

CONTENTS

<i>Map of the European Union</i>	<i>page v</i>
<i>Preface</i>	vii
<i>Abbreviations</i>	xxiii
<i>Acknowledgments</i>	xxv
<i>Table of Cases</i>	xxviii
<i>Table of Treaties, Instruments and Legislation</i>	lxxvi
<i>Table of Equivalents</i>	cxx
<i>Electronic Working Paper Series</i>	cxxv

PART I Constitutional and Institutional Law

1	European integration and the Treaty on European Union	1
1	Introduction	2
2	The idea of 'Europe'	3
3	The idea of 'European Union'	6
4	The European Communities and their origins	8
	(i) From the Treaty of Paris to the Treaty of Rome	8
	(ii) The EEC Treaty	11
5	Early development of the European Communities	13
	(i) De Gaulle and the Luxembourg Accords	13
	(ii) The initial enlargements	15
6	The Single European Act and beyond	16
	(i) Run-up to the Single European Act	16
	(ii) The Single European Act	18
	(iii) The road to Maastricht	20
7	The Treaty on European Union	23
	(i) Three pillars of the European Union	25
	(ii) The new competences	27
	(iii) Recasting the institutional settlement and the quest for 'democracy'	28
	(iv) Division of power between the European Union and the Member States	29
8	The 1990s: the decade of self-doubt	30
	(i) Ratification of the Treaty on European Union	30
	(ii) The Treaty of Amsterdam	32
	(a) Area of Freedom, Security and Justice	32

	(b) Amsterdam and the democratic deficit	33
	(c) Differentiated integration	33
9	Recasting the borders of the European Union	34
10	The Treaty of Nice and beyond	40
	(i) <i>Fin-de-siècle</i> decay: from Amsterdam to Nice	40
	(ii) The Treaty of Nice and its aftermath	41
	Further reading	43
2	Constitutionalism and the 'failure' of the Constitutional Treaty	44
1	Introduction	44
2	Constitutional law and the Court of Justice	45
	(i) What makes the European Union different	45
	(ii) <i>Van Gend en Loos</i>	47
	(iii) Legitimacy of the 'new legal order'	51
3	The Constitutional Treaty	57
	(i) Explaining the constitutional turn	57
	(a) Success	61
	(b) Enlargement	62
	(c) The democratic challenge	63
	(d) Roles and policies	68
4	Drafting of the Constitutional Treaty	70
	(i) The Convention on the Future of Europe	70
	(ii) Process at the Convention	73
5	The Constitutional Treaty: a brief summary	76
6	Overview and assessment	80
	Further reading	85
3	The EU Institutions	86
1	Introduction	86
2	The Commission	87
	(i) The Commission bureaucracy	87
	(a) College of Commissioners	87
	(b) The Directorates-General	92
	(c) The Cabinets	93
	(ii) Powers of the Commission	93
	(a) Legislative and quasi-legislative powers	93
	(b) Agenda-setting	96
	(c) Executive powers	98
	(d) Supervisory powers	98
	(iii) Regulatory agencies and the Commission	99
3	The Council of Ministers	101
	(i) Powers and workings of the Council	101
	(ii) Decision-making within the Council	102
	(iii) Management of the Council: the Presidency, the Secretariat and COREPER	106

