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# UNIT 3 INSTITUTIONS OF THE EUROPEAN UNION

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## 3.0 INTRODUCTION

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The European Union (EU) is a supranational organization, where member states have mutually agreed to surrender some part of their sovereignty to European institutions, which have been created by them by their own free will and which represents the collective interests of the Europe. The Council, the European Commission and the European Parliament created by the founding treaties of Paris and Rome constitute the triangle of the EU. These institutions assisted by the host of other European institutions take decisions on behalf of all individual member states. This provides homogeneity to the European views. These institutions have enabled Europe to speak with one voice on European and global issues. The long cherished dream of European thinkers and statesmen such as Victor Hugo and Jean Monet of one Europe has been eventually realised.

The European Council is the apex body of the EU. All the important policy decisions and proposals for legislation are initiated here. The Council represents the will of the member states of the EU. The European Commission is the executive body of the EU. Its main responsibility is to execute the decisions taken by the Council and the laws passed by the European Parliament. It is the bureaucratic arm of the EU. The European Parliament represents the will of the people of the Europe. Since 1979, European Parliament is directly elected by the people of Europe. The European Court of Justice is the supreme judicial institution of the EU. It decides the cases which concern the EU, its founding treaties; laws enacted by the European Parliament and protects the human rights in the member states.

The EU owes its success to its institutions. These institutions do not seek to be the substitute of the national institutions but rather they aim at strengthening national institutions. They act only when it is felt that efforts at European level will be more rewarding than the effort at national level. Thus national institutions of the member states and institutions of the EU are not rival but complementary to each other. In this unit we discuss the constitution, functions and roles of various institutions of the EU.

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## 3.1 OBJECTIVES

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After reading this unit, you will know about:

- the various institutions for the governance of European Union;
- the Constitution, functions and role of European Council, Council of Ministers, The European Commission. The European Parliament and the European Court of Justice; and
- the presence and role of other institutions and actors participating in the affairs of the European Union.

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## 3.2 THE EUROPEAN COUNCIL

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The European Council is the highest level policy-making body in the European Union's institutional architecture. The European Council was established in 1974 primarily because it was increasingly felt that it was failing to respond adequately or quickly enough to new and increasingly difficult challenges. The "Heads of State or Government" began holding regular summit meetings in March 1975. It became an informal part of the Community, institutions till it was legally recognized by the Single European Act (1987). The Nice Treaty (2000) accorded *de jure* status to the European Council whereby the Council nominates the person for the position of the President of the European Commission.

The Council consists of the Heads of State/Government of all Member States of the EU and the President of the European Commission. They are assisted by their foreign ministers and one other member of the European Commission. The President of the European Council briefs the European Parliament on the conclusions of each European Council meeting. Since the mid-1990s, the European Council has met for at least four summits each year: twice during each six-monthly rotating Presidency. Extraordinary meetings can be convened in extraordinary circumstances. Until 2001, the twice-yearly summits at the end of the Presidency were held in the country of the Presidency. However from 2002, the end of the Presidencies summits are held in Brussels. Other summits can be organized by the Presidencies wherever they prefer.

The activities undertaken by the Council have tended to vary depending on the preferences of the member states, the thrust given by the Presidency, as well as changing circumstances and requirements. The Council sets the overall framework and is the initiator of major policies, but leaves the implementation and execution to the Council of Ministers and the European Commission. It deals with issues related to constitutional and institutional reform, enlargement and nomination of the President of the Commission and the President of the European Central Bank.

The Treaty of Maastricht gave the European Council certain operational responsibilities in relation to foreign and security policy as well as the economic and monetary union. It functions essentially along intergovernmental lines. It deals with difficult issues that the Council of Ministers have failed to agree upon. However, because of the increasing reliance on Qualified Majority Voting in the Council of Ministers, the Council does not really often work as the final court of appeal, but functions more in terms of providing policy guidelines and taking initiatives. The Council discusses contemporary world problems. It seeks to speak with one voice on international issues, developing a Common Foreign and Security Policy (CFSP).

Since the European Council consists of Head of the State and/or Governments of all the member states of the EU and President of the European Commission, its meetings are great media events and attract global attention. These 'summit' meetings set overall EU policy and resolve issues that could not be settled at a lower level (i.e. by the ministers at normal Council meetings).

