states that Brussels should be the chosen seat, the Treaty establishing the European Economic Community merely states in its article 216 that 'The seat of the institutions of the Community shall be determined by common accord of the Governments of the Member States.' Some scholars and experts stipulate that the capital of Belgium became the seat of the organisation that today governs a majority of legislation for over half a billion citizens merely by accident and due to the fact that Belgium was the first country in alphabetical order. Here's one such explanation☞.

Regardless of the reason for picking the rainy Brussels as its seat, decisions from late 1950's represent an embryo of what we call today the European Union.

EU EVOLUTION

What followed the Treaties of Rome was a step-by-step evolution of the European integration in terms of policies as well as territory.

In the policy field, the Member States kept 'upgrading' the Treaties by adding new policy fields that the then European Economic Community was responsible for. In 1965 the Merger Treaty☞ was signed. In this frame it was decided to bring the institutions of all existing Communities (ECSC, EEA and Euratom) under the same umbrella. This was a logical step considering that all Member States were parties to all three Communities. The next important decision

was to adopt the Single European Act in 1986☞. It aimed at reforming the institutions in view of enlargements of the Communities as well as speed up the decision-making process.

Once the Berlin wall came down, some radical changes were felt necessary and in 1992 the Maastricht Treaty, also called the Treaty on the European Union☞, was signed. The main changes from previous texts included an establishment of the European Monetary Policy and introduction of some elements of a political union (citizenship, common foreign policy and internal affairs policy). New decision-making processes were established and the European Parliament gained additional power in relation to other institutions. *Last but not least, the Maastricht Treaty renamed the European Community into the European Union.*

The subsequent two Treaties (Treaty of Amsterdam☞, signed in 1997 and Treaty of Nice☞, signed in 2001) only applied some minor changes to policies and decision-making processes. It was only with the Treaty of Lisbon☞, signed in 2007 that some new major amendments were made. This is now the basic constitutive Treaty of the European Union and strives to make the Union more democratic, efficient and better able to address global problems. European Parliament has been given even more power, a new EU diplomatic service was established as well as a permanent president of the European Council and the citizens' initiative☞.

In terms of *geographical enlargement*, the Community of six expanded to welcome new members. Further 22 countries have since joined the EU, including a historic expansion in 2004 marking the re-unification of Europe after decades of division (Table 1.1).

More information on EU enlargement, including criteria and legislation chapters that need to be agreed upon before accession, can be found here☞. Once a candidate country fulfils all criteria, all Member States have to ratify its accession. All must agree for one to join the club. Also, the citizens of the candidate country must agree to join for the country to become Member of the EU.

EU enlargement fast funny facts:

- Accession of the *United Kingdom* was vetoed twice. By the French. They had the General de Gaulle in power back then (see below on the *chaise vide*).
- *Norway* finished accession negotiations twice and also twice

TABLE 1.1 Chronological Overview of Enlargements of the European Communities/European Union

1 January 1973	*Denmark, Ireland and the United Kingdom* join the European Communities.
1 January 1981	Membership of the EU reaches double figures when *Greece* joins. It has been eligible to join since its military regime was overthrown and democracy restored in 1974.
1 January 1986	*Spain and Portugal* become members.
1 January 1995	*Austria, Finland and Sweden* join the EU. The 15 members now cover almost the whole of western Europe.
1 May 2004	The largest enlargement so far. Ten new countries join the EU: *Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovakia and Slovenia.*
1 January 2007	*Bulgaria and Romania* join the EU.
1 July 2013	*Croatia* joins the Union.

rejected membership in the EU. Norwegian citizens voted 'ikke' (no) at referenda.

- At some point *Morocco* unofficially asked to join the European Communities. They were kindly told 'thank you, but you're not European.' Here's some though about the borders of Europe (see above).

INTERRUPTIONS AND OBSTACLES

The integration of course didn't proceed without hurdles and interruptions. In 1965 for example, the French president Charles de Gaulle found it too extreme to create a new form of a Common Agriculture Policy (CAP). He simply refused to attend the meetings of the Council. At the time, all decisions had to be taken by unanimity. So one person missing at the table meant that no agreement was possible. This half year crisis of *la chaise vide* (the empty chair) was solved by a compromise ☞ in January 1966. Watch the video on the empty chair crisis by clicking here ☞.

Also, some Treaties were faced with negative ratification votes in Member States. In 1992 Denmark rejected the Maastricht Treaty by a slim margin (49.3% were in favour), in 2001 Irish citizens rejected the Nice Treaty by 53.9% and in 2008 they did it again and rejected the Lisbon Treaty by 53.2%.

Like most hurdles in the European integration, these were also

overcome, texts were re-negotiated, additional explaining was done and a compromise was found. Compromise is in fact at the heart of European integration. Some say it nowadays represents an alternative to a ceasefire from war-like negotiations among Member States.

THE UNION THAT WE KNOW TODAY

Today, the European Union is composed of 28 Member States stretching from the West to the East of the continent and covering the majority of European countries. The Union is a supranational organisation, based on democracy and human rights. EU territory covers over 4 million km2 and is home to 503 million inhabitants which makes it the world's third largest population after China and India. The European Union has 23 official languages and takes pride in its local, regional and national diversity. The motto that it has chosen is 'United in diversity.' For more general information click here☞.

And the Union continues to evolve. In 2014, for example, during the elections for the European Parliament, new practices were established. For the first time in the European political parties' history, they chose their 'Spitzenkandidaten' (chief candidates) to lead the campaign for European elections. It was also the first time in history that a televised supra-national political debate was organised. The political party that won elections was then given the role of setting up the new European Commission. This shows a move towards an ever more political union. For a more detailed analysis click here☞.

What the future has in store for Europeans, which policy fields will bring us closer and what we can expect from the evolution of our integration remains to be seen. However, 'those who cannot remember the past are condemned to repeat it' and knowing what has already been done can spare us much trouble in the future.

1.2 Introduction to European Union Law

The European Union is based on *the rule of law*. This is also one of the main requirements for new members to join the integration. It means that every action taken by the Union is founded on legal grounds – the Treaties. Those have been voluntarily and democratically approved by all EU Member States.

PRIMARY AND SECONDARY EU LAW

Primary sources of EU legislation are the Treaties. As has been already described (see above on 'EU evolution'), the current Treaty in force is the *Lisbon Treaty*. The Treaties among other include more or less detailed provisions on:

- the functioning of EU institutions,
- rights and obligations of the Member States,
- rights and obligations of EU citizens,
- decision-making processes and, most importantly,
- definition of policy fields in which the Union has either exclusive competence, shared competence or more or less limited competence (Articles 2–6 of the Lisbon Treaty).

The word 'competence' is a term used in EU legislation to define whether the Union can legislate in a certain domain. If the Union has *exclusive competence* this means that the Commission can take decisions without consulting with the Member States. Where it has *shared competence*, all decisions have to be taken by both the EU institutions (mostly the European Parliament) and the Member States (meeting in the format of a Council). Finally, those areas that the Union has *no competence* in, Member States either coordinate their policies if they wish so (e.g. economic and employment policies), or the Union institutions offer support actions to measures taken by Member States (e.g. culture, youth, tourism). For further information on the Treaties click here ☞.

All legal acts adopted at the EU level have to be in conformity with the basic Treaties and follow certain key principles.

Some principles of EU law (Article 5 of the Treaty of Lisbon):

- *Conferral* – this principle states that 'the Union shall act only within the limits of the competences conferred upon it by the Member States in the Treaties to attain the objectives set out therein.' This means in other words: 'no competence described in the Treaties, no EU legislation possible – Competence described in the Treaties – EU legislation possible.' Those policy areas that the Member States decided not to confer upon the Union, remain with them.
- *Subsidiarity* – this principle is probably the most important safeguard that Member States have to prevent the Union

from over-regulating. It states that 'in areas which do not fall within its exclusive competence, the Union shall act only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at Union level.' This means that for example the amount of scholarships that the Slovenian government gives to the students in its country should not be defined by the Union because that specific government is best qualified to estimate the need of its citizens in this respect. However, Member States can decide to coordinate their higher education policies to create exchange programmes, and so the Erasmus programme was born (see later chapters).

- *Proportionality* – this principle assures that no over-regulation is done at the Union level. It states that 'the content and form of Union action shall not exceed what is necessary to achieve the objectives of the Treaties.' In practice this means that over-regulation and unnecessary regulation is prohibited.

The aims set out in the EU Treaties are achieved by *several types of legal act*. These legislative acts include:

- *Regulations* – binding legislative acts that must be applied in its entirety in all Member States. For example, protection of regional products must be regulated exactly the same way in all Member States.
- *Directives* – binding legislative acts that set out a goal that all EU countries must achieve but each individual countries can decide how. For example the Working Time Directive sets out minimum standards and the Member States then decide how they will be achieving them.
- *Decisions* – binding on those to whom they are addressed (e.g. an EU country or an individual company) in its entirety. The Member State or the company in question needs to apply the Decision as it was taken. For example, the EU can prohibit a merger of two companies if it estimates that this act would create a monopoly situation (see later chapters).
- *Recommendations* – not binding but allow the Commission

The French Liqueur That Changed the European Union Forever: Cassis de Dijon Case

In 1979, Rewe-Zentral AG, one of Germany's biggest food and drinks retailers, complained to the ECJ that the German authorities were making it difficult for the company to import Cassis de Dijon from France and sell it in Germany. The 'cassis' is a French blackcurrant-based alcoholic drink that didn't fit any category of German beer-wine-spirit legislation at the time. The Court ruled in the firm's favour. Judges established that that under EU law, if a company is allowed to sell a product in one Member State, it should be allowed to do so in all of them. Cassis de Dijon could be sold in France and thereby by default it should be able to enter markets of other Member States too. *This ruling allowed the Community to develop the principle of mutual recognition – which in turn paved way for the launch of the single market.*

For more info on Cassis de Dijon case click here ☞

to make their views known and to suggest a line of action without imposing any legal obligation on those to whom it is addressed.

- *Opinions* – not binding but allow the EU institutions (Commission Council and Parliament) to make a statement without imposing any legal obligation on those to whom it is addressed.

For further information on secondary EU law click here ☞.

APPLICATION OF EU LAW AND CASE LAW

EU law in itself has equal value and force as national law. It cons rights and obligations on the authorities in each Member State, as well as individuals and businesses. *The local, regional or national governments of Member States are responsible for the implementation of EU law and must guarantee citizens' rights under these laws.*

The ultimate responsibility for proper implementation of EU law lies with the European Commission. The Commission can, when it realises that a Member State is not implementing an EU legal rule properly, after having warned it a few times without effect, bring a court case against this Member State. This is the *infringement procedure*. For more information on the infringement procedure click here ☞.

Furthermore, the legal system of the EU also consists of the *case-law* that is created by judgements of the European Court of Justice (ECJ). The ECJ is tasked by interpreting the EU legislation. Once a case has been decided upon it enters the EU jurisprudence (its body of law) and serves as basis for further implementation. Read the box to find out just how important a single case can be for the EU legal system at large.

If you're looking for an EU legal act, try searching here ☞.

If you're looking for a case of the ECJ, click here ☞.

1.3 Core Values, Fundamental Rights and European Union Citizenship

CORE VALUES AND THE CHARTER OF FUNDAMENTAL RIGHTS

The European Union is based not only on the rule of law (see above) but also on some other *core values*. They are common to all Member States, and any European country wishing to become a member of the Union must respect them. These core values, according to the Treaty of Lisbon, are:

- Human dignity,
- Freedom,
- Democracy,
- Equality,
- Rule of law,
- Respect for human rights.

The main objectives of the Union, according to the Treaty of Lisbon are therefore promotion of these values, as well as peace and well-being of the Union's peoples.

The EU legal system offers the Union a possibility of seeking accession to the European Convention for the Protection of Human Rights and Fundamental Freedoms. It also includes the Charter of fundamental rights ☞ – a catalogue of civil, political, economic and social rights, which are legally binding on the Union, its institutions and on the Member States as regards the implementation of the Union law. The Charter lists all fundamental rights under six major headings:

- Dignity,

- Freedom,
- Equality,
- Solidarity,
- Citizenship and Justice and
- Additional rights such as data protection, bioethics and the right to good administration.

The Charter reaffirms important steps to outlaw discrimination on the grounds of gender, race and colour and mentions social rights applied within companies.

The EU promotes these fundamental rights also in its relations with third countries (e.g. China, South America, North Africa etc). In some cases it even makes cooperation and funding conditional on the rule of law, freedom of press etc.

