1 (2019)

3	**A**		The European Commission is the executive body of the EU. It is the body responsible for proposing legislation etc. Once legislation is passed by the Council of the European Union and Parliament, it is the Commission's responsibility to ensure it is implemented etc. Regulations/Directives/Decisions. The European Parliament discusses proposals and puts forward amendments to legislation. It has co-decision powers (joint law making powers) that is on an equal footing with the Council of the European Union in the vast majority of areas. It establishes/approves the EU budget together with the Council of the European Union. The Council of the European Union decides on legislation drafted by the European Commission and discussed by the European Parliament. It is the main decision-making body of the EU.	25
			Evaluation	
3	**B**		• With the single currency, the Euro, the cost of converting currencies is removed. This reduces costs and increases profits for Irish businesses. • The increased price transparency will make it easier to compare prices in different countries. Enable businesses to source cheaper raw materials. • As Irish businesses are more conscious of competition they will also be more efficient. • The uncertainty caused by exchange rates will be removed. This brings stability to Irish businesses, greater confidence and allows them more time to concentrate on innovation.	15

3	**C**		**Benefits** • Sales revenue increase. Ireland has a small population, Asia and Europe have large populations therefore selling to these areas could have a positive effect on sales and profits. • Greater Economies of Scale-cost benefits of large scale production/Producing and selling in bulk will reduce unit costs resulting in increased sales and profits. • Niche Markets can exist in different countries i.e. luxury Irish skincare products. Target certain markets. • The business may acquire ideas from other markets and existing competition. **Challenges** • Competition levels will be high so only the most efficient businesses will survive/ Intense international rivalry is far more challenging than competing in an indigenous market alone. • There will be a lot of red tape for selling a cosmetic product to foreign markets even within the EU. Staff may need to be retrained for this and costs may rise. • Social and cultural differences. Different types of skin types/alterations to product to reflect this. • Difficulty getting goods delivered in a fast and reliable manner can be an arduous task when operating across different regions of the world. Stock can be damaged and breakdowns in communication often hamper business success. • Challenging to create awareness of your brand on a global scale which in turn will allow for repeat purchasing, customer loyalty. • Must have an online presence capable of dealing with international trade/ecommerce. Vulnerable to hacking. • Brexit.	20

3	**(A)**		Possible responses include **<u>Opportunities</u>** • **Direct employment**. Employ highly skilled graduates, right up to PhD level which prevents a 'brain drain' from the country. Many of these graduates are engaged in R&D, an important area in multinational businesses. • **Tax revenue for the Government** e.g. transnationals pay 12.5% corporation tax on their profits. This low rate of corporation tax is a key Government strategy in attracting FDI. • **Positive spin-off effects** for the local economy and local indigenous firms. They source their inputs from domestic companies where possible, thereby increasing employment in those firms. They mentor Irish firms to bring this about. Local taxis, catering firms, cleaners, security firms, local pubs and restaurants all benefit from the presence of a multinational in their locality. • **Enhance Ireland's reputation** and acts as a catalyst for further FDI. As companies such as Intel and Google have a major presence here, it can be inferred that Ireland is a good place to do business (international goodwill). • **Bring a knowledge base and a business expertise** to Ireland in terms of management systems and organisational culture. The latest technology is introduced based on research carried out in other countries, thereby requiring less Irish expenditure on R&D. Irish managers gain experience and learn from these foreign business executives. • Irish employees of foreign multinationals **learn the best business practices** and technologies. This makes it easy for 'would be entrepreneurs' to set up their own businesses, thereby promoting an entrepreneurial spirit. • **Positive impact on the Balance of Trade**- They bring their own business plans and ready-made export markets.	3@6(3+3) Must provide an example specific to the Irish economy for full marks.

			Challenges • Excellent high-tech companies have easy access to international markets. Some FDI companies are considered **footloose** having no loyalty to Ireland. They may leave immediately if operating costs are lower elsewhere. • **Repatriation of profits**, which means wealth leaves the Irish economy. • **Tax avoidance schemes** such as those operated by Apple mean the actual tax gain for the country is much less than expected. • **Brexit.** The decision of the United Kingdom to leave the European Union will mean that the UK are free to 'outbid' Ireland to attract multinationals. Once it is outside the EU, Britain would have even more leeway to offer special deals to multinationals in the hope they would invest in the UK. • **New US Trade rules** may attract multinationals back to the US resulting in a threat to the Irish model of economic development. • **Huge dependence on a small number of multinational companies** and should one leave there would be a major fall in tax revenue for the government. • **Domestic firm closures**-unable to compete with large multinationals. • **Less competition** which could result in **higher prices**.		
			Evaluation	(0,2)	

