

Glossary of EU Terms

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Contents

- 1. Introduction
- 1. Small Business Europe Glossary
- 10. Unofficial Terminology
- 18. Further Information

Introduction

The following glossary contains terms relating to European integration and the institutions and activities of the EU.

The main glossary of the European Commission will be updated following the December 2007 signing of the Treaty of Lisbon. The Treaty, signed by the Heads of State or Government of the 27 Member States in Lisbon on 13 December 2007, provide the EU with modern institutions and optimised working methods to tackle both efficiently and effectively today's challenges in today's world. In a rapidly changing world, Europeans look to the EU to address issues such as globalisation, climatic and demographic changes, security and energy. The Treaty of Lisbon will reinforce democracy in the EU and its capacity to promote the interests of its citizens on a day-to-day basis.

The definitions explain how the individual terms have evolved and provide references to the Treaties, if necessary. Historical background, how the institutions work, what the procedures are, what areas are covered by a Community policy.

Small Business Europe Glossary

The following EU Glossary¹ provides an A-Z explanation of terms, procedures and abbreviations that may be unclear to anyone not regularly involved in the EU policy making process. Reflecting smallbusiness/europe's work, it leans towards SME-related policy.

- **Absolute Majority:** form of voting used at Second Reading stage in European Parliament (See Co-decision procedure), requiring more than half of all MEPs (at present 367) to vote in favour of a report, for it to be adopted (See also Simple Majority).
- **Amsterdam Treaty:** adopted in 1997 and entered into force on 1 May 1999 after ratification by the Member States. The Treaty amended certain provisions of the EU Treaty (see Maastricht Treaty) and the Treaty establishing the European Communities (see Rome Treaty). It laid greater emphasis on citizenship and the rights of individuals and dealt with issues such as employment, the environment and public health. The Treaty increased powers for the European Parliament by

putting more areas under co-decision and gave the EU more competence in the field of justice and home affairs, reformed the common foreign and security policy and extending qualified-majority voting to more areas.

- **APPSBG:** The All Party Parliamentary Small Business Group is a cross party group of UK MPs and Peers, which aims to encourage dialogue between small businesses and their representative organisations and the members of both Houses of Parliament in the UK. The group has 430 members.
- **Better Regulation Executive (formerly the RIU):** part of the UK Government Cabinet Office. Established in May 2005 to take forward the Government's Better Regulation Agenda, replacing the Regulatory Impact Unit (RIU).
- **Blocking minority:** when a certain number of member states group together to block agreement on a dossier. 90 out of the 321 votes available in Council are needed to form a blocking minority when voting according to a qualified majority. (See also council; qualified majority voting)
- **British Chambers of Commerce (BCC):** campaigns nationally on behalf of accredited chambers' members, exerting influence on the Government to create a more favourable business environment.
- **Charter of Fundamental Rights:** charter consolidating the fundamental rights applicable to citizens at EU level. Announced at the Nice European Council in 2000. Based on EU Treaties, international conventions such as the 1950 European Convention on Human Rights and the 1989 European Social Charter, as well as constitutional traditions common to the Member States.
- **Co-Decision Procedure:** an EU decision-making process whose effect has been to greatly increase the role of the European Parliament in EU decision-making by placing the European Parliament and the Council of Ministers on an equal footing in the negotiation, amendment and adoption of legislation. The procedure applies to numerous areas of European Community competence including the free movement of workers, the establishment of the internal market, the environment and consumer protection. In simple terms, the procedure takes the following steps:
 1. Initiation and drafting of legislation by the European Commission.
 2. European Parliament first reading: on the basis of a report by the relevant Committee, the European Parliament adopts a position in

What is an SME?

SMEs are small and medium-sized enterprises and is defined by the European Commission as independent enterprises that have fewer than 250 employees, and an annual turnover not exceeding £34 million or a balance-sheet total not exceeding £29 million (new Recommendation 2003/361/EC adopted by commission on 6 May 2003). This revised definition came into force on 1 January 2005. Within this definition micro enterprises are categorised as having fewer than 10 employees, annual turnover/ balance sheet not exceeding £1.4 million and small enterprises as fewer than 50 employees, annual turnover/balance sheet not exceeding £6.8 million.

which it suggests changes to the draft European Commission proposal in the form of amendments.

3. Council of Ministers first reading: the European Council either approves the changes - in which case the proposal is adopted - or modifies them by adopting a common position.
 4. European Parliament second reading: (following a similar procedure as (i)) within three months the Parliament approves, rejects or amends the European Council's common position.
 5. Council of Ministers second reading: within three months the Council of Ministers either approves the changes (by qualified majority for the amendments accepted by the Commission, or by unanimity for the amendments that the Commission rejected) - in which case the proposal is adopted - or rejects the changes in which case a Conciliation Committee is convened.
 6. Conciliation: the Conciliation Committee is composed of the 15 Members of the Council or their representatives and 15 MEPs. The Committee has six weeks in which to reach a joint text or if they fail to do so the proposal is not adopted. If an agreement is reached, the joint text is submitted by the Presidents of the EP and Council delegations for approval by the Parliament and the Council, without any possibility of amendment. Once approved by these two institutions, the final act is thus adopted.
- **Comitology:** procedure by which the European Commission uses a committee to help in implementation of legislation. The committees act as discussion forums and consist of representatives from Member States and are chaired by the Commission.
 - **Community Acquis (Acquis Communautaire):** the body of EU law, including pieces of legislation and the principles and political objectives laid down in the Treaties.
 - **Conciliation:** see section (6) of Co-decision procedure above.
 - **Confederation of British Industry (CBI):** one of the UK's leading independent employers' representative organisations. It supplies advice, information and research services to members on key policy issues affecting businesses.
 - **Conference of Presidents:** a body within the European Parliament which consists of the President of Parliament and the chairmen of the political groups. When matters can not be decided in committee, they are often referred to the Conference of Presidents.
 - **Consultation procedure:** procedure which gives the European Parliament the right to submit a non-binding opinion before the Council adopts a Commission proposal. The Commission may amend its proposal on the basis of the Parliament's given opinion but is not obliged to do so. The Council may then adopt or amend the proposal before its adoption.
 - **Convention on the Future of Europe:** the Laeken European Council (2001) established a Convention to debate the future of the European Union. It consisted of a President, Valéry Marie René Georges Giscard d'Estaing, representatives of the governments and parliaments of the EU member states and the candidate countries, Members of the European Parliament and representatives of the European Commission. It presented a draft EU constitution to EU Heads of State and Government at the June 2003 Thessaloniki Summit, which was signed in Rome on 29 October 2004. The treaty now has to be ratified by all the member states.
 - **Coreper:** Committee of Permanent Representatives. The heads of each member states' Permanent Representation to the EU meet in Coreper to discuss Foreign and security policy, development, finance and economic policy, police and judicial cooperation and budget and institutional issues. Their substitutes/representatives meet in Coreper I to deal with internal market questions, sectoral policies etc. There is also a special committee for agriculture (CSA).
 - **Corporate Social Responsibility (CSR):** highlights the voluntary role of business in contributing to a better society and a cleaner environment beyond its financial and capital commitments.
 - **Council of the European Union:** is composed of ministers from each of the EU Member States and meets periodically to amend and negotiate EU legislation.

