

1. The institutional system

Setting the agenda

The **European Council** sets the EU's overall political direction, but has no powers to pass laws. Led by its President and comprising national heads of state or government and the President of the Commission, it meets for a few days at a time at least every 6 months.

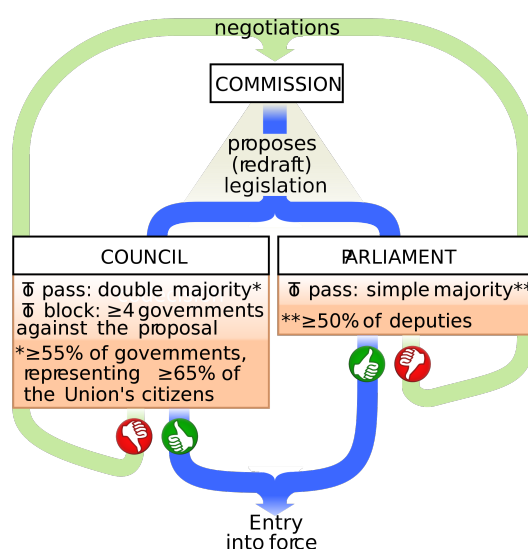
Law-making

There are 3 main institutions involved in EU legislation:

- The **European Parliament**, which represents the EU's citizens and is directly elected by them;
- The **Council of the European Union**, which represents the governments of the individual member countries. The Presidency of the Council is shared by the member states on a rotating basis.
- The **European Commission**, which represents the interests of the Union as a whole body.

Together, these three institutions produce through the so called 'Ordinary Legislative Procedure' the policies and laws that apply throughout the EU.

In principle, the Commission proposes new laws, and the Parliament and Council adopt them. The Commission and the Member States then implement them, and the Commission ensures that the laws are properly applied and implemented.



Judiciary / Control

Two other institutions play vital roles:



- The **Court of Justice**, which upholds the rule of European law (in Italy: Tribunale Amministrativo Regionale, Consiglio di Stato, Corte Costituzionale)
- The **Court of Auditors**, which checks the financing of the EU's activities (in Italy: Corte dei Conti).

The powers and responsibilities of all of these institutions are laid down in the Treaties, which are the foundation of everything the EU does. They also lay down the rules and procedures that the EU institutions must follow. The Treaties are agreed by the presidents and/or prime ministers of all the EU countries, and ratified by their parliaments.

Other functions

The EU has a number of other institutions and inter-institutional body that play specialised roles:

- The **European External Action Service (EEAS)** assists the High Representative of the Union for Foreign Affairs and Security Policy, currently Catherine Ashton. She chairs the Foreign Affairs Council and conducts the common foreign and security policy, also ensuring the consistency and coordination of the EU's external action;
- The **European Central Bank** is responsible for European monetary policy;
- The **European Investment Bank** finances EU investment projects and helps small businesses through the European Investment Fund;
- The **European Economic and Social Committee** represents civil society, employers and employees;
- The **Committee of the Regions** represents regional and local authorities;
- The **European Ombudsman** investigates complaints about maladministration by EU institutions and bodies;
- The **European Data Protection Supervisor** safeguards the privacy of people's personal data.

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3. The European Council

The European Council became an institution with the entry into force of the Treaty of Lisbon (1st December 2009). Its current President is Herman Van Rompuy. It consists of the Heads of State or Government of the Member States, together with its President and the President of the Commission (incumbent: José Manuel Barroso).



The High Representative of the Union for Foreign Affairs and Security Policy (incumbent: Catherine Ashton) also takes part in its work. When the agenda so requires, the members of the European Council may decide each to be assisted by a minister and, in the case of the President of the Commission, by a member of the Commission.

The European Council defines the general political direction and priorities of the European Union and provides the Union with the necessary impetus for its development. It does not exercise legislative functions. The European Council meets twice every six months, but the President can convene a special meeting if the situation so requires.

The European Council is always mentioned by its full name. The word 'Council' can be used as a short form to indicate the Council of the European Union, a different EU institution (see point 3). Furthermore, the above-mentioned bodies are not to be confused with the Council of Europe, an international organisation that does not belong to the EU institutions.

4. The Council of the European Union

The Council of the European Union (sometimes just called the *Council* or still referred to as the *Council of Ministers*) is the legislative body representing the executives of Member States, the other being the European Parliament.

The Council is composed of one national minister per Member State. The exact membership of the configuration depends upon the topic; for example, when discussing agricultural policy the Council is formed by the twenty-seven national ministers whose portfolio includes this policy area. The related European Commissioner can contribute to the meeting, but does not have the right to vote.



Its decisions are made by qualified majority in most areas, unanimity in others. Usually where it operates unanimously, it need only consult the Parliament. However, in most areas both Council and Parliament share legislative and budgetary powers equally, meaning both have to agree for a proposal to pass. In a few limited areas the Council may initiate new EU law itself. Other functions of the Council include:

1. Coordinating the EU economic policy;
2. Signing international agreements;
3. Approving the EU budget;
4. Approving the EU's foreign and defence policies;
5. Coordinating cooperation between courts and police forces of Member States.



5. The European Parliament

Directly elected by EU voters every 5 years, the members of the European Parliament (MEPs) represent the EU citizens. The Parliament adopts EU laws, along with the Council of the European Union. The European Parliament has three main roles:

- debating and passing European laws, with the Council
- scrutinising other EU institutions, with special reference to the European Commission, to make sure they are working democratically
- debating and adopting the EU's budget, with the Council.