4	The European Council	108	
5	The European Parliament	111	
	(i) Composition of the European Parliament	111	
	(ii) Powers of the European Parliament	114	
	(a) Legislative powers of the European Parliament	114	
	(b) Powers over the Executive	116	
	(c) Powers of litigation	119	
	(d) Financial powers of the European Parliament	119	
6	The Court of Justice and the Court of First Instance	120	
	(i) Jurisdiction of the Court of Justice	120	
	(ii) Composition and working methods of the Court of Justice	122	
	(iii) The Court of First Instance	124	
	(iv) Judicial Panels	127	
7	Other institutions	127	
	(i) European Central Bank	127	
	(ii) Court of Auditors	128	
	(iii) Economic and Social Committee	128	
	(iv) The Committee of the Regions	129	
	Further reading	130	
4	Community law-making	131	
	1 Introduction	131	
	2 EU legislation	132	
	3 Soft law	137	
	4 Legal bases for Community legislation	140	
	5 Community primary legislative procedures	144	
	(i) Council legislation without consultation of the Parliament	145	
	(ii) Consultation procedure	146	
	(iii) Co-decision procedure	149	
	(a) Central features of the co-decision procedure	149	
	(b) Legislative practice under the co-decision procedure	151	
	6 Law-making and Enhanced Cooperation	155	
	7 Comitology	159	
	8 The 'democratic deficit' and the legislative process	167	
	(i) Representative democracy and national parliaments	168	
	(ii) Participatory democracy and republicanism	171	
	(iii) Deliberative democracy and the European public sphere	175	
	Further reading	178	
	Annex	178	
5	Sovereignty and federalism: the authority of EU law and its limits	182	
	1 Introduction	182	
	2 Sovereignty of EU law: primacy and the Court of Justice	183	
	(i) Pre-emption and the allocation of competences	188	
	(a) Exclusive competence	188	

	(b) Shared competence	190	
	(c) Supporting, coordinating and complementary action		193
	(ii) Fidelity principle	193	
3	Contesting EU legal sovereignty: primacy and the national courts		196
	(i) Case law of the national courts	196	
	(a) European constitutional sovereignty	198	
	(b) Unconditional national constitutional sovereignty		199
	(c) Constitutional tolerance	201	
	(ii) Academic commentary	206	
4	Federal limits of EU law	209	
	(i) Principle of conferred powers	211	
	(ii) Principle of subsidiarity	219	
	(a) Subsidiarity and judicial review	220	
	(b) Subsidiarity: changing the European Union's legislative culture?	225	
	(c) Subsidiarity and process: national parliaments as guardians of EU law-making	228	
	Further reading	230	
6	Fundamental rights	232	
	1 Introduction	232	
	2 Development of fundamental rights protection in the EC legal order		234
	(i) Incorporation of fundamental rights into EC law by the Court of Justice	234	
	(ii) Types of EC fundamental rights	237	
	3 Development of fundamental rights by the political institutions of the European Union	241	
	(i) Non-violation and fundamental rights	241	
	(ii) Fundamental rights and the external relations of the European Union	243	
	(iii) Development of an internal fundamental rights policy	244	
	4 The European Union Charter of Fundamental Rights	246	
	(i) Development of the Charter	246	
	(ii) The rights and freedoms recognised in the Charter	253	
	(iii) Interpretation of the Charter	258	
	5 Fundamental rights and the institutional scheme of the European Union		261
	(i) Fundamental rights and the EU institutions	261	
	(ii) Fundamental rights and the Member States	263	
	Further reading	270	
7	Judicial relations in the European Union	272	
	1 Introduction	272	
	2 Mechanics of the preliminary reference procedure		273
	(i) EC Treaty provisions	273	
	(ii) The sequence of the reference procedure	277	

	(a) Making of the reference	277	
	(b) Interim measures	278	
	(c) Application of the ruling	279	
3	Functions of the preliminary reference procedure		280
	(i) Development of EC law	281	
	(ii) Judicial review of EU institutions	283	
	(iii) Preserving the unity of EC law	285	
	(iv) Dispute resolution	287	
4	Preliminary references and the European judicial order		291
	(i) Article 234 EC and the creation of a Community judicial order		291
	(ii) The subjects of the Community judicial order		293
	(iii) Docket-control by the Court of Justice		295
	(a) The binding effects of judgments on national courts		295
	(b) Limiting the circumstances in which the Court of Justice will accept references		297
	(c) Setting out the circumstances in which referral is obligatory		297
	(d) The accountability of national judges		301
5	Reform of the judicial architecture of the European Union		303
	Further reading		310

