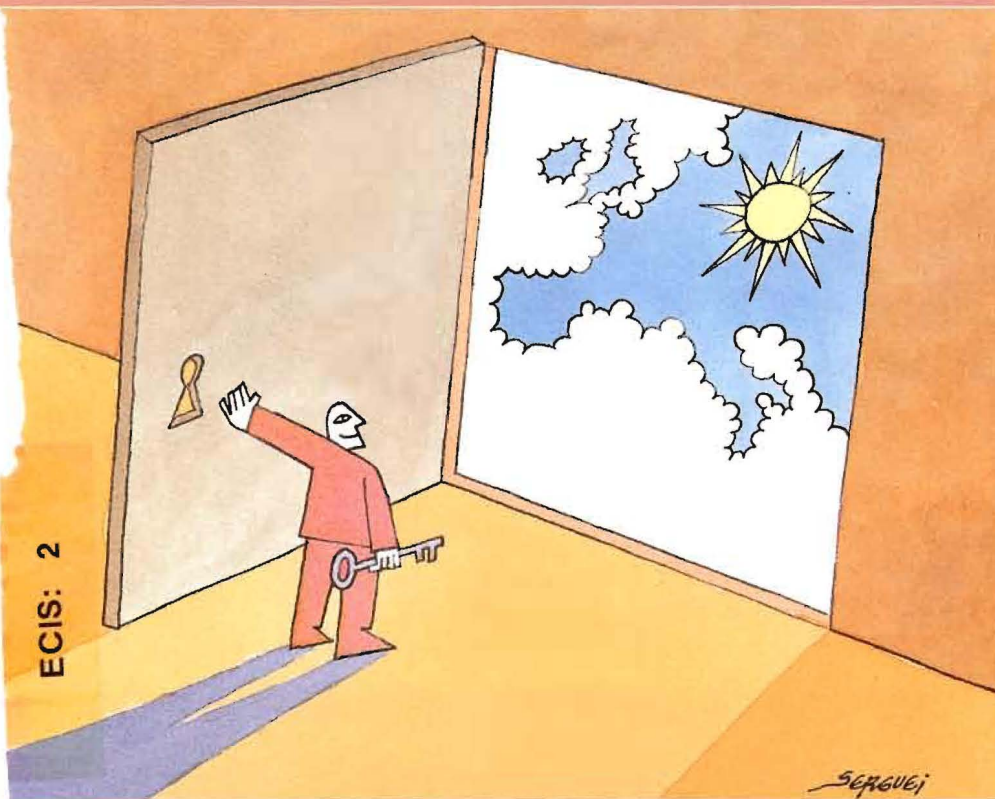


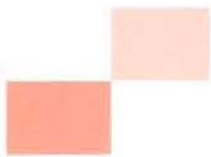
# QUESTIONS AND ANSWERS ABOUT THE EUROPEAN UNION



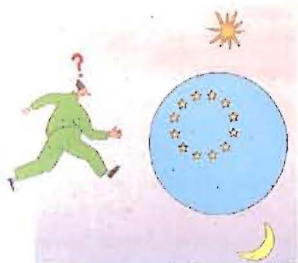
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Europe  
on the move



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**T**he European Community is now the European Union. The change took place in November 1993 following the ratification of the Maastricht Treaty by the 12 Member States. Is this more than just a change of name? What are the powers of the new Union? How will it affect the lives of ordinary people? Will it help find jobs for the increasing number of Europeans without work? Questions on the European Union come on top of those already being asked about the opening of European frontiers, the advantages of the single market, moves towards a common currency or, more fundamentally, the share-out of power between national governments and Brussels. Europeans sense the importance of what the EU is doing without always understanding why. This brochure is a first response to their need for information. It answers some of the questions most frequently asked about the EU. The answers are perforce brief. But detailed information on each of the themes touched upon is available in other publications in the current series. To find out more, contact any of the addresses listed on the back cover of this brochure.

