



Foundation Level

Topic 4. The European Union (EU) and its institutions

The European Union (EU) is a political and economic union of 27 member states. It is neither a state nor a federation of states.

The EU consists of a number of institutions and bodies that work together to propose and adopt laws. As someone working for HMG, it is important to understand how the EU, its institutions and bodies work, and to understand the division of the EU competences. This provides clarity on who to engage with on a given policy issue—the EU institutions, national governments, or both.

After completing this topic, you'll be able to:

- list the main events in the development of the EU
- state the main aims and activities of the EU
- describe the main EU institutions and their role in making laws
- explain the division of competences between the EU and the member states

A brief history of the EU

Following World War 2, closer European co-operation was seen as a way to help the economic recovery of the continent and prevent future wars. European leaders believed that by tying their national industries together, they could make another war between their nations much less likely.

In the 1950s, 2 important events shaped the evolution of the EU.

- In 1952 the European Coal and Steel Community (ECSC) came into being, joining 6 nations - Belgium, France, Germany, Italy, Luxembourg and the Netherlands. This organisation helped integrate the production of coal and steel, which were important for Europe's economy at the time.
- In 1957, 'the Six' signed the Treaty of Rome, which created the European Economic Community (EEC) and established a customs union. This was the precursor to the modern EU.

Treaties that supported the EU

The EU has evolved significantly from these beginnings, expanding its membership along with the scope of its activities. A series of international treaties, or binding legal agreements, between its member states has supported the expansion of the EU.

Here are the important treaties to note.

- The Maastricht Treaty of 1992 committed to 'creating an ever closer union among the peoples of Europe'. This treaty laid the foundations for a single European currency, the Euro. It significantly expanded co-operation between European countries.
- Other reform treaties include the:
 - Single European Act 1986
 - Treaty of Amsterdam 1997
 - Treaty of Nice 2001
 - Treaty of Lisbon of 2007

The Lisbon Treaty created the framework, which applies to the EU today. It helped to streamline the EU and enable it to function more smoothly. The treaty also includes a formal procedure for member states wishing to withdraw from the EU - Article 50 of the Treaty on European Union (TEU). This is detailed in topic 5, 'The UK and the EU'.

The EU's membership

The EU has expanded significantly, as new members have joined. In 2020, the UK became the first member state to leave the EU.

EU's membership – a timeline

1973: UK, Denmark and Ireland joined the EU.

1981: Greece joined the EU.

1986: Spain and Portugal joined the EU.

1995: Austria, Finland and Sweden joined the EU. Its 15 members now covered most of Western Europe.

2004: The largest single enlargement of the EU occurred, 10 new countries joined Czech Republic, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

2007: Romania and Bulgaria joined the EU.

2013: Croatia joined the EU.

2020: The UK exited the EU.

Main aims of the EU

The EU has evolved from a common market for coal and steel into a complex international organisation. It has wide-reaching powers affecting many areas of European citizens' lives.

There are different views about the EU's purpose and function. Focusing on some of its most important aspects, it can be described as:

- a coalition of countries working together on areas ranging from climate and environment to external relations and security, justice and migration
- a trading bloc with free movement of goods, services, people and capital between its members, known as 'the four freedoms'

The global presence of the EU

The EU is involved in a wide range of policy areas. Did you know that the work of the EU affects the following?

- Sugar cane production in the Caribbean, through the EU's tariffs for external trade as well as the recent abolition of internal quotas on sugar production. This led to more sugar being produced in the EU, less being imported from the Caribbean and an overall lowering of world market prices.
- Environmental standards such as air quality and carbon emissions within the EU through directives and regulations and the world's largest Emissions Trading System (ETS).
- Data protection in the member states and across the world through strict laws regulating how data is treated by organisations operating within the EU. It also applies to organisations outside the EU that offer goods or services to individuals in the EU.
- Combatting piracy in the Indian Ocean through the European Union Naval Force Somalia (EU NAVFOR).
- Protecting the Neapolitan pizza from imitation through the Traditional Specialities Guaranteed (TSG) scheme.
- Trade with Canada following the signature of a free trade agreement signed in 2016.

The EU institutions

The EU consists of a number of institutions that work together to make and enforce laws. They vary in composition and function.

There are 4 main EU institutions.

- European Commission
- European Parliament
- Council of the European Union
- European Council

Please note: The Council of the European Union and the European Council are bodies of the EU. While the Council of Europe (CoE), is a separate international organisation that you read about in topic 3, 'The UK and the multilateral system'. The CoE does not have anything to do with the EU. It is important to use the correct names!

European Commission

The European Commission is the EU's executive arm. It proposes new laws, oversees their implementation, and manages the EU's budget. It is also known as 'the Commission'.

Composition

The European Commission is composed of a College of 27 Commissioners, each drawn from an EU member state and appointed for 5 years. The College comprises:

- the President, appointed for a renewable term of five years
- 3 Executive Vice-Presidents who are responsible for overseeing broad Commission priorities such as the economy
- 5 Vice-Presidents, including the High Representative for Foreign and Security Policy
- 18 Commissioners, who are each responsible for a specific portfolio such as the EU budget, climate action, or agriculture and rural development

At present, Ursula von der Leyen, a German national, is the President of the European Commission. She has been in position since 1 December 2019.

Functions

The European Commission:

- proposes new laws to the Council and European Parliament
- manages EU policies and allocates EU funding
- enforces EU laws, along with the European Court of Justice
- represents the EU internationally, for instance on trade negotiations

European Parliament

The European Parliament directly represents EU citizens and plays an important role in passing the EU's laws.

Composition

The European Parliament consists of 705 Members of the European Parliament (MEPs). EU voters directly elect MEPs every 5 years. The number of MEPs for each member state is roughly proportionate to its population, but with no fewer than 6 and no more than 96 MEPs. The MEPs are grouped by political affiliation, according to the political party that they represent, not by nationality.

Functions

The European Parliament (EP) has 3 main roles.

1. Legislative

- Passes EU laws, along with the Council of the European Union, based on the Commission's proposals.
- Votes on international agreements between the EU and third countries.
- Approves the EU's enlargement to new members.
- Reviews the Commission's work programme.

2. Supervisory

- Scrutinises the EU's institutions.
- Votes on the appointment of the Commission President and approves the Commission as a body. It can also pass a vote of no confidence, which would oblige the Commission to resign.
- Approves how the EU budget is spent.
- Examines petitions and sets up enquiries.
- Discusses monetary policy.
- Questions representatives of the Commission and Council of the European Union.
- Observes elections.

3. Budgetary

- Agrees the EU budget along with the Council of the European Union.
- Approves the EU's long-term budget, known as the Multiannual Financial Framework.

The Council of the European Union

The Council of the European Union brings together representatives of the EU's governments to agree EU laws and co-ordinate EU policies. It is referred to as 'the Council' in the Treaties and official documents. You may also hear it being referred to as the Council of Ministers. Together with the European Parliament, it is the main decision-making body of the EU.

Composition

The Council of the European Union consists of government ministers from each member state. There are no fixed members and the Presidency of the Council rotates every 6 months between member states. The minister of the member state holding the Presidency chairs the meetings.

The Council meets in different configurations, depending on the policy area under discussion. For example, Environment Ministers will meet in the Environment Council, while Foreign Ministers meet in the Foreign Affairs Council, which also considers international development.

Functions

The Council of the European Union discusses and agrees the EU's laws.

- To pass a decision, it usually requires a qualified majority. According to the EU's rules, this means 55% of member states, representing at least 65% of the EU population, vote in favour.
- To block a decision, it needs at least 4 countries representing at least 35% of the total EU population.
- For sensitive topics such as foreign policy and taxation, a unanimous vote is required. This means all votes must be in favour.
- For procedural and administrative issues a simple majority is required. This means that 14 member states or more vote in favour.

The European Council

The European Council brings together EU leaders to set the EU's strategic direction and agree on its political priorities. It represents the highest level of political co-operation between EU countries.

Composition

The European Council is made up of the following.

- Heads of state or government of EU member states
- The President of the European Commission
- The High Representative for Foreign Affairs and Security Policy

It has a President, currently Charles Michel, a former Prime Minister (PM) of Belgium, who convenes and chairs the European Council and in addition represents the EU to the outside world. The election term of the President of the European Council is two and a half years, renewable once.

Functions

The European Council sets the EU's political agenda by:

- deciding on the EU's overall direction and political priorities, though it cannot pass laws
- dealing with complex or sensitive issues
- agreeing the direction of the EU's foreign and security policy
- nominating and appointing candidates to high profile EU roles, namely the President of the European Commission and the Chair of the European Central Bank

Other EU institutions

In addition to the 4 main institutions outlined in this topic, the EU has a number of other important institutions.

