

The institutions of the European Community

European File

25 March 1982 — the 25th Anniversary of the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom). The two Treaties of Rome founding the Communities were signed on 25 March 1957. The Member States of that period decided to jointly deepen and extend their economic relations — an experiment which proved largely beneficial with the signature of the Treaty of Paris and the setting up of the European Coal and Steel Community, which took place on 18 April 1951 and marked the first major step in the construction of Europe.

Consisting initially of six countries — Belgium, Germany, France, Italy, Luxembourg and the Netherlands — joined on 1 January 1973 by Denmark, Ireland and the United Kingdom and on 1 January 1981 by Greece, the European Communities are managed by common institutions.¹

The European Commission — initiator and executive

The Commission of the European Communities is composed of 14 Members — two British, two French, two German, two Italian and one from each of the other countries — appointed for a four-year period by mutual agreement of the governments of the ten countries. The Members of the European Commission act only in the interests of the Community; they may not receive instructions from any national government and are subject only to the supervision of the European Parliament which alone can force them

¹ This file updates and replaces No 2/79.

collectively to resign their responsibilities. Commission decisions are taken collegiately, even though each Commissioner is directly responsible for one or more portfolios.

The Commission's tasks are:

- to ensure that Community rules and the principles of the Common Market are respected. As guardian of the Treaties the Commission is responsible for seeing that they are observed and that decisions of the Community institutions deriving from the Treaties are correctly applied. The Commission decides on requests from Member States to apply safeguard clauses and can, in exceptional cases, authorize temporary waivers (derogations) from the rules of the Treaties. It has investigative powers and can impose fines on individuals, particularly regarding violations of Community competition rules. States which do not respect their obligations can also be taken to the European Court of Justice by the Commission;
- to propose to the Community's Council of Ministers all measures likely to advance Community policies (in the fields of agriculture, energy, industry, research, environment, social and regional problems, external trade, economic and monetary union, etc.). In 1981 the Commission transmitted 651 proposals to the Council of Ministers;
- to implement Community policies on the basis of Council decisions or derived directly from the provisions of the Treaties;
 - The Commission thereby has particularly extensive powers in the fields of coal and steel (investment coordination, price control, etc.), competition (control of monopolies and public aid), nuclear energy (supply of fissile materials, control of nuclear installations, etc.);
 - In other cases the Commission operates upon a mandate from the Council, e.g. to negotiate trade agreements with third countries or to manage the agricultural markets;
 - The Commission also administers the funds of the common programmes which account for most of the Community budget and which aim in particular to support and modernize agriculture (European Agricultural Guidance and Guarantee Fund), to encourage industrial, vocational and regional change (ECSC appropriations, Social Fund, European Regional Development Fund), to promote scientific research (the Joint Research Centres and other services employ 2 700 people), to affirm European solidarity towards the Third World (European Development Fund, food-aid programmes, etc.).

The Commission has an administrative staff — concentrated mostly in Brussels and, to a lesser extent, in Luxembourg — of about 9 000 officials working in some 20 directorates-general (this is less than the staff of a good number of national ministries). One-third of the personnel is employed on linguistic work to ensure the equal recognition of the seven Community languages.

Council of Ministers – decision-maker

The Community's Council of Ministers, which meets in Brussels and, less often, in Luxembourg, is composed of ministers from each Member State and decides on the principal Community policies. Each country acts as president of the Council for a six-month period on a rotation basis. Attendance at meetings is determined by the agenda; national agriculture ministers, for example, deal with agricultural prices, economics and employment ministers deal with unemployment problems. The Ten's ministers for foreign affairs are responsible for coordinating the specialized work of their colleagues. The Council is assisted by:

- a Committee of Permanent Representatives (COREPER) which coordinates the preparatory work of Community decisions and is assisted by numerous working groups of senior officials from Member States;
- a general secretariat with a staff of some 1 900 people.

The European Councils which have met three times a year since 1975 (before this they were only occasional) bring together the Heads of State or Government and provide political guidance and impetus – a role which should not be underestimated even if the meetings do not directly produce legislative measures.

The Council of Ministers held 63 sessions in 1981. All the proposals it deals with come without exception from the Commission, and the Council can only reject them by a unanimous vote.

Unanimity in the Council is also required for certain important decisions. In practice it is frequently demanded by ministers even when not strictly necessary, which tends to slow down the Community's decision-making process. In recent times, there has been more frequent recourse to the use of the qualified majority vote – 45 out of 63 votes – as instituted by the Treaties. France, Germany, Italy and the United Kingdom each have ten votes under this procedure. Belgium, Greece and the Netherlands have five, Denmark and Ireland three and Luxembourg two.