# The European Union and its citizens

## What is the European Union?

The goal of the European Union, like the European Community before it, is to bring peace and prosperity to its peoples. The 12 Member States believe they can best achieve this by working together within the Union. First and foremost, the Union consists of its citizens who, via their national ministers, take the decisions in the Council of the European Union and, via their elected representatives in the European Parliament, take part in the legislative process.

European integration began in the aftermath of World War II. Founding members of the Community first pooled their heavy industries. They then set about creating a single market in which goods, services, people and capital move about as freely as within one country. The process was a gradual one, spanning 40 years and covering political and social as well as economic and trade dimensions. As they completed the single market, which formally came into being in January 1993, the Twelve also prepared for the future. The

Maastricht Treaty on European Union took effect on 1 November 1993. It strengthens the Community further, most notably by preparing the way for economic and monetary union (EMU) and a single currency and by giving extra power to the European Parliament. But Maastricht also added a common foreign and security policy and cooperation on justice and police affairs. The term 'European Union' is used to describe the wider Maastricht framework in which all these activities — old and new — take place.

## What does the European Union do for the ordinary citizen?

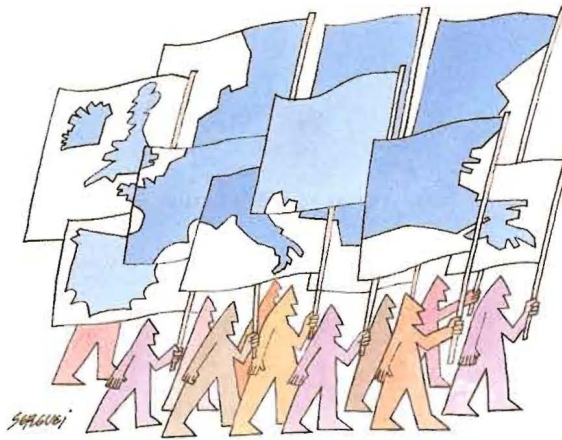
While retaining the cultural and linguistic diversity of its peoples, the Union gives them a common identity and a structure for greater solidarity. Individual citizens gain new opportunities and freedoms. They can live and work in the country of their choice. For travel within the Union, border controls have virtually disappeared. The removal of frontiers allows people to shop where goods and services are most keenly priced. Within their own country, the EU provides them with a



wide range of products from across Europe that might not otherwise be available. The Maastricht Treaty has created a common European citizenship in addition to national citizenship. Nationals of one member country living in another can vote in local elections in their country of residence and can participate in European elections there as well.

### Will the European Union be able to create jobs?

Action to stimulate economic growth and put jobless Europeans back to work is the biggest current priority of the European Union. An action plan drawn up by the European Commission in a White Paper on growth, competitiveness and employment was given full backing by EU Heads of State or Government when they met in Brussels in December 1993. While direct labour market policies are the responsibility of Member States, the White Paper concentrates on areas where joint action by the Member States or action by the Union will help European firms become more competitive and create jobs. These include help for small and



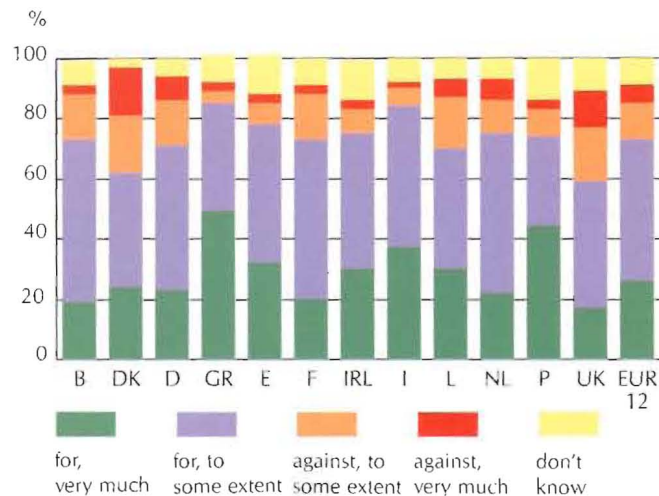
### Public support for West European unification

Nearly three in four Europeans (73%) support efforts being made to unify Western Europe, 18% are against, and 9% don't know.

