



# Review of the Balance of Competences between the United Kingdom and the European Union

Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty

July 2012





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**REVIEW OF THE BALANCE OF COMPETENCES  
BETWEEN THE UNITED KINGDOM AND THE EUROPEAN UNION**

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## **Foreword by Foreign Secretary William Hague**

We are committed to playing a leading role in the European Union in order to advance our national interest. The single market is one of the greatest forces for prosperity the continent has ever known and that is why we will continue to push an ambitious programme of deepening the single market while seeking to reduce unnecessary burdens in EU legislation. To continue to deliver prosperity and security for our citizens in the face of a shift of economic power to the emerging markets, the EU needs to be more outward-looking, more dynamic and more competitive on the global stage. We want an EU that is able to use its collective weight for our common interests, such as trade and security.

The activities of the EU have expanded over time. It has steadily acquired influence over many aspects of our daily lives – for better and for worse – without successive governments or the British people being able to take stock of what was happening in the round. The crisis in the Eurozone has accelerated this process of change for those member states within the single currency and we now find ourselves at a defining moment in Europe’s history.

We understand the need for Eurozone countries to take steps towards closer fiscal and economic integration as a logical consequence of monetary union. Given the UK’s place outside the Euro, it is right that we have said we will not be part of that closer integration. We support the fact that multiple forms of EU membership already exist and this flexibility is in the interest of both the EU and UK. The EU is not and should not become a matter of everything or nothing. But as the EU continues to develop we need to be absolutely clear when it is most appropriate to take decisions at the national or local level, closer to the people affected, and in other cases when it is best to take action at the EU or global level.

The Government is working to achieve the commitments it made to the British people in the Coalition Programme for Government. We have ensured that there is no further transfer of competence or powers over the course of this Parliament. We also introduced and guided legislation through Parliament - the European Union Act 2011 - which enhances democratic accountability by establishing that any future transfers of power or competences from the UK to Brussels would need to be agreed by the British people in a referendum.

The Coalition Programme for Government also commits this Government to “examine the balance of the EU’s existing competences and, in particular, work to limit the application of the Working Time Directive in the United Kingdom.”

The crisis in the Eurozone has intensified the debate in every country on the future of Europe and there is no exception here. Now is the right time to take a critical and constructive look at exactly which competences lie with the EU, which lie with the UK, and whether it works in our national interest.

This will be a thorough and analytical piece of work, involving many Government Departments and taking evidence from representatives from business and other interest groups, the British public and our EU and global partners. I want to take stock of the impact of the EU on our country based on a detailed assessment of those things that derive from EU law that affect us in the UK.

This extensive piece of work has never been attempted before – and it will take time to do well. It will provide a profound analysis of what our membership of the EU means now and for our future. It will ensure that our national debate is grounded in knowledge of the facts and will be a vital aid for policy making in Government.

## **Executive summary**

Europe faces three urgent challenges: globalisation, the crisis in the Eurozone and democratic legitimacy. The Coalition Government has pursued a range of measures to address each of these issues over the last two years and it has plans for further actions over the remainder of this Parliament.

Membership of the European Union is in the UK's national interest. As others give thought to the future of the Eurozone and the EU, now is the right time to deliver the undertaking in the Coalition Programme for Government to "examine the balance of the EU's existing competences".

The review will be an audit of what the EU does and how it affects the UK. It will look at where competence lies, how the EU's competences are used, and what that means for our national interest. It will be Government-led and will involve experts, organisations, individuals and our EU partners who wish to feed in evidence. Departments will begin work in the autumn of 2012 and reports on areas of competence will be published as the review progresses. The review will conclude by the end of 2014. A final decision will be taken closer to the time on how best to draw together the analysis produced during the review in the light of the EU's rapidly changing situation. The evidence we gather will inform the public debate on the EU in the UK and Europe. Information about the conduct and progress of the review will be available on and through the website of the Foreign and Commonwealth Office at [www.fco.gov.uk](http://www.fco.gov.uk).



## SECTION I: BRITAIN IN THE EUROPEAN UNION

Membership of the EU is in the UK's national interests. But the EU needs to reform to meet the challenges of competitiveness, a stable Eurozone and greater democratic legitimacy. The Government is committed to playing a leading role in the EU and protecting the UK's sovereignty.