In the agriculture sector, procedures have been accelerated by the creation of 'Management Committees' composed of representatives from the Commission and national governments: Commission decisions have to be submitted for Council approval only if a qualified majority within the Committee disagree with them.

Court of Justice and Community law

The Community's Luxembourg-based Court of Justice is composed of eleven judges assisted by five advocates-general who are appointed for a six-year period by mutual agreement of Member States and who work independently of them. The Court's function is:

- to annul any measures taken by the Commission, the Council of Ministers, or national governments which are incompatible with the Treaties. This can be done at the request either of a Community institution, a Member State, or an individual directly concerned;
- to pass judgment at the request of national courts on the interpretation or the validity of the provisions of Community law. Whenever a case cannot be resolved by national courts they can request an interlocutory decision from the Court. Where a national court is the highest court of appeal it must submit an issue involving Community law to the Court of Justice for a ruling.

In 1981 the Court dealt with 323 cases (of which 99 were interlocutory) and passed 149 judgments. The Court can also be invited to give its opinion — which is then binding — on agreements which the Community envisages concluding with third countries.

Through its judgments and interpretations, the Court of Justice is contributing to the emergence of a veritable European law applicable to all: Community institutions, Member States, national courts and individuals. The authority of the Court's judgments in the field of Community law surpasses that of national courts. In cases of non-application of Community law by the Council, or Member States, the Court has been approached by individuals and upheld the direct applicability of principles contained in the Treaties relating to equal pay for men and women and the free exercise of the liberal professions throughout the Community.

European Parliament and participation

Since June 1979, the date of the first European elections, the European Parliament has been composed of members elected every five years through universal suffrage instead of members delegated from national parliaments. The European Parliament has 434 members: 81 from each of the countries with the largest populations, 25 from the Netherlands, 24 from Belgium, 24 from Greece, 16 from Denmark, 15 from Ireland and 6 from Luxembourg.

The members of the Parliament form political rather than national groups. As of 19 February 1982, the groups were as follows: 124 Socialists, 117 Christian Democrats of the European People's Party, 63 European Democrats (British Conservatives, etc.), 48 Communists and Allies, 39 Liberals and Democrats, 22 European Progressive Democrats (French Gaullists, Fianna Fáil, SNP), 11 independents who form a group for technical coordination, and 10 non-attached members.

The European Parliament has a secretariat of some 2 900 officials based in Luxembourg. It has 18 parliamentary committees and its plenary and public sessions are held in Strasbourg or Luxembourg (though a vote gave preference to Strasbourg) in the presence of representatives from the European Commission and the Council of Ministers. This enables the Parliament to make fully-informed pronouncements on the problems of building Europe.

The European Parliament does not have the same legislative power as national assemblies. In the current Community system, it is the Commission which takes the initiatives and the Council which passes most Community legislation. Nevertheless, the Parliament:

- has the power to remove the Commission by a two-thirds majority;
- supervises the Commission and the Council, and often addresses incisive written and oral questions to them (there were 2 946 in 1981);
- is called upon to give its opinion on Commission proposals before the Council can make its decision;
- has budgetary powers which enable it to participate in all major decisions involving expenditure. It is effectively the Parliament which accepts or rejects the draft budget prepared by the Commission and agreed by the Council following consultation procedures with the Council.
 - For expenditure (mainly agricultural) arising from the Treaties and decisions taken as a consequence of these, the Council can reject the modifications introduced by the Parliament if it increases the total size of the budget;
 - For non-obligatory expenditure, resulting in new developments in European construction, the Parliament has discretionary power over the limits of a margin of manœuvre which is dependent on the economic situation in the Community and which can be modified by mutual agreement with the Council.

The Economic and Social Committee and the Advisory Committee

Before a Commission proposal can be adopted by the Council it is sent for the opinion of not only the European Parliament but also, in most cases, of the Community's Economic and Social Committee — a consultative body composed of 156 representatives from employers, trade unions and other interested groups in the Ten such as farmers and consumers. For questions dealing with coal and steel there is the Advisory Committee composed of representatives of producers, traders, workers and consumers. The two committees adopted 120 opinions and resolutions in 1981, of which many were submitted on their own initiative.

Many specialized advisory bodies help associate professional and trade union interests in the development of the Community. The heads of their European federations set up in Brussels, and their experts, are frequently consulted by the Commission before it adopts proposals in their definitive form.

The budget and the Court of Auditors

The Community budget stands at around 23 billion ECU for 1982 which represents about 3% of the expenditure of the governments of its Member States and about 85 ECU for each citizen.¹

¹ 1 ECU (European currency unit) = about £0.56 or Ir. £0.70 (at exchange rates current on 12 February 1982).