The euro



The euro is the currency of twelve European Union member states: Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. Monaco, San Marino, and Vatican City which formerly used the French Franc or the Italian Lira as their currency, mint their own Euro coins in small amounts. The euro is also the currency of Montenegro and Kosovo and is used in Andorra as well. The euro is the result of the most significant monetary reform in Europe since the Roman Empire. Though the euro can be seen simply as a mechanism for perfecting the Single European Market, facilitating free trade between the members of the Eurozone, the euro is also a key part of the European project of political integration.



- **Council Presidency:** the Council of Ministers and the European Council presidency currently rotates amongst member states every six months (Luxembourg from January until June 2005; the United Kingdom from July until December 2005; Austria from January until June 2006; Finland from July until December 2006; Germany from January until June 2007; Portugal from July until December 2007; Slovenia from January until June 2008 and the upcoming French Presidency from July until December 2008). The presidency has a range of roles, including responsibility for managing the business of the council, setting agendas, chairing meetings and drafting compromise texts. The presidency also represents the council in meetings with third countries and international organisations. Slovenian Presidency Council Meetings
- **CSR Europe:** the business-to-business network for corporate social responsibility (CSR) in Europe. It is a membership-based organisation placing CSR in the mainstream of business practice.
- **De Minimis rule:** the financial support member states may give to SMEs beyond formal state aid. The 'De minimis' aid is said to have "no substantial effect on competition and trade between Member States, and therefore not to constitute state aid".
- **Decision:** an EU decision is binding upon all those to whom it is addressed, i.e. persons, companies or member states. It is in effect an administrative rather than a legislative act, which may be adopted in a range of circumstances, such as enforcing competition policy or authorising grants from one of the EU's funds.
- **Department for Environment, Food and Rural Affairs (DEFRA):** the UK Government department dealing with policies affecting food, air, land and water.
- **Department for Business, Innovation & Skills (BIS²):** the UK Government department responsible for all major policies affecting business including competition and enterprise policy, employment relations and consumer protection.
- **Derogation (by a member state):** also known as an opt-out, this allows member states to exclude themselves from the scope of certain aspects of EU legislation. For example, the opt-out from the Working Time Directive, widely used in the UK, allows workers to exceed the maximum 48 hour working week set out in the directive. A derogation can also be a clause within a piece of legislation, which normally excludes certain sectors from the general rules laid down by the legislation.
- **Directive:** a piece of legislation that defines certain policy objectives and requires individual EU Member States to introduce appropriate national legislation to achieve these objectives.
- **Directorate-General:** The EU Commission is composed of 25 Directorate Generals. Each is headed by a Director General under the responsibility of a Commissioner and deals with a specific policy area.
- **Draft report:** a report of the lead European parliamentary committee on a commission document. (See also Codecision, Rapporteur, Hughes procedure)
- **Draft Opinion:** an opinion of another non-lead European parliamentary committee on a commission document. (See also Codecision, Rapporteur, Hughes procedure)
- **ECAP:** Environmental Compliance Assistance Programme for small and medium-sized enterprises – a Commission initiative to assist SMEs in complying with EU environmental legislation.
- **EIC:** Euro Info Centre - a network of local and regional information and support centres, which inform, advise, and assist businesses on EU related issues. They also provide feedback to the European Commission about issues affecting SMEs.
- **Enlargement:** On May 1 2004 the European Union welcomed ten new members (Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia) in the biggest enlargement in its history. The next wave of enlargement took place in 2007 and included Bulgaria and Romania. Turkey awaits a decision on its membership application.

- **ETUC:** The European Trade Union Confederation represents trade unions across Europe. It aims to speak on behalf of workers at European level and to promote the European Social Model.
- **EU Agencies:** The EU can establish bodies to deal with specific areas, for example EUROFOUND, the European Foundation for the Improvement of the Living and Working Conditions, or OSHA, the European Agency for Safety and Health at work. A full list of EU Agencies is available at http://europa.eu.int/agencies/index_en.htm.
- **Eurobarometer:** An opinion poll institute financed by the EU Commission that organises polls in member states and candidate countries to measure support for European integration and other issues. It issues two major reports on such surveys each year.
- **Eurochambres:** an Association of more than 1,600 Chambers of Commerce and Industry. They advise governments on local, regional and national levels, and provide services for businesses across all sectors.
- **European Charter for Small Enterprises:** Signed by EU Heads of State and Government (June 2000) which calls on the member states and the European Commission to create the best possible environment for small business and entrepreneurship.
- **European Commission:** in many ways, the commission is comparable to the UK Government's civil service. However, it also wields significant political power and has the exclusive right of initiative in drafting legislation in all community areas. The commission divides its work into areas of policy overseen by the directorates-general, which together employ around 18,000 functionaries, or officials. The president of the commission oversees its work with the support of commissioners.
- **European Commissioners:** including the president, there are currently 20 commissioners. Collectively, the commissioners make up the college of commissioners, confusingly also sometimes referred to as the commission. The college generally meets each Wednesday to consider and finalise new proposals drafted by their staff before submitting them to the parliament and council for consideration.
- **European Commission Work Programme:** an annual work programme in which the commission sets out the legislative and non legislative acts that it intends to propose during the year. The work programme is accompanied by roadmaps detailing the impact assessments to be undertaken on items of the work programme.
- **European Community:** one of the three pillars of the EU, governing matters such as the free movement of people, goods, services and capital, transport, competition, tax, economic and monetary policy, trade policy, employment and social policy, culture, health, consumers, industry, regional development policy, research, the environment and development. It stands in contrast to the other two pillars of the EU, namely, justice & home affairs and common foreign & security policy.
- **European Constitution (The Treaty establishing a Constitution for Europe):** a treaty signed by Member States in 2004, currently awaiting ratification. It aims to create a constitution for the EU, by replacing the set of existing treaties, and making decision making more efficient within the 25 Member State EU. The Constitution was drafted by the European Convention, set up following the Declaration made at the European Council in Laeken in 2001.
- **European Economic and Social Committee (EESC):** a forum where the various socio-economic organisations in the Member States of the European Union are represented. It is a consultative assembly, which is part of the European Union's institutional system and provides a link between Europe and civil society.
- **European Parliament:** composed of 784 members (MEPs) elected by direct universal suffrage every five years in all EU member states. Since 1993, it has acquired legislative powers under the co-decision procedure, which allow it to amend and veto commission proposals in negotiation with the Council of Ministers. The most recent European Parliament elections took place in June 2004.

