

A Dictionary of the European Union

Toni Haastруп,
Lee McGowan and
David Phinnemore

8th edition



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Foreword

A DICTIONARY OF THE EUROPEAN UNION aims to give a comprehensive overview of the development and current status of the European Union. Information on a variety of European issues is here brought together to give the reader a wide range of facts and background knowledge on the European Union. Thus, this Dictionary includes entries on the history of the European Union and the issues of importance to its development, as well as on current achievements, debates, concepts, programmes and people.

Most entries in the Dictionary will point the reader towards other relevant entries by means of cross-references. These cross-references within entries will be found in bold type, to denote the existence of a separate entry. However, it should be noted that the potential number of highlights precludes putting in bold those terms that are used in almost every entry. Thus, European Communities, European Union, etc. are not highlighted, unless the authors deem it necessary to further understanding for the reader to be pointed towards such entries.

The reader should be aware of the difference between the terms European Union, European Community and European Communities. The European Communities were established by three separate treaties, with, from 1967, common institutions. The name of one community, the European Economic Community, was formally changed to the European Community from 1993; thus, when referring to the Treaty of Rome alone after 1993, European Community (EC) is used in the singular. Referring to the three communities from their conception onwards, the Dictionary uses European Communities (EC) in the plural. The European Union, consisting of three inter-related pillars until their unification under the Treaty of Lisbon in 2009, came into existence in 1993. Thus, with respect to the period 1993–2009, the supranational pillar of the European Union continues to be known in this book as the European Communities (EC), while references to the European Union as a whole, also including the two intergovernmental pillars, use European Union (EU).

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Abbreviations

e.g.	exempli gratia (for example)
etc.	et cetera
i.e.	id est (that is to say)
m.	million
UK	United Kingdom
US	United States
USA	United States of America
USSR	Union of Soviet Socialist Republics
v	versus

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À LA CARTE EUROPE is a term related to concepts of differentiated integration. Effectively, it suggests that European Union (EU) member states could select the programmes and policies that they wish to adopt and participate in. Opponents of the concept argue that such a development would lead to disarray and confusion, undermine solidarity and make the EU unmanageable. Nevertheless, the idea is not infrequently espoused by some member states as a means of showing their opposition towards certain priorities. After the **United Kingdom** referendum vote in June 2016 in favour of a withdrawal from the EU, the UK was warned that it should not expect to have ‘à la carte’ access to the **single market** and other benefits of EU membership.

ABATEMENT is the term used to describe the annually calculated ‘rebate’ received by the **United Kingdom** from the European Communities’ **budget** following an agreement reached in 1984 at the **Fontainebleau summit** of the **European Council**. The UK came under increasing pressure to accept a reduction in the rebate. A deal was reached at a meeting of the European Council in December 2005 whereby the UK agreed to a reduction in the rebate, of £1,000m. per year, to invest in the future prosperity of Eastern Europe. The UK subsequently came under further pressure to accept an additional reduction in the rebate. During negotiation of the Multi-annual Financial Framework (MFF) for 2014–20 the UK insisted that there be no further amendment of the abatement. The June 2013 summit of the European Council confirmed that the means of calculating the abatement for the UK would remain unchanged. Following the creation of the rebate, several other member states argued that their EU budgetary burden was excessive, and requested reductions in their contributions, including to the financing of the UK’s rebate. This led to a complex system of ad hoc permanent and temporary corrections. For 2014–20 member states other than the UK benefiting from rebates from the EU budget are **Austria, Denmark, Germany, the Netherlands** and **Sweden**.

ABSTENTION: See **Constructive Abstention**

ACCESSION CRITERIA, also referred to as the **Copenhagen criteria**, were adopted at the **Copenhagen summit** of the **European Council** in June

ACCESSION NEGOTIATIONS

1993, when the European Community committed itself to admitting the countries of **Central and Eastern Europe** (CEE). Accession was, however, to depend on the **candidate countries** meeting the following criteria: having stable institutions guaranteeing democracy, the rule of law, **human rights** and protection of minorities; possessing a functioning market economy and the capacity to cope with the competitive pressures of the **internal market**; and having the ability to take on the obligations of membership, including adherence to the aims of the European Union (EU), notably political, economic and monetary union. In 1995 a **summit meeting** of the European Council held in Madrid, **Spain**, added a further criterion: that the countries seeking membership should possess the administrative capacity to implement the *acquis communautaire*. Formally, countries in the **Western Balkans** also have to pursue regional co-operation before they can be admitted to the EU. In addition, states are required to have made every effort to resolve any outstanding border disputes and other related issues. This was agreed in 1999, with a particular view to the division of Cyprus being resolved before **Turkey** could join the EU. Since the **enlargements** of the EU in 2004 and 2007 there has been a noticeable tightening of the criteria. The EU has also placed increased emphasis on its own **integration capacity**. This has led to justifiable claims that accession to the EU is becoming more difficult, and indeed the **European Commission** that took office in 2014 effectively stated that there would be no further accessions to the EU during its five-year term.

ACCESSION NEGOTIATIONS need to be completed before **applicant countries** can join the European Union (EU). They are conducted on a bilateral basis, with the **European Commission** co-ordinating the position of the EU's member states. Recent decades have seen the EU engaged in an unprecedented number of accession negotiations, beginning with Cyprus and five Central and Eastern European countries (the **Czech Republic, Estonia, Hungary, Poland** and **Slovenia**—the 'Luxembourg group') in 1998. In 2000 accession negotiations were opened with **Bulgaria, Latvia, Lithuania, Malta, Romania** and **Slovakia**. Negotiations with those applicant countries meeting the **accession criteria**—the Luxembourg group plus Latvia, Lithuania, Malta and Slovakia—were concluded at the **Copenhagen summit** of the **European Council** held on 12–13 December 2002. The **Treaty of Accession** was signed on 16 April 2003. Following **ratification** of the Treaty of Accession, the 10 countries joined the EU on 1 May 2004. The following month, Bulgaria concluded its accession negotiations with the EU. Romania followed suit in December 2004, and a Treaty of Accession was signed on 25 April 2005. Bulgaria and Romania joined the EU on 1 January 2007. Accession negotiations with **Croatia** and **Turkey** were opened on 4 October 2005. Progress in the negotiations with Turkey proved to be particularly slow, partly because the EU insisted on certain benchmarks being met before negotiations were opened and partly owing to political opposition, notably from **France**, to the prospect

of Turkish membership. Negotiations with Croatia were completed in 2011, and the Treaty of Accession was signed on 9 December. Croatia became a member of the EU in July 2013. Of the current applicants, the EU opened accession negotiations with **Montenegro** on 29 June 2012 and with **Serbia** on 21 January 2014. The three other candidate states are the **former Yugoslav republic of Macedonia**, **Turkey** and **Albania**. Most recently, Albania was granted candidate status by the European Council of 26–27 June 2014, which was held in **Brussels, Belgium**.

ACCESSION PARTNERSHIPS were first adopted by the European Union (EU) for **applicant countries** from **Central and Eastern Europe** in 1998 and were designed to assist them in meeting the **accession criteria** and preparing themselves for membership of the EU. They list priority areas for legal adaptation and administrative reform in the countries concerned and for EU financial assistance through the former **instrument for structural policies for pre-accession** (ISPA), **PHARE** and **SAPARD** programmes (which were replaced in January 2007 by the **instrument for pre-accession assistance**). Accession partnerships have since been adopted for **Turkey** and the **former Yugoslav republic of Macedonia**. Similar in purpose and content, and precursors to accession partnerships, **European partnerships** have been developed for other countries of the **Western Balkans** seeking membership of the EU.

ACCESSION TREATY: see **Treaty of Accession**

ACCOUNTABILITY has often been raised as a major issue within the construct of the European Union (EU), as the EU's institutions have been widely perceived to be increasingly remote from the people. Although the EU has a democratically elected **European Parliament**, which has become a co-legislator in many areas, issues about an enduring **democratic deficit** still abound. The issue is presented as one where the citizens are far removed from unaccountable decision makers in **Brussels**. The issue, however, may have been overplayed, as the institutions are accountable to each other and to the public. Indeed, the institutions of the EU have been seeking to promote greater **transparency** and **openness** since the 1990s. The **European Commission** has placed more emphasis on engaging with civil society and on seeking views on its policy ideas through **Green Papers** and wider consultations. It has also sought to ensure tighter financial control over the **budget**. The Council also pledged to make more of its business open to media and public scrutiny.

ACP STATES is the collective title of those African, Caribbean and Pacific developing countries that entered into an **association agreement** with the European Communities (EC) under Articles 182–188 of the **Treaty of Rome**

ACQUIS COMMUNAUTAIRE

(now Articles 198–204 of the **Treaty on the Functioning of the European Union**) ‘to further the interests and prosperity of the inhabitants of these countries and territories in order to lead them to the economic, social and cultural development to which they aspire’. The provisions were originally directed towards the colonies and ex-colonies of the **Six**, and were finalized in the **Yaoundé Conventions** of 1963 and 1969. With the successive rounds of **enlargement**, ex-colonies of new member states have joined the arrangement, which from 1975 was regulated by the **Lomé Convention** (Lomé I–IV). The **Cotonou Agreement** replaced the Conventions in 2000. In parallel and since 2002 the bilateral **economic partnership agreements** (EPAs) were being negotiated to take over the trade dimensions of the ACP–EU relationship. The original 18 participants were known collectively as the Associated African States and Madagascar. The present title was adopted in 1975, and 79 states signed the Cotonou Agreement. ACP states have traditionally been allowed duty-free entry to the European Union market for most of their products on a non-reciprocal basis, and are also eligible to receive both grants from the **European Development Fund** and low-interest loans from the **European Investment Bank**. Preferential treatment for ACP states caused friction between the EC and members of the **World Trade Organization** (WTO), especially the **USA**, which long objected to the preferential treatment given to **banana** producers in Caribbean states. Indeed, the EPAs were a response to a WTO ruling that the Cotonou Agreement was not WTO-compatible. (See also **Development Aid** and **Overseas Countries and Territories**). At 2017 the EU and ACP countries were seeking to negotiate a successor to the Cotonou Agreement in 2020 to align with the Sustainable Development Goals. Negotiations were expected to start in 2018.

ACQUIS COMMUNAUTAIRE is a phrase that collectively describes all the secondary **legislation** of the European Union (EU) passed under the provisions of the **founding treaties** and their subsequent amendments. It covers all the **directives**, **decisions** and **regulations** adopted by the EU. States that apply for EU membership have to accept the *acquis communautaire*.

ACQUIS POLITIQUE is a phrase describing all the **decisions** and **resolutions** adopted by the member states of the European Union (EU) in the field of foreign policy. It is also used in a broader sense to describe the principles and goals underpinning the activities of the EU.

ADDITIONALITY is a principle first applied to the allocation of money from the **European Regional Development Fund** (ERDF) in 1989. It means that ERDF funding is additional to that provided by local and national authorities. The principle is designed to ensure that member states contribute to the financing of infrastructural projects.

ADONNINO REPORTS: See **Committee for a People's Europe**

ADVISORY COMMITTEE FOR THE CO-ORDINATION OF FRAUD PREVENTION (Cocolaf) has responsibility for co-ordinating action by the member states and the **European Commission** to combat fraud affecting the financial interests of the European Union.

ADVISORY COMMITTEES are bodies that advise the **European Commission** on problems and issues in specific areas. They are part of the world of **comitology**. More than 200 such committees exist and include advisory committees on food, consumer products, health and environmental risks, and equal opportunities. The membership of each committee is drawn from experts and professionals in the relevant area.

ADVOCATES-GENERAL: See **Court of Justice**

The **AETR JUDGMENT**, sometimes referred to by its English equivalent—the *ERTA* Judgment—was a 1971 ruling by the **Court of Justice**, which established the important principle that, where the European Communities (EC) had an explicit internal competence, they also had a parallel external competence. Its implication was that in such areas of competence, member states could not act independently of the EC. Where a member state entered into an international agreement that conflicted with EC law, the latter took precedence over any obligation arising from the agreement.

