

Trade Union Information

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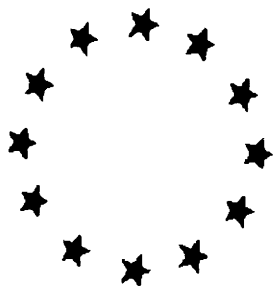
The Maastricht Treaty on European Union: A Trade Union Guide

Whilst the Treaty on European Union (the Maastricht Treaty) was signed in Maastricht on the 7th February 1992 by representatives of the Member States of the European Community, it will not come into force until it has been ratified by all twelve Member States. In many cases the process of ratification is taking place at the moment and it has given rise to considerable debate and discussion.

The Treaty, when ratified, will have implications for almost all aspects of Community activity and it proposes a number of changes which will be of significant interest to the European trade union movement. Therefore this special edition of the Bulletin is dedicated to examining the main content of the Maastricht Treaty and the likely impact of the Treaty on areas of concern to trade unionists

within the European Community. It will be followed towards the end of the year by a second special edition which will examine the attitudes of the European trade union movement to the Treaty and focus on the continuing process of ratification.

This special edition of the Bulletin contains merely a summary of the main points of the Treaty which will be of interest to trade unionists, and not an authoritative text. A full text of the Maastricht Treaty can be obtained (see "Further Information" - page 15) but such a document would need to be read in conjunction with the Treaty of Rome which it largely amends. This special edition also includes a glossary of some of the important terms used in the Treaty and a note on the ratification process.



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SPECIAL EDITION

Maastricht - THE BACKGROUND

The achievement of a single European market by the December 1992 deadline is a considerable achievement. However the construction of an ever-closer union amongst the people of Europe is a dynamic, not a static process: even as the final stages of the single market programme were still underway, preparations for the next logical stage of co-operation were in hand.

The need for changes in the founding treaties of the European Community came about not only because of a desire to move towards a closer union, but also to ensure that the Community is able to respond efficiently, and democratically, to the issues which today face the people of Europe. The key issues which needed addressing were:-

Economic and Monetary Union:

Although the Community has theoretically been committed to achieving economic and monetary union since the 1970s, previous attempts to achieve this aim had led to failure and missed deadlines. The commitment was restated at the Hanover Summit in June 1988 and in 1990 the Dublin Summit decided that an Intergovernmental Conference should examine the necessary Treaty reforms to bring about its achievement. Economic and monetary union is the next logical stage of development following the creation of a single market. A European single market will only be able to match the effectiveness of markets such as that of the United States if it shares the advantage of a single internal currency. Major changes in the existing treaties would be necessary in order to incorporate the aim of economic and monetary union.

Institutional Reform:

For some time it has been widely felt that a thorough review of the EC institutions and their respective functions and powers was necessary. The growth of Community powers over the years has led to what many people have described as a "democratic deficit". The European Parliament is the only institution which is directly elected by the citizens of the Community, but its powers have remained limited. Changes are necessary in order to both strengthen the role of the democratically elected MEPs and increase the efficiency of the Community decision-making process. At the same time other institutional changes are required to increase regional representation, and prepare for an expansion in Community membership. The consideration of such changes was entrusted to a second Intergovernmental Conference - on European political union.

Community Citizenship:

Another issue examined by the political union Intergovernmental Conference was the concept of Community citizenship and the various common rights of such citizens.

Foreign and Security Policy:

Recent European and world events have highlighted the importance of the Community acting together in matters pertaining to both foreign and security policy. Although a form of foreign policy cooperation was introduced by the Single European Act, it became clear - especially in the light of developments in Central and Eastern Europe - that a more sophisticated and effective system, leading to the emergence of a common foreign and security policy, was required.