Being part of the EU is central to how we in the UK create jobs, expand trade and protect our interests around the world. It enables us to drive and shape a single market of some 500 million people, with a combined GDP of £11 trillion, in which British citizens can trade, travel and work freely. It is a key reason for Britain's attractiveness as a global business hub and place to invest. It is the basis for co-operation with our closest partners on challenges that by their nature cross borders, such as climate change, international development, migration and transnational crime. And it amplifies the UK's voice and helps advance our values of democracy, open markets and individual rights in the wider world.

In the 39 years of our membership, British leadership has helped to shape the EU for the better. We have been leading proponents of the EU's most successful policies – the single market itself and enlargement to the North, South and East. By being active and activist, we can continue to shape the EU that we need – outward looking, accountable and responsive.

Because today's Europe needs reform more than ever. It has considerable achievements to its name, but also has real flaws, and now needs to adapt its ways very significantly to meet current and future challenges.

Whilst the countries that have chosen to adopt the Euro will need to take the steps necessary to put their currency on a sustainable basis, more broadly the EU will not prosper if it reacts in this same way to challenges by accruing greater power at the centre. To ensure that the European continent is one of peace, security and prosperity based on freedom and the rule of law, the EU will also need to act effectively as a Europe of 27 member states, which remains open to future enlargement. And the EU and all its member states will have to do everything they can to promote economic growth and prosperity.

### A changing Europe in a changing world

Europe today confronts three urgent challenges, which have intensified even since 2010. All matter to Britain. They provide the focus for what the Coalition has achieved on Europe and will work towards.

First, the speed and scale at which **globalisation** is shifting wealth and power towards emerging economies. There is in this a great positive development for the world, as free markets and technological change lift hundreds of millions of people out of poverty. However, it requires Europe to reform to stay competitive, generate growth and generate jobs. It also means that there is great benefit in European

nations working together to project their influence, on security, climate change and other genuinely global issues.

This is why the Government has:

- led the debate on reducing the burden of EU regulation on businesses, securing agreement to a break-through step to exempt micro-businesses from new EU proposals from 1 January this year, and to review the body of EU legislation to identify existing obligations from which micro-businesses could be exempted;
- secured agreement on a single European Patent after 23 years of EU negotiation, with the new Patent Court based in London for key pharmaceutical and life sciences sectors;
- pressed with other like-minded member states for a sharper focus on bringing the single market to its next stage of development by raising standards of implementation and enforcement, as well as widening and deepening the single market in the services, energy and digital sectors;
- championed an ambitious EU trade policy aimed at opening up emerging markets, including an agreement with Korea that provisionally came into force in July 2011 and is worth £500m to UK exporters;
- limited growth in EU spending in the 2011 and 2012 budgets, supporting the fiscal consolidation needed as a prerequisite for economic growth;
- promoted an agenda of practical co-operation to tackle cross-border crime and manage migration pressures;
- played a key role in delivering international climate agreements in Cancun and Durban, with the EU and its member states pivotal to success;
- used EU sanctions as a key pillar of the international community's approach to countering Iran's nuclear programme, ending the violence in Syria and promoting democratic change in Burma;
- shaped the EU's response to the Arab Spring, putting financial and trade support on the table to bolster new democracies in our neighbourhood;
- pushed the EU to secure democracy and prevent conflict in the Western Balkans and counter the threats to our security in the Horn of Africa.

Our goals over the remainder of this Parliament are to:

- secure concrete action to open EU markets in energy, services and the digital economy, working with like-minded economic liberals;

- reduce the burden of EU legislation, including working with others to limit the application of the Working Time Directive;
- conclude trade agreements with strategic economic partners such as Canada and India, and launch comprehensive packages of negotiations with the US and Japan, which would tackle the remaining barriers to over half the world's trade;
- work with like-minded countries to ensure that the EU's budget over the period 2014-20 is consistent with fiscal consolidation in member states and is focused on delivering growth;
- fulfil our promises to North Africa, maintain focus on Europe's Eastern neighbourhood, and make progress on enlargement, through Croatian entry into the EU and launch of accession negotiations with most of the Western Balkans region;
- make further progress towards Turkish accession, while deepening Europe's commercial and strategic partnerships with Turkey;
- promote strong and effective action on climate change, the environment and international development.

The second challenge for our policies has been dealing with the **crisis in the Eurozone**.

This Government will not join or prepare to join the Euro. But stability and growth in the Eurozone, to which 40% of our exports are sold, are vital to our own economic recovery. The crisis in the Eurozone and the uncertainty it is generating are having a chilling effect on our economy and on the global economy. We want our neighbours in the Eurozone to succeed in solving their difficulties by taking the necessary steps now and for the future to create stability and confidence, as well as addressing Europe's overall low productivity and lack of economic dynamism.