- The Court of Justice of the European Union (CJEU) – It ensures that EU law is interpreted and applied the same way in every EU country.
- The European Central Bank (ECB) – It manages the Euro and implements EU economic and monetary policy.
- The European External Action Service (EEAS) – This is the EU's diplomatic service. It manages the EU's diplomatic relations with other countries and conducts EU foreign and security policy.

Making the EU's laws

All EU member states are independent countries that are able to make laws in their own right. When they joined the EU, they agreed to give the EU power to make laws in certain policy areas. This division of responsibility is known as areas of 'competence'.

Competence is important for understanding who to engage on a given policy issue—the EU institutions, national governments, or both.

The distribution of competence is set out in the EU's Treaties. It determines whether the EU or the member state can make laws in this domain. There are 3 main types of EU competence.

Exclusive Union competence

Only the EU can legislate and adopt law in this area. For example, the EU has competence over external trade relations. This means that EU member states cannot negotiate a free trade agreement with a third country, such as the UK. Only the European Commission can do this on behalf of the EU.

Shared competence

Both the EU and member states can make laws in this area, although member states must not pass legislation that conflicts with EU law or principles. For instance, the EU has shared competence over the single market and the 'four freedoms' – the free movement of goods, services, capital and people. While member states can make legislation in this area, the EU also acts to reduce barriers to trade, for instance on tax, energy and transport.

Parallel and supporting competence

Member states lead in this area, with the EU playing only a secondary role. Areas this relates to include education, culture, tourism or health.

EU regulations

Every year the EU passes a number of laws. There are different types of laws, including regulations, directives and decisions, which apply in different ways.

Here are some famous EU laws.

- **Services Directive** - This regulates access to services throughout the EU. This Directive aims to make it easier for businesses to provide services, such as IT, accountancy or architectural services, in all member states.
- **Water Framework Directive** - This introduces a single system for water quality management. This Directive aims to protect and improve the water environment, which can include lakes, reservoirs, streams, rivers, canals, groundwater, estuaries and coastal waters.
- **General Data Protection Regulation (GDPR)** - This addresses data protection and privacy. This regulation imposes obligations onto organisations anywhere that target or collect data related to people in the EU, with harsh penalties for those who violate its privacy and security standards.

Case study: Making EU law - The REACH regulation

This case study is about the Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). The case study provides information about how the main EU institutions worked together to agree the REACH regulation on restriction of dangerous chemicals. It also describes how outside actors sought to influence the result.

The European Commission

Role

Before it publishes a draft law, the Commission consults with interest groups and other stakeholders. This is an important stage in influencing and shaping EU law as the proposal is still open for change.

Action

REACH was one of the most complex laws ever adopted by the EU. It has almost 900 pages and took nearly 7 years to pass. Most EU laws are adopted much more quickly, after one and a half years on average.

The law aimed to register chemical substances which might harm people or the environment. The Commission issued a public consultation, seeking views from the chemical industry, environmental groups and scientific experts. It received over 6,000 responses.

The European Parliament (EP)

Role

The EP has a strong say in the EU's laws. It can vote to amend the draft law the Commission proposes. In the case of REACH, the EP made hundreds of amendments.

Which amendments pass depends on the majorities formed in the EP. Different party groups might have different priorities. The EP then votes on the proposed law as a whole.

Interest groups can also try to influence legislation at this stage by lobbying MEPs to make amendments.

Action

Different political groupings in the EP wanted to see different outcomes from the REACH regulation. For instance, the Greens would have preferred stricter rules, while the Liberals wanted less regulation. In the end, the two biggest political parties in the EP, the centre-left Progressive Alliance of Socialists and Democrats (S&D) and the centre-right European People's Party (EPP), were able to reach a compromise in order to vote the law through. This type of accommodation between the two biggest parties used to happen a lot in the EP, but is rarer now. The EP approved the amended REACH regulation with 529 MEPs voting for, 98 against and 24 abstaining.

The Council

Role

After the EP has voted on a law, the Council considers the amendments, which it can accept or seek to amend again. The law goes back and forth between the EP and the Council. This can happen 3 times. If the EP and the Council cannot agree, the law is not adopted. However, this happens very rarely and most laws are approved after 'first reading', that is one back and forth between EP and Council.

Member state governments in the Council often have different goals for EU legislation. In the case of REACH, France and Germany, who are both major pharmaceutical producers, wanted to limit the regulations that companies had to comply with. Sometimes member states clash, but mostly they try to find a consensus.

Action

All governments approved REACH and it was approved unanimously. The result of negotiations was a system for controlling how chemicals are produced and used in the EU. It is one of the strictest in the world. For example, in cosmetics alone, the EU has banned or restricted more than 1300 chemicals compared to the United States of America (USA) that bans or restricts only 11 chemicals.

In the end, the final law looked quite different from what the Commission had initially proposed. This reflects the compromises and trade-offs made between the interests of different EU member states and lobby groups.

Quiz

Congratulations, you have now finished learning about '**The European Union (EU) and its institutions**'. Now try the quiz to check your understanding of this topic.

Question 1

Following World War 2, European leaders believed that by tying their national industries together, future war between their nations would become much less likely. In 1952, which 6 nations created the European Coal and Steel Community?

Choose one correct answer from the options below.

- **Belgium, France, Germany, Luxembourg, Italy and the Netherlands**
- **Belgium, France, Germany, United Kingdom, Italy and the Netherlands**
- **Belgium, France, Germany, Luxembourg, Italy and Spain**
- **France, Belgium, Spain, United Kingdom, Germany, and Italy**

Question 1

Correct answer: Belgium, France, Germany, Luxembourg, Italy and the Netherlands

Feedback

In 1952, 6 nations, known as 'the Six' - Belgium, France, Germany, Luxembourg, Italy and the Netherlands, created the European Coal and Steel Community (ECSC).

Question 2

Which of the following statements most accurately reflects the main aims and activities of the EU?

Choose one correct answer from the options below.

- **Member states can choose whether or not to adopt laws passed by the EU.**
- **The EU only works on the issues that affect its biggest member states.**
- **The EU has evolved from a common market for coal and steel into a coalition of countries working together on a range of issues.**
- **The EU's main focus is on protecting member states' national industries, such as coal and steel.**

Question 2

Correct answer: The EU has evolved from a common market for coal and steel into a coalition of countries working together on a range of issues.

Feedback

Following World War 2, European co-operation was seen as a way to help economic recovery and prevent future wars. The EU has evolved significantly from its beginnings as a common market from coal and steel. It is now a coalition of countries working together on a much broader range of issues from climate and environment to external relations.

Question 3

Which of the following is the correct description of the European Commission?

Choose one correct answer from the options below.

- | |
|---|
| <ul style="list-style-type: none">• It represents EU citizens. |
| <ul style="list-style-type: none">• It proposes laws, oversees their implementation and manages the EU's budget. |
| <ul style="list-style-type: none">• It agrees EU laws and co-ordinates EU policies. |
| <ul style="list-style-type: none">• It sets the strategic direction and agrees the EU's political priorities. |

Question 3

Correct answer: It proposes laws, oversees their implementation and manages the EU's budget.

Feedback

The European Commission is the EU's executive arm. It proposes new laws, oversees their implementation and manages the EU's budget.

Question 4

Which of the following is the correct description of the European Parliament?

Choose one correct answer from the options below.

- | |
|--|
| <ul style="list-style-type: none">• It manages the Euro and implements EU economic and monetary policy. |
| <ul style="list-style-type: none">• It is the EU's civil service. |
| <ul style="list-style-type: none">• It sets the strategic direction and agrees the EU's political priorities. |
| <ul style="list-style-type: none">• It represents EU citizens and plays an important part in passing the EU's laws. |

Question 4

Correct answer: It represents EU citizens and plays an important part in passing the EU's laws.

Feedback

The European Parliament directly represents EU citizens and plays an important role in passing the EU's laws.

Question 5

Which of the following is the correct description of the Council of the European Union?

Choose one correct answer from the options below.

- | |
|--|
| <ul style="list-style-type: none">• It agrees EU laws and co-ordinates EU policies. |
| <ul style="list-style-type: none">• It conducts EU foreign and security policy. |
| <ul style="list-style-type: none">• It ensures that EU law is interpreted and applied the same way in every EU country. |
| <ul style="list-style-type: none">• It sets the strategic direction and agrees the EU's political priorities. |

Question 5

Correct answer: It agrees EU laws and co-ordinates EU policies.

