

Nicholas Moussis

**Guide to
European policies**

13th revised edition
2007

European Study Service[^] \ -[^]

SUMMARY

Foreword	1
PART I: TREATIES, LAW, INSTITUTIONS	• 3
Chapter 1: Introduction to European Integration	5
Chapter 2: European Treaties	19
Chapter 3: European Law and Finances	27
Chapter 4: European Institutions	37
PART II: INTEGRATION STAGES	61
Chapter 5: Customs Union	63
Chapter 6: Common Market	75
Chapter 7: Economic and Monetary Union	103
Chapter 8: Towards a Political Union	121
PART III: POLICIES CONCERNING THE CITIZENS	137
Chapter 9: Citizens' Rights and participation	139
Chapter 10: Information, Audiovisual and Cultural Policies	149
Chapter 11: Consumer Policy	165
PART IV: HORIZONTAL POLICIES	175
Chapter 12: Regional Development Policy	177
Chapter 13: Social Progress Policies	193
Chapter 14: Taxation Policy	221
Chapter 15: Competition Policy	235
Chapter 16: Environment Policy	261
PART V: SECTORAL POLICIES	283
Chapter 17: Industrial and Enterprise Policies	285
Chapter 18: Research and Technology Policy	313
Chapter 19: Energy Policy	329
Chapter 20: Transport Policy	345
Chapter 21: Agricultural Policy	363
Chapter 22: Fisheries Policy	385
PART VI: EXTERNAL POLICIES	397
Chapter 23: Commercial Policy	399
Chapter 24: Development Aid Policy	411
•Chapter 25: External Relations	423
CONCLUSIONS ON EUROPEAN INTEGRATION	441
INDEX AND GLOSSARY	463

CONTENTS

Foreword	1
PART I: TREATIES, LAW AND INSTITUTIONS	3
Chapter 1: Introduction to European Integration	5
1.1. The theoretical framework	5
1.1.1. A synopsis of prominent, integration theories	6
1.1.2. An empirical approach based on the development of common policies	* 8
1.2. Birth and growth of the Community	13
1.3. The attractiveness of the Community method	16
General bibliography on the EU	18
Chapter 2: European Treaties	19
2.1. The original Treaties	19
2.2. The Treaty of Maastricht	21
2.3. The Treaty of Amsterdam	22
2.4. The Treaty of Nice	23
2.5. The stillborn European Constitution	24
2.6. The treaties as instruments of progress	25
Bibliography on European Treaties	26
Chapter 3: European Law and Finances	27
3.1. European Community and European Union	27
3.2. The competences of the European Community/Union	29
3.3. The Community legal system	30
3.4. The Community finances	33
Bibliography on European law and finances	36
Chapter 4: The structure and functions of European institutions	37 -
1. The European Institutions	37
4.1.1. The European Council	39
4.1.2. The European Commission	40
4.1.3. The European Parliament	43
4.1.4. The Council	46
4.1.5. The Court of Justice	48
2. Other institutions and advisory bodies	49
4.2.1 The European Central Bank.	49
.2.2. The European Court of Auditors	50
.2.3. The Economic and Social Committee	51
.2.3. The Committee of the Regions	52
^ The Community's decision-making process	53
. Prospects of European governance	58
ibliography on the European institutions	60