The Eurozone crisis is changing the shape of the EU. It is pushing it towards greater "variable geometry" – with a number of different configurations of member states cooperating in different policy areas. This should make for a more effective EU, a body with the flexibility of a network not the rigidity of a single bloc. Variable geometry should not undermine the foundations of membership of the EU, in particular the single market, and no member state should be excluded from participating in areas it wants to join. At all times the UK will ensure its influence is brought to bear as an active and activist member of a changing EU.

It is right that Britain protect its own economic interests. First, by ensuring that the crisis does not undermine efforts to reduce our deficit. Second, by making sure that the single market works fairly for the benefit of all 27 members, including the UK.

This matters for Europe as a whole. The UK has historically played a key role in these areas and should carry on doing so.

This is why the Government:

- struck a deal to end the UK's liability to the Eurozone crisis through the EU budget;
- successfully fought for EU legislation that is an important step towards a safer and stronger banking system in Europe, helping protect the taxpayer from picking up the bill when things go wrong and providing a basis for European countries to implement the global agreement on banking standards;
- secured a commitment that as Eurozone countries move towards designing a full banking union, which will not involve the UK, the integrity of the single market for all 27 members of the EU should be preserved;
- refused to allow a Fiscal Compact to be written into Treaty law without adequate safeguards for the single market.

Looking ahead, the Government will:

- continue to encourage and support the steps needed to ensure stability and strengthened governance in the Eurozone;
- ensure that action to tackle the crisis in the Eurozone protects the unity and integrity of the single market;
- continue its policy of practical cooperation on international crime and on migration with our EU partners;
- work for more effective regulation of the financial sector which ensures financial stability and protects UK interests;
- work in the G20 and other global bodies to co-ordinate international efforts to stimulate growth, trade and economic reform.

The third issue that Europe must confront is the **challenge of legitimacy**. Recent elections in Europe have shown how real this is. Those across Europe saying that they had a positive image of the EU dropped from 52% in 2007 to 31% in 2011. This is not an isolated trend. But without the roots that sustain national democracies, it is even more important that the EU addresses the legitimate demands for greater accountability, transparency, efficiency and probity.

This is why the Government has:

- legislated in the European Union Act to ensure that any change to the EU Treaties that transfers further powers from Britain to the EU will be subject to a referendum;
- made clear that ultimate authority on UK legislation remains Parliament;
- secured a major step towards radical reform of the broken Common Fisheries Policy, which includes moving powers away from Brussels so member states can work together regionally to develop plans appropriate to their own fisheries;
- proposed scrutiny arrangements to allow Parliamentarians to engage earlier and more effectively on the Government's EU policies.

Looking ahead:

- we will continue to make the case for a Europe that respects subsidiarity, has the right balance of responsibilities and builds on national identities;
- Parliament will consider Bills on Croatian accession and the treaty amendment that is part of the process establishing a European Stability Mechanism;
- we will work to improve consultation of national parliaments, increase transparency and control over EU spending, and better assess the regulatory impact of EU legislative proposals before they are voted on;
- we will work closely with Members of the European Parliament from Britain and across Europe to ensure our voice is effective in the European Parliament;
- we will work to address the issue of under-representation of UK personnel in the EU institutions and strengthen bilateral relations with other member states.

## **SECTION 2: EXAMINING THE EU'S POWERS**

This is the context against which it is the right moment to examine the balance of the EU's existing competences, as set out in the Coalition Programme. It is important that Britain has a clear sense of how our national interests interact with the EU's roles. It is good for the EU that its members debate honestly and openly how it functions and responds to the challenges it faces.

This review will be Government-led but will involve experts, organisations and individuals who wish to feed in their views on each issue. It will look at the EU's competences (the power to act in particular areas conferred on it by the EU Treaties), how they are used, and what that means for Britain and our national interest.

The process will be comprehensive, well-informed and analytical. Government departments will be tasked with consulting Parliament and its committees, business, the devolved administrations, and civil society to look in depth at how the EU's powers work in particular areas. The progress of the review, including evidence submitted to it, will be transparent. Our European partners and the EU institutions will also be invited to contribute evidence to the review, and it will examine issues that are of interest across the EU, seeking to improve understanding and engagement.