Eighty-five per cent of Greeks and 84% of Italians said they were 'very much' or 'to some extent' for the efforts being made to unify Western Europe. The corresponding scores were 78% in Spain, 75% in the Netherlands and Ireland, 74% in Portugal, 73% in Belgium and France, 71% in Germany, 70% in Luxembourg, 62% in Denmark and 59% in Britain.

These are the findings of a survey of the 12 countries of the European Union carried out in autumn 1993.

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Source: Eurobarometer, No 40.

Through their investments, the regions of the Union help to create jobs. The Euralille European business centre is financed by public and private capital and hopes to benefit from Lille's excellent transport links with the rest of Europe.



medium-sized enterprises (SMEs) where most new jobs are going to come, the reduction in social security costs of low-paid workers so that more of them get hired, more flexible working hours, and so on. They also cover large-scale projects in the areas of transport, energy, communications and the environment (trans-European networks). In addition, the EU will expand current programmes for retraining workers to acquire new skills. The existence of the single market should ensure that when the current recession

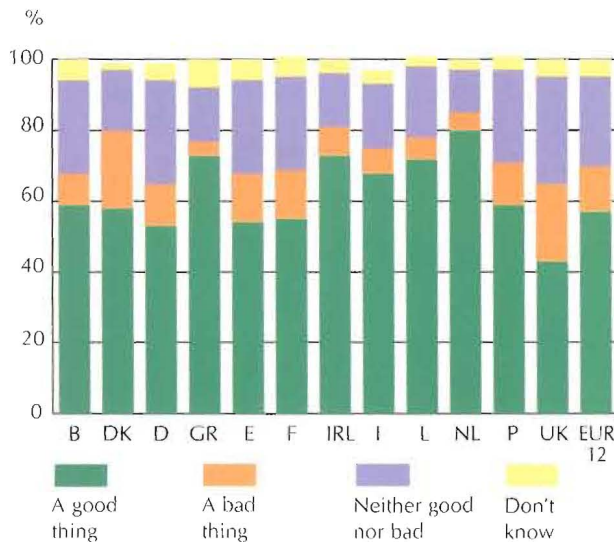
ends, the benefits of growth (including new jobs) will spread rapidly through all Member States.

### What difference does Maastricht make for ordinary citizens in the short term?

By giving the European Parliament more power, the Maastricht Treaty increases the influence on EU decision-taking of the directly-elected representatives of its citizens. The Treaty also

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### Europeans' perception of membership of the European Union



Fifty-seven per cent now think Union membership is a good thing for their country, 13% say it is a bad thing while 25% say it is 'neither good nor bad', and 5% 'don't know'.

The Dutch have the highest satisfaction count with 80%, the Irish and Greeks with 73%, the Luxembourgers with 72%, the Italians with 68%, the Belgians and Portuguese with 59%, the Danish with 58%, the French with 55%, the Spanish with 54%, the Germans with 53% and the British with 43%.

These were the results of a survey of the 12 Member States carried out in autumn 1993.

Source: Eurobarometer, No 40.

gives each citizen the right to petition the European parliament. In addition, the parliament now nominates an Ombudsman to handle complaints from citizens concerning possible misconduct by any EU organ in the execution of its duties. For the first time, citizens' interests at regional level will get a full hearing in the institutions of the European Union through the creation of the Committee of the Regions, which now has to be consulted on many items of draft legislation. By virtue of his or her EU citizenship, a national from a given Member State can enjoy the protection of any other EU diplomatic mission when travelling in a foreign land where his own country is not represented.