Finally, it could be said that *equality and non-discrimination among* EU *citizens* is one of the key rights that the Union has been actively striving for in the last few decades. The oldest in this respect is equality between men and women, which was already enshrined in the Treaty of Rome (see above in chapter on 'EU primary and secondary law'). For many years the focus of EU action in the field of non-discrimination was on preventing discrimination on the grounds of nationality and gender. Lately, the EU countries added provisions which allow to combat discrimination also on the grounds of racial or ethnic origin, religion or belief, disability, age or sexual orientation. Read more by clicking here☞ and here☞.

THE EUROPEAN CITIZENSHIP

The Treaty of Maastricht (see above under 'EU primary and secondary law') already in 1992 created the notion of the *citizenship of the European Union. Every citizen of an* EU *Member State is automatically also a citizen of the European Union.* As such, a citizen has, according to the Treaty of Lisbon, the following rights:

- To move and reside freely within the EU,
- To vote for and stand as candidate in the European parliament and municipal elections (even if s/he is not national of the Member State but has permanent residence there),
- To be protected by the diplomatic and consular authorities of any other EU country,

- To petition the European Parliament and complain to the European Commission.

PROHIBITION OF DISCRIMINATION

The Treaty of Lisbon also *prohibits discrimination* on the basis of nationality. In practice this would mean that if an Italian and an Estonian are applying for the same job in Italy, the Estonian candidate cannot be dismissed on the basis of his/her nationality. Both have to be considered as equals and decision has to be taken regardless of their nationality status.

PETITIONING THE PARLIAMENT

Finally, the Treaty of Lisbon introduces a new right, which enables the citizens to have a say on European matters: a *petition* with at least one million signatures obtained from a number of Member States can be sent to the Commission inviting it to take a legislative initiative. More information on the so-called *European Citizens' Initiative* can be found here ☞.

More information on core values and fundamental rights in the EU can be found here ☞,

If you're interested in what EU citizenship has to offer, click here ☞.

1.4 Institutions and Decision-Making Processes

Like every country or international organisation, so does the European Union have its own system and institutions, which are in charge of preparing, adopting and implementing the EU legislation. They have evolved though time, modified their ways of functioning, voting patterns and responsibilities. But in the end, we could look at them as *the governing structure of the European Union, a system that can partly be compared to a national governing system with a government and a parliament and some additional institutions.* Because after all, the EU is not a nation state but a kind of a supranational organisation, where Member States still play an important role.

There are also a number of other institutions and inter-institutional bodies that play specialised roles. These are the European External Action Service (EEAS) ☞, the European Economic and Social Committee (EESC) ☞, the Committee of the Regions (CoR) ☞,

TABLE 1.2 EU Institutions defined by the Treaty of Lisbon

Institution	Seat	Main features
European Parliament ☞	Brussels Strasbourg Luxembourg	Composed of 751 directly elected Members of the European Parliament (MEPS). MEPS are elected for a mandate of 5 years and group themselves in European political groups ☞. MEPS work in Committees based on the content of legislation in question (e.g. industry and energy, justice and home affairs, environment and public health. List of Committees can be found here ☞. MEPS meet in Plenary session normally once per month in Strasbourg. MEPS represent EU citizens and their interests, not their countries of origin. The European Parliament takes decisions in most cases jointly with the Council.
European Council ☞	Brussels	Composed of Heads of State or Government of the Member States. Has a permanent president with a mandate of 2.5 years. Currently Donald Tusk ☞. Sets EU's broad priorities and meets in response to specific crisis situations, if necessary. Meets at least twice every six months.
Council of the European Union ☞	Brussels Presidency MS	Composed of Ministers of Member States, depending on the topic in question. Has various formations, depending on the topic in question (e.g. agriculture, research, energy, health). List of Council configurations can be found here ☞. Has a rotating Presidency, held by a different Member State every six months. List of Presidencies is here ☞. Is the arena for governments to defend their own country's national interests. Takes decisions in most cases jointly with the European Parliament.

Continued on the next page

the European Investment Bank (EIB) ☞, the European Investment Fund (EIF) ☞, the European Ombudsman ☞, the European Data Protection Supervisor ☞, the Publications Office ☞, the European Personnel Selection Office (EPSO) ☞, the European School of Ad-

TABLE 1.2 *Continued from the previous page*

European Commission ☞	Brussels	Composed of 28 Commissioners, one from each Member State. Has a permanent President for the mandate of 5 years. Currently Jean-Claude Juncker ☞. Each Commissioner is managing a Directorate-General (DG), responsible for a specific policy field (e.g. research and innovation, youth and culture, foreign policy, agriculture, economic and monetary affairs). List of DGs is available here ☞. Promotes the interests of the EU as a whole. Commissioners do not represent their country of origin, but the Union. Is in charge of preparing and initiating new legislative proposals and also implementing them. EC has to check whether implementation is done correctly. Is in charge of managing the budget of the European Union.
Court of Justice of the European Union ☞	Luxembourg	Upholds the rule of European law.
European Central Bank ☞	Frankfurt	Is responsible for European monetary policy.
Court of Auditors ☞	Luxembourg	Checks the financing of the EU's activities.

ministration ☞ and a number of specialised agencies and decentralised bodies ☞.

Find out more about the European Union institutions here ☞.

WHAT THE INSTITUTIONS DO TOGETHER: DECISION-MAKING

EU legislation is adopted following the procedures that are set up in the Treaties. Procedures vary by policy field but the Treaty of Lisbon makes centre stage to the so-called *Ordinary Legislative Procedure*, previously known as the 'co-decision.'

Under the Ordinary Legislative Procedure, the proposal for a leg-

islative act or a change to legislation is *initiated from the side of the European Commission*. The act is then discussed, amended, renegotiated, tailored and finally (if all goes well) *adopted by both the European Parliament and the Council of the* EU. *This means that the* MEPS, *who represent the* EU *citizens directly, as well as the Ministers of all Member States, have to adopt the final text for it to become an* EU *law*. This is a very simplistic description of the process. In reality, constant negotiations are ongoing among the EP and the Council to agree on the final text. Sometimes a 'second reading' is required to reach an agreement. In some cases the agreement cannot be reached and the EC is asked to prepare a new draft legislation or postpone its adoption until further due. *In any case,* EU *legislation is a result of big compromises that have to include all stakeholders' positions. Therefore, radical legislations are very rare.*

Once an EU law is adopted and enters into force, the *Member States are responsible for implementing it* and the Commission ensures that they are properly applied.

Other procedures under EU Treaties are:

- The *Consultation procedure* where the EP is asked for its opinion on a proposed legislation before the Council adopts it.
- The *Consent procedure* which gives the EP the right of veto so it can approve or reject the legislative proposal. It cannot amend or change it. The Council cannot overrule the Parliament's opinion. This procedure is also required when the Council is adopting certain international agreements.
- *Other legislative procedures.* Opinion under Article 140 Treaty on the Functioning of the European Union (monetary union), Procedures relating to dialogue between management and labour, Procedures for the consideration of voluntary agreements, Codification and Provisions on implementing and delegated provisions.

Read more in detail on the decision-making processes of the European Union by clicking here☞. Watch also the video☞.

The whole decision-making process of a document is public and traceable on-line with two simple tools: the EUR-Lex database of EU legislation☞ and the Legislative Observatory of the European Parliament – OEIL☞.

Lobbying is a normal practice in the capital of Europe and is understood as an exchange of information and views among interest groups and decision-makers. There are currently 7120 organisations registered in the EU's Transparency Register☞.

Meetings with lobbyists consist of presentations and argumentations of their positions and an exchange of views with a decision-maker. More on the openness of the EU decision-making process can be read here☞.

1.5 How to Influence Decision-Making

All institutions and people involved in the decision-making processes either as decision-makers, initiators or those who influence the process in one way or another, are called *stakeholders*. A citizen has a wide array of channels and options to let his/her opinion known and thereby influence the final decision. As decisions are taken in both the European Parliament as well as the Council, it is important to approach both institutions and their staff. If you do not want to or do not have the means to do so, there is a number of associations representing specific interests or the so-called 'lobbyist' that you can turn to.

In any case, however, it should be borne in mind that even if your opinion is shared by a strong group and well represented in the process, the final outcome of negotiations is always a compromise and it should not be expected that a copy-paste of any proposal will survive the negotiations in its original version.

A citizen, wishing to influence, could get in touch with the following decision-makers and/or stakeholders:

- The *European Commission officials*, dealing with the specific policy field. They will be initiating the process and in most cases it's possible to attend the so-called 'stakeholders' meetings' or become part of an 'expert group' that the EC consults before finalising the draft legislative proposals. EC phone and mail directory can be accessed here☞.
- The *Members of the European Parliament*. They can influence the final decision by tabling amendments (propose changes) to the Commission's proposal and negotiate with the Council. Start by contacting the MEPS from your Member State. As you are the one electing them, they should be responsive to your needs. Contact also those MEPS who are members of the Committee dealing with the topic. Do

not forget to copy into any correspondence the Assistants of MEPs. They are usually the ones following all the e-mails. Contacts of MEPs can be found at their individual profiles on the EP website here☞.

- The *Permanent Representations to the* EU and national *Ministries officials*. Even though officials there do not have the power to change positions of their Member State, they might still be ready to listen to constructive proposals. Try accessing your country's Permanent Representation diplomat in charge of the relevant Council configuration. Alternatively, contact the official dealing with EU affairs at your national ministry.
- *Associations and lobbyists at the* EU *level*. They have already established communications channels with the EC, the MEPs and the diplomatic staff from the Council. They can help you access key people in Brussels or offer to represent you
- *Associations and lobbyists at national level*. In many EU Member States similar organisations also exist at national level. They could help you reach the right people in your national government structure.

Most importantly – do not think you don't have a voice. There is always a possibility to change a proposed document. You just need to find strong arguments, supporters and an appropriate channel.

Chapter Two

An Economic Integration

Cooperation in the field of economic affairs lies at the basis of European integration. It started back in the 1950's in the areas, where countries could achieve mutual benefits in terms of money and commerce. The European Communities followed classical steps of economic integration. First, the Member States established a *Free Trade Area* (FTA) among themselves. This meant that all merchandise could circulate freely inside of the Communities without any border duties or non-tariff barriers (e.g. quotas). Later on, a *Customs Union* (CU) was set up, creating a common import/export tariff and nowadays the customs revenues represent a part of the overall EU budget (see later chapters). This step was logical. If you have a free circulation of goods inside the Communities, then a common import/export tariff is necessary to prevent trade partners to import through the Member State with lowest tariff and then internally re-import into another Member State which would have a higher tariff is accessed directly, which would make the Communities lose money. There are a number of customs union agreements in the World today and CU became quite mainstream in time when free trade is a global trend. The EU itself has a customs union agreement with Turkey, Andorra and San Marino. Read more on those agreements here☞.

What was new and for the first time tested in practice on the European soil was the next step in economic integration – the *Common Market* or the *Single European Market* (SEM) – created by the Single Market Act signed in 1986. Because, with free circulation of goods, common standards need also to be in place to allow for consumer protection all across Europe. If a Barbie doll can be sold in France it should also be made available to the Dutch children under the same conditions, safety standards and health regulations (read more in the following chapters). The Single market today covers goods, services, capitals and people.

A next step on the ladder of economic integration is the *European Monetary Union* (EMU) enshrined in the Treaty of Maastricht in

1992 and leading to the creation of the single currency Euro (read more in the following chapters).

This chapter offers an overview of the following policy fields (not exclusive), which could be grouped under the wider policy area of European economic integration:

- Single European Market
- Competition policy
- European industry policy and support to SMEs
- European research and innovation policy
- Telecommunications and ICT
- EU environment, climate and energy policies

These policy fields are in principle adopted at the EU level following the Ordinary Legislative procedure (see above) and mostly fall into shared competence of the EU and the Member States.

HOW TO INFLUENCE

As these policy fields are under an extensive EU competence, there are many ways to influence the decision-making process. For general information, see previous chapters. Here are some more detailed information on services, directorates and formations responsible for developing, adopting and influencing decisions in the fields of Single European Market, the EU industry policy and support to SMEs, the European research and innovation policy, the Telecommunications and ICT in the EU and the EU environment, climate and energy policies.

2.1 Single Market

European integration started because Member States wanted to connect their markets. First it was in the field of coal and steel and atomic energy. This later spread to wider array of topics, all with the aim of ensuring free circulation of goods and services inside the Union. Even though all tariff barriers (quotas and tariffs) were eliminated already in 1968, a vast array of the so-called non-tariff barriers persist until today. And the majority of EU legislation in place is related to the Single Market and overcoming these barriers, giving consumers a wider choice of highest quality products.