To do justice to the complexity of the issues and interests at stake, it will be important to allow enough time for this process to cover the necessary ground. Substantive consultation and reflection by Departments will begin in the autumn of 2012 and reports on areas of competence will be published as the review progresses. The review will conclude by the end of 2014. A final decision will be taken closer to the time on how to draw together the analysis produced during the review, in the light of the EU's rapidly changing situation.

The review will not be tasked with producing specific recommendations. It will not prejudge future policy and it will not be asked to look at alternative models for Britain's overall relationship with the EU. The review will provide a thorough analysis of what our membership of the EU means for our country and our future, an analysis which is currently notably absent. This body of work will allow everyone, those in Government, in Parliament and, most importantly, the British people themselves a far better understanding of an important part of the governance of the UK, on which to ground and develop this country's policies in relation to the EU.

Europe has been through successive waves of institutional and treaty change over the last twenty years. The Government believes that today Europe faces a fundamental challenge: what value has it added and can it add in the future, above action at the national or more local level, in promoting Europe's prosperity and security and increasing the influence of Europe's voice in the world?. The EU's legitimacy depends on its ability to answer that question and deliver those objectives.

## **Scope of the review: what is competence?**

The term ‘competence’ is used to describe the EU’s power to undertake specific actions. The EU’s competences are set out in the EU Treaties, which provide the basis for any actions the EU institutions take. The EU can only act within the limits of the competences conferred on it by the Treaties, and where the Treaties do not confer competences on the EU they remain with the member states.

There are different types of competence: exclusive, shared and supporting. Only the EU can act in areas where it has exclusive competence, such as the customs union and common commercial policy. In areas of shared competence, such as the single market, environment and energy, either the EU or the member states may act, but the member states may be prevented from acting once the EU has done so. In areas of supporting competence, such as culture, tourism and education, both the EU and the member states may act, but action by the EU does not prevent the member states from taking action of their own. The Treaties specify that in areas where it does not have exclusive competence, the EU can only act if it is better placed than the member states to do so because of the scale or effects of the proposed action.

For the purposes of this review, we will use a broader definition of competence. Put simply, competence is about everything deriving from EU law that affects what happens in the UK. That means examining all the areas where the Treaties give the EU competence to act, including the provisions in the Treaties giving the EU institutions the power to legislate, to adopt non-legislative acts, or to take any other sort of action. But it also means examining areas where the Treaties apply directly to the member states, without needing any further action by the EU institutions – for instance, the provisions on state aids and free movement.

An indicative list of the EU competences to be reviewed is given at Annex A.

## **Development of specific competences in the Treaties**

Successive Treaties have established the EU’s areas of competence, as indicated in the table below. Some competences such as common foreign and security policy were new when added to the Treaty. Treaty change has also broadened the scope of some competences over time. For example the Common Commercial Policy now covers not only goods but services, Intellectual Property and investment which were not mentioned in the original articles of the Treaty of Rome. For other competences, as the two case studies below show, the EU has tended to use its more general powers to legislate in these areas and then subsequent treaties have simply created more specific powers to cover those areas. For example, there was legislation in areas such as civil protection and data protection long before the Lisbon Treaty created specific legal bases for them.

## Evolution of EU competences<sup>1</sup>

<p>1957 <b>Treaty of Rome</b></p> <ul style="list-style-type: none"> <li>Customs union</li> <li>Free movement of goods</li> <li>Common commercial policy</li> <li>Free movement of persons, services and capital</li> <li>Common agricultural policy</li> <li>Common transport policy</li> <li>Competition</li> <li>Coordination of economic policies</li> <li>Common market</li> <li>European Social Fund</li> <li>European Investment Bank</li> </ul>	<p>1992 <b>Maastricht Treaty</b></p> <ul style="list-style-type: none"> <li>Common foreign and security policy</li> <li>Justice and home affairs</li> <li>Economic and monetary union</li> <li>Education</li> <li>Culture</li> <li>Cooperation and development</li> </ul> <p>1997 <b>Amsterdam Treaty</b></p> <ul style="list-style-type: none"> <li>Employment</li> <li>Social policy</li> <li>Discrimination</li> </ul> <p>2007 <b>Lisbon Treaty</b></p> <ul style="list-style-type: none"> <li>Space</li> <li>Energy</li> <li>Civil protection</li> <li>Data protection</li> <li>Sport</li> </ul>
<p>1986 <b>Single European Act</b></p> <ul style="list-style-type: none"> <li>Single Market</li> <li>Environment</li> </ul>	

<sup>1</sup> This table refers to the first explicit reference to a competence in the EU Treaties but does not address their subsequent development



## Case Studies

### Environment

Under the original Treaty of Rome, there was no specific legal basis for environmental measures. However, the European Community adopted many environmental measures using its powers to regulate the single market or under the general power (now Article 352 TFEU) to adopt legislation to pursue the Community's objectives when there is no specific legal base. The European Court of Justice confirmed that this was legitimate, because environmental protection was one of the Community's essential objectives.