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## 3.3 THE COUNCIL OF MINISTERS

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The Council of ministers is the EU's main decision making body. It was created by the founding treaties of Paris and Rome during the 1950s. It represents the member states and its meetings are attended by one minister from each of the EU member states. Which ministers attend which meeting depends on what subjects are on the agenda. The composition of the Council of Ministers depends upon the matters to be

discussed by it. For instance, if it discusses an environmental issue, then it will consist of environment ministers of all the member states and will be called the "Environment Council". There are **nine different** Council configurations. These are General Affairs and External Relations; Economic and Financial Affairs (ECOFIN); Justice and Home Affairs; Employment, Social Policy, Health and Consumer Affairs; Competitiveness (Internal Market, Industry and Research); Transport, Telecommunications and Energy; Agriculture and Fisheries; Environment; and Education, Youth and Culture.

The EU's relations with the rest of the world are dealt with by the "General Affairs and External Council". But this Council configuration has wider responsibility for general policy issues, so its meetings are attended by whichever Minister each government chooses. ("The Council of the European Union", at [http://www.europa.eu/institutions/inst/council/index\\_en.htm](http://www.europa.eu/institutions/inst/council/index_en.htm).)

Like the European Council, its members represent their state and are responsible to their national governments, parliaments and citizens. Each minister in the Council is empowered to commit his or her government. They speak on behalf of their **states** and their consent is the consent of their states. This ensures the democratic legitimacy of the Council's decisions.

The Council has six key responsibilities:

- 1) **legislation:** Most EU legislation is adopted jointly by the Council and the European Parliament. As a rule, the Council only acts on a proposal from the Commission. The Commission **normally** has responsibility for ensuring that EU legislation, once adopted, is correctly implemented.
- 2) **economic and monetary policy coordination:** The Economic and Financial Affairs (ECOFIN) Council coordinates the economic and monetary policies of member states.
- 3) **conclusion of international treaties and agreements:** Each year the Council signs a number of treaties and agreements between the EU and non-EU countries, as well as with international organizations. These agreements cover broad areas such as trade, cooperation and development or deal with specific subjects such as textiles, fisheries, transport, etc.
- 4) **budget approval:** The EU's annual budget is decided jointly by the Council and the European Parliament. If the two institutions do not agree, the rules allow the Council to take the final decision on "compulsory expenditure" (mainly agricultural expenditure and expenses arising from international agreements with non-EU countries), while Parliament has the last word on "non-compulsory" expenditure and the final approval of the budget as a whole.
- 5) **Common Foreign and Security Policy:** The EU is working to develop a Common Foreign and Security Policy (CFSP). But foreign policy, security and defence are matters over which member states retain their sovereignty. They have not pooled their sovereignty in these areas, so European Parliament and Commission play only a limited role in this field; and
- 6) **Cooperation in criminal matters:** The Council coordinates cooperation between the national courts and police matters in criminal matters.

Issues such as these are dealt with by the Justice and Home Affairs Council – i.e. the Ministers for Justice and of the Interior. The aim is to create a single "area of freedom, security and justice" within the EU. ("The Council of the European Union", at [http://www.europa.eu/institutions/inst/council/index\\_en.htm](http://www.europa.eu/institutions/inst/council/index_en.htm).)

The Council is assisted by the Committee of Permanent Representatives (COREPER), which consists of the ambassadors or their deputies from the diplomatic representations of the Member States to the European Communities in Brussels. The COREPER generally prepares the Council agenda, and negotiates minor and non-controversial matters, leaving controversial and other issues for discussion and decision by the Council. Below the COREPER, are civil servants from EU member states who negotiate in Council working groups. When they reach an agreement, this is formalized by COREPER and the Council. The Council and its preparatory bodies are supported by over 3,000 EU career civil servants.

The **Presidency of the Council** rotates every six months among the countries of the EU. Each EU country in turn takes charge of the Council and chairs all the meetings for a period of six months. The country holding

the Presidency seeks to realize its work plan devised in close consultation with the European Commission. It seeks to promote legislative and political decisions and broker compromises between member states. On 13 December 2004, EU member states reached agreement on provisions concerning the exercise of the Council Presidency, including the order of Presidencies from 2007 to 2020. The future presidencies are to be run in groups of three, as foreseen by the new European Constitution, with each group generally containing a large and a small member state and at least one new member state. The presidencies from 2006 to 2010 are as follows:

2006	January-June	Austria
	July-December	Finland
2007	January-June	Germany
	July-December	Portugal
2008	January-June	Slovenia
	July-December	France
2009	January-June	Czech Republic
	July-December	Sweden
2010	January-June	Spain
	July-December	Belgium

The Presidency is assisted by the General Secretariat, which prepares and ensures the smooth functioning of the Council's work at all levels. In 1999, Javier Solana was appointed as Secretary-General of the Council. He is also the High Representative for the Common Foreign and Security Policy and engages in political dialogue on behalf of the Council with non-EU countries.

