

# Considerations On European Union Institutional System

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**Abstract:** *The present paper aims to analyse, using logical analysis, the institutional system of European Union. The purpose of the paper is to provide a logical model for the institutional system of European Union,*

*From methodological point of view, I will use the System Theory and the instrument of logical analysis.*

*Firstly, I will define the concept of system and institutional system, using the method of sufficiency predicates-logical analysis.*

*Secondly, I will design a logical model for describing Institutional System of European Union.*

**Keywords:** system; institutional system; Lisbon Treaty; European Union; logical analysis.

**JEL Classification:** F49, O43, R11

## Introduction

While we are speaking about European Union, we are thinking of a cumulation of states working together to fulfilling a common goal. These member states are functioning together based on an institutional system comprised of formal and informal rules/norms, enforcement mechanisms and organizations.

In our attempt to analyse the institutional system of European Union, we will define the concepts of System and Institutional System using the sufficiency predicates method-logical analysis.

Next, I will design the Institutional System of European Union using the System Theory and I will analyse the elements of the Model's Input, State and Output.

## Methodology

Using the instrument of logical analysis in defining concepts, implies, according to Mr. Dinga<sup>1</sup>, to identify the list of those attributes (predicates) that are sufficient to thoroughly define an abstract concept. Therefore, the process of defining an abstract concept, using the sufficiency predicates method entails the following:

To identify the list of attributes

To perform a qualitative analysis of the identified attributes:

Checking the independence of the pairs of attributes

Checking the consistency of the pairs of attributes

Checking the completeness of the list of attributes

Thus, we define an abstract concept AC outlining the multitude of its attributes:

$$A_s = \{A_1, A_2, \dots, A_n\}$$

## The concept of Sustainable Development

In the following, we will identify the sufficiency predicates for the concept of System (S).

### Complexity-C

The system is comprised of a multitude of distinct elements (material or immaterial), that together form a structure having different characteristics and functionality than its components

### Interconnectability-I

The multitude of relationships between system's components and between system's components and external environment

### Teleology- T

The existence and the functionality of a system is dedicated to the fulfilment of an objective

Therefore, from the logical point of view the concept of System may be describe as it follows:

$$S=(C) \wedge (I) \wedge (T), \text{ where:}$$

$\wedge$  is the symbol for logical conjunction

C-the Complexity attribute

I- the Interconnectability attribute

T-the Teleology attribute

Hence, the concept of System may be defined as a structure aiming to fulfil a certain objective, comprised of distinct elements (material or immaterial), that together form a composition having different characteristics and functionality than its components and the multitude of relationships between these

<sup>1</sup> Dinga, Emil, Studii de Economie. Contribuții de analiză logică, epistemologică și metodologică-Economics studies. Contributions of logical, epistemological and methodological analysis, Editura Economică, 2009, Bucharest

components and between components and external environment.

The next step is to analyze the sufficiency predicates for the concept of System from the point of view of their:

Completeness

Independence-none of the attributes is the logical result of another

Consistency -None of the predicates is contradictory with another

Completeness analysis

The property Complexity-C describes the multitude of distinct elements (material or immaterial), that together form a structure having different characteristics and functionality than its components

The attribute Interconnectability-I reflects the multitude of relationships between system's components or between system's components and external environment

The attribute of Teleology- T reflects that the existence of a system is dedicated to the fulfilment of an objective

The sum of this sufficiency attributes completely defines the concept of Sustainable Development

Independence analysis

C does not involve I and vice versa: the existence of a multitude of components does not involve the existence of relationships between them or between them and external environment and the existence of a multitude of relationships does not involve the existence of certain elements.

C does not involve T and vice versa: the existence of a multitude of elements does not involve that these elements serve to a certain objective and, vice versa, the existence of a certain objective does not involve the existence of a multitude of components.

I does not involve T and vice versa:

the existence of a multitude of relationships between components and between components and external environment does not imply the existence of a goal and the existence of a goal does not imply the existence of a multitude of relationships between components and between components and external environment

Consistency analysis

C is not contradictory to I: the existence of a multitude of components does not contradict the existence of relationships between components or between them and external environment

C is not contradictory to T: the existence of a multitude of elements does not contradict that these elements serve to a certain objective

I is not contradictory to T: the existence of a multitude of relationships between components and between components and external environment does not contradict the existence of a goal

### The concept of Institutional System

The process of defining the concept of Institutional System as a species of a more general concept of System implies the use of sufficiency predicates.

The specific attribute that differentiates the concept of Institutional System from the concept of System is the Normative Character.

