PAMUN XVII RESEARCH REPORT— (Question on the Future of Europe)

Introduction of Topic

A once war torn Europe was transformed to a global power in international affairs through the founding of the European Union in 1957. The nations of Europe has since learned of the capability of progress through unity in diversity. Institution like the European Union and many others has helped maintained peace in the region for the past 70 years by casting aside military force and promoting collaboration in legislation.

How Europe evolves in the coming years is an important question to its member states. This question is especially relevant with the current tension between European nations following issues like the migration and refugees, the up-keeping of the euro, and foreign policy. A gap between promise and delivery has caused the citizens of Europe to grow distrustful of governmental authorities and our current institutions. What is left is a rising national and populist rhetoric that discourages international cooperation. The world has already seen its effects in the recent departure of the United Kingdom from the European Union.

The issues detailed in this report must be dealt with efficiency to ensure that the European Union is preserved through these times of turbulence.

Figure 1. European Commission's timeline showing years of peace (blue) from 1500 to 2017.

Definition of Key Terms

European Union

This institution is comprised of 27 member states. There are three primary points of the Union: member states pay membership dues, member states vote and obey laws, and citizens of member states are automatically EU citizens. It is important to note that each of these points have their exceptions. Unlike Council of Europe, the European Union is capable of establishing binding laws.

EU27

This term describes the current 27 member states of the European Union. This is the current term used as opposed to the previous term EU28 that was used when the United Kingdom was still member to the European Union. UK status is currently ambiguous, one foot in and one foot already out. Until the Brexit process reaches its end, the UK is still considered a full-fledged member, and participates in all meetings and decisions until decided otherwise. It will still be a member of oour PAMUN committee.

Euro Area

The Euro Area or dubbed "Eurozone" is a monetary union of 19 nations whose membership includes the adoption of the Euro as their common currency. There are three requirements for Eurozone membership: Inflation less than 1.5% higher than the average of the lowest members, debt to GDP ratio less than 60%, and a government deficit less than 3%.

Schengen Area

This is an agreement that dismisses border control and passport regulation between the borders of 26 European States member to the agreement.

Council of Europe

The Council of Europe is an international organization of 47 member states. Their primary objectives include protecting human rights, democracy, and the rule of law. The Council of Europe holds ethical institutions as opposed to the legislative capabilities of the European Union. These principles are established in the European Convention on Human Rights. The Council also possess a judicial agent named the European Court of Human Rights whose decision are able to be enforced on EU institutions and member states.

European Commission

The European Commission is the branch of the European Union that proposes legislation.

European Economic Area and European Free Trade Association

The European Economic Area is an agreement that provides free movement of persons, goods, services, and capital, within its members.

Background Information

History of the European Union

Prior to World War II, Europe was a fragmented continent with war and conflict between nations. Since 1945, the nations of Europe have reached for European integration instead of war.

The first sign of European collaboration and origins of the EU appear in the 1951 Treaty of Paris that established the European Coal and Steal Community (ECSC) and 1957 Treaty of Rome that established and the European Economic Community (EEC). Dubbed the "European Communities", the original 6 members include Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. The European Parliament first held their direct election, the first international election in history. In 1985, the new idea known as the Schengen Agreement dismissed borders between party nations to allow passport less and zero security between borders.

In 1993, the Maastricht Treaty formally established the European Union and created the European citizen. In 2002, the Euro Area or "Eurozone" was established which replaced national currencies with the euro currency in 12 member states; since, 7 more states have joined the Eurozone.

On 1 December 2009, The Lisbon Treaty significantly amended the constitutional basis of the EU. These reformations brought a change in legal structure, a merging of the three pillars system, created a permanent President of the European Council, the first being Herman Van Rompuy, and strengthened the role of the High Representative of the Union for Foreign Affairs and Security Policy. In 2012, the Nobel Peace Prize was awarded to the EU for having "contributed to the advancement of peace and reconciliation, democracy, and human rights in Europe." Croatia was the most recent nation to join the EU as the 28th member in 2013. However, the Union is scheduled decreased to 27 members within less than two years, as the United Kingdom held a referendum to withdraw from the EU with

51.9% of voters voting to leave in June 2016. The UK informed the European Council of its departure on the 29 of March 2017 and is planned to formally leave the Union on 29 March 2019.


