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# Soós Edit

## European Public Policy

### 2020

#### Lesson 1

### Common policies of the European Union

**READING TIME:**

**40 min**



**SZÉCHENYI** 2020



HUNGARIAN  
GOVERNMENT

European Union  
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INVESTING IN YOUR FUTURE

## What is this curriculum about?

The aim of the curriculum is to give a comprehensive approach to European policies. The curriculum presents the various supranational, national and sub-national institutions and actors that contribute to the EU legislative process, and also provides rich methodological, conceptual and empirical explorations of public policies, debating its rationale, validity and appropriateness. The goal is to deepen and widen the knowledge of students, develop their analytical capacities so that students are able to obtain large amounts of information into coherent, persuasive arguments.

## THE ROLE OF THE EUROPEAN TREATIES IN SETTING UP NEW PUBLIC POLICIES

The Treaties are the primary source of European law and hence the legal basis of common policies. In the process of the European integration, the role of the Treaties and their reforms are very important in setting new **common policies**.

The states participating in a multinational integration process set in [the Treaties](#) the objectives that they wish to attain, the **common policies** that they wish to implement in order to achieve their goals, the structure and functions of the common institutions that will enact and monitor the common legislation formulated in the framework of the **common policies** and the fields reserved for the cooperation of their governments.

The first European Treaty, the one establishing the European Coal and Steel Community (ECSC) was signed in Paris on 18 April 1951 by the core countries of the European Community (France, West Germany, Italy and the Benelux countries), and entered into force on 23 July 1952.

The [Treaty establishing the European Economic Community \(EEC Treaty\)](#), signed in Rome on 25 March 1957, was brought into force on 1 January 1958. The history of the Union has been formed under the guidance of this Treaty. The essential task, which the EEC Treaty assigned to the Community institutions, was the creation of a common market between the member states. That involves the achievement of a customs union, the abolition of customs duties, import quotas and other barriers to trade between member states. It also introduces a common customs tariff and implementation, inter alia through **common policies** of four common fundamental freedoms: freedom of movement of goods, freedom of movement of salaried workers, freedom of establishment and freedom to provide services by independent persons and companies and finally, freedom of capital movements.

The Treaty of Rome clearly declares in its Article 2 that *'The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it.'*

Source: The Treaties of Rome are the treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom). They were signed on 25 March 1957 in Rome and entered into force on 1 January 1958

The ***multinational integration*** process may be defined as the voluntary establishment by treaties, concluded between independent states of common institutions. Many common measures concerning a sector or an activity end up in building of a '**Common**' or '**Community**' policy.

European policies developed gradually by the actors of the process, foster both economic and political integration of the participating states. **Although the integration depends on political decisions, it greatly affects the economies of the Member States.** Increasingly, through the stages of customs union common, market, and economic and monetary union, it opens up the participating economies to multinational trade and competition. The economies of member states are greatly influenced by common economic and other policies. As these economies are gradually opened up to multinational trade and competition, all economic parameters change.