Feedback

The Council of the European Union brings together representatives of the EU's governments to agree EU laws and to co-ordinate EU policies.

Question 6

Which of the following is the correct description of the European Council?

Choose one correct answer from the options below.

- | |
|---|
| <ul style="list-style-type: none">• It is the EU's civil service. |
| <ul style="list-style-type: none">• It manages the EU's diplomatic relations with other countries and conducts EU foreign and security policy. |
| <ul style="list-style-type: none">• It represents EU citizens. |
| <ul style="list-style-type: none">• It sets strategic direction and agrees the EU's political priorities. |

Question 6

Correct answer: It sets strategic direction and agrees the EU's political priorities.

Feedback

The European Council brings together EU leaders to set the EU's strategic direction and agree its political priorities. It represents the highest level of political co-operation between EU countries.

Question 7

The four freedoms of free movement of goods, services, capital and people is a key competence of the EU. What type of competence is it?

Choose one correct answer from the options below.

- | |
|---|
| <ul style="list-style-type: none">• Parallel and supporting - member states lead |
| <ul style="list-style-type: none">• Shared - both EU and member states can make laws |
| <ul style="list-style-type: none">• Exclusive - only the EU can legislate |
| <ul style="list-style-type: none">• Exclusive and shared - it bridges both |

Question 7

Correct answer: Shared - both EU and member states can make laws

Feedback

This is an example of shared competence. Both the EU and the member states can make laws in this area, although member states must not pass legislation that conflict with EU law or principles.

Topic summary

Well done! You have now finished learning about **'The European Union (EU) and its institutions'**. Here's a reminder of what you should be able to do:

- list the main events in the development of the EU
- state the main aims and activities of the EU
- describe the main EU institutions and their role in making laws
- explain the division of competences between the EU and the member states



Foundation Level

Topic 5. The UK and the EU

The UK has had a long and often turbulent relationship with the EU, and this relationship has caused much internal political debate within the UK. After a period of 47 years, the UK left the EU on 31 January 2020.

The process of the UK leaving the EU, also known as 'Brexit', started with a referendum on UK membership in 2016. This led to the invoking of Article 50 – the formal procedure for leaving the EU. Negotiations followed between the UK and the EU about the terms of the UK's withdrawal. This led to the conclusion of the Withdrawal Agreement in October 2019 and then to the EU–UK Trade and Cooperation Agreement (TCA) in December 2020. The Parliament was initially divided over the issue, but eventually approved both agreements, passing them into UK law.

As someone working for HMG, it is important that you understand the context and framework for the new UK-EU relationship.

After completing this topic, you'll be able to:

- recall why the UK joined the EU and the tensions that arose during its membership
- describe the process of the UK leaving the EU and the context for the new UK-EU relationship
- explain the main provisions of the international agreements signed between the UK and EU that will govern the new relationship
- explain the main features of the Trade and Cooperation Agreement (TCA)

UK membership of the EU

By the late 1950s, the UK government was concerned about being left behind following rapid economic advances made by France and Germany. As a result, it sought to join the European Economic Community (EEC) to widen its access to these growing markets on the continent. After 2 unsuccessful attempts, the UK finally joined the EEC in 1973. Voters approved the decision in a referendum held in June 1975, in which 67% of voters chose 'Remain', on a turnout of 64%.

The UK was an active member of the EU for 47 years, supporting openness to trade, the creation of the Single Market and enlargement to Central and Eastern Europe.

However, the UK's membership of the EU became an increasingly controversial topic in British politics, public life and in the media, with growing opposition to further integration with Europe.

In 1993, the UK Independence Party (UKIP) was founded to campaign for the UK to leave the EU. Initially a fringe movement, it gained support and in the 2015 General Election won 12.6% of the votes, with 1 MP elected to Parliament.

Euroscepticism also increased in mainstream political circles, with the Conservative Party particularly divided.

Renegotiation and referendum

In January 2013, then Prime Minister David Cameron, who led a coalition government of Conservatives and Liberal Democrats, gave a party political speech in favour of fundamental reform of the EU. This is known as the 'Bloomberg speech'. With the Conservative Party divided over EU membership, the Prime Minister promised a referendum on whether the UK should remain in the EU. However, he planned first to renegotiate the terms of the UK's membership, to address concerns about the EU within the Conservative Party and wider public.

In 2015, Prime Minister David Cameron's Conservative Party won a majority at the general election. To realise the plan set out in the Bloomberg speech, the government duly sought to renegotiate the terms of UK membership of the EU. A deal was reached with the EU that included a number of concessions for the UK, including new rules on benefits for EU migrants and assurances on UK sovereignty and the Eurozone. However, many among the UK media and public saw the concessions gained as minor.

The UK government duly called a referendum on EU membership for June 2016 and campaigned in favour of 'Remain'. About 72% of the population voted, and the result took the political establishment by surprise.

- 52% voted to 'Leave'
- 48% voted to 'Remain'

Towards UK exit

The Treaty on the European Union, also known as the Lisbon Treaty, sets out in Article 50 how a member state can leave the EU. There are 2 aspects to such an exit.

1. Negotiations on the terms of the exit itself. Article 50 sets a deadline of 2 years for such negotiations, which can be extended.
2. This agreement must take account of the 'framework' for the departing member state's future relationship with the EU. However, negotiating this future relationship is a separate process.

Events leading towards UK exit

Here are the events that unfolded towards the UK's exit from the EU.

- On 29 March 2017, then Prime Minister Theresa May triggered the Article 50 process, beginning the formal process for the UK to leave the EU. Negotiations proceeded with the EU on the terms of the UK's exit and a first agreement between the UK and EU was reached in 2018. However, the Parliament was divided and refused to approve it.
- Following a change of leadership, the new Prime Minister Boris Johnson negotiated a modified agreement with the EU in October 2019.
- Fresh elections in December 2019 saw the Conservative party gain a landslide victory, leading to the Withdrawal Agreement finally approved by Parliament.
- The UK left the EU on 31 January 2020 and entered an 11-month transition period.

During the transition period, negotiations took place between the UK and EU about the future relationship that would apply between them. A wide-ranging EU–UK Trade and Cooperation Agreement (TCA) was negotiated throughout 2020. Just as the transition period ended, the TCA was concluded on 24 December 2020.

UK exit from the EU – a timeline

Here's a timeline of the events that led to the UK's exit from the EU.

- **23 June 2016** – Referendum on UK membership of the EU – 52% vote to 'Leave'.
- **July 2016** – Theresa May succeeds David Cameron as Prime Minister following his resignation. She commits to honour the referendum result and take the UK out of the EU.
- **March 2017** – Prime Minister Theresa May formally invokes Article 50 of the Treaty on European Union. This sets the clock ticking on the 2-year deadline.
- **November 2018** – Prime Minister Theresa May's government concludes the Withdrawal Agreement with the EU.
- **November 2018 to July 2019** – The Withdrawal Agreement Bill is repeatedly rejected in Parliament. This leads to 3 separate extensions of the negotiating period and to the resignation of Prime Minister Theresa May.
- **17 October 2019** – New Prime Minister Boris Johnson agrees to the revised Withdrawal Agreement with the EU, following further renegotiation.
- **12 December 2019** – General election returns the Conservative Party to power with a large majority in Parliament.
- **December 2019 to January 2020** – The Parliament debates and passes the Withdrawal Agreement Bill, which becomes the European Union Withdrawal Agreement Act 2020.
- **31 January 2020** – The UK leaves the EU. This marks the beginning of the transition period, with EU law continuing to apply in the UK.
- **March 2020** – UK-EU negotiations begin on the future relationship.
- **24 December 2020** – The EU and UK conclude the Trade and Cooperation Agreement, which is rapidly approved on both sides.
- **1 January 2021** – The EU-UK Trade and Cooperation Agreement comes into force.

The Withdrawal Agreement

The Withdrawal Agreement (WA) seeks to ensure that the UK's exit from the EU is orderly. It deals with issues such as:

- the rights of UK nationals and EU citizens
- the UK's financial obligations towards the EU
- a transition period in which EU law still applies in the UK

The WA became part of the domestic law of the UK by the European Union Withdrawal Agreement Act 2020 (WAA). The WAA converts existing EU law such as EU regulations or EU decisions into UK law at the end of the transition period. This is known as 'retained EU law'.

Some parts of the WA ceased to apply at the end of the transition period, while other parts will continue to apply for several years to come. For instance, UK courts can refer cases regarding the rights of EU nationals to the European Court of Justice for 8 years following the end of the transition period.

