

The Lisbon Treaty
10 easy-to-read fact sheets

December 2007

Summary

THE LISBON TREATY 10 EASY-TO-READ FACT SHEETS

SHEETS:

Sheet 1	To what purpose the Lisbon Treaty?	3
Sheet 2	How will the European Union work with the Lisbon Treaty?	6
Sheet 3	How will decisions be taken in a Union with 27 members?	9
Sheet 4	The Lisbon Treaty and citizens' powers in the European Union	11
Sheet 5	Who is responsible for what?	13
Sheet 6	The Lisbon Treaty and the area of freedom, security and justice	15
Sheet 7	The Lisbon Treaty and economic issues	17
Sheet 8	The Lisbon Treaty and social issues	19
Sheet 9	The Lisbon Treaty and the enlargement policy	21
Sheet 10	The Lisbon Treaty and the Union's external action	22

ANNEXES:

Annex 1	List of treaties of the European construction	25
Annex 2	How the European Union's institutions are run	26
Annex 3	List of the articles coming under qualified majority voting	coming soon
Annex 4	List of the articles coming under ordinary legislative procedure	coming soon

Sheet 1

TO WHAT PURPOSE THE LISBON TREATY?

1) WHY THE NEW TREATY?

Until now Europe has been built thanks to a **succession of treaties negotiated by the States** (See Annex 1 - List of treaties of the European construction). This method led to positive results and made it possible **to take the construction of Europe forwards** for over fifty years.

Since the beginning of the 90's the Union has been faced with a dual challenge:

- **receiving new Member States** to complete the project of European reconciliation that started at the beginning of the 1950's;
- **enhancing the efficiency of the decision making process:** since there are new members it seems appropriate to avoid the dangers of stalemate and yet guarantee the legitimacy of decisions.

The aim of the European Constitution was to improve the efficiency of the Union's institutions and make them more democratic.

After the stalemate in the ratification process which ensued after the French and Dutch "NO" in Spring 2005, **the problem remained and had to be resolved.**



This answer has been provided by the Lisbon Treaty, a compromise which all Heads of State and Government at last agreed to in the Portuguese capital on 18th-19th October 2007.

2) WHAT DOES THE LISBON TREATY INCLUDE?

With regard to the institutional clauses, (part 1 of the "Constitution"), the Lisbon Treaty bears the following clauses:

- the Union becomes a legal entity;
- the three pillars are merged together;
- a new rule of double majority is introduced (*see Sheet 3 – How will decisions be taken in a Union with 27 members?*) ;
- affirmation of the codecision rule between the European Parliament and the Council of Ministers as the ordinary legislative procedure;
- a stable presidency of the European Council (for a duration of 2 and a half years), renewable once;
- creation of one position: " High Representative of the Union for Foreign Affairs and Security Policy";
- right of citizens' initiative;
- enhancement of democratic participation, etc.

Legal Entity

This implies the ability **to enter into a contract**, notably to be **part of an international convention** or be a **member of an international organisation**.

The Pillars of the European Union

The Maastricht Treaty organised the European Union around three main pillars:

- **First Pillar:** the **community pillar** which corresponds to three communities:
 - the European Community (EC) ;
 - the European Community for Atomic Energy (EURATOM) ;
 - and the former European Coal and Steel Community (ECSC) which had been created for 50 years and does not exist any more since 22nd July, 2002.
- **Second Pillar:** the **pillar dedicated to the common foreign and security policy;**
- **Third Pillar:** the **pillar dedicated to police and judicial cooperation in criminal matters.**

The Charter of Fundamental Rights (part 2 of the "Constitution") will be retained, although not *in extenso*; a clause will simply refer to it and this will be legally binding **except for the UK and Poland which will enjoy a derogatory measure.**

Measures relative to **the extension of the new double majority rule in an increasing number of areas** (for example with regard to visas and the monitoring of the movement of foreigners, the common asylum system, the common immigration policy and judicial co-operation in criminal matters, etc.) will be retained from the part 3 of the "Constitution".

With regard to measures concerning the revision procedure (part 4 of the "Constitution"), the unanimity rule has been maintained.

However **the Lisbon Treaty includes possibilities to adapt the treaties** making it possible to avoid cumbersome revision procedures.

- The **"bridging clauses"** (that allow the European Council to decide – unanimously and except in the area of defence – the transfer of the vote over to the qualified majority in some areas);
- The **"flexibility clauses"** to extend the Union's competences;

3) THE LISBON TREATY IS NO LONGER THE "EUROPEAN CONSTITUTION"

The "European Constitution" suggested the repeal of all of the present treaties to replace them by one text only, the constitutional vocation of which was established.

The Lisbon Treaty has been limited to **the modification of the existing treaties**, hence the name **"reform or modifying treaty."**

→ This explains why many countries have chosen to ratify via parliament, notably France as announced by the President of the Republic during his presidential campaign.

→ These ratifications will give rise to **public debates on the new treaty between democratically elected representatives.**

This new treaty brings modifications to the:

- **Treaty on European Union - -the Maastricht Treaty (1992) (TEU)**
 - ➔ Modifications affect the institutions, enhanced cooperation, foreign and security policy, defence policy.
- **Rome Treaty (1957)**
 - ➔ It details the competences and areas of intervention on the part of the European Union
 - ➔ It becomes the "Treaty on the functioning of the EU" (TFEU).

This change in perspective, which essentially appears to be a formal one, provides a response to requests made by certain countries such as the **Netherlands**, the **Czech Republic** and the **UK**, who believed, during negotiations, that the following should be abandoned:

- **The "constitutional" symbols** (the terms "Constitution", "European Foreign Affairs Minister" "laws" and "framework laws");
- **Union symbols** (flag, anthem, motto, etc.)

Sheet 2

HOW WILL THE EUROPEAN UNION WORK WITH THE LISBON TREATY?