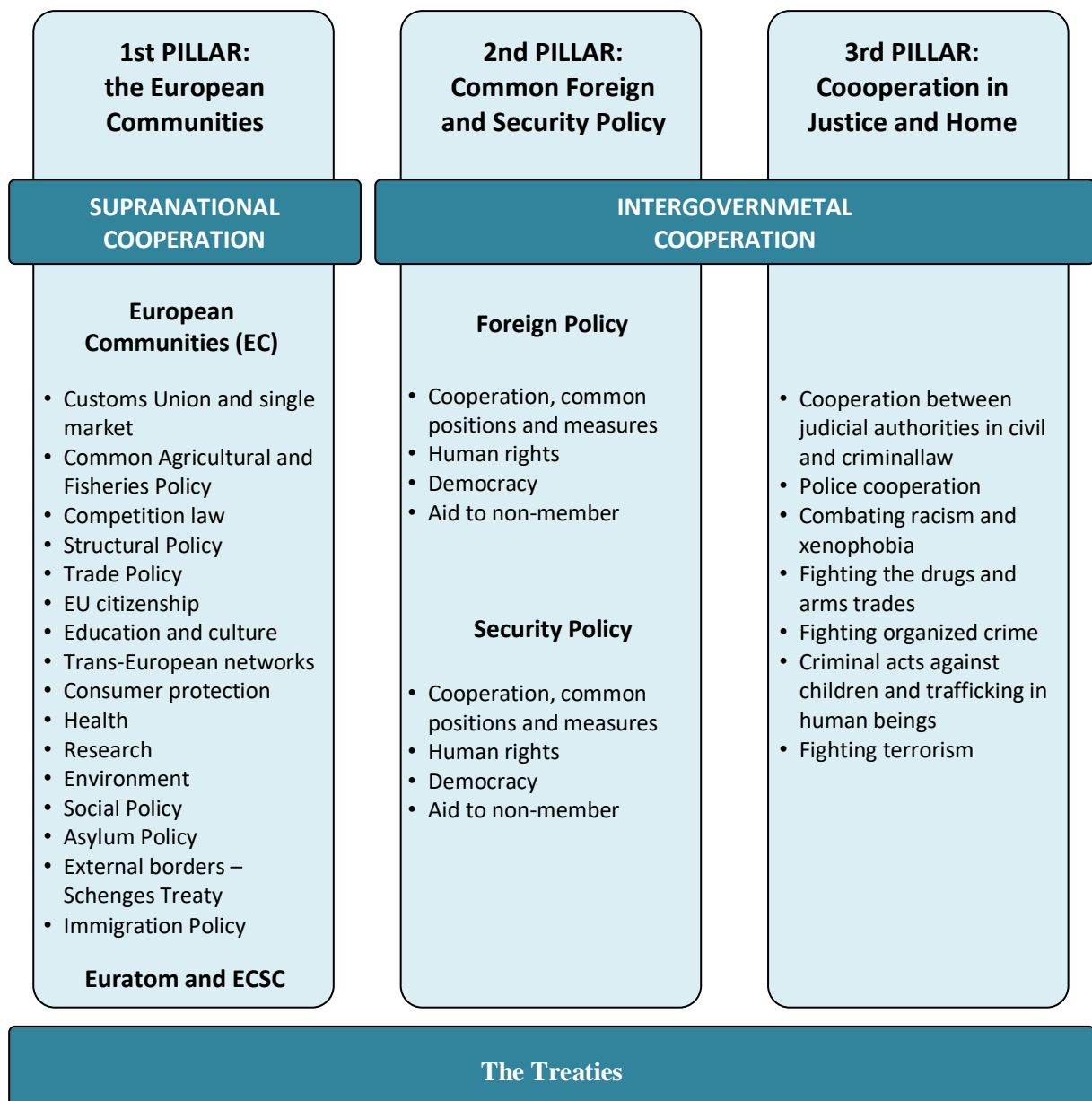
The Treaty of Rome during its first revision in 1986, the **Single European Act (SEA)** brought the establishment of new powers as regards: monetary policy, social policy, economic and social cohesion, research and technological development, the environment.

The **Treaty on European Union (TEU)** was signed on 7 February 1992 in Maastricht, lays the foundations for a new European structure. The Treaty only amended the previous treaties, but these amendments were indeed far-reaching. It establishes a 'European Union' that brings together not only the three European Communities but also two areas of political cooperation between the Member States. The aim is to allow these three elements to develop within a unified framework. The three pillars: the Community pillar, which has a supranational character, and the second and third pillars, which have an intergovernmental character. The Treaty on European Union renamed the European Economic Community as 'European Community' and superposed on it the 'European Union'.



**Signing the Treaty on European Union in Maastricht. 7 February 1992**

**Figure 1: The European Union**



The first and by far the most important one was pillar I, also called the **European Communities (EC)**. This pillar contained the past treaties and their revisions, but also important new common policies, most notably the single currency and the EMU.