PART II: INTEGRATION STAGES	61
Chapter 5: Customs Union	63
5.1. Intra-Community trade	64
5.1.1. The abolition of customs barriers to trade	64
5.1.2. Elimination of internal borders	65
5.1.3. Veterinary and plant health legislation	66
5.1.4. Customs cooperation	67
5.2. Trade with non-member countries	68
5.2.1. The Common Customs Tariff	69
5.2.2. The Community Customs Code	70
5.3. Appraisal and outlook	71
Bibliography on Customs Union	73
Chapter 6: Common market	75
6.1. Completion of the internal market	76
6.2. Free movement of goods	77
6.2.1. Harmonisation of legislations	78
6.2.2. Common standardisation and certification policy	80
6.2.3. Protection of intellectual and industrial property	82
6.3. Public procurement	83
6.4. Free movement of workers	85
6.4.1. The common labour market	86
6.4.2. Measures in favour of migrant workers	87
6.5. Freedom of establishment and recognition of qualifications	89
6.5.1. Right of establishment	89
6.5.2. Recognition of professional qualifications	90
6.6. Freedom to provide services	92
6.6.1. Banking	93
6.6.2. Insurance	95
6.6.3. Stock exchanges and financial services	96
6.6.4. Services of general interest	97
6.7. Free movement of capital	98
6.8. Trans-European Networks	99
6.9. Appraisal and outlook	100
Bibliography on the Common Market	101
Chapter 7: Economic and Monetary Union	103
7.1. The need for EMU	104
7.2. The single monetary policy	106
7.2.1. The preparation of EMU	107
7.2.2. The euro and its supervising authorities	109
7.3. The common economic policy	112
7.3.1. Economic convergence in the European Union	113
7.3.2. Budgetary discipline and the single currency	114
7.3.3. Financial solidarity	116
7.4. Appraisal and outlook	117

Contents

Bibliography on the EMU	119
Chapter 8: Towards a political union	121
8.1. Justice and home affairs	122
8.1.1. Judicial cooperation in civil matters	123
8.1.2. Police and judicial cooperation in criminal matters	124
8.1.3. Common treatment of nationals of third countries	125
8.1.4. The fight against terrorism inside the EU	126
8.2. Common foreign and security policy	127
8.2.1. Decision making in CFSP matters	* 127
8.2.2. The institutional framework of CFSP	129
8.2.3. European security and defence policy	130
8.3. Appraisal and outlook	133
Bibliography on JHA and CFSP	135
PART III: POLICIES CONCERNING THE CITIZENS	137
Chapter 9: Citizens' rights and participation	139
9.1. Citizenship of the Union and its attributes	139
9.2. Citizens' rights	141
9.3. The defence of citizens' rights	144
9.4. The so-called democratic deficit	145
9.5. Appraisal and outlook	146
Bibliography on citizens' rights	147
Chapter 10: Information, audiovisual and cultural policies	149
10.1. The information deficit of the Union	150
10.1.1. Information efforts of the European institutions	153
10.1.2. The deficiencies of the actual information activities	155
10.1.3. The need for a common communication policy	155
10.2. Audiovisual Policy	157
10.3. Cultural activities	160
10.4. Appraisal and outlook	161
Bibliography on information, audiovisual and cultural policies	163
Chapter II: Consumer policy	165
11.1. Consumer information	166
11.2. Protection of health and physical safety	167
11.3. Protection of economic and legal interests	169
11.4. Appraisal and outlook	173
Bibliography on consumer protection policy	174
MT IV: HORIZONTAL POLICIES	175
Chapter 12: Regional Development Policy	177
12.1. The need for a common regional policy	178
12.1.1. The classification of EU regions	179

Contents

12.1.2. Economic and social cohesion of the Union	181
12.2. Coordination of national and Community policies	184
12.2.1. Cross-border territorial cooperation	184
12.2.2. Coordination of Community policies	185
12.3. Coordination of Community financial instruments	186
12.3.1. The objectives and methods of the Structural Funds	186
12.3.2. European Regional Development Fund	188
12.3.3. Pre-accession assistance	189
12.4. Appraisal and outlook	190
Bibliography on regional policy	192
Chapter 13: Social progress policies	193
13.1. The need for a common social policy	195
13.2. Social cohesion in the European Union	196
13.3. Common employment policy	197
13.3.1. The employment strategy of the Union	198
13.3.2. The actions of the European Social Fund	200
13.4. Education, vocational training and youth policies	201
13.4.1. The foundations of training and education policies	201
13.4.2. Education and training programmes	203
13.5. Common measures for the improvement of living and working conditions	206
13.5.1. The social dialogue in the EU	207
13.5.2. Worker information, consultation and participation	208
13.5.3. Social protection	209
13.5.4. The organisation of work	211
13.5.5. Equal treatment for men and women	212
13.5.6. Action to combat social exclusion	215
13.5.7. Safety and health at work	216
13.5.8. Public health protection	217
13.6. Appraisal and outlook	218
Bibliography on social policy	220
Chapter 14: Taxation policy	221
14.1. The need for a common taxation policy	222
14.2. Harmonisation of indirect taxation	224
14.2.1. Value added tax	224
14.2.2. VAT rates and removal of fiscal barriers	226
14.2.3. Excise duties	227
14.3. Harmonisation of direct taxation	229
14.3.1. Company taxation	229
14.3.2. Effort to combat tax avoidance	231
14.4. Appraisal and outlook	232
Bibliography on taxation policy	233

