

# EU MIRROR EN WIBBOB

A Dél-alföldi HEURégió Pont Egyesület  
Free Information Material  
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# EU MIRROR

DEAR READER!



You are holding in your hands the information sheet of a regional youth organization named Dél-alföldi HEURégió Pont Egyesület. Our Association's main goal is to prepare young people living in the region to the connection to the European Union. It is a public fact that most of the young people are not informed well enough about the EU. Many do not know aptly the history of the union, its aims and its institutional system. Since 2004 we are trying to compile smart guides quarterly which are dealing with topics that are affecting young people and are interesting for them.

The main goal of this sheet is to induce change accordingly to its opportunities, and keeping in mind that so far we could publish our info-sheets only in the region of Szeged and within the University of Szeged.

Our brochure contains information about the European Integration that we all ought to be familiar with. Because it is hard to have positive feelings about something unknown, it is our unconcealed aim to not only give information about, but to promote the European Union – namely most of the opposers of the EU are people, who do not have sufficient information about it. We are thankful to the National Civil Fund for providing funds, therefore assisting in the creation of this issue. Not all parts of our brochure is to be treated as a reading, many parts are cyclopedia-like. We suggest after reading it to keep it on the book-shelf, so in case of something is not clear about the EU -while reading a newspaper or listening to the news – it can provide assistance and the EU MIRROR can be re-read again.

**Gábor Szabó**

*president*

**Dél-alföldi HEURégió Pont Egyesület**



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## The Formation of the European Union

The European Union was created based on European Communities. We understand three integrations, that are individual subjects of law, under the European Communities. All three integration organisations were founded by six countries: Germany, France, Italy, Belgium, The Netherlands and Luxembourg.

They have signed the Treaty of Paris in 1951 and created the European Coal and Steel Community (ECSC). The goal of this integration was the realisation of European peace and creation of a common market on

the field of coal and steel industry. The contract took effect in 1952 and it was for a determined time, 50 years. It expired in 2002, but most of its provisions are valid today in the framework of the European Community.

On March 25, 1957. the Treaties of Rome have been signed. These on one hand created the European Economic Community (EEC) which is called European Community (EC) these days. The main aim of the EEC was assisting economical co-operation and the overall realisation



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of the common market. On the other hand the European Atomic Energy Community (Euroatom) was formed. Its main objective was peaceful utilization of atomic energy. Both treaties took effect in 1958 and were signed for indefinite time.

The European Union was formally established on February 7th, 1992, when the Maastricht Treaty was signed. The Treaty took effect on November 1st, 1993. The formerly established Communities remained after the formation of the European Union. We use the name "European Union" for the entire European integration. The Maastricht Treaty renamed the EEC to European Community.

## **Founding members:**

1. Belgium
2. France
3. The Netherlands
4. Luxembourg
5. Germany
6. Italy

## **Joined on 1st January 1973.:**

7. Denmark
8. Ireland
9. United Kingdom

## **Joined on 1st January 1981.:**

10. Greece

## **Joined on 1st January 1986.:**

11. Portugal
12. Spain



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## **Joined 1st January 1995.:**

13. Austria
14. Finland
15. Sweden

## **Joined on 1st May 2004.:**

16. Cyprus
17. Czech Republic
18. Estonia
19. Poland
20. Latvia
21. Lithuania
22. Hungary
23. Malta
24. Slovakia
25. Slovenia

## **Joined on 1st January 2007.:**

26. Bulgaria
27. Romania

## **Candidate countries**

- Croatia (candidate, beginning of accession negotiations: 3rd October, 2005.)
- Turkey (candidate, beginning of accession negotiations: 3rd October, 2005.)
- In December of 2005 the European Council gave candidate status for the Former Yugoslavian Republic of Macedonia, though the negotiations did not start.



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## Legislation

The law of the European Communities created a new law-system, which differs from international law and the national law, the internal law of the member countries

Tough the communal law was born similarly to international law, based on contracts between states; it differs from it in several ways.

While international law regulates interstate relations and its subjects are states; communal law's subjects are member states and subjects of civil law (natural persons and legal entities).

International law is generally based on international treaties, while communal law not only consists of treaties but its on legal acts as well (unique law and order, which has its own institutions, legislative procedures and legal sources). Besides, another important difference is that communal law is an integrated part of the member states' legal system, therefore their courts must apply it. The sharing of scopes of authority between the EU and member states.