PART II Administrative law

8	Accountability in the European Union		311
	1 Introduction		311
	2 Nature and importance of accountability		312
	3 Transparency		317
	4 Responsibility and resignation: governance and the Commission		329
	5 The European Ombudsman		337
	Further reading		346
9	The enforcement of European law		348
	1 Introduction		348
	2 Enforcement by the Court of Justice: Articles 226–228 EC		349
	(i) Article 226 EC procedure		350
	(ii) Complainants and Article 226 EC		353
	(iii) Scope of Member States' responsibilities		357
	(iv) Sanction: Article 228 EC		360
	(v) Conclusions		364
	3 Enforcement through the national courts: direct effect		365
	(i) Establishment of direct effect		366
	(ii) Liberalisation and expansion of direct effect		368
	(iii) Direct effect of Directives		371
	(iv) Vertical direct effect and the extension of the state		380
	4 Duty of consistent interpretation ('indirect effect')		381
	(i) Establishment of the duty		381

	(ii)	Extent of the duty	384	
	(iii)	When does the duty arise?	387	
	(iv)	Range of measures that national courts must take into account		388
5		State liability	390	
	(i)	'National procedural autonomy' and its (partial) erosion		390
	(ii)	Establishment of state liability	394	
	(iii)	Conditions for, and expansion of, state liability		400
		Further reading	408	
10		Judicial review: the legal accountability of the Community institutions	410	
	1	Introduction	410	
	2	Scope of judicial review under Article 230 EC	412	
	3	Standing to seek judicial review under Article 230 EC	416	
		(i) Privileged and semi-privileged applicants	417	
		(ii) Non-privileged applicants: direct concern	418	
		(iii) Non-privileged applicants: individual concern	420	
		(a) The <i>Plaumann</i> formula	420	
		(b) Individual concern and Regulations	424	
		(c) A more generous approach?	426	
		(d) Reform?	429	
		(e) Nature of applicants: private parties and interest groups		433
	4	Grounds of review under Article 230 EC	436	
		(i) Intensity of review	436	
		(ii) Lack of competence	437	
		(iii) Infringement of an essential procedural requirement		439
		(a) Right to be heard	440	
		(b) Duty to give reasons	446	
		(iv) Infringement of the EC Treaty or of any rule of law relating to its application	448	
		(a) Proportionality	448	
		(b) Legal certainty and legitimate expectation		454
		(v) Misuse of powers	456	
		(vi) Consequences of annulment	456	
	5	Liability under Article 288(2) EC	457	
		Further reading	463	

PART III Social and economic law

11		The single market	465	
	1	Introduction	465	
	2	Nature of the single market	466	
	3	Reach of the single market project	470	
	4	Harmonisation	475	
		(i) Approaches to harmonisation: the 'old' approach and the 'new' approach compared		475

	(ii)	Harmonisation and plural interests	480
	(iii)	Harmonisation and government by expertise	484
	(iv)	Harmonisation and the non-market values of the Member States	487
5		European standardisation	491
	(i)	European standardisation bodies	491
	(ii)	European standardisation and the Community legislature	493
	(iii)	Evaluating the European standardisation process	494
		(a) Efficiency of the standard-setting process	495
		(b) Representation	495
		(c) Accountability	496
6		Mutual accommodation of national regimes	497
	(i)	Ex ante measures	497
	(ii)	Ex post measures	501
		Further reading	504
12		Economic and monetary union	506
	1	Introduction	506
	2	Liberalising payments and the movement of capital	508
	3	The move to economic and monetary union	513
		(i) Early attempts to achieve monetary unification	513
		(ii) The Delors blueprint for EMU and its implementation	516
		(iii) Economics of monetary unification and the Maastricht convergence criteria	522
	4	Economic policy coordination in the eurozone	528
		(i) The fragmentary macro-economic policy-making framework of EMU	528
		(ii) The Excessive Deficit Procedure and the Stability Pact	530
	5	Institutions of monetary union: the ECB and the ESCB	539
		(i) Institutional framework of the ESCB	539
		(ii) Central bank independence and accountability	540
		(iii) Decentralised structure of the ESCB	551
		(iv) Monetary policy in the eurozone	554
		(v) External aspect of the eurozone	557
		Further reading	559
13		Union citizenship	561
	1	Introduction	561
	2	Modern citizenship and its evolution	562
	3	Distinctive nature of EU citizenship	566
		(i) Composite nature of EU citizenship	567
		(ii) Complementary nature of EU citizenship	573
	4	Political citizenship and representation rights	574
		(i) Rights to vote and hold office	574
		(ii) Right to petition and hold the administration accountable	578