Chapter 15: Competition policy	235
15.1. The need for a common competition policy.	236
15.2. Foundations of the European policy	238
15.2.1. European competition network	239
15.2.2. European law and national law	241
15.3. Permissible cooperations and prohibited agreements	242
15.3.1. The "de minimis" rule	243
15.3.2. Permissible contractual relations	243
15.3.3. Exemption of categories of agreements	244
15.3.4. Prohibited agreements	* 245
15.4. Market domination	247
15.4.1. Preventing the exploitation of a dominant position	247
15.4.2. Concentrations in the Single Market	250
15.5. Monitoring State intervention	253
15.5.1. Compatible and incompatible aids	254
15.5.2. General aids	255
15.5.3. Sectoral aids	256
15.5.4. Public undertakings	- 257
15.6. Appraisal and outlook	258
Bibliography on competition policy	259
Chapter 16: Environment policy	261
16.1. The need for a common environment policy	262
16.2. Common strategy for sustainable development	263
16.2.1. The foundations of the common environment policy	265
16.2.2. Notification, information and monitoring	267
16.2.3. Environment and common policies	268
16.3. Reduction of pollution and nuisances	269
16.3.1. Quality objectives for European waters	269
16.3.2. Control of discharges into the aquatic environment	270
16.3.3. Effort to combat marine pollution	271
16.3.4. Effort to combat air pollution	272
16.3.5. Prevention of industrial and chemical hazards	276
16.4. Management of environmental resources	277
16.4.1. Protection of flora and fauna	278
16.4.2. Management of waste	279
16.5. Appraisal and outlook	280
: --Bibliography on environment policy	282
It-:	
BRT V: SECTORAL POLICIES	283
chapter 17: Industrial and Enterprise Policies	285
f 17.1. The competitiveness of European industry	286
17.1.1. The single market and industrial policy	287
17.1.2. The challenges of European industry	288
17.1.3. The foundations of industrial policy	288

Contents

17.1.4. SMEs in the single market	290
17.2. Enterprise policy	291
17.2.1. The legal environment of European business	292
17.2.2. The business environment	295
17.2.3. Business funding	297
17.2.4. Cooperation between businesses	298
17.3. Sectoral policy	299
17.3.1. Steel industry •>	300
17.3.2. Shipbuilding	301
17.3.3. Textiles and clothing industries *	302
17.3.4. Aeronautical and aerospace industries	302
17.3.5. Information industries	304
17.3.6. Telecommunications	-306
17.4. Appraisal and outlook	309
Bibliography on industrial policy	311
Chapter 18: Research and Technology Policy	313
18.1. The need for a common research policy	314
18.2. The foundations of the common research policy	315
18.2.1. Research provisions of the Community Treaties	316
18.2.2. EC and Euratom R & D framework programmes	317
18.2.3. Direct and indirect research activities	318
18.2.4. The activities of the Joint Research Centre	319
18.2.5. Coordination of research in the European Union	320
18.2.6. Transnational R & D cooperation	321
18.3. Euratom and nuclear research	322
18.3.1. Nuclear fission	323
18.3.2. Controlled thermonuclear fusion	323
18.4. Research activities of the European Community	324
18.4.1. People and ideas in European research	325
18.4.2. Infrastructures in the European research area	326
18.5. Appraisal and outlook	327
Bibliography on research policy	328
Chapter 19: Energy Policy	329
19.1. The importance of energy for Europe	330
19.1.1. The 1973 crisis	331
19.1.2. International energy cooperation „	331
19.1.3. Community energy strategy	332
19.2. Internal energy market	333
19.2.1. Electricity and gas markets	334
19.2.2. Solid fuel market	335
19.2.3. Nuclear energy market	336
19.2.4. Oil market	337
19.3. Energy supply	338
19.3.1. Energy objectives and rational energy use	339
19.3.2. Coal supply	339