Source: European Commission
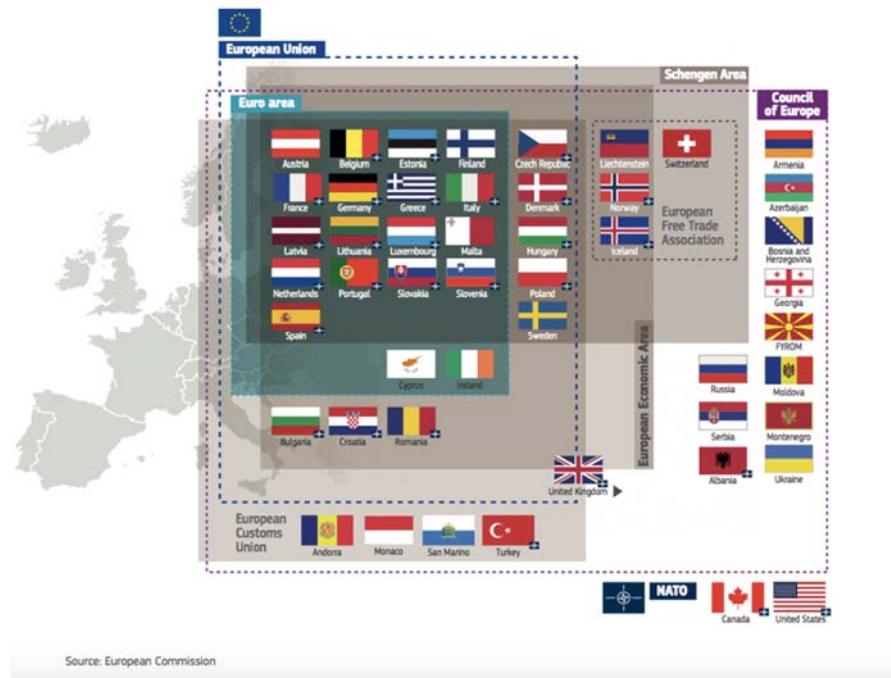
Figure 2. Displays a diagram of different nations primarily in Europe and their involvement in organizations and agreements.

Structure of the European Union

The European Union decides upon its political and economic legislations through a bicameral legislature system comprised of 7 components dubbed as the Institutions of the European Union. These include the:

- European Council (not to be confused with the Council of Europe): a collection of heads of states who decide on a political direction.

- European Commission: an executive cabinet of public official that use the political direction to propose legislation.

- Council of the European Union: the upper house of the legislature system who's amending, approval or rejection is required for law.

- European Parliament: the lower house whose powers include amending, approving and rejecting the European Commission's proposals but are unable to deal with matters involving member states' sovereignty. The parliament also decides upon the commission's president.

- Court of Justice of the European Union: the judiciary institution that ensures the enforcement of EU law and resolves disputes between EU institutions and or member states.

- European Central Bank: Ensures for the monetary stability within the Eurozone.

- European Court of Auditors: Checks for the proper use of EU finances and resources. Also provides oversight and advice.

The Current State of the European Union

There are six policies that need to be addressed by the committee. We must review and act accordingly on our current policies in order to find a direction to work towards. This plan of action is necessary to decide upon as we approach the European Parliament elections in June 2019.

The Euro

About 340 million Europeans in 19 member states uses the Euro. Since its introduction in 2002, the euro has grown to become the second most used currency around the world. However, several challenges limit further development of the Euro. Support for the Euro is very strong especially among European businessmen who benefit from the large single market and trade bloc. The Economic Monetary Union although is successful in the monetary portion through the European Central Bank (ECB), it lacks economic integration. The Euro took significant damage from the 2008 economic crisis, which led to investment to fall and unemployment to rise. Since, the euro area is recovering with investment finally picking up and although still quite high at about 9.5%, unemployment is at its lowest since 2009. The recovery from this crisis is still in the process and requires further aid and measures to prevent another economic disaster.
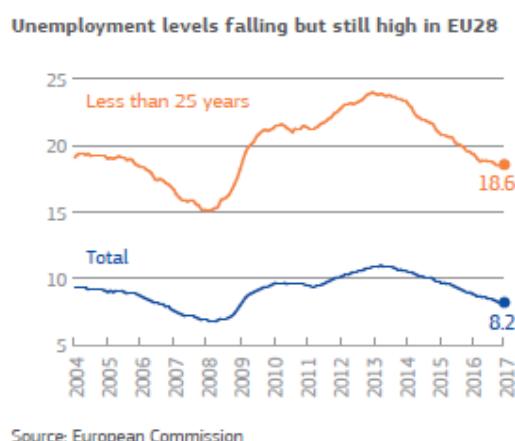
Figure 3. European Commission's data graphed showing EU28's (orange) unemployment levels compared to EU27's (blue) unemployment levels from 2004 to 2017.

