

FACTS ABOUT THE EU

How the EU works



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The European Union (EU) consists of 28 member states that cooperate in many different areas. Sweden became a member in 1995. The member states have decided on these areas and how the cooperation is to work. To ensure everything functions properly, the EU has seven institutions that work to realise the EU's objectives.

From the beginning, the basic idea behind the EU was to remove tariffs and other trade barriers between the countries. Since then, EU cooperation has gradually expanded and now encompasses such matters as agriculture, environmental policy and police cooperation.

The EU has sole decision-making rights in certain areas, for example trade policy. This is known as exclusive competence. In other areas, the EU and the member states share the right of decision; this is called shared competence. The environment, consumer protection and asylum policy are examples of issues about which decisions can be taken both by the EU and by the member states themselves.

The member states may only legislate if there is no EU law that regulates the same issue. They must also respect the EU's fundamental principles when legislating, such as non-discrimination. In addition to this, there are areas that each individual member state may decide on, for example education, medical care and culture. The EU

can support cooperation projects between countries in such areas, but it is not able to legislate.

The EU's treaties, that is, the rules governing how EU cooperation is to be conducted, have been amended several times. The latest treaty amendment was the Lisbon Treaty in 2009.

EU institutions work to achieve objectives

The EU has created seven institutions that share responsibility for cooperation between the EU's member states.

- **The European Council** establishes guidelines for future work.
- **The European Commission, the Council of Ministers and the European Parliament** make laws.
- **The EU Court of Justice** judges in disputes between the EU institutions and the member states.
- **The European Central Bank** deals with monetary policy for the countries that have introduced the euro as their currency and supports the EU's general economic policy.
- **The Court of Auditors** monitors the use of EU funds.

The European Council establishes guidelines

The European Council agrees on guidelines for future EU cooperation but is not involved in taking decisions on laws. The European Council consists of a President, the heads of state and government of the member states,

and the President of the European Commission. The Prime Minister participates on behalf of Sweden.

The President is elected for a two-and-a-half-year term, and may be re-elected for a second term. The President's task is to lead the meetings of the Council. Donald Tusk has been the President since 1 December 2014 and a new President will be elected in 2019.

The European Council meets at least four times a year for EU summits. The meetings are held in Brussels, which is where the European Council operates. If necessary, the President can convene extra summits.

The European Commission proposes new laws

The European Commission initiates new EU laws. The Commission also takes care of the EU budget and is responsible for ensuring that the member states follow the laws that have been passed. The Commission represents the common interests of the EU and may not allow itself to be influenced by the governments of individual countries.

The Commission is composed of one Commissioner from each member state. They are appointed by the governments of the member states and the European Parliament for a five-year period. Jean-Claude Juncker has been President since 2014. The High Representative for Foreign Affairs and Security Policy, Federica Moghe-

The three EU treaties

The EU has three treaties which contain the overall rules for how the EU should function. The EU Treaty, or the Treaty on European Union, contains the principles and objectives of the EU and the Common Foreign and Security Policy. The Treaty on the Functioning of the European Union describes the legislative process and the policy areas the EU member states cooperate on. The Euratom Treaty contains EU regulations on nuclear energy.

rini, is one of the Commissioners. She is usually referred to generally as the EU's Foreign Minister.

The Commissioner from Sweden is Cecilia Malmström, and she is responsible for the EU's trade policy. A new Commission will take office on 1 November 2019.

The Council of Ministers decides on new EU laws

The Council of Ministers takes decisions on new laws in the EU, but must in most cases first reach agreement with the European Parliament. The Council also has the task of entering into international agreements on the EU's behalf.

The legislative process in the EU

Laws can be made in different ways in the EU. A description of how the process works follows here.

THE EU COMMISSION OFFERS A PROPOSAL

It is the European Commission that first prepares all the necessary material and proposes new laws. Once the entire Commission has approved a proposed law, it is sent to the European Parliament, the Council of Ministers and the member states.

THE GOVERNMENT AND THE SWEDISH PARLIAMENT – THE RIKSDAG – ADOPT A POSITION

Both the Government and the Swedish Parliament - the Riksdag - are presented with the Commission's proposed legislation. The Government expresses its views of the proposal to the Riksdag and gathers comments from the Riksdag. The next stage is for the Government to present Sweden's comments to the Council of Ministers and negotiate with the other member states.

