

Study Guide



European Council

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I. Chairs Introduction

i. Boglarka Fanni Palko

Boglarka hails originally from Budapest, Hungary. Currently, she is pursuing her



master studies in European Studies with a focus on European Union Law and Diplomacy at the University of Hamburg. Boglarka has participated in several MUNs as delegate and as chair as well. She is a proud member of the Bringing Europeans Together Association e.V and is an organiser of Model European Union in the European Parliament for the second consecutive year. Boglarka is a postgraduate scholar of the Deutscher Akademischer Austauschdienst and her field of

research is focused on the trends of illegal immigration and asylum in the European Union in comparison with the situation in the United States. As a diplomat-to-be Boglarka enjoys exploring new cultures and learning new languages and is an addicted Waltz-dancer.

ii. Thomas Kramer

Thomas is 24 years old and is currently enrolled in the MSc programme in Public Service Policy & Management at King's College London. He graduated from



Maastricht University with a BA in European Studies in 2011 and has previously taken part in a range of MUN conferences, including MEU Strasbourg, Harvard World MUN and EUROMUN. Thomas is passionate about MUN since it offers an excellent opportunity to use the theoretical insights of his studies in a practical context. His experience as chair of the Student Representatives during his undergraduate studies and as Vice-President of the Parliament at MEU

2011 have given him the skills to stimulate a smooth and fruitful debate in the committee.

II. Introduction to the European Council

i. Historical introduction

The European Council comprises the heads of state of the 27 Member States of the European Union (EU), its President, currently Herman van Rompuy, and the President of the European Commission. Informally the committee was introduced to the EU in 1969, at proposal of President de Gaulle however, it only gained legal recognition through the Treaty of Lisbon in 2009. Unlike the Council of the European Union, which is concerned with the day to day decision making of the EU, the European Council's task is to define "the general political directions and priorities" (TEU, Art.13) of the European Union. It can therefore, be considered as a central steering organ in EU decision making.

ii. Rules of Procedure

The Rules of Procedure applied in the European Council bears a few specific features. First of all, in the European Council decisions can only be made with consensus (Treaty on European Union Art. 15(4)). The consensus rule means that even one dissenting opinion in the Council or a vote againsts may object the adoption of a decision (unanimity). Secondly, the European Council is the above-all steering organ of the European Union, thus it's task as defined in the Treaty of Lisbon is the determination of the general political directions and priorities of the European Union (TEU Art. 13). Since the Council has no legislative power the decision made by the Council shall remain general and focus on the political priorities and directions, which have to be followed by all Member States in the future. The Council shall seek to adopt (1) a declaration concerning the accession of Turkey and (2) a resolution on framework guidelines for a treaty change concerning the euro crisis topic.

III. Topic 1: The question of Turkey's accession with regard to the Commission's 2011 Report

„In these times, difficult and unpredictable but full of hope, the world needs Turkey and the EU to work together. That does not mean meeting every now and then to decide how to handle a certain problem. It means something much deeper and well defined.” Javier Solana

i. Introduction to the Topic

The Accession of Turkey has been one of the most debated and most controversial questions in the European Union for decades now. There is a clear division between the Member States when it comes to the case of Turkey. Some of them have been supporting Turkey's membership since the submission of the country's application for it and some of them have been frankly against it. Turkey submitted its application for membership in the European Union on 14th April 1987.

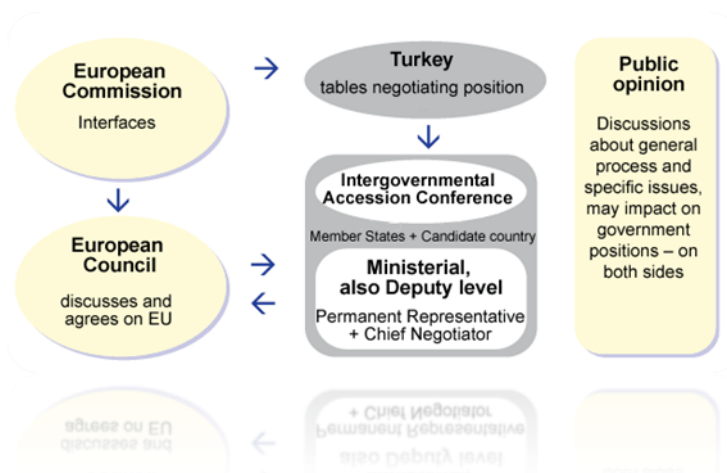
The application was based not just on the fact that Turkey regards itself as a European country but also on its associate membership, what was granted to Turkey in 1963. Although Turkey was a founding member of the Organization for Economic Co-operation and Development in 1961 and one of the first members of the Council of Europe after its establishment, the country was only recognized as a candidate country for full-membership of the EU on 12th December 1999 at the Helsinki Summit of the European Council. The accession negotiations started on 3rd October 2005 and 13 chapters of the *acquis communautaire* have been opened so far.