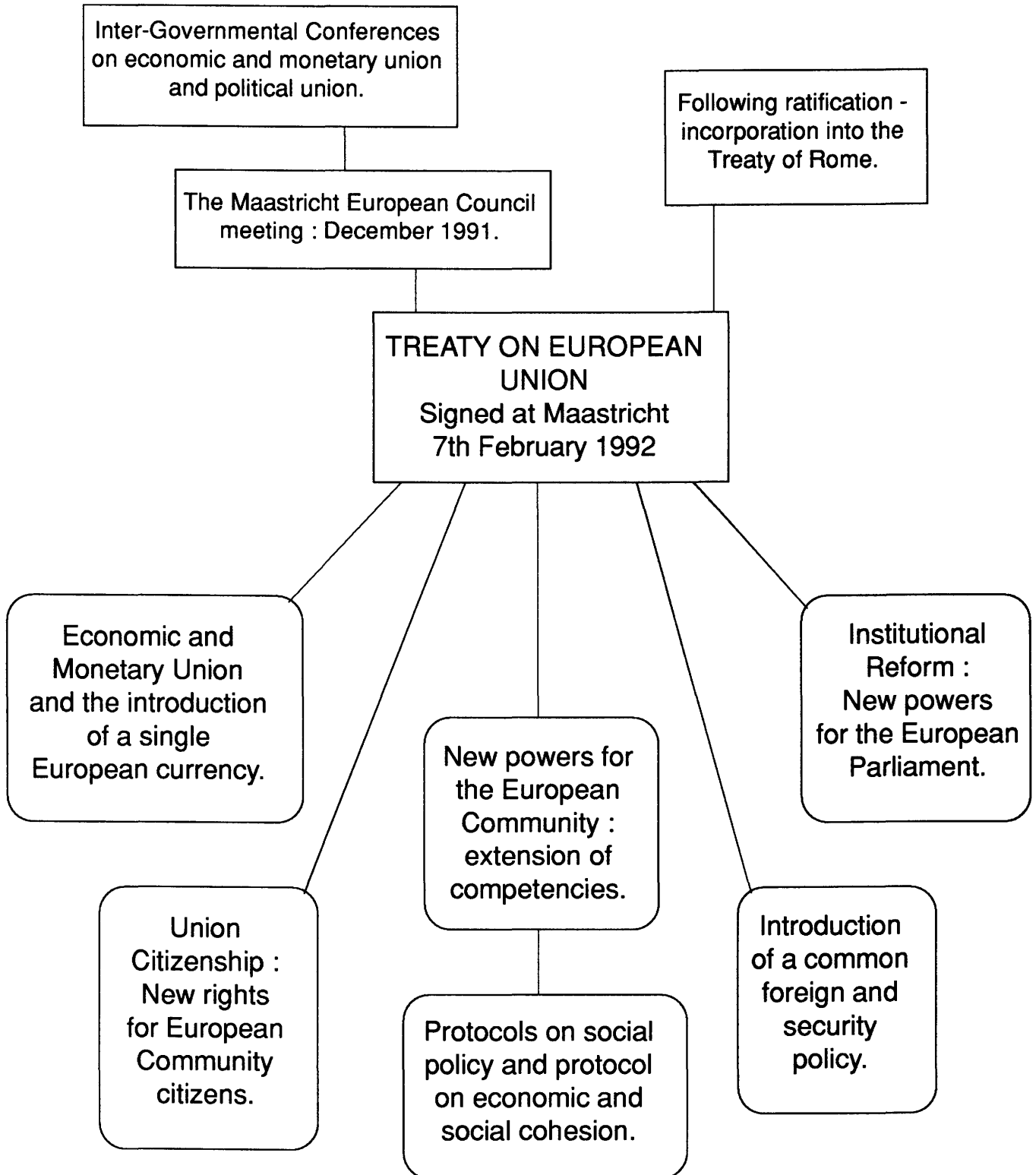
New Powers for the European Community:

Over recent years there has been a growing awareness of the need for the Community to take a more active role in policy fields where Community-wide solutions can be far more effective than individual - and often conflicting - national solutions. A prime example is in the field of environmental protection, but the same argument holds true in aspects of social policy, consumer protection policy, industrial policy and transport and communications.

If Europe is to effectively tackle the many problems that currently exist in these areas, efficient decision-making at European level is essential and - as the Single Market programme has clearly shown - such decision making needs to be based on qualified majority voting.

The two Intergovernmental Conferences (consisting of representatives from each of the twelve Member States) met throughout 1991 to consider these various problems and challenges and to draft potential treaty amendments for consideration by the political leaders of the Member States. The outcome of their deliberations was examined by the European Council meeting held in the Dutch town of Maastricht in December 1991. After two days of intense discussion an agreement between the various leaders was reached and it is this agreement - the Treaty on European Union - which was formally signed by representatives of the Member States in Maastricht on the 7th February 1992. The Treaty, when ratified, will help shape the development of the European Community during the last decade of the twentieth century.

Maastricht - THE COVERAGE



The context of the Maastricht Treaty in relation to the inter-governmental conferences of 1991 and the Treaty of Rome, and the main elements of the Treaty itself.

Economic and Monetary Union

The outline of the planned movement towards economic and monetary union was provided by the report of the 1988 Committee for the Study of Economic and Monetary Union (the Delors Report). This report examined both the principle features and implications of economic and monetary union and proposed its achievement via three distinct stages:

STAGE 1: An initiation process aimed at a greater convergence of national economic policies and the creation of a single financial market. A further objective of Stage 1 would be the inclusion of all Community currencies within the exchange rate mechanism (ERM) of the European Monetary System (EMS).

STAGE 2: A period of transition following the amendment of the Treaty of Rome to incorporate the aim of economic and monetary union. Stage 2 would see the strengthening of co-ordination between central banks and Member States adopting economic programmes to ensure the lasting convergence necessary to achieve economic and monetary union.

STAGE 3: The final stage would include the formal establishment of a European Central Bank and the irrevocable fixing of exchange rates leading to the introduction of a single European currency.

The Maastricht Treaty builds on the foundations established by the Delors Report by:

- **providing a clearer definition of the content of stages 2 and 3;**
- **defining the role and functions of the European institutions which will be responsible for administering monetary and exchange rate policy (European Monetary Institute and European Central bank);**
- **establishing the convergence criteria (economic factors such as inflation, government deficit, interest rates and exchange rates) which Member States will have to achieve in order to qualify for moving to Stage 3 and the adoption of a single currency.**
- **setting deadlines for both stage 2 and stage 3 in order to ensure that economic and monetary union is achieved by the 1st January 1999 at the latest.**

Objectives of the Community

The objectives of the European Community as set out in Article 2 and 3 of the Treaty of Rome are to be amended to include the establishment of an economic and monetary union. Article 3a states that the activities of the Community shall include:-

"the irrevocable fixing of exchange rates leading to the introduction of a single currency, the ECU, and the definition and conduct of a single monetary policy and exchange rate policy the primary objective of both of which shall be to maintain price stability and, without prejudice to this objective, to support the general economic policies in the Community, in accordance with the principle of an open market economy with free competition"

Economic Policy

The Treaty of Rome will now stipulate (Article 103) that *"Member States shall regard their economic policies as a matter of common concern and shall coordinate them within the Council"*. Procedures for adopting common economic policy guidelines, monitoring national economic policies, and dealing with Member States who adopt economic policies inconsistent with such guidelines or which *"risk jeopardizing the proper functioning of economic and monetary union"* are established.