The Withdrawal Agreement (WA): what it does

The WA consists of 6 parts and 3 protocols in the annex. Here are the 6 parts.

Common provisions

These set out standard clauses for the proper operation and understanding of the WA.

Transition period

The transition period ended on 31 December 2020. During the transition period, EU law continued to apply in the UK and the UK had the same rights and obligations as EU member states, with a few exceptions. Free movement between the UK and the EU continued until the end of the transition period. After that period, third country national immigration requirements will have to be met by both:

UK nationals wishing to live, work or study in the EU

EU citizens wishing to live, work or study in the UK.

However, the UK was not represented in the EU institutions and had no role in decision-making.

Citizens' rights

The WA protects rights of EU citizens and UK nationals for the duration of the transition period. Until the end of the transition period, it protected various rights of both EU citizens in the UK and of UK nationals resident in other EU member states. For instance, it protected rights to residence, work and social security. It is important to remember that these rules apply as long as there are persons alive who have these rights. Therefore, the Withdrawal Agreement will be applicable for some time. For a period of 8 years, UK courts can refer any disputes to the European Court of Justice. After that, the EU-UK Joint Committee will address disputes.

Separation provisions

The WA also makes sure that the EU's activities in which the UK takes part come to an orderly end. Some examples of these are:

- ongoing cases at the European Court of Justice
- goods placed on the market before the end of the transition period
- intellectual property rights and geographical indications

Financial settlement

The UK will stand by the financial agreements it made while still being a member state. The UK also continues to pay into some EU programmes until they end, even if this is after the end of the transition period.

Joint committee and dispute resolution

A Joint Committee was set up which consists of UK and EU representatives at ministerial level. The Joint Committee aims to make sure that the WA is put in place properly and to solve disputes. It supervises the work of 6 Specialised Committees. The Court of Justice of the EU still has a limited role in the dispute settlement under the WA and its Protocols, in particular the Northern Ireland Protocol.

Protocols

There are 3 'Protocols' attached to the WA. A protocol is a set of rules or procedures that must be followed.

The Protocol on Gibraltar

This provides for close co-operation between the UK and Spain on citizens' rights in Gibraltar as well as for administrative co-operation in a number of policy areas.

The Protocol on the Sovereign Base Areas (SBA) in Cyprus

This maintains the status of the bases, which the UK administers and uses as important defence bases in the Mediterranean.

The Protocol on Ireland/Northern Ireland

This is the most complex of the 3 Protocols. Its aim is to avoid the introduction of a hard border on the island of Ireland, which would mean the introduction of physical checks and controls like customs, police and so on.

Protocol on Ireland/Northern Ireland

Why is it important?

Northern Ireland is the only part of the UK which has a land border with another EU member state, the Republic of Ireland (ROI). Northern Ireland and ROI have close cultural and economic links. They also share a history of violent conflict, although lasting peace came to Northern Ireland with the Good Friday Agreement of 1998. Therefore, both the UK and EU wanted to avoid creating a 'hard' border that would involve checks on goods or people travelling between Northern Ireland and the ROI. This became an important and complex area of negotiations between the UK and EU, since the border between ROI and Northern Ireland would become a border between an EU and non-EU member state.

What does the Protocol aim to do?

The Protocol allows goods and people to cross between Northern Ireland and the ROI without checks and formalities following the UK's exit from the EU. The Protocol treats Northern Ireland in a similar, though not identical, way to when the UK was an EU member state. This creates a problem around how to ensure that goods crossing between ROI and Northern Ireland follow the rules of the new trading relationship between the UK and the EU. The Protocol seeks to solve this by requiring that the necessary checks and formalities are carried out **before** goods get onto the island of Ireland. This happens when goods cross the Irish Sea between the UK mainland and Northern Ireland.

The UK and EU also agreed on some practical arrangements to facilitate trade. This included grace periods giving businesses more time to adapt, or the 'Trusted Trader Scheme', under which registered traders are 'trusted' to comply with the rules without having to go through regular checks.

Main points of the Protocol

Here are the main points of the Protocol on Ireland/Northern Ireland.

Customs

Northern Ireland will remain part of the UK customs territory. When the UK signs free trade agreements with other countries around the world, goods from Northern Ireland will be included in these agreements as well. ROI will remain part of the EU and its customs territory.

Trade

To facilitate trade between Northern Ireland and ROI, a number of rules apply. For instance, no tariffs or restrictions can be imposed on goods transported from ROI to Northern Ireland.

Rules and regulations

Northern Ireland will have to align with some existing EU rules, even as these rules do not apply any more in the rest of the UK since the end of the transition period. For example, this will include environmental regulation, agricultural rules and subsidies.

Tax

The Northern Ireland Protocol means that Northern Ireland maintains alignment with the EU value-added tax (VAT) rules for goods, including on goods moving to, from and within Northern Ireland. However, Northern Ireland is, and will remain, part of the UK's VAT system.

Consent

To make sure that the people of Northern Ireland have a say, the Northern Irish Assembly will vote on the parts of the Protocol relating to trade 4 years after the end of the transition period. If the Northern Irish Assembly rejects the Protocol, the parts of the agreement relating to trade will cease to apply 2 years thereafter. The exact rules for this consent mechanism are to be decided by the UK.

A new UK-EU relationship

The WA mainly deals with the terms of the UK's exit. However, the other big question to resolve was the nature of the new relationship between the EU and UK following the end of the transition period.

Negotiations between the UK and the EU on their future relationship took place throughout 2020. Sometimes the meetings happened by video conference, as the Coronavirus (COVID-19) pandemic raged throughout Europe and placed restrictions on travel and on in-person meetings.

The EU-UK Trade and Cooperation Agreement (TCA)

The Trade and Cooperation Agreement (TCA) is an international agreement between the EU and UK that governs the new relationship between the two parties.

Negotiations on the TCA were concluded on 24 December 2020. The TCA has been applied provisionally since 1 January 2021 following approval by the UK Parliament and by the Council of the EU. The European Parliament is expected to vote on the TCA in spring of 2021.

The TCA provides for:

- generous market access, by removing all tariffs and quotas on trade in goods between the EU and UK
- more extensive co-operation in some areas, beyond the scope of a standard FTA
- a governance or institutional framework for managing the relationship and resolving disputes

The TCA as a Free Trade Agreement

The TCA is first and foremost a type of free trade agreement (FTA). FTAs are agreements between two or more countries, or countries and international organisations like the EU, to facilitate trade and eliminate trade barriers. Examples include the:

- EU-Canada Comprehensive Economic and Trade Agreement (CETA)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

The TCA reduces the economic impact of the UK's exit from the EU. Without the TCA, the UK would trade with the EU under the World Trade Organization (WTO) rules. This is a much less favourable arrangement, which would see the imposition of tariffs and other restrictions on trade. During negotiations, this was referred to as the 'no deal' scenario.

The TCA compared to other trade relationships with the EU

The TCA marks a significant departure from the UK's previous relationship with the EU. The UK is no longer part of the EU Single Market or the Customs Union. This changes how goods, people and services can access the EU and UK markets. For example, goods traded between the UK and EU are now subject to customs procedures and must comply with each party's regulatory standards.

EU membership

EU members are automatically members of the EU Customs Union and Single Market and have a say in making their rules.

Single market (SM)

The single market allows for the free movement of people, businesses, services, and capital between members, with nearly all barriers to trade removed. Norway, Liechtenstein and Iceland are part of the Single Market but not members of the EU.

Customs union (CU)

A customs union removes checks on goods traded between its members. For instance, Turkey is part of the EU customs union, but not a member of the EU.

Trade and Cooperation Agreement (TCA)

The TCA is a type of FTA. It removes all tariffs and quotas on goods traded between the EU and UK. However, a number of barriers remain, such as customs checks or product standards.

WTO rules

Under WTO rules, states are free to impose tariffs on trade, but must apply them equally to all WTO members, without favouritism. Other barriers to trade also remain. Australia is an example of a country that trades with the EU on this basis.

Trade in goods

As mentioned already, the TCA removes all tariffs and quotas on goods traded between the UK and the EU. However, a number of barriers remain.