3	**(B)**		**Yes/Maybe** • Reduction of transaction costs in trade – trade can occur without changing currency. • Easier for companies to locate here – Companies can locate in Ireland and have the same currency as much of Europe. • Reduction in price discrimination – If goods are priced in a single currency it should be much harder to disguise price differences across countries. • Reduction in foreign exchange rate variability-the reduction in uncertainty arising from the removal of exchange rate fluctuations may affect investment in the economy. Large exporting firms, facing less uncertainty concerning receipts from its exports are able to plan for their future with less risk so investment projects such as building new factories appear less risky. • Tourism industry. – It is easier for foreign visitors to holiday in Ireland resulting in higher revenues for the Irish services sector such as hotels, transport, and entertainment. • Easier for Irish business to expand into Europe as all transactions can be conducted in Euro • Stable interest rates as they are only changed by the ECB • Easier to access capital from banks across Europe. • Low inflation and price stability	2m 2@7(4+3) 1@4(2+2)
3	**(B)**		**No/Maybe** • Ireland's biggest trading partner (UK) did not join EMU so in a lot of cases, transaction costs still remain. • Loss of its independent monetary policy-Ireland gave up its national currency and therefore its freedom to set its own monetary policy which is now set and implemented by the ECB. • Single Monetary Policy. Ireland can no longer use monetary policy to adjust its interest rate. • More competition. There is more competition between Irish business and foreign firms/ Consumers are spending more online. • Loss of sovereignty. Ireland no longer has its own currency. It is reliant on the euro and policies of the eurozone. • Strict criteria for eligibility-(budget deficit, debt-to-GDP, low inflation, interest rates close to EU average). • Greater vulnerability to external shocks.	

3	**(C)**		• Trading bloc A group of participating countries which allow free trade between them. There is no tariffs or trade barriers in place between them. • Tariffs A tariff is a tax on an import. The effect of the tax is to raise the price of the import and discourage consumption. Example: President Trump is on the verge of securing his first major trade deal, leveraging the threat of tariffs to gain concessions from South Korea on exports of steel. • Embargos Embargo is a total ban on the import of certain goods from certain countries. They are normally motivated by political, economic, moral or environmental reasons. They may be used as a form of protest against another country's practices. Example: UK beef was embargoed across Europe during the 'mad cow' disease epidemic in the 1990's. • Subsidies. A subsidy is financial support given by the government to a domestic industry to reduce the cost of production so it can sell its products at lower prices than competition from imports/given directly to firms to encourage production.	2@6 2@4

3 (2017)

(i) Calculate the **Balance of Trade** using the figures above. (**Show your workings**)

Question			Possible Responses	Max Mark
3	**(A)**	(i)	(194,366 – 101,750) – (171,534-109376) = €30,458 million **Surplus** **(€92,616-€62,158)= €30,458 million (surplus)** **If either the € symbol or million is omitted award 3 marks out of 4 marks.**	13m
3	**(A)**	(ii)	Tariff is a charge/**tax** applied to **imported** products to persuade consumers to purchase domestically produced goods/to restrict goods from another country. Ireland will sell **fewer exports** to the UK **AND** Balance of Trade should decrease/**Loss of profits**/unemployment in the Irish export oriented companies/Products less competitive in the UK so reduction in Irish exports to the UK/May have to seek out new markets.	(4+2) (4+2)

3	**(B)**		**Possible responses** include **Direct Export** The business may **sell directly from the factory to customers from all over the world**. This allows the business spread the costs of manufacturing and achieve economies of scale. The increased sales and productivity will increase profits / Use of E-Commerce / Internet / Website to sell products. **Expansion of own facility** in foreign market (Organic Growth) **Set up a manufacturing facility in another country** to manufacture your products. **Licences/franchising** The business produces goods locally under licence. Nike **Agency** An export agent is an independent person or firm who will sell the goods in the target market for you in return for a commission. **Trading House** A company buys goods in one country and then resells the goods at a profit in another country. **Joint Venture** The firm will set up a joint venture with a local firm to produce for a local market.	1@7(4+3) 2@4(2+2)