- **European Parliamentary Committees:** committees within the European Parliament on which members sit as full or substitute members. Each political group is allocated a certain number of seats on the committee and they may then choose who amongst the full and substitute members from their group will sit on each meeting of the committee subject to availability and members' particular interests. Each of the 20 committees deals with a given policy area, such as employment and social affairs, environment, internal market and consumer protection, industry, and economic and monetary affairs etc. The committees' work consists of debating, drafting reports on and amending commission proposals.
- **European Parliament political groups:** Members of the European Parliament belong to one of six political groups, (apart from non-attached members). These are the Group of the European Peoples' Party and European Democrats (EPP-ED), the Socialist Group (PES), the Group of the Alliance of Liberals and Democrats for Europe (ALDE), the Group of Greens/European Free Alliance, the Confederal Group of the European United Left / Nordic Green Left (GUE/NGL), Independence /Democracy Group (IND/DEM), Union for Europe of the Nations Group (UEN).
- **European Policy Centre (EPC):** a European think tank developing a range of activities and services helping its members to understand and influence the process of European integration.
- **European Round Table (ERT):** a forum of 42 European industrial leaders aiming at promoting the competitiveness and growth of Europe's economy.
- **European Small Business Alliance (ESBA):** works with independent organisations of small business entrepreneurs across Europe to identify and remove administrative burdens preventing them from experiencing a simple and fair business environment.
- **Ex ante (impact assessment):** impact assessment undertaken before a piece of legislation or policy has been approved, forecasting the potential impact as part of the planning and design of a proposal. (Opposite of ex post).
- **Ex post (impact assessment):** impact assessment undertaken after a piece of legislation or policy has been implemented, identifying the actual impact during and after implementation. May lead to action to correct the legislation/policy or/and suggestions for improvements to future legislation/policy. (Opposite of ex ante).
- **Federation of Small Businesses (FSB):** a representative organisation which promotes and protects the interests of the self-employed and owners of small firms.
- **Flexicurity:** Flexicurity (a portmanteau of flexibility and security) is a welfare state model with a pro-active labour market policy. The model is a combination of easy hiring and firing (flexibility for employers) and high benefits for the unemployed (security for the employees). It was first implemented in Denmark by the social democratic Prime Minister Poul Nyrup Rasmussen in the 1990s.
- **Forum of Private Business (FPB):** helps its members deal with the day-to-day problems of running a business by influencing laws and policies affecting businesses and supporting their profitability.
- **Green Paper:** a European Commission consultation document.
- **Hughes Procedure:** European Parliament procedure which gives European parliamentary committee(s) other than the lead committee extended responsibility for amending a commission proposal, when a proposal falls within the competence of two or more committees: the timetable must be jointly agreed by the two committees and the rapporteur and the draftsman must attempt to agree on the texts they propose to their committees and on their position regarding amendments. Enhanced Hughes procedure: Enhanced version of above procedure. Each committee is designated responsibility for amending the parts of the proposal that relate to its competences. The amendments then go directly to plenary to be voted on, without being voted on first by the lead committee (apart from the lead committee's own amendments).
- **Impact Assessment:** an evaluation of the effects of the implementation of proposed legislation. (See also ex ante and ex post).
- **Institute of Directors (IoD):** an independent association of individual company directors offering a broad range of advice and consultancy covering business issues, legal problems and corporate governance.
- **Intergovernmental (opposite of Supranational):** on some policy areas the individual member states co-operate and decisions are taken between governments, rather than through cooperation within the EU institutions.

- **Intergovernmental Conference (IGC):** a conference, which aims to produce a treaty between EU member state governments. The last IGC took place in Rome in October 2004 under the presidency of the Netherlands, where member states signed the draft EU constitution.
- **Lisbon Council:** The Lisbon Council for Economic Competitiveness is a non-profit, non-partisan policy network dedicated to making Europe "the most competitive and dynamic knowledge-based economy in the world by 2010". It is an informal network of economists, business people, citizens and others.
- **Lisbon Strategy:** At the EU Spring Summit in Lisbon (March 2000), EU Heads of State and Government agreed on the objective of making the EU "...the most competitive and dynamic knowledge-based economy in the world by 2010." designed at closing the economic gap with the United States.
- **Lisbon Treaty:** The Lisbon Treaty was signed on 13 December 2007 at the European Council by all 27 member states. The Lisbon Treaty aims to provide the EU with modern institutions in order to adapt to enlargement and globalisation. It includes provisions to increase the powers of the European Parliament and create two new roles; a President of Europe and a High Representative of Foreign Affairs and Security Policy. Ratification of the treaty is to be completed by 1 January 2008, however Ireland voted 'No' to the Treaty in a referendum on 13 June. The future of the treaty is now uncertain.
- **Maastricht Treaty (Treaty on European Union):** signed in 1992 and entered into force on 1 November 1993. It led to the creation of the European Union and the Euro, and introduced the three-pillar structure (the Community pillar with Community responsibilities in the area of the economy, the Common Foreign and Security Policy or CFSP pillar, and the Justice and Home Affairs pillar).
- **Member States:** the countries that make up the EU.
- **MEP:** Member of the European Parliament.
- **Mutual Recognition:** a principle that is part of EU law used in relation to the single market, meaning that goods produced or services supplied lawfully in one member state cannot be banned from sale in another Member State, even if they are produced to technical or quality specifications different from those applied to its own products. (Exceptions apply on grounds of an overriding general interest such as health, consumer or environment protection).
- **National Reform Programme:** the Lisbon agenda was re-launched to focus it more sharply on the issue of jobs and growth and as a result the European Council endorsed an Integrated Guidelines package in June 2005 identifying the key challenges facing the EU. Member states were then asked to identify their own reform priorities and present a forward looking reform plan to the European Commission by 15th October 2005 known as the national reform programme.
- **Nice Treaty:** adopted in 2000, entered into force on 1 February 2003. The main aim was to ensure that the EU institutions could function once the new member states from eastern Europe joined the EU. It limited the size of the Commission, introduced qualified majority voting to new areas and changed the weighting of votes within the Council. The Declaration on the Future of the Union, annexed to the Treaty, set out the next stage of institutional reform of the EU, including the European Constitution.
- **Non-Paper:** proposals that do not yet have an official status, but can be used in real negotiations.
- **Open Method of Coordination:** Introduced as part of the Lisbon strategy, this method is used to establish common aims and guidelines, to establish indicators and to identify best practice in those areas where the EU has no, or only shared competence.
- **Opinion:** this is not a legally binding act. It can be a statement from the Parliament, Committee of the Regions, Economic and Social Committee, Commission etc. An opinion usually refers to an actual EU initiative under consideration.
- **Own - Initiative Report:** a committee of the European Parliament may draw up its own report to submit to the whole parliament on a subject within its area of competence on which neither a consultation nor a request for an opinion has been requested by the commission. This can only be done with the authorisation of the Conference of Presidents of the parliament.
- **Parliamentary Question:** MEPs are entitled to submit oral or written questions to the Commission, the Council or the European Central Bank on any aspect of the EU's activities.
- **Permanent Representation to the EU:** a Member State's Brussels-based "Embassy" to the European Union, composed largely of national civil servants. It is each Member State's primary interface with the EU institutions and prepares the work for the Council of Ministers in cooperation with the relevant department of the domestic civil service.

