Introduction to the EU & EU Law of the Overseas Countries & Territories

6 March 2023

Dr. Germaine Rekwest



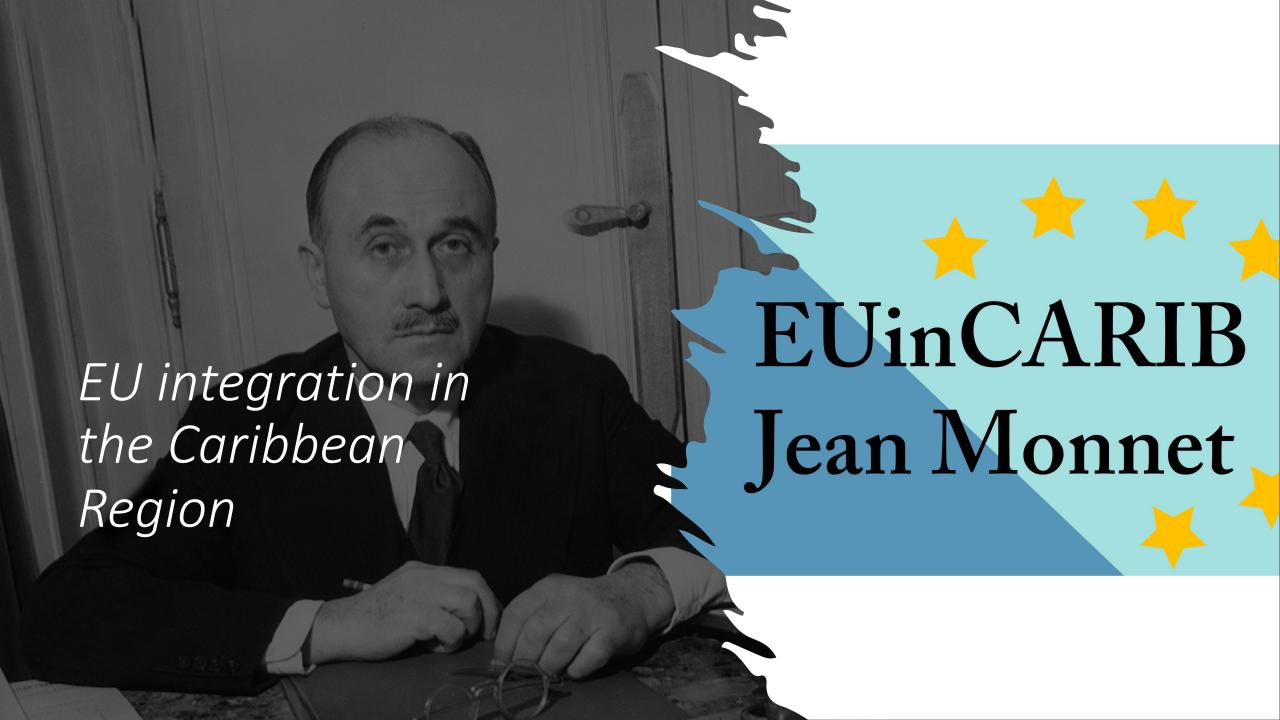




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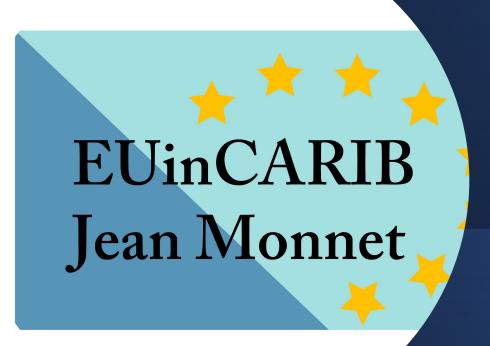