3	**(C)**		Should Ireland leave the European Union? **No/yes/maybe** **<u>Reasons for staying in the EU</u>** **Possible responses** include • The creation of the Single Market in 1993 eliminated trade barriers within the EU, allowing for the free movement of goods, services, labour and capital between member states. • Bigger market for Irish companies leading to greater economies of scale. • Farmers, under the Common Agricultural Policy (CAP), receive income support measures. Between1973 and 2008, Irish farmers received €44 billion from the (CAP). • Structural funds of over €17 billion have been made available to Ireland from the European Regional Development Fund and the European Cohesion Fund helping improve roads and public transport infrastructure. • As a member of the EU with open access to the EU market the Irish economy attracts foreign direct investment (FDI), thereby creating employment opportunities. The value of (FDI) in Ireland stands at over €30 billion today. • The introduction of the single currency brought additional incentives for foreign investors to locate in Ireland, along with relative price stability. The euro has made life easier for Irish businesses and travellers trading or visiting in the euro zone. Other: Less bureaucracy involved for businesses. Directives such as environmental directives help protect the environment etc.	2m 3@6(3+3)

			Possible responses include **<u>Reasons for leaving the EU</u>** • Extra regulations: The EU places extra regulations on business which will increase business costs. *Example*: Mobile operator Three is raising its monthly prices by up to €5, blaming costs and new roaming regulations. • Loss of decision making powers: Rules and regulations impose constraints. The national government will not have complete control over its decisions. They will be subject to regulations which are binding immediately and take precedence over national laws. Limits/restrictions placed on government budgetary decisions (e.g. The payment received for AIB shares to be used to pay down the National Debt.) • BREXIT: Has created huge uncertainty for Ireland's economic future. May have huge consequences for Irish trade. Much of Ireland's agricultural exports go to UK currently and if tariffs and quotas are placed on them Ireland will have to look at other markets. • Immigration: Free movement of labour may cause overcrowding in large urban areas. This can push up house prices and led to congestion on roads. • Threats to Ireland's corporation tax: A push towards harmonised tax rates/A consolidated tax base for Ireland may result in a fall in tax revenues. Multinational companies which locate in Ireland because of low corporation tax rates may move to other countries. • Apple tax decision: The European Commission has found that Ireland granted undue tax benefits to Apple worth €13bn. This may cause multinationals like Apple, Facebook and Intel to leave Ireland and locate in other countries which have a more favourable tax rate.	

4 (2015)

			The European Commission is the executive body of the EU. It is the body responsible for <u>proposing</u> legislation/drafting legislation. These proposals are then <u>discussed</u> in the European Parliament and amendments to legislation can be put forward. <u>Decisions</u> are usually made by the Council of the European Union. It is the main decision making body of the EU etc. Once legislation is passed by the Council of the European Union and Parliament (co-decision) it is the Commission's responsibility to ensure it is <u>implemented</u> through a series of directives and regulations.	
			EU Directive: It obliges member states to change their national laws to allow for EU rules, within a certain time limit. It is binding only as to the results to be achieved, leaving member states to choose, within prescribed limits, the means by which the rules and targets are to be attained. They are used to bring different national laws into line with each other and are common in matters affecting the operation of the Single Market (e.g. product safety standards, WEEE (Waste, electrical, and electronic equipment Directive, Health and Safety at work Directive.) *EU Regulation*: This is a legislative act of the EU which becomes enforceable immediately as law in its entirety in all member states simultaneously. It takes precedence over national law. It is self-executing and does not require any implementing measures. EU institutions can enforce a regulation throughout the EU. Regulation (EU) No.261/2004 established common rules on compensation and assistance to airline passengers.	

5 (2014)

3	B		**Describe** the legislative process within the European Union**.** The European Commission is the executive body of the EU. It is the body responsible for proposing legislation etc. These proposals are then discussed in the European Parliament and amendments to legislation can be put forward. There is a democratic deficit however because the European Parliament neither initiates nor passes legislation on its own etc. Decisions are usually made by the Council of the European Union. It decides on legislation drafted by the European Commission and discussed by the European Parliament. It is the main decision making body of the EU etc. Once legislation is passed by the Council of the European Union and Parliament, it is the Commission's responsibility to ensure it is implemented etc. Regulations/Directives/Decisions etc. Decisions/legislation can be adjudicated upon by the Court of Justice. The Court of Justice interprets EU law to make sure it is applied in the same way in all EU countries etc.	20