AFRICAN, CARIBBEAN AND PACIFIC STATES: See **ACP States**

The **AFRICAN UNION** (AU) is a regional organization that was established on 26 May 2001 in Addis Ababa, Ethiopia, as the successor organization to the Organization of African Unity (OAU). It launched the following year in Durban, South Africa. The idea of forming such a body was conceived by the former leader of Libya, Col Muammar al-Qaddafi, and in the Sirte Declaration the AU aspired to ‘an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena’. The AU has some institutions that are similar to the EU’s, including an Assembly, an Executive Council, a Commission, a Pan-African Parliament (established in March 2004) and an African Court of Justice. The AU comprises 55 African states. **Morocco** became the AU’s 55th member in January 2017. The AU’s broad aims are: to accelerate the political and socioeconomic integration of the African continent; to promote and defend common positions on key issues that are vital to the states in Africa; to pursue peace and security in Africa; and to work towards the creation and development of democratic institutions, good

governance systems and **human rights** across the continent. In accordance with these goals, a number of member states have been suspended from the AU. The AU's secretariat is based in Addis Ababa. Similar to the EU, the AU aims to create an African Economic Community and to introduce a single African currency by 2023. However, the Union recognizes the need to resolve conflicts on the continent and the majority of the AU's activities are to support peace there. The African Peace and Security Architecture (APSA) established by the 2002 Protocol Establishing the Peace and Security Council of the AU seeks to prevent, manage and resolve conflict and crises on the African continent. The EU maintains close relations with the AU through the EU delegation to the organization in Addis Ababa.

AGENDA 2000 was an **enlargement** strategy developed by the **European Commission** in 1997 following a request from the **European Council**. Its objectives were to strengthen growth, **competitiveness** and **employment**; to reform agriculture and structural policies; and to expand the membership of the European Union (EU) eastwards, to include 10 countries from **Central and Eastern Europe** (CEE). The report comprised three sections: the first covered measures to strengthen and reform policies, in particular the **common agricultural policy** and economic and social cohesion (see **cohesion policy**); the second contained recommendations for preparing the EU for enlargement; and the third proposed a new financial framework, covering 2000–06. Also published as part of Agenda 2000 were the Commission's *avis* on the membership applications from the 10 CEE countries. In these, the Commission assessed the extent to which the applicants had met the **accession criteria**. A report on the status of Cyprus was also included.

AGGREGATE MEASURE OF SUPPORT: See **AMS**

AGRICULTURAL POLICY: See **Common Agricultural Policy**

AIR TRANSPORT POLICY was slow to develop towards a level that met the **competition policy** requirements of the European Communities (EC). The airline industry has been dominated by an international **cartel**, the International Air Transport Association (IATA), and by a series of intergovernmental agreements. The emphasis of these was upon the mutual protection by governments of state-owned airlines, their pricing arrangements and access to scheduled routes. The result was an absence of competition, and some of the highest air fares in the world, in terms of cost per kilometre. Before 1986, **European Commission** initiatives were restricted to technical matters relating to, for example, co-operation on accident procedures and noise emissions. Challenges to the government-supported IATA structure were largely left to small, independent airlines.

In April 1986 the **Court of Justice** ruled in the *Nouvelles Frontières* case that EC competition policy also applied to air transport. The European Commission immediately threatened legal action against 10 European airlines unless they substantially modified their price-fixing arrangements. Simultaneously, it sought to persuade the member states to opt for more liberal policies. In April 1987 the airlines indicated that they would comply with the Commission's demands. Subsequently, progress was positive, but slow. In anticipation of the introduction of the **internal market**, and partly because many state-owned airlines were substantial money-losers, governments began to accept a greater degree of private ownership and capital, and also to urge the consolidation of their national companies as a way of warding off foreign competition in a more competitive market. Matters were complicated by the fact that the major carriers, to meet the conditions of the internal market and global developments in air transport, began to seek closer and more formal collaboration, which, in turn, threatened the survival of smaller, independent airlines. However, airline agreements and co-operative arrangements were subject to Commission approval and the EC's **merger policy**. The acceptance of liberalization also varied from one country to another. Full liberalization of the market took place in 1997, when restrictions on European airlines within the European Union (EU) were removed, with the result that airlines were able to operate domestic air services in EU countries other than their own. In 2002 the European Commission adopted proposals for the creation of a **European Aviation Safety Agency** (EASA), as an independent organization within the EC; the EASA began operating in September 2003. In October 2001 the Commission adopted proposals for a Single European Sky (SES), which aimed to establish a single legislative framework for aviation in the EU. Accordingly, a first legislative package, SES I, was adopted by the **European Parliament** and the **European Council** in March 2004. Revised SES regulations, incorporating improvements aimed at addressing environmental challenges and fuel cost efficiency, were adopted in June 2008 as the Single European Sky second package, SES II. In 2013 the European Commission presented its so-called SES II+ package of measures, which aimed to challenge the system of state-owned monopolies responsible for providing air navigation services.

AIRBUS is one of the successes of European industrial co-operation. Founded in 1967 as a consortium of European aircraft manufacturers, Airbus aimed to design and build large passenger aircraft that could compete with Boeing, the large US corporation. From 1992, Airbus's share of the large civil aircraft market grew steadily, from over 30% to more than one-half by 2004, and its future success seemed assured with the launch of the new double-decker-style aircraft (Airbus A380) in 2005. This new plane was specifically designed to carry 525–853 passengers (depending on the aircraft's class configuration) and has been marketed to fly to a series of hub international airports. However,

Boeing met the challenge by building a smaller plane, able to land in smaller airports.

Airbus currently comprises four partners: British Aerospace, Construcciones Aeronáuticas SA (CASA) of **Spain**, Daimler-Benz Aerospace of **Germany** and Aérospatiale of **France**. Each of the four partners specializes in producing different parts of the aircraft. (Airbus has its European final assembly lines in Toulouse, France; Hamburg, Germany; and Seville, Spain; Airbus opened assembly lines for its A320 model in Tianjin in the People's Republic of China in 2008, and in Mobile, Alabama, **USA**, in July 2015.) Boeing, however, complained about the massive government **subsidies** channelled into Airbus in order to make it viable, and labelled such activity as constituting unfair competition. Tension was particularly acute in the 1980s, until a bilateral agreement on civil aircraft, which capped government support for new aircraft, was reached in June 1992. Nevertheless, relations remained tense, as was evident in the opposition of the European Union (EU) to the planned merger between Boeing and McDonnell Douglas in 1997. This merger aimed to create the world's largest aerospace and defence company. The USA saw EU **competition policy** as another unfair means to protect Airbus, and the issue was only resolved when the **European Commission** sanctioned a merger, providing that many of the clauses that would have tied Boeing customers to the new company for 20 years were removed. In an effort to make Airbus more competitive and more efficient, it was transformed in 1999 into a limited company; it became a single integrated operating company in 2001. Tensions between Airbus and Boeing over the degree of subsidies supporting the activities of both companies became a frequent feature of EU/US trade discussions. In October 2004 both companies launched the largest trade dispute in the short history of the **World Trade Organization** (WTO). However, aware of the economic repercussions of any damaging ruling against them, both parties agreed in January 2005 to resume negotiations in an effort to consider how to cut subsidies. A renewed bitter dispute erupted between both companies in May 2005 centred on the failure of both Airbus and Boeing to agree on the level of subsidies, which led both sides to revive their charges before the WTO.

The ongoing competition between the two international giants continued to intensify, with the launch of a newly designed A350 in July 2006. The new long-haul, mid-sized plane was to compete directly with the Boeing 787 Dreamliner. The A350 has been designed to be more fuel-efficient and is built with carbon composites. The new A350 commenced services in January 2015. By 2016 some 810 A350 planes had been ordered (fewer than the 900 early orders for Boeing's Dreamliner), although only 30 were in operation by that time.

There have been other issues for Airbus. Doubts, for example, were raised at the beginning of 2010 over whether any further progress could be made in the production of Airbus's A400M Atlas military transport aircraft—which was already over budget—without a significant financial contribution from European governments. The member states themselves were divided over the

issue; but they could not risk abandoning the venture, as it would open the way for an alternative aircraft, the C-17, from Boeing. The plans for the A400M were launched in 2003 to meet demands from seven European nations (**Belgium, France, Germany, Luxembourg, Spain, Turkey** and the **United Kingdom**) for a new 'state of the art' plane, which was better equipped to engage in tactical and logistical missions. After the A400M was put through successful flight testing in May 2012 the plane received its European Aviation Safety certification in March 2013 and Airbus delivered the first of the new military aircraft in August. In September 2014 Airbus initiated collaboration with US company Aerion to design a supersonic private business aircraft, with the aim of entering into operation in 2021.

ALBANIA concluded a trade and co-operation agreement with the **European Community** in 1992 that held out the prospect of negotiating an **association agreement**. Progress towards such a goal was hampered in the 1990s by domestic political and economic instability. In 1999, however, the country became part of the **Stabilization and Association Process** that the European Union (EU) launched in the aftermath of the **Kosovo** crisis. This led to assistance under the former **CARDS** programme, and the possibility of opening negotiations on a **stabilization and association agreement** (SAA). Albania is keen to become a member of the EU, a point recognized at a **summit meeting** of the **European Council**, held in Feira, **Portugal** in 2000, when Albania, along with other countries in the **Western Balkans**, was confirmed as a **potential candidate state**. In 2003 EU membership clearly remained a priority for the Albanian Government. Although negotiations on an SAA were opened in February of that year, effectively representing Albania's first step towards eventual EU membership, the then Commission President, Romano Prodi, asserted that substantial problems remained, which required serious consideration by the Albanian authorities before any real progress could be made towards the acquisition of full EU membership. These included suppressing criminal activities and showing evidence of solid economic progress. A **European partnership** was adopted in 2004, however, and negotiations on the SAA were eventually concluded in February 2006. Albania also began to receive pre-accession financial assistance under the new **instrument for pre-accession assistance**, with €213m. allocated for the period 2007–09. A new European partnership was adopted in 2008, the same year that an EU–Albania agreement on visa facilitation, signed in 2007, entered into force. This was followed by the entry into force of the SAA on 1 April 2009, the same day that the country joined the **North Atlantic Treaty Organization**, and Albania's integration with the EU entered a new phase. Further confirmation of this came with the submission of an application for EU membership on 28 April 2009. The Commission's **opinion** in November 2010 was critical of the political situation in the country and of the Government's faltering record on reform; the Commission reached a similar conclusion a year later. In October 2012 the Commission

recommended that the European Council give Albania **candidate status**, provided that further reform of the judiciary and public administration were undertaken in advance of legislative elections in June 2013. The EU provided Albania with some €95m. in 2013 to assist with its transitional reforms. On 27 June 2014 the **European Council** granted Albania candidate status. The EU welcomed the adoption of legislation regulating holders of public office in December 2015. The opening of EU accession negotiations remained contingent on the adoption of planned reforms of the judicial system, in accordance with stipulations of the **European Commission**. Membership of the EU is not expected before 2020, at the earliest.

ALDE: See **Group of the Alliance of Liberals and Democrats for Europe**

ALE: See **European Free Alliance**

ALGERIA: See **Maghreb States**

ALLIANCE OF LIBERALS AND DEMOCRATS FOR EUROPE: See **Group of the Alliance of Liberals and Democrats for Europe**

ALTENER stands for Alternative Energy, an initiative relating to the development of new and renewable energy resources (RES) (see **electricity**). It was established in 1993 and its objectives were to make such resources competitive, to eliminate barriers to their marketability, and to develop public awareness about their availability and virtues. The 1997 **White Paper** laid down a clear strategy of doubling the proportion of RES in the European Union's gross domestic energy consumption from 6% in 1997 to 12% in 2010. The Altener II programme was launched in 1998. In September 2001 a directive was adopted on the production of electricity and RES, which aimed to increase reliance on RES by advocating greater use of 'green' electricity. Altener III was incorporated into the Intelligent Energy-Europe programme from 2007. In April 2009 the **European Council** and the **European Parliament** adopted a new directive on the promotion of the use of energy from renewable sources, which superseded earlier legislation.