These barriers can be as simple as requiring a company from another Member State to submit all certificates for its products in

TABLE 2.1 Overview of Key Institutions, Their Departments and Functions in the Decision-Making Process

Role	Institution	Departments, DGs, Committees …
Preparing legislative proposals	European Commission	For the policy fields described in this chapter, the Commission's DG MARKT☞, DG ENTR☞, DG RTD☞, DG COMP☞ and DG ENV☞ are main responsible for the task.
Decision-maker	European Parliament	For the policy fields described in this chapter the main responsible Parliament Committees are ENVI☞, ITRE☞ and IMCO☞.
Decision-maker	Council of the EU/Permanent representations of Member States to the EU	The main Council configurations responsible for the policy fields described in this chapter are COMPET☞, TTE☞ and ENV☞.
Brussels based lobbyists	Associations and lobbyists at EU level	For the policy fields described in this chapter a number of associations and lobbyists could be accessed depending on the exact topic in question (e.g. European Consumer Association☞, European Business Association☞, Greenpeace EU☞, Association of Oil and Gas Producers☞, BusinessEurope☞, Webber Shandwick☞, Eurelectric☞).
National interest groups	Associations and lobbyists at national level	Try contacting your national Chamber of Commerce, Business Association of Consumer Association.

local language. This means a lot of translation costs and possible additional analysis as required by national legislation. This is why the EU takes for its general premise that if a product and be sold in one Member State, it has to be allowed to sell in all other Member States too (see the example under chapter on EU law). Or a non-tariff barrier can be a cartel, formed by national companies which block competition to companies from other Member States. But it's not only about products. The EU single market strives towards creating a freedom of movement for products, services, capitals and people. These four categories are what is referred to in EU literature as 'the four freedoms.'

In short, the Single Market is all about bringing down barriers and simplifying existing rules to enable everyone in the EU – individuals, consumers and businesses – to make the most of the opportunities offered to them by having direct access to 28 countries and 503 million people.

More on the historical overview of the evolution of the European Single Market can be found here☞.

FOUR FREEDOMS AT THE EU SINGLE MARKET

Free Movement of Goods If products are to be circulated freely, they should all follow the same rules, hence the need for common standards. In EU language, this is mostly referred to as mutual recognition and consumer protection. EU legislation sets common standards that allow goods to circulate freely inside the EU and ensure highest level of quality and protection of health. In a very restricted number of cases (in particular for reasons of good public health, environment or consumer protection), Member States may restrict the free movement of goods. If no common standards exist at the EU level for a certain business sector, then the 'mutual recognition' principle applies. This means that products legally manufactured or marketed in one Member State should in principle be able to move freely throughout the EU.

Some examples of standardised legislation and rules that allow for free circulation of goods are:

- CE *label (conformité européenne)*. Certainly everybody is familiar with these two letters at the products that we buy every day. What the do is 'indicate a product's compliance with EU legislation and so enables the free movement of products within the European market. By affixing the CE marking to a product, a manufacturer declares, on his sole responsibility, that the product meets all the legal requirements for the CE marking [...]. This also applies to products made in other countries which are sold in the EEA.' More information on the CE label can be found here☞.
- *Toy safety standards*. Also created at EU level for all toys that are manufactured and sold inside the EU. This legislation bans use of chemicals that are susceptible to provoke cancer, change genetic information or harm reproduction in

accessible parts of toys. Certain substances and metals can be used in a limited amount and allergenic fragrances are forbidden or very limited. More information can be found here☞.

- *Common rules on Genetically Modified Organisms (GMOs).* If food is going to circulate freely inside the EU, then common rules have to apply also in this field. One of the most controversial areas in this respect are the GMOs, which the EU legislation defines as those with artificially modified genes in order to modify their properties. For the moment, the EU rules state that GMOs can be grown only if they obtain prior authorisation on the basis of risk assessments carried out by national authorities and the European Food Safety Authority (EFSA). More information on GMO legislation can be found here☞. For more information on new proposals for legislation click here☞ and read a commentary here☞.
- *Standard charger.* Do you remember a time, when every new phone came with a different charger? Then we would throw the old one away and get annoyed when losing the new one? Such behaviour affected both consumers and the environment. The EU legislation now obliges Europe's major mobile phone manufacturers to adopt a universal charger for data-enabled mobile phones sold in the EU. More information can be found here☞.

More general information on the free circulation of goods can be found here☞ and here☞.

Free Movement of Services If goods are allowed to freely circulate at the internal EU market, then services should have the same rights. In particular as they represent over 70% of all economic activities of the EU and a similar proportion of overall employment. Therefore, EU law currently states that citizen of any Member State can establish a company in any other Member State, based on national legislation of that State. Also, all citizens can offer services through their companies in all Member States. For example, an entrepreneur should not be asked for translations of official documents or any additional documentation in doing business in another Member State. If you can legally do business at home, you have to be allowed to do it in other Member States under the same

conditions as the businesses of those countries. European Commission data shows that in the 10 years at least 2.5 million extra jobs have been created as a result of the removal of barriers and wealth attributable to the Internal Market was nearly €900 billion (which is on average about € 6000 per family in the EU). However, much needs still to be done to bring down barriers for cross-border businesses, in particular the Small and Medium Sized Enterprises (SMEs), which are also the most vulnerable.

A number of examples on freedom of establishment and business in the EU can be found. Among others maybe the best known from Slovenia are the Bevog Brewery ☞ which relocated to Austria and the light aircrafts manufacturer Pipistrel ☞, moving part of its production to Italy.

More general information on the free movement of services can be found here ☞. Practical advice and support to entrepreneurs can be acquired any time also from the Enterprise Europe Network ☞ in all Member States.

Free Movement of Capitals If we can sell freely across borders, offer services across borders, establish our companies in other Member States … then it's only reasonable that our cash is not subject to any restrictions when it crosses these same borders. EU regulations in the area of free circulation of capitals means that we can 'do many operations abroad, such as opening bank accounts, buying shares in non-domestic companies, investing where the best return is, and purchasing real estate. For companies it principally means being able to invest in and own other European companies and take an active part in their management.' More information can be found here ☞.

An example of something we use every day is the Single Euro Payments Area (SEPA). In practice this means that all payment claims are standardized and can be understood by any bank in the EU. In EU jargon we would say that this is where more than 500 million citizens, over 20 million businesses and European public authorities can make and receive payments in euro under the same basic conditions, rights and obligations, regardless of their location. The European Commission estimates overall gains from SEPA for all stakeholders at €21.9 billion per year. More on SEPA can be found here ☞.

Free Movement of Persons This is not only one of the four freedoms but also a fundamental right of all EU citizens. It started with allowing workers to move across borders in search for jobs. Then adding their family members to the package. And today all EU citizens are free to study, look for a job in another EU country, work there without needing a work permit, reside there for that purpose, stay there even after employment has finished and enjoy equal treatment with nationals in access to employment, working conditions and all other social and tax advantages. EU nationals can have certain types of health and social security coverage transferred to the country in which they seek work. Only a few restrictions remain in this respect and are related to public security, public policy, public health grounds and employment in the public sector. More detailed information on free movement inside the EU can be found here☞ and here☞. A commentary can be read here☞.

Some of the main Single Market legislative acts (secondary legislation):

- The Single Market Act☞
- Directive 2009/48/EC☞ of the European Parliament and of the Council of 18 June 2009 on the safety of toys
- Regulation (EC) No 1829/2003☞ of the European Parliament and of the Council of 22 September 2003 on genetically modified food and feed
- The Small Business Act for Europe☞
- Regulation (EU) No 260/2012☞ of the European Parliament and of the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euro

2.2 Competition Policy

One of the oldest EU policies which is also one of those that are in exclusive Union competence, is the competition policy. Europeans, as opposed to Americans, in principle believe that the market should be regulated at least in some way, to avoid monopolies, cartels and other dominant positions that hurt consumers with high prices and competitors with exclusivity. Also, if competition is good, all businesses are under constant pressure to offer the best possible range of goods at the best possible prices, because if they don't,

consumers will buy elsewhere. This is why there is a set of rules at EU level to prevent distortion of competition at the common market. The European Commission is in charge of monitoring the market and implementing the legislation. To this end, it monitors:

- Agreements between companies that restrict competition ☞ – cartels or other unfair arrangements in which companies agree to avoid competing with each other and try to set their own rules.
- Abuse of a dominant position ☞ – where a major player tries to squeeze competitors out of the market by significantly lowering prices or linking their products to only their accessories (see the Microsoft case below).
- Mergers (and other formal agreements whereby companies join forces permanently or temporarily) ☞ – two or more companies joining into one. This is considered legitimate, provided they expand markets and benefit consumers.
- Financial support (state aid) for companies ☞ from EU governments. This is allowed, provided it does not distort fair and effective competition between companies in EU countries or harm the economy.

The European Commission constantly works on *liberalisation*. These are efforts to open markets up to competition ☞ and are important in particular in areas such as transport, energy, postal services and telecommunications, which were mostly controlled by state-run monopolies in the past. The premise is that if more companies can run services for citizens, these services will not be overpriced.

Finally, the Commission cooperates with national competition authorities in EU countries ☞ to ensure that EU competition law is applied in the same way across the EU.

More information on EU competition policy and law can be found here ☞.

2.3 Industrial Policy and Support to Small and Medium Sized Enterprises

Even though traditional industries have been slowly moving outside of Europe, *industrial policy* is still important. In particular as Europe's competitiveness at the global podium is being compromised

The Microsoft Case

A number of big international companies came across EU competition policy rules in the past. One such example was when Microsoft was preventing its users an interface for use of different programmes on their software. In addition, Microsoft was forcing consumers to buy their Media player with their basic software. Being a company with a dominant market position this was possible from their side. However, EU competition rules ban any kind of abuse of dominant position and it was ordered that Microsoft discloses complete and accurate interface information which would allow rival vendors to interoperate with Windows, and to make that information available on reasonable terms. Also, it was ordered that Microsoft provides a version of Windows which did not include Windows Media Player. More information on the Microsoft case can be read here☞.

due to recent economic and financial crisis and a transition to a sustainable economy has to be seized as an opportunity to strengthen it. The European Commission therefore proposed the concept of an *integrated industrial policy*, which means that it encompasses a full range of EU policies such as competition, trade, innovation or energy. All these policies have an impact on competitiveness of industry. It also puts on equal footing *competitiveness and sustainability*. In this context, the main legislation in the field of industrial policy is on intellectual property rights (IPRS)☞, the protection of which is an important factor of success in the knowledge-based economy as IPRS serve as incentive to invest in product and process innovation.

The new industrial policy furthermore focuses on four pillars:

- Investments in innovation,
- Better market conditions,
- Access to finance and capitals,
- Human capital and skills.

More information on industrial policy can be found here☞ and here☞.

While industrial policy focuses on the bigger picture of the European economy, EU *policies supporting Small and Medium Sized Enterprises*, go more into detail. They stem from the 2008 Small Business Act☞ and build on the argument that Europe's 23 mil-

lion SMEs are the lifeblood of Europe's economy, accounting for over 98% of businesses. They have provided two thirds of the total private employment and around 80% of new jobs created over the past five years. As times are currently difficult for small firms, cash flow is an issue and bureaucratic procedures can discourage many entrepreneurs, SMEs need a helping hand to survive this cold period of economic downturn.

Rules were set at EU level to create an overall approach to entrepreneurship and ensure that in every piece of legislation that the EU dapts, SMEs are given special consideration (the 'Think Small First' principle). The Small Business Act for Europe applies to all independent companies which have fewer than 250 employees. This is currently over 98% of all European businesses. In addition, the Commission will seek wherever possible to exempt microenterprises from EU legislation or introduce special regimes so as to minimise the regulatory burden on them. The Small Business Act principles are therefore the following:

1. Create an environment in which entrepreneurs and family businesses can thrive and entrepreneurship is rewarded
2. Ensure that honest entrepreneurs who have faced bankruptcy quickly get a second chance
3. Design rules according to the 'Think Small First' principle
4. Make public administrations responsive to SMEs' needs
5. Adapt public policy tools to SME needs: facilitate SMEs' participation in public procurement and better use State Aid possibilities for SMEs
6. Facilitate SMEs' access to finance and develop a legal and business environment supportive to timely payments in commercial transactions
7. Help SMEs to benefit more from the opportunities offered by the Single Market
8. Promote the upgrading of skills in SMEs and all forms of innovation
9. Enable SMEs to turn environmental challenges into opportunities
10. Encourage and support SMEs to benefit from the growth of markets

More information on SME legislation can be found here☞ and here☞.