### **What does the European Union do for young people?**

For young people, the European Union is a fact of life. Despite its new name, it is older than they are. The result is that they have grown up in an environment of mobility and contacts their parents never knew. The EU organizes and funds a number of programmes for young people with mobility as the common theme. These include language learning and exchanges for young workers and students. The most popular of these is the Erasmus programme enabling students to spend up to one year at a university in another Member State. Shorter exchange visits are organized for others, including handicapped youngsters and those from deprived backgrounds. The EU also offers vocational training and the possibility of acquiring new skills to young people who are out of work. Educational and professional qualifications acquired in one EU country are valid throughout the Union.

### **Is the European Union democratic? How does it work?**

The European Union is a union of democratic States. Its main institutions are the European Parliament, the European Commission, the European Court of Justice, the Council of Ministers and the Court of Auditors. The Council is the main decision-taking body of the EU. The institutions are subject to varying degrees of democratic control, which the Parliament is seeking to reinforce. The Council consists of ministers from the Member States who are directly responsible to their national governments and parliaments. The European Parliament is directly elected by EU

## UNION PROPOSAL AND DECISION-MAKING PROCEDURE



### What powers do member governments retain? What does subsidiarity mean?

The balance of power between the European Union on the one side and Member States on the other has long been the object of intense debate in virtually all member countries. In fact, the Union can only act on the basis of powers freely granted to it by Member States in its founding treaties. In those areas, involving trade, agriculture, industry, competition, environment, regional development, transport, energy and monetary affairs, the Twelve can be said to different degrees to be 'pooling' at least a part of their sovereignty. Policies in other areas are the responsibility of national governments. The Community acts in the spirit of subsidiarity, a principle that was enshrined in the Maastricht Treaty. Subsidiarity limits EU action to areas where it is better placed to act than the individual Member States. As a result of the practical application of this principle a few items of European legislation are actually being repealed. The number of EU legislative proposals actually put forward has fallen sharply over the past four years to about one third of their 1990 level.

citizens every five years. The president and the 16 other Members of the European Commission, which has the sole right to initiate draft legislation, are nominated by common agreement by their governments. As of 1994, the president and the full Commission will be subject to a vote of investiture from the European Parliament before taking office. The Parliament also has the right to dismiss the Commission if it adopts a censure motion to this effect.



# The single market

## What are the advantages of the European single market?

The single market formally came into effect on 1 January 1993 as the culmination of a seven-year programme. But the first benefits came into effect well before this date. The single market has eliminated thousands of administrative forms which the Member States had accumulated over the years. For business, the single market means firms can sell their goods and services through the EU as easily as in their home country. Companies also benefit from economies of scale made possible by the creation of a huge integrated domestic market. This in turn helps to increase their competitiveness on world markets. For the consumer, the single market brings personal and economic benefits. Increased competition within the single market ensures a wider range of goods at lower

prices. He or she can buy goods in the cheapest market. The opening of public contracts to bids from throughout the European Union should cut costs to the

## Free movement of goods

Since 1 January 1993, there have no longer been any checks at the European Union's internal borders (borders between Member States).

In order to prevent individuals from crossing borders to avoid paying VAT in the country of destination, indicative quantities have been set for certain goods.

Individuals may freely carry the following for their own use from one country to another: 800 cigarettes, 400 cigarillos, 200 cigars, 1 kg tobacco, 10 litres of alcohol, 20 litres of aperitifs, 90 litres of wine (of which 60 litres sparkling) and 110 litres of beer.

More can be bought and carried from one country to another if evidence is provided that the goods are for private use only.

Persons travelling to Denmark are confined to the following allowances until 31 December 1996: 300 cigarettes, 150 cigarillos, 400 grammes of smoking tobacco and 1.5 litres of spirituous beverages.

Danish residents who spent less than 36 hours in another country can import only 100 cigarettes and no spirituous beverages.



Here are the quantities which each traveller or tourist can freely carry from another Community country to his own.