Legislative function

In many areas, such as consumer protection and the environment, Parliament works together with the Council to decide on the content of EU laws and officially adopt them (ordinary legislative procedure).

Under the Lisbon Treaty, the range of policies covered by the new ordinary legislative procedure has increased, giving Parliament more power to influence the content of laws in areas including agriculture, energy policy, immigration and EU funds. The Parliament must also give its permission for other important decisions, such as allowing new countries to join the EU.

Democratic supervision

Parliament exercises influence over other European institutions in several ways.

When a new Commission is appointed, its members cannot take up office until Parliament has approved them. If the Members of the European Parliament disapprove of a nominee, they can reject the entire slate.

Parliament can also present a motion of censure, causing the Commission to resign during its period in office.

Parliament keeps check on the Commission by examining reports it produces and by questioning Commissioners.

MEPs look at petitions from citizens and sets up committees of inquiry.

When national leaders meet for European Council summits, Parliament gives its opinion on the topics on the agenda.

Budgetary supervision

Parliament adopts the EU's annual budget with the Council.

Parliament has a committee that monitors how the budget is spent, and every year passes judgement on the Commission's handling of the previous year's budget.





6. The European Commission

The European Commission is one of the main institutions of the European Union. It represents and upholds the interests of the EU as a whole. It drafts proposals for new European laws and manages the day-to-day business of implementing EU policies and spending EU funds.

The Commissioners, one from each Member State, provide the Commission's political leadership during their five-year term. Each Commissioner is assigned responsibility for specific policy areas by the President. The current President of the European Commission is José Manuel Barroso, who began his second term of office in February 2010.

The President is nominated by the European Council. The Council also appoints the other Commissioners in agreement with the nominated President. The appointment of all Commissioners, including the President, is subject to the approval of the European Parliament. In office, they remain accountable to Parliament, which has sole power to dismiss the Commission.

The Commission oversees and implements EU policies by:

1. proposing new laws to Parliament and the Council;
2. managing the EU's budget and allocating funding;
3. enforcing EU law (together with the Court of Justice);
4. representing the EU internationally, for example, by negotiating agreements between the EU and other countries.



7. The European Court of Justice

The Court of Justice interprets EU law to make sure it is applied in the same way in all EU countries. It also settles legal disputes between EU governments and EU institutions. Individuals, companies or organisations can also bring cases before the Court if they feel their rights have been infringed by an EU institution.

The Court of Justice has one judge per EU country, and is helped by eight 'advocates-general' whose job is to present opinions on the cases brought before the Court. They must do so publicly and impartially. Each judge and advocate-general is appointed for a term of six years, which can be renewed. The governments of EU countries agree on whom they want to appoint.

To help the Court of Justice cope with the large number of cases brought before it, and to offer citizens better legal protection, a 'General Court' deals with cases brought forward by private individuals, companies and some organisations, and cases relating to competition law.





8. The European Union law

The European Union law is a body of treaties and legislation, such as Regulations and Directives, which have direct or indirect on the laws of the Member States. The three sources of European Union law are *primary law*, *secondary law* and *supplementary law*.

The main sources of primary law are the Treaties establishing the European Union. Secondary sources include regulations and directives which are based on the Treaties. The legislature of the European Union is principally composed of the European Parliament and the Council of the European Union, which under the Treaties may establish secondary law to pursue the objective set out in the Treaties.

European Union law is applied by the courts of Member States. Where the Member States laws provide for lesser rights, European Union law can be enforced by the national courts. In case of European Union law which should have been transposed into the laws of member states, such as Directives, the European Commission can take proceedings against the Member State under the Treaty of Rome. The Court of Justice of the European Union is the highest court able to interpret European Union law. Supplementary sources of European Union law including case law by the Court of Justice, international law and general principles of the EU law.

Primary law

The primary law of the EU consists mainly of the founding treaties of the European Union. The Treaties contain formal and substantive provisions, which frame policies of the EU institutions and determine the division of competences between the European Union and the Member States. Treaties apply as soon as they enter into force, unless stated otherwise, and are generally concluded for an unlimited period.

The Treaty of Rome (Treaty on the Functioning of the European Union, or TFUE), signed in 1957, provides that commitments entered into by the Member States between themselves before the treaty was signed no longer apply. Since the Treaty of Rome has been signed Member States are regarded subject to the general obligation of the principle of cooperation, whereby Member States pledge to not take measure which could jeopardise the attainment of the common objectives. The Court of Justice can interpret the Treaties, but it cannot rule on their validity. Besides the Treaty of Rome, a more complete and formal institutions were established through the Treaty of Maastricht in 1992 (Treaty on European Union, or TUE).

Major amending treaties were signed to complete the development of a single, internal market in the Single European Act (1986), to further the development of a more social Europe in the Treaty of Amsterdam (1997), and to make minor amendments to the relative power of Member States in the EU institutions in the Treaties of Nice (2001) and Lisbon (2007).

Secondary law

A **regulation** is a legislative act of the EU that becomes immediately enforceable as law in all Member States simultaneously. Regulations are binding, in the sense that what they say is law and they do not need to be mediated into national law by means of implementing measures.

As such, regulations constitute one of the most powerful forms of EU law. When a regulation comes into force, it overrides all national laws dealing with the same subject matter and subsequent national legislation must be consistent with and made in the light of the regulation.