The contracts defined the competences according to the establishment of goals and the duties related to these goals. Competences that have not been assigned to the organisation stay in the member states' hands as long as the Council decides to assign them to the Communities.

The distribution of competences is based on a dual assumption. On one hand the competences are exclusively in the hands of the Communities or the member states (in certain cases we can talk about concurrent competencies). On the other hand, member states can gradually transfer new competencies to the Communities, in case they are necessary to the achievement of the newly set goals for the organisation.



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It is important to mention that in contrast with federal constitutions, the treaties that establish the communities do not state unambiguously which are those duties that belong definitively to the union/communal competences and which are the ones that stay with the member states.

As a result, resolution of conflicts - that are results of collisions of competences- still have to be resolved by the European Court.

During the course of fulfilling this duty, the Court has worked out the principle of primariness of communal law, direct applicability and direct adaptability.

## **Communal decision making**

The relation of the communal institutions is unique because of their participation in the legislative process.

The balance of the licenses of the institutions that participate in the legislative procedures is indispensable for the independent functioning of the Communities.

The single contractual provisions establish separately the manner of accepting measures that belong to the domain of the given matter.

In total, seven decision making procedures can be distinguished: informational procedure, consultation procedure, budgetary, cooperation, co-decision procedure, contribution and negotiation procedure.

The Council, the European Commission and the European Parliament have different licences in the decision making process.



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## Financial Management of the Euproean Union

### Incomes

The incomes of the EU-budget, to which Hungary also contributes, the system of own sources ensures. This consists of the following elements:

- Traditional own resources (TOR), that derive from the common customs union and the functioning of the common agricultural policy. These consist of duty derived from import from outsider third countries, furthermore agricultural customs and sugar dues. Consequently, TOR is a purely union income, it comes directly from EU rules, at the same time, the member

state levies it in. Because of this, a certain percent of the taken sum may be detained in order to finance the costs of taking this sum (since 2002 it is 25%, formerly it was 10%)

- Value added tax (VAT) - based own source: this happens by the application of a uniform key that is relevant to all member states, which has to be adjusted to the VAT basis that has been calculated and adjusted adequately to the union's regulation. Part of the value added tax base has to be payed in. Since 2007, it is 0,3 percent (until 2001 it was 1%, between 2002-2003 it was 0,75% and between 2003-2007



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it was 0,5 percent). Between 2007-2013 the big net depositor countries will have to pay lower percentages: Austria 0,225, Germany 0,15, The Netherlands and Sweden 0,10%. The VAT base cannot exceed 50 percent of the Gross National Income (GNI) of the member state.

- The aim of the Gross National Income (GNI) based fund is cover the EU-budget expenses, even in case the other sources are not sufficient to cover it. This sum is calculated by the application of the uniform key referred to the member states' national income. The definition of the key always takes place during the annual budgetary procedure, adequately to the actual needs (in 2005 it was 0,76%).

- Apart from the above mentioned, other sources of income are distinguished (for example: incomes from fines belong here, also income tax payed by EU personnel, non-EU countries' contributions to some EU-programmes, moreover fines deriving from infringement of competition law and other fines payed by compa-

nies. These sources add up to approximately 1,3 billion Euros, some 1% of the budget).

The total of the income sources cannot exceed 1,24% of the EU GNI.



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## Expenditures

The items of the expenditure side between 2007-2013:

- sustainable development-most of it serves cohesion, national and regional development in order to equalise the differences of the member states; the other part is to be used for the development of competitiveness.
- conservation and treatment of natural resources – it finances agricultural support, fishery, rural development and environment protection
- emergence of union citizenry, freedom, safety and law (e.g.:

insurance of fundamental rights, consumer protection, migration)

- The European Union as global partner (neighbourhood policy, pre-accession support, humanitarian support)
- executive expenses supporting politics: Administrative expenses -Expenses that are used to finance EU institutions (administrative and functional expenses)
- Other items on the expenditure side (between 2007-2009): offset for new member states (Bulgaria, Romania)



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## Functioning of the EU

The functioning of the EU is ensured by its institutes. The duty of the institutions is to create laws, audit their observance or even decide about the future of the European Union.

### Who controls the EU?

The European Union consists of six main institutions: the European Commission, the European Council, the European Parliament, the European Court of Justice, European Court of Auditors and the Council of the European Union.

