

# **European Union**

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## **Contents**

Equity Disclaimers	3
Model United Nations at U of T Code of Conduct	5
Letter from the Director	7
Position Papers	8
Introduction	8
Definitions	10
History	11
Topic 1: Emerging Trade Routes in the Arctic	
The NSRs and EU's Trading	13
Environmental Impacts	14
Indigenous Impact	15
Case Study: The Sámi and Norway	14
The High Seas Treaty	16
The EU's Stakes, Problems, and Approaches	16
Topic 2: European Economic Integration and Inclusion of Additional Member States	
Economic Disparities	19
Concerns Around European Economic Integration	21
Monetary Issues	22
Political Cooperation	24



Case Study: EU Economic Integration Strengthening Political Ties Between	24
Germany and France	
State of Affairs	26
Questions to Consider	28
Tips for Research, Writing Position Papers, and the Conference	29
Key Resources	30
References	31

#### UTMUN 2024 EUROPEAN UNION

## UTMUN

## **Equity Disclaimers**

Throughout this committee, delegates will be engaging in complex debates and discussions covering a wide array of topics. As UTMUN seeks to provide an enriching educational experience that facilitates understanding of the implications of real-world issues, the content of our committees may involve sensitive or controversial subject matter for the purposes of academia and accuracy. We ask that delegates be respectful, professional, tactful, and diplomatic when engaging with all committee content, representing their assigned country's or character's position in an equitable manner, communicating with staff and other delegates, and responding to opposing viewpoints.

This Background Guide and European Union presents topics that may be distressing to some Delegates, including but not limited to the following: Indigenous Peoples, Colonialism, Neocolonialism, Disregard for Environmental Concerns, Gender Inequality, etc. Great care will be taken by staff in handling any/all of these topics should they arise.

In order to foster a safe environment for all delegates, please refrain from discussing on-going violent conflicts (including the Russia-Ukraine War) and be mindful in discussions around colonialism. UTMUN recognizes the sensitivity associated with many of our topics, and we encourage you to be aware of and set healthy boundaries that work for you. This may include: refraining from reading certain parts of the background guide, preparing yourself before reading this background guide, doing some self-care or seeking support after reading the background guide, or anything that can help make you feel more comfortable. We ask that all Delegates remain considerate of the boundaries that other Delegates set.

UTMUN expects that all discussions amongst delegates will remain productive and respectful of one another. If you have any equity concerns or need assistance in setting boundaries or navigating sensitive subject matter or have any questions at all, please do not hesitate to reach out to me or our Chief Equity Officer, Harvi Karatha, at <u>equity@utmun.org</u>. We want you to feel safe and comfortable at UTMUN!

If you wish to switch committees after having read the content warnings for this committee, please do the following:

1. Fill out the <u>UTMUN 2024 Committee Switch Request Form</u>: https://forms.gle/EVfikp6r6ACnBooR6

If you have any equity concerns, equity-based questions, or delegate conflicts, please do any of the following:

- 1. Email <u>equity@utmun.org</u> to reach Harvi Karatha or email <u>deputy.equity@utmun.org</u> to reach Iva Zivaljevic or reach out to me at <u>eu@utmun.org</u>
- 2. Fill out the (Anonymous if preferred) <u>UTMUN Equity Contact Form:</u> <u>https://forms.gle/XEH3DCTwX3JzzSnr6</u>

Notify/Ask any staff member to connect you to Harvi Karatha or Iva Zivaljevic

### Model United Nations at U of T Code of Conduct

The below code of conduct applies to all attendees of UTMUN 2024 for the entire duration of the conference, and any conference-related activities (including but not limited to committee sessions, conference socials, committee breaks, and the opening and closing ceremonies).

1. Harassment and bullying in any form will not be tolerated, the nature of which includes, but is not limited to, discrimination on the basis of race, national origin, ethnicity, colour, religion, sex, age, mental and physical disabilities, socioeconomic status, sexual orientation, gender identity, and gender expression,

a. Harassment and bullying include, but are not limited to, insulting and/or degrading language or remarks; threats and intimidation; and intentional (direct or indirect). discrimination and/or marginalization of a group and/or individual;

i. The above prohibition on harassment, bullying, and inappropriate behaviour extends to any and all behaviour as well as written and verbal communication during the conference, including notes, conversation both during and outside committees, and general demeanour at all conference events;

ii. UTMUN reserves the right to determine what constitutes bullying and/or inappropriate behaviour toward any individual and/or group;

b. Attendees must not engage in any behaviour that constitutes physical violence or the threat of violence against any groups and/or individuals, including sexual violence and harassment, such as, but not limited to,

i. Unwelcome suggestive or indecent comments about one's appearance;

ii. Nonconsensual sexual contact and/or behaviour between any individuals and/or groups of individuals;

iii. Sexual contact or behaviour between delegates and staff members is strictly forbidden;