- **Rules of origin:** Free trade rules only apply to goods that are considered to be made or to 'originate' in the UK or EU. Goods produced outside the UK or EU cannot be traded freely between the EU and the UK and may be subject to a customs tariff. Here are 2 examples.
 1. Strawberries grown on a farm in Kent originate in the UK and benefit from free trade rules. As a result, the exporter does not have to pay a tariff to sell them in EU countries.
 2. A car is made of many components like engine, bumpers, computer software, battery, tyres, which are often made in different countries before the final product is assembled. For complex products like these, it can therefore be more difficult to determine where a product is 'made' and whether they should benefit from free trade rules. The TCA sets out detailed rules on this.
- **Customs checks:** Goods traded between the EU and UK are now subject to customs checks to verify their compliance with trade rules on both sides. This can impose extra costs on traders.
- **Other rules:** These may hinder trade directly or indirectly, for instance rules about safety and hygiene of products, licensing, or consumer and worker protection. The TCA addresses some, but not all of these rules.

Trade in services

Services are of particular relevance for the UK, accounting for around 80% of the economy. Trade in services relates to the supply of an intangible, that is not physical, product. Examples include:

- financial or professional services like those of lawyers, doctors, architects or IT consultants
- entertainment
- tourism
- transport

The TCA contains a number of rules about how service providers can access the UK and EU markets. However, these rights are subject to many restrictions, which can vary by sector and by EU member state.

For example, there is no agreement at present to recognise professional qualifications between the EU and the UK, though further agreements may emerge in future. This means that professionals such as architects or engineers must have their qualifications recognised according to the rules of each EU member state in which they wish to work.

Individuals travelling to provide a service may also require a work visa for each EU member state. This may prove problematic for short-term business visits, such as touring orchestras.

Note: The UK had aimed to achieve greater market access on services, but the EU did not agree to this.

Co-operation beyond trade

The TCA is not all about trade. It also contains rules on areas not usually included in FTAs. Here are some examples.

- Economic co-operation in the areas of transport, aviation and energy.
- Provisions on labour, social and environmental standards and state subsidies—the so-called 'level playing field', which seeks to prevent companies from one party or the other gaining an unfair advantage.
- Fishing rights and the management of fish stocks.
- Cooperation in criminal law enforcement.
- Co-ordination of social security provisions.
- Data exchange and data protection.
- Participation in certain EU programmes, such as the Horizon Europe programme on research and innovation.

The TCA does not include any provisions on co-operation between the UK and EU on foreign policy, external security and defence policy. However, co-operation on these matters is expected to continue on a practical basis, outside formal structures.

Governance

The TCA sets out some provisions on how the relationship between the UK and the EU will be managed.

Partnership Council

The Partnership Council is the main body tasked with overseeing implementation of the TCA. The Partnership Council is made up of representatives of both the European Commission and the UK government, co-chaired at ministerial level.

The Partnership Council is supported by specialised committees. It is also the body where any disputes about the TCA should be attempted to be resolved by diplomatic means.

Dispute settlement

Disputes under the TCA can only be settled between the UK and EU, or “state-to-state”. The Court of Justice of the EU (CJEU) has no role in this – a negotiating priority for the UK.

If a dispute arises between the EU and the UK, the TCA sets out a general mechanism for resolving it.

- 1. Consultation:** The parties must first attempt to settle the dispute politically, by consultation in the Partnership Council.
- 2. Arbitration:** If the parties cannot reach agreement, they can submit a dispute to an independent tribunal. The decision of the tribunal is binding, and the UK and EU are legally obliged to abide by it.
- 3. Enforcement:** If a party does not comply with the ruling, the 'winning' party can choose to 'retaliate', such as imposing tariffs on some goods. There are rules about how parties can retaliate and in which areas.

Some areas are totally excluded from dispute settlement, for example competition, tax policy or the return of cultural property.

There are also some special mechanisms for dispute settlement, which only apply to certain areas of the TCA, such as law and justice cooperation, fisheries, and the 'level playing field'.

How the parties will seek to resolve disputes in practice remains to be seen.

Quiz

Congratulations, you have now finished learning about **'The UK and the EU'**. Now try the quiz to check your understanding of this topic.

Question 1

Which of the following best describes how and why the UK originally joined the EEC?

Choose two correct answers from the options below.

- **The UK was one of the founding members of the EEC when it was created in 1957.**
- **The UK's concern about rapid economic advances in France and Germany in the 1950s led it to seek EEC membership.**
- **The UK joined the EEC in 1975 despite a referendum voting against membership.**
- **After two unsuccessful attempts, the UK finally joined the EEC in 1973.**

Question 1

Correct answers:

- **The UK's concern about rapid economic advances in France and Germany in the 1950s led it to seek EEC membership.**
- **After two unsuccessful attempts, the UK finally joined the EEC in 1973.**

Feedback

The UK's concern about rapid economic advances in France and Germany in the 1950s led it to seek EEC membership. After two unsuccessful attempts, the UK finally joined the EEC in 1973.

Question 2

Which event began the legal process of the UK leaving the EU?

Choose one correct answer from the options below.

- | |
|--|
| <ul style="list-style-type: none">• The passing of the European Union (Withdrawal Agreement) Act 2020 by Parliament. |
| <ul style="list-style-type: none">• The invoking of Article 50 of the Treaty on European Union by Prime Minister May. |
| <ul style="list-style-type: none">• A referendum on UK membership of the EU. |
| <ul style="list-style-type: none">• Growing opposition to integration with Europe. |

Question 2

Correct answer: The invoking of Article 50 of the Treaty on European Union by Prime Minister May.

Feedback

On 29 March 2017, Prime Minister Theresa May triggered the Article 50 process, beginning the formal process for the UK to leave the EU.

Question 3

Which of the following are parts of the Withdrawal Agreement?

Choose four correct answers from the options below.

<ul style="list-style-type: none">• Financial settlement
<ul style="list-style-type: none">• Treaty on European Union
<ul style="list-style-type: none">• Separation provisions
<ul style="list-style-type: none">• Article 50
<ul style="list-style-type: none">• Citizens' rights
<ul style="list-style-type: none">• Common provisions

Question 3

Correct answers:

- **Financial settlement**
- **Separation provisions**
- **Citizens' rights**
- **Common provisions**

Feedback

The following are parts of the Withdrawal Agreement – Financial settlement, Separation provisions, Citizens' rights and Common provisions.

Financial settlement states that the UK will stand by the financial agreements it made while still being a member state. Separation provisions ensure that the EU's activities in which the UK takes part come to an orderly end. Citizens' rights guarantee free movement between the UK and EU until the end of the transition period. Common provisions set out the proper operation and understanding of the Withdrawal Agreement.

Question 4

What does the protocol on Ireland/Northern Ireland aim to do?

Choose one correct answer from the options below.

- **Preserve the close cultural and economic links between Northern Ireland and ROI.**
- **To ensure the island of Ireland becomes one, and has the same relationship with the UK as any other EU member state.**
- **To establish a hard border between Northern Ireland and ROI.**
- **To keep things the way they are, even though Northern Ireland will no longer be a member of the EU.**

Question 4

Correct answer: Preserve the close cultural and economic links between Northern Ireland and ROI.

Feedback

Northern Ireland will remain part of the UK customs territory, and no tariffs or restrictions can be imposed on goods transported from the ROI to Northern Ireland.

The border between ROI and Northern Ireland will continue to exist at the end of the transition period. The Protocol has provisions to prevent it becoming a hard border. Any free trade agreement the UK signs after the end of the transition period will include Northern Ireland.

Question 5

What does the TCA between the UK and EU do?

Choose two correct answers from the options below.

- **It provides for free trade and a common customs area between the EU and the UK.**
- **It provides for free trade and additional co-operation in certain areas.**
- **It provides for a governance framework and a complex dispute settlement mechanism.**
- **It provides for co-operation in the areas of foreign policy, external security and defence policy.**

Question 5

Correct answers:

- It provides for free trade and additional co-operation in certain areas.
- It provides for a governance framework and a complex dispute settlement mechanism.

Feedback

The TCA lifts the baseline for co-operation in several ways. It provides for:

- generous market access, by removing all tariffs and quotas on trade in goods between the EU and UK
- more extensive co-operation in some areas, beyond the scope of a standard FTA
- a governance or institutional framework for managing the relationship and resolving disputes

Under the TCA, the UK no longer co-operates with the EU on foreign policy, external security and defence policy.

Question 6

What does the 'level playing field' mean?

Choose one correct answer from the options below.

- | |
|--|
| <ul style="list-style-type: none">• Creating binding rules of origin for goods. |
| <ul style="list-style-type: none">• Equal weight of the parties in the negotiations of the TCA. |
| <ul style="list-style-type: none">• Undistorted competition because of similar regulatory standards like labour, social and environmental standards and rules on state subsidies. |
| <ul style="list-style-type: none">• Co-operation in law enforcement in criminal matters. |

Question 6

Correct answer: Undistorted competition because of similar regulatory standards like labour, social and environmental standards and rules on state subsidies.