## The single market in brief

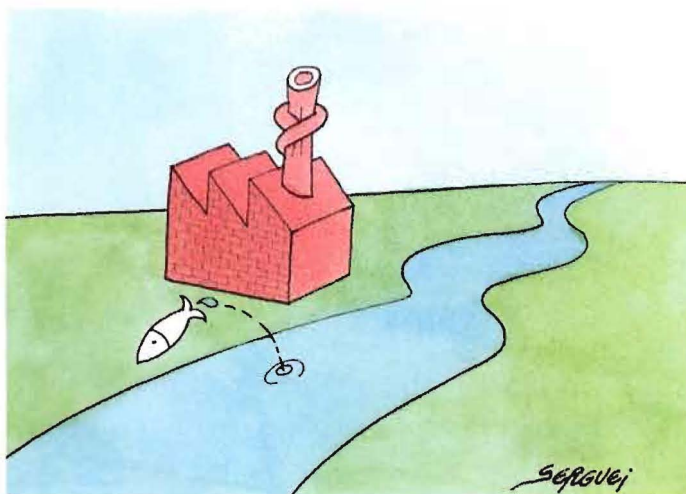
- Removal of checks on goods at borders: no more long waits
- Reduction in checks on persons crossing internal borders during 1993
- Common security for all citizens of the Union thanks to close cooperation between governments and administrations of the Member States
- No double payment of taxes on purchases for personal use in other Member States
- Freedom for Union citizens to settle in a Member State other than their own as long as they wish
- Recognition of vocational qualifications by all Member States
- Wider supply of cheaper products for consumers as a result of increased competition
- Competition provides new opportunities for creating jobs

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taxpayer who has to pay for these contracts. One of the main tasks of the EU authorities in the coming months will be to make sure that Member States respect their single market obligations.

## Does the European Union favour big business to the detriment of social protection for workers or the environment?

It is true that large companies have been among the first to benefit from access to new markets or economies of scale resulting from European deregulation. But the EU has also tried to make sure that the free movement created by the single market does not lead to what is called social dumping. This is the transfer of production (and jobs) from countries with a high (and therefore more costly) level of social protection for workers to those Member States where protection is much lower. The EU has always insisted on a levelling upwards of social standards. By the same token, the EU aims at the highest possible level of environmental protection. It has also upheld the right of individual Member States to maintain higher environmental standards than those applied at EU level, even if, in some cases, this has run counter to the principles of the single market.



## When will border controls finally disappear at frontiers between Member States?

Border checks on people have been among the most difficult to remove, although they have been dramatically reduced since the single market came into existence at the start of 1993. Nine countries of the Union have concluded the so-called Schengen agreement to abolish these controls, but this aim has not yet been fully achieved. Cooperation in the fight against criminals, drug smugglers and terrorists is currently being intensified. Airports in the 'Schengen' countries have been or are being modified so that flights within the European Union are treated as domestic flights. Britain, Ireland and Denmark have not joined the Schengen system. They have decided to retain random controls on travellers entering or leaving their territory.

## Will open frontiers increase immigration pressures?

The Maastricht Treaty sets up a system of cooperation among Member States in the areas of justice and home affairs. In this context, the removal of internal

frontiers within the EU is being matched by a corresponding strengthening of controls at the outer frontiers of the European Union. The aim is to make it more difficult for criminal elements and illegal immigrants to enter the EU in the first place. In addition, spot identity checks will still be possible inside the territory of the Member States. EU countries are drawing up a common list of States whose nationals will need visas to enter the Union. In addition, they have harmonized conditions for granting political asylum. National police forces will cooperate through a new body called Europol.