3	**C**		Evaluate the impact that any **two** of the following EU policies have on Irish businesses: (i) European Economic and Monetary Union (EMU); (ii) European Union Competition Policy; (iii) European Union Social Charter.	20
		i	**European Economic and Monetary Union (EMU)** Sample responses include the following: The main perceived advantages of EMU are a reduction in transaction costs and end to destabilising currency shifts within Europe. The elimination of these transaction costs benefit a country like Ireland whose businesses export a considerable amount of its output to the European Union. A single currency highlights price differentials. Businesses sourcing raw materials and components can readily identify the best bargains throughout the EU. The ECB has a monetary policy that focuses on price stability. This includes setting interest rates for the Euro zone. Record low interest rates set by the ECB of late facilitate business expansion and investment. Ireland's common currency is an attraction for FDI because trade within a large European market is less bureaucratic and relatively cheap. Increased FDI has positive spin- off effects for Irish indigenous industry.	
		ii	**European Union Competition Policy** Sample responses include the following: It ensures the best chance for the Irish consumer of getting quality goods and services through suppliers competing for the business, i.e. the existence of competition among suppliers. It restricts Irish businesses from forming anti-competitive cartels or keeping prices artificially high or preventing newcomers from entering the market. It controls the growth of large mergers and takeovers and this ensures that Irish businesses operate on a fair basis and that consumers benefit. In doing business with smaller firms, large firms may not use their bargaining power to impose conditions which would make it difficult for their supplier to do business with the large firm's competitors. The European Commission can and does fine companies for any unfair practices.	

iii	**European Social Charter** Sample responses include the following: This EU Social Charter sets out basic principles that impact on Irish businesses: Free movement of Labour. Workers have the right to migrate freely which benefits employers in terms of recruitment and selection. Employees have the right to a fair wage. The establishment of the minimum wage level has increased costs for business. A commitment to vocational training through grant aid directly to trainees has greatly up-skilled the labour force benefiting Irish businesses. Health protection and safety at work elements to the charter have forced employers to improve health and safety conditions in the work place.		

7 (2012)

(C) Discuss the role of the Council of the European Union (Council of Ministers) and the European Commission in the European Union (EU) decision making process.

<u>Council of the European Union (Council of Ministers)</u>

- Main decision making body of the EU. Its decisions are made by qualified majority voting in most areas, unanimity in others. Usually where it operates unanimously, it need only consult the Parliament.
- Relevant Ministers from each country. The Council is composed of several configurations of twenty-seven national ministers (one per state). The exact membership of the configuration depends upon the topic; for example, when discussing agricultural policy the Council is formed by the twenty-seven national ministers whose portfolio includes this policy area (with the related European Commissioner contributing but not voting).
- It decides on legislation drafted by the European Commission. In most areas the ordinary legislative procedure applies meaning both Council and Parliament share legislative and budgetary powers equally, (both have to agree for a proposal to pass). In a few limited areas the Council may initiate new EU law itself.
- It approves the EU budget, set goals and co-ordinate policy

The European Commission

- The European Commission is the executive body of the European Union. The body is responsible for proposing legislation, implementing decisions, upholding the Union's treaties and the general day-to-day running of the European Union.
- Drafts proposals for new laws. Once legislation is passed by the Council of the European Union and Parliament, it is the Commission's responsibility to ensure it is implemented. It does this through the member states or through its agencies.
- It represents the EU internationally.
- The Commission is responsible for the implementation of the EU budget; ensuring, along with the Court of Auditors, that EU funds are correctly spent.
- In particular the Commission has a duty to ensure the treaties and laws are upheld, potentially by taking member states or other institutions to the Court of Justice in a dispute. In this role it is known informally as the "guardian of the treaties".

Summary Note

Outline of the decision-making process of the EU:
• Proposals are made and/or legislation drafted by the **European Commission**
• These proposals are then discussed in the European Parliament
• Opinions of interested parties are sought, received and considered.
• Decisions are usually made by the **Council of the European Union**
• Legislation is implemented by the **European Commission**
• Decisions/legislation can be adjudicated upon by the Court of Justice.

(20 marks)
(60 marks)

8 (2011)

(C) Evaluate the role of 'special interest groups' in the decision making process of the European Union (EU). Use examples to support your answer.

Definition: Special interest groups are groups which **attempt to influence the political and decision-making process** but are **not part of the accepted political structures**.