- **Pillars:** The European Union has three pillars:
 - 1st pillar = Community pillar - this covers all policy areas in which the EU has supranational powers, including development, public health, consumer protection, anti-discrimination, environment and employment.
 - 2nd pillar = Common Foreign and Security Policy (CFSP) - decisions in this area are based on intergovernmental cooperation.
 - 3rd pillar = Justice and Home Affairs - this also remains an area of intergovernmental cooperation.
- **Plenary:** the full European Parliament session in which MEPs meet to vote approximately once a month.
- **Precautionary Principle:** principle used predominantly by decision-makers in managing risks to human health and the environment posed by a phenomenon, product or process. The principle is used when there is a need to take precautionary action to reduce potential hazards to human health or the environment and scientific evaluation does not allow the risk to be determined with sufficient certainty.
- **Professional Contractors Group (PCG):** the PCG was formed in May 1999 providing 'independent contractors and consultants with a representative voice'. The PCG works with Government and industry to promote as well as protect freelancing at local, national and European level. Members of the PCG come from a wide spectrum of sectors including; construction, finance and pharmaceuticals.
- **Qualified majority voting (QMV):** a voting system used in the Council, whereby a certain majority of member states have to vote in favour for a decision to be adopted. The qualified majority needed to adopt a decision is 232 out of the 321 votes available in Council, i.e. 72.3%. The decision also needs to be supported by a majority of the 25 EU member states, representing at least 62% of the population of the EU. Member states are allocated a certain number of votes, depending on their population size, although the smaller member states are allocated slightly more in proportion to their population, to ensure that they can have an impact within the council.
- **Rapporteur:** the MEP responsible for drafting a particular European Parliament report, subject to amendments by other MEPs. An MEP from each of the other political groups will also be appointed as a shadow rapporteur, which means that they will co-ordinate their group's position on the report.
- **Recommendation:** A non-binding decision, which only urges Member States to comply. A Member State cannot be fined for the breach of recommendations.
- **Regulation:** a piece of legislation that is directly applicable in all EU Member States.
- **Resolution:** A resolution is a non-binding statement, which defines objectives and makes political declarations. The European Council's resolutions set out the direction of future policy initiatives. Resolutions may be used by the EU Court to interpret laws. They may be referred to as a form of "soft law".
- **Rome Treaty:** the original treaty that established the European Economic Community (EEC), signed by France, West Germany, Italy, Belgium, the Netherlands and Luxembourg in 1957, entered into force in 1958. The original Treaty was amended by the Maastricht and Nice treaties.
- **Second reading (of the European Parliament):** See Co-decision procedure
- **Simple Majority:** form of voting used at First Reading stage in European Parliament (See Co-decision procedure), simply requiring a larger number of those MEPs present at the vote to vote in favour of a report than those voting against, for it to be adopted (See also Absolute Majority).
- **Single European Act:** signed in 1986, came into effect in 1987. First revision of the Treaty of Rome, aiming at removing barriers between EU member states to increase competitiveness. It also reformed the procedures of the EU institutions and extended qualified majority voting to new areas. Aimed to create a single market by 1992, with freedom of movement of goods, services, capital and labour.

- **Small Business Act for Europe (SBA):** was first initiated by French President, Nicolas Sarkozy and aims to develop a concrete package of proposals to foster a competitive environment for SMEs. The SBA will include, among others, measures to enhance SMEs access to public procurement, fully implement the 'Think Small First' principle, reduce administrative burdens for SMEs and introduce a Community Patent for SMEs. It is expected to be published by the Commission on 2 July 2008.
- **Small Business Council:** consists of 24 representatives from the UK SME community (most of whom are entrepreneurs) and provides an independent source of advice to the UK government on policies and legislation which affect small businesses.
- **Small Business Service (SBS):** an executive agency of the Department of Trade and Industry (now BIS), which provides the small business perspective on legislation and various support services to UK SMEs.
- **SME Intergroup:** a cross-party group within the European Parliament which promotes SME interests in support of the Lisbon goals.
- **SME-Union:** Small and Medium Entrepreneurs Union of the European People's Party (EPP) is an independent business association consisting of delegates of business associations linked to the member parties of the EPP, which aims to champion small business. It works to ensure that SME concerns are taken account in the drafting of legislation, so that this legislation does not have a negative impact on SMEs.
- **Social Dialogue:** is the process whereby the European Commission consults EU Social Partners (UNICE/CEEP (employers), ETUC (trade unions), UEAPME (through an agreement with UNICE) on the possible direction of an employment and social policy initiative. If the social partners decide to negotiate, they have 9 months to reach an agreement, which is then implemented as a voluntary agreement at national level. If they decide not to negotiate, (after 2 stages of consultation), the commission puts forth a legislative proposal. For more detailed information please follow this link.
- **Social Enterprise:** a business which aims to make a profit by selling goods or services, but which uses this profit to fulfil social aims, such as fair trade, training, or environmental issues.
- **Subsidiarity:** Under the subsidiarity principle, legislation should be made at the lowest possible level, i.e. the EU should not legislate if the aim may be better achieved at a more local (decentralised) level. There is a special protocol on subsidiarity in the Treaty of Maastricht, and the principle applies in all areas where the EU has not already been given sole competence.
- **Summit:** the heads of state and government of the EU member states, assisted by their foreign minister, and the presidents of the European Commission and the European Parliament, meet four times a year to lay down the broad policy guidelines of the EU and to discuss international issues of major importance.
- **Supranational (opposite of Intergovernmental):** in a number of areas of domestic and international policy, member states have to accept decisions which a majority of member states have voted in favour of, even if they voted against. This is because on joining the EU, national parliaments transfer some of their powers to the EU institutions, and thus EU law takes precedence over national legislation in these areas. These decisions are therefore supranational as opposed to intergovernmental.
- **Spring Summit:** The Spring Summit is of particular significance to SMEs because heads of state and government review the progress made on the target agreed at the Lisbon Council (March 2000) of making the EU the world's most dynamic and competitive knowledge-based economy by 2010.
- **Troika:** consists of the Member State which currently holds the Presidency of the Council, the Member State which held it for the preceding six months and the Member State which will hold it for the next six months. The Troika represents the EU in external relations which fall within the scope of the common foreign and security policy.
- **UEAPME (European Association of Craft, Small and Medium-Sized Enterprises):** an employers' organisation representing the needs, at European level, of crafts, trades and SMEs in the European Union and in countries applying for accession to the European Union.
- **Union of Industrial and Employers' Unions of Europe (UNICE):** a pan-European representative organisation which promotes the interests of firms represented by its members at European level.

- **UK Permanent Representation to the EU (UKRep):** the UK's Brussels-based 'embassy' to the European Union, composed largely of national civil servants. It is the government's primary interface with the EU institutions and prepares the work for the Council of Ministers in co-operation with the relevant department of the domestic civil service. All EU member states have permanent representations in Brussels.
- **Veto:** A single member state may use its veto to block decisions in Council which require unanimity in order to be adopted.
- **White Paper:** an official European Commission document, detailing a set of proposals in a specific policy area. Often following on from a Green Paper.
- **Written Declaration:** Up to five MEPs may table a written declaration of up to 200 words on any matter falling within the sphere of activities of the EU. If a majority of MEPs sign the declaration within three months after it is tabled it will be adopted and forwarded to the institutions it refers to (usually the Commission, Council of Ministers and Member States).