2. UTMUN expects all attendees to conduct themselves in a professional and respectful manner at all times during the conference. Specific expectations, include, but are not limited to,

a. Attendees must, if able, contribute to the general provision of an inclusive conference and refrain from acting in a manner that restricts other attendees' capacity to learn and thrive in an intellectually stimulating environment;

b. Attendees must adhere to the dress code, which is Western business attire;

i. Exceptions may be made on a case-by-case basis depending on the attendees' ability to adhere to the previous sub-clause;

ii. Attendees are encouraged to contact Chief Equity Officer, Harvi Karatha, at <u>equity@utmun.org</u> with questions or concerns about the dress code or conference accessibility;

c. Attendees must refrain from the use of cultural appropriation to represent their character and/or country, including the use of cultural dress, false accent, and any behaviour that perpetuates a national or personal stereotype;

d. Delegates must not use music, audio recordings, graphics, or any other media at any time unless approved and requested to be shared by the Dais and/or the Chief Equity Officer, Harvi Karatha at <u>equity@utmun.org;</u>

e. Attendees must abide by instructions and/or orders given by conference staff, members; i. Attendees are exempt from this above sub-clause only if the instructions and/or orders

given are unreasonable or inappropriate;

3. Delegates, staff, and all other conference participants are expected to abide by Ontario and Canadian laws and Toronto by-laws, as well as rules and regulations specific to the University of Toronto. This includes, but is not limited to,

a. Attendees, regardless of their age, are strictly prohibited from being under the influence and/or engaging in the consumption of illicit substances, such as alcohol or illicit substances for the duration of the conference;

b. Attendees are prohibited from smoking (cigarettes or e-cigarettes, including vapes) on University of Toronto property;

c. Attendees must refrain from engaging in vandalism and the intentional and/or reckless destruction of any public or private property, including conference spaces, venues, furniture, resources, equipment, and university buildings;

i. Neither UTMUN nor any representatives of UTMUN is responsible for damage inflicted by attendees to property on or off University of Toronto campus;

ii. Individuals will be held responsible for any damages.

4. The Secretariat reserves the right to impose restrictions on delegates and/or attendees for not adhering to/violating any of the above stipulations. Disciplinary measures include, but are not limited to,

a. Suspension from committee, in its entirety or for a specific period of time;

- b. Removal from the conference and/or conference venue(s);
- c. Disqualification from awards;
- d. Disqualification from participation in future conference-related events.

5. UTMUN reserves the right to the final interpretation of this document.

For further clarification on UTMUN's policies regarding equity or conduct, please see this <u>form</u>. For any questions/concerns, or any equity violations that any attendee(s) would like to raise, please contact UTMUN's Chief Equity Officer, Harvi Karatha, at <u>equity@utmun.org</u> or fill out this anonymous Equity Contact Form: <u>https://forms.gle/Psc5Luxp22T3c9Zz8</u>.

### **Letter From The Director:**

#### Greetings Delegates,

It is my sincerest pleasure to welcome you all to the European Union.

My name is Devarya Singhania (he/him), and I will be serving as the Director for the committee at UTMUN 2024. I am a Second Year student at the University of Toronto, pursuing a specialist in English with a minor in Creative Writing. This would be my seventh year doing MUN, and my second time doing UTMUN, but I'm beyond thrilled around the prospects of the discussions we will have in the union. Even though MUNs have taken up a significant portion of my time, I find myself best engaged when spending my time reading and writing poetry, watching stand-up comedy or hating apples. I've also found myself in a conundrum where I'm struggling to define 'pasta', but I've left that to be a crisis for another day.

I will be joined by your Vice Director, Zahra Javaid (she/her), who too, brings a wealth of experience to Model UN from her high school and university years. Zahra is a fourth-year student, pursuing a double major in International Relations and Political Science, and a minor in Economics. She is incredibly passionate about food, reading, playing card games, and all things politics. A fun fact about her is that she's ambidextrous!

The committee will be moderated by Emmanouil Liatakis (he/him). He is a first-year student at the University of Toronto, aspiring to major in Economics. He is incredibly excited to be a part of his first MUN conference in Canada, and is eager to apply his love for economic matters to the committee topics.

In this committee you will be challenged by discussing issues occupying the EU's time today. The impacts of the Arctic trade routes and challenges around economic integration seem to pose a dilemma which requires effortful communication within the current members, in ensuring an amicable solution. Economic issues can seem incredibly complicated, however, please do not assume any fear from the nature of the topic, as it hasn't been made to intimidate you. If you have any questions or concerns, please do reach out to us. We're incredibly excited to see how you *trade* arguments in an attempt to foster unity and conclusions amongst the EU.

*Yours Truly,* Devarya Singhania Director of the European Union <u>EU@utmun.org</u>

### **Position Papers:**

At UTMUN 2024, position papers are required to qualify for awards. Each committee will also give out one Best Position Paper award. Only delegates in Ad Hoc are exempt from submitting a position paper. To learn more about position paper writing, formatting and submission, please check out the position paper guidelines. Please read through the guidelines carefully as this page will describe content recommendations, formatting requirements and details on citations. If you have any questions about position paper writing, feel free to contact your Dais via your committee email or reach out to <u>academics@utmun.org</u>.

