

The Architecture and Application of European Union Law: A Comprehensive Analysis

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Abstract:

This article gives a thorough introduction to EU law by discussing its origins, evolution, sources, and guiding principles as well as its institutional architecture. Examining concepts like direct impact, supremacy, and state culpability, it probes the interplay between EU law and domestic law. This article examines the several forms of EU legislation, the procedure for passing new laws, and the function of the CJEU as an interpreter and enforcer of EU law. The free flow of people, products, services, and money are also covered, as are other important areas of EU law such as the internal market and competition law. This article uses applicable case law and judgements to show how EU legislation is put into practice and what kind of influence it has.

Keywords: *European Union Law, Direct Effect, Supremacy, State Liability, Internal Market, Competition Law, Free Movement, CJEU, Legislation, Case Law*

Introduction

Since its foundation in 1951 as "the European Coal & Steel Community," EU law has developed into a distinct and complex system of law. From its humble beginnings, the EU has transformed into a supranational "entity with its own legal personality," capable of enacting laws that directly impact the lives of over 447 million citizens across 27 member states. This paper aims to provide a detailed exploration of "EU law," examining its origins, sources, "principles," and key areas of application.

1. Historical Development of European Union Law

The establishment of the European Union may be attributed to the period after World War II, motivated by the aspiration for enduring peace and economic revival. An important milestone in European integration was the establishment of "the European Coal and Steel Community (ECSC)" by the Treaty of Paris in 1951. The six founding

members – “Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands – aimed to pool their coal and steel resources” under a common management system, preventing future conflict and fostering economic interdependence.

The Treaty of Rome, which was signed in 1957, expanded integration by establishing "the European Economic Community (EEC) and the European Atomic Energy Community (Euratom)." By coordinating economic policies, facilitating the free flow of products, services, money, and people, and removing trade obstacles, "the European Economic Community (EEC)" sought to establish a single market.

As time went on, "the European Community (EC)" gained more members and further integrated itself via treaty amendments, allowing it to grow in size and influence. The "internal market" was first proposed in "the Single European Act (1986)," which established the framework for more economic integration. By bringing together the preexisting Communities and establishing additional areas of cooperation, such as a shared foreign & security policy and a justice and home affairs framework," the Maastricht Treaty (1992)" created the European Union.

Treaties that came after it, such "the Treaty of Nice (2001), the Treaty of Lisbon (2007), and the Treaty of Amsterdam (1997)," improved the EU's structure, gave the parliament more authority, and enlarged the EU's authority. Specifically, the EU's legal framework was simplified and "the Charter of Fundamental Rights of the European Union" was established as a legally enforceable document by the Lisbon Treaty.

2. Institutional Framework of the European Union

The institutional structure of the EU is designed to ensure the functioning of the Union and the achievement of its objectives. The seven principal institutions are:

The European Parliament: Directly elected by EU citizens, the Parliament plays a crucial role in the legislative process, approving, amending, or rejecting proposed legislation. It also exercises budgetary control and supervises the other institutions.

The European Council: Composed of the heads of state or government of the member states, the Council defines the EU's overall political direction and priorities. It does not have legislative powers but provides political guidance and impetus for EU action.

“The Council of the European Union (also known as the Council of Ministers):” Representing the governments of the member states, the Council is responsible for EU lawmaking and coordinating EU policies. “Ministers from each member state attend Council meetings depending on the policy area under discussion.”

The European Commission: The EU's executive branch, the Commission, proposes new legislation, implements EU policies, manages the EU budget, and enforces EU law. It acts as the "guardian of the Treaties" and represents the EU's interests as a whole.

“The Court of Justice of the European Union (CJEU):” “The Court of Justice of the European Union (CJEU)” makes sure that all member states apply EU legislation consistently. Disputes between EU institutions, people, or member states are settled via it.

“The European Central Bank (ECB):” In its role as Eurozone monetary policymaker, the ECB controls the value of the euro, determines interest rates, and keeps prices stable.

“The Court of Auditors:” As the EU's autonomous external auditor, “the Court of Auditors” audits the EU's finances, assuring the legality & regularity of EU budget spending.

These institutions, along with other bodies like “the European Economic and Social Committee and the Committee of the Regions,” work together to ensure the effective functioning of the EU.

3. Sources of European Union Law

EU law derives from a variety of sources, including:

Treaties: The core source of EU legislation, treaties are global commitments between nations that are members that set the EU's aims, powers, and institutional structure. They are obligatory on all participating states & take precedent over national law.

Secondary law: Based on the legal framework given by the Treaties, secondary legislation comprises "regulations, directives, decisions, recommendations," and views. These acts are enacted by "the EU institutions" via different legislative processes.

Regulations: "Directly applicable in all member states" without the requirement for national implementing measures, rules strive to guarantee consistency of law throughout the EU. "(Case C-26/62, *Van Genden Loos v. Nederlandse Administratie der Belastingen*, [1963] ECR 1)"

Directives: Depending on member nations as to the objective to be accomplished but reserving the choice of form and tactics to national officials, directives provide for leeway in implementation. "(Case 41/74, *Van Duyn v. Home Office*, [1974] ECR 1337)"

Decisions: Relying entirely on the parties to whom they are intended (e.g., member states, people, corporations), judgments are applied to particular cases or problems.