Unofficial Terminology

The unofficial terminology³ used on a daily basis by the media and EU officials (described as “Eurojargon”) is available at: http://europa.eu/abc/eurojargon/index_en.htm and is as follows:

- **Absorption (Absorptive) Capacity:** This usually means the ability of a country or organization to receive aid and use it effectively. Developing countries often lack this capacity. For example, a country may receive enough money to enable all its children to attend primary school - but owing to a lack of teachers, lack of schools or a poor administrative system, it is impossible to spend this money in the short term. Work must first be done to train teachers, build schools and improve the efficiency of the system - thus raising the country's 'absorption capacity'.
- **Acceding-Country:** This is a candidate country (see below) that has met the Copenhagen criteria (see below) and has completed negotiations for joining the European Union.
- **Acquis communautaire:** This is a French term meaning, essentially, "the EU as it is" – in other words, the rights and obligations that EU countries share. The "acquis" includes all the EU's treaties and laws, declarations and resolutions, international agreements on EU affairs and the judgments given by the Court of Justice. It also includes action that EU governments take together in the area of "justice and home affairs" and on the Common Foreign and Security Policy. "Accepting the acquis" therefore means taking the EU as you find it. Candidate countries have to accept the "acquis" before they can join the EU, and make EU law part of their own national legislation.
- **Agenda:** This term literally means "things to be done". It normally refers to the list of items for discussion at a meeting, but politicians also use it as a jargon term meaning "things we want to achieve". For example, the EU's "**Social Agenda**" sets out what the Union wants to achieve, over the next few years, in terms of employment and social policies. It forms part of the "Lisbon Strategy" (see below).
- **Anti-Trust:** The EU aims to guarantee fair and free competition in the single market, and to ensure that companies compete rather than collude. So EU rules prohibit agreements that restrict competition (e.g. secret agreements between companies to charge artificially high prices) and abuses by firms who hold a dominant position on the market. Rules of this kind are known as "anti-trust" legislation. The Commission has considerable powers to prohibit anti-competitive activities, and to impose fines on firms found guilty of anti-competitive conduct.
- **Applicant Country:** This means a country that has applied to join the European Union. Once its application has been officially accepted, it becomes a candidate country (see below). For further details see glossary.
- **Benchmarking:** This means measuring how well one country, business, industry, etc. is performing compared to other countries, businesses, industries, and so on. The 'benchmark' is the standard by which performance will be judged.
- **Best Practice:** One way of improving policies in the EU is for governments to look at what is going on in other EU countries and to see what works best. They can then adopt this 'best practice', adapting it to their own national and local circumstances.
- **"Brussels has decided...":** The term "Brussels" is often used in the media to refer to the EU institutions, most of which are located in the city of Brussels. EU laws are proposed by the European Commission but it is the Council of the European Union (ministers from the national governments) and the European Parliament (elected by the European citizens) that debate, amend and ultimately decide whether to pass these proposed laws.
- **Budget Deficit:** A technical term meaning the gap between a government's revenue and its expenditure.
- **Candidate Country:** This means a country that has applied to join the European Union and that has officially been accepted as a candidate for accession (see 'acceding country' above) to the European Union. Before a candidate country can join the EU it must meet the 'Copenhagen criteria' (see below).

- **CAP Reform:** The Common Agricultural Policy (CAP) was first introduced in 1960, to ensure that Europe had secure food supplies at affordable prices. But it became a victim of its own success, generating unwanted surpluses of some products such as beef, barley, milk and wine. Also, the subsidies paid to European farmers were distorting world trade. So the European Commission began reviewing the CAP in 1999. The EU agreed further reforms in 2003, with the emphasis on high-quality farm produce and animal-friendly farming practices that respect the environment and preserve the countryside. The EU plans to cut back on direct subsidies to farmers, so as to redress the balance between EU agricultural markets and those of the developing world.
- **Civil Dialogue:** This means consulting civil society (see below) when the European Commission is drawing up its policies and proposals for legislation. It is a broader concept than 'social dialogue' (see below).
- **Civil Society:** This is the collective name for all kinds of organizations and associations that are not part of government but that represent professions, interest groups or sections of society. It includes (for example) trade unions, employers' associations, environmental lobbies and groups representing women, farmers, people with disabilities and so on. Since these organizations have a lot of expertise in particular areas and are involved in implementing and monitoring European Union policies, the EU regularly consults civil society and wants it to become more involved in European policymaking.
- **Cohesion:** This means (literally) 'sticking together'. The jargon term 'promoting social cohesion' means the EU tries to make sure that everyone has a place in society – for example by tackling poverty, unemployment and discrimination. The EU budget includes money known as the 'Cohesion Fund' which is used to finance projects that help the EU 'stick together'. For example, it finances new road and rail links that help disadvantaged regions take a full part in the EU economy.
- **Comitology:** This is more correctly known as "committee procedure". It describes a process in which the Commission, when implementing EU law, has to consult special advisory committees made up of experts from the EU countries.
- **Common Market:** When the EEC (see below) was founded in 1957, it was based on a 'common market'. In other words, people, goods and services should be able to move around freely between the member states as if they were all one country, with no checks carried out at the borders and no customs duties paid. However, this took a while to achieve: customs duties between the EEC countries were not completely abolished until 1 July 1968. Other barriers to trade also took a long while to remove, and it was not until the end of 1992 that the 'Single Market' (as it became known) was in place.
- **Communitisation:** This technical term means transferring a matter from the second or third 'pillar' of the EU (see below) to the first 'pillar' so that it can be dealt with using the 'Community method' (see below).
- **Community/Communities:** See 'European Communities' (below).
- **Community Bridge:** This is a procedure for transferring certain matters from the third 'pillar' of the EU (see below) to the first 'pillar' so that they can be dealt with using the Community method (see below). Any decision to use the bridge has to be taken by the Council, unanimously, and then ratified by each member state.
- **Community Method:** This is the EU's usual method of decision-making, in which the Commission makes a proposal to the Council and Parliament who then debate it, propose amendments and eventually adopt it as EU law. In the process, they will often consult other bodies such as the European Economic and Social Committee and the Committee of the Regions.
- **Competencies:** This is euro jargon for 'powers and responsibilities'. It is often used in political discussions about what powers and responsibilities should be given to EU institutions and what should be left to national, regional and local authorities.
- **Competent Authority:** This usually means the government department or other body responsible for dealing with a particular issue. It is 'competent' in the sense of having the legal power and responsibility.
- **Constitution of the EU:** At present, the EU is founded on four basic treaties that lay down the rules by which it has to operate. These treaties are big and complex, and EU leaders intend to replace them with a single, shorter, and simpler document. A 'Constitutional Treaty' was agreed and signed in 2004, but it did not come into force. It was rejected in referenda held in France and the Netherlands in 2005.
- **Convention:** This term has various meanings, including (in the EU context) a group of people representing the EU institutions, the national governments and parliaments, who come together to

draw up an important document. Conventions of this sort met to draw up the Charter of Fundamental Rights of the European Union and the draft EU Constitution.

