

DETAILED CONTENTS

| | |
|--|--------|
| <i>Abbreviations</i> | xli |
| <i>Acknowledgements</i> | xliv |
| <i>Table of Cases</i> | xlix |
| <i>Table of Treaties, Instruments, and Legislation</i> | cxxvii |
| <i>Table of Equivalences</i> | cxlvii |
| | |
| 1 THE DEVELOPMENT OF EUROPEAN INTEGRATION | 1 |
| 1. Introduction | 1 |
| 2. Theories of Integration: A Brief Overview | 1 |
| 3. European Integration: The Background | 3 |
| 4. The EEC and Euratom Treaties | 6 |
| 5. The EEC Treaty to the Single European Act | 7 |
| (a) The Geographical Reach of the Community: Enlargement | 7 |
| (b) Community Decision-making: Intergovernmentalism and Supranationalism | 8 |
| (i) The Luxembourg Accords | 8 |
| (ii) The Emergence of the EPC, European Council, and Comitology | 9 |
| (iii) Countervailing Trends: EP Direct Elections, Resources, Budgets, and the ECJ | 10 |
| (iv) The Road to the SEA | 11 |
| 6. The Single European Act | 12 |
| (a) Institutional Changes | 12 |
| (b) Substantive Changes | 13 |
| (c) Reaction and Assessment | 13 |
| 7. The Maastricht Treaty: The Birth of the European Union | 14 |
| (a) The Rationale For the Three-Pillar Structure | 15 |
| (b) Title I: The Common Provisions | 15 |
| (c) Titles II–IV: Changes to the Community Treaties | 16 |
| (i) Institutional Changes | 16 |
| (ii) Substantive Changes | 16 |
| (d) Title V, Pillar Two: Common Foreign and Security Policy | 17 |
| (e) Title VI, Pillar Three: Justice and Home Affairs | 18 |

| | |
|---|----|
| (f) Reaction and Assessment | 18 |
| (g) Further Enlargement | 19 |
| 8. The Treaty of Amsterdam | 20 |
| (a) Title I: Common Provisions | 20 |
| (b) Pillar One: The Community Pillar | 21 |
| (c) Title V, Pillar Two: Common Foreign and Security Policy | 22 |
| (d) Title VI, Pillar Three: Police and Judicial Co-operation in Criminal Matters (PJCC) | 23 |
| (e) Title VII: Closer Co-operation | 24 |
| (f) Title VIII: Final Provisions | 24 |
| (g) Reaction and Assessment | 25 |
| 9. Amsterdam to Nice | 25 |
| (a) Amsterdam to Nice: The IGC | 25 |
| (b) Amsterdam to Nice: The Charter of Rights | 26 |
| 10. The Nice Treaty | 26 |
| (a) Title I: Common Provisions | 27 |
| (b) Pillar One: The Community Pillar | 27 |
| (c) Title V, Pillar Two: CFSP | 28 |
| (d) Title VI, Pillar Three: PJCC | 29 |
| (e) Title VII: Enhanced Co-operation | 29 |
| (f) Enlargement | 30 |
| (g) Reaction and Assessment | 30 |
| 11. The Constitutional Treaty | 31 |
| (a) From Nice to Laeken | 31 |
| (b) The Convention on the Future of Europe | 32 |
| (c) The IGC | 33 |
| (d) CT (Non-)Ratification and the Reform Treaty | 34 |
| (e) Reaction and Assessment | 34 |
| 12. Further Reading | 36 |
| | |
| 2 THE INSTITUTIONS | 38 |
| 1. Central Issues | 38 |
| 2. The Commission | 38 |
| (a) The College of Commissioners: Appointment and Removal | 38 |
| (b) The College of Commissioners: Composition | 39 |
| (c) The College of Commissioners: Decision-making | 40 |
| (d) The Presidency of the Commission | 40 |
| (e) The Commission Bureaucracy | 41 |
| (f) Powers of the Commission | 43 |

| | |
|---|----|
| (i) Legislative Power | 43 |
| (ii) Administrative Power | 44 |
| (iii) Executive Power | 44 |
| (iv) Judicial Power | 45 |
| (g) The Downfall of the Santer Commission and Subsequent Reform | 45 |
| (h) The Impact of the CT | 46 |
| (i) Role of the Commission: Conclusion | 47 |
| 3. The Council | 48 |
| (a) Composition | 48 |
| (b) Presidency of the Council | 49 |
| (c) The Committee of Permanent Representatives | 50 |
| (d) The Council Secretariat | 51 |
| (e) Powers of the Council | 51 |
| (f) The Impact of the CT | 53 |
| (g) Role of the Council: Conclusion | 53 |
| 4. The European Council | 55 |
| (a) Composition | 55 |
| (b) Rationale | 55 |
| (c) Role | 56 |
| (d) The Impact of the CT | 57 |
| (e) Role of the European Council: Conclusion | 57 |
| 5. The European Parliament | 58 |
| (a) Composition and Functioning | 59 |
| (b) Powers | 61 |
| (i) Legislative Power | 61 |
| (ii) Dismissal and Appointment Power | 62 |
| (iii) Supervisory Power | 63 |
| (iv) Budgetary Power | 64 |
| (c) The Impact of the CT | 64 |
| (d) Role of the European Parliament: Conclusion | 65 |
| 6. Courts | 66 |
| (a) European Court of Justice | 66 |
| (b) The Court of First Instance | 68 |
| (c) Judicial Panels | 69 |
| (d) Reform of the Court System | 69 |
| (e) The Advocate General | 70 |
| (f) Procedure before the Court | 71 |
| (g) Style of the Court's Judgments | 71 |
| (h) The Impact of the CT | 72 |
| (i) Role of the Court: Conclusion | 72 |

| | |
|--|-----|
| 7. The Court of Auditors | 76 |
| 8. Other Community Institutions | 77 |
| (a) Economic and Social Committee | 77 |
| (b) Committee of the Regions | 78 |
| (c) Agencies | 79 |
| 9. Conclusion | 80 |
| 10. Further Reading | 80 |
| | |
| 3 INSTRUMENTS AND COMPETENCE | 82 |
| 1. Introduction | 82 |
| 2. Central Issues | 82 |
| 3. Instruments | 83 |
| (a) Regulations | 83 |
| (b) Directives | 85 |
| (c) Decisions | 86 |
| (d) Recommendations and Opinions | 86 |
| (e) Other Methods for Developing Policy | 86 |
| (f) The Duty to Give Reasons | 87 |
| (g) The Impact of the Constitutional Treaty | 88 |
| 4. Internal Community Competence | 88 |
| (a) The Ambit of a Treaty Article | 89 |
| (b) Shared and Complementary Competence | 89 |
| (c) Implied Powers | 90 |
| (d) Article 308 | 93 |
| (e) Competence and the Three Pillars | 95 |
| 5. External Community Competence | 95 |
| (a) Legal Personality, Legal Capacity, and the Making of the Agreement | 95 |
| (b) Express External Competence | 96 |
| (c) Implied External Competence and Exclusivity | 96 |
| (i) The Early Case Law | 96 |
| (ii) The <i>WTO</i> Case, External Competence, and the Limits of Exclusive Competence | 97 |
| (iii) The <i>Open Skies</i> and <i>Lugano</i> Cases, the <i>ERTA</i> Ruling, and Exclusive External Competence | 98 |
| (d) Shared Competence, Mixed Agreements, and Co-operation | 99 |
| 6. The Principle of Subsidiarity | 100 |
| (a) The Community Must Act within the Limits of its Powers | 101 |
| (b) The Exclusive Competence of the Community | 101 |