5	Citizenship and civil rights	580	
	(i) Right to diplomatic protection	580	
	(ii) Right to move, reside and remain within the territory of the Member States	581	
	(a) Administrative formalities	582	
	(b) Grounds for excluding the citizen from the host state's territory	584	
	(iii) Equality before the law	588	
	(iv) Family rights	589	
	(a) The EU idea of the family	590	
	(b) EU and non-EU family members	592	
	(c) Fundamental rights and family rights	594	
6	Citizenship and social rights	597	
	Further reading	602	
14	EU law and non-EU nationals	604	
	1 Introduction	604	
	2 Central themes of EU law on non-EU nationals	606	
	(i) Economic mercantilism	606	
	(ii) National security and national sovereignty	608	
	(iii) Humanitarianism	611	
	(iv) European security	613	
	3 Institutional architecture for non-EU nationals	615	
	(i) Legislative competencies	615	
	(ii) Ring-fencing of national security	619	
	(iii) Norms of fundamental rights	622	
	4 'Desirable' non-EU nationals: the Long-Term Residents Directive	625	
	(i) Acquisition of long-term resident status	626	
	(ii) Rights acquired against the host state	631	
	(iii) Rights of long-term residents in other Member States	636	
	5 'Suspicious foreigners': the EU regime on asylum seekers	637	
	(i) Allocation of responsibilities between Member States for asylum seekers	639	
	(ii) Reception of asylum seekers	642	
	(a) Policing of asylum seekers through welfare	643	
	(b) Movement, residence and detention of asylum seekers	645	
	(c) Wider rights of asylum seekers	647	
	6 'Poor foreigners': refugees and subsidiary protection	648	
	(i) Acquisition and loss of refugee status	650	
	(ii) Subsidiary protection	652	
	(iii) Varying benefits of international protection	653	
	Further reading	656	
15	Free movement of goods and the economic constitution	657	
	1 Introduction	657	
	2 Material reach of Articles 28 to 30 EC	659	

3	Functions of Article 28 EC	661	
	(i) Economic constitutionalism	662	
	(ii) Socially embedded market polity	664	
	(iii) Economic supranationalism	665	
4	Prohibition on discrimination	666	
	(i) Discrimination and the economic constitution	667	
	(ii) Discrimination and the socially embedded market polity	670	
	(iii) Discrimination and economic supranationalism	672	
5	<i>Cassis de Dijon</i> and market integration	675	
	(i) <i>Cassis de Dijon</i> and a new institutional settlement for Article 28 EC	675	
	(ii) Reach of <i>Cassis de Dijon: Keck</i> and the resort to formalism	681	
6	Market access and the partial economic constitution	688	
	Further reading	696	
16	The pursuit of an occupation in another Member State	697	
1	Introduction	697	
2	Taking up and pursuit of an occupation in another Member State	699	
	(i) Employment and self-employment	699	
	(ii) Taking up an occupation in another Member State	702	
	(iii) Performance of significant economic activity in another Member State	702	
	(iv) Enjoyment of the rights and limits of EU citizenship	704	
	(v) Towards an overarching right to pursue an occupation in another Member State	705	
3	Restrictions on the taking up of an occupation	707	
	(i) Restrictions on the taking up of an occupation on grounds of nationality	707	
	(ii) Restrictions on access to labour markets	708	
	(iii) Restrictions on secondary establishment	714	
	(iv) Restrictions on the use of diplomas and qualifications	716	
4	Restrictions on the pursuit of an occupation	722	
	(i) Discrimination in labour markets	723	
	(ii) Discrimination in the pursuit of a business	725	
	(iii) Discrimination and social advantages	726	
	(iv) Non-discriminatory restrictions on the pursuit of an occupation	730	
5	Free movement of companies	734	
	(i) Discrimination and foreign companies	734	
	(ii) Relocation of company activity from one Member State to another	735	
	Further reading	741	
17	Free movement of services	743	
1	Introduction	743	
2	Concept of a service and the material reach of Article 49 EC	747	
	(i) Private actors and Article 49 EC	748	
	(ii) Presence of a gainful transaction	751	
	(iii) Inter-state dimension to the transaction	751	