Defense

Several challenges to peace are looming in Europe. These include eastern threats to our military, politics, economy, and energy-securities, a vulnerability to terrorism and criminals, an overflow of refugees. While these threats face Europe, our institutions like the Schengen agreement are being accused of compromising the security of member states. Other threats like climate change, resource scarcity, changing demographics, and political instability within nations also pose a threat to the preservation of the union. Since 2012, European's biggest concerns have shifted dramatically with immigration shooting from 5th to 1st and terrorism rising from 9th to 2nd. In 2016, many national governments heightened their defense expenditures in response to these developments but the European defense spending is still behind compared to nations like the U.S. and China. There have been recent proposals to lessen European reliance on NATO and develop a similar European exclusive program and reforming European foreign policy.

Globalization

Although not a new idea, globalization is a rapidly changing factor to the preservation of the European Union. We are currently in the third wave of globalization with the introduction with the Internet and other technology connecting the world. Globalization is important to the society, trade, and migration of Europeans as it allows the free movement of goods, services, persons, and capital, the four fundamental freedoms of the EU. Looking to the future, areas like transport, energy, agri-food, telecommunications, distribution, financial services, healthcare, and factory production will all need to change in the years to come.

International Cooperation

Recent popularity in populism and nationalism has hindered globalization in the European Union's societies and have promoted isolationism. The effects of the unbalance are already in affect with the recent "Brexit" referendum and several other calls for separation in national governments. The level at which we sustain international cooperation will affect and shape other sectors like globalization. The point being: this unbalance is leading to decrease support in the European Union's mission for unity in diversity. We now see a third of citizens trusting the EU today as opposed to the half of Europeans who did so ten years ago. Despite this, the support for the European project must be preserved. Over two thirds of Europeans see the EU as a place of stability, 80% support the EU's founding freedoms, and 70% of the euro area's citizens support the common currency.

How do Europeans see the EU?

EU as a place of stability	Support for the EU four freedoms	Support for the euro
■ Total 'Agree' ■ Don't know ■ Total 'Disagree'	■ For ■ Don't know ■ Against	■ For (euro area) ■ Don't know ■ Against (euro area)
66%	81%	70%
29%	14%	25%
5%	5%	5%
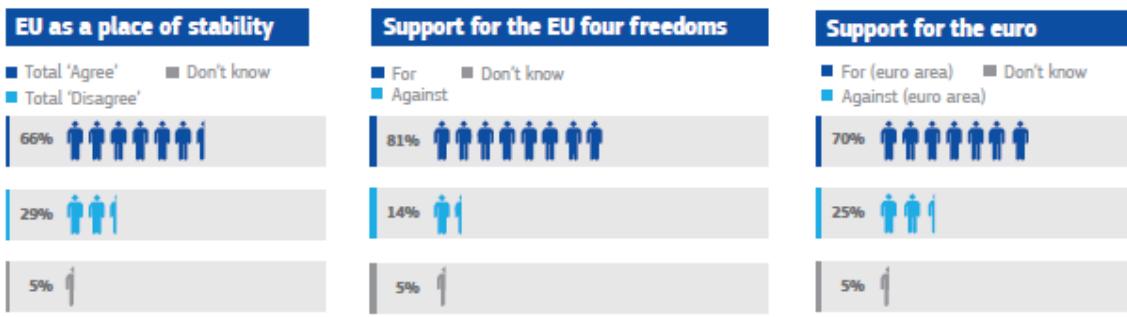
Source: Eurobarometer, October and November 2016, EU28

Figure 4. Eurobarometer's statistics showing European's approval of the EU's stability, four freedoms, and Euro.