The New Monetary Institutions

The Maastricht Treaty provides for the creation of a number of new European institutions to administer monetary and exchange rate policy.

European Monetary Institute (EMI):

The Maastricht Treaty proposes that a European Monetary Institute should be established at the beginning of stage 2 of EMU. It will be the precursor of the European Central Bank and it will, along with the European Commission, report to the Council on progress being made by Member State in achieving the necessary convergence criteria.

European Central Bank (ECB):

A European Central Bank, independent of instructions from politicians or political institutions, will be established during stage 3 of EMU. It will be responsible for the Community's common monetary policy. Its President, Vice-President and Executive Board will be appointed by "common accord" by governments of the Member States (the same system which is currently used to appoint Commissioners).

European System of Central Banks (ESCB):

A European System of Central Banks will be established at the same time as the ECB and it will be made up of representatives of the ECB and the national Central Banks of Member States. Like the ECB, it will be independent of political control, and its main functions will be to:

- **define and implement the monetary policy of the Community;**
- **conduct foreign exchange operations;**
- **hold and manage official the reserves of the Community;**
- **promote the smooth operation of payment systems.**

Exchange rate and Budgetary Policy

The Maastricht Treaty establishes a procedure (recommendation by the Commission or the ECB, unanimous approval by the Council) for the determination of exchange rates between the ECU and non-Community currencies. It also stipulates (Article 104c) that Member States shall avoid excessive government deficits. "Excessive deficits" are defined in relation to both gross domestic product and total government debt.

EMU Stage 2

The Maastricht Treaty sets the starting date for stage 2 of Economic and Monetary Union as the 1st January 1994. During Stage 2, Member States are required to:

- **abolish all remaining restrictions on the movement of capital within the Community;**
- **ensure that their Central Banks are independent;**
- **avoid excessive government deficits;**
- **adopt multiannual programmes intended to ensure the lasting convergence necessary for achieving economic and monetary union.**

Stage 2 will also see the establishment of a European Monetary Institute.

Progress to Stage 3

The Maastricht Treaty establishes a set of economic conditions that Member States will have to meet in order to participate in the final stage of EMU. These conditions, known as "convergence criteria", are:-

Price Stability: The achievement of inflation rates, for a period of at least a year, not exceeding 1.5% above the average of the performance of the three best performing Member States.

Public Finance: The absence of "excessive government deficits" defined as a deficit of more than 3% of GDP or total government debt exceeding 60% of GDP.

Exchange Rates: The inclusion of a currency within the normal fluctuation margins (2.5%) of the Exchange Rate Mechanism for a period of at least 2 years.

Interest Rates: Average nominal long-term interest rates, over a period of at least a year, which do not exceed the average of the three best performing Member States by more than 2%.

EMU Stage 3

The Council, acting on a qualified majority vote, will determine the starting date for Stage 3 with reference to the above convergence criteria. By the end of 1996, the government leaders of the Member States will decide a date for the majority of Member States to progress to stage 3 and the introduction of a single European currency. If, by the end of 1997, no date has been set for the start of stage 3, the final stage will automatically begin on the 1st January 1999 and include any Member State meeting the convergence criteria.

Two Member States - the United Kingdom and Denmark - declared that they were not able at this time to commit themselves to moving to stage 3 and undertook to notify the Council of their intentions before the end of 1996.

Trade Union Issues

* Trade unions will want to ensure that the need for national economic policies to meet the stated convergence criteria does not mitigate against the achievement of a Community economic policy directed at growth and employment nor the progress towards greater economic and social cohesion in the Community.

* The introduction of a single currency, and the consequent removal of exchange rate pressures, should provide a more stable base for determining overall economic policy.

* The introduction of a single European currency will inevitably provide a boost to European-wide collective bargaining. Comparative wage levels will be far easier to identify and the convergence of economic and monetary policy will provide a common foundation for collective bargaining throughout the Community.

Institutional Reform

The Community institutions and the decision-making process are the result of 40 years of European integration. Changes in the scope and nature of Community activities have necessitated changes in the role and function of Community institutions, a continuous process of reform and refinement, formalised for example, in the 1987 Single European Act amendments to the Treaty of Rome. Further measures for refinement and reform were now needed to provide:-

- (a) **greater powers for the democratically elected European Parliament, particularly in the legislative process.**
- (b) **an effective and democratic decision-making system which avoids the paralysing effect of unanimous voting.**
- (c) **changes in the term of office of the European Commission.**
- (d) **greater representation for the regions of the Community.**

These were amongst the issues handled by the Intergovernmental Conference on Political Union, and they provide the basis for the main proposals on institutional reform contained within the Maastricht Treaty.

The European Parliament

The Maastricht Treaty proposes an extension of the powers of the European Parliament to include:-

- further powers within the EC legislative process by extending the issues covered by the co-operation procedure and introducing a new co-decision procedure;
- participation in the process of appointing the President and Members of the European Commission;
- the requirement of the assent of Parliament for all international treaties which have substantial financial or contractual implications;
- the ability to set up a committee of inquiry if it believes that Community law has been infringed;

- the right to appoint an Ombudsman who will be able to receive complaints of maladministration from individual citizens.