| | |
|---|-----|
| (c) The Subsidiarity Calculus | 103 |
| (d) The Role of the Court | 104 |
| 7. The Impact of the Constitutional Treaty | 105 |
| 8. Conclusion | 107 |
| 9. Further Reading | 107 |
| | |
| 4 LEGISLATION AND POLICY-MAKING | 108 |
| 1. Central Issues | 108 |
| 2. The Community Pillar: Initiating Legislation | 108 |
| 3. The Community Pillar: Legislative Procedures | 109 |
| (a) Commission Acting Alone | 110 |
| (b) Council and Commission Acting Alone | 110 |
| (c) Council, Commission, and Consultation with the European Parliament | 110 |
| (d) Council, Commission, and the Co-operation Procedure with the European Parliament | 111 |
| (e) Council, Commission, and the European Parliament: The Co-decision Procedure | 113 |
| (i) The Stages within Article 251 | 114 |
| (ii) The Practical Operation of Article 251 | 115 |
| (iii) The Power Dynamics within Article 251 | 115 |
| (iv) The Normative Foundations of Article 251 | 116 |
| (f) Council, Commission, and the European Parliament: Assent | 117 |
| (g) Summary | 117 |
| 4. The Community Pillar: Delegated Legislative Power | 118 |
| (a) Comitology: Rationale | 118 |
| (b) Comitology: Procedures | 119 |
| (c) Comitology: Evaluation | 122 |
| 5. The Community Pillar: The Council Voting Requirements | 123 |
| 6. Decision-making Under Pillars Two and Three | 125 |
| (a) Pillar Two: Common Foreign and Security Policy | 125 |
| (b) Pillar Three: Police and Judicial Co-operation in Criminal Matters (PJCC) | 126 |
| 7. The Reality of Community Decision-making | 126 |
| (a) The Temporal Dimension | 126 |
| (b) The Inter-institutional Dimension | 128 |
| (i) Planning the Legislative Agenda | 128 |
| (ii) Inter-institutional Agreements | 129 |
| (iii) The Making of Particular Policies | 129 |

| | | |
|------|---|-----|
| 8. | The EU, Democracy, and Decision-making | 133 |
| | (a) The Nature of the Argument | 133 |
| | (b) Evaluation: The Empirical Frame of Reference | 134 |
| | (i) The Comparison with National Polities | 135 |
| | (ii) The Locus of Decision-making if There Were no EU | 135 |
| | (c) Evaluation: The Normative Frame of Reference | 136 |
| 9. | The Constitutional Treaty, Democracy, and Decision-making | 138 |
| | (a) Legislative Power: Primary Legislation | 139 |
| | (b) Legislative Power: Delegated Regulations | 139 |
| | (c) Legislative Power: Subsidiarity and National Parliaments | 140 |
| | (d) The Locus of Executive Power | 141 |
| | (e) The Constitutional Treaty and Democracy | 142 |
| 10. | Conclusion | 142 |
| 11. | Further Reading | 143 |
| | | |
| 5 | NEW FORMS OF GOVERNANCE | 144 |
| | 1. Central Issues | 144 |
| | 2. Introduction | 144 |
| | 3. The New Approach to (Technical) Harmonization | 148 |
| | 4. The Lisbon Agenda and the Open Method of Co-ordination | 150 |
| | 5. General EU Governance Reform Initiatives | 154 |
| | (a) Subsidiarity and Proportionality | 155 |
| | (b) Better Regulation and the Commission's White Paper on Governance | 157 |
| | 6. Appraising the Move Towards New Forms of Governance | 162 |
| | 7. Conclusions | 165 |
| | 8. Further Reading | 166 |
| | | |
| 6 | EU INTERNATIONAL RELATIONS LAW | 167 |
| | 1. Central Issues | 167 |
| | 2. Introduction: The EU as an International Actor | 168 |
| | 3. External Capacity and Community Competence | 169 |
| | (a) International Legal Personality | 169 |
| | (b) The Need for a Legal Basis and the Limits of External Community Competence | 171 |
| | (c) Express and Implied Competence | 173 |
| | (d) Exclusive Community Competence | 176 |

| | |
|---|-----|
| (e) Shared Competence | 181 |
| (f) Conclusion | 182 |
| 4. Areas of External Action Under the EC Treaty | 182 |
| (a) The Common Commercial Policy (CCP) | 182 |
| (b) Association, Partnership, and Co-operation | 186 |
| (c) Development Policy, Technical Co-operation, and Humanitarian Aid | 186 |
| (d) External Environmental Action | 187 |
| (e) External Dimensions of Internal Policies | 188 |
| 5. External Powers Under the EU Treaty | 189 |
| (a) The Second Pillar: The Scope of the Common Foreign and Security Policy | 189 |
| (b) The Second Pillar: The Constitutional Nature of the CFSP | 191 |
| (c) The Third Pillar: The External Dimension of Police and Judicial Co-operation in Criminal Matters | 192 |
| (d) Cross-pillar Interactions and the Economic Dimensions of Security | 193 |
| 6. The Conclusion of International Agreements by the EU and other Forms of EU International Practice | 195 |
| (a) Procedures for Concluding Agreements under the EC and EU Treaties | 195 |
| (b) Mixed Agreements | 197 |
| (c) The Role of the European Parliament | 199 |
| (d) The Member States' Duty of Sincere Co-operation | 200 |
| (e) Co-operation within International Organizations | 201 |
| 7. The EU and International Law | 202 |
| (a) International Agreements Concluded by the Community are Binding upon It and are Part of EC Law | 202 |
| (b) The Community Legal System is an Autonomous Legal Order | 202 |
| (c) The Effect of Other Rules of International Law and of International Agreements to Which the Member States are Party | 204 |
| 8. The Legal Effect of International Agreements in the EC Legal Order | 206 |
| 9. The Role of the ECJ in EU International Relations | 213 |
| (a) Pre-Emptive Jurisdiction: The Advisory Opinion Procedure of Article 300(6) | 213 |
| (b) Jurisdiction of the ECJ over International Agreements under other EC Treaty Procedures | 215 |
| (c) The ECJ and Mixed Agreements | 216 |
| (d) The ECJ and the CFSP | 218 |
| 10. Coherence, Consistency, and Co-operation in the Governance of EU International Relations | 220 |
| (a) International Representation and the EU | 220 |

| | |
|--|-----|
| (b) The Requirement of Coherence Across Pillars and Policies | 221 |
| (c) Co-ordination Between the Member States and the EU: Co-operation and Compliance | 222 |
| (d) The Making of an Integrated Foreign Policy: European Neighbourhood Policy | 223 |
| 11. International Relations in the Constitutional Treaty | 225 |
| 12. Conclusions | 228 |
| 13. Further Reading | 228 |
| | |
| 7 THE AREA OF FREEDOM, SECURITY, AND JUSTICE | 229 |
| 1. Central Issues | 229 |
| 2. A Brief Overview | 230 |
| 3. Rationales | 232 |
| 4. Treaty Provisions | 237 |
| (a) Title VI TEU: Police and Judicial Co-operation in Criminal Matters | 237 |
| (b) Title IV EC: Visas, Asylum, Immigration, and Other Policies Related to Free Movement of Persons | 240 |
| 5. Decision-making | 242 |
| (a) The European Council | 242 |
| (b) The Council | 245 |
| (c) The Commission | 246 |
| (d) The European Parliament | 248 |
| (e) Agencies | 248 |
| (f) Decision-making Across Pillars | 250 |
| 6. Legal Doctrine, Judicial Teleology, and its Limits | 250 |
| (a) Title VI TEU and Legal Doctrine | 250 |
| (b) Title VI TEU and Legality Review | 253 |
| (c) Title VI TEU: The Limits of Judicial Creativity | 254 |
| (d) Title IV EC: The Limits to Preliminary Rulings | 255 |
| 7. Asylum, Rights, and the AFSJ | 255 |
| (a) Treaty Provisions | 256 |
| (b) The Asylum Legislation | 257 |
| (c) Conclusion | 259 |
| 8. Policing, Security, Rights, and the AFSJ | 260 |
| (a) Treaty Provisions | 260 |
| (b) Police and Customs Operations by National Authorities | 261 |
| (c) EU Bodies | 262 |
| (d) Information, Policing, and Security | 263 |