Some main legislative acts (secondary legislation):

- 2010 Communication on An Integrated Industrial Policy for the Globalisation Era☞.
- 2012 Communication A Stronger European Industry for Growth and Economic Recovery☞
- 2014 Communication on For a European Industrial Renaissance☞
- The Small Business Act☞

2.4 Research and Innovation Policy

EUROPEAN RESEARCH AREA

Nowadays, we simply cannot imagine the EU without research cooperation among its Member States, its research institutions, researchers and industry. This cooperation grows by the day and has over the decades evolved into a wide spectrum of areas where basic research and innovation activities are intertwined and feed into entrepreneurship, industry, thereby representing an important cornerstone in the EU's economic strength and global competitiveness.

Legal basis of research cooperation in Europe can now be found in Articles 179 to 190 TFEU. The Lisbon Treaty thereby recognised research, alongside space, as a shared competence between the EU and Member States, and made the completion of the European Research Area (ERA) a requirement and this is today at the heart of the EU 2020 Strategy and consequently the Innovation Union. ERA is expected to importantly contribute to growth and jobs in Europe. It is composed of research and development activities, programmes and policies which all include a strong transnational angle. In addition, ERA encourages the national research centres to be more open to each other and the world, supports more inter-connectedness and interoperability.

Traditionally, national research systems tend to be inward oriented as Member States in the past wished to protect their research findings and commercial innovations. However, with the high level of European integration and the common EU market, changing such practices and coupling them with more inter-European cooperation could lead to important improvements in EU's economic growth as

well as its competitiveness at the global scale. Allowing ideas to circulate among EU Member States gives them more potential to be successfully followed up and followed through, as well as a higher likeliness that they turn into a commercial innovation. Furthermore, opening our minds and borders to circulation of researchers allows the brightest minds of the whole of Europe to work together solving global challenges. For these reasons, ERA is defined by the Lisbon Treaty and the European Council as 'a unified research area open to the world based on the Internal Market, in which researchers, scientific knowledge and technology circulate freely and through which the Union and its Member States strengthen their scientific and technological bases, their competitiveness and their capacity to collectively address grand challenges.'

In this regard, ERA sets five priorities, as follows:

- More effective national research systems. This priority includes increased competition within national borders and sustained investment in research.
- Transnational cooperation and competition. These two aspects should define and implement common research agendas on challenges, raise quality through Europe-wide open competition, and construct and run key research infrastructures on a pan-European basis.
- An open labour market for researchers. One of the key aspects of ERA is to ensure the removal of barriers to researcher mobility, training and attractive careers.
- Gender equality and gender mainstreaming in research. The goal is to end the waste of talent and to diversify views and approaches in research and to foster excellence.
- Optimal circulation, access to and transfer of scientific knowledge. This includes the digital ERA to guarantee access to and uptake of knowledge by all.

To enhance and strengthen ERA, the European Commission is suggesting to the Member States to use the European Semester☞ as an instrument for implantation of ERA priorities. In the 2016 ERA Progress Report☞ a positive trend was found for all ERA priorities. In view of good progress, the Commission suggests that focus is turned towards reinforced implementation of all ERA activities to, among other, tackling large disparities between countries. ERA

activities remain in the domain of the EU Member States and the Commission continues to monitor and offer policy support when requested.

More information on ERA can be found here☞

In post-industrial times, innovation is key to growth. The EU understands its research and innovation policy as key to contributing to our prosperity and the well-being of individuals and society in general. The EU's goal is to become a leading knowledge-based economy and to this end best possible cooperation among researchers from all Member States is a necessity, along with closer coordination between European and national policies, expansion of structural capacities and support to forming stronger research networks. Last but not least, research policy relies strongly on free movement of researchers and data, therefore contributing to stimulation of new ideas.

The main legislative document currently in place is the EU Framework Programme for Research and Innovation Horizon 2020 and is seen as a means to drive economic growth and create jobs. Research is an investment in our future and therefore put at the heart of EU's blueprint for smart, sustainable and inclusive growth and jobs. Budget figures show how important research and innovation policy is for the EU. In the current Multiannual Financial Framework (MFF), almost a third of all EU budget funds are foreseen for supporting research activities and innovative ideas. The Horizon 2020☞ foresees almost 80 billion Euros of funding for the period of 7 years. The idea behind Horizon 2020 is that collaborative research projects are funded, either in the fields of basic research or applied research, with increasing importance of the latter. Also, young researchers can apply for research fellowships through Marie Skłodowska Curie programme☞ to carry out their research project at a research institution in another Member State.

Horizon 2020 Structure☞ (areas of research):

1. Excellent Science (basic research)
   - European Research Council☞
   - Future and Emerging Technologies
   - Marie Skłodowska Curie Actions☞
   - European Research Infrastructures, including e-Infrastructures

Researching Cars with European Union Funds

EU research projects can range from researching society, microbiology, food safety, space, energy and more. One of successful projects, funded through EU research funding is the Hi-CEPS (Highly Integrated Combustion Electric Powertrain System) project that studied how our hybrid cars could be more efficient. This project involved 21 industrial and academic partners and received a contribution of €9.9 million for the period of 2006–2012 to evaluate the technical feasibility of novel full hybrid powertrains (which are essentially combustion engines and electric motors combined into one unit) that can offer improved fuel consumption, performance, reduced emissions in respect of currently available conventional technologies. Among other, the team also expected strong improvements in the fuel economy of diesel-powered hybrid commercial vehicles as a result of this project. Lab based results obtained at powertrain level suggest CO_2 emissions could be reduced by around 35%. More information on Hi-CEPS project can be found here☞.

2. Industrial Leadership (applied research)
    - Leadership in Enabling and Industrial Technologies (ICT, nanomaterials, biotechnology, space …)
    - Access to Risk Finance
    - Innovation for SMEs
3. Societal Challenges (interdisciplinary, cross-cutting research topics)
    - Health, Demographic Change and Wellbeing
    - Food Security, Sustainable Agriculture and Forestry, Marine, Maritime and Inland Water Research and Bioeconomy
    - Secure, Clean and Efficient Energy
    - Smart, Green and Integrated Transport
    - Climate Action, Environment, Resource Efficiency and Raw Materials
    - Europe in a Changing World – Inclusive, Innovative and Reflective Societies
    - Secure Societies – Protecting Freedom and Security of Europe and its Citizens
4. Fast Track to Innovation Pilot (2015–2016)

5. Spreading Excellence and Widening Participation
6. Science with and for Society
7. European Institute of Innovation and Technology (EIT) ☞
8. Euratom ☞

HOW TO APPLY FOR FUNDING

Horizon 2020 is open to everyone and functions through calls for proposals. Calls are regularly updated here ☞ and here ☞.

Once you've found a call that you believe could suit your cause, you need to look for partners from other Member States. These should be research institutions, but also businesses, NGOs and public institutions. It is preferred that your partners come from wide geographical area of the Union. The more varied the consortium, the better. But excellence remains key to success. A research project proposal is then submitted to the European Commission before the deadline and the proposal is evaluated by independent experts. These are experts that have no affiliation whatsoever with any of project partners or institutions. They are experts in the field of the project and evaluate its excellence, feasibility and impact. Should your proposal be positively evaluated, you receive funding and start implementing your project.

At any stage of application, the Horizon 2020 National Contact Points ☞ can help you with any question you might have. You can also consult the Horizon 2020 Online Manual ☞.

More general information on the EU research and innovation policy can be found here ☞, here ☞ and here ☞.

WHAT'S NEXT? HORIZON EUROPE

The EU likes to think well in advance and the new MFF usually starts to be negotiated some two or even three years before the conclusion of the running MFF. Consequently, the same goes for all of its components, including the FPs. In this regard, the Commission has in 2018 published its proposal for the next FP (2021–2027), which is to be called Horizon Europe, with the ambitious proposed budget of € 100 billion for the period of seven years.

The Commission ☞ wishes Horizon Europe to 'continue to drive Europe's scientific excellence through the European Research Council and the Marie Skłodowska-Curie fellowships and

exchanges and draw on the scientific advice, technical support and dedicated research of the Joint Research Centre (JRC).'

The Commission proposes five new elements for the Horizon Europe:

- *The European Innovation Council:* one-stop shop to bring the most promising ideas from lab to real world application and support the most innovative start-ups and companies to scale up their ideas. A direct support to innovators through two main funding instruments, one for early stages and the other for development and market deployment.
- EU-*wide* R&I *missions:* addressing ambitious, bold goals to tackle issues that affect our daily lives. Examples could range from the fight against cancer, to clean transport or plastic-free oceans.
- *Open Science* would become the modus operandi of Horizon Europe. It would go beyond the open access policy of Horizon 2020 and require open access to publications, data, and to research data management plans.
- *A new generation of European Partnerships:* streamlining partnerships that the EU co-programmes or co-funds with partners like industry, civil society and funding foundations.
- *Simpler rules:* to increase legal certainty and reduce administrative burden for beneficiaries and programme administrators.

Horizon Europe also foresees more and better collaboration with other EU financial instruments, namely the EU Cohesion Policy, the new European Defence Fund (€13 billion, €4.1 billion of which will be devoted to defence research), ITER – the international fusion energy project, Digital Europe Programme and Connecting Europe Facility Digital.

Two public consultations on Horizon Europe have already taken place (closed in March and April 2018 respectively), where the Commission asked citizens for inputs on research and innovation missions and on EU funds in the area of research and innovation.

But the process for adoption of Horizon Europe is now only beginning. The Commission's proposals have entered the legislative procedure, which means that both the European Parliament as well as the Council of Ministers will have to adopt the final text. And

they will only do so after proposing changes, negotiating, meeting, consulting, negotiating some more, changing the texts with additional amendments and spending countless hours weighing those numbers, totals in Euros, to be attributed to each chapter. The success of Horizon Europe, as proposed by the European Commission in terms of its budget, will also depend on the final outcome of the next MFF 2021–2027. And so, the official adoption of the next FP for research and innovation can only be expected in the year preceding its official launch. Stay tuned! Further information on the Commission's proposal for Horizon Europe, including factsheets, legal documents and videos, can be accessed through this website ☞.

Some basic acts in relation to the EU research and innovation policy and establishing the Horizon 2020 programme:

- Innovation Union Communication ☞
- COM(2014) 339 ☞ Research and Innovation as Sources of Renewed Growth
- State of the Innovation Union – taking stock 2010–2014 ☞
- COM/2011/0808 ☞ Horizon 2020 – The Framework Programme for Research and Innovation – Communication from the Commission
- COM/2011/0809 ☞ Proposal for a Regulation of the European Parliament and Council establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014–2020)
- COM/2011/0810 ☞ Proposal for a Regulation of the European Parliament and Council laying down the rules for the participation and dissemination in Horizon 2020
- COM/2011/0811 ☞ Proposal for a Council Decision establishing the Specific Programme implementing Horizon 2020
- COM/2011/0812 ☞ Proposal for a Council Regulation on the research and training programme of the European Atomic Energy Community (2014–2018) complementing Horizon 2020
- COM/2011/0817 ☞ Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 294/2008 establishing the European Institute of Innovation and Technology (EIT)

- COM/2011/0822☞ Proposal for a Decision of the European Parliament and of the Council on the Strategic Innovation Agenda of the European Institute of Innovation and Technology (EIT): the contribution of the EIT to a more innovative Europe

2.5 Telecommunications and Information and Communications Technologies

In the era where digital technologies have become an important part of our everyday lives, telecommunications and ICT represent those elements that needed to be included in the Single European Market. This is a relatively new policy field, which was formed as a reaction to the quick digitalisation that happened in the last decade. The European Commission believes that up to €250 billion in additional growth, hundreds of thousands of new jobs, and a vibrant knowledge-based society can be achieved by fostering the common digital market.

EU telecoms and ICT policy is mostly about the following areas:

- Common EU data protection rules,
- More ambitious reform of telecoms rules,
- Copyright rules that reflect new technologies,
- Simpler consumer rules for online purchases,
- Making it easier for innovators to start their own company, and
- Boosting digital skills and learning.

The key document in the *digital* (ICT) *field* is the Digital Agenda for Europe☞. It aims to help Europe's citizens and businesses to get the most out of digital technologies and was later updated by the Review of the Digital Priorities☞ (2012). The European Commission's calculations show that full implementation of the updated Digital Agenda would increase European GDP by 5%, or 1500€ per person, over the next eight years.