Thanks to its **institutional innovations** the Lisbon Treaty make it possible to:

- **Reform the institutions of the enlarged Union;**
- **Come out of the institutional stalemate** which the Union has been in for the last two years.

1) A REDUCED COMMISSION

The European Commission maintains a central role. It has the entire **monopoly over the initiative to legislate** which provides it with major political importance.

After the Lisbon Treaty has entered force:

- The first Commission to be sworn in (2009-2014) will comprise, as today, a **Commissioner from each Member State.**
- As from 2014 the number of Commissioners will correspond to two-thirds of the Member States (ie 18 in a Union comprising 27 Member States). The members will be chosen according to an equal **revolving system** between States.

=> The new system is a sign of **progress** as the **reduction in the Commission's size** will **avoid any nationalisation of the Brussels college, in charge of representing the Union's general interest.**

2) A STABILISED EUROPEAN COUNCIL

The European Council represents the Heads of State and Government of the Member States of the European Union. Its goal is to define the **major orientations adopted by Europe.**

BEFORE THE LISBON TREATY (WITH THE NICE TREATY – 2001)

Each Member State chaired the European Union on a six-monthly rotation.

→ This situation **undermines the stability** of the work undertaken by the European Council.

WITH THE LISBON TREATY

The most important innovation lies in the **creation of a stable presidency.**

Like the European Parliament and the Commission, the European Council will have a **full time president** who will not be able to assume a national mandate.

He will be elected **by qualified majority** by the European Council **for two and a half years (renewable once).**



The President of the European Council:

- gives a **voice** and a **face** to the European Union,
- **represents** the Union **in the international arena,**
- **chairs** and co-ordinates the European Council's work.

3) A NEW DECISION MAKING PROCESS IN THE COUNCIL OF MINISTERS

The main role of the Council of Ministers' of the Union's Member States (which includes the various configurations depending on the sectors involved such as the economy and finance, agriculture, etc.) is to **approve "European laws"**.

WITH THE LISBON TREATY

- **The Council of Ministers will meet in public** (which is not the case at present) when a "law" is debated and approved which **heralds a move towards in the democratisation of the European Union**.
 - ➔ Journalists will therefore be able to inform citizens about debates that are taking place within the Council.
- **The voting rule has been modified.**

Indeed, unlike in the European Parliament, where voting takes place via the simple majority, voting rules in the Council will take the respective weight of each State into account so that the "laws" approved **reflect both the will of the majority of European citizens and also the reality of the weight** enjoyed by Union Member States. This is what we call the **"double majority"** (see Sheet 3 - *How will decisions be taken in a Union with 27 members?*).

*Until now the qualified majority has been defined according to a complex weighting system of votes whereby each Member State enjoys a certain number of votes, mostly depending on their demographic weight. The Lisbon Treaty **will replace this with a more transparent, more democratic system based on the double majority of States and population; this means a "law" will be adopted within the Council if it wins the approval of 55% of Union Member States (i.e. 15 Member States in a Union comprising 27 Member States) representing at least 65% of the Union's population**. This new system is both more democratic and more effective in comparison with the present system applied via the Nice Treaty since it facilitates the formation of majorities and therefore the decision making, which is vital in a Union comprising 27 States.*

Present weighting of votes:

Member State	Votes attributed	Member State	Votes attributed
Germany	29	Slovakia	7
UK	29	Denmark	7
France	29	Finland	7
Italy	29	Ireland	7
Spain	27	Lithuania	7
Poland	27	Latvia	4
Romania	14	Slovenia	4
The Netherlands	13	Estonia	4
Greece	12	Cyprus	4
Czech Republic	12	Luxembourg	4
Belgium	12	Malta	3
Hungary	12		
Portugal	12		
Sweden	10		
Austria	10		
Bulgaria	10		
		Total	345
		Qualified Majority	255

4) A HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY

The Lisbon Treaty institutes a **High Representative of the Union for Foreign Affairs and Security Policy**.

- The present functions of the High Representative of the Union for Foreign Affairs and Security Policy (position occupied by Javier Solana at present) and the European Commissioner for external relations (position occupied by Benita Ferrero-Waldner at present) will be merged together.



This provides **greater coherence and unity to the European Union's external action**.

- Appointed by the European Council and sworn in by the European Parliament he/she will be **Vice-President of the European Commission and will chair the Foreign Affairs Council at the Council of Ministers**.

5) THE EUROPEAN PARLIAMENT: A MORE INFLUENTIAL INSTITUTION

WITH THE LISBON TREATY

- **The powers of the Parliament are strengthened** in terms of legislation, budget and also political control



which comprises a real step forwards in terms of the **democratisation of the European Union** (see Sheet 4 – *The Lisbon Treaty and citizens' power in the European Union*).

- **The Parliament swears in the President of the Commission** on the proposal of the European Council, "taking the European Parliament elections into account."



which lends the President of the Commission greater **democratic legitimacy**, which is of major importance in an institution often seen as being "disconnected" from its citizens;



which makes it possible to **politicize the European elections** and undoubtedly raise **interest levels of European voters** whose vote will then have sway over European political life.

In real terms it will be more difficult to hand over Competition or the Internal Market to an over liberal Commissioner if the majority in Parliament after the European elections tends to the left; conversely it will be as difficult to hand over Employment and Social Affairs to a Commissioner who leans too far to the left if the parliamentary majority lies to the right.

6) THE COURT OF JUSTICE

This institution remains responsible for:

- the respect of the **interpretation of Union law** across its entire territory;
- settling **disagreements between Member States** and also between **the Union and the Member States** as well as between the **institutions** and between **citizens** of the European Union.

Sheet 3

HOW WILL DECISIONS BE TAKEN IN A UNION WITH 27 MEMBERS?

The strengthening of the community institutions' efficiency in terms of decision making has been one of the major challenges faced by the Union since the beginning of the 1990's.