### European Council

The main task of the European Council is to make substantial and big impact decisions about the European Union – in the framework of a EU summit meeting. The European Council is the summit of the heads of states and governments of the EU member countries. It usually takes place two to four times per year. Decisions of high importance and impact are born here, which give direction to the development of

the EU. The European Council does not create laws, that is the task of the Council of the EU. The presidency of the Council of the European Union and the European Council is supplied by the actual president (its term is 6 months).

### The Council of European Union

The Council of the European Union is the main decision making body of the EU and consists of the ministers of the EU member states. The sessions are attended by the discussed topic's departmental ministers. The main task of the Council is to make decisions about the common regulations and in cooperation with the Parliament to create laws for the European Union based on the proposals of the Commission. The Council's members represent the member states in the EU, keeping in focus their own national interests. The presidency of the Council is filled by a member state every half year. The actual president convenes the Council, conducts the sessions and represents the European Union at exterior forums.

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## European Commission

The European Commission is often referred to as the “government” of the EU, because its tasks are to develop proposals, create new laws, execute the decision of the EU and to monitor how the member states are observing the common regulations. The Commission is responsible for representing the EU in international organisations. It is the European Commission’s duty to protect the communal interest –not the interest of the individual states. The European Commission supervises the community programs and monetary funds. The commissioners are responsible for different areas (e.g.: agriculture, industry, environment protection). The body is re-elected every five years by the member states with the approval of the European Parliament. The president of the commission directs the commission’s work and defines the guideline for the institution.

## European Parliament

The European Parliament consists of 732 representatives who are



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lected directly by the citizens of the EU since 1979. The number of representatives depends on the size of the countries' population. The elections are held every five years, the last was in June 2004. Hungary can send 24 representatives to the European Parliament. The European Parliament, just like national parliaments, consists of political groups, not representatives of countries. This means that the parties of the European Parliament host all representatives of the EU member states, therefore international political groups operate in the European Parliament. The biggest ones are: the Conservative European People's Party, European Democrats, the left-wing European Socialist Party, European Liberal, Democrat and Reform Party. The president of the European Parliament is elected for two and a half years, so during one parliamentary cycle, two presidents direct the work of the so called Bureau. Its duty is to direct the European Parliament and coordinating its activities. The European Parliament, just like national parliaments, consists of expert com-



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mittees. The other main conciliatory forum of the EP is the Conference of Presidents which is an establishment consisting of the presidents of the parliament parties. The Parliament's range of duties and competences concerning EU matters grew gradually over the years. Since 1970 the budget of the EU cannot be accepted without the consent of the European Parliament. The Parliament cannot create laws separately, like national parliament, but its consent is needed in a number of topics for the main legislative body of the EU, the Council of the European Union. The Parliament has a voice in the appointment of the Commission, in the supervision of its acti-

vities and also it can ask for a proposal from the Commission. The EU can only contract commercial agreements and accept new members to the organisation with consent of the Parliament. The European Parliament elects the European Ombudsman whose task is to investigate any discontent that took place in its institutions against EU citizens. The seat of the European Parliament can be found in Strasbourg, though the committees have their sessions in Brussels.

## European Court of Justice

The European Court (full name: The Court of Justice of the European Union) is the supreme law



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interpreting forum of the European Union. Its task –similarly to federal courts- is the supervision of observance of the communal law, monitoring the other communal organisations and the settling of legal disputes. The European Court has two forums: the EC itself which acts as the supreme court of the EU and the General Court (formerly: Court of First Instance), which proceed in cases that have been initiated by persons or non-government organisations and focuses its attention to specific fields. The General Court has been established in 1989 to relieve the original forum. Its decisions can be appealed to the EC. The most important peculiarity of the European court system is that its task -interpreting communal law-, in opposition to most federal systems

(for example the American system), is divided among the national courts and the two communal courts. It means that the state courts must take into account the communal law as well as their own law. The primary forum of a legal dispute deploying communal law arguments is most of the times a state court. The state courts at the same time often delegate a question to the European Court for preliminary interpretation. One of the most crucial –and most spectacular- tasks of the Court is the arrangement of disputes between the member states and the European Commission (guardian of the rules of the EU). In case the European Commission establishes that one of the member states violated the communal law and does not comply with its contractual obligations towards



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the EU –not even after notice– then the Commission sues that state on the Court. The court decides which party is right, moreover it can adjudge a condemned state to pay a fine if it reluctant to keep itself to the rules. At the same time the Court can judge in matters between European Institutions, member states or even

person, enterprises and other organisations. It can also judge the steps of a number of EU institutions.