ALTERNATIVE FÜR DEUTSCHLAND (AfD—Alternative for Germany) is one of **Germany's** newest political parties. The AfD was established in February 2013, initially as a centre-right conservative party, but has since gained the reputation of being a right-wing populist party. It is widely considered to be Germany's first **Eurosceptic** party, with a majority of male supporters. Many of its supporters formerly belonged to **Angela Merkel's**

Christlich-Demokratische Union Deutschlands (CDU—Christian Democratic Union). The party has attracted considerable attention and interest both in Germany and abroad, and narrowly missed securing representation in the Federal Assembly (Bundestag) following the September 2013 elections, falling just short of the required 5% threshold. Such thresholds have since been deemed unconstitutional and seven AfD **Members of the European Parliament** (MEPs) were elected at the elections to the **European Parliament** (EP) in May 2014. In late 2014 the AfD secured its first representation in the three regional parliaments of Brandenburg, Saxony and Thuringia, and it gained representation in Bremen and Hamburg in the first half of 2015. However, in mid-2015 the AfD experienced internal divisions, and a number of members left the party, forming a new centre-right party, the Allianz für Fortschritt und Aufbruch (Alliance for Progress and Renewal). The AfD's electoral gains continued, none the less: in March 2016 the party finished second in regional elections in Saxony-Anhalt, and third in Rhineland-Palatinate and Baden-Württemberg. In regional elections in Mecklenburg-Vorpommern in September, the AfD finished second, ahead of the CDU, amid popular opposition to Merkel's liberal policy on accepting refugees. The party performed strongly in the federal elections of September 2017.

In the EP, the AfD was initially part of the **European Conservatives and Reformists** (ECR) group. The AfD was expelled following an alliance with the **far-right** Freedom Party of **Austria** and controversial comments by its leadership, calling for the shooting of immigrants. One AfD MEP was subsequently admitted to the **Europe of Freedom and Direct Democracy group** (EFDD), and the other became a member of the **Europe of Nations and Freedom** (ENF). The AfD, like the Government, is highly critical of the case for Turkish membership of the EU. However, unlike the Government, the AfD staunchly opposes the country's membership of the euro and the earlier decisions to bail out ailing economies such as **Greece**. The AfD is known for its anti-immigration stance and opposition to Islam, and has been accused of **Islamophobia**. The party has advocated the complete exclusion of asylum applicants to Germany and a willingness to revoke the German citizenship of those born to non-German parents. At the party conference in 2016, the AfD adopted a manifesto banning Islamic symbols, including burqas, minarets and the call to prayer.

AMS is the acronym for Aggregate Measure of Support, the calculation of the costs to taxpayers and consumers of both the domestic farm support and the export subsidies provided by the **common agricultural policy** (CAP).

AMSTERDAM TREATY: See **Treaty of Amsterdam**

The **ANDEAN COMMUNITY OF NATIONS** (Comunidad Andina—CAN), formerly the Andean Pact, comprises four South American countries: Bolivia, Colombia, Ecuador, and Peru. The community is based on a **customs union**, and formal ties with the **European Community** date back to agreements on bilateral trade and aid signed in 1983 and 1986. Since then, co-operation has developed both on a European Union (EU)–Andean Community basis and within the context of the EU’s developing relations with **South and Central America**. Following a series of declarations in 1996, a new institutional framework for relations was developed, with dialogue focusing particularly on drugs. A political dialogue and co-operation agreement with the Andean Community and its member states was signed in December 2003. In mid-2007 the EU and the Andean Community initiated negotiations on an Association Agreement, which were, however, suspended in mid-2008. On 1 March 2010 an agreement on trade was concluded between the EU and Colombia and Peru. The trade agreement was signed in June 2012 and was provisionally applied from 2013. A draft text for a proposed free trade agreement between the EU and Ecuador was published in February 2015. In November 2016 the EU and its member states, together with Ecuador, Colombia and Peru, signed the accession protocol of Ecuador to the trade agreement. Ecuador joined the trade agreement on 1 January 2017.

VYTENIS ANDRIUKAITIS (1951–) was nominated in 2014 as the Lithuanian Commissioner to the new 28-member **European Commission** led by President-elect **Jean-Claude Juncker**. In September 2014 Juncker named Andriukaitis as Commissioner-designate for Health and Food Safety, subject to approval by the **European Parliament** (EP). Prior to his nomination to the Commission, Andriukaitis held a number of senior professional and political roles in **Lithuania**, including that of cardiovascular surgeon, and most recently Minister of Health and Vice-President of the World Health Assembly. Andriukaitis graduated with a medical degree from Kaunas Institute of Medicine in 1975. He also holds a Master’s degree in history from Vilnius University. Following the approval of Juncker’s Commission by the EP and the **European Council** in late October 2014, Andriukaitis took up office on 1 November.

ANIMAL WELFARE aims to address issues surrounding the keeping of millions of animals for economic purposes (for example, farming) across Europe. The **European Commission** regards animals as sentient beings and seeks to ensure that they do not encounter avoidable pain or suffering. The Commission seeks to ensure minimum welfare requirements for all those who keep animals (including pet owners). The Commission adopted its first animal welfare strategy in 2006: an Action Plan on the Protection and Welfare of Animals (2006–10). A new, four-year, improved strategy was adopted in January 2012 and was to run until the end of 2015. (In November 2015 the **European**

Parliament urged the Commission to implement a new animal welfare strategy to run from 2016 to 2020.) The **Treaty on the Functioning of the European Union** reaffirms a number of fundamental principles regarding animal welfare (first introduced under the **Treaty of Amsterdam**) that should be respected. Article 13 states that ‘in formulating and implementing the Union’s agriculture, fisheries, transport, **internal market, research and technological development** and space policies, the Union and the Member States shall ... pay full regard to the welfare requirements of animals, while respecting the legislative or administrative customs of the Member States’.

The **ANNUAL REPORT** is a general report on the activities of the European Union (EU) and the member states. It is published annually in all EU languages and is submitted to the **European Parliament**.

ANDRUS ANSIP (1956–) was named as the Estonian representative to the **European Commission** for 2014–19. He was appointed Mayor of Tartu in 1998, and entered the Estonian Parliament in 2004, becoming first Minister of Economic Affairs, and subsequently Prime Minister of **Estonia** between 2005 and 2014, and Chairman of the liberal Estonian Reform Party in 2004–14. In September 2014 the then President-elect of the Commission, **Jean-Claude Juncker**, nominated Ansip as Vice-President of the Commission, with responsibility for the Digital Single Market. Following the approval of the Juncker Commission by the European Parliament, and with the endorsement of the **European Council**, Ansip took up his post on 1 November 2014.

ANTICI GROUP is named after its Italian founder, Paolo M. Antici. The Antici Group comprises the personal assistants of the Permanent Representatives (see **Permanent Representation**) in **Brussels**, Belgium, a member of the private office of the head of the secretariat of the Council of Ministers and a member of the Council’s legal service. It has no formal status, but functions as an integral and important part of the structure of the **Committee of Permanent Representatives**, and is consulted by the presidency on work programmes and procedures.

ANTI-DUMPING: See **Dumping**

ANTI-TRUST: See **Competition Policy**

APPLE INC. is a multinational information technology company, which was originally founded in 1976 by Steve Jobs, Steve Wozniak and Ronald Wayne, to produce and distribute personal computers. The company is based in the USA’s so-called Silicon Valley, in Cupertino, CA, and now designs, develops

APPLICANT COUNTRIES

and sells electronics, including mobile telecommunications and tablet computer devices (such as iPads and iPhones), consumer software (including the OS X and iOS operating systems) and online services. At 2016 Apple Inc. was reportedly the largest publicly traded corporation worldwide, in terms of market capitalization. At the end of August the European Union's Commissioner, responsible for Competition, Margrethe Vestager, concluded that Apple had been in receipt of illegal **state aid** from **Ireland**, and had been directing much of its sales and profits outside the USA through Apple International in Ireland, an artificial corporate structure without premises or personnel. Apple was ordered to pay unpaid taxes amounting to as much as €13,000m., in addition to interest. The ruling was the result of a three-year investigation into claims that Ireland had violated EU legislation in offering Apple tax advantages not available to other companies, amid increased efforts to combat tax avoidance, following the financial crisis. The EU has pursued these efforts through the EU's state aid policy, which gives the **European Commission** the authority to monitor the state support offered to companies to guarantee competition. Apple's Chief Executive Tim Cook responded by accusing the Commission of making politically motivated charges.

The **APPLICANT COUNTRIES**, in order of application for membership of the European Union (EU), are: **Turkey** (14 April 1987), the **former Yugoslav republic of Macedonia**—FYRM (22 March 2004), **Montenegro** (15 December 2008), **Albania** (28 April 2009), **Iceland** (16 July 2009—withdrawn in June 2013), **Serbia** (22 December 2009) and **Bosnia and Herzegovina** (15 February 2016). Other countries have also signalled their intention to apply for EU membership in the future. These include **Moldova** and **Ukraine**. **Switzerland** has applied for membership, but the Swiss Government froze its application following popular rejection of Swiss participation in the **European Economic Area** in 1992.

Of the current applicant countries, Albania, the FYRM, Montenegro, Serbia and Turkey are formally **candidate countries**, Albania having had the status conferred on it most recently, in June 2014. Of the candidates, Turkey opened **accession negotiations** in October 2005, Iceland in July 2010 (later suspended), Montenegro in June 2012 and Serbia in January 2014. The FYRM and Albania are awaiting the opening of accession negotiations.

APPROXIMATION is a term used to describe the process of removing undesired or unwarranted differences in national **legislation** within the context of the **internal market**. Proposals for approximation come from the **European Commission**, but must be approved by the **Council of the European Union**. Approximation can involve not only member states, but also non-member countries.

‘ARAB SPRING’ is the term coined to describe the popular uprisings that took place across the Middle East and North Africa from December 2010. A series of large-scale demonstrations in Tunisia followed the self-immolation of a young Tunisian man in protest at state restrictions in mid-December 2010, and led President Zine al-Abidine Ben Ali to flee the country in mid-January 2011. A number of governments in the region were subsequently overthrown with significant political effects in Egypt, Iraq, Libya and Yemen, and civil conflict in **Syria** is ongoing. Additionally, there were sustained protests in Algeria, Bahrain, Iran, Jordan, Kuwait, Lebanon, Oman and Sudan. In February 2011, at a Senior Officials’ meeting to discuss the unrest in the Middle East, the **High Representative of the Union for Foreign Affairs and Security Policy** and Vice-President of the **European Commission**, Catherine Ashton, identified the need for the European Union (EU) to respond in three ways: by helping to develop ‘deep democracy’, through a process of political reform, democratic elections, institution building, measures to combat corruption, and support for the independent judiciary and civil society; through economic development; and by facilitating the movement of people and of communications, while avoiding mass migration. In March a joint partnership for democracy and shared prosperity with the Southern Mediterranean was published. In June Ashton established a new Task Force for the Southern Mediterranean, which aimed to combine expertise from the **European External Action Service**, the Commission, the **European Investment Bank**, the **European Bank for Reconstruction and Development** and other international financial institutions to act as a focal point for assistance to countries in North Africa experiencing political transformation. The Council appointed an EU Special Representative for the Southern Mediterranean in July, who was to strengthen the EU’s political role in North Africa and the Middle East, to ensure the coherence of EU actions in relation to the region and to support the transition to democracy in the EU’s southern neighbourhood. In September the Commission agreed to new economic support for the Middle East. The Support for Partnership Reform and Inclusive Growth (SPRING) programme was allocated a budget of €350m. in additional funds for 2011–12, to provide support on a so-called more-for-more basis to those countries that demonstrated progress in implementing democratic reforms. The Civil Society Facility was established, with a budget of €26.4m., with the objective of strengthening the capacity of civil society to promote reform and increase public accountability. In November 2013 the Commission announced that the SPRING programme had been allocated €150m. for 2013.