- **Copenhagen Criteria:** In June 1993, EU leaders meeting in Copenhagen set three criteria that any candidate country (see above) must meet before it can join the European Union. First, it must have stable institutions guaranteeing democracy, the rule of law, human rights and respect for minorities. Second, it must have a functioning market economy. Third, it must take on board all the *acquis* (see above) and support the various aims of the European Union. In addition, it must have a public administration capable of applying and managing EU laws in practice. The EU reserves the right to decide when a candidate country has met these criteria and when the EU is ready to accept the new member.
- **Council:** There are three different European bodies with the word 'council' in their names:
 - *The European Council:* This is the meeting of Heads of State and Government (i.e. presidents and/or prime ministers) of all the EU countries, plus the President of the European Commission. The European Council meets, in principle, four times a year to agree overall EU policy and to review progress. It is the highest-level policy-making body in the European Union, which is why its meetings are often called "summits".
 - *The Council of the European Union:* Formerly known as the **Council of Ministers**, this institution consists of government ministers from all the EU countries. The Council meets regularly to take detailed decisions and to pass EU laws.
 - *The Council of Europe:* This is not an EU institution. It is an intergovernmental organisation based in Strasbourg, which aims (amongst other things) to protect human rights, to promote Europe's cultural diversity and to combat social problems such as xenophobia and intolerance. The Council of Europe was set up in 1949 and one of its early achievements was to draw up the European Convention on Human Rights. To enable citizens to exercise their rights under that Convention it set up the European Court of Human Rights.
- **Cultural capitals:** Every year one or more European cities are designated as the "European capital of culture". The aim is to publicise and celebrate the cultural achievements and charms of

these cities and so make European citizens more aware of the rich heritage they share. . Liverpool (in the UK) and Stavanger (in Norway) were chosen as European capitals of culture for 2008.

- **Democratic Deficit:** It is often said that the EU's decision-making system is too remote from ordinary people, who cannot understand its complexities and its difficult legal texts. The EU is trying to overcome this "democratic deficit" through simpler legislation and better public information, and by giving civil society (see above) a greater say in European policymaking. Citizens are already represented in EU decision-making via the European Parliament.
- **DG:** The staff of the main EU institutions (Commission, Council and Parliament) are organised into a number of distinct departments, known as "Directorates-General" (DGs), each of which is responsible for specific tasks or policy areas. The administrative head of a DG is known as the 'Director-General' (a term sometimes also abbreviated to 'DG').
- **EC:** This abbreviation refers either to the 'European Community' or to the 'European Commission'.
The European Community is the present name for what was originally called the 'European Economic Community' (EEC): see below.
The European Commission is the politically independent institution that represents and upholds the interests of the European Union as a whole. It proposes legislation, policies and programmes of action and it is responsible for implementing the decisions of Parliament and the Council.
- **EEA:** This abbreviation refers to the **European Economic Area** – which consists of the European Union and all the EFTA countries (see below) except Switzerland. The EEA Agreement, which entered into force on 1 January 1994, enables Iceland, Liechtenstein and Norway to enjoy the benefits of the EU's single market without the full privileges and responsibilities of EU membership.
- **EEC:** This is the abbreviation for the **European Economic Community** – one of three European Communities (see below) set up in 1957 to bring about economic integration in Europe. There were originally six member countries: Belgium, France, Germany, Italy, Luxembourg and the Netherlands. In 1993, when the Maastricht Treaty came into force, the EEC was re-named the European Community (EC) and it forms the basis of today's European Union.

- **ETA:** This is the abbreviation for the **European Free Trade Association** – an organization founded in 1960 to promote free trade in goods amongst its member states. There were originally seven EFTA countries: Austria, Denmark, Norway, Portugal, Sweden, Switzerland, and the United Kingdom (UK). Finland joined in 1961, Iceland in 1970, and Liechtenstein in 1991. In 1973, Denmark and the UK left EFTA and joined the EEC (see above). They were followed by Portugal in 1986, and by Austria, Finland and Sweden in 1995. Today the EFTA members are Iceland, Liechtenstein, Norway and Switzerland.
- **Enhanced Co-operation:** This is an arrangement whereby a group of EU countries can work together in a particular field even if the other EU countries are unable or unwilling to join in at this stage. The outsiders must, however, be free to join in later if they wish.
- **Enlargement:** In the 1950s, the EU began with just six member states. It now has 27. Growth in EU membership is known as 'enlargement', and it has happened several times:
 - 1950: Belgium, France, Germany, Italy, Luxembourg, Netherlands
 - 1973: Denmark, Ireland, United Kingdom
 - 1981: Greece
 - 1986: Portugal, Spain
 - 1995: Austria, Finland, Sweden
 - 2004: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.
 - 2007: Bulgaria and Romania.
- **ERASMUS:** This is not really eurojargon. Named after the great Renaissance scholar, it is an EU-supported education programme that began in 1987. Well over 1.5 million students have so far benefited from Erasmus grants, which give European university students a chance of living and studying for the first time in a foreign country.
- **Eurocrat:** The term "Eurocrats" (a pun on the word "bureaucrats") refers to the many thousands of EU citizens who work for the European institutions (Parliament, the Council, the Commission, etc.).
- **Euroland:** This is an unofficial nickname for what is officially called "the euro area" - also often referred to as "the euro zone". This area consists of the EU member states that have adopted the euro as their currency. So far the countries involved are Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Spain.
- **EUROPA:** This is not really eurojargon. It is the Latin name for Europe, and it is also the name of the European Union's official website. This contains a wealth of useful information about the EU, regularly updated, and it is available in all the official languages of the EU.
- **European Communities:** In the 1950s, six European countries decided to pool their economic resources and set up a system of joint decision-making on economic issues. To do so, they formed three organisations:
 - the European Coal and Steel Community (ECSC),
 - the European Atomic Energy Community (Euratom),
 - the European Economic Community (EEC).

These three communities – collectively known as the 'European communities' – formed the basis of what is today the European Union. The EEC soon became by far the most important of the three and was eventually renamed simply 'the European Community' (EC). EC decisions are taken using the 'Community method' (see above), which involves the EU institutions. This covers everything the EU does except for those things that are decided purely by agreement between governments.
- **European Integration:** This means building unity between European countries and peoples. Within the European Union it means that countries pool their resources and take many decisions jointly. This joint decision-making takes place through interaction between the EU institutions (the Parliament, the Council, the Commission, etc.).
- **European Year of...:** Every year or two, the EU or the Council of Europe may draw public attention to a particular European issue by organising a series of special events in connection with it. 2008 is the "European Year of Intercultural Dialogue".
- **Europe Day, 9th May:** It was on 9 May 1950 that Robert Schuman (then French Foreign Minister) made his famous speech proposing European integration (see above) as the way to secure peace and build prosperity in post-war Europe. His proposals laid the foundations for what is now the European Union, so 9 May is celebrated annually as the EU's birthday.
- **Euro sceptic:** This term is often used to mean a person who is opposed to European integration or who is 'sceptical' of the EU and its aims.