| | |
|--|-----|
| (e) Conclusion | 264 |
| 9. The Impact of the Constitutional Treaty | 265 |
| 10. Conclusion | 266 |
| 11. Further Reading | 266 |
| | |
| 8 THE NATURE AND EFFECT OF EC LAW: DIRECT EFFECT AND BEYOND | 268 |
| 1. Central Issues | 268 |
| 2. The Ambiguous Concept of Direct Effect: A Guide | 269 |
| 3. The Direct Effect of Treaty Provisions | 272 |
| (a) Foundations: <i>Van Gend en Loos</i> | 272 |
| (b) The Conditions for Direct Effect: Broadening the Conditions | 275 |
| 4. The Legal Effects of Regulations and Decisions | 277 |
| (a) Regulations | 278 |
| (b) Decisions | 279 |
| 5. The Legal Effects of Directives | 279 |
| (a) Direct Effect of Directives | 279 |
| (i) The Foundations: <i>Van Duyn</i> and <i>Ratti</i> | 279 |
| (ii) Subsequent Application: Sufficiently Clear and Precise Provisions of a Directive | 281 |
| (iii) Direct Effect: Time Limits for Implementation | 282 |
| (b) The Vertical/Horizontal Distinction | 282 |
| (c) Expanding Vertical Direct Effect: A Broad Concept of the State | 284 |
| (d) 'Indirect Effect': Development of the Principle of Harmonious Interpretation | 287 |
| (i) The Principle of Harmonious Interpretation: The Obligation to Interpret National Law in Conformity with Directives | 287 |
| (ii) The Obligation applies even in a 'Horizontal' Case between Private Parties | 288 |
| (iii) The Obligation applies to all National Law, and not only to Legislation Implementing a Directive | 289 |
| (iv) The Obligation of Interpretation is Strong, but does not require a <i>Contra Legem</i> Interpretation of National Law | 289 |
| (v) The Positive Obligation of Harmonious Interpretation applies only after the Time Limit for Implementation of the Directive has Expired | 291 |
| (vi) The Obligation of Harmonious Interpretation and Criminal Liability | 292 |
| (vii) The Obligation of Harmonious Interpretation and Non-criminal Liability | 292 |

| | |
|---|-----|
| (e) Incidental Horizontal Effects | 296 |
| (f) State Liability in Damages for Non-implementation of a Directive | 300 |
| 6. Directives and the Effect of Community Law: An Evaluation | 300 |
| (a) Legal Certainty, Horizontal Direct Effect, and Indirect Effect | 301 |
| (b) Primacy, Exclusion, and Substitution | 302 |
| 7. General Conclusions | 303 |
| 8. Further Reading | 303 |
| 9 THE APPLICATION OF EC LAW: REMEDIES IN NATIONAL COURTS | 305 |
| 1. Central Issues | 305 |
| 2. The Principle of National Procedural Autonomy | 306 |
| (a) Where no Relevant Rules of EC Law Exist, the National Legal System Determines the Primary Conditions under which Rights Granted by EC Law are to be Protected | 306 |
| (b) There is No Obligation to 'Create New Remedies'? | 307 |
| 3. Further Requirements of Community Law: Proportionality, Adequacy, and Effective Protection | 309 |
| (a) Proportionality, Adequacy, and Effectiveness of National Responses | 309 |
| (b) Effective Protection versus 'No New Remedies': Early Tensions | 311 |
| 4. Development of the 'Effectiveness' Requirement | 313 |
| (a) Phase 1: A Strong Initial Requirement | 313 |
| (b) Phase 2: A Partial Judicial Retreat | 316 |
| (c) Phase 3: A Robust Requirement that Certain Remedies Must be Made Available | 319 |
| (d) The Balance between Effective Judicial Protection of EC Rights and National Procedural Autonomy and Responsibility | 320 |
| (e) Can the Plaintiff's Conduct Affect the Right to an Effective Remedy? | 324 |
| 5. Development of the 'Equivalence' Principle | 325 |
| 6. National Remedies and EC Law: Summary | 328 |
| 7. The Principle of (State) Liability for Breach of EC Law | 328 |
| (a) Origins of the Principle | 328 |
| (b) Clarifying and Extending the Principle | 330 |
| (c) The Conditions for State Liability | 334 |
| (d) State Liability and the National Remedial Framework | 338 |
| (e) State Liability as a Residual Remedy? | 340 |
| 8. Conclusions | 341 |

| | |
|---|-----|
| 9. Further Reading | 342 |
| | |
| 10 THE RELATIONSHIP BETWEEN EC LAW AND NATIONAL LAW: SUPREMACY | 344 |
| 1. Central Issues | 344 |
| 2. The First Dimension: Supremacy from the ECJ's Perspective | 344 |
| (a) The Foundations: <i>Costa</i> | 344 |
| (b) The Ambit: <i>Internationale Handelsgesellschaft</i> and <i>Simmenthal</i> | 346 |
| (c) The National Bodies that Must apply the Supremacy Doctrine: <i>Simmenthal</i> , <i>Larsy</i> , <i>CIF</i> | 348 |
| (d) Impact on National Law: <i>Simmenthal</i> and <i>Kapferer</i> | 350 |
| (e) Supremacy: The Second and Third Pillars | 351 |
| (f) Conclusion | 352 |
| 3. The Second Dimension: Supremacy from the Perspective of the Member States | 353 |
| (a) France | 354 |
| (i) Case Law and Doctrine | 354 |
| (ii) Summary | 357 |
| (b) Germany | 357 |
| (i) Case Law and Doctrine | 357 |
| (ii) Summary | 362 |
| (c) Italy | 363 |
| (i) Case Law and Doctrine | 363 |
| (ii) Summary | 365 |
| (d) The United Kingdom | 365 |
| (i) Case Law and Doctrine | 365 |
| (ii) Summary | 371 |
| (e) Poland | 371 |
| (i) Case Law and Doctrine | 371 |
| (ii) Summary | 373 |
| (f) Central and East European States | 373 |
| 4. The Constitutional Treaty | 374 |
| 5. Constitutional Pluralism | 375 |
| 6. Conclusions | 377 |
| 7. Further Reading | 377 |
| | |
| 11 HUMAN RIGHTS IN THE EU | 379 |
| 1. Central Issues | 379 |
| 2. Background | 380 |

