

EUROPEAN INSTITUTIONS, LAW AND MARKETS

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MAIN CONCEPTS

European Union

Sovreign State

Globalization

Coexistence

Cooperation

EUROPEAN UNION: WHAT AND WHY

- EU IN A GLANCE
- SOME DISTINCTIONS

THE IDEA OF EU

Idea if EU

Idea of
Sovereign
State

IDEA OF EU

IDEA OF EU is old as the idea of **sovereign State**.

The last has been discredited by **WORLD WAR** in XXth century and by social forces of **GLOBALIZATION**.

The decline of monadic State found expression in the spread of **INTER-STATE COOPERATION**

This process is also part of a general transition from an international law of **COEXISTENCE** to an international law of **COOPERATION**

WHAT DO WE MEAN
FOR SOVREIGN STATE?

SOVEREIGN STATE

- A sovereign state is a non-physical juridical entity of the international legal system that is represented by a centralized government that has **supreme independent authority over a geographic area.**
- **International law** defines sovereign States as having a permanent population, a Government and the capacity to enter into relations with other Sovereign States.
- It is also normally understood to be a **State which is neither dependent on nor subject to any other power or State.**

COOPERATION AMONG DIFFERENT COUNTRIES IN EUROPE

European Union

has its roots in the transition
from **coexistence** between
States pre-second World War
to **co-operation** among
Countries

WHAT DO WE MEAN
FOR COEXISTENCE ?
AND FOR
COOPERATION?
WHAT'S THE
DIFFERENCE?

COEXISTENCE - COOPERATION

COEXISTENCE

1. To **EXIST TOGETHER**, at the same time, or in the same place.

2. To live in peace with another or others despite differences, especially as a matter of policy

COOPERATION

1. a situation in which **PEOPLE WORK TOGETHER** to do something.

2. The actions of someone who is being helpful by doing what is wanted or asked for.

THE FIRST RESULT OF COOPERATION

COMMUNITY

“people living in one particular area or people who are considered as a unit because of their common interests, social group, or nationality”

Cambridge English Dictionary

COMMUNITY

- A social group of any size whose members reside in a **specific locality**, **share government**, and often have a **common cultural and historical heritage**.
- A social, religious, occupational or other group **sharing common characteristics or interests** and perceived or perceiving itself as distinct in some respect from the larger society within which it exists.

EUROPEAN COMMUNITIES

1951: ECSC
(Treaty of Paris)

1957: EEC
(Treaty of Rome)

1957:
EURATOM
(Treaty of Rome)

THE EUROPEAN COMMUNITIES

- The **European Communities (EC)** were three international organisations that were governed by the same set of institutions:
 1. **European Coal and Steel Community (ECSC)**
 2. **European Economic Community (EEC)**
 3. **the European Atomic Energy Community (EAEC or Euratom)**