Community Decision-Making Procedures

The decision-making procedures to be used by the Community institutions are now brought together under Article 189 of the Treaty of Rome. Three types of decision-making procedure will be available:-

Article 189a - The Consultation Procedure:

The consultation procedure was contained in the original Treaty. When this procedure is used, decisions at the Council of Ministers have to be approved by a unanimous vote and there is merely a requirement to consult the European Parliament and the Economic and Social Committee. Any Opinion of either body can be overruled by the Council of Ministers.

Article 189b - The Co-Decision Procedure:

This new procedure introduced by the Maastricht Treaty enables the Council to adopt a "common position" by a qualified majority vote. This is then sent to the European Parliament for a "second reading". Parliament can do one of three things:- (a) accept the common position, (b) reject it, or (c) amend it, by a majority vote.

If (a) the Council can approve the proposal by a qualified majority vote.

If (b) a Conciliation Committee (equal numbers from the Council and Parliament) is convened to facilitate agreement. Parliament retains the right to reject the common position by an absolute majority, in which case the proposal falls.

If (c) the proposal is sent to the Commission for an Opinion on the amendments. If the Commission gives a positive Opinion, the Council can vote on a qualified majority basis. If it gives a negative Opinion any amendment - suggested by Parliament - must be accepted by a unanimous vote in the Council.

If the Council does not accept the amendments put forward by Parliament, the Conciliation Committee is once again convened, and if agreement results the amended proposal can be adopted by a qualified majority vote in Council. If the Committee fails to reach agreement the Council can, by qualified majority can confirm the common position but Parliament retains the right, by absolute majority to reject the proposal.

Article 189c - The Co-operation Procedure:

This is the Council/Parliament co-operation procedure, first introduced in the 1986 Single European Act, under which the support of Parliament is required where a decision is taken by a qualified majority vote at the Council of Ministers.

(Note: A "Qualified Majority" referred to under both the Article 189b and 189c procedures means a proposal that receives at least 54 votes out of a possible 76 votes and based on a system where Member States have votes in relation to their population size : Germany, France, Italy and the UK - 10 votes each; Spain - 8 votes; Belgium, Greece, the Netherlands and Portugal - 5 votes each; Denmark and Ireland - 3 votes each; Luxembourg - 2 votes)

The European Commission

The Maastricht Treaty proposes a number of changes to the way European Commissioners are appointed in order to reflect the increased role of the European Parliament in this process.

- a. The governments are required to consult the European Parliament before nominating the President of the Commission.
- b. The President and the other European Commissioners will be subject, as a body, to a vote of approval by the European Parliament.
- c. As from January 1995, the term of office of the European Commission is extended to five years - the same as the European Parliament. This will mean that one of the first tasks facing a newly elected Parliament will be to approve the nomination of a new Commission.

The Committee of the Regions

The Maastricht Treaty introduces a new consultative committee which will consist of representatives of local and regional authorities within the Community. The Committee will have 189 members (Germany, France, Italy and the UK - 24 each; Spain - 21; Belgium, Greece, the Netherlands and Portugal - 12 each; Denmark and Ireland - 9 each; and Luxembourg - 6). Members of the Committee will be independent and not be bound by any mandatory instructions. The term of office of the Committee will be four years. The Committee will share a common organisational structure with the Economic and Social Committee.

The Committee will be convened by its Chairman at the request of the Council or the Commission and it may also meet on its own initiative. It will be consulted by the Council and the Commission on the occasions

provided for in the Treaty. These include consultation over proposals in the sphere of:-

- regional policy and regional development;
- education, vocational training and youth policy;
- issues relating to economic and social cohesion;
- trans-European networks;
- public health;
- cultural issues.

The Committee will have the right to submit an Opinion to the Council on any proposal where it feels that specific regional issues are involved.

Future Institutional Reform

Whilst the proposals contained in the Maastricht Treaty go some way towards correcting any "democratic deficit" within the Community, they still do not provide the European Parliament with full legislative powers. The Treaty provides for a further review of the institutional structure of the Community (by means of a further Intergovernmental Conference) during 1996. Such an IGC will also be able to consider institutional changes to take account of the expected future increase in the number of Community Member States.

Trade Union Issues

- * Trade Unions will need to note the increased role of the European Parliament in the legislative process. Links between trade unions, trade union members and local Members of the European Parliament are likely to be even more important in ensuring that trade union views are taken into account during the legislative process.
- * The right of the European Parliament to be consulted over the nomination of the Commission President, and the requirement for it to approve the new Commission will undoubtedly lead to the development of a more open "political" approach to the Commission. Trade unions will need to examine how best their interests can be served within this context.
- * The Committee of the Regions has a fairly wide scope of activity and their Opinion will be required on issues that are within the legitimate interests of the trade union movement (training, economic and social cohesion etc.). Trade unions will need to examine how best to ensure that their views are represented to the members of the new Committee.

New powers for the European Community.

The Maastricht Treaty revises the list of actions to be undertaken by the European Community. In many cases this is merely a formal incorporation into the Treaty of Rome of activities where the Community has already developed policies, in other cases it reflects the increased need for pan-European strategies to meet new problems and challenges (for example, health and environmental problems).

Part III of the Treaty of Rome deals with Community policies. The main changes proposed by the Maastricht Treaty are summarised below along with the decision-making procedures (under Article 189) to be used.