## Why do we need a single currency? When will it come?

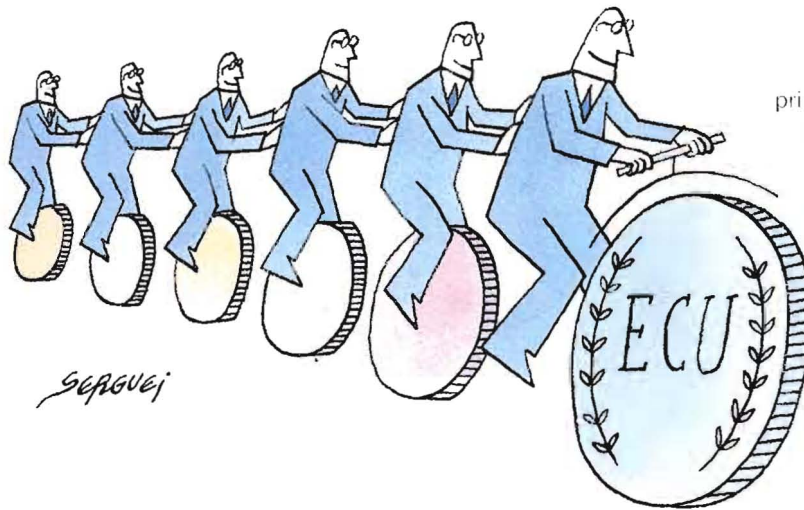
Economic and monetary union with a common currency is the logical follow-on to the creation of the single market. Currency fluctuations can cause distortions in the price of goods traded internationally. This creates uncertainty for

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Sylvie Dik-Liet

*In future the Member States' police forces will be working together permanently to combat crime.*



principles of the CAP — single prices, financial solidarity and European preference — are being maintained. But costs will be trimmed to concentrate on those farmers most in need of support. Prices are being reduced to make European agriculture more competitive on international markets.

buyer and seller. Currency fluctuations can block trade just as effectively as the customs tariffs and technical barriers that the nations of Europe have gradually eliminated over the years. A single currency removes the need for travellers to change money when travelling within the European Union. The ordinary citizen also gets a strong and stable currency backed by the combined economic power of the EU and its Member States. Despite the currency crises of 1992 and 1993, the EU is still committed to moving to a common currency by 1997 if conditions permit, or by 1999 at the latest.

### **What is the future of the common agricultural policy (CAP) of the European Union?**

Thanks to the common agricultural policy the European Union is self-sufficient in most basic food products. The EU has not only achieved security of supply, it has become a major exporter and supplier of food aid to needy populations around the world. But as production expanded, the CAP needed to be reformed to cut surpluses and reduce the cost of stockpiling them and selling them off cheaply on world markets. Under the 1992 reforms, the

## Europe and the world

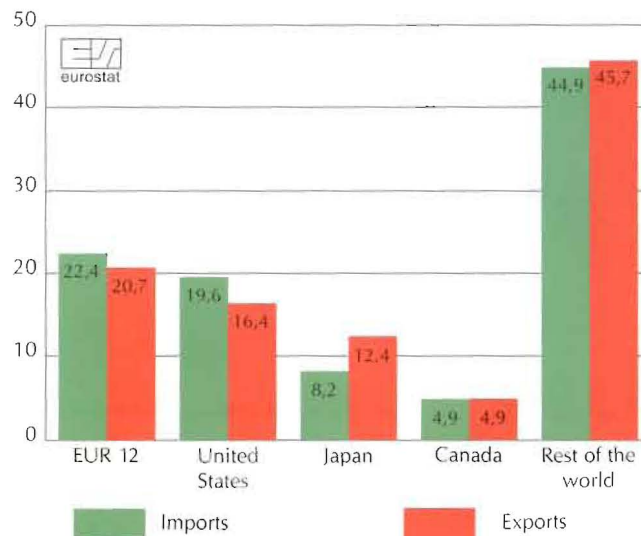
### How will the GATT agreement on world trade benefit the EU and its citizens?

As the world's greatest trading power, the European Union needs open markets for its exports. The agreement reached under the so-called Uruguay Round of negotiations marks the start of a significant new phase of global trade liberalization. The reduction in import tariffs agreed by the EU's trading partners will help Europe's exports. So will the first-ever steps taken to liberalize trade in services, of which the EU is the biggest exporter. Partly as a result of the reform of the CAP, the EU was able during the Uruguay Round to agree to cut the amount of subsidized farm exports it sells on world markets. According to trade experts, the Uruguay Round agreement will boost world trade by more than USD 250 billion, a substan-

tial part of which will be represented by additional EU exports. It is also expected to create hundreds of thousands of new jobs in Europe.