EUROPEAN UNION ORIGINS AND EVOLUTION

THE II WORLD WAR

1952 TREATY OF PARIS: ECSC

1957 TREATY OF ROME: EEC-EURATOM

1967 THE MERGER TREATY

1992 MAASTRICHT TREATY

2001 DRAFT OF CONSTITUTIONAL TREATY

2007 LISBON TREATY (2009 IN TO FORCE)

1952
CECA: A COMMUNITY TO INTEGRATE ONE INDUSTRIAL SECTOR

1957
CEE, EURATOM: ADDITIONAL COMMUNITIES
NO REAL INTEGRATION ALSO IN MERGER TREATY 1967

1992
INTEGRATED COMMUNITIES INTO THE EUROPEAN UNION

2001 DRAFT CONSTITUTIONAL TREATY FAILED
2009 NEW EUROPEAN UNION based on LISBON TREATY

EUROPEAN UNION

IS

An **ECONOMIC** and **POLITICAL** union of 27 MS
located *primarily* in Europe

An international legal person

Created via Treaties signed on behalf of Member States

Governed by Institutions

THE ECONOMIC UNION

SINGLE MARKET

EMU: SINGLE CURRENCY AND
SINGLE MONETARY POLICY

BANKING UNION: SSM, SSM, EDIS

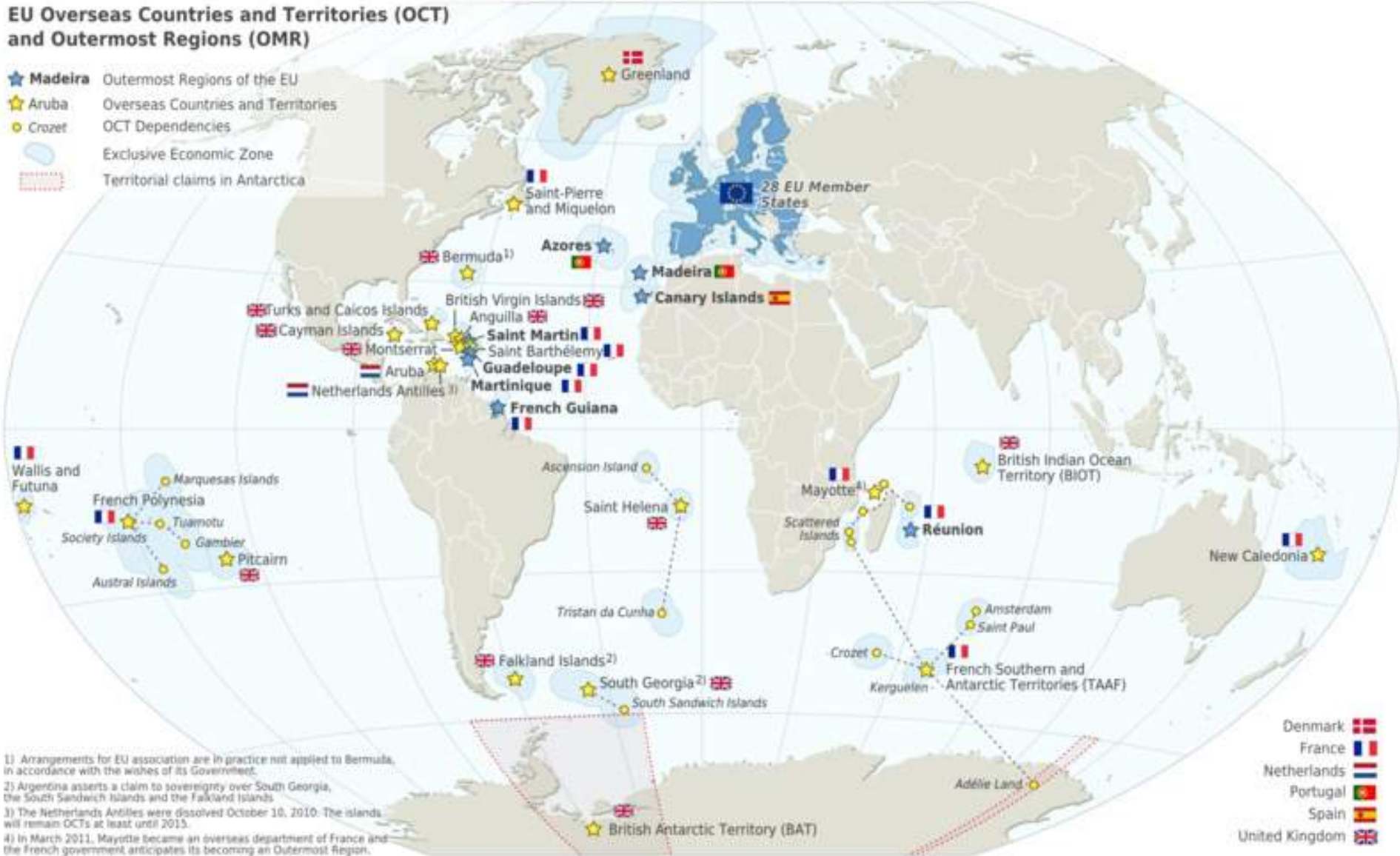
THE POLITICAL ISSUE

- The Politics of the European Union are different from other organisations and States due to the unique nature of the European Union (EU).
- The EU is **similar to a confederation**, where many policy areas are federalised into common institutions capable of making law.
- However the EU does not, unlike most States, control **foreign policy, defence policy** or the **majority of direct taxation policies**.

LOCATED PRIMARILY IN EUROPE

EU Overseas Countries and Territories (OCT) and Outermost Regions (OMR)

- ★ Madeira Outermost Regions of the EU
- ☆ Aruba Overseas Countries and Territories
- Crozet OCT Dependencies
- ⬢ Exclusive Economic Zone
- ⋯ Territorial claims in Antarctica



- Denmark 🇩🇰
- France 🇫🇷
- Netherlands 🇳🇱
- Portugal 🇵🇹
- Spain 🇪🇸
- United Kingdom 🇬🇧

1) Arrangements for EU association are in practice not applied to Bermuda, in accordance with the wishes of its Government.
 2) Argentina asserts a claim to sovereignty over South Georgia, the South Sandwich Islands and the Falkland Islands.
 3) The Netherlands Antilles were dissolved October 10, 2010. The islands will remain OCTs at least until 2015.
 4) In March 2011, Mayotte became an overseas department of France and the French government anticipates its becoming an Outermost Region.