Policy	Main changes proposed by Maastricht Treaty
Free Movement of Goods (Article 9 - 11)	No change.
Customs Union (12 - 37)	No change.
Agriculture (38 - 47)	No change.
Free movement of workers & right of establishment (48 - 58)	Co-decision procedure (Article 189b) to apply.
Free movement of services, capital & payments (59 - 73)	Changes to ensure that all restrictions of the free movement of capital and payments are removed.
Transport (74 - 84)	Co-operation procedure (Article 189c) to apply.
Competition (85 - 94)	State aid to promote culture and heritage conservation allowed within the context of competition policy.
Tax provisions (95 - 99)	No Change.
Single Market (100 - 102)	Co-decision procedure (Article 189b) to apply. New provisions on immigration into the Community introduced.
Economic and Monetary Policy (102 - 109)	Formal provisions for the achievement of economic and monetary union are introduced along with related institutional provisions.
Social Provisions (117 - 122)	See separate section on social policy.
European Social Fund (123/5)	Implementing decisions to be adopted by means of the co-operation procedure (Article 189c).
Education, Vocational Training and Youth (126 - 127)	Community action in the field of education and training is defined. Co-decision procedure (Article 189b) to be used for education and youth policy, co-operation procedure (Article 189c) to be used for vocational training policy.
Culture (128)	The scope of Community action is defined. Co-decision procedure (Article 189b) to apply.

Policy	Main changes proposed by Maastricht Treaty
Public Health (129)	Scope of Community action is defined. Co-decision procedure (Article 189b) to apply.
Consumer Protection (129)	Objectives of EC consumer protection policy are defined. Co-decision procedure (Article 189b) to apply. Member States retain the ability to introduce more stringent protection measures if they choose.
Trans-European Networks (129)	Objectives and activities of Community policy are defined. Guidelines to be adopted using the co-decision procedure (Article 189b) and specific measures using the co-operation procedure (Article 189c).
Industry Policy (130)	Objectives of Community industrial policy are defined. Specific measures to be adopted using the consultation procedure (Article 189a).
Economic and Social Cohesion (130)	The concept of economic and social cohesion is defined as is the role of the European regional Development Fund and the new Cohesion Fund. The tasks and priorities of the structural funds are to be determined by use of the consultation procedure (Article 189a) whilst ERDF implementing decisions are to be taken using the co-operation procedure (Article 189c).
Research and Technological Development (130)	The objectives and scope of R&TD activities are defined. The co-decision procedure (Article 189b) to be used to adopt the framework programme, and the co-operation procedure (Article 189c) to be used to adopt specific measures.
Environment (130)	The objectives and scope of Community environmental actions are defined. Action programmes to be adopted using the co-decision procedure (Article 189b), and specific actions adopted by use of the co-operation procedure (Article 189c). Derogations to be adopted using the consultation procedure (Article 189a).
Development Co-operation (130)	The objectives of development co-operation actions (providing aid and support to developing countries) are defined. Measures to further these objectives are to be adopted using the co-operation procedure (Article 189c).

In many of these policy areas the European Community will "contribute to" or "supplement" the policies of the individual Member States. The relationship between European level decision-making and national decision-making in areas other than those which fall within the exclusive competence of the Community, will be determined by the principle of "subsidiarity". This is defined in Article 3b of the treaty in the following way: *"In areas which do not fall within its exclusive competence, the Community shall take action, in accordance with the principle of subsidiarity, only if and in so far as the objectives of the proposed action cannot be sufficiently achieved by Member States and can therefore, by reason of the scale or the effects of the proposed action, be better achieved by the Community"*

Trade Union Issues

* Trade unions will wish to note the extension of Community competencies into areas of direct interest to them - such as industry policy, economic and social cohesion and environmental protection.

* The extension of the co-operation procedure and the introduction of the new co-decision procedure in many of these areas will give greater democratic control over policy initiatives.

Social Policy Protocol.

The proposals relating to social policy considered by the Maastricht European Council meeting were essentially amendments to the existing Articles 117 - 122 of the Treaty of Rome. The amended text for these articles was prepared by the Intergovernmental Conference on Political Union and based on texts proposed by both the Luxembourg and Dutch presidency.

Changes in the existing Treaty were needed for two reasons:

- (1) Progress in implementing the Social Charter Action Programme (based on the 1989 Community Charter of Fundamental Social Rights) has been disappointing. Clearly, if Community social policy is to be effective, decision-making needs to be on the basis of qualified majority voting using either the co-operation procedure or the new co-decision procedure.
- (2) A greater role needed to be provided for the social partners (trade unions and employers) both at national and Community level. In particular, it was felt, that agreements between the social partners could more effectively achieve some of the objectives of Community social policy than the adoption of laws.

Unanimous agreement could not be reached at the Maastricht European Council on such changes and eventually a special protocol was adopted which would apply to eleven Member States (all Member States other than the United Kingdom). Effectively this protocol is the proposed new Articles 117 - 122. Where agreements cannot be reached on social policy using the existing Treaty provisions - the consultation procedure requiring the unanimous approval of the Council - proposals can be adopted using the new protocol arrangements (qualified majority voting using the co-operation procedure). However, policies adopted by these means would not apply to the United Kingdom.

The Protocol and Agreement

The procedures to be used under the protocol arrangements are contained in an agreement attached to the Maastricht Treaty. This corresponds with the existing Articles 117 - 122 of the Treaty of Rome which will continue to remain in force. The main points of the new procedures are as follows:-

Article 1 (Article 117): The objectives of Community social policy are extended to include the promotion of employment, social protection, dialogue between management and labour and the combating of exclusion.