The Normative Character-N of a system implies the existence of formal and informal norms/rules/laws. According to Mr. Dinga<sup>2</sup> (Dinga E., 2018) there are three elementary

<sup>2</sup> Dinga, Emil, *Studii de Teorie și Modelare Economică-Elemente metodologice generale*, Studies on Economic Theory and Modelling-General Methodologic Issues, Editura Academiei Române, 2018, Bucharest, page 14

categories of norms:

Impositions-I-the action must be executed or in logical terms  $I(A)$ , where A is coming from to action

Interdictions-IN-the action must not be executed or in logical terms  $IN(A)=I(NA)$ , where NA is non-action

Permission-P-the action may be executed or not, in logical terms  $P=NON-I(A) \wedge NON-I(NA)$

From the logical point of view the concept of Institutional System may be describe as it follows:

$S=(C)\wedge(I)\wedge(T)\wedge(N)$  where:

$\wedge$ - is the symbol for logical conjunction

C-the Complexity attribute

I- the Interconnectability attribute

T-the Teleology attribute

N-the Normative character attribute

Thus, the Institutional System is a structure aiming to fulfil a political/social/economic objective, comprised of organizations, formal and informal rules and enforcement mechanisms with a normative character that together form a composition having different characteristics and functionality than its components and the multitude of relationships between these components and between components and external environment.

### The design of European Union Institutional System

In designing the European Union Institutional System, we will use the Ludwig von Bertalanffy's General System Theory. This theory was proposed in the 1940's by the biologist Ludwig von Bertalanffy (General Systems Theory, 1968)<sup>3</sup>.

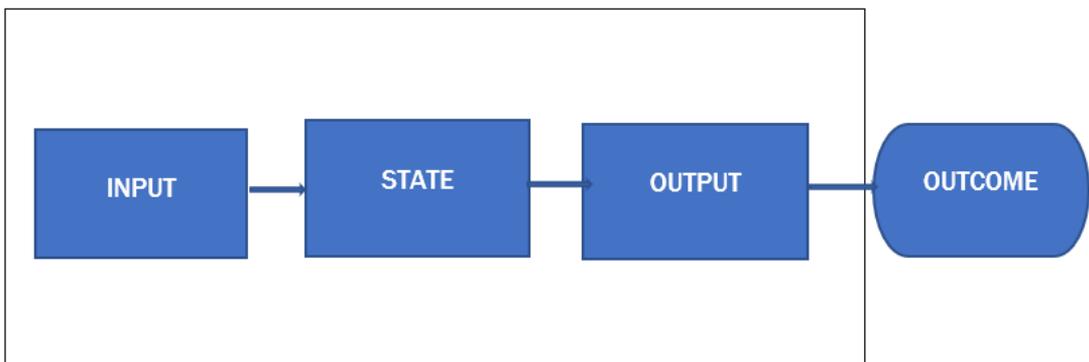
We use this epistemological and interdisciplinary instrument to analyse and explain the European Union phenomena.

There are numerous types of systems. In the following, I will use the model of the Input-State-Output System.

According to this model, the European Union Institutional System may be described as it follows:

<sup>3</sup> The History and Status of General Systems Theory, Author(s): Ludwig Von Bertalanffy Source: The Academy of Management Journal, Vol. 15, No. 4, General Systems Theory (Dec.,1972), pp. 407-426 Published by: Academy of Management Stable URL: <http://www.jstor.org/stable/255139>, Accessed: 29/12/2013 02:50. Secondary Source: <http://perflensburg.se/Bertalanffy.pdf>, Accessed:10/7/2018

Figure 1. The Logical Model of European Union Institutional System



Source: Author

The European Union is a political structure comprised of 28 sovereign and independent member states (until 2019 when Great Britain will leave European Union) that decided to coordinate their efforts toward a common objective.

The Union's decision-making system is based on the principle of separation of powers: legislative, juridical and executive.

The whole activity of European Union is based on treaties that were adopted by all member states. These documents underlie the Union's objectives, bodies and its functioning rules.

### European Union's main action areas

The European Union acts in 35 different areas<sup>4</sup>, as it follows:

- developing a common migration and asylum policy
  - establishing a security union
  - economy and finances and Euro
  - making industry and business more competitive and to promote jobs and growth through a business-friendly environment
    - single market
    - digital economy-aiming to open up opportunities for people and businesses and enhance Europe's position as a world leader in the digital economy
      - employment and social affairs-contributing to the creation of more and better jobs across Europe
        - education and training
        - research and innovation
        - regional policy

<sup>4</sup> European Commission, The European Union-What it is and what it does, <https://publications.europa.eu/en/publication-detail/-/publication/715cfcc8-fa70-11e7-b8f5-01aa75ed71a1/language-en>

- transport
- agriculture and rural development
- maritime affairs and fisheries
- climate
- environment
- energy
- foreign affairs and security policy
- enlargement
- neighbourhood policy
- trade
- international cooperation and development
  - humanitarian aid and civil protection
  - justice and fundamental rights
  - public health and food safety
  - consumers
  - banking and financial services
  - competition
  - taxation and customs
  - culture and media
  - youth
  - sport
  - budget
  - fraud prevention

Considering these aspects, we may proceed to identify the main elements of the European Union Institutional System's Logical Model

### The elements of European Union Institutional System

#### I. The Input's elements

- 1) Lisbon Treaty
- 2) The Member States

The Lisbon Treaty amends both the Treaty on European Union and the Treaty establishing the European Community. We may say that the document changed the way the Union exercises its powers by enhancing

citizens' participation and protection, created a new institutional framework and modified the decision-making processes. According to this treaty, the European Union (EU) gained legal personality.

