



SIMUN X

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EU

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Council of the European Union



CONSILIUM

Chair: Ambrose A. S. Donnelly

Political officer: Tommy Wade

Vice Chair: Breanna Miller

Dear Delegates,

As I gaze upon the ivy that crawls about the Lutheran church near my house, I ponder the significance of the issues you will very soon discuss. They, the issues, are those that have an affect on millions of people around the world, including you and probably myself. Often a MUNer will ask what purpose their debate serves, wondering toward what end does this simulation strive. Each simulation aims at using real world issues and the positions of many countries to simulate the work of international bodies. Each simulation not only produce solutions that recurrently appear in reality later on, but also a constructs a catharsis which encourages each participant to consider the world's problems as opportunities for solutions.

As the chair of the Council of the European Union, I aim to plant within you a seed of courage, courage to address the problems of today. My simulation will reveal to each of you your ability to comprehend modern conflicts and produce realistic solutions. However, only your research and devotion to your position can make this possible. Your knowledge of the issues facilitates intelligent discussion. Your allegiance to your position makes heated debate needed to produce realistic solutions possible.

Following my explanation of the simulations purpose, I now hope to offer you insight as to how the simulation will play out. Within this background guide I will provide you with a few topics; I will outline them in a very basic fashion. My guide will serve not only as a poor introduction to each topic, but moreover as means to identify the key ideas at the heart of each issue. The Lutherans next-door have begun to distract me with a very vocal explanation of the cornucopia, so the quality of my writing may began to deteriorate as my train of thought derails.

In addition to offering a background of each topic, this guide will also outline the bloc positions active in this simulation. As you form a position you ought take into consideration the bloc positions.

Yours in diplomacy,

Ambrose A. S. Donnelly

A few words about the European Union

The European Union (EU) is a supranational organization composed of 27 member states. Its members have a unique political and economic partnership with each other. It has worked to create a single market system with a single currency. Three institutions: the European Parliament, the Council of the European Union, and the European Commission, form EU policy. Together, these institutions work to construct policy and establish laws. The European Commission proposes laws, while the Council of the European Union and the European Parliament adopt them. However, for the purposes of this simulation, the Council of the European Union will propose laws as well as adopting them. This ability will be added to the Council's traditional responsibilities, which include:

1. Passing EU laws.
2. Coordinating the broad economic policies of EU member countries.
3. Signing agreements between the EU and other countries.
4. Approving the annual EU budget
5. Developing the EU's foreign and defense policies.
6. Coordinating cooperation between courts and police forces of member countries.¹

The EU was founded with economic cooperation in mind. In fact, the EU's roots lie in the European Economic Community and the European Coal and Steel Community. The economic emphasize provided the impetus for the creation of the European Single Market and the single currency. Your task as delegates will be to carefully examine the challenges facing EU citizens and determine how best to address those problems, paying close attention to the security of Europe's social and economic livelihood.

Topic 1: Freedom of movement

The right to move freely about Europe lies very near and dear to the hearts of many European citizens. In article 18 of the treaty establishing the European Community states:

1. Every citizen of the Union shall have the right to move and reside freely within the territory of the Member States, subject to the limitations and conditions laid down in this Treaty and by the measures adopted to give it effect.
2. If action by the Community should prove necessary to attain this objective and this Treaty has not provided the necessary powers, the Council may adopt provisions with a view to facilitating the exercise of the rights referred to in paragraph 1. The Council shall act in accordance with the procedure referred to in Article 251.
3. Paragraph 2 shall not apply to provisions on passports, identity cards, residence permits or any other such document or to provisions on social security or social protection.ⁱⁱ

Along with the movement for free trade, member states began to allow more free travel. Early on, seven states allowed for free movement over borders. Soon that number rose to 25. With the removal of border controls through the Schengen rules, Europeans have gotten used to their freedom to roam about Europe.

The removal of border controls benefited laborers especially. Working men and women from countries with poorly performing job markets sought jobs in Western Europe. Poles, Romanians, and other eastern Europeans flocked to Ireland, France, and Spain as their job markets were booming. Then, as the world economy faltered, job markets began to shrink. Soon in Western Europe began to resent the presence of jobless laborers from the East. In light of the effect intermigration has on European job markets and the burdens the jobless have brought with them, Europe has begun to reconsider freedom of movement, especially among workers.