Feedback

The TCA also contains rules which go beyond a standard FTA. For example, provisions on labour, social and environmental standards and state subsidies—the so-called 'level playing field', which seeks to prevent companies from one party or the other gaining an unfair advantage.

Topic summary

Well done! You have now finished learning about '**The UK and the EU**'. Here's a reminder of what you should be able to do:

- recall why the UK joined the EU and the tensions that arose during its membership
- describe the process of the UK leaving the EU and the context for the new UK-EU relationship
- explain the main provisions of the international agreements signed between the UK and EU that will govern the new relationship
- explain the main features of the Trade and Cooperation Agreement (TCA)



Foundation Level

Topic 6. Working with the EU

The EU works with a wide range of partners to achieve its objectives, from its close neighbours, other countries further afield as well as international organisations. The EU's relationships and ways of engagement differ according to the partner in question.

After completing this topic, you'll be able to:

- explain how the EU co-operates with different partners
- describe how different groups of countries work with and influence the EU from outside
- describe the UK system for co-operating with the EU

EU co-operation with other countries

The EU interacts with other countries and international organisations on a range of issues, from trade, financial and monetary issues, to migration, security and the rights of its citizens to travel abroad. Some of the EU's relationships with third countries are very close and institutionalised, being similar to membership in many ways. Others are looser and focus on trade only, with various models in between.

EU relationships with other countries

Here are some important examples of how the EU co-operates with different groups of countries.

European Economic Area

The European Economic Area (EEA) is an association of 3 European countries that have agreed close ties with the EU: Norway, Iceland and Liechtenstein. These 3 countries are not part of the EU, but they benefit from many of the rights and are subject to many of the same obligations as EU member states. They adopt most EU legislation relating to the single market.

Switzerland and the European Free Trade Association

The European Free Trade Association (EFTA) is a regional trade organisation and free trade area consisting of 4 European countries. It includes the 3 EEA member states plus Switzerland. Bilateral agreements covering specific areas govern the relationship with Switzerland and the EU. The EFTA has its own court and Parliamentary Committee. The EFTA countries are not part of the EU Customs Union.

The EU-Turkey Relationship

Turkey has been seeking to negotiate its accession to the EU as a member state for many years, but the process has stalled. The country now has a unique relationship with the EU and forms a customs union with it. There are joint EU-Turkey institutions created by an Association Agreement as well as special agreements on migration matters.

The European Neighbourhood Policy

The European Neighbourhood Policy (ENP) seeks to link the countries east and south of the EU to the Union. The EU offers financial assistance and concludes Association Agreements offering some access to the EU market in exchange for commitments to political, economic, trade, or human rights reform. Russia is not part of the ENP but has a different status with the EU, known as the EU-Russia Common Spaces.

EU Free Trade Agreements (FTAs)

The EU's Free Trade Agreements (FTAs) aim to promote two-way trade with third countries. They generate opportunities to increase imports and exports on both sides. They often also cover intellectual property, professional qualifications and environmental standards. Sometimes such deals go beyond trade and include political and legal co-operation. Negotiations are not always straightforward. In recent years, the EU has concluded FTAs with countries including Canada, Japan, South Korea and Singapore, with others underway.

The UK-EU relationship

As we have seen, a range of actors work with the EU, seeking to co-operate on areas of mutual interest and to influence EU decisions. The UK also seeks to co-operate with the EU. As discussed, the UK-EU Withdrawal Agreement (WA) and the Trade and Cooperation Agreement (TCA) sets out the legal framework for how much of that co-operation will take place. Further agreements negotiated with the EU may add to this. In other areas, much of the UK's co-operation will be decided on a case-by-case basis using its knowledge of how the EU system works and how best to engage it.

To work effectively with the EU, it is important to understand:

- the EU as an organisation or a set of organisations
- how the EU develops policy and makes decisions

Principles for effective influencing

In Brussels, professional lobbyists work with the EU on behalf of their clients. These can be businesses, not for profit organisations or even other governments seeking to identify and influence the main decision-makers in the different institutions on issues of interest. The principles they use can help HMG to co-operate effectively with the EU.

Understand how the different EU institutions work

A first step in effective influencing is for HMG officials to understand how the different EU institutions work. This was explained earlier in topic 4, 'The European Union (EU) and its institutions', which detailed the main EU institutions and how decisions were made. It is important to remember the different but complementary roles of the European Council, Commission and Parliament in the decision-making process. Seeking to influence the Commission at the start of the process – when a new law or initiative is being considered – is generally less challenging than at the end, when the EP and Council are negotiating and positions will have hardened.

Look at long-term strategy and relationships

HMG officials seeking to influence the EU should look at long-term strategy and relationships. Specifically they should try to get answers to these questions.

- What does HMG want to achieve with the EU?
- Who are the important players that will have a bearing on this?

It is important to have an ongoing understanding of what is happening in the EU in a particular policy area. This will also highlight the debates and decisions that have taken place in that policy area.

Be aware of opportunities to co-operate

HMG officials seeking to co-operate with the EU on a given policy outcome should be on the lookout for opportunities to engage. Developing an understanding of the EU institutions' different perspectives – where they are coming from on an issue, what different stakeholders are calling for – allows for more productive conversations, and the chance to share information or insights. That leads to a better climate when you are the one making an argument or request.

Knowing who is who

Countries and organisations that are effective in their dealings with the EU understand what can shape a policy or initiative.

The best starting point is to find out who in the EU is involved in developing the policy. Here are some questions to consider.

- Which Directorate General in the Commission is leading in this area?
- Which working group in the Council is involved?
- Which committee in the European Parliament is involved?
- Which member states are most interested in the outcome?
- Are NGOs or commercial interest groups involved?
- Is there a regional angle?

Answering these questions will help in drawing up an effective strategy for engaging the key players. Once a policy or initiative is in the final stages, it is usually too late to influence it with much, if any, effectiveness.

Effective influencing

The balance of decision-making between Brussels and governments of different member states will depend on the EU member state and issue in question. In some areas, member states will give their representatives in Brussels a great deal of autonomy in deciding the national position. In others, particularly in larger member states, decisions about EU issues will be taken in their own country. These decisions are then relayed to their representatives in Brussels.

Therefore, a single influencing strategy will not work across all issues. To co-operate effectively with the EU on a given issue, HMG officials should draw up an individual plan. They should draw on advice from experts in Brussels and EU member states.

The UK system for engaging with the EU

As well as understanding the various EU institutions and how they develop policy, it is important to understand the different parts of the UK government. Different parts of HMG need to agree the overall strategy for co-operating with the EU and decisions about individual policy areas. Though we talk about the government as one body, it comprises a number of departments. There is also the office of the Prime Minister, and the Cabinet Office, which co-ordinates policy across government. So, who does what in relation to decisions about working with the EU?

Number 10

Number 10 is the Prime Minister's office. It sets the high-level strategy for overall HMG policy and engagement with the EU.

The Cabinet Office

The Cabinet Office manages the development of top priority policies or high profile issues, especially where more than one UK government department may be needed to achieve policy aims.

Other government departments

Other government departments lead policy in areas for which they are responsible. For example, the Department for Transport for a matter relating to vehicles, or both Department for Transport and Department of Health and Social Care for a matter relating to the effect of cars on public health.

Some issues will affect Scotland, Wales or Northern Ireland, so their devolved administrations should also be consulted.

HM Treasury

HM Treasury is the UK's economic and finance ministry. It should be consulted if a policy involves spending large sums of money or agreeing to any spend with an external body, such as the EU, on an ongoing basis. This is required even where the EU policy aims match the UK policy aims and the HMG lead department, or departments.

Foreign, Commonwealth and Development Office

The Foreign, Commonwealth and Development Office (FCDO) is responsible for the UK government's international policy and relationships. It manages the UK government's overseas networks of posts, which can provide crucial advice on which European stakeholders are most influential on a given policy issue and assist in delivering engagement plans. The FCDO is responsible for co-operation on foreign, security and development matters, such as sanctions or development aid.

UK Mission to the EU

The UK Mission to the EU (UKMis Brussels) is one of the FCDO's largest overseas posts representing HMG overseas. The UK Ambassador to the EU heads this post and brings together officials drawn from different departments as well as locally engaged staff.

