

# Contents

<b>1 Citizen Commitment</b> .....	<b>1</b>
1.1 Dynamic European Integration Environment.....	1
Introduction.....	1
1.1.1 Concept of the European Integration .....	1
1.1.2 Brief historical overview of European integration .....	3
1.1.3 Enlargement of the European Union.....	4
1.2 Institution framework of the European Union.....	4
1.1.5 Legal Framework of the European Union.....	5
1.1.5.1 Sources of EU law and their hierarchy.....	5
1.1.5.2 EU internal market law .....	8
1.1.5.3 System of legal protection in the EU .....	9
<b>Conclusion</b> .....	<b>11</b>
<b>Self-Control exercises</b> .....	<b>12</b>
<b>References</b> .....	<b>13</b>
<b>Recommended sources</b> .....	<b>13</b>
<b>Glossary</b> .....	<b>14</b>

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# 1 Citizen Commitment

## 1.1 Dynamic European Integration Environment

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### ***Learning outcomes:***

*The aim of the training is to prepare the students to define their value-creating activity vision by introducing basic terminology, methodology, tools, and perspectives of integration in the context of the European Union. This training introduces the dynamism of the business and societal environment at the EU level. It also focuses on the decision-making processes and the roles of different stakeholders.*

*After participating of this training, students should be able to prepare a vision statement for his/her (or his/her team's) value-creating activity that guides internal decision-making throughout the whole process of creating value, as well as promote initiatives for change and transformation that contribute to her/his vision*

### ***Keywords:***

*Integration Process, Enlargement, European institutions, EU law, European Priorities*

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## **Introduction**

Historically, countries have started to liberalise part of their trade with some partner countries, creating a regional international agreement (RIA). The development of RIAs was undertaken in the post – WWII period and since that moment, the integration in the western part of Europe - European integration - was deepened, broadened and enlarged.

Nowadays, the World Trade Organisation notifies more than 200 of RIAs in the world. The European Union is the most prominent and inspiring scheme of international integration. We must underline that such an outcome has been achieved gradually and the European Union, as we know it today, has changed radically since its inception in 1958. That's why we consider crucial to get familiar with the concept of the European integration and its brief history. As the next steps, the institutional and legal frameworks are presented in this chapter. Finally, we present the current priorities of the European Union to strengthen the vision statement of the projects which are currently directly contributing to the desired development of the European Union.

### **1.1.1 Concept of the European Integration**

To describe the concept of European Integration, we can start with explanation of its core essential – the European economic integration. The theory of economic integration studies how

and at what cost countries can pass from a situation of total protectionism to a situation of free trade (Altomonote, Nava, 2005, p.31). There are several ways in which protection (partial or total) of a market economy can be achieved. The most commonly used method is to impose a tariff on imported goods. Other measures include quotas which means a quantitative restriction on the total volume of imports that are allowed to enter a given market. Another method is represented by non-tariff barriers: rules and regulations on the product characteristics, for example in respect of given production standards or certificates, without which the good or service cannot be legally imported. A country economic integration is a step-by-step process to reduce all different kinds of barriers for international trade.

A comprehensive answer to the question of barriers restrictions implies considering at least four dimensions. (1) The degree to which free trade is achieved: restrictions to trade can be totally or only partially abolished. (2) The geographical coverage which implies to enlargement or disintegration processes of the zone. (3) The extent of free trade: removal of restrictions to trade can be applied for certain goods and/or services in case of sectorial integration. (4) The range of effects like possible gains from integration: impact of integration on allocation of resources, on exploitation of economies of scale, on input productivity, of profit margins, on economic growth and income distribution etc.

The first dimension of economic integration is related to different forms (degrees) of economic integration:

- In a free trade area (level 1), the members remove all trade impediments among themselves but retain their freedom to determine their own policies vis-à-vis the outside world (the non-participants).
- In a customs union (level 2), the participants conduct and pursue common external commercial relations like adoption of common external tariffs on import from third countries.
- In a common market (level 3), free factor mobility (i.e. capital, labour,) technology and enterprise) across participating countries is allowed.
- In a complete economic union (level 4), the participants introduce a central authority to exercise control over monetary and fiscal policies.
- In a complete political union (level 5), the participating countries become literally one nation, the central authority should be paralleled by a common parliament and other necessary institutions needed to guarantee the sovereignty of one state.