In 1986, the Single European Act expressly included environmental provisions in the Treaties for the first time. The Maastricht Treaty, which came into force in 1993, modified these provisions and extended the application of qualified majority voting. The powers are now set out in Articles 191-193 TFEU.

### Discrimination

Article 119 of the Treaty of Rome set out the principle that men and women should receive equal pay for equal work although the Article did not itself provide for the adoption of equal pay legislation. The earliest European legislation on discrimination (Directive 75/117/EEC), providing for the approximation of the laws of member states relating to equal pay to give effect to this principle, was adopted using the EEC's powers to create a common market.

In the *Defrenne* case in 1976, the European Court of Justice held that the provision in Article 119 of the Treaty concerning equal pay for men and women had *direct effect* and did not need further implementing legislation.

The next significant piece of discrimination legislation (Directive 76/207/EEC) prohibited discrimination between men and women as regards access to employment and working conditions. It was adopted using the EC's general power (now found in Article 352 TFEU) to adopt legislation to pursue the Community's objectives when there is no specific legal basis. The same legal basis was used for Directive 79/7/EEC concerning equal treatment between men and women in social security.

The Amsterdam Treaty created a specific discrimination legal basis (now Article 19 TFEU) concerning the prohibition of discrimination on grounds of sex, racial or ethnic origin, religion or belief, disability, age and sexual orientation. It also amended Article 119 (now 157 TFEU) so that it could be used to adopt legislation relating to equal pay for equal work in the employment context.

The new specific discrimination power was used to adopt a directive prohibiting race discrimination in a wide variety of circumstances (Directive 2000/43/EC), and to prohibit discrimination on the other protected grounds in relation to employment (Directive 2000/78/EC). It was also used to adopt Directive 2004/113/EC, which prohibits sex discrimination in the provision of goods and services. The equal pay power was used to amend and update Directive 76/207 (now Directive 2006/54/EC), concerning sex discrimination in the employment context.

## How will the review be conducted?

Different Government Departments will lead the examination of competences that fall within their areas of responsibility. For example, the Department for Environment, Food and Rural Affairs will be responsible for conducting the examination of the EU's competence on the Common Fisheries Policy. See the text box below for examples of the type of analysis Departments might undertake during the review. The FCO and Cabinet Office will work together closely to manage the review.

The review will be a rolling programme of work, examining clusters of competences, grouped by theme, a few at a time. Departments will begin substantive consultation and reflection this autumn. To do justice to the complexity of the issues and interests at stake, we expect the review will continue into 2014. It will conclude by the end of that year.

### **Examples of the type of analysis Departments will conduct when considering the state of competence:**

- *Analyse the main Treaty articles (& what they mean in terms of the split of competences between the UK and EU); the key ECJ case law and the major pieces of legislation applicable to this competence;*
- *How the scope of the competence has changed over time;*
- *Changes in the legislative procedures for adopting measures under the Treaties (e.g. a move from consultation to co-decision or a move from unanimity to Qualified Majority Voting);*
- *Whether the UK enjoys any special status under the Treaties in respect of this competence;*
- *Why EU-level action is the most appropriate (rather than e.g. UN/G20 or national/ regional level);*
- *How EU action in this field advantages the UK;*
- *How EU action in this field disadvantages the UK;*
- *The future challenges we might face in this policy area and the impact these challenges might have on the balance of competences.*

Departments will prepare reports on specific competences in consultation with experts, organisations and individuals who wish to feed in their views. Reports, informed by evidence received on individual areas of competence, will be published as the review progresses.

Information about the review will be available on and through the FCO website ([www.fco.gov.uk](http://www.fco.gov.uk)).

### **Who will be consulted?**

Government Departments will consult Parliament and its committees; representatives from business, and civil society. The Devolved Administrations will be closely involved in the process. Members of the public who have experience of the application of EU legislation in specific policy areas will be able to contribute evidence to the relevant Departments. We will also invite our European and global partners and the EU institutions to contribute to the review. Unless there is good reason to the contrary, we expect to make all evidence submitted publicly available.