The Lisbon Treaty's goal comprises the enhancement of the Union's **ability to take decisions and act** in a Union that has integrated **twelve new members since May 1st 2004** whilst guaranteeing the legitimacy of its decisions and actions – a condition for Europe to draw closer to its citizens.

1) A NEW VOTING RULE AT THE COUNCIL OF MINISTERS TO FACILITATE DECISION MAKING

With the Commission and the Parliament, the Council of Ministers is the third "side" on the "institutional triangle" (See Annex 2 – How the European Union's institutions are run). It approves the "laws" put forward by the Commission but according to a specific rule: the "qualified majority".

What is the "qualified majority"?

The majority is said to be "qualified" because right from the start of the construction of Europe, for a European decision taken by the Council of Ministers (where the representatives of the State sit) to be accepted and deemed legitimate, it had to win **support beyond the simple majority** (50% of the votes plus one) taking **the weight of the States into account**.



BEFORE THE LISBON TREATY (WITH THE NICE TREATY – 2001)

The qualified majority calculated according to a **weighting of votes**:

- ⇒ Member States have a certain number of votes notably according to their **demographic weight**.

WITH THE LISBON TREATY

The double majority calculated according to two criteria:

- ⇒ **State**: **55%** of EU States (ie at 27, 15 Member States)
- ⇒ **Population**: **65%** of the EU's population

A **blocking minority** has to include at least **4 Member States**.

Not only is the double majority system more democratic but it is also more effective in comparison with the system employed in the Nice Treaty (2001) since it facilitates the creation of majorities and therefore decisions can be taken – a vital detail in a Union with 27 Member States.

2) THE "IOANNINA COMPROMISE"

The new voting rule that emerged with the Lisbon Treaty (the double majority) will not come into force until **2014** and maybe even **2017**.

Indeed, in order to win over **Poland** during negotiations a transitional measure was included whereby if Member States who are against a text are significant in number but still insufficient to block the decision (**1/3 of the Member States or 25% of the population**), all of the Member States commit to seeking a solution to rally opponents whilst reserving the option to vote at any time.

The **Ioannina compromise** takes its name from an informal meeting of Foreign Affairs ministers in Ioannina in Greece in 1994. It enables a group of states close to the minority blockage – but who have not achieved this – to request the re-examination of a decision adopted by the qualified majority in Council.

3) THE EXTENSION OF THE QUALIFIED MAJORITY VOTE TO NEW AREAS

The enhancement of the efficiency of the decision making process also implies **the extension of the qualified majority vote to new areas**.

The qualified majority replaces unanimity **in several areas** (*See Annex 3 – List of the articles coming under qualified majority voting*) involving major issues which result from requests made on the part of public opinion, such as the adoption of measures relative to **external border control, asylum, immigration** or measures relative to the reception of asylum seekers and the processing of their case.

Sheet 4

THE LISBON TREATY AND CITIZENS' POWERS IN THE EUROPEAN UNION

1) THE STRENGTHENING OF THE ROLE PLAYED BY THE EUROPEAN PARLIAMENT

The **enhancement of representative democracy** comprises a central element of the **democratisation** of the Union planned for in the Lisbon Treaty.

WITH THE LISBON TREATY

The powers of the European Parliament are extended:

▪ IN THE LEGISLATIVE DOMAIN:

- **Extension of the legislative codecision procedure (Council of Ministers and Parliament) to nearly 50 new areas** (See Annex 4 – List of the articles coming under ordinary legislative procedure).



This procedure gives the European Parliament legislative powers comparable to those of the Council of Ministers.

- This procedure mainly applies to the present domains of competence of the European Union (**internal market and economic governance** in particular) and to some new competences that have been granted to it.



In the latter case we should note that the European Parliament's legislative powers now focus on the **control of individuals on the borders**, on measures **governing the reception and the processing of asylum seekers**, as well as on the **fight against illegal immigration**.

▪ IN THE BUDGETARY AREA :

- The European Parliament has been given the **equal right to decision as the Council of Ministers**, notably with regard to the **adoption of the entire annual budget** (whilst today the Council has the last word on the so-called "compulsory" expenditure which represent a major part of the European budget, notably agricultural expenditure).

▪ IN TERMS OF POLITICAL CONTROL:

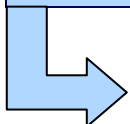
- **The Parliament elects the President of the Commission** on the proposal of the European Council. Parliament has to take the results of the European elections, along with the majority that won into account.



This will lead to a politicisation of the European elections and thereby give weight to the vote of European citizens who may now influence the course of European political affairs.



Voters will be able to influence directly the political bias of the President of the Commission **and his team. The same will apply to the political choices of the college.**



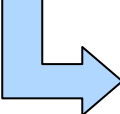
With the Lisbon Treaty, the European Parliament, that is the only community institution to be elected by direct universal suffrage will see a radical increase in its powers and its political weight within the "institutional triangle" (the Commission, the Council of Ministers and the European Parliament).

2) PARTICIPATIVE DEMOCRACY

In order to **bring citizens closer to the decision making process in Europe**, the Lisbon Treaty introduces, quite uniquely, details which will **foster citizen participation in the Union's democratic life**.

AVEC LE TRAITÉ DE LISBONNE

- **The treaty creates the right of citizens' initiative.**
 European citizens may ask the Commission to propose a "draft law" if they gather at least one million signatures from a significant number of Member States.
- **The treaty acknowledges the importance of dialogue between citizens, civil society associations and the Union's institutions** (particularly the Commission).
 Hence this enhances the possibility on the part of organisations and civil society associations **to take part in European decisions**.
- **The Council of Ministers sits in public** (which not the case at present) when it debates and votes on European legislation.
 The transparency and public nature of the Council's work facilitates **civil society's participation. Journalists can inform citizens** of the debates taking place in the Council.
- **With regard to social matters dialogue is confirmed by the acknowledgement of various consultation possibilities**, notably **the tripartite social summit between European social partners and the Union**.