The main objectives of an integrated area in Europe could be seen in (1) facilitating cross-border domestic and foreign business activity, (2) reinforcing European business opportunities abroad, (3) giving Europe and its corporations a positive role internationally and (4) supporting collaboration on complex challenges for a healthy, safe and prosperous region. On the basis of these objectives, one aim of integration in Europe was to annihilate nationalism in Europe. The other aim was to deal with the geo-political and economic aspirations of both the USA and the Soviet Union, which led to the subsequent bipolarity in Europe. Such a bipolarity was presented in Europe until post-1989 and led to shaping all aspects of the socio-economic environment.

In general, one should further point out that the integration can produce positive, as well as negative effects. Among the positive effects, one can identify: trade creation (resources allocated according to comparative advantage), trade diversion, reducing monopoly power, reducing level of X-inefficiency – overmanning, excessive holding of stocks and other types of slack management practices, economies of scale, learning effects, strengthened bargaining position with external partners etc. On the other hand, the opponents of integration are dealing with following arguments: integration hurts third countries, ‘Spaghetti bowl’ of various principles,

regional industry-specific lobbies, administrative costs, trade wars among regional trading blocks, increasing protection of business areas etc. The opposition to European integration can lead to a negative construction concept – the Euroscepticism. Eurosceptic movements can operate effectively at the regional, national or European levels across the continent. To avoid these movements, one of the recurring issue is to bring the EU closer to its citizens.

### **1.1.2 Brief historical overview of European integration**

The oldest postwar experiment in regional integration in western Europe was the agreement between Belgium, Luxembourg and the Netherlands – creating BENELUX (1943).

It is acknowledged that the start of the process of European integration can be identified in the so-called Schuman Declaration representing an important institutional innovation. Robert Schuman, the French foreign minister, in his speech on 9 May 1950, proposed that France and Germany, and any other European country wishing to join them, pool their coal and steel resources. This Declaration was a way to guarantee a peace in Europe and to allow economic recovery. Coal and steel were not only important economic resources, but they were also strategic resources for any possible programme of rearming. Thus, the beginnings of cooperation between pioneering countries wanted to bring peace in Europe.

In the “Swinging Sixties”, the European Union marked an important economic growth with further economic integration in Europe and the beginnings of international cooperation.

The next decade of 1970s was marked by the first addition of new members, European elections and a regional policy with an objective to boost poorer areas. In this decade, the first attempts of the euroscepticism appeared – as an answer, the EU institutions proposed more deepened integration.

In the 1980s, the Europe has changed its face by the collapse of communism. The European Union developed with more countries joining, the Erasmus programme and the start of the single market.

The main motto of European integration in the 1990s was to build Europe without frontiers. The European Union developed with more expansion, and the development of the single market, border-free travel and the birth of euro as a new and common currency.

At the beginning of the new century, Europe continued in its expansion. 12 new countries joined the EU, the euro became legal tender and another legal framework - the Lisbon Treaty - was signed.

During a very challenging period from 2010 to 2019, the EU was responding to the financial crisis, terrorist strikes and over 1 million asylum seekers have arrived in Europe, many fleeing civil war in Syria and in need of international protection. In a referendum in June 2016, 52% of voters in the United Kingdom voted for the UK to leave the European Union after more than 40 years as a member. The UK departed on 31 January 2020.

Since 2020, the EU is acting as more united and more resilient framework, responding to unprecedented challenges such as the COVID-19 pandemic, Russia’s war of aggression against Ukraine, and fighting climate change.

What is coming out from this brief historical outline, the EU was trying to achieve its political objectives by mostly economic instruments – from trade barriers reduction to common currency, leading to increased welfare. Through the trade exchange across frontiers, nations came to expand their knowledge of different economic systems and trade mechanisms, but even more

about different societies and cultures. Interaction between people and their economies has indeed maintained peace for longer than in any other region in the world.