#### Who are you?

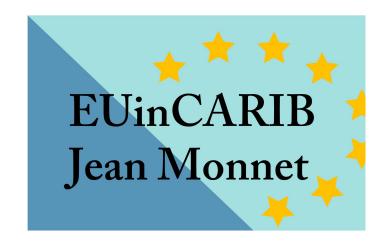
#### 16 participants

- 8 Curação
- 3 Aruba
- 1 St. Maarten
- 4 Netherlands



## Program Monday

- Institutions of the EU
- Multilingualism in the EU
- EU Citizenship in OCTs
- OCT judges and preliminary references
- EU policy, how Europe hits home



# The European Union overseas territories: ORs and OCTs

The EU includes 22 overseas territories linked to five Member States (France, the Netherlands, Denmark, Spain, and Portugal)

9 Outermost Regions (ORs)

13 Overseas Countries and Territories (OCTs)

ORs are territories forming part of a member state of the EU but located at a significant distance from mainland Europe.

OCTs are dependent territories that have a special relationship with one of the member states of the EU.

The European Union overseas territories: OCTs and **ORs** 

#### **ORs and OCTs share characteristics:**

Small size and remoteness

Openness to trade

Little economic diversification

Small export base

Scarce domestic natural resources and labor supply

Proneness to natural disasters

Vulnerable to external shocks

# ORs and OCTs also differ in some respects:

- The Acquis Communautaire is applicable to ORs, even though some exceptions may apply.
- ORs form part of the EU trade regime while OCTs do not.
- Restrictions on the movement of people from Europe do not apply to ORs.
- Most ORs opt to set the Euro as legal tender.
- ORs are eligible for more financial support and subsidies from several EU funds while OCTs only receive financial support from EU's European Development Fund (EDF).
- A total of EUR 13.8 billion was allocated to the ORs in 2014-2020.
- A total of EUR 364.5 million was allocated to the OCTs in 2014-2020

#### Overseas Countries & Territories

13 OCTs are associated with the EU

Atlantic, Antarctic, Arctic, Caribbean and Pacific regions

All OCTs are islands, not sovereign, special link EUmember state: Denmark, France, Netherlands



1957 Treaty of Rome

EU territory/EU single market

Importance to the EU

#### EU & OCTs

Article 52 TEU --> TFEU: article 355 (2)

Part IV TEU: Association of the OCTs

Territorial & personal scope is extended (case law of ECJ)

#### EU & OCTs: EU Citizenship

Nationality of a Member State

**EU** rights

Right of free movement: opposite situation



 $OCTs \leftarrow \rightarrow OR$ 

Article 355 TFEU

Saint Barths

Mayotte



#### 9 Outermost regions

### What are the assets of the OT & OCTs for the EU?

Maritime economic zones

Unique biodiversity

Outposts of the EU



#### **Challenges of the OT & OCTs**

Remoteness

Insularity, small size

Vulnerable to climate change

Economic dependence on a few sectors (tourism)

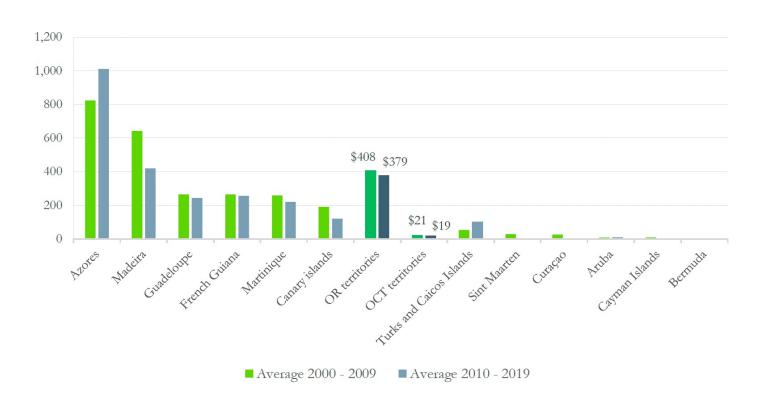
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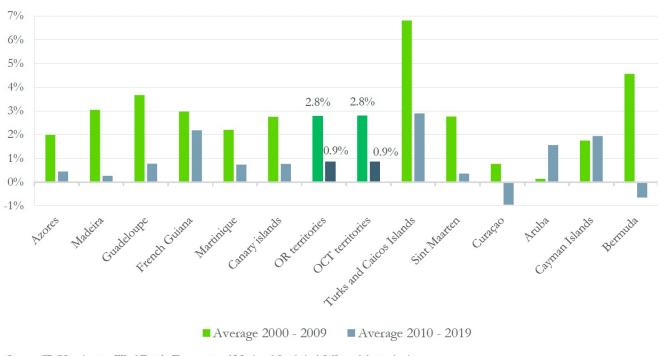
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Average EU support per capita per year in US\$