- 
- These measures **provide European citizenship with "content"** "adding to national citizenship and not replacing it."
 - With the Lisbon Treaty a new phase in the definition of European citizenship is being defined – a central element in the creation of European democracy.

Sheet 5

WHO IS RESPONSIBLE FOR WHAT?

The Lisbon Treaty clarifies **the distribution of power between the European Union and the Member States**. It provides an answer to the question "Who is responsible for what?". This is a decisive element in the **democratisation of Europe** in that it strengthens the **responsibilities at various levels of power**.

1) WHAT ARE THE PRINCIPLES OF COMPETENCE SHARING?

The sharing of competence between the European Union and the Member States is as follows:

- The Union enjoys competences conferred on it by the Member States in the Lisbon Treaty;
- All of the other competences continue to be the realm of the State.



The "**principle of conferred powers**" guarantees that the Union cannot extend its competence at the expense of that of the State without their prior agreement.

We should note that the Lisbon Treaty includes **the possibility of giving competences back to the Member States**.

2) WHAT TYPE OF COMPETENCE?

The Lisbon Treaty distinguishes three main categories of competences:

- **The Union's exclusive competences** in areas where it legislates alone:
 - Customs Union;
 - Establishment of competition rules necessary for the functioning of the internal market;
 - Monetary policy for Member States which use the euro as legal tender;
 - Conservation of the biological resources of the sea as part of the common fisheries policy;
 - Common trading policy;
 - The conclusion of an international agreement when this is within the framework of one of the Union's legislative acts or when it is necessary to help it exercise an internal competence or if there is a possibility of the common rules being affected or of their range being changed.
- **Shared competences** between the Union and Member States, with the States exercising their competence if the Union is not exercising its own:
 - Internal market;
 - Social policy with regard to specific aspects defined in the treaty;
 - Economic, social and territorial cohesion;
 - Agriculture and fisheries except for the conservation of the biological resources of the sea;
 - Environment;
 - Consumer Protection;
 - Transport;
 - Transeuropean Networks;
 - Energy;
 - Area of freedom, security and justice;
 - Joint security issues with regard to aspects of public health as defined in the Lisbon Treaty;
 - Research, technological development and space;
 - Development cooperation and humanitarian aid.

- Finally there are areas where the **Member States have exclusive competence** but in which the Union can **provide support or co-ordination** (excluding all aspects of harmonisation) with respect to the European aspects of these areas:
 - Protection and improvement of human healthcare;
 - Industry;
 - Culture;
 - Tourism;
 - Education, professional training, youth and sport;
 - Civil protection;
 - Administrative co-operation.

We should note that the States co-ordinate **their economic and employment policies** within the Union and that the common **foreign and security policy is governed by a special system.**

3) WHAT NEW COMPETENCES WILL THE UNION ACQUIRE?

WITH THE LISBON TREATY



- The Lisbon Treaty does **not grant new exclusive competences** to the Union.
 - The Lisbon Treaty provides a **certain number of new competences which fit into the categories of:**
 - "**shared competences**" (such as space and energy)
 - "**support, co-ordination and complementary action**" (such as civil protection, intellectual property, tourism, administrative co-operation and sport).
-  The **ordinary legislative procedure** (codecision with Parliament and the qualified majority in the Council of Ministers) applies in these areas.
- In addition to this the Lisbon Treaty enhances **the role of the Union in certain areas**, notably in that of "**freedom, security and justice**" (see *Sheet 6 – the Lisbon Treaty and the area of freedom, security and justice*) as well as in terms of **external action and defence** (see *Sheet 10 – The Lisbon Treaty and the Union's external action*).

Hence the Lisbon Treaty opens the way for a truly **European energy policy** by enabling the Union to:

- **legislate** to harmonise the functioning of the energy market;
- **enhance the security of** Union's Member States' **energy supplies**;
- **promote energy saving and the development of new and renewable forms of energy.**

4) WHAT WILL THE ROLE OF THE NATIONAL PARLIAMENTS BE?

The Lisbon Treaty:

- **establishes the role played by the national parliaments.** They check that competences are being shared between the Union and the Member States thanks to the introduction of an "**early-warning mechanism.**"
 -  This mechanism will allow each **national parliament** to indicate when the **subsidiarity principle** is in danger of being violated by the European institutions.
 -  Beyond one third (or one quarter in the area of "Justice and internal affairs") of negative opinions on the part of national parliaments **the Commission must review its proposal.**
- includes the possibility for each House of each national parliament to turn to the **Court of Justice for any violations of the subsidiarity principle.**

Sheet 6

THE LISBON TREATY AND THE AREA OF FREEDOM, SECURITY AND JUSTICE

Since its establishment on **1st January 1993** the massive area of freedom of movement, merchandise and capital represented by the European Union **has not benefited from any co-ordination actions on the part of the various legal systems specific to each Member State.**

Apart from the daily problems that this creates (for example in terms of the shared guardianship of children after a divorce on the part of two community citizens who are living in different Member States) **the lack of co-ordination has limited the action of the European Union against international crime networks.**

The Lisbon Treaty enables the Union to **develop its own action and policies** which meet **citizens' expectations** with regard to **security and justice.**

1) THE ENHANCEMENT OF THE MEANS OF ACTION IN TERMS OF SECURITY

- The Lisbon Treaty **enhances the efficiency of the decision making process** with regard to the **area of freedom, security and justice.**



In this area the **Council of Ministers** will use the **qualified majority vote** and the **European Parliament** will have the power of **codecision.**

For example the **qualified majority rule** will now apply with regard to the **control of the Union's external borders and asylum.**



The Union will therefore be able to harmonise the rules governing the granting of asylum.