Creating an **AREA OF FREEDOM, SECURITY AND JUSTICE** was a goal inserted into the **Treaty of Rome** by the **Treaty of Amsterdam**, involving co-operation in many of the areas previously dealt with under pillar III of the European Union (EU), the third **pillar** covering **justice and home affairs** (JHA). The Treaty of Amsterdam transferred the issues of asylum,

immigration and judicial co-operation in civil matters from this third pillar into the European Community pillar, leaving the more sensitive issues of police and judicial co-operation in criminal matters in a newly renamed pillar III, **Police and Judicial Cooperation in Criminal Matters** (PJCCM). Hence, an emphasis on assuring the **freedom of movement** of persons is accompanied by measures governing external border controls, asylum, immigration and the prevention and combating of crime. How to realize the area of freedom, security and justice was the principal focus of the **Tampere summit** in 1999, which produced a five-year action programme focused on progress towards a common EU asylum and migration policy, mutual recognition of judicial decisions, and enhanced cross-border co-operation against crime, including with non-member states. Subsequently, a second action plan—the Hague Action Plan—was adopted in 2004. The **Stockholm Programme** followed in December 2009. The **Treaty of Lisbon** abolished the pillar structure and brought all JHA and PJCCM issues back together under the Area of Freedom, Security and Justice. It also enabled the **European Parliament** and the **European Court of Justice** to wield greater influence regarding these issues.

ARIANE is the name of a series of European civilian rockets that have been taking satellites into space since the late 1970s. The Ariane project, originally conceived as a French-designed rocket-launcher, became Western Europe's second attempt successfully to design commercial rockets to compete with their US and Soviet counterparts. The Ariane project was partly funded by loans from the **European Investment Bank**. In 1980 the **European Space Agency** (ESA) established the Ariane space company (Arianespace) to market the launcher commercially. Its facilities were made available to all, and Arianespace has shareholders from 10 European states, with **France** the largest by far. There are over 300 employees working in the company's headquarters in Évry, France, and in French Guiana, as well as in local offices in the USA, Singapore and Japan. The company has been involved in a regular programme of launches, putting satellites in space since 1979. Over time the rockets have been adapted and re-designed to allow for greater efficiency and capacity. The latest version is the Ariane 5.

MIGUEL ARIAS CAÑETE (1950–) was nominated in 2014 as the Spanish Commissioner-designate to the new 28-member **European Commission** led by President-elect **Jean-Claude Juncker**. In September 2014 Juncker had named Arias Cañete as Commissioner-designate for Climate Action and Energy, subject to approval by the **European Parliament** (EP). When the EP and the **European Council** approved the Juncker Commission, Arias Cañete took up his position as a European Commissioner on 1 November. He studied law at the Complutense University of Madrid and worked as a civil servant after graduation as well as a law lecturer (1979–82), before entering politics as a member of the Andalusian assembly. In June 2014 immediately prior to his appointment to

the Commission, Arias Cañete was elected to the EP. He had previously been a member of the EP from 1986 to 1999, but prior to his current appointment spent 15 years involved in national politics, where he held the role of Spanish Minister of Agriculture, Food and the Environment on two occasions.

An **ARTICLE** is the basic clause or unit of a European treaty. It may be subdivided into paragraphs.

ARTICLE 36 COMMITTEE, formerly the K.4 Committee, and also known as CATS, was established by the **Treaty on European Union**. Its role is primarily to co-ordinate European Union **police and judicial co-operation in criminal matters**. In addition, the Committee is expected to provide the **Council of the European Union** with opinions and assist in the preparation of the Council's discussions, along with the **Committee of Permanent Representatives**.

ARTICLE 50 of the **Treaty of Lisbon** allows any member state of the European Union (EU) to decide to withdraw from the Union, 'in accordance with its own constitutional requirements'. Should a member state decide to leave the Union, it is obliged to notify the **European Council** of its intention, thereby formally invoking Article 50. In accordance with guidelines provided by the European Council, upon being informed of a member state's intention to withdraw, the Union begins negotiations with that state, with the aim of concluding an agreement to establish arrangements for the country's withdrawal, while taking into account the framework for the country's future relations with the rest of the Union. Any such agreement must be concluded on behalf of the Union by the European Council, acting by means of a qualified majority (see **Qualified Majority Voting**), and with the consent of the **European Parliament** (EP). The treaties of the EU cease to apply to the withdrawing member state upon the entry into force of the withdrawal agreement or, alternatively, two years after the government of the withdrawing state has invoked Article 50 (unless the European Council, in agreement with the relevant member state, unanimously decides to an extension of this period). Members of the European Council or of the **Council of the European Union** representing the withdrawing member state are not permitted to take part in discussions in those bodies or in decisions concerning it; however, members of the EP from the withdrawing member state retain the right to vote in discussions pertaining to its withdrawal. The eventual withdrawal agreement is not considered to be primary law, as it will not amend EU treaties. If the withdrawing member state wished to apply in future to rejoin the EU as a full member, it would be considered as a third country (under Article 49 of the Treaty of Lisbon). The resulting **association agreement** could take, should the applicant state wish, an entirely new, unique format, not comparable with

existing agreements for associate members of the bloc. The **United Kingdom** became the first member state to invoke Article 50, under Prime Minister **Theresa May**, after voters decided in a national referendum in June 2016 to leave the Union (see **Brexit**). On 29 March 2017 the Prime Minister formally informed European Council President **Donald Tusk** of the UK's intention to leave the Union, thereby invoking Article 50.

ARTICLE 352 (formerly Article 308) allows the European Union, in the absence of any explicit powers and acting by **unanimity**, to take 'appropriate measures' to achieve a particular treaty objective.

ASEAN: See **Association of Southeast Asian Nations**

ASIA has not been the subject of a co-ordinated **regional policy** by the European Union (EU), although most Asian countries participate in the EU Generalized System of Preferences, and the EU has developed links with the **Association of Southeast Asian Nations** (ASEAN). In addition, there are **co-operation agreements** and **strategic partnerships** with several Asian countries, including the People's Republic of China, India and Japan, while others have been the subjects of separate economic and development accords. India is the largest single recipient of EU aid among developing countries. In 2012 the EU acceded to the Treaty of Amity and Cooperation in South East Asia.

ASIA-PACIFIC ECONOMIC CO-OPERATION (APEC): See **Association of Southeast Asian Nations**

ASSIZES (or Conferences of the Parliaments) are consultative meetings of representatives of **national parliaments** designed to improve awareness of and support for the integration process.

ASSOCIATION AGREEMENTS were concluded with numerous countries both within Europe and beyond. Agreements concluded with the latter include the **Lomé Conventions** and the **Cotonou Agreement**. Within Europe, association agreements were initially drawn up only with countries aspiring to but as yet insufficiently developed economically for membership. Hence, those with **Greece** (1961) and **Turkey** (1963) envisaged the creation of a **customs union** with the EC as well as co-operation in a wide variety of areas. Later agreements with **Malta** (1971) and **Cyprus** (1972) were, by contrast, far less ambitious, restricting themselves to little more than the creation of a free trade area, although they too involved the establishment of a series of bodies (e.g. an Association Council and an Association Committee) to oversee

the operation of the Association. Since the early 1990s an increasing number of association agreements have been concluded with European countries. These include the formation of a **European Economic Area** with the member states of the **European Free Trade Association** (EFTA), **Europe agreements** with the countries of **Central and Eastern Europe**, and the **stabilization and association agreements** with countries in the **Western Balkans**. Association agreements were subsequently envisaged for the Eastern European countries covered by the EU's Eastern partnership. In June 2014 association agreements were signed with Georgia and **Moldova** (both of which entered into force in 2016), and the process of signature (which had commenced in March) was completed with **Ukraine**. An association agreement with **Kosovo** was signed in October 2015 and entered into force in April 2016.

The **ASSOCIATION OF SOUTHEAST ASIAN NATIONS** (ASEAN) is a regional organization. When formed in 1967, it comprised Indonesia, Malaysia, the Philippines, Singapore and Thailand. Brunei and Viet Nam joined in 1984 and 1995 respectively, with Myanmar and Laos joining in 1997. Cambodia became a member of ASEAN in 1999. The Association's main current purpose is to promote free trade between its member states and other members of the Asia-Pacific Economic Co-operation (APEC) organization, which includes Australia, **Japan**, the **Russian Federation** and the People's Republic of China among its 21 members. Relations with the European Union (EU) date back to the early 1970s and include a **co-operation agreement** signed in 1980, although at times development of relations has been hampered by concerns over alleged **human rights** abuses in certain ASEAN countries, notably Indonesia. In 1997 a 'new dynamic' to EU-ASEAN relations was launched with a view to increasing co-operation and encouraging greater collaboration in business and trade. In 2007 the first EU-ASEAN summit took place in Singapore. This endorsed a Plan of Action to implement an Enhanced Partnership covering political and security co-operation, as well as co-operation on economic, energy, environmental and sociocultural issues. A second EU-ASEAN summit was held in Brunei in April 2012. The EU is ASEAN's third largest trading partner, after the People's Republic of China and Japan. In May 2015 the **High Representative of the Union for Foreign Affairs and Security Policy** and the **European Commission** adopted a joint communication entitled 'The EU and ASEAN: A Partnership with a Strategic Purpose', and in September the first ASEAN-EU Policy Dialogue on Human Rights took place, with a focus on women's rights, child protection and the safety of migrant workers.

ASYLUM, MIGRATION AND INTEGRATION FUND (AMIF): See **Migration and Asylum Policy**

ATLANTIC ALLIANCE is a popular alternative name for the **North Atlantic Treaty Organization** (NATO).

The **ATLANTIC ARC COMMISSION** (ARC) is an intergovernmental association of regional authorities from those regions of the European Union (EU) that border the Atlantic, including islands located in this ocean and any other regions with close economic and cultural ties with areas bordering the Atlantic. The five states covered are: **France, Ireland, Portugal, Spain** and the **United Kingdom**. The ARC was founded in 1989 and has as its main objective securing EU funding for infrastructural developments for the poorer, more peripheral areas of the EU that border the Atlantic Ocean. In 2016–18 the presidency was held by Juan José Sota Verdi3n of the Cantabria region of Spain.

ATMOSPHERIC POLLUTION was a central element of initiatives in the field of **environmental policy** from the mid-1980s. Regulations governing automobile emissions were introduced in 1985 and 1987, though the extent of improvement was hindered by disagreements between the member states. There was also a series of **directives** on industrial pollution, especially the discharge of sulphur dioxide and chlorofluorocarbons (CFCs) into the atmosphere, which provided for CFCs to be totally banned by 1997. The European Union (EU) agreed in 1997 to curb emissions of six greenhouse gases by 8%, in comparison to 1990 levels, by 2008–12. The Clean Air for Europe (CAFE) programme began in 2001, aiming to co-ordinate the collection of scientific and technical data necessary for policymaking in this area. As part of the EU's Sixth Environmental Action Plan, adopted in 2002, the EU aimed to bring about, *inter alia*, by 2020: a 47% reduction in the erosion of life expectancy owing to exposure to particulate matter and a 10% reduction in acute mortality resulting from ozone exposure. An **Emissions Trading Scheme** (ETS) was launched in January 2005, which obliges companies that exceed their agreed carbon dioxide emissions to buy extra allowances from more efficient companies or incur considerable fines. In April 2008 a new air quality directive was approved by the Council, which merged five existing pieces of legislation into a single directive, and imposed limits on fine particle emissions (PM2.5) from vehicles, agriculture and small-scale industry. Emissions of PM2.5 in urban areas were to be reduced by 20% by 2020, compared with 2010 levels. The Commission estimated that some 370,000 EU citizens died each year from conditions linked to air pollution. A review of legislation on air pollution commenced in 2011, which concluded in December 2013 with the adoption by the Commission of a new CAFE, specifying objectives for air quality until 2030. An amended National Emissions Ceilings Directive was also adopted, which introduced more restrictive maximum levels for national emissions of the six principal pollutants. The **European Environment Agency** is the body

that monitors atmospheric pollution and air quality, and supports the implementation of related EU legislation.