Decisions in the Council are taken by vote. The bigger the country's population, the more votes it has, but the numbers are weighted in favour of the less populous countries. From 1 January 2007, a qualified majority voting in the Council is reached when the following two conditions are fulfilled: (a) a majority of the Member states give their approval (in certain cases a two thirds majority is required); (b) a minimum of 255 votes in favour of the proposition, which is 73.9 per cent of the total. Every member state can also ask to verify that the favourable votes represent at least 62 per cent of the total population in the Union. If these criteria are not respected, the decision will not be adopted. The distribution of votes since 1 January 2007 is as follows:

Germany, France, Italy, the United Kingdom	29
Spain, Poland	27
Romania	14
Netherlands	13
Belgium, Czech Republic, Greece, Hungary, Portugal	12
Austria, Bulgaria, Sweden	10
Denmark, Finland, Ireland, Lithuania, Slovakia	7
Cyprus, Estonia, Latvia, Luxembourg, Slovenia	4
Malta	3
<b>Total votes</b>	<b>345</b>

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## 3.4 THE EUROPEAN COMMISSION

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The European Commission is much more than the secretariat of an international organization. It is the executive body of the EU. It is responsible for executing the decisions of the Council and Parliament. Its job is to represent and uphold the interests of the EU as a whole. Like the Council and Parliament, it has been created by the EU's founding treaties of 1950s. The Commission is independent of national governments.

Until 1 May 2004, the European Commission had 20 members (two each from France, Germany, Italy, Spain and the United Kingdom) and one each from each of the other Member States. After 1 May 2004, with the admission of ten new **countries**, the European Commission consists of one Commissioner from each of member states of the EU.

The member states first agree on who should be designated as the President of the Commission. The designated President is then approved by the European Parliament. The President-designate, in consultation with the **governments** of the member states, chooses the other members of the Commission, called Commissioners. The new Parliament then interviews all members of the Commission individually and gives its opinion on the entire "college". After the approval of the Parliament, the new Commission can **officially** start work the following January,

Commissioners are nominated by their respective governments but their nomination has to be approved by the Parliament. In case of rejection, the member states have to nominate a new one. First of all, the President of the Commission is appointed by the mutual consultation among the member states of the EU and he is given a list of probable commissioners by each member states and eventually other commissioners are selected on the basis of his recommendation. Effort is made to make available the Commissioners of the choice of the President, so that it can work smoothly as a 'team. Though commissioners come from different member states of the EU, but they represent the interest of the EU and not their home state. Commissioners are usually high ranking politicians, administrators and distinguished scholars. All the Commissioners are allocated certain portfolios and the President of the Commission, who can also reshuffle their portfolios.

The Commission is appointed every five years, within six months of the elections to the European Parliament. However, the Parliament can dissolve the Commission by passing a censure motion against it. Collectively, it is responsible to the European Parliament and individually to the President. Individual Commissioners must resign if asked to do so by the President, provided the other Commissioners also approve. The day-to-day work of Commission is done by its administrative officials, experts, translators, interpreters and secretarial staff. There are approximately 25,000 European civil servants. The Commission is mainly based at Brussels, but it has offices in Luxembourg and representations in all EU countries and in important capitals of the world. ("The European Commission", at [http://www.eurova.eu/institutions/inst/comm/index\\_en.htm](http://www.eurova.eu/institutions/inst/comm/index_en.htm).)

It meets at least once in a week usually on Wednesday in Brussels. Each item on the agenda is presented by the Commissioner responsible for that policy area and the whole team then takes a collective decision on it.

The European Commission attends all the sessions of Parliament, where it must clarify and justify its policies and programmes. It also answers all the **written** and oral questions asked by the members of the European Parliament.