The second pillar introduced a **Common Foreign and Security Policy (CFSP)**. The third introduced cooperation in the fields of **Justice and Home Affairs (JHA)** and addressed such issues as police cooperation, immigration, asylum, and other internal security matters.

The most important difference between the three pillars was that decisions in pillars II (CFSP) and III (JHA) are made through intergovernmental negotiations between the Member States. While the largely **economic pillar I** remained and extended **supranational policy-making**, **pillars II and III were intergovernmental** in character.

The Common Foreign and Security Policy (CFSP), in which member states adopt common policies, undertake joint actions, and pursue coordinated strategies in areas in which they can reach consensus. CFSP decision-making is dominated by the member states and requires unanimous agreement of all national governments. Member states must also ensure that national policies are in line with agreed EU strategies and positions (e.g. imposing sanctions on a country). However, CFSP does not preclude individual member states pursuing their own national foreign policies or conducting their own national diplomacy. The TEU completely elevated new policy fields onto the European level and away from the exclusive

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authority of the Member States. The TEU establishes common policies in six new areas. In the sphere of trans-European networks, industrial policy, consumer protection, education and

vocational training, youth, and culture. In other domains, such as energy, much responsibility has remained with the Member States, and, for example, it was only in 2007 that the European Council adopted an ‘energy policy for Europe’.

The Justice and Home Affairs (JHA) field seeks to foster common internal security measures while protecting the fundamental rights of EU citizens and promoting the free movement of persons within the EU. JHA encompasses police and judicial cooperation, migration and asylum policies, fighting terrorism and other cross-border crimes, and combating racism and xenophobia. JHA also includes border control policies and rules for the Schengen area of free movement.

The [Treaty signed on 17 June 1997 at Amsterdam](#) marked some progress in several policy areas. An important objective was to place employment and social protection at the heart of the Union. The Treaty made the Union’s institutional structure more efficient by extending the co-decision procedure (Parliament/Council) and qualified majority (QM) voting in the Council.

The [Treaty of Nice](#) was signed on 26 February 2001 only prepared the institutions of the European Union to function with the representatives of twelve new member states. (Draft of a Treaty establishing a Constitution for Europe was signed on 29 October 2004 in Rome, but the rejection in the referendums in France and in the Netherlands, on 29 May and 1 June 2005, brought the ratification process to an end.)

Year	Country
2013	Croatia
2007	Bulgaria, Romania
2004	Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia
1995	Austria, Finland, Sweden
1986	Spain, Portugal
1981	Greece
1973	Denmark, Ireland, United Kingdom

In May 2004, 10 countries joined the EU: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, and Slovakia. On 1 January 2007, Bulgaria and Romania became members of the EU. (on July 1st, 2013, Croatia joined the European Union; United Kingdom left the EU on 31 January 2020)

## Major Treaties of the European Union

Treaty name	Place signed	Date signed	Entry into force
Treaty establishing the European Coal and Steel Community	Paris	18 April 1951	23 July 1952
Treaty establishing the European Economic Community	Rome	25 March 1957	1 July 1958
Treaty establishing the European Atomic Energy Community	Rome	25 March 1957	1 July 1958
Single European Act	Luxembourg/ The Hague	17/28 February 1986	1 July 1987
Treaty on European Union	Maastricht	7 /February 1992	1 November 1993
Treaty of Amsterdam	Amsterdam	2 October 1997	1 July 1999
Treaty of Nice	Nice	26 February 2001	1 February 2003
Treaty of Lisbon	Lisbon	13 December 2007	1 January 2009



**Group photo. Signing the Treaty of Lisbon. 13 December 2007**

The **Treaty of Lisbon**, signed by the heads of state or government of the 27 member states on 13 December 2007, maintained all the important elements of the Treaty establishing a Constitution for Europe. Under the Treaty, the European Union becomes more democratic. The powers of the European Parliament are increased considerably. The co-decision procedure of the Parliament and the Council is renamed 'ordinary

legislative procedure', and is extended to several new policy fields, including justice and home affairs, some aspects of the common trade and agricultural policies, as well as the EU budget.