### Introduction:

With the European Union (EU) being the primary coordinator for trade in Europe, a new responsibility has been bestowed upon it. Global Warming and Climate Change has begun affecting the Arctic Region, such that the glaciers have melted and opened up new routes for trade - the Northern Sea Route (NSR). The EU has seen this as an opportunity to improve its methods of trade, use this route to reduce the cost-burden on its member nations.

The NSR is a faster, cheaper way for the EU nations to access international markets and increase competitiveness. The nature of savings through the use of this route is immense. Given that this route halves costs,<sup>1</sup> the member nations are incentivized to use it. However, it poses an ethical and environmental dilemma for the EU.

The route has exposed Indigenous landscapes and communities to member nations. claiming jurisdiction over them in order to engage in trade risks disruption of their well-being. There have already been expressions of discontent voiced by the communities who fear an elevation of suffering. For the Indigenous communities, the region is not a financial commodity.<sup>2</sup> Political leaders have arguably been disrespectful in the discussion of the area, and their actions further add to the challenges faced by Indigenous communities.<sup>3</sup> The EU hence, must be responsible and accountable for the consequences of their actions in managing the NSR by accounting for the welfare of these communities.

<sup>&</sup>lt;sup>1</sup> Humpert, Malte. 2011. "The Future of the Northern Sea Route - a 'Golden Waterway' or a Niche Trade Route." The Arctic Institute. September 15, 2011. https://www.thearcticinstitute.org/future-northern-sea-route-golden-waterway-niche/.

<sup>&</sup>lt;sup>2</sup> Tisdall, Simon. 2019. "Trump's Bid to Buy Greenland Shows That the 'Scramble for the Arctic' Is Truly upon Us." The Observer, August 24, 2019, sec. World news. https://www.theguardian.com/world/2019/aug/24/trump-greenland-gambit-sad-sign-arctic-up-for-grabs.

<sup>&</sup>lt;sup>3</sup> Ibid.

<sup>&</sup>lt;sup>4</sup> Makarova, Irina, Dmitry Makarov, Polina Buyvol, Aleksandr Barinov, Larysa Gubacheva, Eduard Mukhametdinov, and Vadim Mavrin. 2022. "Arctic Development in Connection with the Northern Sea Route: A Review of Ecological Risks and Ways to Avoid Them." Journal of Marine Science and Engineering 10 (10): 1415. https://doi.org/10.3390/jmse10101415.

Environmentally too, the exploitation of the NSR raises issues. The most threatening dilemma in using the NSR traces back to the risk of oil spills and damage to coastal areas.<sup>4</sup> Historically, the Deepwater Horizon Oil Spill<sup>5</sup> and Ixtoc I Oil Well has proven catastrophic for marine biodiversity.<sup>6</sup> Causing unseasonal migration and immense death counts, they are man-mistake disasters.<sup>7</sup> A similar consequence is possible in shipping through the NSR should the EU nations fail to conduct trade adequately. Through deliberation, it is expected that the EU will be able to enforce an achievable solution in making trade efficient, with safety as a priority.

While new trade routes offer a point of discussion around the method of trade to be used, the EU is also contemplating the possibility of further economic integration. Free trade is a key aspect of the EU. With member nations not experiencing any tariffs, quotas or similar restrictions when trading with other members.<sup>8</sup> Nations are hence seeking the title of a member nation. While the EU is highly encouraging of the prospects of increased trade, political cooperation, and larger Foreign Direct Investments as a result of competitiveness, there are burdens attached to adding new members.

Not all nations have the same economic standing as other member nations, and those with a lower standing may require more proactive assistance from the union. While the EU is incredibly supportive of its members, such drastic reliance may also impose budgetary pressures on the union. Perhaps this budget will only worsen if current members are uncooperative in willing to fund or provide aid to new joining nations.<sup>9</sup> Even if the benefits seem larger than the burdens, the EU must thoroughly discuss the prospects of eliminating the burdens, and if elimination seems unfeasible, to minimize them to the extent that they're synonymous with elimination.

The EU best embodies the idea of trade. While many organizations try to match this European trade bloc, they have yet to match the EU's success. Even though the International Confederation of Free Trade Unions (ICFTU) remains the largest free-trade organization,<sup>10</sup> the continuous efforts of the EU in solidarity with its history receive commendations. With the nature of trade only taking in more dynamic aspects while minimizing additional troubles for the organization, the EU remains an incredibly competent organization, worthy of reaching a sincere solution. Indigenous communities, environmentalists and prospective nations are anticipating a decision on these newfound trading dilemmas. As such, it is up to the EU to deliberate these debacles, and author the way forward!