### **How do I contribute?**

As a representative or member of a professional interest group or as a member of the public you will have an opportunity to contribute evidence. The timing of these consultations will be published on Departments' websites when they are ready to start their consultation. You will be able to follow this through the FCO website ([www.fco.gov.uk](http://www.fco.gov.uk)). The FCO website will provide information on which competences are being examined at any given time and the timescales for contributing views on particular competences.

### **Outcomes**

The review will not be asked to produce specific recommendations. But the work will give everyone, in Government, in Parliament and the British people a far better understanding of an important part of the governance of the UK, on which to ground and develop this country's policies in relation to the EU. A final decision will be taken closer to the conclusion of the review on how best to draw together the analysis produced during the review, in the light of the EU's rapidly changing situation.

## **Annex A: Categories and areas of EU competence as set out in the Treaty on the Functioning of the European Union**

### TITLE I

#### CATEGORIES AND AREAS OF UNION COMPETENCE

##### *Article 2*

1. When the Treaties confer on the Union exclusive competence in a specific area, only the Union may legislate and adopt legally binding acts, the Member States being able to do so themselves only if so empowered by the Union or for the implementation of Union acts.

2. When the Treaties confer on the Union a competence shared with the Member States in a specific area, the Union and the Member States may legislate and adopt legally binding acts in that area. The Member States shall exercise their competence to the extent that the Union has not exercised its competence. The Member States shall again exercise their competence to the extent that the Union has decided to cease exercising its competence.

3. The Member States shall coordinate their economic and employment policies within arrangements as determined by this Treaty, which the Union shall have competence to provide.

4. The Union shall have competence, in accordance with the provisions of the Treaty on European Union, to define and implement a common foreign and security policy, including the progressive framing of a common defence policy.

5. In certain areas and under the conditions laid down in the Treaties, the Union shall have competence to carry out actions to support, coordinate or supplement the actions of the Member States, without thereby superseding their competence in these areas.

Legally binding acts of the Union adopted on the basis of the provisions of the Treaties relating to these areas shall not entail harmonisation of Member States' laws or regulations.

6. The scope of and arrangements for exercising the Union's competences shall be determined by the provisions of the Treaties relating to each area.

### *Article 3*

1. The Union shall have exclusive competence in the following areas:

- (a) customs union;
- (b) the establishing of the competition rules necessary for the functioning of the internal market;
- (c) monetary policy for the Member States whose currency is the euro;
- (d) the conservation of marine biological resources under the common fisheries policy;
- (e) common commercial policy.

2. The Union shall also have exclusive competence for the conclusion of an international agreement when its conclusion is provided for in a legislative act of the Union or is necessary to enable the Union to exercise its internal competence, or in so far as its conclusion may affect common rules or alter their scope.

### *Article 4*

1. The Union shall share competence with the Member States where the Treaties confer on it a competence which does not relate to the areas referred to in Articles 3 and 6.

2. Shared competence between the Union and the Member States applies in the following principal areas:

- (a) internal market;
- (b) social policy, for the aspects defined in this Treaty;
- (c) economic, social and territorial cohesion;
- (d) agriculture and fisheries, excluding the conservation of marine biological resources;
- (e) environment;
- (f) consumer protection;
- (g) transport;
- (h) trans-European networks;
- (i) energy;
- (j) area of freedom, security and justice;

(k) common safety concerns in public health matters, for the aspects defined in this Treaty.

3. In the areas of research, technological development and space, the Union shall have competence to carry out activities, in particular to define and implement programmes; however, the exercise of that competence shall not result in Member States being prevented from exercising theirs.

4. In the areas of development cooperation and humanitarian aid, the Union shall have competence to carry out activities and conduct a common policy; however, the exercise of that competence shall not result in Member States being prevented from exercising theirs.

#### *Article 5*

1. The Member States shall coordinate their economic policies within the Union. To this end, the Council shall adopt measures, in particular broad guidelines for these policies.

Specific provisions shall apply to those Member States whose currency is the euro.

2. The Union shall take measures to ensure coordination of the employment policies of the Member States, in particular by defining guidelines for these policies.

3. The Union may take initiatives to ensure coordination of Member States' social policies.

#### *Article 6*

The Union shall have competence to carry out actions to support, coordinate or supplement the actions of the Member States. The areas of such action shall, at European level, be:

- (a) protection and improvement of human health;
- (b) industry;
- (c) culture;
- (d) tourism;
- (e) education, vocational training, youth and sport;
- (f) civil protection;
- (g) administrative cooperation.



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