Because the European states change continually under the pressure of internal and external factors, the **common policies** must develop regularly in order to face them successfully. This is the reason why the Treaties, which are the primary source of European law and hence the legal basis of European policies, have to be modified frequently.

The Treaty of Lisbon replaced the Treaty on European Union (TEU) and the Treaty establishing the European Community (TEC), entry into force on 1 January 2009, is only a ring in the chain of Treaties that move forward European economic and political integration. The integration process is evolutionary and the Treaties are the means of progress.<sup>1</sup>

*The term 'European Community' also refers to 'European Communities' which originally comprised the European Economic Community (EEC), the European Coal and Steel Community (ECSC: dissolved in 2002), and the European Atomic Energy Community (Euratom).*

<sup>1</sup> Nicholas Moussis: Guide to European policies, 2010, p. 25.

## TYPES OF POLICIES

Formulating a public policy is the competence of different actors in the European Union. Some policies fall under the jurisdiction of the European Union, but other policies are carried out in partnership with the national governments. Some policies are still primarily under national control. The differentiated role of the EU across policy areas relies on the power of law.

Public policies in the European Union are vary. There is little uniformity across types of policy areas within the Union. There are several aspects to grouping EU policies. The generic concept of EU policies, due to their diversity, *cannot be defined by a single definition*.

### Common and Community policies

Common policies are the basic elements of the European integration process which are developed gradually by the supranational and national actors of the process and foster both economic and political integration of the participating states. '**Common policies**' are the ones that take the place of the essential elements of national policies.

There are two main categories. In some policy areas the European Union has exclusive decision-making power, e.g. in the area of the customs union, competition rules, and commercial policy. (*exclusive competence of the Union*)

### COMPETITION POLICY

The common competition policy (1957: Art. 3) plays the role of economic regulator in the common market. Establishing the European Economic Community (EEC, 1957), European policy makers set up competition policy into the limited number of common policies. This was made in accordance with the desire of common economic policy and coordination throughout the EEC. Only a competition policy that is unique and binding in all of the member states could result in equal economic conditions. In the Treaty of Rome the fields of the competition policy were being divided due to the object of the regulations. Articles 85-91 set clear conditions for enterprises that would like to operate in the common market (EEC, 1957). According to these, creating cartels and antitrust were forbidden, while eliminating of dumping was possible to be asked from the Commission (EEC, 1957, Article 91 (1)). Moving along, objects of articles 92-94 are member states – setting up the fundamentals of a common State aid policy for the EEC MSs. The most important feature of these articles is the prohibition of State aid where interstate trade clause is applicable (EEC, 1957, Article 92 (1)) It prevents market compartmentalisation, abolished in the single market, from being restored by means of agreements between large companies. It also prevents multinational companies from exploiting their dominant position or monopolising a market by acquisition of independent firms. As regards State interventionism, the role of the common competition policy is to confine it to aid which fits in with the common objective of adjusting the structures of the European Union's production mechanism to internal and external changes.

Other policy areas are shared with the member states. Both the Union and the member states can legislate in the areas of agriculture, energy, research or consumer protection, etc. (*shared competence*)

The formulation of a common policy by the common supranational institutions must clearly indicate the common need that it addresses, the common goal that it pursues and the common interest that it serves. The essential element in a common policy is the definition of common interests in the objectives and measures framed by it.

**Example:** Many common measures concerning a sector or the other activity end up in building a new ‘common’ policy. The **common agricultural policy** dates back to the EEC Treaty (1957). The **fisheries policy**, initially a part of the common agricultural policy, gives a good illustration of how a common policy can develop. It starts out with a few isolated measures addressing a particular situation or shared problems in a sector and with time there is a realisation that if the common achievements are to be safeguarded, other measures are required leading to a full-grown common policy.