### **1.1.3 Enlargement of the European Union**

Over the years, the EU has progressively enlarged from the original group of six Member States to the current 27 Member States. As a results, population has grown from 170 million to million. The different waves of enlargement are as follows:

1958: Founding Members: BE,FR,DE,IT,LU,NL  
1973: 1st wave: DK, IE, UK  
1981: Southern wave 1: GR  
1986: Southern wave 2: PT, ES  
1995: 4th wave: AT, FI, SE  
2004: 5th wave 1: CZ, EE, CY, LV, LT, HU, MT, PO, SK, SI  
2007: 5th wave 2: RO, BG  
2013: HR  
2020: - UK (Brexit)

The different waves were not only enlarging population and land area but were also bringing new challenges and opportunities for European integration and business environment. We can add that the EU Member States are the integral parts of the European Economic Area. This area enables also member states of the European Free Trade Association (Iceland, Liechtenstein, Norway and Switzerland) access to the EU's Single Market which represents another opportunity in the dynamic European business environment.

It is important to underline that the EU Member States have the right to withdraw from the integration project. The UK has become the first country to apply this right in 2020. However, the process of EU enlargement continues after Brexit. The next waves can include current candidate countries: Albania (AL), Moldova (MD), Montenegro (ME), North Macedonia (MK), Serbia (RS), Türkiye (TR), Ukraine (UA). Eventually, the potential candidate countries can integrate in the future: Bosnia and Herzegovina (BA), Georgia (GE) and Kosovo (XK).

To integrate, a country needs to meet the Copenhagen criteria which are the rules that define whether a country is eligible to join the European Union. The criteria require that a state has the institutions to preserve democratic governance and human rights, has a functioning market economy, and accepts the obligations and intent of the European Union. The Copenhagen criteria should not be confused with another set of criteria: the Maastricht criteria. Convergence criteria (or "Maastricht criteria") are criteria, based on economic indicators, that European Union (EU) member states must fulfil to enter the euro zone and that they must continue to respect once entered.

## **1.2 Institution framework of the European Union**

The European Union (EU) has an institutional framework aimed at promoting and defending its values, objectives and interests, the interests of its citizens and those of its Member States. This framework also contributes to ensuring the coherence, effectiveness and continuity of EU policies and actions. Four main decision-making bodies run the EU. The EU Council (Brussels) and the Council of the European Union (Brussels/Luxembourg) represent national governments and should promote the interests of the Member States. The European Parliament (Brussels/Strasbourg/Luxembourg) is directly elected by the people and should promote the interests

of the EU citizens. The European Commission (Brussels/Luxembourg/Representations across the EU) is the EU staff. They make sure that all members act consistently in regional, agricultural, and social policies. By doing so, the European Commission promote the interest of the EU as a whole.

The 4 main EU institutions, with their distinct functions, work together closely to set the EU's agenda and initiate and coordinate EU law-making. The European Commission proposes new legislation. In most cases, the European Parliament, the Council of the European pronounce about the adoption of the law proposal. Thus, these three institutions produce the policies and laws that apply throughout the EU. The European Parliament gets the first read of all laws proposed by the Commission. Its members are elected every five years. The European Council gets the second read on all laws. It can accept the Parliament's position, thus adopting the law. The council is made up of the Union's 27 heads of state, plus a president. In general, the European Council does not make laws. However, it can agree on changes in the Treaty on the Functioning of the EU. Its main role is to determine the EU's political direction.

The work of four main bodies is complemented by other institutions and bodies, which include: the Court of Justice of the European Union (Luxembourg), the European Central Bank (Frankfurt) and the European Court of Auditors (Luxembourg). The EU institutions and bodies cooperate extensively with the network of EU agencies and organisations across the European Union. The primary function of these bodies and agencies is to translate policies into realities on the ground.

### **1.1.5 Legal Framework of the European Union**

To launch and grow successful businesses in a dynamic and ever-changing European business environment, it is important to be familiar with the main features of the European legal environment.

The system of European law has evolved from public international law, but it is a separate, autonomous legal order. Already in one of its first rulings, The Court of Justice stated that "the European Economic Community constitutes a new legal order of international law" (case 26/62, van Gend & Loos<sup>1</sup>). Although the system of European law exists simultaneously with the national legal systems of individual EU member states, it is independent from them. The independence of European law from the national legal systems of the member states is manifested in the autonomous interpretation of European law (case C-236/01, Monsanto Agricoltura Italia et al.<sup>2</sup>). It is therefore necessary to distinguish the system of European law from the systems of national law of the EU member states, as well as from the system of public international law. The EU legal system is *sui generis*. It is a special system of law *of its own kind* which has a supranational character. It has its own sources of law, as well as a law-making process. In addition, it has an independent system of legal protection.