Article 2 (Article 118): The list of Community activities designed to achieve the objectives set out in Article 1 is extended. Actions related to health and safety, working conditions, worker information and consultation, equal opportunities and social exclusion can be adopted using the co-operation procedure (Article 189c). The consultation procedure (Article 189a) will be continue to be used for actions relating to social security, rights of dismissed workers and trade union representation.

Article 2 also allows Member States to entrust the social partners (management and labour) - at their joint request - to implement directives by means of collective agreements.

Article 3 (Article 118a): The Commission is given the task of promoting the consultation of the social partners at Community level. Before social policy proposals are submitted, the Commission is required to consult the social partners on the possible direction of Community action. If the Commission considers that Community action is advisable it shall consult the social partners on the content of the envisaged proposal.

Article 4 (Article 118b): The social partners at Community level may inform the Commission that they wish to achieve the objectives of specific social measures by means of contractual agreements. Such agreements shall be implemented either by the procedures and practices specific to management and labour and the Member States, or - in matters covered by Article 2 and at the joint request of the signatory parties - by a Council Decision. The Council will act by qualified majority except if an agreement covers one or more area reserved for unanimous agreement under the consultation procedure.

Article 5: With a view to achieving the objectives of Community social policy, the Commission is required to encourage co-operation between Member States and facilitate the coordination of their actions in the field of social policy.

Article 6 (Article 119): The provisions on equal pay without discrimination based on sex are extended to include a clause allowing Member States to maintain or adopt measures providing for specific advantages in order to make it easier for women to pursue a

vocational activity or to prevent or compensate for disadvantages in their professional careers.

Article 7 (Article 122): The Commission is required to draw up an annual report on progress towards the achievement of the social policy objectives listed in Article 1.

The Protocol and the Existing Treaty

The co-existence of the new protocol arrangements on social policy and the existing Treaty provisions is likely to lead to some confusion. A number of points can be made:-

- (1) Attempts will be made, where possible, to adopt social policy provisions using the existing Treaty arrangements. Any measures so adopted will apply to all twelve Member States.
If such an approach is unsuccessful - due to a lack of unanimous support - the eleven signatory States would use the protocol arrangements.
- (2) Existing social policy provisions (laws etc) will continue to apply to all twelve Member States.
- (3) The protocol will not change the approach to health and safety legislation which is already subject to qualified majority voting in the existing Treaty of Rome (Art 118a)
- (4) Where the protocol arrangements are used to adopt social policy measures, UK representatives will not take part in the decision-making process. In such cases a qualified majority will correspond to 44 votes in favour.
- (5) Social policy measures adopted under the protocol arrangements will apply to UK undertakings in so far as their operations in other Community Member States are concerned.

Economic and Social Cohesion Protocol

A separate protocol on economic and social cohesion reaffirms that cohesion is vital to the full development and enduring success of the Community. It calls for the establishment of a Cohesion Fund in order to provide financial contributions to projects in the field of the environment and trans-European networks in Member States with a per capita GNP of less than 90% of the Community average (currently, Spain, Portugal, Greece and Ireland).

Trade Union Issues

- * The introduction of qualified majority voting into areas of social policy should promote the implementation of the social charter action programme. The removal of unanimity for social policy proposals has been one of the basic demands of the European trade union movement for many years. Although certain aspects of social policy are still reserved for unanimous voting (Article 189a), Maastricht would represent a significant move towards creating a Community social dimension.
- * The new proposals on the role of the social partners - both at Community and national level - provide an opportunity for the trade union movement to play a key role in determining the shape of Community social policy. The Treaty provides for the social partners to be fully consulted by the European Commission in advance of new proposals being drafted, thus introducing a further valuable opportunity for trade union interests to be represented. The Treaty also provides the opportunity of achieving declared social policy objectives by means of collective agreements both at European and national level. If the two sides wish, such agreements can be underpinned by the legislative force of a Council Decision. Such proposals provide a significant boost to the development of collective bargaining within the Community.
- * The limitation of the new decision-making procedures on social policy to eleven Member States will need to be considered by the trade union movement. It obviously means that workers in the United Kingdom will not enjoy the same benefits as trade unionists in the rest of the Community. It could also have important consequences for competition, which trade unions will need to carefully monitor.
- * The renewed declaration of support for the principle of economic and social cohesion and the proposed establishment of a Cohesion Fund are important and help to ensure that the economic and social policy of the Community is not limited to merely free competition and price stability. Trade unions will be anxious to ensure that the concept of economic and social cohesion is applied both within individual Member States and within the Community as a whole.

Union Citizenship.

The Maastricht Treaty proposes the introduction of a major new article into the Treaty of Rome which will define the common rights of Community citizens (or "Union citizenship" as it is referred to in the Treaty). Article 8 will state that "*citizenship of the union is hereby established*" and that "*every person holding the nationality of a Member State shall be a citizen of the Union*". Article 8 goes on to establish a number of common fundamental rights of Union citizens.

Free Movement

Article 8a declares that every citizen of the Union shall have the right to move and reside freely within the territory of the Member States, subject to the limitations and conditions laid down in the Treaty and its associated measures (limitations based, for example, on the grounds of public safety and security).