By adopting a common policy, the member states agree to transfer some of their sovereign powers to common supranational institutions. This transfer of sovereign rights in the framework of common policies is the main drawback, but also the fundamental characteristic of European integration.

### **REGIONAL POLICY**

The common regional policy (1986: Art. 130) by means of the Structural Funds aims to help the poorer regions of the European Union to face the increased trade and competition from the more developed regions imposed by the single market and the economic and monetary union. Such a union, implying abandonment of the use of exchange rate adjustment as a means of the balance of the national economy, would be to the detriment of the poorer member states without an efficient common regional policy revolving around sufficient capital transfers from the richer to the poorer regions of the EU. The common regional policy aims, therefore, at the economic and social cohesion of the Union.

## **SOCIAL POLICY**

The acceleration in the process of European integration since the middle of the 1980s has resulted in major progress in the common social policy (1986: Art. 118) between the Member States, close cooperation in the social field, particularly in matters relating to employment: labour law and working conditions; basic and advanced vocational training; social security; prevention of occupational accidents and diseases; occupational hygiene; the right of association, and collective bargaining between employers and workers. Therefore, the Treaty of Amsterdam (1997) identified the promotion of a high level of employment as a Union objective and introduced a coordinated strategy for employment.

## **ENERGY POLICY**

The aim of the common energy policy (2007: Art. 176A) is to reduce Europe's dependence on imported energy, ensure the security of energy supply in the Union, and the greater integration of the Member States' energy markets. The policy promotes energy efficiency and energy saving, and the development of new and renewable forms of energy. A common policy to protect consumers and users of products and services is essential for the functioning of the single market in the interest of citizens.

## **ENVIRONMENTAL POLICY**

The common environmental policy (1986: Art. 130r) is vital for the quality of life of the citizens of the Union. Environmental policy was not relevant at the time of the Treaty of Rome. The Single European Act created its legitimacy. Environmental policy is based on successive action programs. These frame measures from legislation to the implementation of joint projects. The EU follows, indeed, a coherent program for sustainable growth. However, the EU cannot work alone for the protection of the environment of the globe. Using its economic power, it should lead the way to better international coordination in this area.<sup>1</sup>

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## CONSUMER PROTECTION

The aim of the consumer policy is to ensure that the European Union's consumers draw maximum benefit from the existence of the internal market and play an active role in it. Article 129a of the TEU states that in order to promote the interests of consumers and to ensure a high level of consumer protection, the Community shall contribute to protecting the health, safety and economic interests of consumers, as well as to promoting their right to information, education and to organize themselves in order to safeguard their interests.

In accordance with Article 12 of the Treaty of Lisbon the consumer protection requirements shall be taken into account in defining and implementing other Community policies and activities. It is the case especially in such areas as product safety, internal market, trade, competition, financial services, transport, telecommunications, or energy.



## RESEARCH POLICY

The common research and technical development policy (1986: Art. 130f) is also a vital stage of the European Union's industrial development. Research policy has established multiannual framework programs under the Single European Act. Grants funded exclusively from EU funds are developed in the R&D Framework Programs. (e.g. Horizon 2020 Framework Program 2014-2020).

## AGRICULTURAL POLICY

The common agricultural policy dates back to the EEC Treaty (1957). The main objective of Europe's agricultural policy is to develop the countryside. The European Union wants to ensure continued agricultural production in all parts of Europe. The quality of food, package labeling and plant protection are controlled. The common agricultural policy (CAP, 1957: Art. 38), being one of the most highly developed European policies, from 1962 presents a good example of the constant adaptation of a common policy to new societal needs and to the changing European and international competition and trade requirements. CAP is foreseen as a common policy, with the objectives to provide affordable food for EU citizens and a fair standard of living for farmers. In the 1990s the CAP shifts from market support to producer support and the price support is replaced with direct aid payments to farmers, who are encouraged to be more environmentally-friendly. In 2011 the CAP reform seeks to strengthen the economic and ecological competitiveness of the agricultural sector, to promote innovation, to combat climate change, and to support employment and growth in rural areas.