The budget is no longer financed by national contributions, but by the Community's own resources:

- duties and taxes on imports from the rest of the world;
- a proportion of VAT not exceeding 1% of a uniform assessment basis.

As a percentage of the total, the principal expenditures contained in the 1982 budget were as follows:

- support for agricultural prices, modernization in agriculture and fishing: 62.5%;
- aid for industrial and infrastructure investment in the poorest regions: 8.5%;
- social measures, particularly employment, vocational training and retraining, education, culture, environment and consumer affairs: 5.8%;
- aid to Third World countries: 4.1% (plus non-budgetary expenditures arising from the Lomé Convention);
- joint action in research, energy, industry and transport: 2.4%;
- operating expenses: 4.7% covering the salaries of the 18 000 officials and operatives in all the various Community institutions, and including buildings, administrative costs, information expenditure, etc.;
- supplementary regional aid measures and financial arrangements aimed at reducing the gap between the United Kingdom's income from the Community and what it pays in: 7.1%. A new agreement on this problem is currently being discussed. Such imbalances will eventually be avoided through improved sectoral distribution of expenditure: a relative reduction in agricultural expenditure, increased social, regional, and industrial expenditure, etc. But such a reorientation will not be painless as the Community's total resources are limited.

The operation of the budget is supervised by a Court of Auditors. The Court is composed of ten members appointed by the mutual agreement of the Council of Ministers for a six-year period. The Court of Auditors has extensive powers to verify the legality and the regularity of Community revenue and expenditures.

The European Investment Bank and its lending and borrowing activities

The European Treaties created a European Investment Bank located in Luxembourg. Equipped with its own decision-making powers and endowed with capital subscribed by Member States, the Bank raises money on capital markets to provide loans (3.3 billion ECU in 1981, about 2.8 billion to the Community and the rest to the developing countries, primarily aimed at investments in regional development, energy and commu-

nications, etc.): This is in addition to other loans made by the European Commission to the coal and steel sectors (388 million ECU in 1981), nuclear energy (364 million), infrastructure and energy investment (540 million from the 'New Community Instrument'). All these operations involve close cooperation between the Commission and the Bank which often is required to collaborate over management of loans.

Conclusion

Throughout the world there are a large number of international organizations to bring together the States that wish to cooperate with each other. The European Community goes much further than this:

- in its aim: to build over a period of time a veritable European Union, the shape of which is still subject to considerable debate;
- in its methods: the operation of the Community is not purely inter-governmental — Community institutions have their own powers and the organization of their relationships aims to promote the general interest of Europeans;
- in its results: the Council of Ministers and the Commission, wherever it has autonomous decision-making powers, takes action with the force of law and which in many cases is applied directly to European citizens.

Their actions are termed:

- regulations, which are applied directly;
- decisions, which are binding only on the Member States, companies or individuals to whom they are addressed;
- directives, which set down compulsory objectives but leave it to the discretion of Member States to translate them into their national legislation;
- recommendations and opinions which are not binding (except for recommendations in the ECSC sector where they are equivalent to directives).

Concerned with strengthening the Community's effectiveness, the European Commission has taken a stand in favour of rebalancing the institutions. This implies: full recognition of the initiating, executive and management role of the Commission; recourse, when needed, to a qualified majority in the Council; strengthening the influence of the Parliament, particularly through greater cooperation with the Commission and the Council ■



The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

Commission of the European Communities

Information offices (countries fully or partially English speaking*)

Ireland 39 Molesworth Street, Dublin 2 — Tel. 71 22 44

United Kingdom 20 Kensington Palace Gardens, London W8 4QQ — Tel. 727 80 90
— 4 Cathedral Road, Cardiff CF1 9SG — Tel. 37 16 31
— 7 Alva Street, Edinburgh EH2 4PH — Tel. 225 20 58
— Windsor House, 9/15 Bedford Street,
Belfast BT2 7 EG — Tel. 40 708

Australia Capitol Centre, Franklin Street, P.O. Box 609,
Manuka 2603, Canberra A.C.T. — Tel. 95-50 00

Canada Association House (suite 1110), 350 Sparks Street,
Ottawa Ont. K1R 7S8 — Tel. 238 64 64

USA 2100 M. Street, N.W. Suite 707,
Washington D.C. 20037 - USA — Tel. 202-862-9500
— 245 East 47th Street, 1 Dag Hammarskjöld Plaza,
New York, N.Y. 10017 - USA — Tel. 212-371-3804

* Offices also exist in other countries including all Member States.