<sup>&</sup>lt;sup>5</sup> Marine Mammal Commission . 2015. "Deepwater Horizon Oil Spill in the Gulf of Mexico - Marine Mammal Commission." Marine Mammal Commission. 2015. https://www.mmc.gov/priority-topics/offshore-energy-development-and-marine-mammals/gulf-of-mexico-deepwater-horizon-oil-spill-and-marine-mammals/.

<sup>&</sup>lt;sup>6</sup> "Ixtoc I Oil Well : Oil in the Ocean." 2014. Www.whoi.edu. July 28, 2014. https://www.whoi.edu/oil/ixtoc-I. <sup>7</sup> Ibid.

<sup>&</sup>lt;sup>8</sup> "Trade." n.d. European-Union.europa.eu. https://european-union.europa.eu/priorities-and-actions/actions-topic/trade\_en#:~:text=The%20EU%20supports%20and%20defends.

<sup>&</sup>lt;sup>9</sup> Brack, Nathalie, Ramona Coman, and Amandine Crespy. 2019. "Sovereignty Conflicts in the European Union." Les Cahiers Du Cevipol N° 4 (4): 3–30. https://www.cairn.info/revue-les-cahiers-du-cevipol-2019-4-page-3.htm.

<sup>&</sup>lt;sup>10</sup> "International Confederation of Free Trade Unions (ICFTU) | Britannica Money." n.d. Www.britannica.com. Accessed September 16, 2023. https://www.britannica.com/money/topic/International-Confederation-of-Free-Trade-Unions.

### **Definitions:**

#### European Union (EU)

An international organization comprising 27 European countries and governing common economic, social, and security policies.<sup>11</sup>

#### Northern Sea Route (NSR)

It is a shipping lane between the Atlantic and the Pacific Oceans along the Russian coast of Siberia and the Far East.<sup>12</sup>

#### Eurozone

The Euro area (also known as the Eurozone) which consists of 19 countries that use the Euro: Belgium, Germany, Ireland, Spain, France, Italy, Luxembourg, the Netherlands, Austria, Portugal, Finland, Greece, Slovenia, Cyprus, Malta, Slovakia, Estonia, Latvia and Lithuania.<sup>13</sup>

#### Free Trade

Under a free trade policy, goods and services can be bought and sold across international borders with little or no government tariffs, quotas, subsidies, or prohibitions to inhibit their exchange.<sup>14</sup>

#### **Economic Integration**

Economic integration is an arrangement among nations that typically includes the reduction or elimination of trade barriers and the coordination of monetary and fiscal policies.<sup>15</sup>

#### Indigenous Communities

Indigenous communities, peoples and nations are those which, having a historical continuity with preinvasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them.<sup>16</sup>

#### UNCLOS (United Nations Convention on the Law of the Sea)

An organization that lays down a comprehensive regime of law and order in the world's oceans and seas establishing rules governing all uses of the oceans and their resources.<sup>17</sup>

<sup>14</sup> Barone, Adam. 2020. "How a Free Trade Agreement (FTA) Works." Investopedia. 2020. https://www.investopedia.com/terms/f/free-trade.asp#:~:text=Under%20a%20free%20trade%20policy

<sup>16</sup> "Indigenous Peoples at the United Nations | United Nations for Indigenous Peoples." n.d. Www.un.org.

https://www.un.org/development/desa/Indigenouspeoples/about-

us.html#:~:text=%E2%80%9CIndigenous%20communities%2C%20peoples%20and%20nations%20are%20those%20which%2C%20having <sup>17</sup> "Overview - Convention & Related Agreements." n.d. Www.un.org.

<sup>&</sup>lt;sup>11</sup> Gabel, Matthew J. 2019. "European Union | Definition, Purpose, History, & Members." In Encyclopedia Britannica. https://www.britannica.com/topic/European-Union.

<sup>&</sup>lt;sup>12</sup> "Northern Sea Route (NSR). What Is a Northern Sea Route (NSR)? Definition. Meaning." n.d. Neftegazru.com. Accessed September 16, 2023. https://neftegazru.com/tech-library/geography/659980-northern-sea-route-nsr/#:~:text=Its%20a%20shipping%20lane%20between.

<sup>&</sup>lt;sup>13</sup> "Euro Area | FRED | St. Louis Fed." n.d. Fred.stlouisfed.org. https://fred.stlouisfed.org/categories/32947#:~:text=The%20euro%20area%20(also%20known.

<sup>&</sup>lt;sup>15</sup> Kenton, Will. 2022. "Economic Integration." Investopedia. June 30, 2022. https://www.investopedia.com/terms/e/economic-integration.asp.

https://www.un.org/Depts/los/convention\_agreements/convention\_overview\_convention.htm#:~:text=by%20%22.