AUDIOVISUAL POLICY dates from the 1980s and activity in the audiovisual sector comprises two broad aspects. The first focuses mainly on industry sector considerations that centre on efforts to ensure the standardization of the systems used in the member states to broadcast programmes by satellite and cable. The first **directive** on this specific issue was approved in 1986. In 1989 objectives were defined for the development of high-definition television (HDTV). In 1991 a single standard for high-definition television production and financial support for a programme of co-operation between the businesses concerned were introduced. There is also a legal dimension to audiovisual policy and this centred on the Television without Frontiers directive, which was adopted in 1989 and amended in 1997. This directive sought to provide a harmonized framework in order to promote the free movement, production and distribution of European television programmes. To this end, common rules were agreed on advertising, sponsorship, the protection of minors and the right of reply. This directive also introduced distribution quotas, thus requiring TV channels to reserve, whenever possible, more than one-half of their transmission time for European productions. An updated Television without Frontiers directive, renamed the Audiovisual Media Services without Frontiers directive, was adopted by the **European Parliament** in November 2007. In March 2010 the European Parliament and the Council adopted a directive on Audiovisual Media Services, with the aim of implementing a cross-border framework for audiovisual media services, thereby strengthening the EU's market for both production and distribution, and ensuring fair competition. In May 2016 new amendments were made to the Audiovisual Media Services Directive to reform and update the directive for the 21st century, as part of the EU's **Media Policy**.

The European audiovisual market faces a series of hurdles: continuing language barriers which prevent the free movement of programmes; an unwieldy decision making process which generally requires **unanimity**; and the need to make considerable investment to anticipate technological developments, which requires international alliances and/or mergers. It is important to stress that the development of European Union (EU) audiovisual policy must respect certain interests and priorities, such as competition rules (especially regarding state aid—see **subsidies**), the rules on intellectual property and the principles of public service.

From 1991 the MEDIA programme (measures to promote the development of the audiovisual industry) supported the European audiovisual industry by encouraging the development and distribution of European works and financing schemes to improve the training of professionals in the sector. The **MEDIA 2007 Programme** (2007–13), which followed on from MEDIA II (1996–2000) and Media Plus (2000–05), had a budget of €755m. The **European**

Commission's MEDIA programme was incorporated into the **Creative Europe** Programme (2014–20). This new programme was to receive some €1,460m., and aims to stimulate employment in the cultural and creative industries.

AUSTRIA for many years felt unable to consider European Communities (EC) membership because of its neutral status and the terms of the Austrian State Treaty of 1955, which ended the Allied military occupation of the country. It did, however, become a founder member of the **European Free Trade Association** (EFTA) in 1960, despite the disapproval of the **USSR**, which had been a party to the 1955 Treaty. Austria requested a special arrangement with the EC, and exploratory talks began in 1964. The Italian Government vetoed subsequent negotiations in 1967. Hence, it was not until **enlargement** was included on the agenda of the EC that Austria concluded a **free trade agreement** with the EC, in 1972. Given its large volume of trade with the EC, especially with the Federal Republic of **Germany**, in the late 1980s Austria began to fear that its economy would suffer from the establishment of the **internal market**, unless it was party to the process. It supported the attempt by EFTA to reach a general agreement with the EC, but soon broke ranks with its EFTA partners to apply formally for EC membership in July 1989, arguing that membership was not, in fact, precluded by the 1955 State Treaty. Although the EC indicated that action on the application was unlikely until after 1992, the collapse of communism in **Central and Eastern Europe**, the successful completion of the **European Economic Area** talks and the decision by most of the other EFTA states to seek EC membership led to early progress being made. Negotiations on terms of entry began in 1993 and the terms were endorsed by a popular referendum in June 1994. Austria's membership of the European Union (EU) was effective from 1 January 1995 (**Finland** and **Sweden** also joined on the same date). Adapting to membership was a relatively smooth process, although Austria endured a period of diplomatic isolation in 2000 when the **far-right** Freedom Party led by Jörg Haider entered briefly into coalition government. The Austrian Government found itself isolated in 2005 when it strongly resisted the opening of accession negotiations with **Turkey**. Austria eventually agreed to remove all obstacles to the opening of talks with Turkey, provided that accession negotiations could commence with **Croatia**. However, Austrian attitudes towards Turkish accession to the EU remain somewhat mixed, and in May 2011 the Austrian Vice-Chancellor and Federal Minister of European and International Affairs expressed a preference for a special relationship with Turkey over Turkish membership of the EU. Austria held presidential elections in June 2016, in which the Euro-sceptic candidate of the Freedom Party, Norbert Hofer, was narrowly defeated. Upon an appeal to the Constitutional Court by the party's supporters, the result was overturned in July, after it was demonstrated that absentee votes had been mishandled; fresh elections took place in December, in which Hofer was

defeated by Alexander Van der Bellen, the former leader of the Greens, who stood as an independent.

AVIS is the term applied to the opinion issued by the **European Commission** on the acceptability of a country's formal application for membership of the European Union.

DIMITRIS AVRAMOPOULOS (1953–) was nominated in 2014 as the Greek Commissioner to the new 28-member **European Commission** led by President **Jean-Claude Juncker**. In September 2014 Juncker named Avramopoulos as Commissioner-designate for Migration, Home Affairs and Citizenship, subject to approval by the **European Parliament** (EP). Avramopoulos graduated with a BA degree in Public Law and Political Science from Athens University in 1975. After his military service he entered the Greek diplomatic service (1980–93), working in the cabinet office of the Greek Prime Minister and serving as Mayor of Athens (1995–2002), as well as becoming a Vice-President of the **Committee of the Regions** (1997–2002). Prior to his appointment to the Commission Avramopoulos held a number of senior political roles in **Greece**, most recently that of Minister of National Defence from June 2013, but earlier roles included Minister of Foreign Affairs (2012–13), Minister of National Defence (2011–12) and Minister of Health (2006–09). Avramopoulos took up his current post on 1 November 2014.

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BALKANS: See **Western Balkans**

BALTIC STATES: See **Estonia; Latvia; Lithuania**

BANANAS were the cause of a trade dispute between the European Union (EU) and the **USA** throughout the 1990s. The EU's banana regime had always been strongly contested as it granted preferential access to British and French markets to banana producers in their former colonies among the **ACP** (African, Caribbean and Pacific) **states**. The EU banana trade regime (BTR) antagonized the Government of the USA as it restricted access for US producers. With the support of several Central American producers, an appeal was made by the USA to the **World Trade Organization** (WTO) disputes settlement panel against this apparent discrimination. The WTO backed the US complaint and forced the EU to reconsider its BTR. Although a majority of EU member states wanted to abolish the BTR, a minority, including **France** and the **United Kingdom**, wished to defend it. Efforts to enlarge the quota for Central American producers were rejected by the USA in 1999 and heralded the imposition of substantial tariffs on a range of British and French goods entering the US market. This trade war was resolved in April 2001 when a resolution was reached between the EU and the USA, which agreed a transition to a tariff-only system by 2006. Despite this, in June 2007 the USA again raised allegations at the WTO that EU treatment of Latin American banana producers was unfair, citing the continued existence of a 'discriminatory' tariff quota. In December 2009 the EU-Latin American Bananas Agreement (the Geneva Agreement) finally sought to end the 20-year dispute between the EU and Latin America over the former's preferential treatment of the ACP states. In the agreement, the EU opted to reduce its tariffs and the Latin American states pledged to abandon all disputes over bananas before the WTO. It was hoped that the agreement would bring greater stability to the banana market and form the basis of a more significant agreement. In November 2012, after much deliberation, a new agreement between the EU and 11 Latin American states (Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru and Venezuela) brought to an end one of the longest trade disputes in the EU's history. Pascal Lamy, the then Director-General of

the WTO, described the agreement as ‘truly historic’. The agreement pledged the signatories to start moving towards a new set of maximum tariffs.

The **BANK FOR INTERNATIONAL SETTLEMENTS** (BIS) is a joint venture, originally of European national central banks, established in 1930 as an aid to the resolution of the problem of German reparations. After 1945 it extended its activities and membership to include, among others, Canada, **Japan** and the **USA**. Based in Basel, **Switzerland**, it has served as the headquarters of the **Committee of the Governors of the Central Banks**, and has acted on behalf of the European Communities as their agent for the **European Monetary Co-operation Fund** (EMCF). By working closely with the IMF, BIS provides a forum for the co-ordination of international monetary policy and holds deposits for international financial institutions and central banks worldwide.

The **BANKING UNION** refers specifically to the countries of the **eurozone**. Its origins evolved as a response by the **European Commission** to the financial crisis that commenced in 2008. The Commission sought to pursue a series of initiatives to create a much safer and sounder financial sector for the **single market**. At the heart of its plans the Commission sought to ensure greater prudential requirements for banks, to ensure that banks provided increased protection to depositors, and to agree rules for managing failing banks across the **European Union** (EU). These initiatives were brought together within a **single rulebook** for all financial sectors and for all 28 member states. This rulebook comprises a series of legislative texts that all banks (some 8,300) within the EU must adhere to. However, as the debt crisis within the eurozone deepened, it became ever clearer that the countries that shared the single currency required a more interdependent and deeper form of banking integration. The Banking Union is the product of these initiatives and necessitated the creation of a **Single Supervisory Mechanism** and a **Single Resolution Mechanism**. It is intended that these mechanisms will prevent a recurrence of the crises that erupted in a number of countries, notably **Greece** and **Ireland**, and which necessitated substantive bailouts from public funds. Although the Banking Union applies to eurozone member countries, countries outside the euro area can also opt to participate. **Sweden** and the **United Kingdom** are the only member states not to participate in the Single Resolution Mechanism, which entered into force in 2015.

BARBER PROTOCOL is the name given informally to a **protocol** introduced by the **Treaty on European Union** intended to clarify the remuneration criteria contained within Article 141 of the **Treaty of Rome** (now Article 157 of the **Treaty on the Functioning of the European Union**) regarding **equal pay** for equal work by men and women. It restricts the definition of

BARCELONA DECLARATION

remuneration by largely excluding benefits under occupational social security schemes, and has been interpreted as meaning that the **Court of Justice** has a more limited ability to clarify its own judgments. The protocol results from political pressures and financial expediency.

The **BARCELONA DECLARATION** of November 1995 launched the **Euro-Mediterranean partnership** and, in doing so, committed the signatories to the establishment of a **Euro-Mediterranean Economic Area** (EMEA). The signatories were the European Union and the so-called MED-12 states: Algeria, **Cyprus**, Egypt, Israel, Jordan, Lebanon, **Malta**, **Morocco**, the Palestinian Authority (now Palestinian Territories), **Syria**, Tunisia and **Turkey**. (See also **Barcelona Process** and **Union for the Mediterranean**.)

The **BARCELONA PROCESS**, initiated in 1995, was designed to promote closer ties between the European Union (EU) and the so-called MED-12 states of the Mediterranean (Algeria, **Cyprus**, Egypt, Israel, Jordan, Lebanon, **Malta**, **Morocco**, the Palestinian Authority—now Palestinian Territories, **Syria**, Tunisia and **Turkey**). Forming the central element of the EU's **Mediterranean Policy**, it was initiated by the **Barcelona Declaration** of 1995, and subsequently came to form part of the **European Neighbourhood Policy**. In July 2008 a new, but rather vague, multilateral partnership, the **Union for the Mediterranean**, was created; the Union comprises the 28 EU member states and 16 Mediterranean partner countries from North Africa, the Middle East and the Balkans.