## **Court of Auditors**

Its main task is the supervision and monitoring of the execution of the common budget; screening of the EU- accounting and preparation of a yearly report about the Court of Auditors or any other institutions.

The Court of Auditors is an institutional rank body, with independent review and controlling tasks, moreover bearing responsibilities, like opinion making, counselling, review of financials of the EU and the supervision budgetary rules. The court of Auditors consists of 15 members, proposed by the member states and elected for six years –the term can be re-newed– by the Council. The members elect the president from among themselves for 3 years.



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## EU history

### **19 September, 1946.**

Winston Churchill brings up the idea of the United States of Europe in his Zurich speech.

### **9 May, 1950.**

French Minister of Foreign Affairs, Robert Schuman, proposes the establishment of the European Coal and Steel Community (ECSC).

### **24 October, 1950**

René Pleven (French Prime Minister) proposes the creation of an integrated European army.

### **18 April, 1951.**

Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands (the "Six") sign the Treaty of Paris and found the European Coal and Steel Community.

### **27 May, 1952.**

The same six nations sign the treaty to form the European Defence Community (EDC).

### **25 July 1952.**

ECSC treaty comes into effect.

### **2 June, 1955.**

The Six sign agree on the further development of the integration and with the presidency of Paul-Henri Spaak the inter-governmental committee is formed.

### **25 March, 1957.**

The Six sign the Treaties of Rome to establish the European Economic Community - EEC and Euroatom.

### **1 January, 1958.**

The Treaties of Rome come into effect. (The first president of EEC is Walter Hallstein and the first president of Euroatom Committee is Louis Armand.)

### **1 January, 1961**

First partial harmonization of the duties of EEC states.

### **10 February, 1961.**

Heads of states and prime ministers agree in tighter political cooperation. A new committee is formed to develop it, lead by Christian Fouchet.

### **9 July, 1961.**

Signing the EEC-Greece partnership contract.



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**31 July, 1961.**

Ireland requests membership to the EEC.

**9 August, 1961.**

The United Kingdom requests membership to the EEC.

**10 August, 1961.**

Denmark requests membership to the EEC.

**8 November, 1961.**

Beginning of accession negotiations with the United Kingdom.

**14 January, 1962.**

The Council accepts the first four agricultural regulations, the first monetary regulation and the first regulation controlling competition.

**17 April, 1962.**

The negotiations about a political union are put on hold, as there is no consent about the proposals of the Fouchet-committee.

**30 April, 1962.**

Norway requests membership to the EEC.

**14 January, 1963.**

French president De Gaulle vetoes the Brit membership.

**29 January, 1963.**

Accession negotiations with UK are broken.

**12 September, 1963.**

Signing the EEC-Turkey partnership contract.

**8 April, 1965.**

The Merger Treaty is signed to unite the executive bodies of the European Community (ECSC, EEC, Euroatom).

**10 May, 1967.**

The United Kingdom requests membership to the EEC for the second time.

**11 May, 1967.**

Denmark requests membership to the EEC for the second time.

**1 July, 1967.**

The Merger Treaty comes into effect. The first president of the Commission is Jean Rey.



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## **24 July ,1967.**

Norway requests membership to the EEC for the second time.

## **1 July, 1968.**

The customs-union is formed and the common external custom tariffs come into existence.

## **29 July, 1968.**

The Community guarantees the free movement of labour-takers in order to create the common labour market.

## **18 December ,1968.**

The commission proposes the council the "Mansholt-plan" (reform of the agriculture of the Community)

## **4 March, 1969.**

Signing the EEC-Morocco and EEC-Tunis partnership contracts.

## **2 December, 1969.**

Meeting of heads of states and governments in Haag. The aim of the meeting is to discuss the fulfillment of the common market, development of the integration process and the expansion of the EC. They also agree that the economic and mone-

tary union (EMU) will be introduced until 1980 and that they start negotiations with Denmark, Ireland, Norway and the United Kingdom.

## **22 December, 1969.**

The council decided about providing own budgetary sources for the EC and to affirm the budgetary competences of the European Parliament.

## **30 June, 1970.**

New negotiations with Denmark, Ireland, Norway and the UK start in Luxembourg.

## **8 October, 1970.**

The Werner-plan (about the Economic and Monetary Union,- EMU)is handed in to the Council and Commission.

## **27 October, 1970.**

The foreign affairs ministers, who are meeting in Luxembourg, hand in the Davignon-report (about the European Political Cooperation – EPC) to the heads of states and governments.



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