

What is the EU?

Introduction

The UK's membership of the European Union has long divided public opinion. With an in/out referendum scheduled for 23 June, voters will be tasked with making a decision that will shape the country's future relationship with Europe. But what is the EU? And how does it function in practice?

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The European Union (EU) is an economic and political partnership between 28 countries. The EU is unique – it is not a state, and yet it is more than an international organisation such as the United Nations.

Member states cooperate on issues ranging from the single market to defence and foreign policy. Particularly in areas of economic policy, such as trade, national governments have ceded some authority in favour of joint decision-making, and the adoption of binding EU-wide laws.

How did it develop?

The European Union has evolved over the past 70 years. The European Coal and Steel Community (ECSC) was formed in 1951 with the aim of binding Germany and France together in a trading alliance and preventing future wars. The European Atomic Energy Community was created in 1957 to foster cooperation in nuclear energy. The European Economic Community was established in the same year with the broader remit of economic integration. The three organizations were merged in 1965 and referred to as the 'European Communities'. They were subsumed within the new 'European Union' in 1992, when the Maastricht Treaty was agreed.

Britain has always had a strained relationship with these organizations. It declined an invitation to join the six founding members of the ECSC in 1957 – even though British politicians, notably Winston Churchill, favoured the close integration of European states and championed initiatives aimed at international cooperation in Europe. Britain twice attempted to join the European Economic Community in the 1960s, but its applications were vetoed by France. It finally joined in 1973, along with Denmark and Ireland, but held a national referendum on membership two years later. 67% voted to stay in, 33% opposed.

What are the EU's institutions?

The EU has several key institutions that were created by national governments to help them achieve the goals that they set out in the founding treaties. Checks and balances were built into the system to prevent any single body or member state from imposing its preferences unilaterally.

These institutions are at the heart of the EU system, but national institutions also play key roles. Governments attend the European Council and the Council of the European Union, administrations and agencies implement and enforce EU policy, national parliaments are consulted during the decision-making process, and parliaments and courts contribute to accountability and scrutiny. The combination of EU and national institutions distinguishes the EU from other international organisations.

- **The European Council** is the most senior EU institution. It consists of the elected heads of the member states, and is accountable through national parliaments to national populations. It sets the EU's general political direction and handles sensitive issues. It sometimes calls on the other institutions to draft legislative proposals on a particular subject.

- **The European Commission** combines political and administrative responsibilities. It is in charge of implementing legislation and monitoring compliance by the member states. Its most important task is to formulate policy proposals, which it forwards to the Council of the EU and the European Parliament. It employs around 33,000 people, and is based in Brussels (in contrast, the British civil service employs around half a million). Each member state nominates one member, who then serves (independently) as the 'Commissioner' responsible for a certain department. Recently, the UK's Commissioners have run the EU's trade (Lord Mandelson) and financial services portfolios (Lord Hill). The Commission sits for five-year terms, and is usually referred to by the name of its president (hence, we currently have the 'Juncker Commission').
- **The Council of the European Union** is the main body for the representation of member states' interests, where national ministers meet to negotiate and agree on legislation, supported by national civil servants who handle more technical aspects. Decisions are taken by ministers in their area of responsibility. For example, when agriculture is discussed, the farming ministers attend, and so on. The Council shares the power to decide with the European Parliament whether to adopt proposals made by the Commission.
- **The European Parliament** is the EU's directly elected chamber. It consists of 751 MEPs, drawn from all the member states. There are currently 73 British MEPs. In the May 2014 election UKIP won 24 MEPs, Labour won 20, the Conservatives won 19, the Greens won three, SNP won two, and the Liberal Democrats, Plaid Cymru, Sinn Fein, Democratic Unionists, and Ulster Unionists each won one seat. However, MEPs sit in European parliamentary groups rather than as national delegations. For example, Conservative MEPs sit in the European Conservatives and Reformists (ECR) group, while Labour MEPs sit in the Socialists and Democrats (S&D) group. The two largest political groups are the centre-right European People's Party (EPP) and the centre-left S&D group.

The main power of the European Parliament is to take decisions on EU legislation with the member state governments in the Council. The Parliament shares control of the EU budget with the European Council, ratifies international treaties, oversees the work of the Commission, and elects the Commission (after each European election). The Parliament also has the power to sack the Commission, by a two-thirds majority vote.

How does the EU make law?

For most legislation, the process starts with a proposal by the Commission, which is sent to the Parliament and the Council for their consideration. The Parliament and the Council can each decide to amend, approve or reject a proposal. For any proposal to become law, it has to be agreed by both institutions. EU citizens are represented in this process by their MEPs in the Parliament and their ministers in the Council.

Once the Council and Parliament have both agreed a text it becomes law, and passes to national governments to implement, overseen by the Commission and the Court of Justice. EU laws can take two forms. The most common form – EU directives – are the 'softer' version: they specify what should be done, but leave how to the member states. This means that member states have to pass national legislation to bring it into effect. Regulations, in contrast, apply directly. There is no additional process at the national level and no room for national interpretation.