What is the European Union?

27

Member States

Combined
population of
EU Member
States

490
million

7

Percent of world's
population

Percent of
global GDP

30

55

Percent of combined
worldwide Official
Development Assistance

- **Shared values:** liberty, democracy, respect for **human rights** and fundamental freedoms, and the rule of law.
- **Largest economic body in the world.**
- **World's most successful model for advancing peace and democracy.**
- **A unique institution** – Member States voluntarily cede national sovereignty in many areas to carry out common policies and governance.
- **Not a super-State** to replace existing States, nor just an organization for international cooperation.
- **World's most open market for goods and commodities from developing countries.**

HOW EU WORKS AND OPERATES?

OPERATES THROUGH

a **STANDARDISED SYSTEM OF LAWS** that apply in all Member States enacted by European Institutions.

a system of **SUPRANATIONAL INDEPENDENT INSTITUTIONS**

INTERGOVERNMENTAL NEGOTIATED DECISIONS by the Member States

ATTRIBUTED POWERS

CANDIDATE COUNTRIES

- Albania
- Moldova
- Montenegro
- Serbia
- Turkey
- The Republic of North Macedonia
- Ukraine

Potential candidates

Bosnia-Erzegovina, Kosovo

THE EUROPEAN UNION

FIRST AIM

- Was to develop a **SINGLE MARKET** thought:
 - 1) the establishment of 4 freedoms;
 - 2) the principle of free **COMPETITION** and politics on competition;
 - 3) the prohibition of State aids.
- **EU POLICIES** aim to ensure the free movement of people, goods, services, and capital, enact legislation in justice and home affairs, and maintain common policies on trade, agriculture, fisheries, and regional development.

WHAT IS COMPETITION IN
ECONOMICS?
WHAT'S IN LAW?

COMPETITION PRINCIPLE

- **In ECONOMICS:** competition is the rivalry among sellers trying to achieve such goals as increasing profits, market share, and sales volume by varying the elements of the marketing mix: price, product, distribution, and promotion.
- Adam Smith, The Wealth of Nations (1776)

COMPETITION PRINCIPLE

- **IN LAW**
- **The pivot of the European structure.**
- **The law that promotes and maintains market competition by regulating anti-competitive conduct by companies.**
- **Since the 20th century, competition law has become global.**

HOW TO ACHIEVE THE PRINCIPLE OF COMPETITION IN EUROPE?

No discrimination on the base of nationality

Equal treatment (same rules of game for a fair competition field)

Process of harmonization in Europe

PROGRAM AND STRUCTURE

CREATION

- Institutions
- Procedures
- Competences
- Human rights

ENFORCEMENT

- Direct effect
- Legal supremacy
- National actions
- European actions

SUBSTANCE

- Internal market
- 4 freedoms
- Competition law

WHY A EUROPEAN UNION?

- EU MISSION
- TEN STEPS

EU MISSION

- The EU's mission in the 21st century is to:
 - 1) maintain and build on the **PEACE** established between its member States;
 - 2) bring European countries **TOGHETER** in practical cooperation;
 - 3) ensure that European citizens can live in **SECURITY**;
 - 4) promote economic and social **SOLIDARITY**;
 - 5) preserve European **IDENTITY** and **DIVERSITY** in a globalised world;
 - 6) promulgate the **VALUES** that Europeans share.

I. PEACE

During the II World war: A DREAM

- Before becoming a real political objective, the idea of one Europe was just a dream in the minds of philosophers and visionaries.

Victor Hugo: *a peaceful 'United States of Europe'*

After the II World war: A NEED

- The need to create the conditions for lasting peace.

THE IDEA OF A NEW ERA

- Between 1945 and 1950, a group of statesmen including Robert **Schuman** (Jean Monnet), Konrad **Adenauer**, Alcide **de Gasperi** and Winston **Churchill** set about persuading their peoples to enter a new era.
- **NEW STRUCTURE** would be created in western Europe, based on **SHARED INTERESTS** and founded upon **TREATIES** guaranteeing the **RULE OF LAW** and **EQUALITY** between all Countries.