Recommendations and opinions: Not legally binding, recommendations and opinions provide guidance and express the views of EU institutions.

General principles of law: Developed by the CJEU through its jurisprudence, general principles of law are unwritten principles inherent in the EU legal order. They include principles such as proportionality, legal certainty, non-discrimination, and the right to a fair hearing. "(Case 14/83, *Von Colson and Kamann v. Land Nordrhein-Westfalen*, [1984] ECR 1891)"

International agreements: With other nations or international organizations, the EU is able to reach international accords. The EU & the nations that are members are required to abide by these accords.

"Case law of the CJEU:" The CJEU's judgments are binding on the parties to the case and contribute to the development and clarification of EU law through its interpretations of EU legislation and principles.

4. Key Principles of European Union Law

Several fundamental principles underpin the EU legal order, shaping its relationship with national legal systems and guiding its interpretation and application:

Direct Effect: The concept of direct effect, which was established in the seminal decision of "Van Genden Loos," permits persons to directly use EU law provisions in national courts. A provision has to be unambiguous, specific, unconditional, and free from further member state implementation measures in order to have direct effect.

Supremacy: EU legislation takes precedence over conflicting national law, as established by the concept of supremacy, which was established in the *Costa v. ENEL* decision. When two national laws contradict, national courts have an obligation to follow the applicable EU legislation and to disregard the conflicting national statute. “(Case 6/64, *Flaminio Costa v. ENEL*, [1964] ECR 585)”

State Liability: According to the *Francovich* case, member states are accountable for losses incurred by persons as a result of violations of EU legislation. This principle of state responsibility was established. This concept guarantees the efficacy of EU legislation and offers persons whose rights have been violated a way to seek redress. “(Joined Cases C-6/90 and C-9/90, *Francovich and Others*, [1991] ECR I-5357)”

“Principle of Conferral:” The EU is only able to act to the extent that member states have granted it authority under the Treaties. This concept guarantees that the European Union stays within its mission and upholds the sovereignty of its constituent nations.

“Principle of Subsidiarity:” Whenever possible, national action should take precedence over EU action when making decisions. This is especially true when the goals of the EU cannot be adequately met by the “member states.”

“Principle of Proportionality:” EU activity must be restricted to that which is required to fulfill the Treaties' goals. The EU is prohibited from enacting laws that are unduly onerous under this concept.

5. The Legislative Process in the European Union

The EU legislative process involves various institutions and procedures, ensuring democratic legitimacy and accountability. Previously referred to as the "co-decision procedure," the most prevalent legislative method is the conventional legislative procedure:

1. Proposal Stage: The Commission, as the sole initiator of legislation, prepares and “submits a legislative proposal to the Parliament and the Council.”

2. First Reading: The plan is adopted by the Parliament, which may result in changes. After considering the Parliament's stance, the Council either approves the act or takes a different stance.

3. Second Reading: The proposal comes back to "the Parliament for a second reading" if the Council rejects the stance taken by the Parliament at first reading. The Parliament has three options: it can accept the Council's stance, suggest changes, or reject the idea completely.

4. Conciliation Stage: A Conciliation Committee made up of delegates from both institutions is called in to try to find a middle ground if the Parliament & the Council are unable to come to an agreement at second reading.

5. Third Reading: In the event that the Conciliation Committee comes to a consensus, the document is presented for final approval to the Council and the Parliament. The act is not adopted if the wording is rejected by either institution.

6. Signing and Publication: The law is published in "the European Union's Official Journal" after being approved and signed by the presidents of the council & parliament.

6. The Court of Justice of the European Union: Ensuring Uniform Application and Interpretation

In order to ensure that EU legislation is interpreted and applied consistently in each of the member states, the CJEU is an essential component of the EU legal system. It does this via a number of methods, including:

“Preliminary Ruling Procedure:” National courts may request a preliminary decision from the CJEU on issues pertaining to the application of EU legislation or the legality of an EU act. This process guarantees uniformity and legal clarity in the implementation of EU legislation throughout the Union. (Article 267 TFEU)

Infringement Proceedings: If a member state disregards its legal responsibilities under EU law, the Commission may file an infringement case against it. The CJEU renders a ruling compelling a member state to comply if it determines that the state has violated EU law. (Articles 258-260 TFEU)

Actions for Annulment: Before the CJEU, "EU institutions, member states," including individuals may contest the legitimacy of EU acts. An act is revoked if the Court determines it to be invalid. (Article 263 TFEU)

“Actions for Failure to Act:” A case may be brought before the CJEU by individuals, member states, and other EU institutions in the event that an EU institution neglects to take action as mandated by the Treaties. (Article 265 TFEU)

The rulings rendered by the CJEU are legally binding on all parties and have greatly advanced and clarified EU law throughout time. Its historic decisions have defined fundamental ideas like direct effect, supremacy, & state liability, as well as the parameters of EU legislation's applicability and scope. They have also influenced the interaction between EU law and domestic law.