Freedom of movement among European has never been unconditionalⁱⁱⁱ. Serious work towards securing the right likely began with the Economic Community treaty, which defined the right for workers. Its 39th article ensures:

- the right to look for a job in another Member State;
- the right to work in another Member State;
- the right to reside there for that purpose;
- the right to remain there;
- the right to equal treatment in respect of access to employment, working conditions and all other advantages which could help to facilitate the worker's integration in the host Member State.^{iv}

However, as the world economy falters and European job markets slip into volatility, young immigrants, especially out of eastern Europe have fallen upon more developed states in the west for jobs. At least one state has chosen to restrict certain Europeans' rights to enter their country. For example Spain, experiencing turmoil within its job market, has closed its labor market to Romanian immigrants^v. Delegates should note that Romania, as well as a host of other eastern European countries have not ascended to the Schengen treaty. The benefits of the treaty do not apply to them. Countries, like Bulgaria, have attempted to ascend to the treaty only to have their ascension prevented by Northwestern member states. The question of free movement in the EU generates generous amounts of tension and requires the council's attention to produce an answer.

Discussion Questions:

This recent activity begs several questions. Can European member states sustain economic health while securing the freedom of movement for all Europeans? Do the restrictions Spain has placed on immigration conflict with EU law? The delegates should consider the economic, social, and cultural implications of migration and immigration in the European Union.

Topic 2: EU Counter-Terrorism

It is important that the Council take care to ensure the security of all European citizens. If the lives of Europeans are constantly in grave danger, there can be no hope for healthy industry or lively society. Therefore, the Council must confront all that threatens the live of Europeans. The Council must not address such threats as food safety and communal diseases, but the especially relevant threat of terrorism. In the wake of recent attacks in Norway, Europeans have realized that terrorism need not be imported. Terrorists are not necessarily Muslim and not necessarily foreign.

In the aftermath of locally grown terrorism, the Council must review current EU Counter terrorism strategies and determine whether the EU is doing all it can to secure the lives of all Europeans. To examine current EU policies regarding Terrorism, the delegate ought to look to the European Commission on Home Affairs. The Commission on Home Affair seeks to address terrorism as it relates to EU security. Because of the great impact terrorism has on EU safety, the Commission on Home Affairs has formed numerous policies to combat it.

The Commission on Home Affairs summarizes the counter terrorism strategy in four “strands.”

- PREVENT people from turning to terrorism and stop future generations of terrorists from emerging
- PROTECT citizens and critical infrastructure by reducing vulnerabilities against attacks
- PURSUE and investigate terrorists, impede planning, travel and communications, cut off access to funding and materials and bring terrorists to justice
- RESPOND in a coordinated way by preparing for the management and minimisation of the consequences of a terrorist attack, improving capacities to deal with the aftermath and taking into account the needs of victims.^{vi}

In addition to these strands, the EU addresses “Radicalisation [sic.] And Recruitment... Security research... [and] International cooperation.”

The delegate should not limit him or herself to examining current policy, but should discover their particular country's safety concerns and develop the position not on their own knowledge alone, but on the country's views. Each delegate must arrive with their particular country's views fresh in their minds. Together, all 27 countries must for an integral approach to combat terrorism.

Discussion Questions:

Can the EU reconcile freedom of movement with the fight against terrorism? How can the EU stem radicalization within Europe? How can the council safeguard the political freedoms of Europeans while eradicating radicalism? How does the EU define terrorism?

Note: the topic is not the terrorist attacks in Norway. In fact, Norway is not even an EU member.

Topic 3: Debt Crises

Since the fall of 2009 the European Union has been struggling with enormous debts by the weak economies of Greece and Portugal. After distributing a hefty amount of bailout packages, the EU found themselves going back into the markets in August 2011, to bail out Italy and Spain, however they are almost too big to bail out. It has also become political leading to crumbling governments, for example Greece's government was pushed to the edge, and Spain's crisis put pressure on the ruling party.

In spring of 2010, the EU and the IMF (International Monetary Fund) combined first to give Greece a bailout package of 110 billion Euros (\$136 billion), then a contingency fund of 500 billion Euros (\$680 billion). They were hoping that this would show the people that the markets were safe. Even though the EU and IMF gave a huge bailout package Greece found itself in even bigger of a debt and by summer of 2011 it was ready for its second bailout package, but that meant for a higher amount of money demanded for. In August Greece started to run out of cash so, drastic

measures were taken. They sold \$72 billion in state assets, which caused giant street protests to break out.

