Public and Economic Policy in the EU

I. The Policy Process
   A. The Policy Cycle
   B. The Budget

II. Economic Policy
   A. The Single Market
   B. The Euro
A. The Policy Cycle

1. Agenda Setting
2. Formulation
3. Implementation
4. Evaluation (Feedback)
5. Legitimation
### EU budget 2009 in figures

<table>
<thead>
<tr>
<th>Expenditure estimates for EU policies</th>
<th>Budget 2009</th>
<th>Change from 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable growth</td>
<td>60.2</td>
<td>3.2 %</td>
</tr>
<tr>
<td>Competitiveness</td>
<td>11.8</td>
<td>6.2 %</td>
</tr>
<tr>
<td>Cohesion, including:</td>
<td>48.4</td>
<td>2.5 %</td>
</tr>
<tr>
<td>Natural resources</td>
<td>56.1</td>
<td>1.0 %</td>
</tr>
<tr>
<td>Citizenship, freedom, security and justice</td>
<td>1.5</td>
<td>12.3 % (!)</td>
</tr>
<tr>
<td>Freedom, security and justice, including fundamental rights and justice, security and liberties, migration flows</td>
<td>0.9</td>
<td>18.1 %</td>
</tr>
<tr>
<td>Citizenship, including culture, media, public health and consumer protection</td>
<td>0.6</td>
<td>5.4 %</td>
</tr>
<tr>
<td><strong>The EU as a global player</strong></td>
<td>8.1 (!)</td>
<td>7.3 %</td>
</tr>
<tr>
<td>Administration</td>
<td>7.7</td>
<td>5.7 %</td>
</tr>
<tr>
<td>Compensations to new EU countries (!)</td>
<td>0.2</td>
<td>1.2 %</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133.8</strong></td>
<td>2.5 %</td>
</tr>
</tbody>
</table>

(!) Excluding the amounts allocated in 2008 from the Solidarity Fund.
(!) Including emergency aid reserve.
(!) Amounts fixed by the accession treaties.

#### Long term budgetary trend

![Graph showing long term budgetary trend](image)
II. Economic Policy

- The Single Market
  - Physical Barriers (Schengen Agreement)
  - Fiscal Barriers (VAT and Excise taxes)
  - Technical Barriers (Standards and Qualifications)
    - Services Directive for the Internal Market (Bolkestein Directive)
II. Economic Policy

- The Euro
  - Rationale for the Single Currency
    - Price Stability
    - Price Transparency
    - Transaction Costs
    - Reserve Currency
  - Performance of the Euro
    - Structural rigidities, cyclical asymmetries, and exchange rates
Exchange Rates and Reserve Status

The €/$ Exchange Rate

% of Foreign Reserves in Various Currencies