### History:

The history of the European Union is a tale commencing with post-World War II efforts to foster unity, cooperation, and integration among European countries in the wake of World War II, initially driven by economic and political motives. The EU has evolved into a complex organization that encompasses various aspects of governance and policy coordination among its member states. It is a political and economic alliance made up of 27 countries which promotes democratic values and is one of the world's most powerful trade blocs.<sup>18</sup>

The roots of the European Union can be traced back to the aftermath of World War II, which left Europe devastated and divided. The leaders of some western European countries recognized the need for deeper cooperation to prevent future conflicts and promote economic recovery. The foundational step was taken in 1951 with the creation of the European Coal and Steel Community (ECSC), an organization that aimed to integrate the coal and steel industries of its member countries: Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany.<sup>19</sup> This initiative was driven by the belief that linking these vital resources would make war between these nations economically unfeasible and help establish lasting peace.<sup>20</sup> The ECSC marked the first instance of supranational governance, with the creation of institutions like the High Authority, the Council of Ministers, the Common Assembly, and the Court of Justice to oversee its operations.<sup>21</sup>

The success of the ECSC served as a foundation for further integration efforts. The Treaty of Rome, signed in 1957, established the European Economic Community (EEC) and the European Atomic Energy Community (EURATOM), aimed at creating a common market for goods, services, labour, and capital among member states.<sup>22</sup> The EEC eliminated trade barriers and fostered economic growth and cooperation.<sup>23</sup> Over the years, the European Union continued to evolve through various treaties and expansions. In 1973, the United Kingdom, Ireland, and Denmark joined the EEC, followed by Greece in 1981 and Spain and Portugal in 1986.<sup>24</sup> The Maastricht Treaty of 1993 marked a significant turning point in the evolution of the EU, establishing the framework for the creation of the euro currency and introducing common foreign and security policies.<sup>25</sup>

The early 21st century witnessed a robust expansion of the European Union. The early 21st century witnessed a robust expansion of the European Union. In 2004, the EU experienced its largest enlargement to date, adding ten new member states from Central and Eastern Europe: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia.<sup>26</sup>

- <sup>20</sup> Ibid.
- <sup>21</sup> Ibid.
- <sup>22</sup> Ibid.
- <sup>23</sup> Ibid.
- <sup>24</sup> Ibid.

<sup>26</sup> Ibid.

<sup>&</sup>lt;sup>18</sup> Hayes, Adam. "European Union (EU): What It Is, Countries, History, Purpose." Investopedia, 2022. https://www.investopedia.com/terms/e/europeanunion.asp.

<sup>&</sup>lt;sup>19</sup> Gabel, Matthew J. "European Union." Encyclopædia Britannica, 2023. https://www.britannica.com/topic/European-Union.

<sup>&</sup>lt;sup>25</sup> Ibid.

Later in 2007, Bulgaria and Romania joined the EU, further expanding its membership.<sup>27</sup> Former Eastern Bloc countries, including those from the former Soviet Union and Yugoslavia, sought membership to enhance their economic and political stability.<sup>28</sup> This expansion was not without challenges, as integrating countries with differing histories, economies, and levels of development presented complex issues.<sup>29</sup>

The EU also faced challenges in its attempts to harmonize policies across member states. Differences in economic priorities, social systems, and national identities sometimes led to disagreements and debates within the union.<sup>30</sup> Additionally, the Lisbon Treaty came into force on December 1st, 2009, streamlining the EU's decision-making processes and enhancing the role of the European Parliament.<sup>31</sup> The role of the High Representative for Foreign Affairs and Security Policy was also created.<sup>32</sup>

In 2012, the European Union was awarded the Nobel Peace Prize for its efforts in promoting peace, reconciliation, democracy, and human rights in Europe—a testament to the organization's role in transforming the continent from a region of frequent conflicts to one of collaboration and stability.<sup>33</sup> However, the EU also experienced significant setbacks. One of the most notable events was the United Kingdom's decision to leave the EU, often referred to as Brexit.<sup>34</sup> In a 2016 referendum, a narrow majority of British voters chose to exit the EU, and this process was officially completed in January 2020.<sup>35</sup> In 2017, the EU launched the European Pillar of Social Rights to promote social and employment rights across the bloc.<sup>36</sup> In 2019, the EU encountered issues like the rise of populism and nationalist movements in some member states: Italy, Hungary, France, Germany, and Austria.<sup>37</sup> Then the COVID-19 pandemic hit Europe in 2020, leading to significant health and economic challenges for EU member states.<sup>38</sup> In 2021, the EU launched the European Green Deal, aiming to make Europe climate-neutral by 2050 and promoting sustainable development.<sup>39</sup>

The European Union continues to be a complex and evolving entity, navigating challenges such as economic disparities among member states, debates over sovereignty and integration, and the need to address contemporary issues like climate change, migration, and technology regulation. Its history reflects a journey of unity, cooperation, and adaptation in the pursuit of a peaceful and prosperous Europe.<sup>40</sup>

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

<sup>29</sup> Ibid. <sup>30</sup> Ibid.

<sup>31</sup> Ibid..

- <sup>32</sup> Ibid.
- <sup>33</sup> Ibid.
- <sup>34</sup> Ibid.
- <sup>35</sup> Ibid.
- <sup>36</sup> Ibid.
- <sup>37</sup> Ibid. <sup>38</sup> Ibid.
- <sup>39</sup> Ibid.
- 40 Ibid.