This will make it possible to:

- Put an end to the complex system whereby various rules are juxtaposed and are inapplicable in the various Union Member States;
- Develop a **common asylum policy.**

- The treaty includes the establishment of an "**integrated management system for external borders**" and the strengthening of the powers of "Frontex", the European Agency for the Management of Operational Cooperation at the External Borders.
- The treaty also strengthens the **European Union's means to fight against illegal immigration and the trafficking in human beings.**



Again decisions will now be taken by the **qualified majority** in "**codecision**" with the **European Parliament.**

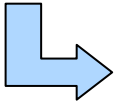
➔ This means that there will be a **common policy applied by the Union and its Member States** which aims to define the rules and conditions of immigration.

- **With regard to criminal matters the adoption of minimal rules defining the crimes and punishment for a certain number of cross-border crimes** (terrorism, drugs and arms trafficking, money laundering, sexual exploitation of women, cyber-crime, etc.) will be decided by **the European Parliament** and the **Council of Ministers** by **qualified majority.**

➔ With regard to criminal matters guarantees protect the States who may believe that their legal system might be threatened (*see point 3 on this Sheet*).

- The Lisbon Treaty acknowledges the existence of the **European Police Office (Europol)** that may **support the action of national police forces** in the collation and analysis of information. This embryonic European police force can also **co-ordinate, organise** and even **undertake investigations** and operations **together with the national police forces.**

2) THE FOUNDATIONS OF EUROPEAN JUSTICE



WITH THE LISBON TREATY

- The Lisbon Treaty establishes the principle of increased legal co-operation both civil and criminal, via the principle of "mutual recognition" (each legal system acknowledges that the decisions adopted by other legal systems of other Member States are valid and applicable).



These new measures notably concern:

- co-operation in terms of **collating evidence**;
- **effective access** to justice;
- co-operation between Member States' legal authorities with regard to **criminal prosecution** and the **execution of decisions**;
- the establishment of **rules and procedures** to ensure the recognition of all forms of judgement and legal decisions across the entire European Union.

- The Lisbon Treaty also opens the way to the creation of a **European Prosecutor's Office**.



It will be competent in the **search for, legal proceedings against and prosecution of criminals** even if the crimes are only limited to those having damaged the financial interests of the European Union.



The European Council will be able to extend **the competence of the European Prosecutor's Court** to the fight against **serious trans-national crime** (such as terrorism, the trafficking in human beings, drugs trafficking, etc.) **via a unanimous vote**.

In addition to this and in anticipation of the establishment of the European Prosecutor's Office, **Eurojust**, which at present has simple co-ordination powers, might suggest the **launch of prosecution procedures** – which today are the responsibility of national authorities.

Eurojust

Established in 2002 **Eurojust** is a body within the European Union that is responsible for **improving the efficiency of competent authorities in the Member States with regard to their fight against serious forms of organised crossborder crime. Eurojust stimulates and improves the co-ordination of investigations and legal proceedings.** It also supports Member States in enhancing the efficiency of their investigations and legal proceedings.

3) FACILITATED EXEMPTION OPPORTUNITIES

- With regard to criminal matters the Lisbon Treaty introduces guarantees that **the fundamental principles of Member States' legal systems are respected** in this area.



Some States enjoy **opt-out** clauses. This is true of the **UK and Ireland** with regard to the policies governing external borders, asylum, immigration and legal co-operation in civil matters.

→ However they may adopt and apply the European measures decided in these areas case by case (**opting-in**).



But in order to avoid any type of blockage the Lisbon Treaty has relaxed the use of "**enhanced cooperations**" to enable States to apply a specific measure if they so wish.

Sheet 7

THE LISBON TREATY AND ECONOMIC ISSUES

1) THE RECOGNITION OF EUROGROUP


BEFORE THE LISBON TREATY (WITH THE NICE TREATY – 2001)

- **Monetary Policy:**
 - European Central Bank (ECB) is competent with regard to Euro Area States.
 - Each Euro Area non-member is competent with regard to its own monetary policy.
- **Budgetary and Fiscal Policies:**
 - Member States are solely responsible.
 - They must however co-ordinate their policies with other Member States and ensure the respect of the Stability and Growth Pact rules.

Euro Area Members:

- since 1999: Austria, Germany, Belgium, Spain, Finland, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal;
- since 2001: Greece;
- since 2007: Slovenia;
- As from 1st January 2008: Cyprus and Malta.

WITH THE LISBON TREATY

- There have not been many modifications but they establish the official existence of the **Eurogroup**.
-  The structuring of links between Member States who have adopted the euro has been **clarified** in order to provide **greater co-ordination with regard to their economic, budgetary and fiscal policies**.

Eurogroup

Informal monthly meeting of Economy and Finance Ministers of the Member States of the Euro Area. These meetings allow them to **work together, notably, on the budgetary policy**.

Since January 2005 it has been **chaired** by **Jean-Claude Juncker**, Prime Minister and Finance Minister of Luxembourg.

2) THE STABILITY AND GROWTH PACT

What is the Stability and Growth Pact?

- The Stability and Growth Pact which was signed in 1997 by the future members of the euro area establishes three main rules:
 - **public deficit** must remain below 3% of the GDP;
 - **public debt** must be maintained below 60% of the GDP;
 - States must aim for **budgetary balance mid-term**.
- To encourage the application of the Pact several monitoring procedures were created:
 - Multilateral preventive surveillance: Euro Area States present their mid-term budgetary targets in an updated stability programme each year. On this basis the Council adopts conclusions and makes recommendations.
 - An excessive deficit procedure: if the rules of the Stability and Growth Pact are not respected the Council issues recommendations and possibly imposes sanctions in the form of a fine which may range between 0,2% and 0,5% of the GDP.