The Commission's staff is organized in departments, known as "Directorates-General" (DG) and "services". Each DG is responsible for a particular policy area and is headed by a Director-General who is answerable to one of the Commissioners. Overall coordination is provided by the Secretariat-General, headed by the Secretary-General, who is answerable directly to the President of the Commission. It is the **DGs** that actually draft legislative proposals, but these proposals become official only when adopted by the Commission. at its weekly meeting. Once the proposal is ready, it is put **on** the agenda of the next **Commission** meeting.

If at least 13 of the 25 commissioners approve the **proposal**, the Commission will adopt it and it will have the whole Commission's unconditional support. The proposal will then be sent to the European Council and the European Parliament for their consideration. (*How the European Union Works: Your Guide to the EU Institution, 2005*, pp. 23-24.)

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### 3.4.1 Functions of the Commission

The European Commission has four main roles:

- a) **to propose legislation to the European Parliament and the Council:** The Commission has the right of initiative. It alone is responsible for drawing up proposals for new European legislation, which it presents to Parliament and the Council. The Commission will propose legislation at the EU level only when it is sure that the problem cannot be solved at the national or local level. This principle is called the "subsidiarity principle". If the Commission concludes that EU legislation is needed then it drafts proposal for legislation.
- b) **to manage and execute EU policies and the budget:** As the EU's executive body, the Commission is responsible for managing and implementing EU policies and programmes, and the budget. Most of the actual spending is done by national and local authorities, but the Commission along with the Court of Auditors supervises it. The European Parliament grants the Commission discharge for implementing the budget only when it is satisfied with the annual report of the Court of Auditors. The Commission has to manage the policies adopted by the Parliament and the Council, such as the Common Agricultural Policy, Competition policy, etc.
- c) **to enforce European law (jointly with the Court of Justice):** The Commission acts as "guardian of the treaties". The Commission together with the Court of Justice is responsible for making sure that EU law is properly applied in all the member states. If it finds that an EU country is not implementing an EU law and therefore not meeting its legal obligations, the Commission adopts corrective measures. First it launches a process called the 'infringement procedure'. This involves sending the government an official letter, stating why the Commission considers the country is infringing EU law and setting a deadline for sending the Commission its reply. If this procedure fails, the Commission must then refer the matter to the Court of Justice, which has the power to impose penalties. ~~The~~ Court's judgments are binding on the member states and the EU institutions.
- d) **to represent the EU on the global forums:** The Commission represents the EU on the international stage. It enables the member states to speak with one voice on global forums such as the World Trade Organization. The Commission also has the responsibility of negotiating international agreements and treaties on behalf of the EU. (*How the European Union Works: Your Guide to the EU Institutions, 2005*, p. 22.)

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## 3.5 THE EUROPEAN PARLIAMENT

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The European Parliament was established as an "Assembly" for the European Coal and Steel Community in 1952. In 1962, the title European Parliament was adopted (but formalized in 1986). Till 1979, members of the European Parliament were nominated by the parliaments of the member states. But since 1979, they are elected by direct universal suffrage by the citizens of the EU for a term of five years. This has given it democratic legitimacy. The European Parliament has its seat in Strasbourg, France, where it holds its plenary sessions. although committee meetings and some part-sessions are held in Brussels. The Secretariat of the Parliament is based in Luxembourg. There are three types of parliamentary committees: The 20 standing committees are at the heart of the Parliament's legislative work. There are also temporary committees and **committees** of inquiry.

The seats of Parliament have been **allocated** on the basis of population of the member states. The present parliament has 732 members. The number of **MEPs** from each country is as follows.

## Number of Seats per country in the European Parliament

Country	2004-2007	2007-2009	2009-2014
Belgium	<b>24</b>	24	22
Bulgaria	—	<b>18</b>	<b>17</b>
Cyprus	6	<b>6</b>	<b>6</b>
Czech Republic	24	<b>24</b>	22
Denmark	14	14	13
Germany	99	<b>99</b>	99
Greece	24	24	22
Spain	54	54	50
Estonia	6	6	6
France	78	78	72
Hungary	24	24	22
Ireland	13	13	12
Italy	78	78	72
Latvia	<b>9</b>	9	8
Lithuania	13	13	12
Luxembourg	6	6	6
Malta	5	5	5
Netherlands	27	27	25
Austria	18	18	17
Poland	54	54	50
Portugal	24	24	22
Romania	—	36	33
Slovakia	14	14	13
Slovenia	7	7	7
Finland	14	14	13
Sweden	19	19	18
United Kingdom	<b>78</b>	78	72
<b>TOTAL</b>	<b>732</b>	<b>786</b>	