In order to accede to the European Union, a country has to fulfill two requirements: one is dependent on itself and the other one on the Member States of the European Union. First, the candidate country has to complete negotiation with the European Commission on 35 chapters of the *acquis communautaire*. The *acquis communautaire* is the whole body of the European Union Law. Secondly, after the completion of the accession talks the Member States of the European Union shall unanimously agree on the admission of the candidate country. The basic framework of accession negotiations consists of the following parts: (1) the candidate country has to present a negotiation position to the Commission, in which the candidate explains how it will adopt, transpose, implement



and enforce EU law by day one of the accession at the latest; (2) the Commission verifies this document and monitors the progress; (3) the Commission proposes its own negotiation position for each chapter relating to matters of Community



competence; (4) the Council of Ministers approve unanimously these negotiation positions one-by-one; (5) the candidate country and the Commission starts the accession talks according to the pre-established positions and last but not least (6) the chapters may be closed if an agreement is reached on each and alignment is completed. In the case of Turkey, as it has been already mentioned, 13 chapters have been opened so far and in only 1 chapter (Science and Research) has been the alignment completed yet.

ii. Historical and Recent Developments

It is a valid question to ask why did it take so long for the European Union to recognise Turkey as a candidate country, and why are the accession talks proceeding so slowly? First, the invasion of Northern-Cyprus in 1974 played a significant role in the abandonment of the membership application as it created a serious tension between Greece and Turkey, but the severe human rights issues in Turkey and the economic situation in the 80/90s didn't help too much either the situation. In 1989 the European Union refused to begin officially the accession negotiations with Turkey. The Member States based their decision on the following reasons: (1) political and economic instability and (2) the problematic relations between Greece and Turkey with regard to the Cyprus conflict. The decision was a frank rejection, however, it is important to mention that in the same decision the EU reaffirmed the full-membership of Turkey as an eventual goal. In the next 10 years until the Helsinki summit the question of the accession talks was totally abandoned. Although the issue of the accession was not on the agenda, in 1995 the European Union and Turkey formed a custom union in order to enhance economic co-operation. After the 1999 Helsinki summit the European Union stated in 2002 that the Commission will begin the accession talks without any delay if Turkey fulfills the Copenhagen Criteria. The negotiation talks started in 2005 with the opening of 6 chapters and the other ones have been gradually opened ever since. The start of negotiations received overwhelming criticism from the civil society in the European Union as well as from the politicians of the Member States (e.g.: the French President Mr. Sarkozy blocked the opening of the chapter on Economic and Monetary Policy in 2007).

The main problem in most of the cases is the difference in religion. Cultural and religious differences are perhaps the most sensitive of all the arguments raised against Turkey's accession to the EU, with several conservative European leaders, most notably the President of France Nicolas Sarkozy and the Chancellor of Germany Angela Merkel, making the case for the EU as a primarily "Christian integration". It has been mentioned several times in the debates concerning this topic that the European Union is based on (1) Greek democracy, (2) Roman law and most importantly on (3) Christian culture. (Wischik, 2004) On the other hand, the Turkish

Table 1. Net support for Turkey's membership of the EU by country (supporters minus contesters)

	For	Against	Net support
EU-25	31	55	-24
EU-15	29	57	-28
NMS-10	38	44	-6
Sweden	48	41	7
Spain	40	33	7
Poland	42	37	5
Portugal	40	38	2
Malta	39	40	-1
Hungary	41	43	-2
United Kingdom	38	42	-4
Slovenia	49	55	-6
Ireland	33	40	-7
Netherlands	41	52	-11
Latvia	31	51	-20
Lithuania	27	50	-23
Belgium	36	60	-24
Estonia	27	53	-26
Denmark	33	59	-26
Czech Republic	30	57	-27
Slovakia	28	56	-28
Italy	27	57	-30
Finland	31	64	-33
France	21	68	-47
Greece	29	79	-50
Germany	21	74	-53
Luxembourg	19	74	-55
Cyprus	16	80	-64
Austria	11	80	-69

Note: The difference between the percentages for and against is those persons who did not answer or did not know.