So, in practice it's mostly about cyber security, digitalisation and connecting even the most remote parts of Europe to broadband internet. Lately, this was upgraded with the access of all to 4G technologies. Also, *copyright* online is a hot topic in Brussels, as well as how to make Europe number one player in *cloud computing* and

Ahoy There, Matey!

An interesting phenomenon that appeared along the development of the internet, web-based services and cloud computing, are the so-called 'Pirate Parties.' They are real political parties and exist in a number of countries. The European Pirate Party even holds seats in the European Parliament. Their main ideas primarily include fight for privacy, abolishment of any kind of data retention, open internet, prohibition of mass surveillance, electronic spying and collection of biometric data. More information on the European Pirate Party can be found here☞.

support European ICT companies to compete with their American and other counterparts.

On the other hand, *in the area of telecommunications*, European citizens have already managed to save a lot of money due to the Roaming Regulation☞. This Regulation is in particular imoportant for those citizens, who travel to a foreign country with your mobile phone. This is when we *roam*. Our mobile phone company and one in the foreign country work together to keep us connected. However, weak competition among national operators for roaming customers has, at times, led to excessive prices for these services. Therefore, the EU rules already in 2007 set some limits to overcharging calls abroad through a *Eurotariff*. The rules are since then being regularly reviewed and reformed. Each year, a small reduction in price takes place. Also, providers are now obliged to inform you when your bill reaches a certain amount and when you are entering data roaming areas.

The European Commission calculations show that until today, the EU has achieved retail price reductions across calls, SMS and data of over 80% since 2007. Data roaming is now up to 91% cheaper compared to 2007 while volume of data roaming market has grown by 630%.

Roaming prices represent maximum permissible prices and operators are free to offer cheaper rates. Users have to receive a warning when they reach 80% of their data-roaming bill limit and cut off the mobile internet connection once the limit has been reached, unless the customer has indicated they want to continue data roaming that particular month.

In March 2014, the European Parliament adopted a document,

TABLE 2.2 Roaming Prices over Time

Category	1 July 2012	1 July 2013	1 July 2014
Outgoing voice calls (per minute)	€0.29	€0.24	€0.19
Incoming voice calls (per minute)	€0.08	€0.07	€0.05
Outgoing texts (per SMS message)	€0.09	€0.08	€0.06
Online (data download, per MB)	€0.70	€0.45	€0.20

NOTES Adapted from European Commission ☞. The tariff is per Megabyte to download data or browse the Internet whilst travelling abroad (charged per Kilobyte used).

where MEPs called, among other, also for the *end of roaming regulations by end 2015*. By the end of summer 2015, however, the EU decision-makers reached a compromise setting the definite end of additional charges for users of mobile telecommunications services inside the EU to June 2017 (additional information on the compromise can be found here ☞. This would mean that mobile operators would be prohibited to charge extra for a user from another Member States. Operators will have to ensure that their deals are valid under the same conditions in all Member States. More information can be found here ☞.

Some main legislative texts:

- Political guidelines ☞ on Telecommunications and ICT policy of the European Union
- Communication A Digital Agenda for Europe ☞
- 2012 Roaming Regulation ☞
- Connected Continent legislative package ☞

2.6 Environment, Climate and Energy Policies

Even though energy policy was the very first field of cooperation among EU Member States back in the 1950's (see chapter on History and the European Coal and Steel Community), it was only recently that EU decision-makers started dedicating more attention to the field of energy. Mostly, legislation in this field is adopted in connection to environmental legislation and climate change provisions. European leaders believe that these three areas are inevitably

Radioactive!

The only energy source that is treated differently in EU legislation is nuclear energy. This is in principle due to the Euratom Treaty from 1956 which is still in force, but mostly because Member States seem to not wish to share their powers over regulating nuclear power plants. In recent years, however, and after the Fukushima nuclear accident in 2011, the European leaders nevertheless adopted some principles for nuclear safety, including sharing of data and provisions on regular peer-review stress tests. More information on the Euratom are available here☞.

connected and should be treated as such. For example, if we are to reduce our greenhouse gas emissions without closing down factories, we might want to increase energy efficiency and reduce energy use. Furthermore, if we are to reduce our energy dependency on imports from Russia and North Africa, we might want to incerase the share of sustainable renewable energy sources in the energy mix. Finally, if we put more efforts into re-use, reduce and recycle actions, all production and consumption chains are organised in a more efficient way.

These are some examples where energy and environment are linked and interdependent in a positive way. However, many times it happens that energy and environment become exclusive and compromises need to be made to reach an optimal balance between keeping our planet clean and safe while at the same time allowing for a sustainable development, economic growth and avoid market distortions.

As energy and climate are also areas that need long-term planning and changes cannot happen overnight, the 2030 Framework for Climate and Energy Policies☞ was adopted in late 2014. This document set new targets for the whole of the Union until the year 2030. The main target will be to reduce greenhouse gas emissions by at least 40% compared to the levels in 1990. In addition, the EU Member States will strive to reach the target of at least 27% for renewable energy and energy savings by 2030.

These new targets stem from previous goals set for the year 2020. In the next few years we are striving to reach 20% greenhouse gas reduction, 20% share of renewable energy in EU's energy mix and improve our energy efficiency by 20%. Europe has been very suc-

cessful in implementing these targets (in particular the greenhouse gas emissions target), therefore the new 2030 Framework dared to be more ambitious.

A number of mechanisms are foreseen to help achieve the presented targets. Some of them are market-based (such as the Emissions Trading Scheme, ETS), while others are in forms of subsidies (such as support schemes for renewable energy). While the 2030 Framework only outlines general principles and targets, a number of detailed legislative acts will have to be adopted in the coming years and fierce debates can be expected in the European Parliament as well as in other EU institutions.

In addition to the energy-climate policies package, the EU is *financing environmental projects* through its Life+ Programme ☞. The Life+ foresees 3.4 billion Euros for the period of 2014–2020 for projects in areas of nature, biodiversity and environment.

Finally, the EU is also an important player at the global podium, when it comes to *climate change talks*. The European Commission represents the Union at the United Nations Framework Conventions on Climate Change (UNFCCC), which brings together world leaders to strive towards finding a solution to mitigating and preventing climate change. More information on EU's involvement in the UNFCCC is available here ☞.

Some other areas that fall under EU energy-climate policies are energy markets ☞, carbon capture and storage ☞, energy taxation ☞, smart meters, energy prices, forests, biodiversity, energy efficiency in buildings, air pollution, water quality and soil pollution. Additional general information on the EU energy-environment policies are available here ☞.

Some examples of legislation in the fields of energy and environment:

- Council Directive 2009/71/Euratom ☞ of 25 June 2009 establishing a Community framework for the nuclear safety of nuclear installations
- Europe 2020 ☞ A strategy for smart, sustainable and inclusive growth
- Green Paper A 2030 Framework for Climate and Energy Policies ☞
- Directive 2003/87/EC ☞ of the European Parliament and of

the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the Community

- Council Directive 2003/96/EC☞ of 27 October 2003 restructuring the Community framework for the taxation of energy products and electricity
- Directive 2010/31/EU☞ of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings
- Commission Communication of 8 February 2006 entitled An EU Strategy for Biofuels☞
- Communication from the Commission of 21 December 2005 Thematic Strategy on the Sustainable Use of Natural Resources☞
- Directive 2008/98/EC☞ of the European Parliament and of the Council of 19 November 2008 on waste
- European Parliament and Council Directive 94/62/EC☞ of 20 December 1994 on packaging and packaging waste
- Regulation (EC) No 443/2009☞ of the European Parliament and of the Council of 23 April 2009 setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO_2 emissions from light-duty vehicles
- Directive 2006/7/EC☞ of the European Parliament and of the Council of 15 February 2006 concerning the management of bathing water quality

Chapter Three

A Monetary Union

If European integration was founded on the basis of economic co-operation (see previous chapters), then the next step in the form of a common monetary policy was one of logic. Exchanges on the common market would be facilitated if no exchange rates applied among trading countries. A common currency was in order. And in the future maybe also a common fiscal policy.

This chapter offers an overview of the following policy fields (not exclusive), which could be grouped under the wider policy area of European Monetary Union:

- EU Budget and Multiannual Financial Framework
- European Monetary Policy
- The Eurozone
- The European Semester and budgetary coordination

These policy fields are in principle adopted at EU level following three different procedures:

- The EU budget is adopted according to the 'Budget procedure' which is similar to the Ordinary Legislative procedure (see above chapters) with the European Parliament and the Council standing on more or less equal footing. More on the 'Budget procedure' can be found here☞.
- All *monetary policy* related decisions are taken by the European Central bank, and the Council of Ministers can attribute it specific tasks by taking a decision by unanimity (all Member States agree) after a consultation of the European Parliament. The Members of the European Parliament cannot block the Council's decisions, they are only consulted.
- All *fiscal policy* decisions are coordinated among Member States. The European Parliament is not included in the decision-making process.

More information on decision-making procedures in financial, monetary and fiscal matters at the EU level can be found here☞.

TABLE 3.1 Overview of Key Institutions, Their Departments and Functions in the Decision-Making Process

Role	Institution	Departments, DGs, Committees ...
Preparing legislative proposals	European Commission	For the policy fields described in this chapter, the Commission's DG ECFIN ☞ and DG BUDGET ☞ are main responsible for the task.
Decision-maker	Council of the EU/Permanent representations of Member States to the EU	The main Council configurations responsible for the policy fields described in this chapter are ECOFIN ☞ and the special configuration of the Eurogroup ☞. Contact your government officials. They are the once with most power in these policy fields.
Decision-maker or consulted	European Parliament	For the policy fields described in this chapter the main responsible Parliament Committees are BUDG ☞, CONT ☞ and ECON ☞.
Brussels based lobbyists	Associations and lobbyists at EU level	For the policy fields described in this chapter a number of associations and lobbyists could be accessed depending on the exact topic in question (e.g. Webber Shandwick ☞, Burson Marsteller ☞, Eamonn Bates Europe ☞, Hill and Knowlton ☞.
National interest groups	Associations and lobbyists at national level.	Try contacting your national associations dealing with budget and monetary matters, including the national central banks.

HOW TO INFLUENCE

These policy fields fall under various types of EU competence (for general information, see first chapters) and since the Ordinary legislative procedure is not used in these cases there are limited ways to influence the decision making-process. There are, however, some channels that can be used to reach out to decision-makers and make your voice heard in the financial, monetary and fiscal matters of the European Union.

Table 3.1 provides some more detailed information on which services, directorates and formations are responsible for developing, adopting and influencing decisions in the fields included in this chapter.

3.1 Budget

The EU disposes with its own budget. It has its own revenues and can monitor how to spend the money, based on its political priorities of the moment. However, in order to ensure a more stable environment for businesses and citizens, as well as to avoid major political setbacks and delays in adapting yearly budgets, the EU functions based on 7-year long-term spending plans, called the Multiannual Financial Framework (MFF). The MFF lays down the maximum annual amounts ('ceilings') which the EU may spend in different political fields ('headings') over a period of at least 5 years. The current MFF covers seven years from 2014 to 2020.

The MFF is not the budget of the EU for seven years. It provides a framework for financial programming and budgetary discipline by ensuring that EU spending is predictable and stays within the agreed limits. By defining in which areas the EU should invest more or less over the seven years, the MFF is an expression of political priorities as much as a budgetary planning tool. *The annual budget is then adopted every year along the MFF lines and ceilings.*

As the MFF is indeed a very important tool, its adoption takes time and a lot of negotiations. The final document is confirmed by the Council of Ministers by unanimity. The European Parliament gives its consent prior to this final confirmation.

For the period 2014–2020, the MFF sets *a maximum amount of 960 billion Euros (approximately 1% of EU's GDP)* and is divided into six categories of expense ('headings') corresponding to different areas of EU activities:

1. Smart and Inclusive Growth (Competitiveness for growth and jobs and Economic, social and territorial cohesion, including research and innovation funds and cohesion funds)
2. Sustainable Growth (Natural Resources, including the common agricultural policy, common fisheries policy, rural development and environmental measures)
3. Security and citizenship (including justice and home affairs, border protection, immigration and asylum policy, public health, consumer protection, culture, youth, information and dialogue with citizens)
4. Global Europe (covers all external action ('foreign policy') including development assistance or humanitarian aid with some exceptions)

5. Administration (administrative expenditure of all the European institutions, pensions and European Schools)
6. Compensations (temporary payments designed to ensure that Croatia, who joined the EU in July 2013, does not contribute more to the EU budget than it benefits from it in the first year following its accession)

Read more on the MFF at this link ☞.