WITH THE LISBON TREATY

- The Commission maintains its **role of guardian of the treaties** in terms of the **control of public deficit** as part of the Stability and Growth Pact.
- The Commission acquires **the right to issue opinions to Member States who have an excessive deficit**.
- The **sanctions procedure will** now be adopted by the **Council of Ministers, on the basis of a proposal from the Commission** (and not on a simple recommendation as was the case before the Lisbon Treaty).



The Council of Ministers may go against the initiative taken by the Commission.

We see that there has been a **re-adjustment of powers** in terms of controlling the respect of the rules of the Stability and Growth Pact.

3) THE EUROPEAN BUDGET

- The Lisbon Treaty includes a clause whereby the **European Parliament will decide** in this domain on **an equal footing with the Council of Ministers**.



Via the Council of Ministers the States will no longer have the final word, as at present, with regard to the "compulsory expenditure".

Compulsory expenditure / Non-compulsory expenditure

Operational expenses in the community budget were until now divided into two types:

- **Obligatory expenses:** they represent expenses that automatically result from the Treaties and community rules; they mainly involve agricultural expenses;
- **Non-obligatory expenses:** they cover other expenses notably the economic and social cohesion policy, internal policies (research, culture, training, environment, etc.), external activities and administrative costs.

- The unanimity rule will continue to apply in the **definition of the financial framework**.



This means that each Member State will continue to have the right to veto with regard to:

- the definition and establishment of its contribution to the community budget;
- the adoption of the European Union's financial framework.

We should note however the existence of "**bridging clauses**" which make it possible to **transfer the unanimity rule over to that of the majority** which would introduce greater flexibility into the definition of the European financial framework.

Financial Framework and Financial Perspectives

This is a **multi-annual expenditure programme**, which means in financial terms, the **political priorities** of the Union. It establishes expenditure ceilings for the European Union for a given period and thereby imposes budgetary discipline.

Sheet 8

THE LISBON TREATY AND SOCIAL ISSUES

Initially the European Union was built, for historical reasons, on **economic foundations**, i.e. a **common and then single market with free movement of people, merchandise, capital and services**.



The Lisbon Treaty **enhances the social dimension of Europe** by introducing new elements with regard to **rights and objectives** as well as the **content of policies and the means of decision making**.

We should note that social policies mostly lie within the realm of the **competences of the States**.

1) THE SOCIAL DIMENSION OF RIGHTS, OBJECTIVES AND POLICIES OF THE EUROPEAN UNION

WITH THE LISBON TREATY

- **The Charter of Fundamental Rights acquires a legal quality which affects the Union's acts.** It includes:
 - "Freedom to choose an occupation and right to engage in work";
 - "Workers' right to information and consultation within the undertaking";
 - "Right of collective bargaining and action";
 - "Protection in the event of unjustified dismissal."



The Lisbon Treaty guarantees that these rights have an **binding** legal force since these **social rights must be guaranteed by national and community judges**.

- The Lisbon Treaty attributes new **social objectives** to the **European Union** :
 - full employment and social progress;
 - the fight against social exclusion and discrimination;
 - the promotion of justice;
 - the eradication of poverty, etc.
- A "**social clause**" demands that **social requirements** are taken into account in the Union's policies.
These requirements are "linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health".



This means in real terms that any **European law** that is contrary to these objectives can be **declared void by the Court of Justice**.

- The Lisbon Treaty also confirms the **role of social partners** and enhances **social dialogue**. Hence the **Spring European Council** is dedicated each year to **growth and employment**.

2) INNOVATIONS IN THE DECISION MAKING PROCESS IN SOCIAL MATTERS

- European Union's actions in the social sphere are mostly linked to **support and aid to States** and these can be decided by a **qualified majority**. This involves:
 - the improvement of working conditions to protect the health and security of workers;
 - working conditions;
 - information given to and consultation of workers;
 - integration of those excluded from the labour market;
 - equality between men and women with regard to their chances of access to the labour market and the way they are treated at work;
 - the fight against social exclusion and the modernisation of social protection systems.



WITH THE LISBON TREATY

- **The extension of the qualified majority to social services for workers** who move around the European Union will make it possible for migrant workers and their families to have all periods of work taken into account in order to receive the allocations they are entitled to.
 - If a European Union Member State believes that such and such a measure is contrary to "**important aspects of its social security system**" it will be able **to ask the Commission to draw up a new project** or "appeal" to the European Council.
 - The Lisbon Treaty also enables the European Council to decide and transfer over to the **qualified majority in a certain number of areas**. This may involve :
 - the adoption of measures which aim to improve co-operation between Member States with regard to the **protection of workers** in the event of the termination of a work contract;
 - the **collective representation and defence of the interests** of workers and employers;
 - **terms of employment of third country citizens** who are working legally within the Union.
-  This detail will make it possible **to remove any potential blockages** in this area since the **unanimity rule is maintained with regard to decisions** in terms of a certain number of issues in this domain.
- **Finally the Lisbon Treaty provides public services** ("services of general economic interest") with a **legal base** enabling the Union's institutions to define the principles and conditions that govern their establishment and functioning.

We should note that the **funding and establishment of public services is still part of the States' competence**.

Sheet 9

THE LISBON TREATY AND THE ENLARGEMENT POLICY

The enlargement of the European Union by ten new member States in 2004 plus two more (Bulgaria and Romania) on 1st January 2007 was the focus of debate during the referenda in France and the Netherlands. It became clear that the enlargement policy had to be examined. The Lisbon Treaty has taken the results of this reflexion on board. For the first time in a community treaty reference is made to the Union's accession criteria.

1) THE CONDITIONS FOR ACCESSION TO THE EUROPEAN UNION

- To join the European Union, three conditions have to be fulfilled:
 - **political criteria**: stability of institutions guaranteeing democracy, the rule of law, Human Rights and respect for and protection of minorities;
 - **economic criteria**: existence of a functioning market economy and the capacity to cope with competitive pressure and market forces within the Union;
 - **"community acquis" criteria**: ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.
- ➔ These conditions are generally known as the "**Copenhagen Criteria**" after the place where the European Council took place in 1993 and where they were defined.
- The European Council of Copenhagen also included a condition which the European Union was responsible for, the so-called "**integration capacity**" and was defined as "the Union's ability to assimilate new Member States and yet maintain the impetus of European integration."