RULE OF LAW

- Primarily refers to the influence and authority of law within society, especially as a constraint upon behavior, including behavior of government officials.
- System of rules regulating the public power in general on private interests (connection with principle of state reason and contradictory)

INNER AND OUTER COUNTRIES IN THE BEGINNING

INNER SIX

Belgium

France

West Germany

Italy

Luxembourg

Netherlands

OUTER SEVEN

Austria

Denmark

Norway

Portugal

Sweden

Switzerland

United Kingdom

II. BRINGING EUROPE TOGETHER

- **1989: Fall fo Berlin Wall**
- **Unification of Germany**
- **EU: 8 members**
- **Following enlargment (still in progress)**

III. SECURITY

- The mean to build peace.
- Developing a genuine **EUROPEAN SECURITY and DEFENCE POLICY**
- **INTERNAL and EXTERNAL SECURITY**
- EU as an ‘**AREA OF FREEDOM, SECURITY AND JUSTICE**’ where everyone has equal access to justice and is equally protected by the law: a new challenge that requires close cooperation between governments.
- Europol, the European Police Office

IV. ECONOMIC AND SOCIAL SOLIDARITY

- The European Union was created to achieve **POLITICAL GOALS**, through **ECONOMIC COOPERATION**.
- Europe-wide free competition must be counterbalanced by Europe-wide **SOLIDARITY**.

V. EU IDENTITY AND DIVERSITY IN A GLOBALISED WORLD

- **TWO EFFORTS:**
 - 1) **REDUCE SIGNIFICANT GAPS BETWEEN RICH AND POOR;**
 - 2) **MANTAIN CULTURAL AND LINGUISTIC IDENTITY OF INDIVIDUAL COUNTRIES.**
- Many EU activities help to promote regional specialities and the diversity of Europe's traditions and cultures.

VI. VALUES

- EU wishes to promote:

HUMANITARIAN AND PROGRESSIVE VALUE.

- **CHARTER OF FUNDAMENTAL RIGHTS of the EU** (*different by ECHR*) proclaimed in Nice in December 2000: sets out all the rights recognised today by the EU's Member States and their citizen.
- Now legally binding thanks to the Treaty of Lisbon (which came into force on 1 December 2009).

Founders

New ideas for lasting peace and prosperity...



Konrad Adenauer



Alcide De Gasperi



Winston Churchill



Robert Schuman



Jean Monnet

FIRST STEP

➤ **1951:**

Treaty of Paris of (18 April 1951)

The European Coal and Steel Community (**ECSC**)
was set up by the six founding members:

**ITALY, GERMANY, FRANCE, BELGIUM,
NEDERLANDS, LUXEMBOURG**

- The aim: to secure peace between European nations and bring them together as equals, cooperating within shared institutions.

1951

European Coal and Steel Community



Jean Monnet and other leaders with the first "European" ingot of steel

- After the World War II the aim was to secure peace among Europe's victorious and bring European States together as equals, cooperating within shared institutions.
- Based on a plan by French Foreign Minister Robert Schuman.
- Six founding countries – Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands – signed a treaty to run heavy industries (coal and steel) under common management.

SECOND STEP

➤ 1957:

The same six countries sign the Treaty of Rome (25 March 1957), setting up:

- the European Economic Community (**EEC**)

EEC would involve building a wider common market covering a whole range of goods and services.

- the European Atomic Energy Community (**Euratom**).

1957



Signing of the Treaty of Rome

Treaty of Rome

- The six founding countries expanded cooperation to other economic sectors, creating the European Economic Community (EEC) – or “common market.”
- As a result, people, goods, services, and capital today move freely across the Union.

ToGEThe®

SINCE 1957



European Union
50th Anniversary

EURATOM

The principal aims of the Euratom Treaty include:

- 1) the promotion of investment in the nuclear energy industry;
- 2) the establishment of uniform safety standards for the protection of workers and the general public from atomic hazards;
- 3) ensuring that nuclear materials are not diverted for aims other than peaceful purposes.

THIRD, FORTH, FIFTH STEPS

- **1973:** The Communities expand to 9 member states and introduce more common policies (Denmark, Ireland, the United Kingdom)
- **1979:** The first direct elections to the European Parliament.
- **1981:** The first Mediterranean enlargement (1981: GREECE, 1986: SPAIN, PORTUGAL)

1951

**Founding
Members**

Belgium
France
Germany
Italy
Luxembourg
Netherlands



1973

Denmark
Ireland
United Kingdom



1981

Greece



1986

Portugal
Spain



November 1989

Fall of the Berlin Wall sets the stage for unifying Europe and EU enlargement

CITY PRICES **London Herald** LATE EDITION
 SATURDAY 11th NOVEMBER 1989

BERLIN WALL TUMBLES

'Beginning of the End' for Communism
 Germany Re-united



Breaching the Wall

After GCM and World - what's ahead in communist East?