Society

Compared to the rest of the world, European societies are prosperous and hold high standards of living. Europe ranks very high in social protection, wellbeing, human development, and quality of life. However, recent challenges are make it difficult for future generations to experience the same quality of society. Rapidly changing sectors like recovery from economic and social crises in the 1990s, demographic changes, new family structures, speed of digitalization, globalization, and urbanization change the face of Europe's social dimension. Europe faces issues like growing inequality of living standards throughout Europe. Similarly, unemployment varies differently across Europe with some countries low like 3.4% in the Czech Republic and 23.1% in Greece. Additionally, women and older workers face employment difficulties.

Major Countries and Organizations Involved

France

France is pillar of the European Union as an economic powerhouse, influential political climate, and strong military

Germany

Germany is a nation with far reaching influence and a strong economy in the European Union. Its low unemployment levels can be modeled for the rest of Europe.

Greece

Greece is suffering from surging debt and its economy is struggling. Because of this, its unemployment level is the lowest in the Union, and the Euros stability as a currency is endangered.

United Kingdom

The UK is still important to Europe. They have expressed their desire to leave the European Union, they are still economically linked, participant in other European organizations like the Council of Europe, partake in trade agreements, and other links, as long as the Brexit negotiations are not concluded.

European Union

The European Union is the main body that organizes the efforts of European Nations. Expanding the European Union's reach and maintaining/improving its standards is a challenge that it will face for the future of Europe

NATO

Several sentiments have been expressed that the European Union is too reliant on NATOs support and proposals for separation or forming a European NATO have been made. NATOs role and actions affect the defense, security, and foreign policy of Europe.

Timeline of Events

Date	Description of event
1952	Treaty of Paris establishes European Coal and Steel Community (ECSC)
1957	Treaty of Rome establishes European Economic Community (EEC) including Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany (later reunified Germany in 1990)
1973	Denmark, Ireland, and the UK joins the European communities (and Greenland but leaves in 1985)
1981	Greece joins the European Communities
1985	Schengen Agreement signed
1986	Spain and Portugal joins the European Communities
June 1993	Former communist states of central and eastern Europe, Cyprus, and Malta joins the European communities. Copenhagen criteria for EU membership established
2002	Euro is introduced in 12 member states

2004	Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia join the Union
2007	Bulgaria and Romania joins the Union
2007	Slovenia adopts the Euro
2008	Cyprus and Malta adopts the Euro
2009	Slovakia adopts the Euro
1 December 2009	Lisbon Treaty reforms the European Union
2011	Estonia adopts the Euro
2013	Croatia joins the Union
2014	Latvia adopts the Euro
2015	Lithuania adopts the Euro
23 June 2016	United Kingdom referendum votes to leave the European Union
29 March 2017	United Kingdom formally notifies European Union of its departure
29 March 2019	Planned date for the United Kingdom's formal departure from the European Union

Relevant UN Treaties and Events

- Cooperation between the United Nations and the Council of Europe, 7 December 2016 **(A/RES/71/17)**

- Agreement between the Secretariat-General of the Council of Europe and the Secretariat of the United Nations, 15 December 1951

- Arrangements on co-operation and liaison between the secretariats of the council of Europe and the United Nations, 19 November 1971

- Resolution on the observer status for the Council of Europe in the General Assembly, 17 October 1989

- Treaty of Rome, 25 March 1957

- Maastricht Treaty, 7 February 1992

- ☐ Lisbon Treaty, 13 December 2007

- ☐ Charter of the Fundamental Rights of the European Union, December 2009

Main Issues

Emerging Technologies

As new technologies are developed, we find technology and automation's impact on the European Union's single market and job economy a concern. Studies show that 54% of European jobs are at risk from computerization. Developments must be made to ensure that European jobs will not be harmed by emerging technologies

Structural Issues

The very nature of the EU has its flaws. It is union of fully sovereign nations that have cultural differences that sometimes make cooperation difficult. Its structure is not like the United States' federal laws vs. state laws. Instead we find regulations, directives, and other acts that aren't always binding, don't apply to every member state, and withhold many exceptions. Perhaps the failure to meet expectations when dealing with issues can be attributed to an outdated structure of the EU.

Climate Change

As one of the world's largest contributors to gas emissions, Europe has led to de-carbonization and has developed 40% of the world's patents for renewable energy technologies. The European Union must continue their efforts in bringing new innovative environmental solutions.

Migration

Faced with the refugee crisis, which brought 1.2 million people into Europe in 2015, our asylum systems must be improved to be more efficient and fair. Additionally, the promoting the European Union's four freedoms of promoting free movement of goods, people, services, and capital within Europe.