WITH THE LISBON TREATY

- The **membership criteria are not quoted explicitly but reference is made to them** in article 49 TUE: "the criteria of eligibility approved by the European Council are taken into account."
- Candidate States must respect the "**values**" of the European Union (respect of human dignity, freedom, democracy, equality, rule of law, Human Rights and minorities).
- **The candidate State addresses its request to the Council**, which decides unanimously. The candidate State now **also has to inform the European Parliament and the National Parliaments**, but which play no role in the accession procedure however. The Council decides unanimously.

2) THE MODALITIES OF WITHDRAWAL FROM THE EUROPEAN UNION

For the first time ever a **withdrawal clause** from the European Union is included.



The agreement establishing the modalities of withdrawal is negotiated with the State in question. **The Council decides by qualified majority after the European Parliament's approval.**



If the State which has left the European Union wants to join it again it has to **make a new membership request and satisfy accession conditions.**

Sheet 10

THE LISBON TREATY AND THE EUROPEAN UNION'S EXTERNAL ACTION

1) PROGRESSING TOWARDS A UNIQUE EXTERNAL REPRESENTATIVE OF THE EUROPEAN UNION

The Lisbon Treaty includes major innovations providing the Union with the **means to develop coherence and unity for its foreign policy**.

WITH THE LISBON TREATY

- The Lisbon Treaty creates the post of **High Representative of the Union for Foreign Affairs and Security Policy**, which merges the positions of High Representative for the Common Foreign and Security Policy (Mr Javier Solana at present) and the European Commissioner for External Relations (Ms Benita Ferrero-Waldner at present).



He/She becomes one of the Commission's Vice-Presidents and also reports to the Council.

- His tasks comprise:
 - **representing the European Union abroad;**
 - **chairing the Foreign Affairs Council**, which brings together all of the European Union Foreign Ministers.
- He/She has a **European Diplomatic Service** at his disposal.



This fosters the **development of a common external policy** as well as the **coherence and unity** of the **European Union's external action**.

2) PROGRESSING TOWARDS AN INCREASE IN THE EUROPEAN UNION'S INTERNATIONAL INFLUENCE

The present lack of legal status on the part of the European Union limits its ability to influence and its capacity to speak with one voice in the international arena.

WITH THE LISBON TREATY

It **provides the European Union with "legal status"**.



This will enable it to **increase the role it plays in the international arena** and to promote **its values and interests**, both with regard to foreign trade, development policy and humanitarian aid as well as the creation of international standards that regulate globalisation.

Legal Status

Legal status implies the ability to sign contracts, notably to be part of an international convention or to be a member of an international organisation.

3) PROGRESSING TOWARDS A EUROPEAN DEFENCE POLICY

The Lisbon Treaty provides **major progress** in terms of the "common security and defence policy" and heralds a vital step **towards the development of European defence**.

WITH THE LISBON TREATY

- It introduces the "**mutual defence clause**".



If one of the European Union Member States is attacked the others are obliged to provide it with help.

- It also introduces a "**solidarity clause**".



This means that the Union and each of its Members has to provide assistance by all possible means to a Member State affected by a human or natural catastrophe or by a terrorist attack.

- It also **extends the Union's potential in terms of the fight against terrorism, conflict prevention missions, post-conflict stabilisation missions**, etc.

- It introduces "**permanent structured cooperation**" open to all States who commit to **taking part in the main European military equipment programmes and to providing combat units that are available for immediate action** to the European Union.



These States are therefore prepared **to fulfil the most demanding military missions on behalf of the European Union** particularly in response to requests made by the United Nations.

- It confirms the existence of the **European Defence Agency** with a view to developing a real European arms policy and to co-ordinating work to equip the various national armed forces. This is a major innovation.