MICHEL BARNIER (1951–) is the European Union's (EU) chief negotiator for the **United Kingdom's** exit from the EU, and a former French Commissioner to the **European Commission**. Barnier graduated from ESPC Europe in 1972 and then worked for a number of centre-right Gaullist ministers in successive French governments, before being elected to the National Assembly in 1979, in which he served as a deputy until 1993, when he joined the Government of Prime Minister Jacques Chirac, as Minister for the Environment. In 1995 Chirac appointed him Secretary of State for European Affairs, in which post he served until 1997. In 1999 he was appointed the French Commissioner to the European Commission as Commissioner for Regional Policy, until 2004. He then re-entered the domestic French political arena as Minister of Foreign Affairs until 2005, when he resigned after the French electorate rejected the **Treaty establishing a Constitution for Europe**, in a national referendum in June. In March 2006 Barnier was elected Vice-President of the **European People's Party** for a three-year term, during which time he served as an adviser to Commission President José Manuel Durão Barroso, and participated in a panel of senior European politicians who redrafted the Treaty establishing a Constitution for Europe into what eventually became the **Treaty**

of Lisbon. Under Nicolas Sarkozy's presidency he re-joined the French Cabinet as Minister of Agriculture in 2007, serving until 2009 when he was elected as a **Member of the European Parliament**. He resigned from that position in February 2010 when he was appointed as France's Commissioner for the Internal Market and Services, in which role he served until May 2014 (he was succeeded by **Elżbieta Bieńkowska**), overseeing significant new legislation on financial regulation, **Banking Union** and the single European digital market. From 2015 he was a special adviser to European Commission President **Jean-Claude Juncker** on defence policy, until he was appointed in July 2016 as the Commission's chief negotiator for the UK's exit (**Brexit**) from the EU and director of the so-called Brexit task force.

The **BARRE PLAN** was one of the alternative strategies for **economic and monetary union** that was advanced after the 1969 **Hague summit**. Prepared by Raymond Barre, who was the French Minister of Economy and Finance in 1976–78, and written at the request of the **European Commission**, it was supported by **Belgium** as well as **France**. It favoured a monetarist approach to union with the immediate introduction of fixed exchange rates. This tactic, it argued, would enforce a **convergence** and **harmonization** of the economic policies of the member states. The alternative argument, an economic approach, was expounded in the Schiller Plan. (See also **Optimum Currency Area**; **Werner Report**.)

BASIC PRICE: See **Target Price**

BATTLEGROUPS have been created as part of the EU's commitment, following the development of the **European Rapid Reaction Force**, to equip itself with the military capacity to fulfil the Petersberg tasks set out in the **Treaty on European Union** and pursue its **European security and defence policy** (notably the **European security strategy**). The battlegroups, usually drawing on personnel from a coalition of member states and often with niche capabilities, each consist of up to 1,500 personnel deployable within five–10 days.

BELGIUM is a constitutional monarchy and dates its origins to 1830. It emerged as one of the pioneers of European integration after 1945. It is part of the **Benelux** Economic Union, and a founder member of the European Communities (EC). Belgian governments have been consistent supporters of the European Union (EU) integration process and all have regarded economic integration as only a step towards a political union. In the 1960s Belgium was strongly in favour of **enlargement**, especially the admission of the **United Kingdom**. After the mid-1980s it believed that neither the **Single European Act** nor the **Treaty on European Union** (TEU) had been sufficiently far-reaching,

and was critical of states such as the UK and **Denmark** that were reluctant to accept fully the political implications of integration. However, it has at times been wary of a too forceful Franco-German leadership in the EC; this was a further reason for it to favour a strengthening of the EC's supranational institutions. Belgium was one of the first member states to ratify the TEU. It has, overall, been a net beneficiary of EC membership, not least perhaps in terms of the employment possibilities that membership has created in **Brussels**: the fact that the city is the institutional heart of the EU means that Belgium has developed almost a proprietorial interest in the organization. However, the formal decentralization of the state on linguistic lines, which was concluded in 1993, along with an expensive social security system, imposed heavy public sector costs and raised initial doubts as to whether the country could meet the **convergence criteria** set by the TEU for **economic and monetary union** (EMU). In the end, the criteria were relaxed sufficiently for Belgium to be declared eligible for EMU membership, and the country entered as one of the first wave of 11 states in January 1999.

Belgium remains one of the EU's most enthusiastic members and maintains that a flexible approach to EU integration should be adopted so as to enable a central core of states to integrate faster than others, if they so desire. In contrast, Belgium's internal political scene is much more complex and divides along linguistic lines that see two main communities within the state, each with its own political parties, newspapers and television networks. An inconclusive general election in June 2007 prevented agreement on the formation of a new federal government as divisions intensified between the two main communities within Belgium, the French-speaking Walloons and the Flemish-speaking population. After six months without a government, an emergency coalition Government was established in December under the temporary leadership of (outgoing) **Guy Verhofstadt**. Yves Leterme became the new Belgian Prime Minister in March 2008 ending some nine months of political impasse. Leterme was replaced by a fellow Christian Democrat, Herman Van Rompuy, in December 2008, but became Prime Minister for a second time when Van Rompuy was appointed President of the European Council in December 2009. Ongoing tensions, primarily over language issues and rights within Belgium between the Flemish and the Walloons, led to the collapse of the Government and Leterme's resignation as Prime Minister in April 2010. The domestic difficulties were not resolved in the subsequent legislative elections (of 9 June) and were the backdrop to Belgium assuming responsibility for the EU's six-month rotating presidency in July. In the absence of an agreement on the formation of a new government, Leterme continued to serve as the head of what was widely viewed as an ineffective administration. A new Government, headed by the francophone socialist Elio Di Rupo, took office on 6 December 2011. On 25 May 2014 a general election was held concurrently with elections to the **European Parliament**. Prime Minister Di Rupo tendered his resignation, and negotiations commenced on the formation of a new governing coalition. Di Rupo carried on as caretaker Prime Minister until the appointment of

Charles Michel on 11 October 2014. Michel, the leader of the Reformist Movement since 2011, became, at the age of 39, the youngest Prime Minister in Belgium's history, and his selection also marked the first occasion on which one francophone Prime Minister had been succeeded by another. Belgium became associated with Islamist terrorist attacks in the EU from late 2015, when it emerged that a number of the assailants in a series of co-ordinated terrorist attacks in Paris, **France**, in November, which killed 130 people, originated from Brussels. The assailants, who claimed allegiance to **Islamic State** (previously known as Islamic State in Iraq and the Levant), and some of whom had fought in the ongoing civil conflict in **Syria**, had apparently evaded adequate surveillance from the Belgian security agencies. In March 2016 suicide bombers linked to Islamic State killed 35 people in attacks at Brussels international airport, and on an underground train in the city centre, in what appeared to be a symbolic assault against Brussels as representative of the heart of the EU (Belgium was not involved in any military action in Islamic nations at that time, having suspended air strikes against Islamic State in Syria in 2015 on grounds of cost, although it rejoined the US-led coalition against Islamic State in Syria in July 2016). The apparent lack of co-ordination in Belgium between different levels of government, and between police and security agencies at federal, regional, community and municipal levels attracted severe criticism. One of the principal tasks of the new **European Counter Terrorism Centre**, established in January 2016 under **Europol**, would be to address the issue of violent Islamism apparently being fomented in Belgium.

The **BELGO-LUXEMBOURG ECONOMIC UNION** (BLEU) is primarily a **customs union**, but in many ways a complete economic union, between **Belgium** and **Luxembourg**. The BLEU agreement dates from 1921 and led to the removal of frontier controls between the two states from May 1922. Although originally scheduled to last for some 50 years, the agreement has been renewed every 10 years since 1971. In 1944 the customs union element was extended with the creation of **Benelux**, although BLEU still exists within Benelux. As a result of the BLEU agreement, both countries hold their gold and foreign exchange reserves in common, while many financial, trade and other statistics for Belgium and Luxembourg are recorded together.

BENCHMARKING is an increasingly familiar part of European Union (EU) vocabulary. It involves the use of comparison (from the perspective of a member state or an EU institution) with other states or organizations (for example, with regard to issues such as pension reform or employment practices) with the aim of improving one's own performance by learning from the experience of others.

BENELUX

BENELUX is the commonly used shortened name of the Benelux Economic Union, an economic grouping of **Belgium**, the **Netherlands** and **Luxembourg** within the broader economic structure of the European Union (EU). The exiled Governments of the three states formed the Benelux in 1944, and a Customs Union was formally established in January 1948. Ten years later a new treaty of economic union was signed in The Hague and came into operation in January 1960. As this treaty was due to expire in 2010, a new legal framework (known as the Treaty revising the Treaty establishing the Benelux Economic Union) was signed on 17 June 2008. The most recent treaty has no fixed expiry date, and the name of the Benelux Economic Union was changed to the Benelux Union, to reflect the wide scope of the union. Benelux survives within the EU because the **Treaty of Rome** permits the existence of internal regional groupings of states, as long as these conform to its own stipulated goals. (See also **Belgo-Luxembourg Economic Union**—BLEU.)

BEP: See **Biotech**

BERLAYMONT is the name of the large 13-storey building in **Brussels** that was purpose-built in 1969 to house the **European Commission** and its administrative personnel, although not all Commission employees based in the city work in the building, with others housed in the Charlemagne building. Berlaymont became a shorthand term often used to describe the Commission and the administrative structures of the European Communities, and has sometimes been employed in a derogatory sense to refer to bureaucratization. In 1991 the building had to be evacuated for substantial renovations because large quantities of asbestos had been used in the original construction. The staff was relocated to a number of adjacent buildings, with the Commissioners moving initially into the Breydel building. The renovation and futuristic makeover of this vast star-shaped building, measuring 230,000 sq m (which critics dubbed the ‘Berlaymonster’), took 13 years to complete. The building opened again in November 2004. In 2002 the Commission opted to buy the building from the Belgian state for €553m. by means of a 27-year annuity. Structural problems remained, and the building was damaged in a major fire in May 2009.

The **BERLIN DECLARATION** was adopted at an informal gathering of the **European Council** on the 50th anniversary of the signing of the **Treaties of Rome**, on 25 March 2007. It offered a formal statement on the achievements and purposes of the European Union and paved the way for negotiations on a mandate for an **intergovernmental conference**, which resulted in the **Treaty of Lisbon**.

BICS: See **Business and Innovation Centres**

ELŻBIETA BIEŃKOWSKA (1964–) was nominated as the Polish Commissioner to the new 28-member **European Commission** led by President-elect **Jean-Claude Juncker**. In September 2014 Juncker named Bieńkowska as Commissioner-designate for the **Internal Market**, Industry, Entrepreneurship and Small and Medium-sized Enterprises (replacing **Michel Barnier**). Bieńkowska graduated from Jagellonian University in 1989 with an MA in Oriental Philology and successfully undertook an MBA at the Warsaw School of Economics before taking up a senior post in the Silesian Regional Development Office. She joined Civic Platform, was elected to the Polish Parliament and served as Minister of Regional Development in the Government of **Donald Tusk** in 2007–13. She took up her post as Commissioner on 1 November 2014.

BIOTECH (Biotechnology) is an area in which the **European Union** has been promoting research and development policy since the mid-1980s. In 1985 the Biotechnology Action Programme (BAP) was established as part of the new emphasis on the importance of **research and technological development (RTD) policy**. BAP succeeded the 1982–86 Biomolecular Engineering Programme (BEP), sponsoring collaborative research and training between industry and research institutions across the whole field of biotechnology. The original programme was concluded in 1989, but its work and objectives were incorporated into the subsequent Bridge programme of 1990, which also later changed its name to Biotech. This was superseded by the **quality of life and management of living resources programme** in 1999. A Life Patent directive on biotechnology was adopted in 1997 in an attempt to harmonize rules on gene patenting. In the context of the Lisbon strategy (see **Lisbon agenda**), in February 2002 the Commission presented a communication setting out a strategic vision for life sciences and biotechnology up to 2010, and proposing how to address ethical issues, following a broad public consultation. In 2007 the Commission carried out a mid-term review of the progress made since 2002, and examining the economic, social and environmental impact of biotechnology, in order to enable it to draw up proposed revisions to its strategy for Europe on life sciences and biotechnology. Europe had some 1,836 dedicated biotechnology companies in 2009, compared with the USA's 1,754. However, European companies are smaller, employ fewer people, are much less well capitalized, and have far fewer biotechnology products in development.