| | |
|--|-----|
| 3. Foundations: The EC Bound by 'General Principles of Law' Including Human Rights | 381 |
| 4. The Rights Protected within EU Law: Sources | 383 |
| (a) International Instruments | 383 |
| (b) International Human Rights Treaties: Floor or Ceiling? | 385 |
| (c) National Constitutional Traditions | 386 |
| (d) National Constitutional Traditions and the 'Maximum Standard' Problem | 388 |
| 5. Challenges to EU Action: Adjudication of Rights Claims | 389 |
| (a) Challenges to Legislation | 390 |
| (b) Challenges to Administrative Acts | 391 |
| (i) Staff Cases | 391 |
| (ii) Competition Proceedings | 391 |
| (c) Summary | 394 |
| 6. Challenges to Member State Action: Fundamental Rights | 395 |
| (a) Applying Provisions of EC Legislation based on Protection for Human Rights | 395 |
| (b) Member States as 'Agents' | 395 |
| (c) Member States Derogating from Measures of EC Law | 396 |
| (d) Member States and Situations Outside the Scope of Community Law | 400 |
| (e) The Charter of Fundamental Rights and the Member States | 401 |
| 7. EU Human Rights Policy: Political and Institutional Developments | 402 |
| (a) Political Approval of the ECJ | 402 |
| (b) Human Rights Amendments to the Treaties | 403 |
| (c) New Human Rights Instruments and Institutions | 404 |
| (d) Fundamental Rights as a Source of Policy Competence | 405 |
| (i) Limited EC Treaty Powers | 405 |
| (ii) Externally Focused Human Rights Policies | 407 |
| (iii) Internally Focused Human Rights Policies: Anti-discrimination | 408 |
| 8. The EU Charter of Fundamental Rights | 412 |
| (a) Introduction | 412 |
| (b) Content | 413 |
| (c) The 'Horizontal' Clauses | 414 |
| (d) Current Status | 417 |
| 9. The EU and the ECHR | 418 |
| (a) Accession by the EC/EU to the ECHR | 418 |
| (b) Indirect Review of EC/EU Acts by the ECtHR | 420 |
| (c) Mutual Influence of the ECJ and the ECtHR in the Absence of Accession | 425 |
| 10. Conclusions | 426 |

| | |
|--|-----|
| 11. Further Reading | 427 |
| 12 ENFORCEMENT ACTIONS AGAINST MEMBER STATES | 428 |
| 1. Central Issues | 428 |
| 2. The Function and Operation of the Infringement Procedure | 429 |
| (a) Nature and Function of the Procedure | 429 |
| (b) Operation of the Procedure | 432 |
| 3. The Relationship between the 'Public' and the 'Private' Enforcement Mechanisms | 433 |
| 4. The Commission's Discretion | 434 |
| 5. The Reasoned Opinion | 438 |
| (a) Function | 438 |
| (b) Form and Content | 438 |
| (c) Confidentiality of the Reasoned Opinion | 440 |
| 6. Why is an Enforcement Action Admissible after the Breach is Remedied? | 442 |
| 7. Types of Breach by Member States of Community Law | 443 |
| (a) Breach of the Obligation of Co-operation under Article 10 EC | 443 |
| (b) Inadequate Implementation of Community Law | 444 |
| (c) Breach of a Positive Obligation to Ensure the Effectiveness of Community Law | 447 |
| (d) General and Persistent Breaches | 447 |
| (e) Action by the Courts of a Member State | 448 |
| 8. State Defences in Enforcement Proceedings | 448 |
| (a) <i>Force Majeure</i> | 449 |
| (b) Lack of Intentional Wrongdoing by the State | 449 |
| (c) The Community Measure on which the Infringement Proceedings Are Based is Illegal | 450 |
| (d) Other Member States are also in Breach | 451 |
| 9. Article 227 | 451 |
| 10. Article 228: The Pecuniary Penalty | 452 |
| 11. Interim Measures | 457 |
| 12. Conclusions | 457 |
| 13. Further Reading | 458 |
| 13 PRELIMINARY RULINGS | 460 |
| 1. Introduction | 460 |

| | |
|--|-----|
| 2. Central Issues | 461 |
| 3. Foundations | 461 |
| (a) Types of Preliminary Ruling Procedure | 461 |
| (b) Provisions which Can be Referred | 462 |
| (c) Courts or Tribunals which Can Refer | 464 |
| (d) Courts or Tribunals which Must Refer | 465 |
| (e) The National Court Raising Community Law of its Own Volition | 466 |
| 4. The Existence of a Question | 466 |
| (a) The Development of Precedent | 467 |
| (i) Prior ECJ Rulings and National Law in Breach of EC Law | 467 |
| (ii) Prior ECJ Rulings and the Validity of Community Legislation | 469 |
| (iii) Prior Rulings and Legal Certainty | 472 |
| (iv) Conclusion | 473 |
| (b) The ' <i>Acte Clair</i> ' Doctrine | 474 |
| (c) Precedent, <i>Acte Clair</i> , Sectoral Delegation, and the Development of a Community Judicial System | 477 |
| (i) Precedent | 477 |
| (ii) <i>Acte Clair</i> | 478 |
| (iii) Sectoral Delegation | 479 |
| (d) Summary | 479 |
| 5. The Decision to Refer: The National Court's Perspective | 480 |
| 6. Acceptance of the Reference: The ECJ's Perspective | 482 |
| (a) The Initial Approach, Come One, Come All | 482 |
| (b) The ECJ Asserts Authority Over Cases Referred | 484 |
| (c) Cases Where the ECJ has Declined Jurisdiction | 488 |
| (d) Limits of the Power to Decline a Case | 492 |
| (e) Summary | 492 |
| 7. The Decision on the Reference: Interpretation versus Application | 493 |
| 8. Reform | 494 |
| (a) Limiting the National Courts Empowered to Make a Reference | 495 |
| (b) A Filtering Mechanism Based on the Novelty, Complexity, or Importance of the Question | 496 |
| (c) The National Court Proposes an Answer to the Question | 497 |
| (d) Towards an Appellate System | 497 |
| (e) Creation of Decentralized Judicial Bodies | 498 |
| (f) The CFI to have Jurisdiction to give Preliminary Rulings: The Nice Treaty | 499 |
| 9. Conclusion | 500 |
| 10. Further Reading | 500 |

| | | |
|-----|--|-----|
| 14 | REVIEW OF LEGALITY: ACCESS | 502 |
| 1. | Introduction | 502 |
| 2. | Central Issues | 503 |
| 3. | Reviewable Acts | 503 |
| | (a) The Community Pillar | 503 |
| | (b) The Community Pillar, the Second Pillar, and the United Nations | 506 |
| | (c) The Third Pillar | 507 |
| 4. | Article 230(2): Standing for Privileged Applicants | 508 |
| 5. | Article 230(4): Standing for Non-privileged Applicants | 509 |
| | (a) Direct Concern | 509 |
| | (b) Individual Concern: Challenge to Decisions Addressed to Another Person | 511 |
| | (i) The <i>Plaumann</i> Test: Pragmatic and Conceptual Difficulties | 512 |
| | (ii) Open and Closed Categories: Pragmatic and Conceptual Difficulties | 512 |
| | (iii) The Restrictive Impact of the <i>Plaumann</i> Test | 513 |
| | (c) Individual Concern: Challenges to Regulations | 515 |
| | (i) The Abstract Terminology Test | 515 |
| | (ii) The Promise of <i>Codorniu</i> | 516 |
| | (iii) The Limits of <i>Codorniu</i> | 517 |
| | (d) Individual Concern: Anti-Dumping, Competition, and State Aids | 518 |
| | (e) Individual Concern: The AG, the ECJ, and the <i>UPA</i> Case | 521 |
| | (f) A Complete System of Legal Protection? | 525 |
| | (g) The Constitutional Treaty and the Charter of Rights | 527 |
| | (h) Summary | 528 |
| 6. | Article 234: Indirect Challenge to the Legality of Community Acts | 528 |
| | (a) The Rationale for Using Article 234 | 528 |
| | (b) The Acts that can be Challenged Under Article 234 | 529 |
| 7. | Article 232: Failure to Act | 530 |
| | (a) Reviewable Omissions | 531 |
| | (b) Procedure | 532 |
| | (c) Standing | 533 |
| 8. | Article 241: The Plea of Illegality | 533 |
| | (a) The Acts that can be Challenged | 533 |
| | (b) The Proceedings in which Article 241 can be Raised | 535 |
| | (c) The Parties Who Can Use Article 241 | 536 |
| 9. | Conclusion | 536 |
| 10. | Further Reading | 537 |