- **Eurotariffs:** Eurotariff is the new limit on the prices mobile operators can charge for mobile calls made or received while abroad in an EU country.
- **Federalism:** Broadly speaking, this means any system of government where several states form a unity and yet remain independent in their internal affairs. People who are in favour of this system are often called "federalists". A number of countries around the world – e.g. Australia, Canada, Germany, Switzerland and the United States – have federal models of government, in which some matters (such as foreign policy) are decided at the federal level while others are decided by the individual states. However, the model differs from one country to another. The European Union is not based on any of these models: it is not a federation but a unique form of union in which the member states remain independent and sovereign nations while pooling their sovereignty in many areas of common interest. This gives them a collective strength and influence on the world stage than none of them could have on their own. Part of the debate about the future of Europe is the question of whether the EU should or should not become more 'federal'.
- **Financial Perspective:** The word 'perspective' here really means 'plan'. The EU has to plan its work well in advance and ensure that it has enough money to pay for what it wants to do. So its main institutions (Parliament, the Council and the Commission) have to agree in advance on the priorities for the next few years and come up with a spending plan, which was earlier called a 'financial perspective' but is now better known as a 'financial framework'. This financial perspective or framework states the maximum amount the EU can spend, and what it can spend it on.
In a world of rising costs, the purpose of the financial perspective/framework is to keep EU expenditure under control.
- **Flexicurity:** This means a welfare state model with a pro-active labour market policy. The model is a combination of easy hiring and firing (flexibility for employers) and high benefits for the unemployed (security for the employees). It was first implemented in Denmark in the 1990's.
- **Fortress Europe:** This expression is often used to mean an attitude that wants to defend Europe from outside influences, especially cultural influences. The term 'Fortress Europe' often appears in discussions about asylum and immigration regulations.
- **Founding Fathers:** In the years following the Second World War, people

like Jean Monnet and Robert Schuman dreamed of uniting the peoples of Europe in lasting peace and friendship. Over the following fifty years, as the EU was built, their dream became reality. That is why they are called the "founding fathers" of the European Union.

- **Four Freedoms:** One of the great achievements of the EU has been to create a frontier-free area within which (1) people, (2) goods, (3) services and (4) money can all move around freely. This four-fold freedom of movement is sometimes called "the four freedoms".
- **Free Trade Area:** This means a group of countries that have removed barriers to trade between them – barriers such as import tariffs and quotas. Several free trade areas have been established around the world: Mercosur in South America, Nafta in North America and EFTA in Europe, for example. The European Union is also a free trade area, but it is much more than that because it is built on a process of economic and political integration, with joint decision-taking in many policy areas.
- **Harmonisation:** This may mean bringing national laws into line with one another, very often in order to remove national barriers that obstruct the free movement of workers, goods, services and capital. In other words, harmonisation means making sure that, on any particular issue for which the EU has responsibility, the rules laid down by the different EU countries impose similar obligations on citizens of all those countries and that they impose certain minimum obligations in each country.
Harmonisation can also mean co-ordinating national technical rules so that products and services can be traded freely throughout the EU. Contrary to popular myth, this does not mean pointlessly standardising everything from the curvature of cucumbers to the colour of carrots. Often it simply means that EU countries recognise one another's safety rules.
- **IGC:** See 'Intergovernmental Conference'.
- **Intergovernmental:** This literally means 'between governments'. In the EU, some matters – such as security and defence issues – are decided purely by intergovernmental agreement (i.e. agreement between the governments of the EU countries), and not by the 'Community method' (see above). These intergovernmental decisions are taken by ministers meeting in the Council of the European Union, or at the highest level by the prime ministers and/or presidents of the EU countries, meeting as the European Council.

- **Intergovernmental Conference (IGC):** This means a conference at which the EU member states' governments come together to amend the European Union treaties.

- **Lisbon Strategy:** To compete with other major world players, the EU needs a modern efficient economy. Meeting in Lisbon in March 2000, the EU's political leaders set it a new goal: to become, within a decade, "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion."

The EU's leaders also agreed on a detailed strategy for achieving this goal. The 'Lisbon strategy' covers such matters as research, education, training, Internet access and on-line business. It also covers reform of Europe's social protection systems, which must be made sustainable so that their benefits can be enjoyed by future generations. Every spring the European Council meets to review progress in implementing the Lisbon strategy.

- **Maastricht Criteria:** There are five criteria that determine whether an EU country is ready to adopt the euro. They relate to:
 - Price stability: The inflation rate should be no more than 1.5 percentage points above the rate for the three EU countries with the lowest inflation over the previous year;
 - Budget deficit: This must generally be below 3% of gross domestic product (GDP);
 - Debt: The national debt should not exceed 60% of GDP, but a country with a higher level of debt can still adopt the euro provided its debt level are falling steadily;
 - Interest rates: The long-term rate should be no more than two percentage points above the rate in the three EU countries with the lowest inflation over the previous year;
 - Exchange rate stability: The national currency's exchange rate should have stayed within certain pre-set margins of fluctuation for two years.

These criteria were laid down in the Maastricht Treaty – hence their name.

- **Mainstreaming:** Put simply, mainstreaming an issue means making sure it is fully taken into account in all EU policies. For example, every European Union policy decision must now take account of its environmental implications. In other words, environmental considerations have

been 'mainstreamed'.

- **Member State:** The countries that belong to an international organisation are its 'member states'. The term is also often used to mean the governments of those countries. From 1 January 2007, the member states of the European Union are Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. For the years when they joined the EU, see 'enlargement' (above).
- **Neighbourhood Policy:** The European Neighbourhood Policy (ENP) was developed in the context of EU's 2004 enlargement with the aim of avoiding new dividing lines between the enlarged EU and neighbouring countries and instead strengthening the stability, security and well-being of everyone. It builds on shared values: democracy, human rights, rule of law, good governance, market economy and sustainable development. The level of ambition of the relationship is linked to the extent to which these values are shared. Key to the ENP is the bilateral ENP action plans agreed between the EU and each partner country. These set out priorities for political and economic reforms in the short to medium-term.
- **Non-Paper:** This means an off-the-record or unofficial document – a paper that has not been through a formal adoption procedure (the use is not restricted to the EU).
- **Official Languages:** From 1 January 2007 there are 23 official languages in the European Union: Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Irish, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish and Swedish. EU legislation is published in all the official languages, and you may use any of these languages to correspond with the EU institutions. In addition, of course, there are many other languages spoken in Europe, and this diversity of national and regional languages is something Europeans cherish. It is part of their rich cultural heritage. The European Commission runs programmes to promote language learning and linguistic diversity.
- **Open Method of Coordination:** In many policy areas (for example education and training, pensions and health care, immigration and asylum), EU governments set their own national policies rather than having an EU-wide policy laid down in law. However, it makes sense for governments to share

information, adopt best practice (see above) and bring their national policies into line. This way of learning from one another is called the 'open method of coordination'.