BLEU: See **Belgo-Luxembourg Economic Union**

BLOCK EXEMPTIONS refers to those categories of agreements under **European Union (EU) competition policy** between the EU member states and other states that, as stipulated by the **European Commission**, are exempted from the general prohibition of restrictive trade agreements. Under

these, specific economic sectors are exempted from the general provisions relating to competition policy for a period of up to 10 years, after which time they need to be renewed or they lapse. Although such exemptions were initially designed as a means to allow the EU competition authorities greater time to investigate more pressing cases, the Commission is rather cautious about allowing too many block exemptions, and they are granted only rarely. The first, covering exclusive dealing agreements, came into force in 1967 and the second in 1972. They have been applied, for example, to patent licences, specialization agreements, research and development agreements, and motor vehicle distribution and servicing agreements. Block exemptions provide some legal certainty for firms and have benefited **small and medium-sized enterprises** (SMEs) in particular. There is even evidence that company lawyers draft their agreements using the block exemption regulations as a starting point in order to ensure that they satisfy the Commission guidelines. As both policy statements and enforcement tools, they exclude the application of competition law for certain types of agreement (such as liner shipping agreements) and provide delineation between law-abiding and illegal practice. There remain less well-defined areas where the competition rules *might* apply, but the regulations also take these into consideration and make allowances for agreements that are not clear-cut. However, if there is any doubt, firms are wise to pursue the more conventional individual exemption route. This applies when firms draft or alter their agreements to include provisions that are not covered by the block exemption. Block exemption regulations are frequently renewed and updated to incorporate the latest data. A General Block Exemption regulation was adopted in August 2008 and in May 2014 the Commission adopted a revised regulation.

The **BLUE FLAG** is a voluntary eco-label that is awarded annually to bathing beaches and marinas in 47 countries around the world that meet strict standards of water quality and environmental management. The idea of the Blue Flag originated in **France** and the scheme was presented to the **European Commission** by the Foundation for Environmental Education in Europe (FEEE) in 1987 as part of the 'European Year of the Environment'. The programme is run by the non-governmental organization, which was renamed the Foundation for Environmental Education (FEE) in 2000 to reflect the global nature of the scheme. The Blue Flag concept is a core aspect of the **environmental policy** of the European Union, and specifically its water framework **directive**. More than 4,400 beaches and marinas in 46 countries have been awarded a Blue Flag. Information on the recipients of the award is published annually.

The **BOLKESTEIN DIRECTIVE** or, officially, the Directive on Services in the Internal Market, prompted a great deal of debate and controversy in various European Union (EU) countries, and especially **Belgium, France, Germany** and **Italy**, in the first half of 2005. The directive was put together by Frits Bolkestein, the former Commissioner for the **internal market**, and aimed to

establish a single market for services within the EU. Services are a rapidly growing sector and account for around 70% of EU economic activity. The directive contained changes to the EU services market, which can be summarized via two fundamental principles. The first principle focused on the ‘freedom of establishment’ and sought to ensure that any company or individual who provided a service in one EU member state should be allowed to provide it in all EU member states. The second was the ‘country of origin’ principle. This sought to establish that if goods were produced in one EU member state, then it was legitimate and acceptable to sell such goods in other EU member states. In short, the Services Directive sought to remove the administrative and legal barriers that prevented firms from offering their services in other countries. The directive presented a radical vision and certainly could have had a wide-reaching impact in the EU services sector. Services that were covered included, for example, car hire, estate agencies, advice from architects, social care and environmental services. Trade unions argued that such changes would culminate in **social dumping** practices, as rules in Eastern European countries were often less rigid than in Western Europe. The Commission maintained that the directive would create 600,000 jobs, stimulate economic growth and provide greater choice for consumers. Critics feared, however, that the directive would unleash unwelcome competition between workers in different parts of the EU, reduce income levels and lower standards of social and environmental protection. These fears, combined with concerns about the dangers of companies opting to relocate to low-cost economies, led to a series of mass protests, which culminated in a 100,000-strong march through **Brussels, Belgium**, in opposition to this directive in March 2005.

The pressure of public opinion led the **European Council** effectively to postpone the directive in late March 2005 by demanding amendments. There can be little doubt that this example of liberalization fed into the discussions on the **Treaty establishing a Constitution for Europe in France**. The **European Parliament (EP)** approved the Services Directive at its first reading in February 2006. However, the directive excluded a number of services such as broadcasting, postal services, gambling and audiovisual services. The **European Commission** pledged to take the EP’s views into account before producing an amended proposal in April 2006, which would serve as a basis for a second reading in the EP. After substantial amendments (including for example the exclusion of public and private health care and social services), the directive was finally adopted in December 2006 by the EP and European Council, and came into force in December 2009.

BOSNIA AND HERZEGOVINA declared its independence from **Yugoslavia** in 1992 only to become the focus of a civil war, which lasted until 1995, when the Dayton Peace Accords, marking an agreement to end the war, were signed. Subsequently, the government of the country has been overseen by the Office of the High Representative of the International Community (which was

created under the agreement) and by the Special Representative of the European Union (between 2002 and 2011 these two positions were held concurrently by the same person), with initially a **North Atlantic Treaty Organization**-led force (IFOR) and, since December 2004, a European Union (EU) peacekeeping force (EUFOR), seeking to maintain peace and stability. Since 1999 relations with the EU have developed, albeit slowly, in the context of the **Stabilization and Association Process** (SAP). A road map initially detailed a catalogue of essential measures that would have to be adopted in the country before the feasibility of concluding a **stabilization and association agreement** (SAA) could be explored. Appropriate measures were eventually taken, with negotiations on an SAA opening on 25 January 2006. These were closed in December 2007 and the agreement was eventually signed in June 2008, following the implementation of further reform of the police, public broadcasting and public administration and an improvement in the country's co-operation with the International Criminal Tribunal for the former Yugoslavia.

Along with the other countries in the **Western Balkans**, Bosnia and Herzegovina was granted the status of **potential candidate state** in 2000. The country also has a **European partnership** arrangement with the EU. This was first adopted in 2004 and has subsequently been revised, with a new European partnership being adopted in February 2008. This followed a **European Commission** progress report on Bosnia and Herzegovina, which noted the deceleration of political reforms, limited progress with economic reforms, that state institutions continued to be compromised by ethnic division and that the country had yet to assume full ownership of its own governance. The report, however, recorded the EU's continued commitment to supporting reform, noting that pre-accession financial assistance to the country was being provided under the **instrument for pre-accession assistance**. Subsequent reports have raised similar concerns. Although Bosnia and Herzegovina had planned to submit an application for EU membership by the end of 2010, and the EU had then provided the Bosnian Government with a road map in 2012 for submitting such an application, no application has been submitted. Under an initiative by the British and German Governments, in late 2014 a new EU action plan was proposed, under which financial assistance would be released in exchange for commitments by all main political parties to significant reforms. In February 2015 both houses of the Parliamentary Assembly of Bosnia and Herzegovina approved a statement committing the country to reforms, and the SAA with the EU entered into effect on 1 June. Following the further adoption of a Reform Agenda by the authorities in July, Bosnia and Herzegovina submitted a formal application for membership of the EU in February 2016. EU officials welcomed the initiative; however, they indicated that further significant reforms were necessary before it could be considered. Although the main state and Federation parties in Bosnia and Herzegovina declared support for EU membership, those in the Republika Srpska entity expressed strong reservations.

BOVINE SPONGIFORM ENCEPHALOPATHY (BSE) or, as it is more widely known, ‘mad cow disease’, became an issue for the European Union (EU) in early 1996 following a public announcement made by the British Government about the possible connection between BSE and a new variant of Creutzfeldt-Jakob disease (a degenerative and ultimately deadly brain disease) in humans. Several British scientists had long believed that there was a link between the two diseases that originated in feeding offal (the remains of sheep and cattle) to cattle, and that the disease was being passed to humans following their consumption of BSE-infected beef. The British Government’s recognition of that possibility prompted public alarm about the safety of eating diseased beef, and the fact that John Major’s Government had not consulted its EU partners prior to its announcement only made matters worse. The **European Commission** responded by banning the import of all British beef into the EU, as did the Governments of both the **USA** and Australia. The British agricultural community suddenly lost its export markets and sales of beef in the **United Kingdom** fell dramatically. Major responded by introducing a ‘no co-operation agreement’ with the EU that effectively meant blocking all proposals (even those supported by the British Government) that were subject to unanimity in the **Council of the European Union**. At the same time many cattle herds were slaughtered on suspicion of infection. In June 1996 the **European Council** approved a plan to have the ban on British beef gradually lifted once each sector was given the all-clear by the Commission’s Scientific Veterinary Committee. The episode was investigated by the **European Parliament**, which in a 1997 report was critical of the Commission’s handling of the crisis, accusing it of placing farmers’ interests above those of consumers. Despite the lifting of the ban on British beef, some states, notably **France**, continued to refuse to import British beef, which led to legal action against the French Government before the European Courts. Exports of British beef to France resumed in 2002.

ALENKA BRATUŠEK (1970–) nominated herself as the Slovenian Commissioner to the new 28-member **European Commission** led by President-elect **Jean-Claude Juncker**, (which took office on 1 November 2014). In September Juncker named Bratušek as a Vice-President of the European Commission, subject to approval by the **European Parliament** (EP) and the **European Council**. After graduating from the University of Ljubljana and before entering politics, Bratušek worked in the Slovenian civil service. Bratušek enjoyed a rapid rise in Slovenian politics. She was elected to Kranj city council in 2006 and 2010. In 2011 she was elected to the Slovenian parliament and held a number of senior political roles in **Slovenia**, most importantly serving as Slovenia’s first female Prime Minister from March 2013 until her resignation in May 2014. Her nomination to the Commission was made while she was heading a caretaker administration in Slovenia, and was subject to an investigation by an ethics commission. Bratušek’s candidacy was rejected by the EP following a confirmation hearing in October 2014. She withdrew her

candidacy and the Slovenian Prime Minister put forward a new candidate for the post of European Commissioner, **Violeta Bulc**.

BRETTON WOODS in New Hampshire, **USA**, was the location and name of an agreement, made in 1944 by several Western countries, on the introduction of a new international monetary system based upon fixed exchange rates, and backed by two reserve currencies, the US dollar and British pound sterling. The intention was to make currencies convertible on current account, so facilitating multilateral trade and reducing the need for disruptive devaluations. The system experienced a number of problems in the late 1940s, and did not become fully operational until 1958. In the 1960s the fixed exchange-rate system, especially the two reserve currencies, came under increasing pressure. The agreement effectively disintegrated in 1971, when the USA unilaterally suspended dollar convertibility against gold. The Smithsonian Agreement and the European **Snake** were efforts to salvage some advantage from the failure of the Bretton Woods agreement since, despite the benefits that floating currencies may have held for governments, the consequent currency fluctuations adversely affected international monetary stability. The **European Monetary System** (EMS) of 1979 was an attempt by the European Communities to stabilize currency fluctuations by introducing a modified exchange-rate system that would replicate what were believed to have been the virtues of Bretton Woods.

BREXIT is a term that has been coined to refer to the eventual departure of the **United Kingdom** from the **European Union** (EU), following that country's decision to hold an 'in/out' referendum in June 2016, at which the British electorate voted by a margin of 51.9% to 48.1% to leave the EU. (The term **Brexit** evolved from the increasingly widespread use of the popular term **Grexit**, to describe a possible Greek exit from the EU, from 2012.) The decision of the British electorate, which few opinion polls, political observers, financial markets or even, indeed, leaders of the 'Leave' campaign (then Secretary of State for Justice Michael Gove, former Conservative Mayor of London Boris Johnson, and leader of the **UK Independence Party** Nigel Farage) had predicted, caused immediate and significant shockwaves throughout the bloc and beyond, both politically and economically. Equity markets immediately sustained heavy losses, and the British pound sterling lost around one-tenth of its value against other major currencies within 24 hours, notably falling to US \$1.30 = GBP on the morning of 24 June, from \$1.50 = GBP on the previous day, its lowest point since 1984. Immediately following the announcement of the result, British Prime Minister **David Cameron** (who had made a manifesto pledge in 2015 to hold a referendum on EU membership, and subsequently urged British voters to choose continued membership of the EU, having negotiated concessions on British membership of the bloc in early 2016) announced his intention to resign as premier, pending the

appointment of his successor as leader of the Conservative Party. Cameron was succeeded by **Theresa May** in July 2016. Upon forming a new administration, May appointed David Davis as Secretary of State for Exiting the European Union. Uncertainty prevailed about the exact nature of the UK's future relationship with the EU, upon formally exiting the bloc. In March 2017 the British Government invoked **Article 50** of the Treaty of Lisbon, initiating formal proceedings for an eventual (and unprecedented) departure from the bloc. The UK was duly scheduled to leave the EU by 29 March 2019. Formal negotiations commenced between the EU and the UK on 19 June 2017, with the aim of concluding an agreement establishing arrangements for the country's departure from the Union, while seeking to develop a framework for the country's future relations with the EU. However, by late 2017 little progress had been made, with the fifth negotiating round in October ending with terms still to be agreed over, *inter alia*, the financial settlement between the two sides.