Methods they employ include lobbying, information campaigns and public protests in an attempt to influence EU decision making.
Special Interest Groups have an important role in the EU decision-making process, in particular during the consultation stage.

Special Interest Groups engage in **lobbying,** which is the deliberate effort to influence the decision making process by promoting a particular point of view. This lobbying ensures that the requirements of the Special Interest Groups are reflected in the drafting stage of policy formation.

Some Special Interest groups have permanent offices in Brussels and Strasburg and put pressure on Members of the European Parliament and the Commission through media pressure and demonstrations.

Examples

ICTU tries to influence EU decision making and policy in relation to employment, the minimum wage and the EU social charter.
The IFA engaged in intense lobbying in Brussels to obtain greater flexibility on milk quotas in advance of their 2015 abolition.

Evaluation required:

. (15 marks)

(i) European Union Competition Policy

- It ensures that the best guarantee for the Irish consumer of getting quality goods and services is to have a number of suppliers competing for the business, i.e. the existence of competition among suppliers.
- It ensures that Irish businesses operate on a fair basis and that customers benefit.
- It restricts Irish businesses from forming anti-competitive cartels or keeping prices artificially high or preventing newcomers from entering the market.
- The commission has the power to control large mergers and takeovers.
- In doing business with smaller firms, large firms may not use their bargaining power to impose conditions which would make it difficult for their supplier or customer to do business with the large firm's competitors. The Commission can and does fine companies for all these practices.

(ii) Common Fisheries Policy (CFP)

- **Access to Fishing Grounds**: Access to Irish coastal waters is reserved for fishermen from local ports to a distance of 12 miles off-shore. This prevents foreign boats from over fishing the areas. The EU is allowed to define where fishing is banned or restricted and all EU boats must be licensed to fish.
- **Conservation of Irish Fish Stocks**: This policy is designed to protect fish stocks over-fishing. Young fish catches are reduced, the mesh size of nets is regulated and limits applied to different fishing seasons.
- **Monitoring Fishing Activity**: The responsibility to ensure that all rules are applied rests with each member state (Ireland in this case). The EU provides aid to Ireland for the purchase of fishery protection vessels and aircraft for the authorities.
- **Marketing of Fisheries Product**: The CFP is designed to stabilise the Irish market, guarantee steady supply of products, provide reasonable prices for the Irish consumers and support Irish fishermen.

(iii) Common Agricultural policy (CAP)

- Promotes a fair standard of living for farmers who have always seen their average incomes lag behind average industrial earnings.
- It stabilises agricultural markets and regulates prices so that farmers can be assured there will not be huge fluctuations in the prices they receive for their annual output.
- Irish agriculture benefits from money from the Structural Funds.
- Society also benefits in the form of a better environment.
- CAP aids the provision of safe traceable food and ensures farmers continually improve their production standards.
- CAP preserves and restores rural infrastructure and villages, supporting Ireland's tourism industry.
- Since Ireland joined the EU, Ireland has benefited from major funding, including more than €41 billion from the CAP.

(A) The Impact of the Single European Market (SEM) on Irish Business (discuss):

- Free trade between member states. The elimination of barriers or tariffs allows the free movement of goods/services throughout the European Union/pressure on Irish businesses to become more competitive/foreign goods may squeeze out local producers.

- Free movement of capital. Firms can move capital from one country to another/Individuals can invest in shares in companies throughout Europe.

- Free movement of people. European citizens are allowed to move freely between member states/Labour coming into and going out of Ireland/May lead to competition for local jobs by non-nationals/scarcity of skilled staff in Ireland as they may move to other countries.

- Larger markets could result in greater production runs, resulting in economies of scale and possible lowering of costs/Open borders allow firms to expand.

- Common external tariffs. The EU has a common system of barriers on goods imported from outside the EU/Protection of Irish Industry.

- Public procurement. Governments are required to put public contracts up for tender from firms throughout the European Union. Could result in the loss of large contracts for Irish firms.

- Documentation simplified. The introduction of a single administrative document has eliminated a vast number of administrative forms/lowering of administration costs.