The Parliament is composed of political groups, not representatives of member states. They do not sit in national delegations, but in transnational political groups. There are seven political groups in the European Parliament, viz. European Peoples Party (Christian Democrats) and European Democrats (EPP-ED), Socialist Group (PES), Alliance of Liberals and Democrats for Europe (ALDE), Greens/European Free Alliance (Greens/EFA), European United Left-Nordic Green Left (GEU/NGL), Independence/Democracy (IND/

DEM), Union for Europe of the Nations (UEN). Among them, they represent all shades of the European views from strong supporters of integration to Eurosceptics.

### 3.5.1 Functions of the Parliament

The European Parliament has three main roles:

- a) **legislation:** The European Parliament shares with the Council the power to **legislate**, i.e. to adopt European laws (directives, regulations, decisions). Legislative proposals from the Commission require one, two or even three readings in Parliament depending on which legislative procedure is involved, viz. co-decision, conciliation, assent or cooperation. The most common procedure for passing EU legislation is **co-decision**. This procedure places the European Parliament and the Council on an equal footing and it applies to legislation in a wide range of fields. In some fields, for example agriculture, economic policy, visas and immigration, the Council alone legislates, but it has to consult the European Parliament. In addition, the Parliament's assent is required for certain important decisions, such as allowing new countries to join the European Union. The European Parliament also provides impetus for new legislation by examining the Commission's annual work **programme**, considering what new laws would be appropriate and asking the **Commission** to put forward proposals.

Parliament has the power to throw out proposed legislation in these fields if an absolute majority of **MEPs** vote against the Council's "common position". However, the matter can be put before a Conciliation Committee. The Treaty of Amsterdam added another 23 and the Treaty of Nice a further seven to the number of fields in which the co-decision procedure applies. The Parliament and the Council also share **equal** responsibility for adopting the EU budget. The European Commission proposes a draft budget, which is then debated by the Parliament and the **Council**. Parliament can reject the proposed budget, and it has already done so on several occasions. When this happens, the entire budget procedure has to be re-started. The Parliament has made **full use** of its budgetary powers to influence EU policy-making. However, most of the EU's spending on agriculture is beyond the Parliament's control.

Under the "**cooperation procedure**", the European Parliament gives its opinion on draft directives and regulations proposed by the European Commission, which can amend its proposal to take account of Parliament's opinion.

Under the "**assent procedure**", also introduced in 1986. Parliament must give its assent to international agreements negotiated by the Commission, to any proposed enlargement of the European Union and to a number of other matters including any changes in election rules. (Pascal Fontaine, 2004) p. 19.)

- b) **democratic supervision over the EU institutions:** The EU exercises democratic supervision over the institutions of the EU in general and the European Commission in particular. It does so in several ways. When a new Commission takes office, its members are nominated by the EU member state governments but they cannot be appointed without Parliament's approval. The European Parliament interviews each of them individually, including the prospective Commission President, and then votes on whether to approve the **Commission** as a whole. Throughout its term of office, the **Commission** remains politically accountable to the European Parliament, which can pass a motion of censure calling for the Commission's mass resignation. The European Parliament also examines the **Annual General Report**, reports on the implementation of the budget and other reports sent to it by the Commission. The Members of European Parliament (MEPs) also ask the Commission questions, which the Commission is legally required to answer. The European Parliament **also** monitors the work of the Council. Members of the European Parliament regularly ask the Council questions, and the President of the Council attends the European Parliament's plenary sessions and takes part in important debates. The European Parliament exercises further democratic control by examining petitions from the citizens and setting up committees of inquiry. Finally, the European Parliament provides input to every EU summit or the European Council meetings. At the opening of each summit, the President of Parliament is invited to express the Parliament's views and concerns about the issues and the items on the European Council's agenda.



- c) **control over the EU budget:** The EU's annual budget is passed jointly by Parliament and the Council. The Parliament debates it in two successive readings and the budget does not come into force until it has been signed by the President of the European Parliament. The Parliament's Committee on Budgetary Control monitors how the budget is spent and each year the Parliament decides whether to approve the Commission's handling of the budget for the previous financial year. The approval process is **technically** known as "granting a discharge". (*How the European Union Works: Your Guide to the EU Institutions*, 2005 p. 11-12.)