Security Threats at the Eastern Borders

Despite 70 years of peace within the European Union and a reputation for holding 15 out of 25 of the most peaceful countries in the world, European cities have become target to acts of terror and extremism The Commission must reassess our methods of protecting our borders with the current build-up of troops at our Eastern Borders facing war and terrorism in the Middle East and Africa.

A Shrinking population and a Declining Economic Power

The UN Statistical Division and Eurostat shows that EU27 had decreased from 25% of the world population in the 1900s to 6% in 2015 (Figure 2). Europe's share of the global GDP has shrunk from 26% to 22% from 2004 to 2005 along with the euro facing similar setbacks. This change of demographic should be met with appropriate developments to reinforce the European Union's place as a global power.

Europe represents a falling share of the world population

1900	25%
1960	11%
2015	6%
2060	4%

Source: UN Statistical Division and Eurostat, EU27
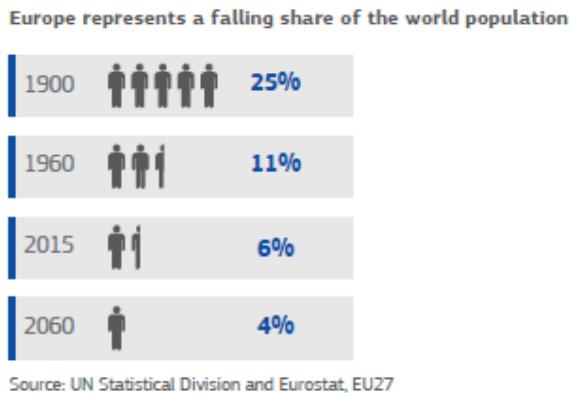
Figure 5. Statistics of a falling percentage of the European population in the world.

Legacy of the Economic Crisis

The European Union was challenged with the 2008 economic crisis and has since recovered its stability with. However, this recovery is unequal among all the regions of the Europe. Strategies must be put in place to address long-term unemployment, and public and private debt.

Outdated Social Welfare Systems

Studies show that Europeans will become the oldest region in the world with a median age of 45 by 2030. Although already formidable, the European Union's social welfare must be modernized to stride for affordability and accommodate to the new working demographic.

Rise of Populist and Nationalist Rhetoric

The recent years have seen dissatisfaction with public authority and previous institutions and has led to a collapse of a sense of unity. This phenomena is fueled by populist and nationalistic rhetoric accompanied by nations not disregarding ownership of joint decisions and resorting to finger-pointing has painted a distrustful European Union. Too often are citizens not aware of the EU's contribution to local farms, educational institutions, and transportation systems across Europe. Closing this gap between promise and delivery is essential to the preservation of the European Union.

Previous Attempts to solve the Issue

As the topic is on the lines of a re-evaluation of the state of Europe and is a rather recent development, not many efforts have been made to tackle the issue as a whole. The many problems that exist in the EU have been dealt with one by one without looking at the whole picture.

Possible Solutions

The five scenarios presented in are an abridged form of the solutions listed in the White paper on the topic and will hopefully steer debate on the future of Europe. The starting point for each scenario is that the 27 Member States move forward together as a Union.

Scenario 1: Carrying on

The European Union focuses on delivering its positive reform and agenda.

Why and how?

In this scenario, the EU27 sticks to its course and focuses on implementing and upgrading its current reform agenda. As a result the 27 Member States and the EU Institutions pursue a joint agenda for action.

By 2025 this means:

The EU27 continues focusing on jobs, growth in the single market, and investing in digital, transport, and energy infrastructure. There is incremental progress on the functioning of the single currency. The Commission's reform of State aid law ensures that 90% of all State aid measures are in the hands of national authorities. The fight against terrorism is slowly progressing given that national authorities are willing to share intelligence. On foreign policy the EU27 makes progress in speaking with one voice, especially when pursuing trade agreements with global partners. The EU27 manages to positively shape the global agenda in a number of fields such as climate, financial, and sustainable development.

Pros and Cons

The positive agenda of action continues to deliver concrete results, based on a shared sense of purpose. Citizens' rights derived from EU law are upheld. The unity of the EU27 is preserved but may still be tested in the event of major disputes. Only a collective resolve to deliver jointly on the things that matter will help close the gap between promises on paper and citizens' expectations.

Scenario 2: Nothing but the single market

The European Union is gradually re-centered on the single market.