Voting Rights

Article 8b will provide for every citizen of the Union with the right to vote and stand as a candidate in:-

- (a) municipal elections in the Member State in which he resides, and
- (b) elections to the European Parliament in the Member State in which he resides,

Under the same conditions as nationals of that State. These rights are to be exercised subject to detailed arrangements to be adopted by the Council (in the case of municipal elections, before 31 December 1994, and in the case of European Parliament elections, before 31 December 1993), acting unanimously on a proposal by the Commission and after consulting the European Parliament. In both cases, derogations can be provided where warranted by problems specific to a Member State.

Diplomatic Representation

Article 8c provides every Union citizen with the right to diplomatic representation by the diplomatic or consular authorities of any Member State when resident in a third country in which his own Member State is not represented. Member States are required to establish the necessary rules amongst themselves and start the international negotiations to achieve this end before the 31st December 1993.

Right of Petition

Article 8d will provide every citizen of the Union with the right to petition the European Parliament in accordance with Article 138d of the Treaty. It also provides Union citizens with the right to apply to the Ombudsman which is to be appointed under Article 138e of the Treaty.

A common foreign and security policy.

The Maastricht Treaty will introduce a mechanism for defining and pursuing a common foreign and security policy. The objectives of such a policy are defined as:-

- (1) to safeguard the common values, fundamental interests and independence of the Union;
- (2) to strengthen the security of the Union and its Member States in all ways;
- (3) to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter;
- (4) to promote international co-operation;
- (5) to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms.

Means and Procedures

These objectives are to be pursued by two means:-

- (a) by establishing systematic co-operation between Member States in the conduct of policy.
- (b) by gradually implementing joint action in the areas in which the Member States have important interests in common.

Systematic co-operation is to be achieved by EC countries informing and consulting one another within the Council on any matter of foreign and security policy of general interest. Whenever it is felt necessary, the Council is able to define a common position and Member States are required to ensure that their national policies conform to this position. In the case of joint actions, general guidelines will be provided by the European Council, and the Council can adopt specific joint actions by means of qualified majority voting.

A number of points can be noted from the new Treaty provisions on foreign and security policy. These are:-

(a) Foreign and security policy will remain outside the normal mechanisms of Community decision-making. It will be determined by "systematic co-operation between Member States" and by "gradually implementing joint actions". The Council decide - by unanimous voting - the areas where day-to-day decisions can be taken by qualified majority voting.

(b) The Treaty requires that the Council Presidency should consult the European Parliament, on the main aspects of a common foreign and security policy and should "ensure that the views of the European Parliament are duly taken into consideration". The Presidency is also required to keep Parliament informed of the development of such policies.

(c) The European Commission will have little involvement with a common foreign and security policy. The Treaty merely states that "the Commission shall be fully associated with the work carried out". The European Court of Justice has no role in the interpretation of such a policy.

(d) An intention is stated within the Treaty that the process of defining a common foreign and security policy should include the eventual framing of a common defence policy, "which might in time lead to a common defence".

Other Provisions

The Maastricht Treaty on European Union is both long and complex. When it is finally ratified it will affect almost every aspect of the operation of the European Community. Whilst its main provisions cover the areas already referred to, it also introduced a number of other changes, amongst which are the following.

From EEC to EC

The Treaty will formally change the name of the largest of the three existing communities from the European Economic Community (EEC) to the European Community (EC). This small change reflects a far wider movement - a transition from a Community primarily focused on economic and trade issues to one which encompasses a wide range of political issues. The Treaty therefore helps the Community to move towards the wider destiny envisaged by the founders of the Community over thirty years ago.

An Ever Closer Union

The role of the Maastricht Treaty within this longer-term process of European unification is reflected in the statement contained within Article A of the Common Provisions of the Treaty.

"This Treaty marks a new stage in the process of creating an ever closer union among the peoples of Europe, in which decisions are taken as closely as possible to the citizens"

The Community and the Union

The Maastricht Treaty envisages the creation of a European union which will incorporate the European Community with its existing institutions and policies. The key objective of the new Union is the promotion of balanced and sustainable economic and social progress, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union and the eventual introduction of a single European currency. These are the tasks of the existing European Community. Such tasks will be pursued by the existing institutions, amended and extended by the provisions within the new Treaty.

The Union will have additional "pillars" besides the one represented by the European Community. These are:-

- (a) the common foreign and security policy;
- (b) the introduction of Union citizenship;
- (c) co-operation on justice and home affairs.

Justice and Home Affairs

The creation of a single market without internal frontiers has meant that a number of justice and home affairs issues now need to be co-ordinated at Community level. In particular this involves:

- The fight against international crime and ensuring that the removal of internal frontiers does not lead to a growth in cross-border crime. The Treaty provides for the establishment of a Union-wide system for exchanging information within a European Police Office (Europol).
- Co-operation between Member states on matters relating to immigration into the Community and the co-ordination of policies on political asylum.

The provisions on co-operation in the field of justice and home affairs also cover such issues as the control of drugs trafficking and terrorism.

Maastricht - A GLOSSARY

ACQUIS COMMUNAUTAIRE:

A phrase used in the statement of common provisions within the Maastricht Treaty (one of the objectives of the European Union being "to maintain in full the "acquis communautaire" and build on it"). The phrase means the full body of existing secondary legislation adopted by the Community (directives, decisions and regulations) under the provisions of the founding treaties.