EUROPE NEWS

WEST GERMAN PRESS

GERMAN PRESS

EUROPE NEWS

WEST GERMAN PRESS

GERMAN PRESS



Black Winners, White Voters

TIME FREEDOM!



NOVEMBER 30, 1989

5.25

1995

Austria
Finland
Sweden



2004

Cyprus
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Malta
Poland
Slovakia
Slovenia



ENLARGEMENT

Enlargement has:

Inspired reforms and consolidated common principles of liberty, democracy, respect for human rights, fundamental freedoms, the rule of law, and market economy.

“Enlargement has been a success story for the European Union and Europe as a whole. It has helped to overcome the division of Europe and contributed to peace and stability throughout the continent.”

**European Council
Declaration**
Dec. 15, 2006

ENLARGEMENT

- Each Treaty admitting a new member requires the **UNANIMOUS APPROVAL** of all member states.
- In addition, in advance of each new enlargement, the EU must assess its **capacity to absorb the new member(s)** and the ability of its institutions to continue to function properly.

SIXTH STEP

➤ 1986: SINGLE EUROPEAN ACT

The **European single market** has been completed in 1992

A new hope after the 1980 economic recession. In 1985 (Delors) was published the **White Paper** setting out a timetable for completing the **European single market** by 1 January 1993.

SEVENTH STEP

➤ **1993:**

The Treaty of Maastricht establishes the

European Union (EU**)**

THREE PILLARS SYSTEM



European Union: Three Pillars

European Community

- **Treaty of Rome as revised by Single European Act**
- **Single Market**
- **Democratization of the Institutions**
- **European Citizenship**
- **Economic and Monetary Union**
single currency
European Central Bank
single monetary policy
coordination of economic policies

Common Foreign & Security Policy

- **Common Foreign Policy**
systematic cooperation
common positions and joint actions
- **Eventual common defense policy based on the Western European Union**

Justice and Home Affairs

- **Closer cooperation**
asylum policy
rules on crossing the Member States' external borders
immigration policy
combating drug addiction
combating international fraud
customs, police and judicial cooperation

1 Move from an economic to a politico-economic organisation

2 Developed co-decision procedure

3 Initiated a monetary union

4 Provided social dimension to EU

5 Created European citizenship

6 Enshrined principle of subsidiarity

Maastricht Treaty

FOCUS - READINGS

SCHUMAN
SPEECH

ECSC
PREAMBLE

TREATY ON
EUROPEAN
UNION
PREAMBLE

TREATY ON
EUROPEAN
UNION - ART.
1-5

EC VS EU

They shared the same governing institutions (those of the EEC) from 1967 until those institutions became those of the EU (1992).

The EC operated as the largest of the EU's three pillars until was absorbed and the EU was designated as its legal successor.

The ECSC expired in 2002.

Euratom remains until 2009.

EU LAW PRINCIPLES

EC – EU : own system of law SPECIAL
because:

DIRECT sources
of rights and
obligations for
States and
citizens (*van Gend
& Loos, 1962*)

PRIORITY
(previous and
later national
legislation)
(*Costa-ENEL,*
1964)

Autonomous
character of the
law system of the
EU

EIGHTH AND NINTH STEPS

➤ 2002:

The euro comes into circulation (12 Countries)

(**EMU** completed)

➤ 2007:

