

Governing Institutions of the European Union

Page 1

What is the European Union?

The European Union is an institutional framework for forging unity and cooperation among European countries. It is a new stage in a process begun in the 1950s with the creation of three original European Organizations, which came to be known collectively as the European Community.

Unification was launched in the wake of World War II, as a devastated Western Europe sought ways to rebuild its economy and prevent future wars. The Union constitutes a unique relationship among nations. It used to be referred to as the *Common Market* because it is a single trading entity. But it was always much more than that. The European Community was a political creation from the outset, committed by its founding treaties to seek an ever closer union among the peoples of Europe.

The Union is often compared to the United States, and there are some similarities. Member countries have agreed to pool some of their sovereign powers for the sake of unity, just as American states did to create a federal republic. In fields where such pooling of national sovereignty has occurred – for example, in trade and agriculture – the Union negotiates directly with the United States and other countries. Member states retain their sovereign powers in such fields as *security and defense*, although they have agreed to take joint actions in foreign and security policy under the new Union. Although the US federal model continues to inspire the search for political unity, Europe is constructing its own model for unification, ensuring respect for its richest asset – the historical, cultural and linguistic diversity of the European nations.

Governing Institutions

The European Union is governed by five institutions – the Commission, Council of Ministers, Parliament, Court of Justice, and Court of Auditors. In addition, Heads of State and Government and the

Commission President meet at least twice a year in European Council summits to provide overall strategy and political direction. The European Council Presidency rotates among member states every six months, as does the Council of Ministers' Presidency.

The governing system, novel in its conception and unique in its assignment of powers, differs from all previous national and international models. Unlike the United States, the EU is founded on international treaties among sovereign nations rather than a Constitution. The power to enact laws that are directly binding on all EU citizens throughout the EU territory also distinguishes the Union from other international organizations.

The Union has been described as a *supranational entity*. The member states have relinquished part of their national sovereignty to the EU institutions. The member states work together, in their collective interest, through the joint administration of their sovereign powers. The Union also operates according to the principle of “subsidiary,” which characterizes most federal systems. Under this principle, the Union is granted jurisdiction only for those policies that cannot be handled effectively at lower levels of government, i.e., national, regional, or local.

The EU system is inherently evolutionary; it was designed to allow for the gradual development of European unification and has not yet achieved its final form.

European Parliament

The European Parliament is composed of 626 members, directly elected in EU-wide elections for five-year terms. The President of the Parliament is elected for a two-and-a-half year term. Members of the European Parliament (MEPs) form political rather than national groups.

Governing Institutions of the European Union

Page 2

The European Parliament cannot enact laws like national parliaments. However, its legislative role has been strengthened over the years, most recently by the Maastricht Treaty, whose co-decision procedure empowered Parliament to veto legislation in certain policy areas. Earlier, the Single European Act gave Parliament the right to amend proposals for legislation (cooperation procedure), and gave it veto power over the accession of new member states and the conclusion of association treaties with third countries (assent procedure).

European Council

The European Council brings together Heads of State and Government and the President of the Commission. It meets at least twice a year, at the end of each EU member state's six-month presidency of the Council. The Single European Act formalized the European Council, which was not foreseen in the original EC treaties.

Council of Ministers

The Council of Ministers enacts EU laws, acting on proposals submitted by the Commission.

Made up of Ministers from each member state, it is in the Council that a *balance* is struck *between national and Union interests*. Different Ministers participate in the Council according to the subject under discussion. Agricultural Ministers, for example discuss farm prices in the Agricultural Council, and the Economic and Finance Ministers discuss monetary affairs in the Ecofin Council. The Ministers of Foreign Affairs provide overall coordination in the General Affairs Council. They are also responsible for foreign policy in the framework of the Common Foreign and Security Policy.

Each Government acts as a President of the Council for six months in rotation. The Council can alter the Commission's legislative proposals only by unanimous agreement. The Council is assisted in its work by a Committee of Permanent Representatives (Coreper), which is composed of member state officials holding ambassadorial rank, and a Secretariat, with a staff of about 2,000.

The European Commission

The Commission is the policy engine. It proposes legislation, is responsible for administration, and ensures that the provisions of the treaties and the decisions of the institutions are properly implemented. It has investigative powers, and can take action against persons, companies, or member states that violate EU rules. It manages the budget and represents the Union in international trade negotiations.

The Commissioners – two each from France, Germany, Italy, Spain, and the United Kingdom, and one from each of the other member states – are appointed for five-year terms, in line with the European Parliament which has the power to approve the appointment of the Commission as a body. The Commission President is appointed by agreement among the member governments in consultation with the European Parliament for a term of five years. Up to two Vice-Presidents are appointed from among the Commissioners.

The Commissioners act in the Union's interest, independent of the national governments which nominated them. Each is assigned one or more policy areas and is assisted by a small cabinet or team of aides. The Commission's administrative staff, based mainly in Brussels, numbers about 15,000, divided among more than 25 "directorates-general" and other administrative services. Since the EU has eleven official languages, about 20 percent of the Commission staff are translators and interpreters.

Court of Justice

The Court of Justice, sitting in Luxembourg, is the Community's "Supreme Court." It ensures that the treaties are interpreted and applied correctly by other EU institutions and by the member states. The Court comprises 15 judges, one from each member state, appointed for renewable terms of six years. Judgments of the Court in the field of EC law are binding on EU institutions, member states, national courts, companies, and private citizens. Since 1988 the Court of Justice has been assisted by a Court of First instance, consisting of 15 mem-

Governing Institutions of the European Union**Page 3**

bers. This court has power to hear actions brought by EU officials, competition and coal and steel cases, and actions for damages. Its decisions are subject to appeal to the Court of Justice on points of law only.

Other EU Bodies

Before the adoption of new legislation, the Commission and the Council consult with other EU bodies on the anticipated economic, social and regional impacts of proposed laws. In addition, the EU has set up a number of new agencies for its activities in important new areas.

The Economic and Social Committee (Brussels)

A 222-member consultative body, representing labor, employers, agriculture, consumer and professional associations.

Committee of the Regions (Brussels)

A 222-member advisory body, consisting of representatives of regional and local bodies.

*European Central Bank (Frankfurt)**European Monitoring Center for Drugs and Drug Addiction (Lisbon)**European Police Office (EUROPOL) (The Hague)*

For police coordination among EU member states.

European Training Foundation (Turin)

For Central and Eastern Europe.

Office for Harmonization of the Internal Market (Alicante)

To simplify trademark registration.

*Office for Veterinary and Plant Health Inspection and Control (Dublin)***Majority Voting in the EU Council**

The Council takes most decisions by qualified majority (QMV). Unanimity is still required for areas like amendments to the treaties, taxation, the launching of a new common policy, the admission of a new member state, or the new Common Foreign and Security Policy (CFSP). Five member states and 25 votes are necessary for a blocking minority.