Some observers suggested that leaving the EU without an agreement could be economically catastrophic for the UK, as the immediate effect would be the non-application of the European treaties and EU law without any agreed replacement, which would mean that the UK would, in terms of international trade in services at least, be subject to trading by **World Trade Organization** rules, which would not give Britain any special privileges in trading with the EU, as WTO rules generally prevent members from discriminating in favour of a trading partner. At the time of the vote in favour of Brexit, the EU had 22 separate free trade agreements with individual countries, and five multilateral agreements covering multiple countries or trading blocs (comprising 30 countries). Therefore, the UK would effectively have to renegotiate, separately, 52 trade agreements to retain a preferential trading relationship with these countries.

Other than a complete rupture with the EU and all its institutions and treaties (which initially appeared to be the route favoured by Theresa May), alternative proposals among observers for future relations with the EU had included a model based on the relationship between the EU and **Norway**, according to which the UK would be included within the **European Free Trade Association** and the **European Economic Area** and enjoy the attendant benefits. Proposals also included a tailor-made agreement, as the EU has with **Switzerland**, **Canada** and **Turkey**. A final deal would come about only after the questions of any transition arrangements, the UK's financial commitments, **citizens' rights** and Northern Ireland, as well as trade, had been resolved to the satisfaction of the EU and British negotiators. Observers noted the inherent risk to the EU of so-called political and economic contagion from Brexit: the UK was the second largest country in the bloc, in terms of both population and economic output. The UK still had an important role to play in Europe, and a delicate balance had to be struck to maintain a good relationship with the EU in terms of trade and diplomatic relations, without agreeing such lenient terms that other EU member states with a significant proportion of Eurosceptic voters were encouraged to demand that their governments hold a similar referendum on membership. Although parties with a

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Eurosceptic inclination were widespread throughout EU member states, **Austria, Denmark, Sweden** and France were the most notable examples. In July 2016 former European Commissioner **Michel Barnier** of France was appointed as the EU's chief negotiator with the UK over its planned exit from the bloc, and subsequently director at the **European Commission** of a so-called Brexit Task Force, and in September former Belgian premier and senior **MEP Guy Verhofstadt** was appointed as the representative of the European Parliament. The deputy chief negotiator of the Commission task force, from October of that year, was Sabine Weyand of Germany, hitherto a deputy director-general at the European Commission's Directorate-General for Trade. President of the Commission **Jean-Claude Juncker**, in a State of the Union speech to the European Parliament in mid-September, warned the British Government that it should not expect '**à la carte** access to the benefits of the EU', without assuming responsibilities to member states (such as **freedom of movement**). This view was reiterated by Michel Barnier in August 2017, following the largely inconclusive third round of Brexit negotiations, when he stated that 'The UK wants to take back control but also wants (its regulatory) standards recognized automatically in the EU ... this is simply impossible. You cannot be outside the single market and shape its legal order'. It remained to be seen how significant the impact of the UK's departure from the EU would be on schemes that have facilitated co-operation in, variously: combating cross-border criminality, such as **Europol**; managing the security of the EU's borders, such as **FRONTEX**; and education, such as the **Erasmus+** scheme, which allow students in any EU member state to study at universities throughout the Union.

BRITAIN: See **United Kingdom**

BROADCASTING: See **Cultural Policy; European Broadcasting Union; Media Policy**

BRUSSELS is the capital city of **Belgium**, with a population of some 1m. people. Brussels is also home to the executive and administrative branches of the European Union (EU). In addition to being the location of the **European Commission** and the Secretariat of the **Council of the European Union**, it houses the offices of both the **Committee of the Regions** and the **European Economic and Social Committee**. The **European Parliament** has much of its staff in this city and the majority of its committee meetings take place in its new Brussels headquarters. In addition, all the national representations of the member states reside in Brussels, as do representations of many regions (e.g. the German *Länder*) and sub-national authorities (e.g. the **Northern Ireland Executive Office** in Brussels and **Scotland Europa**), which currently have premises near the EU institutions. Moreover, Brussels has attracted the

attention of a variety of public, private and voluntary organizations that either own or rent offices in the city in the hope of being able to influence policy development and EU **decision making**. Finally, Brussels has also been the home of the **North Atlantic Treaty Organization** (NATO) since 1967. The concentration of EU institutions in the city has meant that the name 'Brussels' has often been used as a term to describe the EU and its decision making bodies. Suggestions have been made that Brussels, as it functions in many ways as a capital-elect of the EU, should be given a special status similar to that accorded to Canberra (Australian Capital Territory) or Washington, DC (USA).

BRUSSELS, TREATY OF: See **Treaty of Brussels**

'BRUSSELSIZATION' is a term that is associated with the evolution of the European Union's (EU) **common foreign and security policy** established under Pillar II of the **Treaty on European Union** in 1993. Although the EU's supranational powers are highly marginalized in this policy area, there is a growing sense that this policy's development is being determined to a greater extent than ever in **Brussels** by a number of Pillar II working groups. Since the days of **European political co-operation** in the 1970s and the 1980s, working groups have played an instrumental role in EU foreign policy business. There are an estimated 20 in existence and they exchange information on issues ranging from landmines to the **Organization for Security and Co-operation in Europe** (OSCE). Foreign policy may remain firmly under the control of the national governments, but since the **Maastricht summit** it has become increasingly apparent that more authority and expertise on Pillar II questions has shifted from member states to their national delegations (**Permanent Representations**) in Brussels, which collaborate with the working groups. In other words, the process of 'Brusselsization' ensures that a substantial amount of information on foreign policy is exchanged between the national delegations, and more so than between any other sovereign states in any other international organization.

BSE: See **Bovine Spongiform Encephalopathy**

The **BUDGET** has always proved to be a source of controversy, first for the European Communities (EC) and then for the European Union (EU). When the **European Economic Community** was established in 1957, it was agreed that its budget would be financed by national contributions from the member states, the contribution of each state to be determined by its gross national product (GNP). This was the standard means for financing international organizations such as the **United Nations**. The **European Commission** regarded the EC as being a different type of organization, however, and since the mid-1960s

has sought access to its own revenue sources. In 1970 the original **six** member states in the **Treaty of Luxembourg** decided that national contributions would be progressively phased out by 1975, to be replaced by a system of **EC own resources**, that is, funds that originate in the member states but are the property of the EC. In other words, the amount of money that is available to the EU is determined by an agreement among the member states. It was generally assumed at the outset that the contributions and the receipts would more or less balance. This has not been the case, and the budget has been a politically sensitive issue. However, the European Commission states that the financial contributions made by EU countries to the EU budget are distributed equitably, so that each country contributes a percentage of its **value-added tax (VAT)**, together with 1% of its gross national income.

Revenue comes from two main additional sources, as the EU receives levies on imports of sugar, and **customs duties** from outside the EU. In addition, fines imposed by the Commission for infringements of **EC competition policy** were added to the budget, and in recent years accounted for approximately 1% to 2% of the entire budget. The now defunct **European Coal and Steel Community (ECSC)** retained its own budget, which was financed by a direct levy upon coal and steel enterprises within the EU. The **Treaty on European Union** formally recognized that the EC have their own sources of revenue, stipulating that there must be sufficient own resources to cover all agreed expenditure.

The annual spending plans of the EU are determined after lengthy negotiations between the Council and the **European Parliament (EP)**. The budget process consists of five stages. The Commission prepares a preliminary draft budget for presentation to the **Council of the European Union** no later than 1 September of the year before the one during which the budget is to be implemented. The Council can then accept or amend the draft: it has tended invariably to reduce the total amount of proposed expenditure. By 5 October the Council must have agreed, by a qualified majority (see **Qualified Majority Voting**), upon a draft budget and have sent it to the EP. The EP enjoys 'power of the purse' with regard to the budget and has 45 days in which to consider the draft. Prior to the entry into force of the **Treaty of Lisbon**, on those items that represented compulsory expenditure, the EP was only able to suggest modifications to the Council's proposals; the EP has since gained co-decision over the entire budget. On **non-compulsory expenditure**, it is free to amend the draft budget, albeit only within a general limit previously defined by the Council. Once its deliberations are complete, the revised budget returns to the Council, which may reject the EP's changes. When the proposed modifications to compulsory expenditure do not entail an overall increase in expenditure, a qualified majority vote is needed in the Council; when an increase is involved, a positive majority in the Council is required for rejection.

In cases where the Council decides to reject EP amendments to non-compulsory expenditure, the two institutions are obliged to enter into a conciliation procedure to seek a compromise. The final revised document is then returned to the

EP for adoption. For the budget to be rejected by the EP a two-thirds' majority of the recorded votes must be against adoption, and this qualified majority must also constitute an overall majority of the total EP membership. If the EP votes against adoption, the net effect is that the EU does not have a budget for the new calendar year, and expenditure is restricted each month to one-twelfth of the budget approved for the previous year. This restriction remains in force until a new budget can be approved. The EP rejected the budget in 1979 and 1984, but each time it ultimately accepted a version that was only marginally different from the one it had refused to adopt. Since 1993 the budget has been the subject of an inter-institutional agreement that seeks to inject greater budgetary discipline and to improve budgetary procedures between the Council, the Commission and the EP. This 1993 agreement was judged a success and was renewed in 1998.

Fraud remains a significant problem and it is estimated that between 2% and 10% of the budget becomes subject to fraudulent financial claims, primarily from the operation of the **Common Agricultural Policy (CAP)**. The **Treaty of Amsterdam** introduced measures to protect against fraud and misuse of EU finances. It also provided for greater scrutiny of agricultural expenditure. The **European Court of Auditors** was to have an enhanced role in ensuring that the budget was not being misspent.

Discussions for the financial perspective running from 2007 to 2013 began in earnest at the end of 2004 and proved to be contentious. The difficulties centred on the overall level of spending and the breakdown between the various headings of expenditure. The Commission, with the support of some of the smaller EU states, had been keen to maintain the existing level of 1.24% of GNP to determine the overall size of the budget. However, the net contributors to the budget (**Germany, Sweden, the Netherlands and the United Kingdom**) wanted to limit spending to 1% of GNP. The final agreement was to be determined by the member state governments and was capped at 1.05%. In the 2000s the issue of EU financing became more controversial than at any time since the early 1980s. For example, discussions between the EU member states stalled in June 2005 at a meeting of the **European Council**, as the UK refused to compromise on its rebate unless the French Government showed willingness to engage in serious CAP reform. The ramifications of this meeting endured for the remainder of 2005, with the French and British Governments in conflict over how best to finance the 2004 **enlargement** to the advantage of the new entrants. The UK came under increasing pressure from the other member states to reach an agreement on the budget and to recognize that the UK was no longer in a position to need the maintenance of the rebate. EU leaders finally secured an agreement for the new financial perspective (2007–13) of €862,400m. As part of the overall agreement, the UK agreed to relinquish approximately €10,500m. over this period in return for serious consideration of a farm subsidy reduction in 2008. The leaders of the states from **Central and Eastern Europe** expressed their satisfaction at the outcome, particularly the Polish Prime Minister, Kazimierz Marcinkiewicz, who secured an additional