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**World trade in 1992 (%)**  
(excluding intra-Community trade)



*The European Union is by far the largest trading group in the world. Its prosperity is underpinned by its exports.*



R. Van Der Boven

### Is the European Union a rich man's club, neglecting poorer countries?

The European Union is itself a mix of rich and poor. Its richest regions — Hamburg in Germany and the Paris region of France — have living standards five times higher than the poorest areas. The least wealthy Member States — Spain, Portugal, Greece and Ireland and the new German *Länder* — receive considerable financial support from the Union to help narrow the gap between rich and poor, particularly in the run-up to economic and monetary union. The EU is by far the biggest provider of financial and technical assistance to the new democracies of Central and Eastern Europe and the former Soviet Union. It also maintains a strong sense of responsibility towards the developing countries of the Third World. It has concluded the Lomé Convention, a comprehensive trade and aid pact, with 70 countries from Africa, the Caribbean and the Pacific (ACP) which include a number of the world's poorest nations.

### Which countries have applied to join the European Union? Will enlargement weaken existing structures?

Membership is open to any country which is firstly European and secondly democratic. The attraction of the Union and its political, economic and democratic values is amply demonstrated by the number of countries which have applied to join. The first group of candidates are Austria, Sweden, Finland and Norway. All are members of the European Free Trade Association (EFTA). They are expected to join, once their recent Accession Treaties are ratified, as from 1 January 1995. In advance of membership, the EU extended to the four candidate countries and the other EFTA States many of the benefits of the single market via the European Economic Area (EEA). The EEA Treaty took effect on 1 January 1994. Switzerland, which declined to join the EEA, remains a candidate for EU membership although its application has been put on ice for the time being.

*The 70 partner countries under the Lomé Convention can export virtually all their products to the European Union duty free.*





Stratford

Turkey, Cyprus, Malta, Hungary and Poland have also applied for membership. Other countries from Central and Eastern Europe will follow suit in the next few years. A European Union with 20 or more members can only run efficiently if present structures are updated and simplified. These are to be reviewed in 1996.

### **Can the European Union maintain its position as a leading world industrial and trading power?**

The current recession has raised fears among some observers as to the EU's ability to remain a top-ranking economic power, particularly in the face of increased competition from the fast-growing economies of Asia. The single market creates conditions that should make European industry more competitive on domestic and foreign markets. The GATT agreement will increase the access of EU exporters to foreign markets. The Commission's White Paper on growth, competitiveness and employment charts a path back to growth and seeks to shake out some of the rigidities in the labour market. It also identifies key areas such as infrastructure, education and training and R&D where targeted support can achieve considerable results. Concerted action in these areas will help the European Union maintain and even strengthen its current position.

*With the launch of its new programme 'Gateway to Japan', the European Union demonstrates its belief that its products can also be competitive in Japan. According to the European Commission, it may be difficult but it is not impossible to sell on the Japanese market.*

## The management and finances of the European Union

### Who pays for the European Union?

### Who benefits from its budget?

As a basic principle, EU countries pay to the budget their receipts from import duties, farm levies and a part of their VAT revenues. Member States contribute additional funds needed to balance the budget according to their ability to pay. The budget, ECU 70 billion in 1994, covers policies like the CAP, research and development, programmes linked to the single market as well as overseas assistance and other external activities of the European Union. In addition, more than one quarter of the budget goes to redistribute wealth from the richer to the poorer countries via the so-called Structural Funds. A new cohesion fund, designed to accelerate this process, was agreed as part of the Maas-

tricht Treaty. The United Kingdom, as a major food importer, receives a relatively small amount of CAP spending. It also has an income per head which is below the EU average. For these reasons, it receives a special rebate on its contribution to the EU budget.