## TANSPORT POLICY

Although the transport policy was specially mentioned in the EEC Treaty (1957: Art. 74), even with the specification that it should be a common policy, the diverging national interests have impeded the progress of the transport policy. But the completion of the single market, which has resulted in strong growth in demand for transport services for both goods and persons, went in step with a liberalisation in the areas of road haulage, sea, and transport, and led to the formation of common transport policy. The aim of the common transport policy is to harmonize the regulations of the Member States, coordinate infrastructure developments, and ensure interoperability between networks. They will make the internal market work more efficiently, the flow of labor and goods will be better, remote regions will also be accessible, economic performance will increase, road safety will be increased and pollution will be reduced.

The degree of transformation of national competence to Community level in each policy area is a measure of community or integration which varies from one area to another. The policies that *support and supplement national policies* are called '**Community policies**'. All countries have retained their autonomy in the areas of culture; tourism; education; vocational training; youth and sport or civil protection. In these areas, the EU sets minimum requirements, and the member states can decide whether to apply stricter regulations.

**Community policies** refer to Community activities under the Treaties that are complementary to those of the Member States and complement their national policies in the same fields. The aim of the **Community policies** is to delegate tasks when an issue can be dealt with effectively at a lower level, in accordance with the principle of subsidiarity and proportionality.

But the distinction between the two categories is not all clear-cut. Indeed, all common policies, whether called thus by the Treaties or by Community practice, are in a process of development. They start as mere objectives set in general terms by the Treaties or the institutions and are gradually built up by common or 'Community' legal acts.

**Example:** In the area of labour, the Treaty of Amsterdam has introduced a new chapter, whereby member states must coordinate their labour policies in order to increase their efficiency. However, each member state develops its own national labour policy.

The gradual development of common policies implies that integration is a constantly evolving process without a clearly defined end. The integration scheme is built gradually by means of a large number of common policies, promoting the common interest of the member states.

As common policies advance, national policies lose some of their independence in terms of goals and means, since segments of national sovereignty are blended into a new concept of 'shared sovereignty' that is intended to serve better the various national interests. The loss of independence is circumscribed by two means: the continuing influence of the member states in the development of a common policy after its inception through the common institutions in which they participate, and the possibility left to the member states to choose the means that suit them best to attain the common goals of a common policy, by virtue of the principles of subsidiarity and proportionality.

### **Internal and external policies**

The policies in the European Union vary, and so does the EU's role in the formulating them. Some policies fall under the legislation of the European Union, others are primarily under national control. Policies in the European Union differ in some important ways from policies decided at the national level by member states' governments.

There are different classification of European public policies. Each of them examines EU policies from different aspects to grouping EU policies.

EU policy can be broadly divided into internal policies and external policies. Most of the policies made by the European Union relate to internal issues. They have a direct impact on EU citizens in every member state, and the Member States are closely involved in developing and implementing them.

The role of the European Union in international politics is also a fundamental question for the EU. Stability and cooperation within and outside the European Union need the effort to cooperate with the neighbors of the EU, by supporting the neighbors on their path towards European values. The EU also supports developing countries by promoting the development of Third World countries.

## DEVELOPMENT AID POLICY

Within the framework of the EU development aid policy (1992: Art. 21) the EU provides financial aid for the implementation of Community operations, other than those of development cooperation, which within the framework of EU cooperation policy contribute to the general objective of developing and consolidating democracy and rule of law, respecting human rights and fundamental freedoms in third countries. (Council Regulation (EC) No 976/1999 of 29 April 1999)

The European Union supports developing countries by promoting sustainable development. The long-term objective is to eradicate poverty, a goal that has been central to the EU's external policies since the establishment of the European Development Fund (EDF) under the 1957 Treaty of Rome.