(B) The EU Institutions (explain functions):

(i) European Parliament

- Directly elected by EU citizens
- Democratic deficit-neither initiates nor passes legislation on its own
- Discusses proposed new laws and proposes amendments
- Approves the annual EU budget and monitors spending
- Vets members of the European Commission
- Supervisory powers

(ii) Council of Ministers

- Ministers from each member state
- Main decision making body of the EU
- They decide on legislation
- They set objectives for the EU

(iii) European Commission

- Drafts proposals for new laws
- Must act in the best interests of the EU and independently of member states
- Implement laws/enforces existing legislation
- Executive body of EU
- Managing the EU budget
- Implements agreed policies of the EU
- Represents the EU internationally

(C) EU Directive and Regulation (distinguish and example/describe purpose of one):

Directive is a legal instrument to implement and enforce EU law in member states. It obliges member states to change their national laws, to allow for EU rules, within a time limit/deadline. It is binding only as to the results to be achieved, while leaving within prescribed limits the choice of means to be employed to the member states.

Examples: The General Product Safety Directive, Product Liability Directive, Misleading Advertising Directive. Directives on company law, Directive on Health and Safety at Work, Directive on Unfair Commercial Practices, the 'Nitrates' directive, the Waste Electrical and Electronic Equipment Directive.

EU Regulation

Regulation is a legislative act of the EU which becomes immediately enforceable as law in all member states simultaneously. EU institutions can enforce a regulation throughout the EU. They take precedence over national laws. They are self-executing and do not require any implementing measures.

11 (2006)

(A) (i) The decision-making process of the EU (outline)

- Proposals are made and/or legislation drafted by the **European Commission**
- These proposals are then discussed by the **European Parliament**
- Opinions of interested parties are sought, received and considered.
- Decisions are usually made by the **Council of Ministers** or the **European Council**
- Legislation is implemented by the **European Commission**
- Decisions/legislation can be adjudicated upon by the **Court of Justice**.

(ii) EU Directive (explain)
A legal instrument to implement and enforce EU law in member states which obliges members to change their national laws within a time limit/deadline.
Effect of **one** EU directive on Irish business required
e.g. The Waste Electrical and Electronic Equipment Directive, The General Product Safety Directive, Product Liability Directive, The Misleading Advertising Directive, etc.

12 (2006)

(B) Impact on Ireland of any **two** of the following (evaluate)

(i) The Common Agricultural Policy – a system of agricultural subsidies operated by the EU.
Impact on Ireland required

(ii) The Competition Policy - the EU has rules to ensure that businesses operate on a fair basis and that customers benefit.
Impact on Ireland required

(iii) The European Union Social Charter
The members of the EU signed the Charter of the Fundamental Social Rights of Workers in Strasbourg in 1989. This EU Social Charter sets out twelve basic principles.
Impact on Ireland required

(B) EU Policies
The Common Agricultural Policy
The Common Fishing Policy
Competition Policies
EMU
The Social Charter.

The Common Agricultural Policy (CAP)
The Common Agricultural Policy is based on three principles. They are:

The unity of the market. All agricultural products move freely in a single agricultural market.
Financial solidarity. This means that the EU will continue to finance the CAP.
EU preference. Products from the EU will be given preference.

The impact of the CAP on Irish agri-business is protectionist in that farm food prices are fixed at a minimum by the EU. Marginal producers are being encouraged by financial incentives to concentrate on more viable options.
Because of the CAP, the member countries of the EU are self-sufficient in most basic food products. This is no mean achievement since there are 300 million people to be fed each day in the EU. The ten million farmers in the EU are among the most productive in the world. In fact, the EU has not only achieved security of supply in food for itself but is also a major exporter and supplier of food to world markets and the developing world.
A system of direct payments to farmers has been introduced to control production to the benefit of all the EU's farmers. Farmers are encouraged to make use of lessintensive production methods thus reducing production and the risk of surpluses and at the same time make a positive impact on the environment e.g. policies like 'set aside' where land is not put into production or the RuralEnvironmental Protection Scheme (REPS) where payments are made for the maintaining of farms in an environmentally friendly manner.

The Common Fisheries Policy (CFP)

The Common Fisheries Policy (CFP) is an EU policy just like the CAP with common rules throughout the EU covering all aspects of the fishing industry. The following are the main provisions:

· Access to Fishing Grounds

Access to coastal waters is reserved for fishermen from local ports to a distance of 12 miles off-shore. This exclusion is necessary to prevent foreign boats from over-fishing the areas. There are also protected areas where fishing is restricted in an effort to protect fish breeding grounds, e.g. the Shetland Box off Scotland.

The EU is allowed to define where fishing is banned or restricted and all EU boats must be licensed to fish.