Source: Eurobarometer 64.2 (2005).

© Eurobarometer (2005)

society is based on different values and many people in the European Union believe that these differences are too severe to overcome. According to a 2005 survey of the Eurobarometer the populations of France and Germany along with those of Austria, Cyprus, and Greece have been most critical of the prospect of allowing Turkey to join the

Union, with proportions against membership as high as 80 percent (Eurobarometer, 64.2). While the new Member States as Romania, Bulgaria or many of the "new-ten" from 2004 are in favour of the accession (Eurobarometer 64.2). In the 2011 report of the Commission, concerns have been raised in the case of (1) the human rights (freedom of expression) and women rights violations; (2) the maintained legislation that violates the custom union (such as technical barriers, restrictions on the free movement of goods); (3) lack of enforcement of intellectual property rights; (4) lack of progress on aligning legislation on the procedures and grounds for closing political

parties with European standards; (5) etc. (Please read through the 2011 Report of the European Commission).

iii. Possible block positions

The Member States are divided into two groups in this debate. On the positive side one may find: Romania, Bulgaria, UK, Slovenia, Hungary, Slovakia, Poland, Latvia, Lithuania, Sweden and Spain. These countries hold the Turkish membership more than important from an economic and political point of view. It shall not be forgotten that Turkey is (1) an active member of the G-20 (economic strength), (2) has an important role in the future energy-security of the EU (Nabucco pipeline) and (3) could be the liaison between the European Union and the Middle-East; etc. Javier Solana, one of the biggest supporters of the Turkish accession said: “Turkey’s neighborhood is our neighborhood; its problems are our problems. The security benefits and strategic advantages for the EU with Turkey as a member would be many”. These countries wish to accelerate the accession negotiations and would be glad to welcome Turkey as a new Member State in the coming years.

On the negative side one may find: Germany and France as the leaders followed by Austria, Luxembourg, Italy, Finland, Cyprus and Greece. Their arguments are including (1) the serious cultural and religious differences; (2) the severe human rights violations in Turkey; (3) the lack of alignment with EU law (and the lack of progress in the accession talks); (4) the possible immigration problems in case of the Turkish accession; (5) Turkey belongs to Europe only partly geographically; etc. These countries are strongly against the accession of Turkey and are in favour of the so-called “Privileged Partnership”.

iv. Policy options

As members of the European Council, your task will be the adoption of a declaration concerning the Accession of Turkey. It cannot be an accession treaty as the accession negotiations haven't been finalised yet, however, recommendations shall be made and guidelines should be set for Turkey. All countries are welcomed to express their opinion with regard to the chapters of the accession negotiations or the overall progress in a diplomatic manner and encouraged to bring new ideas of institutional and political support in order to help the alignment process of Turkey with the EU. The human rights and women rights violations shall be adequately addressed as well as the problematic issues mentioned in the 2011 Report of the Commission. The European Council, especially with regard to the currently instable economic situation, shall decide on the future of the accession talks: (1) the membership of Turkey as an eventual goal or (2) the privileged partnership proposed by France and strongly supported by Germany. I kindly remind all Heads of State that the declaration may only be adopted with consensus. It is up to you now to define the borders of Europe and to decide on the meaning of the European Union's motto „United in diversity”.



Questions to be addressed (please keep in mind the „in general” rule):

- Should the European Union continue the accession negotiations with Turkey or should the Member States grant a privileged partnership to Turkey instead?
- In the case of a decision favouring the privileged partnership, how should it be communicated to Turkey (taking into consideration the decades of waiting) and how should the EU formulate its foreign policy according to it?
- In the case of a decision favouring the accession negotiations what goals and deadlines should be set (taking into account the current economic situation)? And how should the „Parliament seats” question be solved in the future? (if Turkey joins, they will have the second largest number of MEPs in the Parliament)

- In which chapters and how could Turkey accelerate or enhance the alignment with the EU law?
- What kind of measures shall be implemented by Turkey to ease the currently very tense situation concerning the human rights violations?