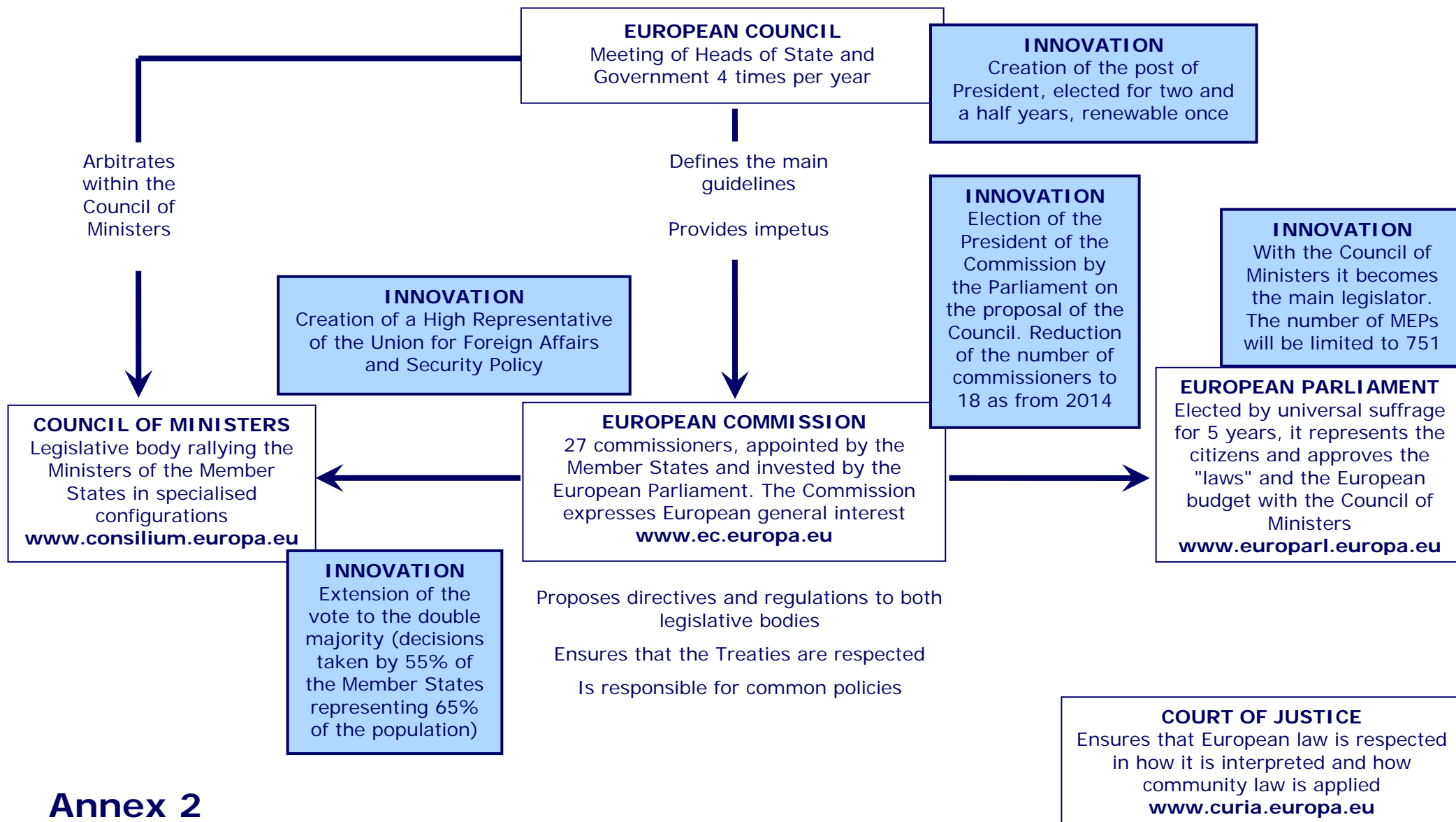
The Lisbon Treaty **extends the Union's field of activity to industrial and trade issues in the area of armament**.

Annexes

Annex 1

LIST OF TREATIES OF THE EUROPEAN CONSTRUCTION

Date of signature	Treaty	Internet link
18th April 1951	Signature in Paris of the Treaty establishing the European Coal and Steel Community (ECSC) which came into force on 23rd July 1952 for 50 years.	http://eur-lex.europa.eu/en/treaties/index.htm#founding
25th March 1957	Signature in Rome of the Treaties establishing the European Economic Community (EEC) and the European Atomic Energy Community (EAEC or Euratom) . They came into force on 1 st January 1958.	http://eur-lex.europa.eu/en/treaties/index.htm#founding
17th and 28th February 1986	Signature in Luxembourg and The Hague of the Single European Act , which came into force on 1st July 1987.	http://eur-lex.europa.eu/en/treaties/index.htm#other
7th February 1992	Signature in Maastricht of the Treaty on European Union which came into force on 1st November 1993.	http://eur-lex.europa.eu/en/treaties/dat/11992M/htm/11992M.html
2nd October 1997	Signature of the Treaty of Amsterdam which came into force on 1st May 1999.	http://eur-lex.europa.eu/en/treaties/dat/11997D/htm/11997D.html
26th February 2001	Signature of the Treaty of Nice which came into force on 1 st February 2003.	http://europa.eu.int/eur-lex/lex/en/treaties/dat/12001C/htm/12001C.html
13th December 2007	Signature of the Lisbon Treaty modifying the Treaty on European Union and the Treaty establishing European Community .	http://www.assemblee-nationale.fr/13/rap-info/i0439.asp (consolidated version as presented in the Information Report by the Committee for Foreign Affairs at the French National Assembly, n°439, 28 th November 2007) (in French)



Annex 2

HOW THE EUROPEAN UNION'S INSTITUTIONS ARE RUN

La Fondation Robert Schuman

Créée en 1991, reconnue d'utilité publique, la Fondation Robert Schuman développe des études sur l'Union européenne et ses politiques et en promeut le contenu dans les nouvelles démocraties. Elle est devenue une référence en matière d'information européenne, en France, en Europe et à l'étranger.

Centre de recherches français de référence sur l'Europe et ses politiques, la Fondation provoque et stimule le débat européen par la richesse, la qualité et le nombre de ses publications. Son indépendance lui permet de traiter les sujets d'actualité européenne de manière approfondie et objective. Ses études et analyses apportent aux décideurs des arguments et des éléments de réflexion.

Vecteur d'informations permanent, elle met à la disposition des chercheurs et du public toutes les informations utiles à une bonne connaissance des questions communautaires. Son site Internet propose des documents électroniques uniques, notamment une lettre hebdomadaire diffusée à près de 200 000 abonnés et un Observatoire des élections.

The Robert Schuman Foundation

The Robert Schuman Foundation, founded in 1991, focuses its research on the political climate of the European Union. The foundation is widely recognized throughout the world as the point of reference for information related to the EU. After the fall of the Berlin Wall and the collapse of the USSR, the Foundation decided to provide assistance to the emerging democracies of Eastern Europe by attempting to promote the European democratic model amongst its Eastern neighbours.

As a prominent French think tank, the Foundation is able to successfully contribute to the European debate because of the quality and frequency of its publications. The Foundation's independence allows it to address current European issues from an objective point of view. Its research and analysis helps to disseminate new and innovative ideas to European decision-makers on the most pertinent issues.

The Foundation makes all of its documents easily accessible to researchers as well as the general public. Its website contains a wide range of documents, including the Foundation's weekly newsletter, which is distributed to over 200,000 subscribers all over Europe.

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