### TASKS

Proposals  
for development  
of Community  
policies

Monitoring  
compliance  
with and  
application  
of Community  
law

Management  
and application  
of Community  
provisions

EC represen-  
tation  
in international  
organizations

The other institutions of the Union — European Parliament, Council of the Union, Court of Auditors and, in the case of legal actions, Court of Justice — watch over the European Commission to ensure that it performs its duties properly.

### **Does the European Commission have too much power? Are Eurocrats overpaid?**

Although it has responsibilities in nearly 20 policy areas ranging from external relations, industrial affairs and transport to social affairs and the environment, the Commission is no larger than a single ministry in a large Member State. It employs fewer than 14 000 civil servants, of whom about a quarter are needed to translate and interpret in its nine official languages. By dint of powers conferred on it by the Union's founding Treaties, the Commission initiates policies by preparing draft legislation. But it is the Member States meeting in the Council of Ministers and the European Parliament who take virtually all the main decisions. Areas where the Commission does have considerable autonomy are the day-to-day running of the CAP and the application of competition policy. Although Eurocrats are well-paid, their salaries are no higher than those of staff in international organizations like the United

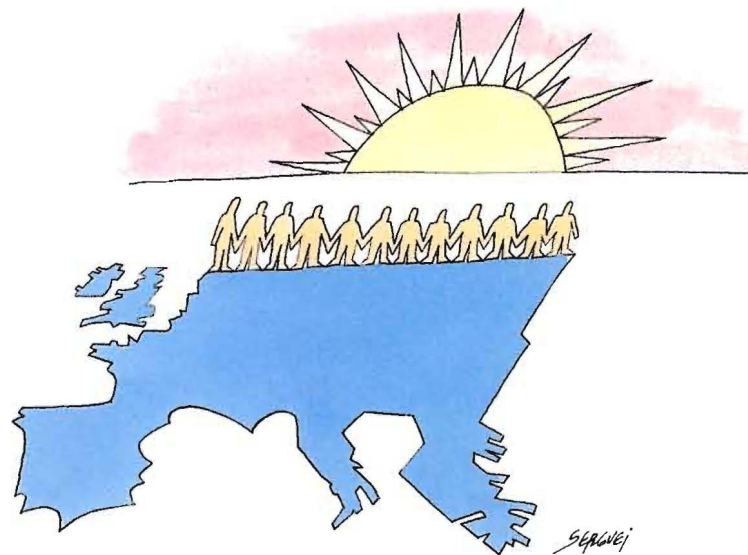
Nations and are generally lower than those paid to people in the diplomatic service of some Member States. Contrary to popular belief, they do pay income tax which is ploughed back into the EU budget.

## The future

### What is the future of the European Union?

The European Union is entering a new phase. The period of confidence that preceded the Maastricht Treaty has given way to a more sober mood. It fell victim to the recession and the currency crises of 1992 and 1993. The grand designs of a single currency and of a political union remain but they have been pushed into the background for the moment by more urgent priorities. These include bringing the EU out of recession and creating the millions of jobs needed to get Europeans back to work. A second priority is completing the current enlargement process. The Twelve will continue to build their common foreign and security policy as agreed in Maastricht, but their efforts will be overshadowed by the EU's difficult diplomatic role in ex-Yugoslavia. A new European Parliament begins a five-year term in mid-1994. A new Commission, headed by the successor to Jac-

ques Delors, takes office (also for five years) in January 1995. The new men and women who run these institutions will help shape the future of Europe up to the threshold of the 21st century.



European Commission

QUESTIONS AND ANSWERS ABOUT THE EUROPEAN UNION

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This publication gives the answers to 20 of the questions most frequently asked by the general public concerning the European Union, such as: What does it do for the citizen? Is it a rich man's club? Does it have too much power? Who pays? etc.

This publication appears in all the official Community languages — Spanish, Danish, German, Greek, English, French, Italian, Dutch and Portuguese.

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