Recommended reading:

- **TURKEY 2011 PROGRESS REPORT** by the European Commission (http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/tr_rapport_2011_en.pdf)
- **Reset Turkey/ EU Relations** by Javier Solana (<http://www.project-syndicate.org/commentary/solana9/English>)
- **Turkey in the EU – What the public thinks** by EurActive (<http://www.euractiv.com/priorities/turkey-eu-public-thinks/article-171187>)
- **Membership criteria** by the Delegation of the European Union to Turkey (http://www.avrupa.info.tr/Bilgi_Kaynaklari/Basin_Duyurulari,Press_Muzakere.html)
- **European Union Enlargement: A Status Report on Turkey’s Accession Negotiations** by Vincent Morelli (Congressional Research Service)

Further reading:

- **European Public Opinion and Turkey’s Accession** by Antonia M. Ruiz-Jiménez José I. Torreblanca (European Policy Institutes Network)
- **European Instrument for Democracy and Human Rights, Compendium 2007-2010** by the European Commission
- **Turkey seeks British help to open EU’s doors** by EurActive (<http://www.euractiv.com/enlargement/turkey-seeks-british-help-open-eu-doors-news-509095>)
- **Speech by Anna O. Krueger (IMF) concerning the Turkish Economy** (<http://www.imf.org/external/np/speeches/2005/050505.htm>)

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IV. Topic 2: The question of the Euro Crisis

i. Introduction to the topic

In 2012 the Euro will turn 10 years old however, there will be no public celebration as in 2002. Many of its Member States have accumulated excessive public debt which brought them close to bankruptcy and which has considerably weakened the currency.

For most of its life, however, the Euro proved to be quite a success story, gaining strength against the Dollar, improving trade within the internal market and making a practical difference to holidaymakers, consumers and business people in the Eurozone. Prior to its introduction many economists warned that the Euro might run into difficulties since the member states of the Eurozone did not plan to share a single fiscal and monetary policy (Verdun & Christiansen, 2000, p.163). It is a common

assumption in economic theory that a common currency requires a single monetary and fiscal policy for all participating countries in order to preserve its stability.

The Eurozone countries tried to counter any instability with the introduction of the Stability and Growth Pact in 1997 which applies to all Members States. It suggests that no Member State of the European Union shall run an annual budget deficit higher than 3 percent of its GDP and shall have no national debt higher than 60 percent. These so called “Maastricht Criteria” shall ensure that no Member State will run into an excessive deficit and thus destabilise the Union (Louis, 2007, p.9) Furthermore, the European Central Bank was established using the “Deutsche Bundesbank” as a role model: An independent and rigorous guardian of the price stability.

Despite this strict criteria a number of Eurozone countries, as well as non-Euro EU Member States, managed to run higher annual deficits and accumulate more public debt than allowed under the Maastricht Criteria over the last decade. Many of them, including France and Germany, did not face any consequences however. While a control mechanism of warning letters and penalty payments exist the ultimate decision on the enforcement of the measures lies within a decision making body that includes all Member States. In the past this has led to a very low propensity to support proceedings against other Member States, as many Eurozone countries are facing fiscal difficulties and therefore prefer not to provoke future action against them.

ii. Current problems

As a consequence of the banking crisis of 2007/08 many European governments financially supported their banks in order to prevent large scale uncertainty and difficulties for the economy. This substantially increased many Member State’s public debt to a difficult or even unbearable level such as in Belgium, Greece, Ireland, Italy, Portugal or Spain. Particularly, Greece has received considerable financial support from the IMF as well as the European Financial Stability Facility, a fund set up by the EU in the to support Member States with fiscal difficulties (EC, 2012). However, the European support fund is only temporary and will finish in 2013. Furthermore, it would not suffice to support a larger Member State in case of too large deficits. In a previous session and after consent from the European Parliament,

the European Council therefore, established the so called European Stability Mechanism, controlled by the European Commission which would replace the Financial Stability Facility as a long term fund. Although a minor treaty change there was widespread critique that Member States were giving away competences in economic policy. Furthermore, despite the introduction of the rescue funds it is not yet clear whether the most indebted Eurozone countries will reach financial stability in the long run.