| | | |
|----|--|-----|
| 15 | REVIEW OF LEGALITY: GROUNDS OF REVIEW | 538 |
| | 1. Introduction: The Grounds of Review | 538 |
| | 2. Central Issues | 538 |
| | 3. Lack of Competence | 539 |
| | 4. Infringement of an Essential Procedural Requirement | 539 |
| | (a) Right to be Heard and Related Rights | 539 |
| | (b) Consultation and Participation | 540 |
| | (c) Duty to give Reasons | 541 |
| | 5. Infringement of the Treaty or any Rule of Law Relating to its Application | 543 |
| | (a) The Scope of this Head of Review | 543 |
| | (b) General Principles of Law: Proportionality | 544 |
| | (i) Meaning | 544 |
| | (ii) Challenge to Community Action: Proportionality and Rights | 546 |
| | (iii) Challenge to Community Action: Proportionality and Penalties | 547 |
| | (iv) Challenge to Community Action: Proportionality and Discretionary Policy Choices | 548 |
| | (v) Challenge to Member State Action | 549 |
| | (c) General Principles of Law: Legal Certainty and Legitimate Expectations | 551 |
| | (i) Actual Retroactivity | 551 |
| | (ii) Legal Certainty, Legitimate Expectations, and Apparent Retroactivity | 554 |
| | (d) General Principles of Law: Non-discrimination | 558 |
| | (i) Treaty Foundations | 558 |
| | (ii) Non-discrimination as a 'General' Principle of EC Law | 559 |
| | (iii) Justifying Discrimination | 560 |
| | (e) General Principles of Law: Transparency | 562 |
| | (i) Introduction | 562 |
| | (ii) Treaty Provisions | 562 |
| | (iii) Transparency and the Community Courts | 563 |
| | (iv) Transparency, Regulation 1049/2001, and the Community Courts | 564 |
| | (v) Conclusion | 567 |
| | (f) General Principles of Law: Precautionary Principle | 567 |
| | 6. Misuse of Power | 568 |
| | 7. The Intensity of Review | 569 |
| | 8. The Consequences of Illegality and Invalidity | 571 |
| | 9. Conclusion | 574 |
| | 10. Further Reading | 575 |

| | | |
|-----|---|-----|
| 16 | DAMAGES ACTIONS AND MONEY CLAIMS | 576 |
| 1. | Introduction | 576 |
| 2. | Central Issues | 576 |
| 3. | Liability for Legislative and Non-legislative Discretionary Acts | 577 |
| (a) | The General Test | 577 |
| (b) | Legislative and Non-legislative Discretionary Acts | 578 |
| (c) | The Meaning of Superior Rule of Law | 578 |
| (d) | The Meaning of Flagrant Violation: The Early Case Law | 581 |
| (e) | The Meaning of Flagrant Violation/Serious Breach: The Current Law | 583 |
| (f) | The Present Law: Summary | 584 |
| (g) | The Present Law: An Assessment | 585 |
| 4. | Liability for Non-discretionary Acts | 586 |
| (a) | The General Principle: Illegality, Causation, Damage | 586 |
| (b) | Application of the General Principle | 586 |
| (c) | The Meaning of Illegality | 587 |
| (d) | Present Law: Summary | 589 |
| 5. | Liability for Official Acts of Community Servants | 589 |
| 6. | Liability for Valid Legislative Acts | 591 |
| (a) | The Nature of the Problem | 591 |
| (b) | The Case Law | 592 |
| 7. | Causation and Damage | 593 |
| (a) | Causation | 593 |
| (b) | Damage | 594 |
| 8. | Joint Liability of the Community and Member States | 596 |
| (a) | Procedural Issues | 596 |
| (b) | Substantive Issues | 597 |
| 9. | Liability in Contract | 600 |
| 10. | Liability to Make Restitution | 601 |
| 11. | Conclusion | 602 |
| 12. | Further Reading | 603 |
| 17 | THE SINGLE MARKET | 604 |
| 1. | Central Issues | 604 |
| 2. | Forms and Techniques of Economic Integration | 604 |
| (a) | Forms of Economic Integration | 604 |
| (b) | Techniques of Economic Integration | 605 |

| | |
|---|------------|
| 3. Limits of Integration Prior to 1986 | 606 |
| 4. The Single European Act 1986: The Economics and Politics of Integration | 607 |
| (a) The Economic Dimension: The Commission's White Paper | 607 |
| (b) The Political Dimension: The Politics of Integration | 609 |
| 5. The Internal Market: Legislative Reform and the SEA | 612 |
| (a) Article 14: The Obligation Stated | 612 |
| (b) Article 15: The Obligation Qualified | 614 |
| (c) Article 95(1): Facilitating the Passage of Harmonization Measures | 615 |
| (i) Article 95: A Residual Provision | 615 |
| (ii) Article 95: The Limits | 616 |
| (d) Article 95(2)–(10): Qualifications to Article 95(1) | 617 |
| 6. The Internal Market: The New Approach to Harmonization | 620 |
| (a) The Rationale for the New Approach | 620 |
| (b) The New Approach to Harmonization | 620 |
| (c) The New Approach to Harmonization: Legislative Format | 624 |
| (d) The New Approach to Harmonization: Reform Initiatives | 626 |
| 7. The Internal Market: Tensions and Concerns | 627 |
| (a) Consumer Interests and Commercial Power | 627 |
| (b) The Single Market, Market Freedom, and Structural Balance | 628 |
| (c) The Challenge to Positive Integration | 629 |
| (d) Politics, Economics, and the Single Market Enterprise | 630 |
| 8. The Reconceptualization of the Internal Market | 631 |
| 9. Conclusion | 634 |
| 10. Further Reading | 635 |
| | |
| 18 FREE MOVEMENT OF GOODS: DUTIES, CHARGES, AND TAXES | 637 |
| 1. The Structure of the Provisions Concerning Free Movement of Goods | 637 |
| 2. Central Issues | 638 |
| 3. Articles 23–25: Duties and Charges | 638 |
| (a) Duties and Charges: Effect, not Purpose | 639 |
| (b) Charges Having an Equivalent Effect: General Principles | 641 |
| (c) Charges Having an Equivalent Effect: Inspections and the 'Exchange Exception' | 642 |
| (d) Charges Having an Equivalent Effect: Inspections and Fulfilment of Mandatory Legal Requirements | 645 |

| | |
|---|-----|
| (e) Recovery of Unlawful Charges | 646 |
| (f) The Customs Union: the Broader Perspective | 647 |
| 4. Articles 90–93: Discriminatory Tax Provisions | 648 |
| (a) The Purpose of Article 90 | 648 |
| (b) Article 90(1): Direct Discrimination | 649 |
| (c) Article 90(1): Indirect Discrimination | 649 |
| (d) Article 90: National Autonomy and Fiscal Choices | 651 |
| (e) The Relationship between Article 90(1) and 90(2) | 653 |
| (f) Article 90(1) and (2): The Determination of Similarity | 654 |
| (g) Article 90(2): The Determination of Protective Effect | 656 |
| (h) Taxation: The Broader Legal Perspective | 659 |
| (i) Taxation: The Broader Political Perspective | 659 |
| 5. The Boundary Between Articles 23–25 and 90–93 | 660 |
| 6. Conclusion | 664 |
| 7. Further Reading | 665 |
| | |
| 19 FREE MOVEMENT OF GOODS: QUANTITATIVE RESTRICTIONS | 666 |
| 1. Central Issues | 666 |
| 2. Introduction | 667 |
| 3. Directive 70/50 and <i>Dassonville</i> | 668 |
| 4. Discriminatory Barriers to Trade | 669 |
| (a) Import and Export Restrictions | 670 |
| (b) Promotion or Favouring of Domestic Products | 670 |
| (c) Price Fixing | 674 |
| (d) Measures which make Imports more Difficult or Costly | 674 |
| (e) National Measures versus Private Action | 675 |
| (f) Summary | 676 |
| 5. Indistinctly Applicable Rules: <i>Cassis de Dijon</i> | 677 |
| (a) Foundations: <i>Cassis de Dijon</i> | 677 |
| (b) Application: The Post- <i>Cassis</i> Jurisprudence | 679 |
| (c) Indistinctly Applicable Rules: Article 29 | 680 |
| (d) Indistinctly Applicable Rules: The Limits of Article 28 | 681 |
| 6. Indistinctly and Distinctly Applicable Rules: <i>Keck</i> and Selling Arrangements | 684 |
| (a) <i>Keck</i> : Selling Arrangements | 684 |
| (b) <i>Keck</i> : Static and Dynamic Selling Arrangements | 686 |
| (c) <i>Keck</i> and Selling Arrangements: Two Judicial Qualifications | 687 |