Contents

19.3.3. Supply of nuclear fuels •	340
19.3.4. Oil and natural gas supply	340
19.3.5. New technologies and new energy sources	341
19.4. Appraisal and outlook •	342
Bibliography on energy policy	343
Chapter 20: Transport Policy •	345
20.1. The special interest for the transport sector ""	346
20.2. The internal market for inland transport	348
20.2.1. Access to the common inland transport market	349
20.2.2. Competition conditions in inland transport services	350
20.2.3. Transport infrastructure	351
20.3. Sectoral organisation of the transport market	352
20.3.1. Road transport	353
20.3.2. Railway transport	354
20.3.3. Maritime transport	355
20.3.4. Airtransport	357
20.4. Appraisal and outlook	360
Bibliography on transport policy	361
Chapter 21: Agricultural Policy	363
21.1. Reasons for special treatment of agriculture	364
21.2. CAP foundations and reforms	366
21.3. CAP management and financing	367
21.3.1. CAP management	368
21.3.2. CAP financing	369
21.3.3. Agrimonetary questions and the euro	370
21.4. Common market organisations	370
21.4.1. The principles of the CAP	372
21.4.2. Agricultural grants and product quality	373
21.4.3. Direct support schemes for farmers	375
21.4.4. External wing of the CAP	376
> Rural development policy	377
21.5. The financing of rural development	377
21.5.2. Rural development objectives and guidelines	378
21.5.3. Rural development measures	379
21.5.4. Leaden-	381
21.5.5. Rural development measures for EU candidate countries	381
21.6. Appraisal and outlook	382
Bibliography on the common agricultural policy	383
Chapter 22: Fisheries Policy	385
22.1. Economic and legal framework	386
22.2. Conservation and management of resources	387
22.2.1. Sustainable exploitation of resources	388
22.2.2. Internal aspects	389
22.2.3. External aspects	391

22.3. Common organisation of the market	391
22.4. Structural policy	393
22.5. Appraisal and outlook	394
Bibliography on the common fisheries policy	395
PART VI: EXTERNAL POLICIES	397
Chapter 23: Commercial Policy	399
23.1. The instruments of the policy	400
23.2. Common import arrangements	401
23.2.1. Common rules for imports	402
23.2.2. Common trade protection	403
23.3. Common export arrangements	405
23.4. GATT and WTO	406
23.5. Appraisal and outlook	409
Bibliography on the common commercial policy	410
Chapter 24: Development Aid Policy	411
24.1. Objectives and instruments of the policy	411
24.2. EC-ACP Association	413
24.3. Overseas countries and territories	415
24.4. Aid for non-associated countries	416
24.5. Generalised system of preferences	417
24.6. Cooperation at world level	418
24.7. Fight against hunger and other afflictions	419
24.8. Appraisal and outlook	420
Bibliography on development aid policy	422
Chapter 25: External Relations	423
25.1. European Free Trade Association and European Economic Area	424
25.2. Candidates for accession	425
25.3. Balkan countries	428
25.4. European neighbourhood policy	430
25.5. Mediterranean, Middle East	432
25.6. Asian countries	433
25.7. North American countries	435
25.8. Latin American countries	437
25.9. Appraisal and outlook	438
Bibliography on external relations	439
Conclusions: European integration and its perspectives	441
1. Main facts regarding European integration	443
2. European perspectives	446
Bibliography on European perspectives	462
INDEX AND GLOSSARY	463