The European Parliament does not intend to usurp the function of the national parliaments. It is complementary and not a rival to the national parliaments. Members of the European Commission are appointed by the Parliament and they hold office during the pleasure of the European Parliament. The European Commission can be dissolved by the European Parliament by passing a censure motion against it.

The European Parliament's work is divided into two main stages. The first is the preparation for the plenary session. This is done by **MEPs** in the various parliamentary committees that specialize in particular areas of EU activity. The issues for debate are also discussed by the political groups. The second is the plenary session itself. Plenary sessions are normally held in Strasbourg for one week per month and sometimes in Brussels for two days only. At these sessions, the Parliament examines proposed legislation and votes on amendments before coming to a decision on the text as a whole. Other items on the agenda may include Council or Commission communications or questions about what is going on in the EU or the world.

The European Parliament has three places of work: Brussels (Belgium), Luxembourg and Strasbourg (France). Luxembourg is home to the administrative office or General Secretariat. Meetings of the whole Parliament, known as plenary sessions take place in Strasbourg and sometimes in Brussels. Committee meetings of the parliament are held in Brussels. Shifting of the Parliament venue from Brussels to Strasbourg cause a lot of inconvenience to the members of the Parliament and a huge financial burden to the EU.

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## 3.6 THE EUROPEAN COURT OF JUSTICE

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Based in Luxembourg, the European Court of Justice (ECJ) or simply the "Court" was set up by the European Coal and Steel Community Treaty in 1952. The Court is composed of one judge per member state, i.e. a total of 25 Judges. For the sake of efficiency, the Court rarely sits as the full court. It usually sits as a "Grand Chamber" of just 13 judges or in chambers of five or three judges. It is assisted by the eight Advocate Generals, whose role is to present reasoned legal opinion on various cases before the Court. They must do so publicly and **impartially**.

The Judges and Advocates Generals are people whose impartiality is beyond doubt. They have the qualifications or competence needed for appointment to the highest judicial positions in their home countries. They are appointed to the ECJ by joint agreement amongst the governments of the EU member states. Each judge and Advocate General is appointed for a term of six years, which may be renewed. The judges select one of their number to be the President of the Court for a renewable term of three years. The President directs the work of the Court and its staff and presides at hearings and deliberations of major formations of the Court.

The Court hears and adjudicates the cases related to the EU laws and interpretation of the various EU treaties. It also hears cases related to the institutions of the EU. Any member state of the EU and its citizens can file cases in the ECJ. Like the European Parliament, the European Court of Justice also supplements the judicial functions of the national courts and in no way diminishes their jurisdiction.

The function of the ECJ is to ensure that EU legislation is interpreted and applied in the same way in all EU countries. It makes sure that national courts do not give different rulings on the same issue. The ECJ also ensures that EU member states and institutions comply with EU law, which is above national law. The ECJ has the power to settle legal disputes between EU member states, EU institutions, businesses and individuals.

A "Court of First Instance" was set up in 1989 to help the ECJ to cope with the large number of cases brought before it. This Court, which is attached to the ECJ, is responsible for giving rulings on cases brought by EU citizens, companies and organizations and cases related to competition law. The ECJ and the Court of

First Instance each have a President, chosen by their fellow judges to serve for a renewable term of three years. A new judicial body, the "European Civil Service Tribunal", has been set up to adjudicate in disputes between the European Union and its civil service. This tribunal is composed of seven judges and is attached to the Court of First Instance.

The European Court of Justice gives rulings on cases brought before it. References for a preliminary ruling, actions for failure to fulfill an obligation, actions for annulment, and actions for failure to act are the four most common types of cases brought before it.

The national courts in each EU member state are responsible for ensuring that EU law is properly applied in that country. However, there is a possibility that courts in different countries might interpret EU law in different ways. To prevent this happening, there is a "preliminary ruling procedure" whereby in case a national court is in any doubt about the interpretation or validity of an EU law it may ask the Court of Justice for advice. This advice is given in the form of a "preliminary ruling".