UKMis Brussels staff have deep expertise in working with the EU. Their job is to:

- provide analysis and advice to London about the EU and its workings
- develop strong relationships with the EU institutions and use those to enable co-operation between the EU and UK

Other UK diplomatic posts

UK diplomatic posts in EU member states also have an important role to play. These include embassies in most countries, along with high commissions in the Commonwealth countries of Cyprus and Malta. These diplomatic posts:

- are the experts on the 27 member states that make up the EU
- have the best relationships in national capitals with governments of member states
- are best placed to advise on how to influence member states' positions

Case study: Influencing from the outside

Switzerland and land transport

The 1999 Overland Transport Agreement was reached between Switzerland and the EU on transport of road goods between the two. The process of reaching this agreement is an example of how Switzerland, a third country, and the EU worked together to reach a mutually acceptable solution.

Context

Given its geographic location in the centre of Europe, land transport is a particularly important sector for EU-Swiss relations. Around 50% of all goods transported by road between the EU and third countries goes through Switzerland. To protect the Alpine environment, Switzerland aims to switch from road to rail transport as much as possible.

Action

The agreement opened up the Swiss-EU market for the transport of persons and goods by road and rail. At the same time, and following Swiss lobbying, it enabled the implementation of a heavy goods vehicle tax (HGV tax). Since its introduction in 2001, the HGV tax has helped fund both the development of railway infrastructure in Switzerland and the transfer of goods transport from road to rail. Switzerland was successful in getting the EU to acknowledge and act on its environmental and transport policy aims.

Quiz

Congratulations, you have now finished learning about **'Working with the EU'**. Now try the quiz to check your understanding of this topic.

Question 1

Which third country has a customs union with the EU?

Choose one correct answer from the options below.

- | |
|----------------------|
| • Switzerland |
| • Iceland |
| • Turkey |
| • Russia |

Question 1

Correct answer: Turkey

Feedback

Turkey has a unique relationship with the EU and it has a customs union with the EU. This means that they form a trading bloc with common tariffs.

Question 2

The EU works with many countries in many different ways. What should a third country do to get the best results from its engagement with the EU?

Choose one correct answer from the options below.

- **Understand the EU as an organisation or set of organisations, and how it develops policy and makes decisions.**
- **Work with the EU through the EEAS.**
- **Work through their personal contacts of their respective Embassy in Brussels.**
- **Wait for the EU institutions to get in touch when they have policy areas that affect them and require their input.**

Question 2

Correct answer: Understand the EU as an organisation or set of organisations, and how it develops policy and makes decisions.

Feedback

The best relationships and results are achieved through understanding the EU as an organisation, or set of organisations, and how it develops policy and makes decisions. This knowledge can be used to determine how best to engage with the EU.

Question 3

Different parts of HMG need to work together to agree the overall strategy for co-operating with the EU. What is the role of the Cabinet Office?

Choose one correct answer from the options below.

- **To be consulted if a policy involves spending large sums of money or agreeing to any spend with an external body, such as the EU, on an ongoing basis.**
- **To further the UK's interests with member states and the EU institutions on the full range of EU business.**
- **To provide crucial advice on which European stakeholders are most influential on a given policy issue and assist in delivering engagement plans.**
- **To manage the development of top priority policies or high profile issues.**

Question 3

Correct answer: To manage the development of top priority policies or high profile issues.

Feedback

The Cabinet Office manages the development of top priority policies or high profile issues, especially where more than one UK government department may be needed to achieve policy aims.

Topic summary

Well done! You have now finished learning about '**Working with the EU**'. Here's a reminder of what you should be able to do:

- explain how the EU co-operates with different partners
- describe how different groups of countries work with and influence the EU from outside
- describe the UK system for co-operating with the EU

Glossary: Module 3 Modern diplomacy: bilateral and multilateral

This section explains key terms, concepts and acronyms used in this module.

Actors

Entities that participate in or promote international relations.

Assessed contributions

UN member states pay a percentage of the UN regular budget, based on their capacity to pay. This is referred to as the assessed contribution.

Association agreements

An association agreement is a legally binding agreement between the EU and third countries. It is one of three special types of international agreements.

Bloc

A group of countries or political parties with common interests who have formed an alliance.

Bloomberg speech

A speech given on 23 January 2013 where the then Conservative Prime Minister, David Cameron, discussed the future of the European Union at Bloomberg.

Brexit

Brexit was the withdrawal of the UK from the EU and the European Atomic Energy Community at the end of 31 January 2020.

Cabinet Office

It supports the Prime Minister and ensures the effective running of the UK government. It is also the corporate headquarters for government, in partnership with HM Treasury, and it takes the lead in certain critical policy areas.

Chevening Scholarship

An international scholarship scheme which enables students with leadership qualities from over 160 countries and territories to undertake postgraduate study or courses in universities in the UK.

CHOGM

The Commonwealth Heads of Government Meeting is the primary policy making meeting of the Commonwealth.

Glossary: Module 3 Modern diplomacy: bilateral and multilateral

Conservative Party

A centre-right political party in the UK which has been in government since 2010. It is officially referred to as the Conservative and Unionist Party, also known colloquially as the Tories or simply the Conservatives.

Coronavirus (COVID-19)

Coronavirus disease (COVID-19) is an infectious disease caused by a newly discovered coronavirus.

Customs union

A type of trade bloc, which is composed of a free trade area with a common external tariff. Customs unions are established through trade pacts where the participant countries set up common external trade policy. EU is famous example of a customs union.

Department for International Trade (DIT)

The UK government department that secures UK and global prosperity by promoting and financing international trade and investment, and championing free trade.

Department for Transport

The UK government department responsible for the English transport network and a limited number of transport matters in Scotland, Wales and Northern Ireland that have not been devolved.

Department of Health and Social Care

The UK ministerial department that supports ministers in leading the nation's health and social care to help people live more independent, healthier lives for longer.

Devolved administrations

Members of the devolved legislatures nominate ministers to create an executive, as follows, from the Scottish Parliament, National Assembly for Wales and Northern Ireland Executive.

Directive

They require EU countries to achieve certain results, but leave them free to choose how to do so.

Glossary: Module 3 Modern diplomacy: bilateral and multilateral

ECOSOC

The Economic and Social Council (ECOSOC) has a mandate to co-ordinate the UN's economic and social work. It consists of member states elected by the General Assembly.

Emissions Trading System (ETS)

This is the cornerstone of the EU's drive to reduce its emissions of man-made greenhouse gases which are largely responsible for warming the planet and causing climate change. The ETS works by putting a limit on overall emissions which is reduced each year. Within this limit, companies can buy and sell emission allowances as needed.

EU

The European Union (EU) is a political and economic union of member states.

EU-Russia Common Spaces

A mutually agreed agenda for further action between the EU and Russia in four common areas: economy, freedom, security and justice, external security and research and education.

European Atomic Energy Community (Euratom)

It was created in 1957 to further European integration and tackle energy shortages through the peaceful use of nuclear power.

European Coal and Steel Community (ECSC)

An organisation of 6 European countries created after World War 2 to regulate their industrial production under a centralised authority.

European Commission (EC) and Switzerland land transport agreement

An agreement that covers goods and passenger transport by road and by rail. It came into force on 1 July 2002 and aims to liberalise access to the EU and Swiss transport markets.

European Economic Community (EEC)

A regional organisation that aimed to bring about economic integration among its member states. The Treaty of Rome of 1957 created the EEC.

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European People's Party (EPP)

The EPP is the centre-right, pro-European political party which gathers over 70 national parties from 40 countries.

European Union Naval Force Somalia (EU NAVFOR)

In December 2008, the EU launched the European Union Naval Force - Operation Atalanta (EU NAVFOR) in response to the rising levels of piracy and armed robbery off the Horn of Africa and in the Western Indian Ocean.

Euroscepticism

Also known as EU-scepticism, it means criticism of the European Union (EU) and European integration.

Eurozone

An economic region that is formed by those member states of the European Union that have adopted the Euro.

Executive arm

The administrative branch of government.

Foreign, Commonwealth and Development Office (FCDO)

A new UK ministerial department created from a merger between the Foreign and Commonwealth Office (FCO) and Department for International Development (DFID). The FCDO was established in September 2020. It is led by the Foreign Secretary and combines the functions of DFID and the FCO.

Four freedoms

They govern the movement of goods, persons, services and capital within the EU. They are the cornerstones of the Single Market and the common currency.

Free Trade Agreement

An agreement between two or more countries to facilitate trade and eliminate trade barriers.

G20

The Group of Twenty (G20) is an international forum for the governments and central bank governors from 19 countries and the European Union.

Note - All figures are from May 2019.

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G7

The Group of Seven (G7) is a group consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

GA

The General Assembly (GA) is the UN's main deliberative chamber. It approves the UN budget and decides contributions from member states.

GDP

Gross Domestic Product (GDP) is a broad measurement of a nation's overall economic activity. GDP is the monetary value of all the finished goods and services produced within a country's borders in a specific period.