REVENUE – EXPENDITURE

EU budget has to be balanced at any point in time. The Union cannot borrow money, nor can it go into negative figures. It's simply not allowed.

The *revenue* of EU budget comes mainly from three sources:

- Traditional own resources – Customs duties on imports from outside the EU and sugar levies.
- Own resources from value added tax (VAT) – A standard percentage is levied on the harmonised VAT base of each EU country.
- Own resources based on Gross National Income (GNI) – A standard percentage is levied on the GNI of each EU country. It is used to balance revenue and expenditure, i.e. to fund the part of the budget not covered by other sources of income.
- Other revenue – taxes from EU staff salaries, contributions from non-EU countries to certain EU programmes and fines on companies breaching competition laws etc.

The *expenditures* are determined in each yearly budget, based on the MFF in force, and can never be higher than revenues. Final EU Budget for the Year 2015 is available here ☞.

THE EUROPEAN UNION FUNDS

Money from EU budget is transferred to citizens and businesses through funds. Alongside the Horizon 2020 Programme (described in above chapter) and Erasmus+ Programme (described in the last chapter), other funds consist of:

- European Regional Development Fund (ERDF) ☞ – regional and urban development

- European Social Fund (ESF) ☞ – social inclusion and good governance
- Cohesion Fund (CF) ☞ – economic convergence by less-developed regions
- European Agricultural Fund for Rural Development (EAFRD) ☞
- European Maritime and Fisheries Fund (EMFF) ☞

These are managed primarily in partnership with national and regional authorities through a system of 'shared management.' A peculiarity about EU funds (as opposed to national funds) is probably that very few of them provide for 100% funding of projects. This is to create a sense of ownership from the part of the applicant and thereby help to ensure that the project is carried out well.

More information on the MFF and the EU budget can be found here ☞, here ☞, and here ☞.

3.2 Monetary Policy

The European monetary policy is described by the European Commission ☞ as 'an advanced stage of economic integration based on a single market.' The idea is that Member States sit together at the same table and coordinate their economic and fiscal policies. Since money has always been a delicate issue, Member States wish to maintain hold of the power in decision-making in this field. The idea of coordinating monetary and fiscal policies has been floating around Europe for some time, but it was only in 1992 with the Treaty of Maastricht (see first chapters) that basic principles and ground rules for achieving an Economic and Monetary Union (EMU) were set in law. *Even though not all Member States use the Euro as common currency, they are all part of the* EMU. *Specific provisions apply, however, to those of them that are part of the Eurozone (see next sub-chapter).*

According to the ECB website ☞, the 'The primary objective of the ECB's monetary policy is to maintain price stability. The ECB aims at inflation rates of below, but close to, 2% over the medium term.' This means that this economic philosophy in the long run wants real income and the level of employment to reflect real conditions at the market and not to artificially stimulate one and the other by printing more money.

In addition, the Member States of the EU can further economic

Did You Know: Euro Outside the European Union and Euro Outside Europe

Euro is not only used in the EU. In fact, Euro is also used outside the European continent.

Some countries concluded various kinds of monetary agreements with the EU that allow them to use the Euro but they cannot participate in the decision-making processes. Such countries are the Principality of Andorra, the Principality of Monaco, the Republic of San Marino and the Vatican City State, the French overseas territories that are not part of the EU such as the islands of Saint Pierre and Miquelon, Mayotte and Saint-Barthélemy. Some of these can even mint their own Euro coins with special designs.

Kosovo and Montenegro use the Euro as their de facto currency, but they do not have corresponding agreements with the EU.

Finally, French overseas departments of Guadeloupe, French Guyana, Martinique and Réunion, the Portuguese islands of Madeira and the Azores, and the Spanish Canary Islands are part of the Eurozone and therefore use the Euro in the same way as all other Eurozone countries.

and monetary integration through coordination of their economic policies. This is a voluntary process and can only happen if all of them agree. When this happens, the Commission can recommend to the Member States to adopt the Broad Economic Policy Guidelines (BEPG). These are non-binding but aim at promoting macroeconomic stability, sustainable finances, structural reform and the smooth functioning of EMU. They can also be used as standards against which national and European economic policy-making can be measured.

More information on the EMU can be accessed here☞.

3.3 The Euro (-Zone, -System, -Group)

Even though all EU Member States are members of the EMU, not all of them use the Euro as their currency. The Euro was first established as an accounting currency on 1st January 1999 but later on 1st January 2002 the banknotes and coins were circulated for the very first time.

For those Members States of the EU whose currency is now the Euro, monetary policy is managed through the European Central Bank and the national central banks of the euro-area Member

TABLE 3.2 List of Eurozone Member States by Date of Their Accession

Year	Countries
1999	Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland
2001	Greece
2007	Slovenia
2008	Cyprus, Malta
2009	Slovakia
2011	Estonia
2014	Latvia
2015	Lithuania

States. All together, they make up the *Eurosystem* and decisions can only be taken by the Governing Council of the ECB. This is to ensure that decisions are made free from outside influence.

If the system of ECB and national central banks is called the Eurosystem, there is also something known as the *Eurozone*. This is the area of EU Member States who have adopted the Euro as their currency. It currently consists of *19 Member States* (Table 3.2). In future there will probably be an enlargement of the Eurozone as all EU Member States have committed to joining the euro, save two (Denmark and the United Kingdom have opt-out clauses exempting them from participation unless they choose to participate). But the adoption of the common currency is dependent on the Member State's performance. The so-called *convergence criteria* have been designed to ensure that their economies are ready to join the euro area. They are analysed by the European Commission and the ECB and published every two years for those Member States wishing to join the Eurozone. The Members of Eurozone then examine the reports and make recommendations to the Council of the EU on whether a certain country is deemed able to adopt the Euro. In case of a favourable outcome, the ECB will fix a conversion rate between the national currency and the Euro and then the common money can be adopted.

The Eurozone is managed by the *Eurogroup*. This is an informal body that consists of the Ministers of finance of those countries whose currency is the Euro. The European Commission's Vice-President for Economic and Monetary Affairs and the President of

the ECB also participate in the meetings, where the main aim is coordination of economic policies within the Eurozone. The Eurogroup meetings usually take place once per month, just before the meeting of the Council on Economic and Financial Affairs (ECOFIN), where Finance ministers of all EU Member States participate. The Eurogroup is chaired by a President for the mandate of 2.5 years who is elected by a simple majority among members.

More information on the Eurogroup management and decisions as well as upcoming meetings can be found here☞. General information on the Eurogroup President is available here☞ and information on the current Eurogroup President can be found at this link☞.

EURO NOTES AND COINS

Common money makes us more European. It's also one of the symbols of the European Union and facilitates our travels, buys and trading across internal borders. The Euro *notes* have the same designs across all Eurozone countries and the issue of banknotes can only be authorised by the ECB. They are then printed and distributed jointly by ECB and national central banks. However, the *coins* have a common design on one side and a design particular for a specific Member State on the other side. Coins can be produced by Member States themselves, provided that the ECB has previously granted permission.

More information on Euro notes and coins can be accessed here☞ and in the ECB's leaflet☞.

More general information on the Euro and the Eurozone can be found here☞ and here☞.

3.4 The European Semester

The economic crisis showed that budgetary discipline is an important element in keeping the European economy and our common currency at the highest possible levels. The European Semester was born. This is the first phase of the EU's annual cycle of economic policy guidance and surveillance. Each European Semester, the European Commission *analyses* the fiscal and structural reform policies of every Member State, *provides recommendations*, and *monitors their implementation*. Then, in the second phase, the Member

States implement the policies that have been agreed in the framework of the European Semester.

The European Semester begins around November each year with the publication of the Annual Growth Survey☞ and the Alert Mechanism Report. The first one analyses the progress that the EU has made towards its long-term strategic priorities and the second one underpins the country-specific policy recommendations made by the EU to governments. EU leaders consider the reports in March each year and agree on a common direction to be taken. A month later, Member States report to the Commission on specific measures that they've been undertaking and the Commission formulates country-specific recommendations☞. These are discussed among Member States and endorsed in July each year. More information on the European semester can be found here☞.

Here are some of the main legislative acts (secondary legislation) in the fields of monetary and fiscal policy coordination at EU level:

- Council Regulation (EC) 1466/97☞ on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies (the preventive arm of the *Stability and Growth Pact*).
- Council Regulation (EC) 1467/97☞ on speeding up and clarifying the implementation of the Excessive Deficit Procedure (the corrective arm of the *Stability and Growth Pact*).
- Regulation (EU) No 1173/2011☞ on the effective enforcement of budgetary surveillance in the euro area – sanctions regulation.
- Directive 2011/85/EU☞ on requirements for budgetary frameworks of the Member States.
- Regulation (EU) No 473/2013☞ of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area.
- Regulation (EU) No 472/2013☞ of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability.

Chapter Four

A Political Project

The last chapter focuses briefly on the political dimension of the EU. If European integration was founded on economic cooperation which was later 'upgraded' with a monetary dimension, the political aspect is the final layer of policies. These are designed to work towards helping create a European identity through exchanges, travels and supporting citizens to learn how to live with each other's cultures and specifics.

There are many policies that contribute to an overall European sentiment and stimulate Europeans to meet, travel, do business and explore their multiple identities in another Member State. In this chapter, to give you a taste of what kind of political project the EU is, we look at a limited number of policies that could be associated with the EU as a political project:

- EU education and youth policy
- The Schengen regime and migration policy
- External policies and enlargement of the EU.

4.1 How to Influence

As the political dimension of the EU is still a very sensitive topic with the Member States, the policies in this field are mostly merely coordinated or adopted though the consent procedure. The first means that Member States chose where they wish to coordinate their policies and the latter means that for a decision to be taken, no Member State should be against.

Similarly to other policy fields described in above chapters and subchapters, there are a number of channels that a citizen can use to influence the decision-making process in the areas of education, culture, youth, migration and external policy of the European Union.

National interest groups Associations and lobbyists at national level. Try contacting your national associations dealing with youth, sports, education, migration and similar issues. National Youth Organisations should be well informed on the topics and practical

TABLE 4.1 Overview of Key Institutions, Their Departments and Functions in the Decision-Making Process

Role	Institution	Departments, DGs, Committees ...
Preparing legislative proposals	European Commission	For the policy fields described in this chapter, the Commission's DG EAC☞, DG EMPL☞, DG DEVCO☞, EUROPAID☞, DG HOME☞ and DG ELARG☞ are main responsible for the task.
Decision-maker	Council of the EU/Permanent representations of Member States to the EU	The main Council configurations responsible for the policy fields described in this chapter are EYCS☞, EPSCO☞, FAC☞ and JHA☞. Contact your government officials. They are the once with most power in these policy fields.
Consulted	European Parliament	For the policy fields described in this chapter the main responsible Parliament Committees are AFET☞ (with sub-committees DROI☞ and SEDE☞), DEVE☞, EMPL☞, CULT☞ and LIBE☞.
Brussels based lobbyists	Associations and lobbyists at EU level	For the policy fields described in this chapter a number of associations and lobbyists could be accessed depending on the exact topic in question (e.g. Webber Shandwick☞, Burson Marsteller☞, Eamonn Bates Europe☞, Hill and Knowlton☞).
National interest groups	Associations and lobbyists at national level.	Try contacting your national associations dealing with youth, sports, education, migration and similar issues. National Youth Organisations should be well informed on the topics and practical cooperation should be possible through networks such as local European Students' For a AEGEE☞.

cooperation should be possible through networks such as local European Students' For a AEGEE☞.

4.2 Union Education and Youth Policy

It is no big news that the EU population is ageing and will continue to age. According to Eurostat, the number of elderly people in the EU exceeded the number of children for the first time already in

2005. At the same time, young people represented only 17.5% of the EU-28's population in 2015, and this number is estimated to fall to 15.3% by the year 2050, according to the EU Strategy for youth ☞. Youth is defined at the EU level as the age group between 15 and 29 years of age.

If we look at individual Member States, Cyprus recorded 22.2% of young people in its population in 2016, which was the highest proportion in the European Union. At the other end, Italy and Spain recorded the 15.1% share of young people in the total populations in 2016 with Greece right behind them with a 15.6% share.

More information and statistical data on demographic trends, with focus on youth, can be found here ☞.

The above presented demographic changes are expected to affect a wide array of areas, including families, intergenerational solidarity and economic growth. While young people tend to be quick learners and flexible to adapt to a rapidly changing environment by adapting new greener lifestyles and habits, they are also most vulnerable in the face of potential economic crises or inflexibilities at the current job markets. Finally, a certain level of disillusionment can be detected among youth today in relation to politics and trust in institutions at all levels.