| | |
|---|-----|
| (d) Judicial and Academic Opinion Concerning <i>Keck</i> : Equality and Market Access | 690 |
| (i) Judicial Concern | 691 |
| (ii) Academic Concern | 692 |
| (e) <i>Keck</i> , Article 28, and Market Access: Meaning and Application | 694 |
| (f) Summary and Choices | 695 |
| 7. Defences to Discriminatory Measures: Article 30 | 696 |
| (a) Public Morality | 696 |
| (b) Public Policy | 698 |
| (c) Public Security | 699 |
| (d) Protection of Health and Life of Humans, Animals, or Plants | 701 |
| (e) Other Grounds for Validating Discriminatory Measures? | 703 |
| (f) The Relationship between Harmonization and Article 30 | 704 |
| 8. Defences to Indistinctly Applicable Rules: The Mandatory Requirements | 705 |
| (a) The Rationale for the Mandatory Requirements | 705 |
| (b) The Relationship between the Mandatory Requirements and Article 30 | 706 |
| (c) The Mandatory Requirements: Consumer Protection | 707 |
| (d) The Mandatory Requirements: Fairness of Commercial Transactions | 709 |
| (e) The Mandatory Requirements: Public Health | 709 |
| (f) Other Mandatory Requirements | 711 |
| (g) Mandatory Requirements and Harmonization | 713 |
| (h) Summary | 714 |
| 9. Free Movement of Goods and <i>Cassis</i> : The Broader Perspective | 714 |
| (a) The Commission Response to <i>Cassis</i> | 714 |
| (b) Problems with Realizing the <i>Cassis</i> Strategy | 716 |
| (c) Problems Flowing from the <i>Cassis</i> Strategy | 717 |
| 10. Conclusion | 720 |
| 11. Further Reading | 720 |
| | |
| 20 FREE MOVEMENT OF CAPITAL AND ECONOMIC AND MONETARY UNION | 723 |
| 1. Central Issues | 723 |
| 2. Free Movement of Capital | 723 |
| (a) The Original Treaty Provisions | 723 |
| (b) The Current Provisions: the Basic Principle | 724 |
| (c) The Current Provisions: the Exceptions | 726 |

| | | |
|------|---|-----|
| 3. | Early Attempts at EMU and the European Monetary System | 728 |
| 4. | Economic and Monetary Union: The Three Stages | 729 |
| | (a) Stage One and the Delors Report | 729 |
| | (b) Stage Two and the Treaty on European Union | 729 |
| | (c) Stage Three: The Basic Legal Framework | 731 |
| | (d) Legal Consequences of Moving to Stage Three | 732 |
| | (e) The Transition to EMU | 733 |
| 5. | Economic Governance: Co-ordination of Economic Policy | 734 |
| 6. | Understanding EMU: The Economic Foundations | 736 |
| | (a) The Case For EMU | 736 |
| | (b) The Case Against EMU | 737 |
| | (c) EMU: Economics, Politics, and Law | 738 |
| 7. | Understanding EMU: Central Bank Independence | 738 |
| 8. | Conclusion | 740 |
| 9. | Further Reading | 741 |
| | | |
| 21 | FREE MOVEMENT OF WORKERS | 743 |
| 1. | Central Issues | 743 |
| 2. | The Effect of Article 39 | 744 |
| 3. | Who is Protected by Article 39? | 746 |
| | (a) Definition of 'Worker': A Community Concept | 747 |
| | (b) Definition of 'Worker': Are There Minimum-income and Working-time Requirements? | 748 |
| | (c) Definition of 'Worker': Is The Purpose of the Employment Relevant? | 752 |
| | (d) Definition of 'Worker': Where does the Job-seeker Fit? | 756 |
| 4. | Discrimination, Market Access, and Justification | 758 |
| | (a) Direct Discrimination | 758 |
| | (b) Indirect Discrimination | 758 |
| | (c) Obstacles to Access to the Employment Market | 760 |
| | (d) Internal Situations | 762 |
| | (e) Objective Justification | 763 |
| 5. | The Public Service Exception | 764 |
| | (a) The Meaning of the Public Service Exception is Determined by the Court, not the Member States | 764 |
| | (b) The ECJ's Test for Public Service | 765 |
| | (c) Application of the ECJ's test | 766 |
| | (d) Discriminatory Conditions of Employment within the Public Service are Prohibited | 769 |

| | |
|---|-----|
| 6. The Right of Entry and Residence of Workers and Their Families: Directive 2004/38 | 770 |
| (a) Formal Requirements for Workers | 770 |
| (b) Job-seekers and the Unemployed | 772 |
| (c) The Right of Permanent Residence | 773 |
| (d) Conditions under Which the Right of Residence for Workers And Their Families is Enjoyed | 774 |
| 7. Substantive Rights and Social Advantages: Regulation 1612/68 | 774 |
| (a) Regulation 1612/68 | 774 |
| (b) Article 7(2) of Regulation 1612/68 | 776 |
| (c) Article 7(3) of Regulation 1612/68 and Educational Rights for Workers | 778 |
| (d) Article 12 of Regulation 1612/68: Educational Rights for Children | 779 |
| (e) Rights of Families as Parasitic on the Worker's Rights | 780 |
| (f) Family Members in an Internal Situation | 782 |
| 8. Public Policy, Security, and Health Restrictions on the Right of Entry and Residence: Directive 2004/38 | 783 |
| 9. The Transitional Regime on Free Movement of Workers after the 2004 and 2007 Enlargements | 788 |
| 10. Conclusion | 789 |
| 11. Further Reading | 790 |
| | |
| 22 FREEDOM OF ESTABLISHMENT AND TO PROVIDE SERVICES | 791 |
| 1. Central Issues | 791 |
| 2. Differences and Commonalities between the Free Movement of Persons, Services, and Establishment | 792 |
| (a) Comparing the Treaty Chapters | 792 |
| (b) Are the Freedoms Horizontally Applicable? | 794 |
| (c) The 'Official Authority' Exception | 795 |
| (d) The Public Policy, Security, and Health Exceptions | 796 |
| (e) Legislation Governing Entry, Residence, and Expulsion | 796 |
| 3. The Right of Establishment | 797 |
| (a) The Effect of Article 43 | 798 |
| (b) The Scope of Article 43 | 801 |
| (i) Non-discriminatory Restrictions | 801 |
| (ii) Reverse Discrimination and Wholly Internal Situations: When can Nationals Rely on Article 43 in their own Member State? | 803 |
| (iii) Are Restrictions on Social Benefits Contrary to Article 43? | 805 |
| (c) Establishment of Companies | 806 |