· Conservation of Fish Stocks

This policy is designed to protect fish stocks from over-fishing. Young fish catches are reduced, the mesh size of nets is regulated and limits on different fishing seasons.

· Monitoring Fishing Activity

The responsibility to ensure that all the rules are applied rests with each member state. To help with this, the EU provides aid for the purchase of fishery protection vessels and aircraft for the authorities. Skippers must keep log books of catches and fish landings at ports. Large fines, confiscation of fishing gear/crafts are the sanctions for breach of rules.

· Marketing of Fisheries Products

This policy is similar to the CAP in that it is designed to stabilise the market, guarantee a steady supply of products, have reasonable prices for consumers and support fishermen. There is what is called a withdrawal price below which fish are withdrawn from the market and not sold.

EU Competition Policies

The competition policy of the EU aims to:

· Ensure that the best guarantee of the consumer of getting quality goods and services is to have a number of suppliers competing for the business, ie the existence of competition among suppliers.

· Have rules to ensure that businesses operate on a fair basis and that customers benefit.

· Restrict businesses from forming anti-competitive cartels to share markets between them or to keep prices artificially high or block newcomers from entering the market.

· Concentrate on countering monopolies by imposing large fines, e.g. up to 10% of total turnover, which act as both a deterrent and a punishment. Positive efforts to control business with dominant positions.

Institutions of the European Union include the following:

The European Council
The European Parliament
The Council of Ministers
The European Commission
The Court of Justice
The Court of Auditors

14 (2018)

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15 (2017)

	(a)		• **Drafts proposals for new laws:** The Commission is the sole EU institution tabling laws for adoption by the Parliament and the Council that protect the interests of the EU and its citizens on issues that can't be dealt with effectively at national level. • **Implements laws/Enforces existing legislation** Together with the Court of Justice, ensures that EU law is properly applied in all the member countries. • **Represents the EU internationally** Speaks on behalf of all EU countries in international bodies, in particular in areas of trade policy and humanitarian aid. Negotiates international agreements for the EU. • **Manages the EU Budget** ○ Sets EU spending priorities, together with the Council and Parliament. ○ Draws up annual budgets for approval by the Parliament and Council. ○ Supervises how the money is spent, under scrutiny by the Court of Auditors.	10
	(b)		The European Parliament Council of the European Union (Council of Ministers)	

16 (2016)

10.	European Commission ⇨ European Parliament ⇨ Council of EU	10

17 (2013)

9.	(4+4+2)	10

9. Distinguish between a '*Directive*' and a '*Regulation*' as legislative instruments within the EU.

EU Directive:

- This is a legal instrument used to implement and enforce an EU law in member states. It obliges member states to change their national laws to allow for EU rules, within a certain time limit.

- It is binding only as to the results to be achieved; leaving member states to choose, within prescribed limits, the means by which the rules and targets are to be attained.

- They are used to bring different national laws into line with each other and are common in matters affecting the operation of the Single Market (e.g. product safety standards, WEEE (Waste, electrical, and electronic equipment Directive), Health and Safety at work Directive.)

EU Regulation:

- This is a legislative act of the EU which becomes enforceable immediately as law in its entirety in all member states simultaneously.
- They take precedence over national laws.
- They are self-executing and do not require any implementing measures.
- EU institutions can enforce a regulation throughout the EU.

18 (2010)

4.

1	2	3	4	5
F	A	D	C	B

19 (2009)

The Council of Ministers must adopt all legislation before it becomes law (key decision-making body of the EU). The Council of Ministers is comprised of ministers from governments of each EU member state. The topics on the agenda determine which minister attends.
Most decisions are made by majority voting. However, unanimous agreement is required for certain issues such as taxation, launching new common policies, allowing new countries to join the EU etc.

(b) Name two other EU decision- making institutions.

(i) European Commission
(ii) European Parliament
(iii) European Court of Justice
(iv) European Council
(v) European Court of Auditors

20 (2007)

3. An EU directive is a legal instrument to implement and enforce EU law in member states which obliges members to change their national laws within a time limit/deadline. An EU directive aims to harmonise laws in the Union by attempting to get rid of differences between national laws e.g. The Waste Electrical and Electronic Equipment Directive.

21 (2004)

8.	3 + 3 + 2 + 2 marks

8. *Institutions of the European Union:*
The European Council
The European Parliament
The Council of Ministers
The European Commission
The Court of Justice
The Court of Auditors.