- **Pillars of the EU:** The European Union takes decisions in three separate 'domains' (policy areas), also known as the three 'pillars' of the EU.
 - The first pillar is the 'Community domain', covering most of the common policies, where decisions are taken by the 'Community method' (see above) – involving the Commission, Parliament and the Council.
 - The second pillar is the common foreign and security policy, where decisions are taken by the Council alone.
 - The third pillar is 'police and judicial cooperation in criminal matters', where – once again – the Council takes the decisions.

Within the first pillar, the Council normally takes decisions by 'qualified majority' vote (see below). In the other pillars, the Council decision has to be unanimous: it can therefore be blocked by the veto of any one country.

If the Council so decides, it can use the 'Community bridge' (see above) to transfer certain matters from the third to the first pillar.

- **Qualified majority voting:** On most issues, the Council of the European Union takes its decisions by voting. Each country can cast a certain number of votes, roughly in proportion to the size of its population. The number of votes per country is as follows:

France, Germany, Italy and the United Kingdom	29
Poland and Spain	27
Romania	14
Netherlands	13
Belgium, Czech Republic, Greece, Hungary and Portugal	12
Austria, Bulgaria and Sweden	10
Denmark, Finland, Ireland, Lithuania and Slovakia	7
Cyprus, Estonia, Latvia, Luxembourg and Slovenia	4
Malta	3
	<hr/>
	345

A qualified majority is reached:

- if a majority of member states (in some cases a two-thirds majority) approve;

- if a minimum of 255 votes is cast in favour – which is 73.9% of the total.

In addition, a member state may ask for confirmation that the votes in favour represent at least 62% of the total population of the Union. If this is found not to be the case, the decision will not be adopted.

- **Rendez-Vous Clause:** Sometimes, when EU leaders are discussing an important legal document, they cannot reach agreement on a particular issue. So they may decide to come back to this subject at a later date. Their decision is made official by putting it in writing and including it as a clause in the legal text they are discussing. This type of clause is sometimes known as a "rendezvous clause".

- **Schengen Land (= the Schengen area, the Schengen countries):** In 1985, five EU countries (France, Germany, Belgium, Luxembourg and the Netherlands) agreed to abolish all checks on people travelling between them. This created a territory without internal borders which became known as the **Schengen area**. (Schengen is the town in Luxembourg where the agreement was signed).

The Schengen countries introduced a common visa policy for the whole area and agreed to establish effective controls at its **external** borders. Checks at the **internal** borders may be carried out for a limited period if public order or national security makes this necessary.

Step by step, the Schengen area has been extended to include almost every EU country plus Iceland and Norway, and the agreement has become an integral part of the EU treaties. However, Ireland and the United Kingdom do not take part in the arrangements relating to border controls and visas.

You do not need a visa for travelling within the Schengen area if you are a citizen of one of the Schengen countries. If you have a visa for entering any Schengen country it automatically allows you to travel freely throughout the Schengen area, except Ireland and the United Kingdom.

- **Social dialogue:** This means discussion, negotiation and joint action between the European social partners (see below) and discussions between these social partners and the EU institutions.
- **Social partners:** This is jargon for the two sides of industry – i.e. employers and workers. At EU level they are represented by three main organisations:

- The European Trade Union Confederation (ETUC), representing workers;
- The Union of Industries of the European Community (UNICE), representing private sector employers;
- The European Centre for Public Enterprise (CEEP), representing public sector employers.

The European Commission consults them when drawing up proposals for social and employment legislation.

- **Stakeholder:** Any person or organisation with an interest in or affected by EU legislation and policymaking is a 'stakeholder' in that process. The European Commission makes a point of consulting as wide a range of stakeholders as possible before proposing new legislation or new policy initiatives.
- **Strasbourg:** Strasbourg is a French city located close to the border with Germany. The plenary sessions of the European Parliament are held here for one week every month. It is also home to the European Court of Human Rights and the Council of Europe – which are not EU institutions. The term "Strasbourg" is sometimes used in the media to mean one or other of these bodies.
- **Subsidiarity:** The "subsidiarity principle" means that EU decisions must be taken as closely as possible to the citizen. In other words, the Union does not take action (except on matters for which it alone is responsible) unless EU action is more effective than action taken at national, regional or local level.
- **Summit:** Meetings of the European Council (see above) are sometimes referred to as European (or EU) 'summit' meetings, because they bring together the EU's heads of state or government. Some countries are represented by their Prime Minister, others by their President, some by both. It depends on their Constitution.
- **Supranational:** This literally means 'at a level above national governments' – as distinct from 'intergovernmental' (see above) which means 'between governments'. Many EU decisions are taken at 'supranational' level in the sense that they involve the EU institutions, to which EU countries have delegated some decision-making powers. Do not confuse this term with 'transnational' (see below).
- **Third country:** This phrase simply means a non-EU country. The meaning is clearest when we are speaking about relations between two EU member states and another country - literally a

third country - that is outside the European Union.

- **Transnational:** This word is often used to describe cooperation between businesses or organisations based in more than one EU country. Part of the EU's purpose is to encourage this cross-border or 'transnational' cooperation.
- **Transparency:** The term 'transparency' is often used to mean openness in the way the EU institutions work. The EU institutions are committed to greater openness. They are taking steps to improve public access to information, and they are working to produce clearer and more readable documents. This includes better drafting of laws and, ultimately, a single, simpler and shorter treaty.
- **Unanimity:** When taking decisions on some issues, the Council of the European Union has to be in unanimous agreement – i.e. all countries have to agree. Any disagreement, even by one single country, will block the decision. This would make progress very difficult in a Union of 27 countries, so the unanimity rule now applies only in particularly sensitive areas such as asylum, taxation and the common foreign and security policy. In most fields, decisions are now taken by qualified majority voting (see above).

Further Information

The European Commission maintains a website to enhance public access to information about its initiatives and European Union policies in general:

http://europa.eu/geninfo/legal_notices_en.htm

If what you were looking for isn't here, try the business dictionary and business glossary directory at:

www.glossarist.com/glossaries/business/

This guide is for general interest - it is always essential to take advice on specific issues.

We believe that the facts are correct as at the date of publication, but there may be certain errors and omissions for which we cannot be responsible.

If you would like to receive further information about this subject or other publications, please call us – see our contact details on the next page.

Acknowledgements:

¹ This section was derived from *smallbusiness*europa and their copyright therein is duly acknowledged. They provide a combination of regular updates, constantly updated online material and spontaneous alerts on EU policy developments of relevance to SMEs. Their monthly briefing and unique EU Policy Tracker, which is updated daily, illustrate the range of issues they cover and their ability to collate information and interpret it in a succinct style. They can be contacted at: Avenue d'Auderghem, 22 – 28, Oudergemselaan, B - 1040 Brussels, Belgium. Telephone: +0032 2 740 27 22, Fax: +0032 2 740 27 20
Email: info@smallbusinesseuropa.org Web: www.smallbusinesseuropa.org

² The Department for Business, Innovation & Skills (BIS) was formerly known as the Department for Business, Enterprise and Regulatory Reform (BERR) and before that was called the Department for Trade & Industry (DTI).

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