7. Key Areas of European Union Law

The EU has competence in numerous policy areas, ranging from agriculture to environmental protection. This section will focus on three key areas:

7.1. “The Internal Market”

One of the EU's greatest successes, the internal market seeks to establish a single market for people, money, products, and services inside the EU. This includes:

Elimination of tariffs and quotas: Goods circulating freely within the EU without customs duties or quantitative restrictions.

Harmonization of national legislation: To prevent disparities in national laws from hindering “the free movement of goods, the EU” adopts legislation harmonizing technical regulations, safety standards, and consumer protection rules.

Freedom of movement of persons: Subject to certain restrictions, EU nationals enjoy the freedom to travel and live anywhere in the EU. This covers the nondiscriminatory right to work, study, or retire in any other member state. “(Case C-415/93, *Union Royale Belge des Sociétés de Football Association ASBL v. Jean-Marc Bosman*, [1995] ECR I-4921”

Freedom to provide services: EU businesses can offer their services in other member states without establishing a permanent presence. This principle facilitates cross-border trade in services and promotes competition.

Free movement of capital: Restrictions on capital movements within the EU are prohibited, enabling cross-border investments, lending, and borrowing.

The internal market has significantly impacted the EU economy, fostering trade, investment, and economic growth. It has also brought benefits to consumers, offering greater choice and lower prices.

7.2. Competition Law

EU competition law forbids anti-competitive acts that injure customers and other companies in an effort to maintain fair competition inside the internal market. This includes:

Antitrust rules: In an effort to preserve equal competition within the internal market, EU competition law prohibits anti-competitive practices that cause harm to clients and other businesses.

Abuse of dominant position: Businesses holding a dominating position in the internal market are not allowed to abuse their market power to the prejudice of customers or other businesses, according to Article 102 TFEU. This covers actions such as tying, predatory pricing, and supply-side refusal.

Merger control: “The EU Merger Regulation (Council Regulation No 139/2004)” requires companies planning large mergers to notify the Commission for review if their combined turnover exceeds certain thresholds. The Commission assesses the potential impact of the merger on competition and can approve, prohibit, or approve subject to conditions. “(Case T-342/99, *Schneider Legrand v. Commission*, [2001] ECR II-911)”

“Effective enforcement of EU competition law” ensures a level playing field for businesses, promotes innovation, and benefits consumers through lower prices, greater choice, and higher quality products and services.

7.3. Free Movement of Persons, Goods, Services, and Capital

One of the four essential liberties of the internal market is the freedom of movement of money, commodities, services, and people, as stated in Article 26 TFEU. The objective of this concept is to facilitate cross-border economic activities and further EU integration.

Free movement of persons: This freedom, which is protected by Article 45 TFEU, permits free movement and residence throughout the EU for the sake of employment,

education, or other legitimate endeavors. This right is not unqualified and is subject to certain restrictions because of public health, public safety, or public policy. “(Case C-137/09, *Josemans*, [2010] ECR I-12039)”

“Free movement of goods:” Monetary import restrictions and any other measures having a comparable impact between Member States are forbidden under Article 34 TFEU. This ensures that goods can circulate freely within the EU without unjustified barriers. “(Case 8/74, *Dassonville*, [1974] ECR 837)”

“Free movement of services:” A national of a Member State may not be restricted from providing services in a Member State other than for the benefit of the person for whom they are intended, according to Article 56 TFEU, which ensures the right to give and receive activities in another Member State. Economic integration is facilitated and cross-border commerce in services is promoted. “(Case C-384/93, *Alpine Investments*, [1995] ECR I-1141)”

“Free movement of capital:” All limitations on the transfer of funds and transactions between Member States are forbidden by Article 63 TFEU. This freedom enables cross-border investment, lending, and borrowing, contributing to economic growth and integration.

The EU's single market and deeper economic integration have been made possible by the free movement laws. The CJEU has produced a substantial body of case law on them, which has been extremely helpful in defining their parameters.

8. Conclusion

European Union law has undergone significant development and expansion since its inception. It has evolved into a sophisticated and comprehensive legal order that profoundly impacts the lives of millions of citizens and the functioning of businesses across the EU. The principles of direct effect, supremacy, and state liability ensure the effectiveness of EU law and its integration into national legal systems.

The CJEU is essential to the interpretation and enforcement of EU legislation, guaranteeing that it is applied consistently throughout the Union. Its rulings have defined the link between EU law plus national law and influenced the evolution of EU law. The internal market, competitiveness legislation, and the unrestricted movement of people, capital, commodities, and services are only a few of the policy domains in

which the EU is competent. These legal fields are essential to the single market's operation, economic growth, fair competition, and individual rights protection.

EU law will surely continue to grow and adapt as the EU faces new problems and continues to change, influencing the direction of European integration as well as how it affects the lives of its members.

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