#### **1.1.5.1 Sources of EU law and their hierarchy**

The term source of law is most often used in a formal sense, i.e. as a formal source of law. The sources of law are therefore the forms of law in which the law is contained and from which it formally originates, where it can be found and identified as a law established by the state, and

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<sup>1</sup> Link the words „case 26/62, van Gend & Loos” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:61962CJ0026>

<sup>2</sup> Link the words „case C-236/01, Monsanto Agricoltura Italia et al” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A62001CJ0236>

thanks to this, its application or fulfilment can be sought (Prusák, 2001). In the EU legal system, there are several sources of law and there is a hierarchy among them. Those in the lower levels of the hierarchy are subject to those at a higher level, i.e. subordinate rules must respect rules at a higher level. Principal sources of EU law include:

- primary law,
- general principles established by the Court of Justice of the EU,
- international agreements with non-EU countries or with international organisations,
- secondary law,
- treaties made between the Member States,
- decisions of the Court of Justice of the European Union.

The supreme source of the EU law is a primary law. It consists of founding treaties, including annexes and protocols, as well as treaties and acts that amend and supplement the founding treaties, the Charter of Fundamental Rights of the European Union, and accession treaties. Although these treaties were signed by the member states they differ from ordinary international treaties. They are considered to be the "constitutional charter" of the EU.

At the very beginning, three founding treaties were signed, namely:

- Treaty establishing the European Coal and Steel Community<sup>3</sup> (signed in 1951, entered into force in 1952), which expired in 2002,
- Treaty establishing the European Economic Community<sup>4</sup> (signed in 1957, entered into force in 1958), the name of which was changed in 1993 to the Treaty establishing the European Community, and in 2009 it was renamed to the Treaty on the Functioning of the European Union<sup>5</sup> (TFEU),
- Treaty establishing the European Atomic Energy Community<sup>6</sup> (signed in 1957, entered into force in 1958).

In addition, the Treaty on the European Union<sup>7</sup> was signed in 1992, which entered into force in 1993. The founding treaties have been amended several times in the past. They lay down the values on which the EU is based, the objectives and powers of the EU, its institutional structure, relations between the Union and its member states, Union policies and internal actions, i.e. the foundations of the functioning of the EU.

The Charter of Fundamental Rights of the European Union<sup>8</sup>, as part of primary EU law, protects rights and freedoms such as:

- human dignity, the right to life, the right to the integrity of the person etc.,
- the right to liberty and security, respect for private and family life, protection of personal data, the right to marry and found a family, freedom of thought, conscience and religion, freedom of expression and information etc.,

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<sup>3</sup> Link the words „Treaty establishing the European Coal and Steel Community ” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:xy0022>

<sup>4</sup> Link the words „Treaty establishing the European Economic Community ” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum:xy0023>

<sup>5</sup> Link the words „Treaty on the Functioning of the European Union ” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012M%2FTXT>

<sup>6</sup> Link the words „Treaty establishing the European Atomic Energy Community ” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:4301853>

<sup>7</sup> Link the words „Treaty on the European Union” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:xy0026>

<sup>8</sup> Link the words „The Charter of Fundamental Rights of the European Union” to the external source: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM:I33501>

- equality before the law, non-discrimination, cultural, religious and linguistic diversity, equality between men and women, the rights of the child, the rights of the elderly, integration of persons with disabilities,
- workers' right to information and consultation within the undertaking, the right of collective bargaining and action, fair and just working conditions, prohibition of child labour and protection of young people at work, environmental protection, consumer protection etc.,
- citizens' rights such as the right to vote and stand as a candidate at elections to the European Parliament and at municipal elections, the right to good administration, the right of access to documents, European Ombudsman, the right to petition, freedom of movement and residence, diplomatic and consular protection,
- the right to an effective remedy and a fair trial, presumption of innocence and the right of defence etc.

Secondary law comprises legal acts adopted by EU institutions based on the competences granted to them by primary law. It provides a more detailed regulation compared to primary law. The TFEU sets out five basic types of secondary legislation, namely regulations, directives, decisions, opinions and recommendations. They differ in terms of the addressee as well as the effect they have in the Member States. Depending on the specific type of secondary legislation, the addressees may be EU institutions, member states, natural or legal person. Regarding the effect of secondary legislation, the direct applicability and binding nature are relevant. While regulations, directives and decisions are binding, opinions and recommendations are non-binding. The definition of five typical legal acts is provided by Article 288 of the TFEU. As they are adopted through the ordinary or a special legislative procedure, they are called legislative acts. In addition, EU institutions adopt other types of secondary legislation including delegated and implementing acts, communications, opinions, recommendations, white and green papers etc. Delegated acts as non-legislative acts supplement or amend certain non-essential parts of legislative acts. Implementing acts are adopted if uniform implementation of legislative acts is required.