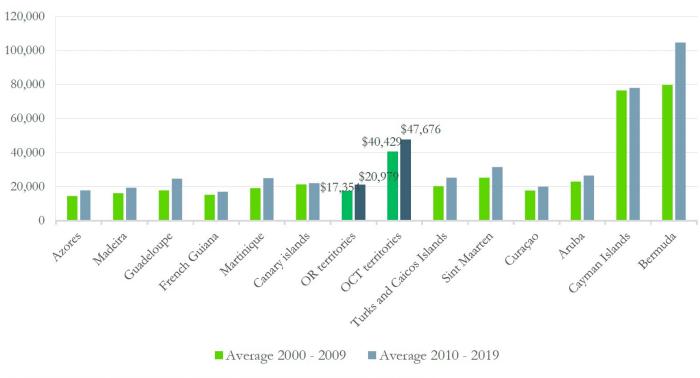


## Average real GDP growth in ORs and OCTs



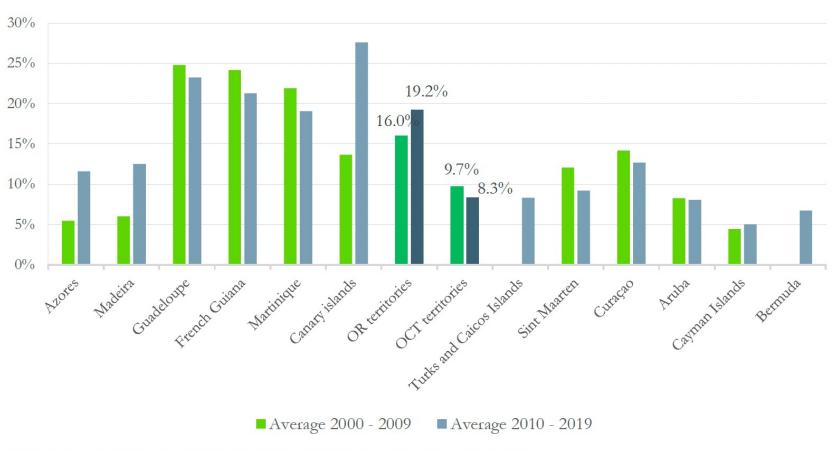
Source: CBCS estimates, WorldBank, Eurostat, and National Statistical Offices of the territories

# Average nominal GDP per capita in ORs and OCTs in US\$



Source: CBCS estimates, WorldBank, Eurostat, and National Statistical Offices of the territories

#### Average unemployment rate in ORs and OCTs



Source: CBCS estimates, WorldBank, Eurostat, and National Statistical Offices of the territories

"Will a stronger relationship with the European Union (EU) improve OCTs economic performance and social conditions?"

- → Extensive financial support and subsidies from the EU does not guarantee better economic performance.
- → ORs have structural weaknesses that need to be addressed such as:
- High unemployment rate, particularly among the youth
- Insufficient education and training of the workforce due to early school leaving
- Large size of the public administration sector
- Lack of infrastructure

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