The European Union has just recently, in December 2018, adopted the new EU Youth Strategy 2019–2027 ☞, which aims to engage, connect and empower European youth. The proposal is accompanied by the Staff working document ☞, including background information, data, public consultation outcomes and other facts and figures that support the contents of the new strategy. In this document, the European Commission notes that 'significant improvements have been made in many aspects of young people's lives in recent years, marking a turning point in many European countries.' Key indicators that show a positive trend in this respect are the following:

- More young people are finding employment. Furthermore, those with tertiary education are much more likely to find a job than those with the lowest levels of education. In 2018 there were 1.3 million fewer jobless young Europeans as compared to the year 2013 and long-term youth unemployment has declined.

- Social inclusion of young Europeans has improved as a consequence of labour market improvements. Making it easier to find a job also allows the youth to become more independent and secure better social and living conditions for themselves. Furthermore, the proportion of young people not in employment, education or training (NEETS) has fallen below the levels of 2010.
- Young people are now less prone to risky health behaviours as better economic and living conditions positively influence the general well-being and health of individuals. This goes in connection to smoking, alcohol abuse and intoxication.
- Interest of young Europeans in politics is growing. In addition, European youth is taking advantage of the new methods of political participation, based on modern technology.
- Young people in Europe increasingly participate in voluntary activities.

However, the document follows up with several worrying challenges:

- Educational achievement remains a challenge for some youth groups.
- Poverty and social exclusion continue to affect youth population and a growing number of young Europeans experience poverty while in employment. This worrying trend leads to higher risks for social exclusion and deprivation.
- Health risks, such as obesity and insufficient physical activity, are present in young people in Europe too. In addition, participation of European youth in sports clubs has diminished over the past seven years.
- Young voters vote less and less, in particular at the occasion of EU elections.
- Both genders face disadvantages but in different areas. Young women continue to have less prominent participation at the labour market attain higher levels of risk of social exclusion. On the other hand, young men are more at risk of leaving their education early which might lead to more unemployment and are more prone to risk behaviours and substance abuse.

- Education, employment and inclusion are more challenging for young Europeans from Eastern and Southern Europe. This is mostly due to differences in education levels, levels of use of digital technologies, as well as outside factors such as the recent debt crisis.

Results of the open method of coordination in the field of youth at the EU level for the period 2010–2018 can be found here☞.

The EU Youth Strategy 2019–2027 itself sets several priorities to enable young people to manage and create their own lives, enable them to undergo personal development and growth to autonomy by utilising skills that can cope with a quickly changing environment around them. It also strives to encourage and equip them with resources to become active citizens inspired by EU values and an EU identity. Furthermore, the idea is also to improve policy decisions related to youth and contribute to eradication of youth poverty and all forms of discrimination as well as promote social inclusion of young people.

To ensure that the Youth Strategy is in line with the international system of human rights, the EU institutions and Member States pledge to apply the principles of equality of non-discrimination, inclusion and participation in all youth-related actions and policies. In addition, the Strategy foresees an important role for 'Global, European, national, regional and local dimension' in youth policies. This approach assumes that the youth policies should be supported at grass-roots level, interlinking them with local and regional policy while never forgetting to take into account the voice of youth when it comes to global issues. Finally, the Strategy also looks at how the 'Dual approach' is key to creating successful youth policies. This approach claims that youth policies can never be successful on their own, and so the dimension of youth must be included in all policy fields and all decisions across the spectrum.

To move forward, the Youth Strategy proposes to tackle core areas of the youth sector through three key titles:

1. *Engage.* This is all about participation, in particular in relation to policy-making, active citizenship and debates. By achieving to activate youth and have them engaged in the decisions that are being taken today, it could be ensured that decisions that are taken today will serve them well in

the future. In this view the Strategy calls on the European institutions and Member States to encourage and promote inclusive democratic participation of all young people, actively engage them and their organisations in policy processes, support the establishment and development of youth representations at all levels (local, regional, national, European), support the EU Youth Dialogue (see below), develop opportunities for 'learning to participate' and raising interest in participatory actions, as well as explore and promote the use of innovative and alternative forms of democratic participation.

2. *Connect*. The Strategy notes that young people in Europe have never been so connected as they are today. This situation brings wonderful opportunities for exchanges, cooperation, cultural and civic action in the European context. Technology and the opportunities it brings, can help them develop and strengthen personal, social and civic competencies, develop critical thinking and creativity and enhance employability. Exchanges such as Erasmus+ (see chapter 8) and the European Solidarity Corps (see chapter 19) however remain key tools for those young people with fewer opportunities in view of interconnectivity, as well as remain key instruments in bringing young Europeans together. In this view the Strategy calls on the European Institutions and Member States to enable access for all youth to cross-border mobility programmes, including volunteering and civil society, eliminating obstacles and supporting youth with fewer opportunities, encourage that the young people engage in solidarity, organise and actively participate in EU funding programmes, and share best practices in effective systems for validation and recognition of skills and competencies gained through non-formal and informal learning.

3. *Empower*. The Strategy looks at how young people could be encouraged to take charge of their own lives by helping them provide or find necessary resources, tools and create an environment that is willing to pay proper attention to the voice of youth. From difficulties in accessing their social rights, social exclusion and discrimination to fake news and propaganda,

young people have to have the appropriate conditions that will help them face these challenges. The Strategy sees the role of youth work as catalyst for empowerment as it brings unique benefits in their transition to adulthood, provides a safe environment to gain self-confidence and learn in a non-formal way, and quips them with key personal, professional and entrepreneurial competences and skills. In this view, the European institutions and Member States are call upon to closely cooperate on implementing the EU Youth Strategy 2019–2027.

The EU Youth Strategy 2019–2027 also foresees a number of measures that are to be used on a local, regional, national, European and global level:

- evidence-based youth policy-making and knowledge building;
- mutual learning and dissemination between Member States, the European Commission and relevant stakeholders;
- participatory governance to acknowledge young people as experts of their own lives, increase visibility for young people and their concerns and raise visibility of decision-makers in youth policy in the eyes of young people;
- mobilising EU programmes and funds, in particular Erasmus+, the European Solidarity Corps, European Structural and Investment Funds, Horizon 2020, including the Marie Skłodowska-Curie Actions, Creative Europe;
- monitoring of EU funding;
- communicating the EU Youth Strategy in a youth-friendly language;
- Future National Activities Planner (see below), intend to allow Member States on a voluntary basis to share their priorities in line with the EU Youth Strategy;
- EU Youth Dialogue (see below) with the aim of including more decision-makers and young people, fostering their engagement and their political participation with the EU and society at large;
- the EU Youth Coordinator within the European Commission, with the objective of enhancing cross-sectoral cooperation,

as well as knowledge development and exchange on youth issues within the European Commission services; the EU Youth Coordinator should work hand in hand with various stakeholders to ensure a coherent communication towards young people;

- youth information and support;
- EU Work Plans for Youth spanning two Presidency Trios and drawing on the guiding principles and priorities of the Strategy, addressing youth issues in other Council configurations and their preparatory bodies in relevant policy areas; and
- monitoring, reporting, evaluation.

The Strategy foresees the establishment of the EU Youth Dialogue☞, intended to be a dialogue with young people and youth organisations, policy and decision-makers, experts, researchers and other civil society actors and stakeholders. The idea is to create a forum for continuous reflection and consultation on priorities, implementation and follow-up in the field of cooperation in the field of youth in Europe.

Another initiative introduced by the new EU Youth Strategy are the Future National Activities Planners☞ (FNAPS). Basic documents for youth policies at the national level are usually the national youth strategies. However, many times these documents fail to be shared among Member States. Such sharing could be useful to identify and learn about common challenges and find best practices that could be transferred from one to another Member State. In addition, synergies could be established among similar initiatives in various Member States, leading to an implicit European cooperation.

Finally, the European Youth Goals☞ present a vision for a Europe that enables young people to realise their full potential.

More on EU youth policy and actions can be found here☞.

4.3 Employment and Labour Market

Employment and social policy cooperation has been around since the 1950s and the ECSC, when workers whose jobs in the coal and steel sector were threatened by industrial restructuring were granted 'readaptation aid.' In the 1960s, the European Social Fund (ESF) was created as a principle tool to combat unemployment and

was subsequently renewed a number of times to better fit the developing priorities. But it was only in 1993 with the White Paper on Growth, Competitiveness and Employment☞ that a debate was launched on creating a European Economic and Employment Strategy and this brought employment to the top of the European agenda. In 1997, the European Employment Strategy (See Chapter 16) was launched together with the Luxembourg process, which became the annual coordinating and monitoring cycle for national employment policies, following commitment of Member States to establish a set of common objectives and targets in this area. Finally, the Europe 2020 Strategy embraced full employment as an overarching objective of employment and social policy and agreed on concrete targets to be attained by the year 2020.

In addition, a body of EU labour law exists in the area of employment. While discussions in this context tend to be very controversial with Member States jealously protecting their own labour rules, sets of minimum standards were adopted at the EU level in the following areas:

- health and safety at work (general and specific rights and obligations, work equipment, specific risks);
- equal opportunities for women and men (equal treatment at work, pregnancy, maternity leave, parental leave);
- protection against discrimination based on sex, race, religion, age, disability and sexual orientation; and
- part-time work, fixed-term contracts, working hours, employment of young people, informing and consulting employees.

Furthermore, the fundamental freedom of movement of workers should not be overlooked. This, in addition to rules related to posting of workers, represents one of the central elements of the Internal EU market, allowing EU citizens to move and work freely in all Member States. In this view, EU citizens are entitled to look for a job in another EU country, work there without needing a work permit, reside there for that purpose, stay even after employment has finished and enjoy equal treatment with nationals in access to employment, working conditions and all other social and tax advantages. When it comes to health and social security coverage, however EU nationals do not necessarily have the right to the same services

as nationals of the specific Member States. In addition, freedom of movement of workers extends to their family members with the only limitation for this fundamental freedom being considerations of public security, public policy, public health and employment in public sector.

Further information on freedom of movement for workers can be found here ☞ and here ☞.

Further general information on EU cooperation in the area of employment can be found here ☞.

GENERATION Y JOBS AND SKILLS

The 21st century jobs are far from what the baby boomer generation knew. The so-called Generation Y now has to be able to possess a wide knowledge and understanding of the world, with a set of specific modern skills, in particular digital, that need to be constantly upgraded. It is not true anymore that spending a whole career in the same company will bring you a nice consistent pay rise and professional satisfaction. The job market has changed dramatically with the spread of digital services and the young generation tends to favour more flexible employment opportunities, changes jobs for reasons of personal preferences and many consider work from home on projects their ultimate goal.

In the most recent years, conditions at the EU labour market have improved and the unemployment rate has steadily declined since the year 2013. According to the European Parliament think tank ☞, in terms of unemployment, the EU was back to its pre-crisis level of 6.8% in July 2018. Nevertheless, differences between Member States, youth unemployment and long-term unemployment remain of concern to the EU. Citizens continue to demand more EU intervention in the fight against unemployment and further adjustment to digital world, support to sustainable transitions from unemployment to employment and between jobs as well as increase in labour mobility remain some areas that could in the coming years see closer European coordination.

While Eurostat data ☞ shows that the highest employment rates remain for those who had graduated with a tertiary education degree, with lower employment rates were recorded for those with an upper secondary or post-secondary non-tertiary education, education does not seem to be everything when it comes to your employa-

bility. For example, apprenticeships seem to increase the likelihood of being able to find a job. Same goes for other kinds of education programmes that equip students with the knowledge, know-how, skills and/or competences required for a particular occupation.

It is therefore important that we do not only talk about employment (i.e. getting a job), but also employability. There are a number of definitions, but it is mostly about having a specific set of skills, attributes and attitudes to function successfully in required roles at work. Employability is also about transcending disciplinary contexts and continuous education (or lifelong learning). In her study☞, Angela Baron underlines that nowadays, 'if individuals want to remain employable with the option of accessing interesting and stimulating work opportunities, they too, have to think about what skills they should be working to develop.' It seems to all be about figuring out what skills will be needed in the coming years. Good news is that individuals seem to value employability. They see it as personal development and motivation, as well as an opportunity for undertaking a variety of roles in different contexts. Finally, continuous development of relevant skills allows individuals to feel more secure on the job market. For these reasons, Baron suggests that rather than looking at the diminishing pool of 'job ready' talent, employers should look at the bigger picture and opt for hiring an adaptable workforce, 'which can grow with smart jobs and stimulate learning and growth for both the individual and their employer.'