### **Topic 1: Emerging Trade Routes in the Arctic**

#### The NSR and Eu's Trading

Melting ice due to climate change has opened up new trade routes in the Arctic, including the Northern Sea Route along the Russian coast and the Northwest Passage through Canada's Arctic archipelago.<sup>41</sup> In comparison to standard routes through the Suez Canal or the Panama Canal, the NSR in particular provides a quicker marine route between Europe and Asia.<sup>42</sup> For European commodities travelling to and from Asia, this may result in shorter transit times, less fuel usage, and lower prices.<sup>43</sup>

European producers and importers now have new prospects thanks to the development of Arctic trade routes.<sup>44</sup> Faster access to Asian markets for European goods may improve trade flows and economic expansion for the EU.<sup>45</sup> Significant oil and gas deposits are thought to exist in the Arctic Area. The possibility of accessing these energy resources, which might improve Europe's energy security, is another factor influencing the EU's interest in Arctic trade routes.<sup>46</sup> Even though the EU is not a coastline nation in the Arctic, some of its members have ties to the area, such as Finland, Denmark and Sweden.<sup>47</sup>

The most significant advantage of the Arctic trade routes for the EU is the potential for significantly shorter transit times between Europe and Asia.<sup>48</sup> For European exporters and importers, this reduction in transit times translates to quicker access to markets, which can be crucial for goods with time-sensitive characteristics, such as perishable goods and consumer electronics.<sup>49</sup>

While the EU seeks to improve trade relations between the member nations through new emerging routes such as the NSR, it is undeniable that they will benefit greatly from the prospect of reducing their imports and reducing the deficit on their net exports.<sup>50</sup> The rapid globalization of the EU over the last few years also requires them to increase their exports and reduce dependency on imports for domestic growth.<sup>51</sup>

<sup>&</sup>lt;sup>41</sup> Humpert, Malte. 2011. "The Future of the Northern Sea Route - a 'Golden Waterway' or a Niche Trade Route." The Arctic Institute. September 15, 2011. https://www.thearcticinstitute.org/future-northern-sea-route-golden-waterway-niche/.

<sup>&</sup>lt;sup>42</sup> Schøyen, Halvor, and Svein Bråthen. 2011. "The Northern Sea Route versus the Suez Canal: Cases from Bulk Shipping." Journal of Transport Geography 19 (4): 977-83. https://doi.org/10.1016/j.jtrangeo.2011.03.003.

<sup>43</sup> Ibid.

<sup>44</sup> Lüdtke, Lisa. 2020. "Geopolitical Power Play in Arctic Shipping." GIS Reports. May 18, 2020. https://www.gisreportsonline.com/r/arctic-trade/. <sup>45</sup> "International Trade in Goods for the EU - an Overview." n.d. Ec.europa.eu. https://ec.europa.eu/eurostat/statistics-explained/index.php?

title=International\_trade\_in\_goods\_for\_the\_EU\_-\_an\_overview.

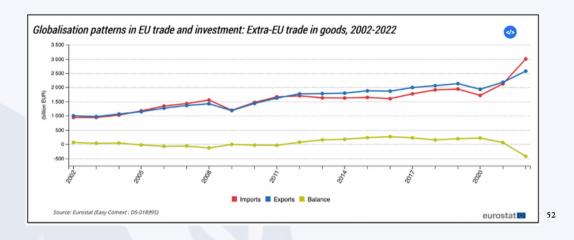
<sup>46</sup> Ibid.

<sup>&</sup>lt;sup>47</sup> Canova, Emilie. 2023. "The European Union and Its Member States in the Arctic: Official Complementarity but Underlying Rivalry?" The Arctic Institute -Center for Circumpolar Security Studies. August 8, 2023. https://www.thearcticinstitute.org/european-union-member-states-arctic-official-complementarityunderlying-rivalry/.

<sup>48</sup> Ibid.

<sup>49</sup> Ibid.

<sup>50 &</sup>quot;International Trade in Goods for the EU - an Overview." n.d. Ec.europa.eu. https://ec.europa.eu/eurostat/statistics-explained/index.php? title=International\_trade\_in\_goods\_for\_the\_EU\_-\_an\_overview. <sup>51</sup> Ibid.



#### **Environmental Impacts**

Climate change has led to the opening of commercial routes via the Arctic, as melting sea ice has made these routes more accessible. However, this particular situation raises serious concerns. The EU must deal with the dilemma of profiting from the routes while actively attempting to combat the main cause, global warming, as a major supporter of climate action.