The EU has 27 member states

2007

Bulgaria
Romania

2020

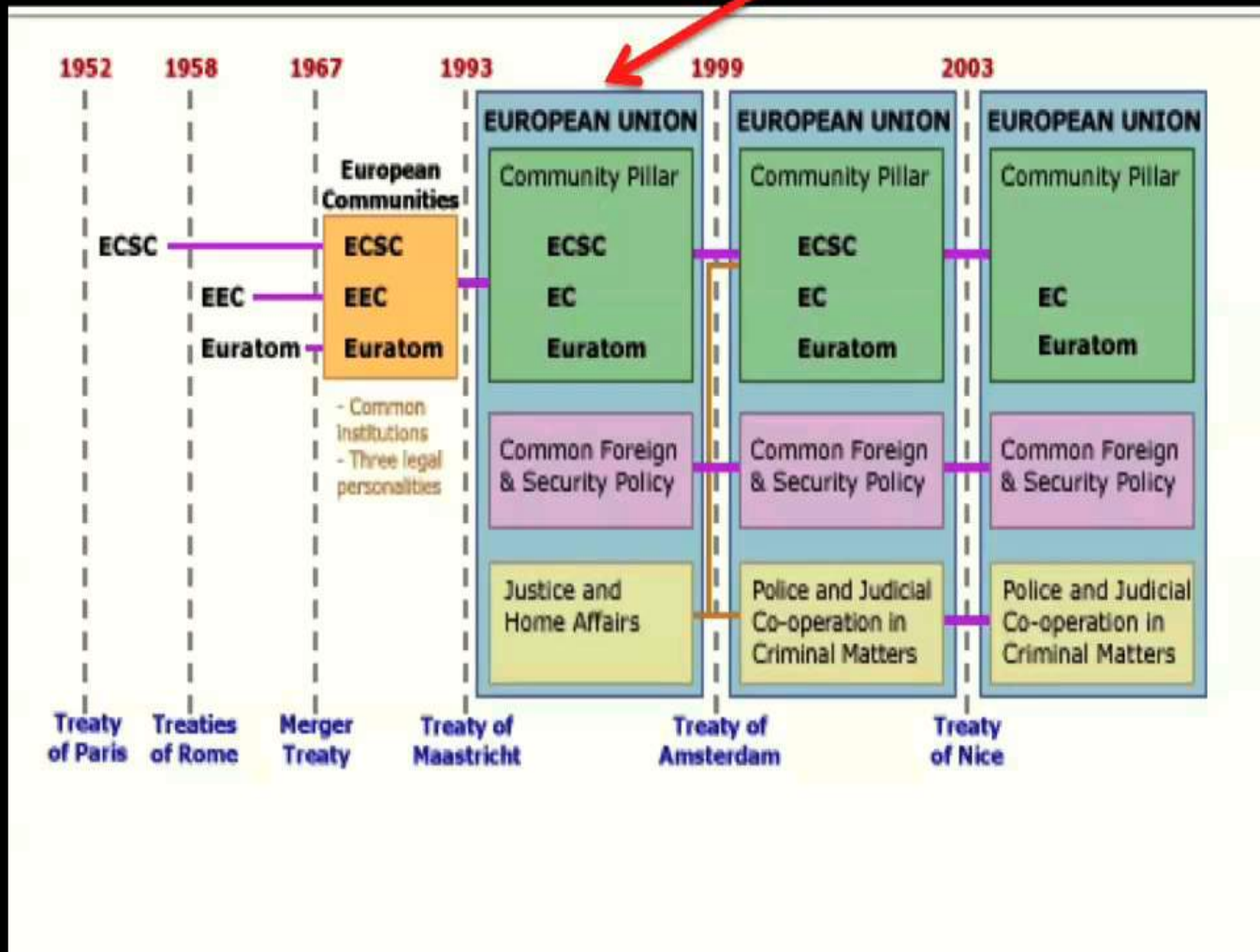
UK left the EU



FROM 1957 TO 2007

	1957	2007
Member States	6	27
Population	174 million	493 million
Languages	4	23

Evolution of the EU



THE PROJECT OF A EUROPEAN CONSTITUTION

- October 2004: a **draft EU Constitution**

To face complex challenges of the 21st century, the enlarged EU needed a simpler and more efficient method for taking its joint decisions.

- Rejected by **two national referendums** in 2005.
- The project has been replaced by the **Treaty of Lisbon**.
- **IT AMENDS, BUT DOES NOT REPLACE THE PREVIOUS TREATIES**
- **IT INTRODUCES MOST OF THE CHANGES THAT FEATURED IN THE CONSTITUTION**

TENTH STEP

➤ **2009:**

The **LISBON TREATY** comes into force, changing the way the EU works (1 December 2009)

In March 2000 EU leaders adopted the 'Lisbon strategy'. It was designed to enable the European Union to **compete on the World market with other major players** such as the United States and other industrialised countries.

The aim was to **encourage innovation and business investment** and to **ensure** that Europe's education systems met the needs of the information society.

PROMINENT CHANGES

FROM UNANIMITY TO QUALIFIED MAJORITY

MORE POWERFUL EUROPEAN PARLIAMENT

CONSOLIDATED LEGAL PERSONALITY for the EU

long-term President of the European Council and a High Representative of the Union for Foreign Affairs and Security Policy

CHARTER OF FUNDAMENTAL RIGHTS legally binding