Angela Merkel, Germany's chancellor, had a conflict with the bailout plan so she suggested that private banks pay part of the cost by taking losses on Greek bonds. In July \$157 billion in new funds for Greece reduced its burden and bonds rolled over. Investors began driving up in interest rates in Italy and Spain, the economies that were too large to be bailed out, whose bonds began to lose value. On August 7, 2011, the European Central Bank said it would implement its bond-buying program to address markets.

To address the crisis Chancellor Angela Merkel and President Nicolas Sarkozy of France met on August 16, 2011. They decided to take bigger steps, saying that each nation in the euro zone to work towards balanced budgets and debt reductions to try to fix the situation. They both ruled out collective bonds, known as Eurobonds, however Euro bonds could help.

To issue Eurobonds a debt agency would issue bonds that are guaranteed by all euro zone countries. They would be allowed to cover up to a certain percentage of overall borrowing needs with them, above they would have to issue national debt. Eurobonds would give the weaker euro area countries a bigger access to the markets, because investors would be insured that stronger countries would step in to repay the debt in event of a sovereign default. However it could possibly raise some borrowing costs in the core, which is why Germany and France are opposed to them.

In addition to Eurobonds, European Finance ministers (as of September 19th) have begun debating a tax on financial transactions. They plan to use the resulting revenue to shore up the cost of bailouts. France and Germany support the proposal while the United Kingdom does not. The UK fears that the tax would drive investment banks out of London, a major financial center.^{vii}

Delegates would not only consider the current crises, including the fear of Greece defaulting, but also consider what kind of policies to form to address economic future crises. Delegates should

garner a basic knowledge of sovereign debt, the IMF, and the European Central Bank. Remember, knowledge of the issue will not suffice for the simulation; delegates ought to investigate their particular country's national interests.

Discussion Questions:

How can the EU prevent future debt crises? What role does the euro play in Europe's financial troubles? How should the EU distribute the cost of bailouts? Are bailouts the proper response to sovereign debt crises?

Blocs

Blocs are groups of countries sharing common purposes. Blocs' compositions vary depending on the issue at hand. The background sets out to define a few common blocs

PIIGS:

Portugal, Ireland, Italy, Greece, and Spain comprise this Bloc. They are associated with one another because either their public debt has made up a large percentage of their GDP or they have created great budget deficits. These countries are looking for any way to strengthen their economies.

The Core:

France and Germany work together as the engines of the EU. Both are formidable economic powerhouses, with strong exports. Germany has especially powerful banks, often seeing itself as the EU's coffers. Some citizens from both countries have come to resent the presence of laborers from elsewhere in the EU.

The United Kingdom:

Not a core, but a unique member. The UK opted not to adopt the Euro. That, in and of itself, does not make the UK particularly special; only 17 countries use the Euro. It is the UK's

powerful economy coupled with its £ currency that distinguishes the UK. Delegates should also note that London is a financial powerhouse.

Discussion questions:

Delegates ought to seek their countries particular national interests in each of the topics. Each delegate ought to examine research not as a benevolent observer, but as Nation State with citizens who are terribly concerned with the outcomes of debate.

Links

[EU Website](#)

[EU law database](#)

[Eurofound: the European Foundation for the Improvement of Living and Working Conditions](#)

ⁱ http://europa.eu/about-eu/institutions-bodies/council-eu/index_en.htm

ⁱⁱ <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12002E018:EN:HTML>

ⁱⁱⁱ http://europa.eu/legislation_summaries/justice_freedom_security/free_movement_of_persons_asylum_immigration/133152_en.htm

^{iv} <http://www.eurofound.europa.eu/areas/industrialrelations/dictionary/definitions/freemovementofworkers.htm>

^v <http://www.economist.com/blogs/easternapproaches/2011/08/europes-labour-market>

^{vi} http://ec.europa.eu/home-affairs/policies/terrorism/terrorism_intro_en.htm

^{vii} <http://www.npr.org/2011/09/17/140555865/european-union-ministers-debate-finance-tax>