Increased greenhouse gas emissions may result from increased shipping along Arctic routes. Pollutants include carbon dioxide (CO2), sulphur dioxide (SO2), and nitrogen oxides (NOx) are emitted by ships, and these pollutants worsen air pollution and contribute to global warming.<sup>53</sup> The EU's goal to lower emissions is in line with the necessity of implementing eco-friendly and effective shipping methods in the Arctic.<sup>54</sup> Black carbon, which is released from the burning of fossil fuels, can condense on Arctic snow and ice surfaces.<sup>55</sup> As these black particles build up on the ice, they lessen its reflectiveness, or albedo.<sup>56</sup> A decrease in albedo means that more heat and light are absorbed by the ice and snow, hastening the melting process.<sup>57</sup> A crucial part of the Arctic climate system, the sea ice, is thinning due to this feedback loop.<sup>58</sup> Arctic glaciers and ice sheets are melting as a result of the faster ice melt brought on by black carbon buildup.<sup>59</sup> These ice masses' melting causes the sea level to increase globally, which has effects on coastal populations all over the world.<sup>60</sup>

<sup>58</sup> Ibid.

<sup>52</sup> Ibid.

<sup>&</sup>lt;sup>53</sup> LePan, Nicolas. 2020. "The Final Frontier: How Arctic Ice Melting Is Opening up Trade Opportunities." World Economic Forum. February 13, 2020. https://www.weforum.org/agenda/2020/02/ice-melting-arctic-transport-route-industry/.

<sup>&</sup>lt;sup>54</sup> Ibid. <sup>55</sup> Ibid.

<sup>&</sup>lt;sup>56</sup> "Black Carbon in the Arctic: What You Need to Know." 2021. Clear Seas. August 10, 2021. https://clearseas.org/en/blog/black-carbon-in-the-arctic-whatyou-need-to-know/.

<sup>&</sup>lt;sup>57</sup> Ibid.

<sup>&</sup>lt;sup>59</sup> Ibid.

<sup>&</sup>lt;sup>60</sup> Kimball, Jill. 2022. "Melting Arctic Ice Could Transform International Shipping Routes, Study Finds." Brown University. June 22, 2022. https://www.brown.edu/news/2022-06-22/arctic.

#### Indigenous Impacts

Traditional hunting, fishing, and herding practices of Indigenous groups in the Arctic are at risk of being disrupted by the establishment of new trade routes and increased shipping traffic. These communities' access to the resources they need to survive may be impacted by noise pollution from industrial and maritime activities that disturb wildlife. Indigenous peoples' cultural heritage and identities are being weakened by the changing Arctic climate.<sup>61</sup> Due to the effects of globalization and growing contact with the outside world, traditional knowledge, languages, and practises may be in danger of being lost or marginalized. Being effectively engaged and represented in decisions impacting their lands and livelihoods is a problem that Indigenous populations in the Arctic frequently encounter.<sup>62</sup>

A notable instance of disruption as experienced by the Indigenous community can be seen between the Indigenous people of Sámi and Norway.

#### Case Study: The Sámi and Norway

The Sámi are a people native to the Arctic region. They are found in Norway, Sweden, Finland, and Russia.<sup>63</sup> Especially in Norway, the Sámi have struggled with issues relating to land and resource rights.<sup>64</sup> Traditional Sámi territories have been invaded by the building of hydropower dams, mining endeavours, and other development activities.<sup>65</sup>

The reindeer herding routes, which are vital to the Sámi economy and way of life, may be disrupted by these projects. Dams and construction initiatives can split the landscape and obstruct reindeer herd migration, making it harder for the Sámi to support themselves.

By interfering with reindeer herding and the preservation of their cultural legacy, such projects may harm the Sámi way of life. Concerns about the impact of these initiatives on the environment, Indigenous rights, and cultural preservation arise as a result. Although European countries have processes for consultation and the recognition of Indigenous rights, there have been instances where these mechanisms have not adequately protected Indigenous interests.

64 Ibid.

<sup>&</sup>lt;sup>61</sup> "Indigenous Peoples and Climate Change from Victims to Change Agents through Decent Work INTERNATIONAL LABOUR OFFICE, GENEVA." 2017. https://www.ilo.org/wcmsp5/groups/public/---dgreports/---gender/documents/publication/wcms\_551189.pdf.

<sup>&</sup>lt;sup>62</sup> Heaps, Dawn. 2019. "Sámi Land Rights and Policy-Driven Recognition Threats - the Henry M. Jackson School of International Studies." The Henry M. Jackson School of International Studies. June 27, 2019. https://jsis.washington.edu/news/Sámi-land-rights-and-policy-driven-recognition-threats/.

<sup>&</sup>lt;sup>63</sup> "Sápmi - IWGIA - International Work Group for Indigenous Affairs." n.d. Www.iwgia.org.

https://www.iwgia.org/en/sapmi.html#:~:text=their%20traditional%20territory.-.

<sup>&</sup>lt;sup>65</sup> Ibid.

The Sámi people are unique and their culture and language are inseparably entwined with the Arctic landscape.<sup>66</sup> They have a strong bond with their land and depend on it for both their physical and cultural well-being. The invasion of development projects has an impact on the transfer of traditional knowledge to future generations as well as cultural preservation. This is particularly concerning because the Sámi identity and their particular way of life are intricately intertwined.