Geographical indications

A geographical indication (GI) is a distinctive sign used to identify a product whose quality, reputation or other such characteristics relate to its geographical origin.

Global Governance

Global Governance is a much contested term. For some it refers to what international institutions do. For others it refers to all of the state and non-state processes that together shape the world in which we live.

Good Friday Agreement of 1998

Also known as the Belfast Agreement, it is a pair of agreements signed on 10 April 1998 that ended most of the violence and political conflict in Northern Ireland that had been ongoing since the 1960s.

Greens

The European Green Party (EGP) sometimes referred to as European Greens, is the European political party that operates as a federation of political parties across Europe supporting green politics.

Hard border

In the context of Brexit, a 'hard border' means one where there is a limited number of authorised and physically controlled crossing points, staffed by customs officers and police.

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HCNM

The High Commissioner on National Minorities (HCNM) is based in the Hague and is part of the Organization for Security and Co-operation in Europe (OSCE).

Heavy goods vehicle tax (HGV tax)

A tax levied on heavy goods vehicle or large goods vehicle (LGV). In the UK, these would be any lorries that weigh more than 3.5 tonnes when loaded.

Her Majesty's Revenue & Customs (HMRC)

The UK government department responsible for the collection of taxes and the payment of some forms of state support.

HM Treasury

It is the UK government's economic and finance ministry, maintaining control over public spending, setting the direction of the UK's economic policy and working to achieve strong and sustainable economic growth.

HMG

Her Majesty's Government of the United Kingdom of Great Britain and Northern Ireland. HMG is used to refer to all Government Departments. These Departments include the Foreign and Commonwealth Office (FCO), Treasury and Department for International Development.

ICJ

The International Court of Justice (ICJ) is the principal judicial organ of the United Nations.

IMF

The International Monetary Fund (IMF) is an organisation of 189 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world.

Note - All figures are from May 2019.

Institutions

Institutions describe routine inter-State behaviour that takes place based on formal or informal rules, norms and decision-making procedures. International Institutions include the G7 and G20.

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Instructions

The instructions produced by the lead Whitehall department for UK delegates to an international organisation to use in a negotiation.

International regime

International regime exists where an issue, like climate change, is coordinated in some way - either through informal rules, norms and decision-making procedures or through a much more formal international institution.

ITU

The International Telecommunications Union (ITU) is the United Nations specialized agency for information and communication technologies.

Legislative function

This relates to the branch of government that is charged with the powers to make laws.

Liberals

The Alliance of Liberals and Democrats for Europe Party (ALDE Party) also known as the Liberals, is a European political party composed of 60 national-level liberal parties from across Europe, mainly active in the European Union. In the European Parliament, ALDE forms part of the Renew Europe parliamentary group.

MPD

The Multilateral Policy Directorate (MPD) is part of the FCO. MPD brings together the teams in the FCO working on a range of multilateral issues at the UN and the institutions that deal with them.

Multiannual Financial Framework

The Multiannual Financial Framework (MFF) of the European Union, also called the financial perspective, is a 7 years framework regulating its annual budget. It is laid down in a unanimously adopted Council Regulation with the consent of the European Parliament.

Non-Governmental Organisation (NGO)

A non-profit, citizen-based group that functions independently of government.

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North Atlantic Treaty Organization (NATO)

The North Atlantic Treaty Organization, also called the North Atlantic Alliance, is an intergovernmental military alliance between 29 North American and European countries. Note - All figures are from May 2019.

NSC

National Security Council is the high level HMG committee responsible for overall policy on the multilateral system.

Number 10

10 Downing Street is the official residence and the office of the British Prime Minister. The office helps the Prime Minister to establish and deliver the government's overall strategy and policy priorities, and to communicate the government's policies to Parliament, the public and international audiences.

ODIHR

The OSCE Office for Democratic Institutions and Human Rights (ODIHR) is one of the world's principal regional human rights bodies. Based in Warsaw, Poland, ODIHR is active throughout Europe, the Caucasus, Central Asia and North America. The Office promotes democratic elections, respect for human rights, tolerance and non-discrimination, and the rule of law.

OHCHR

The Office of the High Commissioner for Human Rights (UN Human Rights) is the leading UN entity on human rights. The General Assembly entrusted both the High Commissioner and her Office with a unique mandate to promote and protect all human rights for all people.

Organisations

International Organisations are standing bodies, like the United Nations, whose members are most often States, which aim to foster international cooperation. They commonly possess their own bureaucracy or Secretariat.

OSCE

The Organization for Security and Co-operation in Europe (OSCE) is the world's largest regional security organization with 57 participating States in North America, Europe and Asia.

Note - All figures are from May 2019.

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P3

The three western permanent members of the UN Security Council are UK, France and USA.

P5

The five permanent members of the UN Security Council are UK, France, Russia, China and USA.

PACE

The Parliamentary Assembly of the Council of Europe (PACE) is the parliamentary arm of the Council of Europe that is a 47-nation international organisation dedicated to upholding human rights, democracy and the rule of law.

Note - All figures are from May 2019.

Political Declaration

Sets out the framework for the future relationship between the European Union and the United Kingdom.

Posts

The Foreign, Commonwealth and Development Office's (FCDO) international network that is made up of 274 posts spread across 168 countries.

Progressive Alliance of Socialists and Democrats (S&D)

The Progressive Alliance of Socialists and Democrats is the political group in the European Parliament of the Party of European Socialists.

Protocol

A treaty or formal agreement between countries.

Quotas

These are trade restrictions, which limit the amount of goods that can be traded.

RBIS

The Rules Based International System (RBIS) is the vast range of multilateral organisations and mechanisms, which agree and aim to uphold international rules, norms and standards. However, approaches to this system, and the very concept of an "RBIS", vary widely.

Note - All figures are from May 2019.

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Referendum

A method of referring a question or set of questions to the entire electorate directly.

Regulation

They are legal acts that apply automatically and uniformly to all EU countries as soon as they enter into force, without needing to be interpreted or 'transposed' into national law. They are binding in their entirety on all EU countries.

RFOM

The Representative on Freedom of the Media (RFOM) is based in Vienna, Austria and is part of the Organization for Security and Co-operation in Europe (OSCE).

SC

See UNSC

Single Market

It refers to the EU as one territory without any internal borders or other regulatory obstacles to the free movement of goods and services. A functioning single market stimulates competition and trade, improves efficiency, raises quality, and helps cut prices.

State

A state is a political organisation with a centralized government that exerts authority within a certain geographical territory.

Supranational organisations

An organisation that involves more than one country, or has power or authority that is greater than that of single countries.

Tariffs

They are taxes that governments impose on goods as they come into the country. Typically, they are a percentage of the value of the product.

Traditional Specialities Guaranteed (TSG)

This highlights the traditional aspects such as the way the product is made or its composition, without being linked to a specific geographical area. The name of a product being registered as a TSG protects it against falsification and misuse.

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Treaty of Rome

The treaty was signed on 25 March 1957. It came into force on 1 January 1958, forming the European Economic Community.

Trusted Trader Scheme

The new UK Trader Scheme (UKTS) will help ensure traders don't pay tariffs on the movement of goods into Northern Ireland from Great Britain where those goods remain in the UK's customs territory.

United Nations

An international, intergovernmental organization of 193 member states. The UN is responsible for maintaining international peace and security, developing friendly relations among nations, achieving international cooperation, and being a centre for harmonising the actions of nations. It was founded in 1945, born out of the devastation of war.

UNSC

The United Nations Security Council (UNSC) is one of the six principal organs of the UN. It has primary responsibility under the UN Charter for peace and security. It has 15 members, 5 of which are permanent.

Note - All figures are from May 2019.

Value-added tax (VAT)

A type of tax that is assessed incrementally. It is levied on the price of a product or service at each stage of production, distribution, or sale to the end consumer. It is also known in some countries as a goods and services tax (GST).

Voluntary contributions

Voluntary financial contributions paid by member states to the UN or another international organisation.

WEOG

The UN has five geopolitical regional groups of member States. The Western Europe and Others Group (WEOG) is one of the regional groups.

Note - All figures are from May 2019.

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World Bank

The World Bank is like a cooperative, made up of 189 member countries, that provides loans to countries of the world for capital projects.

Note - All figures are from May 2019.

World Health Organization (WHO)

It is a specialized agency of the United Nations that is concerned with international public health. It was established on 7 April 1948, and is headquartered in Geneva, Switzerland.

WTO

The World Trade Organization (WTO) is the only global international organisation dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.