	(iv) Article 49 EC and the other economic freedoms	753
3	Article 49 EC and the market society	755
	(i) Article 49 EC and market citizenship	755
	(ii) Article 49 EC and ethical goods	760
	(iii) Article 49 EC and the supply of public goods	763
4	Discrimination and the provision of services	770
5	Indistinctly applicable restrictions on the provision of services	772
	(i) Restrictions on who can provide services	772
	(ii) Beyond market access: the outer reaches of Article 49 EC	776
	Further reading	779
18	Financial services	781
	1 Introduction	781
	2 Significance of financial services for the European economy	782
	3 Creating a single market for financial services: an overview	786
	(i) The 'passport' strategy	786
	(ii) Limits of mutual recognition	792
	(iii) Towards greater regulatory convergence: the Financial Services Action Plan	799
	4 Institutional reform	804
	(i) Streamlining financial regulation: the Lamfalussy process	805
	(ii) Supervision in the single financial market	818
	Further reading	828
19	Trade restrictions and public goods	830
	1 Introduction	830
	2 Public goods protected under EC law	831
	3 Principles mediating conflicts between the economic freedoms and public goods	836
	(i) Prohibition on unequal treatment	837
	(ii) Measure must be effective	840
	(iii) Principle of equivalence	840
	(iv) Measure must be the least restrictive necessary to secure its objectives	844
	4 Consumer protection	851
	5 Environmental protection	856
	6 Public health	860
	7 Public policy, public security and public morality	864
	8 Cohesion of fiscal regimes	867
	Further reading	871
20	Discrimination Law	872
	1 Introduction	872
	2 Development of EC discrimination law	874
	(i) Economic versus non-economic visions of EU law	874
	(ii) Equal opportunities versus substantive equality	879

	(iii)	The core framework of EC discrimination law: the labour market	880
3		Equality grounds	884
	(i)	Sex/gender	885
	(ii)	Racial or ethnic origin	887
	(iii)	Religion or belief	889
	(iv)	Disability	891
	(v)	Age	892
	(vi)	Sexual orientation	893
	(vii)	Excluded groups	895
4		Discrimination: meaning, defences and remedies	897
	(i)	Direct discrimination	897
	(ii)	Indirect discrimination	899
		(a) The concept of indirect discrimination	899
		(b) Legitimate aim defence	900
	(iii)	Harassment	900
	(iv)	Defences	903
		(a) Genuine occupational requirements	903
		(b) Other defences	905
	(v)	Remedies	908
		(a) Procedures	908
		(b) Compensation	910
5		Widening the scope of EC discrimination law	911
	(i)	Beyond the labour market	912
	(ii)	Positive action	916
		(a) Affirmative action under the 1976 Equal Treatment Directive	916
		(b) The new legislation	917
	(iii)	Dialogue	920
	(iv)	Mainstreaming	922
		(a) Gender mainstreaming	922
		Further reading	925

PART IV Competition law and policy

21		EC competition law: functions and enforcement	927
	1	Introduction	928
	2	The aims of EC competition law	928
		(i) The economics of competition	929
		(ii) The politics of competition law	934
		(iii) The aims of EC competition policy	936
	3	Enforcement by the Commission	940
		(i) First stage: investigation	941
		(a) Requests for information and interviews	941
		(b) Inspections	944