CO-DECISION PROCEDURE:

The new decision-making procedure introduced by the Maastricht Treaty. Under this procedure decisions, taken by qualified majority in the Council, can be either accepted, rejected or amended by the European Parliament. Amendments would still need the approval of the Council, and a new Conciliation Committee made up of representatives of the Council and the European Parliament is established.

CONSULTATION PROCEDURE:

The original decision-making system of the European Community under which proposals needed the unanimous support of the full Council of Ministers and the European Parliament was only consulted. Consequently the Opinion of the European Parliament (and the Economic and Social Committee) was in no way binding on the Council of Ministers.

COOPERATION PROCEDURE:

The decision-making procedure introduced by the Single European Act. Under this procedure the Council of Ministers can adopt proposals by qualified majority voting, but in such cases the proposals need the support of a majority of the European Parliament.

ECU:

European Currency Unit. The existing "currency" of the European Community which is used for payments between Member States and payments from and to the European Community. The ECU will become the basis for the single European currency.

EMS:

European Monetary System. Established in 1979, the European Monetary System is basically an instrument of co-operation between the Member States in the field of monetary policy. It includes the ERM (see separate entry), the role of the ECU, and the functioning of the European Monetary Co-operation Fund. The EMS will be gradually overtaken by the full implementation of economic and monetary union.

EMU:

Economic and Monetary Union. The overall description of a package of measures designed to create a common economic and monetary policy for the European Community and thus lead to the introduction of a single European currency.

EPU:

European Political Union. The title given to the second of the 1991 Intergovernmental Conferences which considered the Treaty changes necessary to reform the institutional arrangement of the existing Community, widen its competencies, and strengthen co-operation in the field of foreign and security policy and internal affairs and justice.

ERM:

Exchange Rate Mechanism: The exchange rate mechanism is the means by which the currencies of participating Member States are linked together. Each national currency is allowed to fluctuate against a central exchange rate within defined limits. If a currency goes beyond these limits, the central banks of the participating States intervene. If a currency persistently goes beyond its fluctuation limits a realignment of its central exchange rate may be required.

INTERGOVERNMENTAL CONFERENCE:

The means by which the European Community prepares for changes and amendments to its basic treaties. An Intergovernmental Conference (IGC) is made up of representatives from the governments of each of the Member States. It can meet at either ministerial or civil servant level. Its role is to prepare treaty amendments to be considered by the political leaders of the Member States. In advance of the Maastricht Summit meeting two Intergovernmental Conferences (one on economic and monetary union and one on political union) had been meeting throughout 1991.

PROTOCOL:

An annexe to the main Treaty on European Union representing a formal agreement between the high contracting parties (the Member States of the European Community). There are 17 protocols attached to the Maastricht Treaty dealing with subjects ranging from the acquisition of property in Denmark to the structure and organisation of the Committee of the Regions.

SOCIAL DIALOGUE:

The regular process of discussion which takes place at Community level involving the representatives of trade unions within the Community (ETUC), employers (UNICE) and the public sector (CEEP). In some cases discussions have led to the adoption of joint Opinions and Agreements. Representatives of the European Commission (normally the Commission President and the Social affairs Commissioner) also take part in social dialogue meetings. In some cases a social dialogue process takes place at Member State level and also within specific industrial sectors. One of the aims of the Maastricht Treaty is to increase the role of the social dialogue process (both at national and European level) in the formulation and implementation of Community social policy.

SUBSIDIARITY:

A concept originally formulated within the draft Treaty on European Union adopted by the European Parliament in 1984. The principle determines the level of decision-making, stating that European policies should be limited to those areas where the policy objectives can be more effectively achieved on a European scale as against a national scale.

TREATIES:

The key treaties of the European Community are the 1951 Treaty of Paris which brought into being the European Coal and Steel Community and the 1957 Treaty of Rome which led to the formation of the European Economic Community and EURATOM.

Maastricht - RATIFICATION

Whereas the Maastricht Treaty on European Union was signed by the representatives of the twelve Member States on the 7th February 1992, its provisions will not come into effect until it has been ratified by each of the Member States. Ratification takes place "in accordance with the constitutional requirements of the High Contracting Parties". This means that it is up to each Member State to determine - in line with its own constitution - how the process of ratification should be approached. In the majority of Member States ratification will be by a vote in the national parliament, although a number of Member States are holding referenda.

The Treaty states (Final Provisions, Article R) that it will enter into force on the 1st January 1993, provided that all the instruments of ratification have been deposited (that is, provided that it has been approved by each Member State by that date). If, as now seems likely, ratification is not completed by that date, the Treaty comes into force on the first day of the month following the deposit of instruments of ratification by the last signatory State to take this step.

The Treaty can only come into effect if it has been ratified by all twelve Member States. Consequently there will need to be a change in the position of the

Danish government (Denmark having rejected ratification in a referendum) before the Treaty comes into force. The Danish government have already put forward a number of suggestions for overcoming the problem posed by the Danish rejection, and a further referendum in Denmark is a possibility.

Further Information

The full text of the Treaty on European Union signed at Maastricht on the 7 February 1992 can be found in the Official Journal of the European Community C191 of the 29th July 1992. The proposed text of the Treaty of Rome - as amended by the Maastricht Treaty - can be found in the Official Journal C224 of 31 August 1992.

The European Commission have published two booklets describing the Treaty and the process of creating a European Union. "Towards European Union" is published in the European File series of pamphlets (ISBN 0379-3133). "European Union" is published in the European Documentation series of booklets (ISBN 92-826-4298-4). Both are available, free of charge, from European Commission Information Offices.

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