| | | |
|-------|---|-----|
| (i) | When is a Company 'Established' in a Member State? | 806 |
| (ii) | Court-led Liberalization in the Absence of EU Harmonization | 807 |
| (iii) | Direct Taxation Rules as Restrictions on the Freedom of Establishment of Companies | 811 |
| (d) | Summary | 812 |
| 4. | Free Movement of Services | 813 |
| (a) | The Effect of Article 49 | 815 |
| (b) | The Scope of Article 49 | 817 |
| (i) | The Need for an Inter-state Element | 817 |
| (ii) | The Freedom to Receive Services | 818 |
| (iii) | The Commercial Nature of the Services | 818 |
| (iv) | Can Illegal Activities Constitute Services within Articles 49–50? | 823 |
| (v) | Are Restrictions on Social Benefits Contrary to Article 49? | 825 |
| (c) | Justifying Restrictions on the Free Movement of Services | 826 |
| (d) | Are Non-discriminatory Restrictions Covered by Article 49? | 831 |
| 5. | General Legislation to Facilitate Establishment and Services: Recognition of Professional Qualifications | 834 |
| (a) | The Initial Sectoral Harmonization/Co-ordination Approach | 834 |
| (b) | Introduction of the Mutual Recognition Approach | 835 |
| (c) | The Mutual Recognition Approach and its Expansion | 836 |
| (d) | Directive 2005/36 on the Recognition of Professional Qualifications | 837 |
| (e) | Situations Not Covered by the Legislation | 840 |
| 6. | General Legislation to Facilitate Establishment and Services: The Services Directive | 841 |
| 7. | Conclusions | 845 |
| 8. | Further Reading | 846 |
| 23 | CITIZENSHIP OF THE EUROPEAN UNION | 847 |
| 1. | Central Issues | 847 |
| 2. | Introduction | 847 |
| 3. | The Rights of Free Movement and Residence of EU Citizens | 849 |
| (a) | Does Article 18 Create a New and Directly Effective Right? | 850 |
| (b) | Do Articles 17 and 18 Change What can be Considered as a 'Wholly Internal Situation'? | 855 |
| (c) | Do Articles 17 and 18 Create New Substantive Rights for EU Nationals, in Particular for those Who are Neither Economically Active nor Economically Self-sufficient? | 858 |
| (i) | Non-workers | 858 |
| (ii) | Students | 862 |

| | |
|--|-----|
| (iii) Job-seekers | 866 |
| (iv) Freedom from Other Discriminatory or Restrictive National Measures | 868 |
| 4. Political Rights of Citizenship | 869 |
| 5. Directive 2004/38 on the Rights of Free Movement and Residence for EU Citizens and their Families | 870 |
| 6. Conclusions | 872 |
| 7. Further Reading | 873 |
| | |
| 24 EQUAL TREATMENT OF WOMEN AND MEN | 874 |
| 1. Central Issues | 874 |
| 2. The Legal Framework for EU Gender Equality | 875 |
| (a) The Remit of EU Social Policy | 875 |
| (b) The Legal Basis for EU Gender Equality Legislation | 876 |
| (c) Soft Law and Supplementary Measures Promoting Gender Equality | 876 |
| (d) The 'General Principle' of Equal Treatment on Grounds of Sex | 877 |
| (e) The Limits of Gender Equality | 877 |
| (f) Article 141: The Social and Economic Underpinnings of Gender Equality | 878 |
| (g) The 'Recast' Equal Treatment Directive 2006/54 | 881 |
| (h) Directive 2004/113 on Equal Treatment in Access to and Supply of Goods and Services | 882 |
| 3. Equal Pay | 883 |
| (a) The Legislative Framework | 883 |
| (b) Indirect Discrimination in Pay and Objective Justification | 886 |
| (i) Indirect Discrimination | 886 |
| (ii) Objective Justification | 894 |
| (c) Can Direct Pay Discrimination be Justified? | 896 |
| (d) The Breadth of Article 141: What can Constitute Pay? | 897 |
| (i) Social Security Benefits are not Pay | 897 |
| (ii) Widening the Definition of Pay | 898 |
| (iii) <i>Bilka</i> and <i>Barber</i> : Occupational Pensions May Constitute Pay | 900 |
| (iv) The Post- <i>Barber</i> Case Law | 904 |
| (v) Other Kinds of Pension | 905 |
| (vi) A Limited Retreat from <i>Barber</i> | 906 |
| (vii) Remedying Discrimination in Occupational Pensions | 907 |
| 4. Equal Treatment | 908 |
| (a) Equal Treatment as a General Principle | 908 |
| (b) Equal Treatment under Directive 2006/54 | 909 |
| (i) General Schema | 909 |
| (ii) The Occupational Qualification Provision | 910 |

| | |
|--|-----|
| (iii) Protection for Maternity | 912 |
| (iv) The Positive Action Provision | 913 |
| (v) Other Exceptions | 918 |
| (c) The Distinction between Conditions of Work, Pay, and Social Security | 919 |
| (d) The Equal Treatment Directive and Pregnancy | 922 |
| (e) The Pregnancy Directive | 927 |
| (f) Directive 86/613 on the Self-employed | 930 |
| (g) Parental Leave | 931 |
| 5. Social Security | 932 |
| (a) Directive 79/7 | 932 |
| (i) Direct Effect of Directive 79/7 | 933 |
| (ii) Personal Scope | 934 |
| (iii) Material Scope | 936 |
| (iv) The Exceptions in Article 7 | 939 |
| (v) Indirect Discrimination in Social Security | 942 |
| (b) Occupational Social Security | 944 |
| 6. Remedies | 945 |
| 7. Conclusions | 947 |
| 8. Further Reading | 948 |
| | |
| 25 COMPETITION LAW: ARTICLE 81 | 950 |
| 1. Central Issues | 950 |
| 2. Competition Law: Objectives | 950 |
| 3. Article 81: The Treaty Text | 952 |
| 4. Article 81(1): Undertakings | 952 |
| 5. Article 81(1): Agreements, Decisions, and Concerted Practices | 953 |
| (a) Agreements | 953 |
| (b) Concerted Practice | 957 |
| 6. Article 81(1): The Object or Effect of Preventing, Restricting, or Distorting Competition | 963 |
| (a) The Nature of the Problem | 963 |
| (b) Experience in the United States | 964 |
| (c) The Academic Debate in the EC | 964 |
| (d) The Case Law | 966 |
| (e) Summary | 974 |
| 7. Article 81(1): The Effect on Trade between Member States | 975 |
| 8. Article 81(1): The <i>De Minimis</i> Doctrine | 976 |
| 9. Article 81(3): Exemptions | 976 |

| | |
|--|------|
| (a) Individual Exemption | 977 |
| (b) Block Exemption | 979 |
| 10. Article 81: Competition and Non-competition Considerations | 980 |
| (a) Article 81(1) | 980 |
| (b) Article 81(3) | 981 |
| 11. Article 81: Vertical Restraints | 982 |
| (a) The Economic Debate | 982 |
| (i) The First View | 982 |
| (ii) The Second View | 984 |
| (b) The Commission and Vertical Restraints | 985 |
| (i) The Critique of the Commission | 985 |
| (ii) The Commission's Green Paper | 986 |
| (c) Exclusive Distribution | 987 |
| (d) Selective Distribution | 988 |
| (i) First Condition: The Nature of the Product | 989 |
| (ii) Second Condition: Qualitative Criteria | 989 |
| (iii) Third Condition: Non-elimination of Competition through Multiple SDAs | 991 |
| (iv) Fourth Condition: No Absolute Territorial Protection | 992 |
| (e) Franchising | 993 |
| (f) Exclusive Purchasing | 993 |
| (g) The Block Exemption | 995 |
| (i) The New-style Block Exemption | 995 |
| (ii) Article 1: Definitions | 995 |
| (iii) Article 2: The Core of the Block Exemption | 996 |
| (iv) Article 3: The Market Share Cap | 996 |
| (v) Article 4: The Black List | 997 |
| (vi) Article 5: Obligations that Do Not Benefit from the Exemption | 998 |
| (vii) Articles 6–8: Withdrawing the Benefit of the Regulation | 998 |
| (h) Summary | 998 |
| 12. Competition Law: Enforcement | 999 |
| (a) The Traditional Approach and the Modernization White Paper | 999 |
| (b) The New Regime | 999 |
| (c) Judicial Review | 1001 |
| (d) Damages Actions | 1002 |
| 13. Conclusion | 1003 |
| 14. Further Reading | 1003 |
| | |
| 26 COMPETITION LAW: ARTICLE 82 | 1005 |
| 1. Introduction | 1005 |
| 2. Central Issues | 1005 |