The European Commission can start proceedings if it has reason to believe that a member state is failing to fulfill its obligations under EU law. These proceedings may also be started by another EU country. In either case, the **Court** investigates the allegations and gives its judgment. The accused member state, if it is found guilty, must set things right. If the Court finds that the member state has not complied with its judgment, it may impose a fine on that country.

Moreover, if any of the member states, the Council, the European Commission or even the European Parliament believes that a particular EU law is **illegal** they may ask the Court to annul it. This demand for annulment can also be made by the EU citizens who want the Court to annul a particular law because it adversely affects them as individuals. If the Court finds that the law in question was not properly adopted or is against the provisions of the EU treaties, it may declare it null and void.

In case the European Parliament; the Council and the European Commission fail to make certain decisions under certain circumstances, the member states, the EU institutions and, under certain conditions, individuals or companies can lodge a complaint with the Court so as to have this failure to act officially recorded. ("The Court of Justice", at <http://europa.eu/institutions/inst/court/index-en.htm>.)

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## 3.7 OTHER INSTITUTIONS AND ACTORS

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The European Union is made of various other institutions such as the European Court of Auditors, the European Ombudsman, the European Central Bank, the European Investment Bank, the Economic and Social Committee, the Committee of the Regions, etc.

The **European Court of Auditors** scrutinizes the various expenses of the EU and its institutions and submits its reports to the European Parliament. The objective of the audit is to prevent misappropriation of the funds sanctioned by the European Parliament and ensures efficiency. The **Ombudsman** entertains the complaint of the EU citizens and member states against EU institutions. It investigates complaints about maladministration by the EU institutions and bodies. The **European Central Bank**, based at Frankfurt, regulates the monetary policy of the EU and its currency Euro.

In addition to these institutions, the EU has a number of other bodies that play specialized roles. These are the **European Economic and Social Committee**, which represents civil society, employers and employees. The **Committee of the Regions** represents regional and local authorities. The **European Investment Bank** finances EU investment projects and helps small businesses via the European Investment Fund.

In addition to these, **specialized agencies** have been set up by the EU to handle certain technical, scientific or management tasks. These agencies are not an EU institution, but a body set up by a specific piece of EU legislation to carry out a specific task. These agencies include Eurojust, the European Defence Agency, European Maritime Safety Agency, etc.

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## 3.8 SUMMARY

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Spread across Europe, the institutions of the European Union form the framework for cooperation between EU member states. Apart from the Council, the European Parliament, the European **Commission**, and the European Central **Bank**, the European Union relies on a number of smaller bodies to keep it running. In addition, there are various other agencies dedicated to every aspect of European life.

The success of the EU depends upon the **success** of its institutions. If this criterion is adopted, we can say that institutions of the EU have succeeded in attaining the goals for which they were created. They have also smoothened and expedited the process of European **integration** and have provided a mechanism to promote the welfare and prosperity of the European citizens.

The European Union's decision-making process in general and the co-decision in particular involve three main institutions, viz., the European Parliament, which represents the citizens of the EU and is directly elected by them; the Council of the European Union, which represents the individual member states; and the European Commission, which seeks to uphold the interests of the Union as a whole. This institutional triangle produces the policies and laws that apply throughout the EU. In principle, it is the Commission that proposes new laws, but it is the European Parliament and Council that adopt them. Apart from these three, the other two important institutions of the EU are the Court of Justice, which upholds the rule of European law; and the Court of Auditors, which examines the finances of the EU. The powers and responsibilities of these institutions are laid down in the EU treaties. These treaties also lay down the rules and procedures that the EU institutions must observe. The EU treaties are agreed by the head of the state or governments of all the EU countries and ratified by their parliaments or people.

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## 3.9 EXERCISES

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- 1) Critically discuss the emergence and evolution of the European Union's institutions and their role in the European integration.
- 2) Critically examine the composition and role of the European Council and the Council of Ministers in the European Union.
- 3) Critically evaluate the composition and role of the European Commission as an executive organ of the EU.
- 4) Critically analyze the role of the European Parliament in democratizing and providing legitimacy to the EU.
- 5) Discuss the composition and role of the European Court of Justice. How is it protecting and promoting the interest of the EU and safeguarding the rights of the EU citizens?
- 6) Briefly discuss the institutions of the EU. Do you agree with the view that plethora of EU institutions have made it a bureaucratic and technocratic regional organizations? Give your arguments in favor and against of this view.

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## 3.10 REFERENCES AND READINGS

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