The regulation<sup>9</sup> is generally applicable which means that its addressees are not specified. It can be compared to a national law. Its entire text, including the annexes, is binding. It is directly applicable in each member state without the need to be implemented into national legislation. As a result, the regulation simultaneously and uniformly throughout the EU establishes rights and obligations for legal entities of national law and they may invoke it directly before national courts or public authorities.

The directive<sup>10</sup> is a specific type of EU legislation that has no parallel in the structure of sources of national law. Unlike the regulation, it is not generally applicable, but it is addressed to the member states. It is binding on the Member States with respect to the objective to be achieved. Member States have the obligation to transpose the directive into national legislation. They are, however, given discretion with respect to the form of a transposing act to be adopted as well as with respect to the methods, e.g. through which sanctions the result of the directive should be achieved. Unlike the regulation, the directive does not directly establish the rights and obligations of individuals. The rights and obligations of individuals only result from the national legislation adopted to implement the directive. Directives, unlike regulations, serve to gradually harmonize the national legislation of the member states, mainly in the area of the internal market.

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<sup>9</sup> Link the word „regulation“ to the same word listed in the glossary of the chapter 1.1

<sup>10</sup> Link the word „directive“ to the same word listed in the glossary of the chapter 1.1



### **1.1.5.2 EU internal market law**

The internal market serves as the basis of the economic integration within the EU. For entrepreneurs, it brings benefits in the form of access to a market with more than 450 mil. customers with high purchasing power. The legal regulation of the internal market is enshrined in the founding treaties. TFEU defines the internal market<sup>11</sup> as an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured (Art. 26 TFEU). Free movements presuppose the "opening" of borders between member states, so that both entrepreneurs and EU citizens can carry out economic activity that crosses these borders without obstacles. However, it must be said that the obstacles to free movements have been largely removed so far, and not completely. The basic principle, thanks to which the freedoms of the internal market are ensured, is the principle of non-discrimination, or national treatment. It means that member states have an obligation to treat the goods, services, persons, capital and payments of other member states in the same way as their own. The free movement of goods is also ensured thanks to the prohibition of all customs duties on imports and exports and of all charges having equivalent effect. Similarly, quantitative restrictions on imports and exports as well as measures having equivalent effect are prohibited. However, the EU law allows for several exceptions from this prohibition, e.g. „on grounds of public morality, public policy or public security, the protection of health and life of humans, animals and plants, the protection of national treasures possessing artistic, historic or archaeological value, or the protection of industrial and commercial property. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between Member States “(Art. 36 TFEU). Moreover, member states may restrict trade to satisfy mandatory requirements relating to e.g. the effectiveness of fiscal supervision, the protection of public health, the fairness of commercial transactions or the defence of the consumer (see the judgement of the Court in the famous case 120/78 known as the *Cassis de Dijon* case).

For the free movement of person, the prohibition of any discrimination on grounds of nationality is central. This prohibition includes the direct discrimination on grounds of nationality, which would be the case if in official matches football clubs could field only a limited number of professional players who are nationals of other Member States (C-415/93, *Bosman*), if only Spanish citizens could apply for a job as a primary school teacher in Spain or if a Hungarian would like to register as a resident in Luxembourg and he handed in all the necessary documents to the local authorities but they refused to register him. The prohibition of discrimination covers also cases of indirect discrimination. Here, the different treatment does not result directly from the fact that the person is a citizen of another member country. Indirect discrimination includes various requirements that both citizens of the given state and foreign nationals must meet, but as a rule, the fulfilment of these requirements is more difficult for foreign nationals. For example, it would be the requirement to master French as the official language at a certain level for all job applicants in France regardless of the type of the job. For most citizens of France, French is their native language, so they would have no problem fulfilling such a requirement. However, it could discourage job seekers from other member states. Member states are able to justify different treatment on grounds of public policy, public security, or public health. In the case of indistinctly applicable measures, they can also benefit from other grounds of justification, so-called mandatory or imperative requirements such as protection of workers, cohesion of a tax system or support for the use of the national language. These requirements have to be appropriate and necessary to attain the legitimate objective being pursued.