This uncertainty poses a strong difficulty to the Eurozone and all its Member States for two reasons. Firstly, unlike in the case of an ordinary state bankruptcy, such as the Argentinean at the start of the millennium, a Member State of the Eurozone would have to re-issue their old currency and devalue it extensively. Such a re-issuing would almost inevitably lead to a *run on the banks* to preserve private savings from devaluation which would have unpredictable severe consequences for the Member State's but also the EU's economy. Additionally, there is no treaty provision which outlines how a Member State should leave the EU, adding a strong level of legal uncertainty to such a scenario. Secondly, due to the lingering threat of a bankruptcy of some Member States and the great uncertainty attached to it lending costs have gone up for many Eurozone countries making it even more difficult to clear its Member States from excessive public debt.

iii. Aim of the meeting

The aim of this European Council meeting will be to establish a common position on how to deal with the financial crisis and ensure economic stability in the long run. A resolution shall therefore, be drafted which takes account of the current crisis and possibly stipulates institutional and legal changes that can help the EU to overcome the financial crisis and prevent excessive public deficits in the future. What needs to be taken into account is that extensive treaty changes will require public or parliamentary consent in each Member State. In the current economic and political climate this may prove particularly difficult.

iv. Proposed solutions

A number of proposals have been made on how to deal with the current “Euro crisis”. These range from solutions such a return to the respective national currencies or the exit of some Eurozone members to more fiscal and monetary integration or the creation of a European rating agency to counterbalance the influence of US based evaluators.

Most EU governments’ positions may lie somewhere between these definite points of view. They can roughly be summarised within the following non exclusive subgroups:

- Eurozone countries with stronger fiscal performance and lower public debt

Governments of these countries face the challenge to ensure that they provide the financial support necessary to preserve the Eurozone’s stability while being exposed to strong domestic demands not to overburden the taxpayer. At the same time they also have to undertake cuts in public spending in order to preserve their strong fiscal performance. They may thus be under pressure only to support the Member States in difficulties up to a certain point and also to demand stronger fiscal discipline in the future. Since the economies of these countries are working sufficiently well they are also interested to keep inflation rates a moderate level.

- Eurozone countries with weaker fiscal performance and high public debt

Most of these countries are still contributing to the stability funds while being at risk of having to make use of them in the future as well. Furthermore, they face minimal or negative economic growth and rising rates of unemployment. In some cases this has already lead to increased borrowing costs for public debt. The difficulty therefore, is how to improve fiscal prudence in order to bring down borrowing costs and public debt while at the same time not harming the ailing economy. There may be domestic calls to pool debt with the rest of the Eurozone countries or to make use of the ECB’s fiscal instruments to find the funds necessary to preserve growth prospects for the economy.

- Eurozone with very high public debt and strong economic difficulties

These countries are facing similar conditions than the one above, albeit at a much more serious scale. Their governments are confronted with unsustainably high public deficits and debt, a declining economy, strongly rising rates of unemployment and increasing domestic dissatisfaction with the spending cuts and the bleak economic conditions. It is of utmost importance to preserve a fiscal life line for the country and to bring down its costs of borrowing in the long run. At best this should be accompanied by some degree of economic stimulus in order to preserve the respective economies from further decline.

- Non-Eurozone countries

This group of countries may be the most diverse in the Council. Some non-Eurozone countries are facing similar challenges such as Portugal or Italy while others have relatively stable budgets. Even though these countries are not part of the Eurozone they have a strong interest in its economic stability as for all of them the Eurozone is their largest trading partner by far. There may also be domestic voices which would like to see an end to all financial involvement of their countries in the current efforts to preserve the Euro. Depending on the outcome of the Council's resolution there may be a change on how strongly this group of countries will be able to influence decision making on fiscal and monetary matters in the EU in the future.

Questions to be addressed (please keep in mind the „in general” rule):

- How should the EU reassure the markets and its citizens about the stability of the Euro?
- Can the EU find a solution as a whole? How much should non-Eurozone countries be involved in a solution?
- What role should the European Central Bank play in the future?
- What should be done about Member States with high annual and total deficits whose economies are shrinking as well?
- Can further political integration help to overcome the current shortcomings?

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Recommended readings:

- **Overview of the Treaty establishing the European Stability Mechanism** by the European Commission (http://ec.europa.eu/economy_finance/articles/financial_operations/2011-07-11-esm-treaty_en.htm)
- **Short Summary on the Stability and Growth Pact** by the Guardian newspaper (<http://www.guardian.co.uk/world/2003/nov/27/qanda.business>)
- **Statement by the Eurozone heads of state or government on the future of the fiscal and economic union**, December 9, 2011 (http://consilium.europa.eu/uedocs/cms_data/docs/pressdata/en/ec/126658.pdf)
- **Overview of the debt crisis** by the New York Times (<http://www.nytimes.com/interactive/2010/04/06/business/global/european-debt-map.html> and <http://www.nytimes.com/interactive/business/europe-debt-crisis-timeline.html>)

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