Why and how?

In this scenario, the EU27 cannot agree to do more in many policy areas, it refocuses its efforts towards to single market. There is no shared resolve to work more together in areas such as migration, security, or defense. If the EU27 does tackle any policies, cooperation on the issues will be managed bilaterally.

By 2025 this means:

The EU27 changes its fundamental function to be a single market agency. Any progress aside from the single market is dependent on Member States capability to agree on the policies. The strengthening of the euro facilitates trade exchanges but inequality among different Member States risks the integrity of the currency. Despite efforts to promote the free movement of capital and goods, there are more systematic checks of people at national borders. The EU is no longer represented in the international fora and does not find a common ground on relevant issues.

Pros and Cons

A refocus on the single market makes decision making simpler to understand and potentially a stronger euro. However, other issues become even more difficult to find common ground on. Citizen's rights given by EU law may lose their importance in national governments. The gap between expectations and delivery may widen as well.

Scenario 3: Those who want to do more do more

The European Union allows willing Member States to do more together in specific areas

Why and how?

In a scenario where the EU27 proceeds as today but certain Member States want to do more in common, one or several "coalitions of the willing" merge on individual policies. There may address topics like defense, internal security, taxation, or social matters. These groups then agree on specific legal and budgetary arrangements to deepen cooperation. Previous examples of this at play would be the Schengen area or the Euro zone. The status of other Member States is preserved and retain the right to join those doing more over time.

By 2025 this means:

The Member States cooperating together progress much further on defense matters by 2025. This results in strengthened cooperation between police and intelligence services. Countries part of the euro area chose to work together on taxation and other social matters. This means reducing compliance costs and limiting tax evasion. This creates an environment for business, improved working conditions, and growing research capabilities.

Pros and Cons

Unity within the EU27 is preserved while further cooperation is still possible. This leads to a closing gap between expectations and delivery. Because of different groups, inequality in areas such as citizens' rights start to vary depending on the country. Questions start to rise about transparency and accountability of different layers of decision making.

Scenario 4: Doing less more efficiently

The European Union focuses on delivering more and faster in selected policy areas, while doing less elsewhere.

Why and how?

In a scenario where limited resources must be focuses more efficiently, the EU27 decides to reduce the number of areas they work in. Decision making and action is now quicker and efficiently in the select areas. Elsewhere, the EU27 minimizes or stops entirely their efforts. The goal of the prioritization is to better align promises, expectations, and delivery.

By 2025 this means:

Work in the fields of innovation, trade, security, migration, and management of borders and defense are more elaborately developed. Examples include completion of energy hubs, conclude trade deals, establish cooperation among anti-terrorism agencies, ensuring stability of the common currency, and joint defense opportunities. Areas that the EU27 stops developing on include regional development, public health, or parts of the employment and social policy not directly related to the functioning of the single market. State aid control is even further delegated to national authorities.

Pros and cons

A clear division of responsibilities helps inform European citizens of what is handled at the EU27, national, and regional level. Citizens' rights from EU law are strengthened in some areas but are weakened in others. The EU27 also has a greater difficulty in agreeing which areas it should prioritize or where it should do less.

Scenario 5: Doing much more together

The European Union decides to do much more together across all policy areas.

Why and how?

In this scenario, the EU27 recognizes the importance of sharing power, resources, and decision-making in order to face the challenges of the day. Cooperation between countries go even further in all domains. Decisions are agreed faster at the European level and are rapidly enforced.

By 2025 this means:

Europe speaks and acts as one entity in trade and is represented by one seat in most fora. The European Parliament has the final say on international agreements with defense and security prioritized. The European Defense Union is created and cooperation in security matters is habitual. The EU27 continues to lead the fight against climate change and strengthens its role as the world's largest humanitarian and development aid donor. A broad ranging foreign policy tackles migration, finding partnerships to increase investments, and creates economic opportunities. Several European "Silicon Valleys" emerge with joint investments and the completion of the single market in the field of energy, digital, and services. Within the euro area, greater coordination is established on fiscal, social, and taxation matters. Additional EU financial support is made available to boost economic development and respond to shocks at regional, sectoral, and national level.

Pros and cons

There is far greater and quicker decision making at the EU level. Citizens also have more rights derived from EU law. However, there is the risk of alienating parts of society which feel that the EU lacks legitimacy or has taken too much power away from national authorities

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