The Riksdag also examines whether certain legislative proposals should be considered at the EU level or the national level (see fact box).

THE EUROPEAN PARLIAMENT DECIDES

The President of the European Parliament appoints a committee to consider the Commission's proposal. The committee can either approve the proposal or propose amendments, then all the MEPs in the Chamber vote. If there is a majority in favour of the committee's view, this will also be the position of the European Parliament.



The Council is composed of a minister from the government of each member state. The issues to be discussed dictate which ministers will meet. If environmental issues are to be discussed, for example, then the environment ministers of the member states will meet.

The official name of the Council of Ministers is the Council of the European Union. The Council is headed by the member state holding the Presidency. The member states take turns in holding the Presidency, six months at a time. The exception is foreign and security issues. Work on these is led by the High Representative for Foreign Affairs and Security Policy, Federica Mogherini.

The European Parliament represents the people

Members of the European Parliament (MEPs) are elected by the citizens living in the member states every five years. The next election will take place in May 2019. There are 751 MEPs in all, 20 of them from Sweden.

In most cases, the European Parliament takes its decisions together with the Council of Ministers. Every year, these two institutions also have to jointly approve the EU budget.

The European Parliament elects the President of the European Commission and must have approved the entire Commission before work can begin. The Parliament also monitors whether the Commission is neglecting

its duty and if necessary can remove it by a vote of no confidence.

The EU Court of Justice interprets laws and provides rulings

The EU Court of Justice is officially called the Court of Justice of the European Union. The main tasks of the EU

Certain decisions are best taken close to citizens

In certain areas, both the EU and the member states have the right to decide. When the European Commission presents a legislative proposal in such an area, it must justify why the decision should be taken by the EU. The Riksdag and the parliaments of the other EU member states examine these legislative proposals. This is known as carrying out a subsidiarity check. The purpose of a subsidiarity check is to determine which is the more effective option – whether each individual state or the EU should decide. The Riksdag has on several occasions concluded that EU proposals should be decided closer to citizens. At least a third of the parliaments need to share this opinion for the European Commission to review its proposal.

THE COUNCIL OF MINISTERS DECIDES

While the proposed legislation from the European Commission is considered by the European Parliament, it is also raised in the Council of Ministers. Decisions are taken in the Council by qualified majority. This means that at least 55 per cent of member states must vote in favour of the proposal, and that the combined countries must correspond to at least 65 per cent of the entire population of the EU. If the Council approves the Commission's basic proposal or the European Parliament's amended proposal, the law is adopted.

WHEN REJECTED – A SECOND ROUND

If the Council of Ministers and the European Parliament cannot reach an agreement, the proposal enters a second round of the legislative process. If the institutions still do not agree, the proposal goes to a conciliation committee. Here, both representatives from the Council and the European Parliament are given a last chance to agree. If the institutions do not succeed in agreeing, there will be no EU law as a result.

OTHER WAYS OF MAKING DECISIONS

In exceptional cases, a special legislative procedure is used, for example in the case of decisions regarding taxation policy and the EU's annual budget. These decisions are taken in different ways depending on which areas they concern. It can be the case that the Council gives an EU law final approval or the European Parliament that has the final word.



Court of Justice are to interpret EU legislation and to provide rulings in disputes between EU institutions and member states. If a national court, for example a Swedish district court, is uncertain as to how EU law is to be interpreted, it may ask the EU Court of Justice for advice. This is referred to as requesting a preliminary ruling.

The EU Court of Justice comprises one judge from each member state.

The EU Court of Justice also includes the General Court that judges in disputes between the EU institutions and individual people and companies.

The Central Bank deals with monetary policy

The European Central Bank (ECB) is the central bank for those member states which have introduced the euro as their currency. The bank deals with monetary policy and its primary aim is to keep inflation at a low level. The ECB is the only institution that can give the go-ahead for issuing the euro.

The ECB is led by the heads of the national central banks and six members appointed by the European Council.

The Court of Auditors examines the economy

The European Court of Auditors has the task of monitoring the correct use of EU funds. The Court of Auditors monitors revenue and expenditure and ensures that the economy is managed in accordance with relevant rules.

The Court of Auditors monitors both the EU institutions and the member states and reports to the European Parliament and the Council of Ministers. It is composed of one member from each member state who is appointed by the government of that state for a period of six years. The members must be independent and have no other post while they are working at the Court.

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