| | |
|---|------|
| 3. Dominant Position: Defining the Relevant Market | 1006 |
| (a) The Product Market | 1006 |
| (b) The Geographic Market | 1009 |
| (c) The Temporal Factor | 1010 |
| (d) The Commission Notice on Market Definition | 1011 |
| 4. Dominant Position: Market Power | 1012 |
| (a) Single Firm Dominance | 1012 |
| (i) Market Share | 1013 |
| (ii) Other Factors Indicating Dominance: Barriers to Entry | 1013 |
| (b) Joint Dominance | 1016 |
| 5. Abuse: Three Problems of Interpretation | 1019 |
| (a) Who is Article 82 Designed to Protect? | 1019 |
| (b) What Kinds of Behaviour are Abusive? | 1020 |
| (c) Abuse of which Market? | 1020 |
| 6. Abuse: Particular Examples | 1021 |
| (a) Abuse and Mergers | 1021 |
| (b) Abuse and Refusal to Supply | 1023 |
| (i) Refusal to Supply: The Basic Principles | 1023 |
| (ii) Refusal to Supply: The Essential Facilities Doctrine | 1026 |
| (c) Abuse and Price Discrimination | 1029 |
| (i) Price Discrimination: Economic Foundations | 1029 |
| (ii) Price Discrimination: The Case Law | 1031 |
| (d) Abuse and Predatory Pricing | 1034 |
| (e) Abuse and Selective Pricing | 1036 |
| 7. Defences: Objective Justification, Proportionality, and Efficiency | 1037 |
| 8. Reform of Article 82 | 1037 |
| 9. Conclusion | 1039 |
| 10. Further Reading | 1039 |
| | |
| 27 COMPETITION LAW: MERGERS | 1042 |
| 1. Introduction | 1042 |
| 2. Central Issues | 1042 |
| 3. Merger Control: The Policy Rationale | 1043 |
| (a) Arguments Against Mergers | 1043 |
| (b) Arguments in Favour of Mergers | 1044 |
| 4. Regulation 139/2004: Jurisdictional Issues | 1045 |
| (a) Concentration: General | 1045 |
| (b) Concentration: Joint Ventures | 1046 |

| | | |
|-------|---|------|
| (c) | Concentrations with a Community Dimension | 1049 |
| (d) | The Relation between Community and National Merger Control | 1050 |
| (i) | The General Principle: 'One-Stop Shop' | 1050 |
| (ii) | Protection of National 'Legitimate' Interests: Article 21(4) | 1050 |
| (iii) | Referral to the Competent Authorities of the Member States by the Commission: Article 4(4) | 1050 |
| (iv) | Referral to the Competent Authorities of the Member States by the Commission: Article 9 | 1051 |
| (v) | Referral to Commission at Request of Undertakings: Article 4(5) | 1051 |
| (vi) | Referral to Commission at Request of Member States: Article 22 | 1052 |
| (e) | A Residual Role for Articles 81 and 82 EC | 1052 |
| 5. | Regulation 139/2004: Procedural Issues | 1052 |
| (a) | Prior Notification | 1052 |
| (b) | Suspension Pending Investigation | 1053 |
| (c) | Investigation | 1053 |
| (d) | Investigation and Enforcement | 1054 |
| 6. | Regulation 139/2004: The Substantive Criteria | 1054 |
| (a) | Market Definition | 1054 |
| (b) | The Test | 1055 |
| (c) | Application of the Test: Non-co-ordinated Effects | 1057 |
| (d) | Application of the Test: Co-ordinated Effects and Collective Dominance | 1062 |
| (e) | Concentration and Efficiencies | 1065 |
| (f) | Concentrations and Failing Firms | 1066 |
| (g) | The Relevance of Non-competition Considerations | 1066 |
| (h) | Remedies | 1067 |
| 7. | Judicial Review | 1067 |
| 8. | Conclusion | 1068 |
| 9. | Further Reading | 1068 |
| 28 | THE STATE AND THE COMMON MARKET | 1070 |
| 1. | Central Issues | 1070 |
| 2. | The State and The Market: General Principles | 1071 |
| (a) | The General Principle: The Competition Ethos | 1071 |
| (b) | The Qualification: Services of General (Economic) Interest | 1071 |
| 3. | Public Undertakings and Article 86 | 1073 |
| (a) | Article 86(1) | 1073 |
| (i) | Public Undertaking and Undertakings Accorded Special or Exclusive Rights | 1073 |

| | |
|---|------|
| (ii) The Obligation Flowing from Article 86(1) | 1074 |
| (iii) The ECJ's Expansive Case Law | 1075 |
| (iv) The ECJ's Current Approach | 1078 |
| (b) Article 86(2) | 1079 |
| (i) The First Step | 1079 |
| (ii) The Second Step | 1080 |
| (iii) The Third Step | 1081 |
| (c) Article 86(3) | 1081 |
| (d) Article 86 and National Courts | 1082 |
| (e) Summary | 1083 |
| 4. The State, Articles 10, 81, 82, and 28 | 1083 |
| 5. State Aids: The Substantive Rules and Article 87 | 1084 |
| (a) The Commission and the Development of Policy | 1084 |
| (b) Article 87(1) | 1086 |
| (i) The Definition of State Aid: An Advantage Conferred on the Recipient | 1087 |
| (ii) Definition of State Aid: 'Member State or through State Resources' | 1090 |
| (iii) Definition of State Aid: 'Distorts or Threatens to Distort Competition' | 1092 |
| (iv) Definition of State Aid: Effect on Inter-state Trade | 1092 |
| (c) Article 87(2) | 1092 |
| (d) Article 87(3) | 1093 |
| (i) Article 87(3)(a) | 1093 |
| (ii) Article 87(3)(b) | 1094 |
| (iii) Article 87(3)(c) | 1095 |
| (iv) Article 87(3)(d) and (e) | 1098 |
| 6. State Aids: The Procedural Rules and Articles 88 and 89 | 1098 |
| (a) Review of Existing State Aids | 1099 |
| (b) The Procedure for New State Aids: Notification and Preliminary Review | 1099 |
| (c) The Procedure for State Aids: Detailed Investigation and Enforcement | 1100 |
| (d) Exceptional Circumstances: Article 88(2), Paragraphs 3 and 4 | 1101 |
| (e) Article 89: Implementing Regulations | 1102 |
| (f) Challenge to Commission Decisions | 1102 |
| (g) Aid that Has Not been Notified | 1103 |
| (i) Non-notification and the Commission | 1104 |
| (ii) Non-notification and National Courts | 1104 |
| (h) Recovery of Unlawful Aid | 1105 |
| 7. State Aids, Market Integration, and Regional Policy | 1107 |
| (a) The Relationship between Article 28 and Articles 87-89 | 1107 |

| | |
|--|------|
| (b) The Relationship between National Regional Policy and Community Regional Policy | 1109 |
| 8. State Aids and Reform | 1109 |
| 9. Conclusion | 1110 |
| 10. Further Reading | 1111 |