European Employment Strategy (EES) is the key document adopted in 1997 when EU Member States decided to establish some common objectives and targets for employment policy with the aim of creating more and better jobs throughout the EU. The EES is now a part of the Europe 2020 Strategy and is implemented through the European Semester where policy coordination is closely monitored on an annual basis. The implementation of EES is supported by the Employment Committee☞ and consists of four steps of the European Semester.

In this regard, monitoring of employment policies is based on:

1. *Employment guidelines* that are prepared by the European Commission and adopted by the Council of the EU. They contain strategic objectives for national employment policies and combine policy priorities with some ongoing key

elements. The latest revision of these guidelines was done in 2018 when they were aligned with the European Pillar of Social Rights. They target the following four domains:

- boosting demand for labour (job creation, labour taxation, wage setting);
- enhancing labour and skills supply (including youth and long-term unemployment);
- better functioning of labour markets (specific focus is on market segmentation); and
- fairness, combatting poverty and promoting equal opportunities for all.

2. *Joint employment report.* This is an overarching report on the situation in the area of employment in Europe. It is based on the assessment of the employment situation in Europe, the implementation of the Employment guidelines (above) and an assessment of the Scoreboard of key employment and social indicators. The report is prepared by the European Commission and confirmed by the Council of the EU.
3. *National Reform Programmes.* National governments submit their reform programmes for analysis to the European Commission as per rules set in the Europe 2020 Strategy.
4. *Country reports* and *country-specific recommendations.* Once the European Commission analyses the National Reform Programmes, it publishes a series of country reports in the area of employment, as well as specific recommendations for each Member State.

Further information on the European Employment Strategy can be found here☞ and here☞.

More information on the New Skills Agenda for Europe can be found here☞, here☞ and here☞.

4.4 European Social Policy

As social policy and social inclusion are those fields where the European Commission can merely support and complement actions of Member States, this cooperation is all about political will. And when it comes to defending national social security systems, battles can be tough. Combating poverty and social exclusion is one of the

specific goals of the EU and its Member States, but in accordance with Article 153 TFEU, social inclusion can only be achieved on the basis of the open method of coordination (OMC). However, Article 19 TFEU allows the EU to take action to fight discrimination by offering legal protection for potential victims as well as establishing incentives.

The overarching objectives of cooperation on social affairs among EU Member States now include: social cohesion, equality between men and women and equal opportunities for all through efficient social protection systems; effective and mutual interaction between the Lisbon objectives of growth, jobs and social cohesion; good governance; and the involvement of stakeholders.

To fight the worrying trend of social exclusion and poverty, the European Platform against Poverty and Social Exclusion was set up as a broad range of policies, designed to help achieve the above mentioned 2020 target. The platform was agreed upon by the national governments of EU Member States, the European institutions and relevant stakeholders. It thereby represents a commitment to focus on objectives set in the Social Investment Package of 2013.

Social investment might sound like an oxymoron, but in reality, it is about investing in people. Policies are designed to strengthen people's skills and capacities. They also support their full participation in employment and social life. Main policies in this context are education, quality, childcare, healthcare, training, job-search assistance and rehabilitation. The Social Investment Package contains the following main provisions:

- guidelines for Member States on how to use their social budgets more efficiently and effectively to ensure adequate and sustainable social protection;
- measures that seek to strengthen people's current and future capacities, improving their opportunities to participate in society and at the labour market;
- focus on integrated packages of benefits and services that help people through their lives and achieve lasting positive social outcomes; and
- looks at reducing the need for benefits by focusing on prevention rather than cure; and
- calls for investing in children and young people.

Main beneficiaries of the Social Investment Package are therefore children and youth, jobseekers, women, older people, disabled people, homeless people as well as employers.

More information on the Social Investment Package can be accessed here☞.

In addition to the pure social affairs, fight for social inclusion also includes anti-discrimination legislation. At the EU level, it was in 1997 that the current Article 19 TFEU was set in ink and allowed the Union to legislate in this area. Subsequently three key Directives in the non-discrimination field are the Racial Equality Directive☞, the Employment Equality Directive☞, and the Equal Treatment Directive☞. Furthermore, the Inclusion and Diversity Strategy☞ includes possibilities available in the Erasmus+ programme for supporting young people with fewer opportunities.

EU funding in the area of employment and social affaires is the ESF, which allows co-financing Member States' actions where needed. In addition, the Fund for European Aid for the Most Deprived (FEAD) supports actions of Member States that provide material assistance in combination with social inclusion measures.

More information on EU's social policy cooperation, poverty and social exclusion in the EU can be found here☞, here☞, here☞ and here☞.

Finally, an important aspect of social affairs are happy workers, happy trade unions and happy employers. Meaning a functional social dialogue, which is in fact a fundamental component of the European social model. Representatives of management and labour can thus also actively contribute to designing the European social and employment environment and policies.

Social dialogue, or rather in the lingo of the after-war Europe, right of association and collective bargaining, was one of the tasks that the very first European Commission was entrusted with in the 1957 Treaty of Rome. However, it was only in the mid-1980s that this provision started to be implemented. At that time, social partners such as the European Trade Union Confederation, the Union of Industries of the European Community and the European Centre of Public Enterprises were invited into the consultative process of setting up the internal market. Small steps were made with each subsequent treaty change, but the most recent economic crisis put social dialogue under pressure. In this context, the Member States

with strongest social partnerships proved to be strongest in overcoming the crisis.

Further details on the European social dialogue can be found at this link ☞.

4.5 The Schengen Regime and Migration

Free movement of persons is one of the fundamental right of EU citizens (see previous chapters) and is realised through the area of freedom, security and justice without internal borders. This means that there are no more internal borders and you're not checked when going from one Member State to another. On the other hand this also means that external borders need to have stricter control and that common rules must apply for entry and residence of non-EU nationals, including through a common asylum and immigration policy. *Asylum and immigration policies* are still quite vague at the EU level, although they do get special impetus from time to time but they generally remain in the domain of individual Member States. More on asylum and immigration policies of the EU can be found here ☞.

The *Schengen Area* was established with the signing of the Schengen Agreement in 1985 and the subsequent Schengen Convention in 1990. This is not a part of the EU system but rather a separate international agreement between countries (of which the majority are EU Member States), which initiated the abolition of border controls between them. In 2015, the Schengen Area encompassed most EU States, except Bulgaria, Croatia, Cyprus, Ireland, Romania and the United Kingdom. Bulgaria, Romania and Croatia are currently in the process of joining the Schengen Area. Of non-EU States, Iceland, Norway, Switzerland and Liechtenstein have joined the Schengen Area. More information on Schengen area can be found here ☞.

The Schengen Area allows any person, irrespective of nationality, to cross the internal borders without being subjected to border checks. However, in some cases the competent national authorities can carry out police checks also at internal borders and in border areas, 'provided that such checks are not equivalent to border checks' (see here ☞). If a new country wishes to join the Schengen Area, it must fulfil a number of conditions, including demonstrating that it can take responsibility for controlling the external bor-

ders on behalf of the other Schengen States and for issuing uniform Schengen visas, efficiently cooperate with law enforcement agencies in other Schengen States to maintain a high level of security, apply the common set of Schengen rules and connect to and use the Schengen Information System (SIS).

More information on Schengen, free circulation and immigration and asylum policies can be found here ☞ and here ☞. An Opinion on whether Schengen is an advantage or a threat to European security can be read here ☞.

4.6 Enlargement and External Policies

Europe's external policies encompass a number of areas that have to do with the relations of the European Union and its Member States with the so-called 'third countries,' so those countries that are not members of the EU. Here we present only a short overview of the fields that EU external policy can cover.

Enlargement policy is according to many experts probably the most successful EU policy in general. This is due to the fact that it contributed to stabilising the war-torn continent during the period of the Cold War and continues to spread the rule of law, democracy and human rights into the neighbouring countries of Europe. For more information, see previous chapters. Additional facts on EU enlargement policy can be found here ☞ and here ☞.

EU has a special policy set for its immediate neighbourhood. *The European Neighbourhood Policy* (ENP) is relatively young (developed in 2004) with the objective of avoiding the emergence of new dividing lines between the enlarged EU and our neighbours. The ENP encompasses 16 countries in EU's immediate neighbourhood (Algeria ☞, Armenia ☞, Azerbaijan ☞, Belarus ☞, Egypt ☞, Georgia ☞, Israel ☞, Jordan ☞, Lebanon ☞, Libya ☞, Moldova ☞, Morocco ☞, Palestine ☞, Syria ☞, Tunisia ☞ and Ukraine ☞) and is further complemented by regional and multilateral co-operation initiatives: the Eastern Partnership ☞, the Euro-Mediterranean Partnership (EUROMED) ☞ and the Black Sea Synergy. The ENP offers our neighbours a privileged relationship but the level of ambition of the relationship depends on the extent to which the fundamental values are shared. The ENP includes political association and deeper economic integration, increased mobility and more people-to-people contacts. The ENP is distinct from the process of enlargement. However, it doesn't prevent for a neighbouring coun-

try to at some point join the EU, should the Treaty provisions allow this accession. More information on the ENP can be found here ☞ and here ☞.

Strategic partnerships with some big world countries like the USA, Russia, China and India also form part of EU's external action. These are big countries that EU also does extensive trade with. Also, they are important players at the global arena, in the frame of the climate negotiations (see sub-chapter on environment policy) and in the framework of the United Nations Security Council. Read more on EU-China partnership ☞, EU-US relations ☞, EU-India relations ☞ and EU-Russia relations ☞. These partnerships, however, are mostly based on declaratory level and in many cases remain merely political.

A very important foreign policy of the EU is also the external dimension of EU common market, which is EU *External Trade*. If we are playing by the same rules internally, it is only logical that we also jointly negotiate trade agreements with third parties. EU is therefore involved in the development of trade in the multilateral framework of the World Trade Organisation (WTO) as well as supporting developing countries and regions through bilateral relations with a view to involving them in world trade using preferential measures. At the time of writing, the EU is negotiating an important external trade agreement with the USA. The Trans-Atlantic Trade and Investment Partnership (TTIP) is expected to open up the US to EU firms, help cut red tape that firms face when exporting and set new rules to make it easier and fairer to export, import and invest overseas. More information on external trade of the EU can be accessed here ☞ and here ☞. More information on TTIP can be found here ☞.

Finally, EU is the biggest donor of *Development Aid* in the world, providing over 50% of all global development aid. EU development policy seeks to eradicate poverty in a context of sustainable development. In this respect the EU focuses on certain sectors of intervention, depending on the needs of partner countries and thereby contributes to the achievement of the Millennium Development Goals ☞. The EU is committed to making aid more effective, and bases its work on European values, in particular democratic values and practices such as human rights, fundamental freedoms and good governance. More information on EU development aid can be found here ☞.

Conclusion

This book was prepared bearing in mind the practical information that EU citizens and others might need in their everyday life. We hope that we have managed to attain this goal, showing the evolutionary nature of the EU legislation as well as the integrations themselves. By accessing up to date information via live links in this book, the readers will be able to not only remain informed on the evolution of EU policies but also become active in influencing them. Finally, this book can also serve as basis for further research on EU affairs and analyses integration studies in various policy fields.

The European Union is most importantly a community of nations and an example of how peace can be achieved through economic, monetary and political cooperation. Today, it is unimaginable that any EU Member State would enter into an armed conflict against another. And it's not only because it wouldn't be economically viable but also because people have, and continue to establish links and connections which make us more European every day. As former Italian President, Giorgio Napolitano, explained 'it is important to have patience and efforts to build a community of nations.' And in the long term, this patience pays off in form of peace and cooperation. Bringing benefits to society in its widest sense.

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European Union policy has an important influence on the lives of individuals, communities and individual countries. However, sometimes EU citizens are not aware of the importance and influence of these policies, which are, when correctly understood generally positive for both countries and individuals. The complexity of EU policies makes it impossible for the individual to be actively involved in shaping policies. Therefore, education on the role and content of the EU should be a component of the curricula on all levels of education.

This book is mainly addressing the young people, students of different countries and nationalities who do not have any EU themed content on their study programme and to serve as study material in programme subjects on the EU which are not based on European studies.

In deepening and widening their knowledge on the European Union, young people (and others) will discover what options and opportunities the European Union offers them to increase the awareness of European identity and citizenship. This will encourage young people to be active citizens and thus become actively involved in forming future regulations, policies, and principles in our European Union. In strengthening active citizenship we also encourage the development of competencies young people need to efficiently be included in a fast changing society, transnational European education environment and common labour market.

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