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<sup>11</sup> Link the words „internal market“ to the same words listed in the glossary of the chapter 1.1

### **1.1.5.3 System of legal protection in the EU**

Every legal system requires that the rights of citizens or other entities are respected. The guarantor of compliance with European law is the Court of Justice of the EU (CoJ), which, together with the courts of the member states, creates a single judicial system. The CoJ has the highest and only judicial authority in matters of European law. *It shall ensure that in the interpretation and application of the Treaties the law is observed* (Art. 19 TFEU). This formulation includes three types of tasks:

- control of the application of European law by EU institutions, member states and individuals,
- interpretation of European law and
- development of European law (Borchardt, 2011).

The CoJ either rules on direct actions or it gives preliminary rulings. In fulfilling its tasks, it closely cooperates with national courts. National courts are also obliged to ensure effective legal protection in the EU. Direct actions of the CoJ include e.g. actions brought against a Member State that has failed to fulfil an obligation under the EU law (Articles 258 to 260 of the TFEU). An example of such a failure would be non-implementation or incorrect implementation of the directive into national law. The action can be brought before the CoJ by the Commission or another member state, but not by individuals or businesses. They can, however, send complains to the Commission, on the basis of which the Commission can start an investigation. Citizens also can turn to national courts in the event of a violation by other citizens or businesses of their rights arising from EU law. If their rights under EU law have been violated by public authorities in an EU country other than their own, they can turn to the SOLVIT. It is a free online mediation network established by the Commission to help citizens and businesses to solve administrative problems related to their rights as EU citizens.

Preliminary rulings of the CoJ are important from the point of view of uniform interpretation and application of European law. The preliminary ruling procedure presupposes the existence of a procedure before a national court. In case of ambiguities in the interpretation or validity of EU legal acts, the national court may stay the proceedings and submit a preliminary question to the CoJ. The CoJ does not decide on a specific case before the national court, it focuses exclusively on the interpretation of a provision of European law that should be applied by the national court. The national court consequently applies European law in the dispute and decides the matter. The rulings of the CoJ are binding on a referring national court and all courts hearing the same case, and, as already mentioned, they are important for the interpretation of European law in other, similar subsequent cases as well.

### **1.1.6 Priorities of the European Union**

The EU sets a number of priorities that shape the political and policy agenda within a certain period. The current period ends in 2024. The defined priorities serve to address the main challenges faced by the EU and EU nationals. The priorities derive from a dialogue between EU leaders, national ministers, EU institutions and the political groups elected to the European Parliament.

In its 2019-2024 strategic agenda, the European Council set out 4 priority areas:

- Protecting citizens and freedoms

Ensuring effective control of the EU's external borders and further developing a comprehensive migration policy. Fighting terrorism and cross-border/online crime, increasing the EU's resilience against both natural and man-made disasters.

- Developing a strong and vibrant economic base

Building a resilient economy by deepening the Economic and Monetary Union to ensure that Europe is better prepared for future shocks, completing the banking and capital markets union, strengthening the international role of the euro, investing in skills and education, supporting Europe's businesses, embracing digital transformation, and developing a robust industrial policy.

- Building a climate-neutral, green, fair and social Europe

Investing in green initiatives that improve air and water quality, promote sustainable agriculture and preserve environmental systems and biodiversity. Creating an effective circular economy (where products are designed to be more durable, reusable, repairable, recyclable and energy-efficient) and a well-functioning EU energy market that provides sustainable, secure and affordable energy. A faster transition to renewables and energy efficiency, while reducing the EU's dependency on outside energy sources. Implementing the European Pillar of Social Rights.

- Promoting European interests and values on the global stage

Building a robust foreign policy based on an ambitious neighbourhood policy with 16 of its closest eastern and southern neighbours and a comprehensive partnership with Africa. Promoting global peace, stability, democracy and human rights. Ensuring a robust trade policy in line with multilateralism and the global rules-based international order. Taking greater responsibility for security and defence, while cooperating closely with NATO.