The development aid policy contributes to the international aspects of other policies like environment, agriculture, and fisheries. Providing over 50% of all global development aid, the EU and its member states are collectively the world's leading donor. The development aid aims at both the search for solidarity towards the disadvantaged countries and the economic necessity for the Union of guaranteeing its raw material supply and creating outlets for its products.

The **external policies** of the Union focus on political cooperation between member states on issues of the Union's action on the international scene guided by the principles which have inspired its own creation, development, and enlargement in the wider world: democracy, rule of law, universality and indivisibility of human rights and fundamental freedoms, respect for human dignity and the principles of equality and solidarity. The Union present on the world stage in three main roles: common commercial policy, development aid policy, and external relations.



## MORE POLICIES



**Click on a topic title below for a summary of what the EU does in that area, and for useful links to relevant bodies, laws and documents.**

Agriculture

[https://europa.eu/european-union/topics/agriculture\\_en](https://europa.eu/european-union/topics/agriculture_en)

Climate action

[https://ec.europa.eu/info/topics/climate-action\\_en](https://ec.europa.eu/info/topics/climate-action_en)

Competition

[https://europa.eu/european-union/topics/competition\\_en](https://europa.eu/european-union/topics/competition_en)

Culture

[https://europa.eu/european-union/topics/culture\\_en](https://europa.eu/european-union/topics/culture_en)

Customs

[https://europa.eu/european-union/topics/customs\\_en](https://europa.eu/european-union/topics/customs_en)

Education, training and youth

[https://europa.eu/european-union/topics/education-training-youth\\_en](https://europa.eu/european-union/topics/education-training-youth_en)

Employment and social affairs

[https://europa.eu/european-union/topics/employment-social-affairs\\_en](https://europa.eu/european-union/topics/employment-social-affairs_en)

Energy

[https://europa.eu/european-union/topics/energy\\_en](https://europa.eu/european-union/topics/energy_en)

Environment

[https://europa.eu/european-union/topics/environment\\_en](https://europa.eu/european-union/topics/environment_en)

Food safety

[https://europa.eu/european-union/topics/food-safety\\_en](https://europa.eu/european-union/topics/food-safety_en)

Humanitarian aid and civic protection

[https://europa.eu/european-union/topics/humanitarian-aid-civil-protection\\_en](https://europa.eu/european-union/topics/humanitarian-aid-civil-protection_en)

Public health

[https://europa.eu/european-union/topics/health\\_en](https://europa.eu/european-union/topics/health_en)

Regional policy

[https://europa.eu/european-union/topics/regional-policy\\_en](https://europa.eu/european-union/topics/regional-policy_en)

Research and innovation

[https://europa.eu/european-union/topics/research-innovation\\_en](https://europa.eu/european-union/topics/research-innovation_en)

**Single market**

[https://europa.eu/european-union/topics/single-market\\_en](https://europa.eu/european-union/topics/single-market_en)

Sport

[https://ec.europa.eu/info/topics/sport\\_en](https://ec.europa.eu/info/topics/sport_en)

Taxation

[https://europa.eu/european-union/topics/taxation\\_en](https://europa.eu/european-union/topics/taxation_en)

Trade

[https://europa.eu/european-union/topics/trade\\_en](https://europa.eu/european-union/topics/trade_en)

Transport

[https://europa.eu/european-union/topics/transport\\_en](https://europa.eu/european-union/topics/transport_en)



## FURTHER READING

Nicholas Moussis: Guide to European policies. 15th updated edition. European Study Service, Stationery Office Books, London, 2010



## QUESTIONS

1. What is the difference between Common and Community Policies?
2. What are the policies that support and supplement national policies?
3. What is the role of Treaties in the development of European public policies?
4. Sort chronologically from the latest to oldest the major treaties!
5. What is the significance of the major treaties!