	(ii)	Second stage: adjudication	946	
		(a) Statement of objections and access to the file		947
		(b) Oral hearing	948	
	(iii)	Penalties for infringement	949	
		(a) Fining policy	950	
		(b) Leniency policy	952	
	(iv)	Settlements	953	
	(v)	The Commission's procedures: an assessment		954
4		The resettlement of competition regulatory authority		957
	(i)	Modernisation	957	
	(ii)	The Commission's new role	961	
	(iii)	Network of national competition authorities		962
		(a) Case allocation	963	
		(b) Cooperation within the network	964	
	(iv)	Assessment	966	
5		Private enforcement	967	
	(i)	A Community right to damages	968	
	(ii)	Commission cooperation with national courts		971
	(iii)	Prospects for private enforcement	972	
		Further reading	974	
22		Restrictive practices	975	
	1	Introduction	975	
	2	Scope of application of EC competition law		978
		(i) Undertakings	978	
		(ii) Effect on trade between Member States		980
		(iii) Excluded agreements	983	
	3	Agreements, decisions and concerted practices		987
		(i) Cartels	988	
		(ii) Tacit collusion	994	
		(iii) Distinguishing between agreement and unilateral action	996	
	4	Substantive assessment	1000	
		(i) History of the controversy	1000	
		(ii) The procedural solution	1004	
		(iii) The role of Article 81(3) EC	1006	
	5	Vertical restraints	1009	
		(i) The economic debate	1010	
		(ii) EC competition law and vertical agreements		1015
		(a) Scheme of the Block Exemption	1017	
		(b) Assessment	1021	
		Further reading	1022	
23		Abuse of a dominant position	1024	
	1	Introduction	1024	
	2	Market definition	1026	

	(i) Product market definition	1027	
	(ii) Geographical market definition	1030	
	(iii) Supply substitutability	1033	
	(iv) The market definition Notice	1035	
3	Dominance	1041	
	(i) The concept of dominance	1041	
	(ii) Market shares	1042	
	(iii) Barriers to/ease of entry	1043	
4	Abuse of dominance	1046	
5	Exploitative abuse	1048	
6	Exclusionary abuse	1050	
	(i) Predatory pricing	1052	
	(ii) Refusals to supply	1056	
	(a) The seminal cases	1056	
	(b) The 'essential facilities' doctrine and refusals to license intellectual property rights	1057	
	(c) Reconciling the case law	1058	
	(d) Competition versus innovation	1061	
7	Perspectives on the evolution of the abuse doctrine	1064	
	Further reading	1067	
24	Merger policy	1069	
	1 Introduction	1069	
	2 Jurisdiction and procedure	1072	
	(i) Transactions falling within the scope of the ECMR	1072	
	(ii) Community dimension	1076	
	(iii) Exceptions to one-stop-shop	1080	
	(iv) From notification to decision	1083	
	(v) Decision-making context	1085	
	(vi) Judicial review	1087	
	3 Substantive assessment	1089	
	(i) Creating or strengthening a dominant position	1090	
	(ii) Coordinated effects in oligopoly markets	1095	
	(iii) Non-coordinated effects in oligopoly markets	1098	
	(iv) Vertical mergers	1100	
	(v) Conglomerate mergers	1103	
	4 Merger defences	1108	
	(i) Efficiencies	1108	
	(ii) The failing firm defence and other policy considerations	1110	
	Further reading	1113	
25	State regulation and EC competition law	1114	
	1 Introduction	1114	
	2 Anti-competitive state regulation	1116	
	(i) A general obligation	1116	
	(ii) A specific obligation	1122	

3	Services of general interest	1133	
	(i) Definition of 'undertakings'	1134	
	(ii) Application of Article 86(2) EC	1137	
	(iii) A Community approach to services of general economic interest?		1141
4	Positive integration: the liberalisation Directives		1144
5	Evaluation	1151	
	Further reading	1153	
	<i>Index</i>	1155	