In addition, The European Commission is also determining political priorities for its 5-year mandate. The current priorities (2019-2024) are derived from the Council's strategic agenda and recognize the six priorities: A European Green Deal, A Europe fit for the digital age, An economy that works for people (Strengthening the EU economy while securing jobs and reducing inequalities, supporting businesses, deepening the Economic and Monetary Union and completing the banking and capital markets union), A stronger Europe in the world, Promoting our European way of life (Upholding fundamental rights and the rule of law as a bastion of equality, tolerance and social fairness), A new push for European democracy (Strengthening Europe's democratic processes by deepening relations with the European Parliament and national parliaments, protecting EU democracy from external interference, ensuring transparency and integrity throughout the legislative process, as well as engaging more widely with Europeans in shaping the EU's future).

## **Conclusion**

The driving force behind the formation of the EU, the earliest and the most influential of all existing integration schemes, was the political unity of Europe with the aim of realizing peace in the continent. The EU has experienced a very inspiring processes of integration deepening and EU enlargement. The functioning of the EU is made by an efficient EU institutional framework. Its role is to guide the development of the EU Member States, to react to ongoing challenges by defining the strategical priorities.

The EU legal system is of great importance for doing business in the EU. Thanks to the harmonization of the laws of the member states, the conditions for doing business in individual member states are similar in many areas. EU law significantly simplifies doing business abroad and saves costs for entrepreneurs. At the same time, the EU has created a system that guarantees the protection of the rights of EU citizens and entrepreneurs throughout the Union.

[\*\*Go to Self-Control Exercises\*\*](#)

## **Self-control exercises**

1. During his stay in Paris, a British tourist suffered injury resulting from a violent assault at the exit of a metro station. In France, victims of an assault resulting in physical injury were entitled to award of state compensation for harm caused in that state, but only if they had French citizenship or held a residence permit. The Court of Justice ruled that the right in a Member State to financial compensation in the case of physical injury is part of the right to receive services under the same conditions as nationals of that Member State. Did the conditions under which victims of assault were awarded state compensation in France constitute discrimination that is prohibited under EU law?

a) **Yes**

b) **No**

2. Spain allowed free entry to national museums only to its nationals, foreigners resident in Spain, and citizens of other EU member states under the age of 21. Citizens of other member states over the age of 21 were required to pay an entrance fee. The European Commission claimed that the freedom to provide services recognized by the Treaty includes the freedom for the recipients of services, including tourists, to go to another Member State in order to enjoy those services under the same conditions as nationals. The Commission maintained that right relates not only to access to services but also to all the ancillary advantages that affect the conditions under which those services are provided or received. Since visiting museums is one of the determining reasons for which tourists, as recipients of services, decide to go to another Member State, there is a close link between the freedom of movement which they enjoy under the Treaty and museum admission conditions. The Kingdom of Spain stated that the rules in question were not discriminatory in so far as Article 22 (3) of the Regulation on State-Owned Museums and the Spanish Museum System, specifically allowed for the treatment afforded to Spanish nationals to be extended to nationals of other Member States. According to the Commission, this argument could not be accepted. While for Spanish nationals the right of free admission stemmed directly from the Regulation, the grant of that advantage to foreigners requires a decision of the Council of Ministers. At that time, however, the Council of Ministers had not made use of its power under Article 22 (3) so only foreigners living in Spain and persons under 21 years of age enjoyed free admission to Spanish museums. Did the conditions under which citizens of other member states over the age of 21 were required to pay an entrance fee to Spanish museums constitute discrimination that is prohibited under EU law?

a) **Yes, the conditions constituted direct discrimination**

b) **Yes, the conditions constituted indirect discrimination**

c) **No**

[Click here to see the answers and the answers key](#)

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## **Glossary**

Directive – the definition is provided by article the Article 288 of TFEU under which a directive shall be binding, as to the result to be achieved, upon each Member State to which it is addressed, but shall leave to the national authorities the choice of form and methods.

European Economic Integration – the process of removal of barriers for international trade through following integration levels: (1) free trade area, (2) customs union, (3) common market, (4) monetary and economic union, (4) political union.

Internal market – the definition is provided by article the Article 26 of TFEU under which the internal market shall comprise an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured in accordance with the provisions of the Treaties.

Regulation – the definition is provided by article the Article 288 of TFEU under which a regulation shall have general application. It shall be binding in its entirety and directly applicable in all Member States.