The main institutional changes introduced by the Lisbon Treaty are<sup>5</sup>:

- creates the role of permanent President of the European Council

- the High Representative of the Union for Foreign Affairs and Security Policy gains importance and he will preside over the Foreign Affairs Council and will also be Vice-President of the Commission. A new European External Action Service will support the High Representative

- The President of the Commission will be elected by the European Parliament. The candidate will be proposed by the European Council, nominated by qualified majority. The European Parliament will also invest the whole Commission

- The European Court of Justice (ECJ) becomes the Court of Justice of the EU, and the CFI becomes the General Court. The jurisdiction of the Court of Justice is expanded to all the activities of the EU, with the exception of the common foreign and security policy.

- The co-decision procedure, under which the Council and the Parliament must agree on the proposed legislation and legislation cannot be adopted if opposed by the Parliament, is extended to a large number of new areas. It becomes the norm and is therefore renamed the 'ordinary legislative procedure'.

- introduces a new system of qualified majority voting which will take effect from November 2004 and is aimed at achieving a balance between large and small Member States. Under the new system a measure will be approved if it is supported by 55% of the Member States (15 out of 27), provided they represent 65% of the EU population. Only the most sensitive areas, such as tax, social security, citizens' rights, languages, seats of the institutions and common foreign, security and defence policies, remain subject to unanimity voting.

- The involvement of national Parliaments in the legislative process is increased and formalised.

- The Charter of Fundamental Rights, which was originally proclaimed by the EU institutions at the Nice Summit in December 2000, becomes binding and will have the same legal status as the Treaties.

## II. The State's elements

The main element of the State from the system theory point of view, is the European Union legislative process. The legislative process follows the principles of subsidiarity and proportionality. The legislation is adopted through different legislative procedures depending on the policy area.

The ordinary legislative procedure is the most common legislative procedure by which directives and regulations are adopted.

The special legislative procedures are used in most sensitive areas.

Other types of legislative procedures are the consultation and consent procedures.

The treaties may be revised through ordinary revision procedure, simplified procedure revision and the Paserelle clause.

<sup>5</sup> Herbert Smith Freehills LLP, The Lisbon Treaty – brief overview of the key changes <https://www.lexology.com/library/detail.aspx?g=48a4327a-c5e8-41a7-8000-c93e90abe763>, Accessed 10/7/2018 20.55

### III. The Output's elements

The Output's elements are the results of the legislative process and of the implementation of the Lisbon Treaty.

The main elements are:

- Regulations- European legislation with direct effect on Member States
- Directives – European legislation with indirect effect on Member States that needs to be transposed in national legislation
- Decisions- European legislation with direct but limited effect on Member States
- Non-binding rules-recommendations and opinions
- European Union main bodies with role in decision-making process at European level, such as:
  - o European Commission
  - o European Parliament
  - o Council of European Union
  - o The Council
- Enforcement bodies and mechanisms such as:
  - o Court of Justice of European Union
  - o European Court of Auditors, etc.

### IV. The Outcome of European Union Institutional System

The European Union Institutional System has as main outcome the European Union goal-To promote peace, follow the EU's values and improve the wellbeing of nations.

The European Union's general objectives are:

- A common European area without borders
- Single Internal market
- Stable and sustainable development
- Scientific and technological development

- Prevention of social exclusion
- Solidarity
- Respect for languages and cultures
- Common foreign and security policy

The European Union's objectives are recorded in the Treaties of the European Union.

The Logical Model infers that based on the Input's elements (European Treaties and Member States) the European Union Institutional System performs a legislative process (The Model's State element) that determines the Output 's elements (legislation, formal and informal norms and organizations). The whole system is designed to serve to the fulfilment of European Union's Outcome.

### Conclusions

The main conclusions of this paper are:

1. The paper succeeds to clearly define concepts of System and Institutional System using the method of sufficiency predicates. In doing so, the paper is useful for all the researchers that aim to study the field of System Theory applied in Economics.
2. The System is the general concept and Institutional System is the species.
3. The comparison between the concepts of System and Institutional System, based on their sufficiency predicates, is presented in the table below:

Table 1. Comparison of the concepts of System and Institutional System

Concept	Sufficiency Attributes			
	Complexity	Interconnectability	Teleology	Normative Characteristic
System				
Institutional System				

Source: Author

4. Using the methodological instruments of System Theory and Logical Analysis we may further the study on European Union Institutional System as it follows:

a. identifying the institutional elements that are according to Lisbon Treaty

b. identifying the institutional elements that are contradicting the Lisbon Treaty

c. identifying measures for improving the institutional framework of European Union system in order to achieve European Union's desired Outcome

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