Due to this interdependence, the degradation of the Sámi way of life could lead to the loss of their cultural heritage. Norway's decision to prioritie their economic benefit over the Sámi ways of life threatens the Sámi's livelihood as well as their status as an acknowledged Indigenous people in the nation. It is now up to the EU's member nations to live up to their obligations under the United Nations Declaration on the Rights of Indigenous Peoples.

#### The High Seas Treaty

On September 22nd 2023, nearly 70 countries signed the UN High Seas Treaty,<sup>67</sup> and this included the EU nations as well. By doing so, the members of the union have exemplified their responsibility and commitment in offering protection for the sea.<sup>68</sup> This treaty comes at a pertinent time, seeing as its arrival coincides with the EU deliberating the most sustainable manner in which they can navigate the NSR. In collaboration with this treaty, the EU is expected to marshall policies of sustainability in respecting the Kunming-Montreal Global Biodiversity Framework,<sup>69</sup> prioritizing them even as they debate the economic and political gains of using the NSR. The aforementioned framework is an attempt to protect 30% of the world's oceans by 2030.<sup>70</sup>

#### The EU's Stakes, Problems, and Approaches

The unique environmental, economic, and geopolitical significance of the Arctic region has been acknowledged by the EU. Through programmes like the EU Arctic Forum and the EU Arctic Policy, the EU has been actively involved in Arctic-related research, monitoring, and cooperation to address numerous issues and possibilities brought on by the changing Arctic.<sup>71</sup>

<sup>66</sup> Ibid.

<sup>&</sup>lt;sup>67</sup> "Seventy-plus Nations Sign Historic High Seas Treaty, Paving Way for Ratification." Mongabay Environmental News, 22 Sept. 2023, news.mongabay.com/2023/09/seventy-plus-nations-sign-historic-high-seas-treaty-paving-way-for-ratification/. Accessed 24 Sept. 2023.
<sup>68</sup> Ibid.

<sup>&</sup>lt;sup>69</sup> Convention on Biological Diversity. "Kunming-Montreal Global Biodiversity Framework." Www.cbd.int, 23 Feb. 2023, www.cbd.int/gbf/.
<sup>70</sup> Ibid.

<sup>&</sup>lt;sup>71</sup> D'ambrogio, Enrico. n.d. https://www.europarl.europa.eu/RegData/etudes/BRIE/2022/729464/EPRS\_BRI(2022)729464\_EN.pdf.

#### UTMUN 2024 EUROPEAN UNION

Various stakeholders, including policymakers, researchers, Indigenous people, business representatives, and environmental organizations, are brought together on a platform called the EU Arctic Forum.<sup>72</sup> It acts as a forum for discussion, information exchange, and teamwork on issues pertaining to the Arctic area.<sup>73</sup> The forum focuses on topics including global warming, environmentally friendly development, marine safety, and more.<sup>74</sup> The EU Arctic Forum facilitates collaboration amongst many parties and advances knowledge of Arctic dynamics by encouraging talks and information sharing.<sup>75</sup>

The EU's attitude to the Arctic area is described in the EU Arctic Policy as a strategic framework.<sup>76</sup> By taking into account the Arctic's particular environmental sensitivity and the interests of its residents, this policy aims to guarantee a sustainable and ethical involvement with the region.<sup>77</sup> Climate change mitigation, scientific research, environmental preservation, sustainable resource management, and respect for Indigenous rights and knowledge are only a few of the topics covered by the strategy.<sup>78</sup> The necessity of international collaboration and communication between Arctic and non-Arctic governments is also emphasized by the EU Arctic Policy.<sup>79</sup>

A difficulty for the EU is ensuring that trade routes in the Arctic are compliant with international law, notably the UNCLOS (United Nations Convention on the Law of the Sea).<sup>80</sup> The Arctic Ocean is covered by the UNCLOS, a comprehensive international treaty that sets forth governments' usage and management rights and obligations.<sup>81</sup> New trade routes are emerging as a result of the ongoing melting of the Arctic ice owing to climate change, offering the EU potentially legal challenges.

The freedom of navigation concept is established by UNCLOS, enabling ships to travel in international waters—including those in the Arctic—without adversity.<sup>82</sup> However, there has been disagreement over the actual scope of navigational rights and the legal standing of several waterways, including the Northwest Passage and the Northern Sea Route (NSR).<sup>83</sup> While other governments, including EU member states, assert the right to sail through these waters as international straits, several coastal states along these routes maintain that they have specific regulatory power over these seas.<sup>84</sup>

<sup>72</sup> Ibid.

<sup>&</sup>lt;sup>73</sup> Ibid.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid.

<sup>76</sup> Ibid.

<sup>&</sup>lt;sup>77</sup> Ibid. <sup>78</sup> Ibid.

<sup>&</sup>lt;sup>79</sup> Ibid.

<sup>&</sup>lt;sup>80</sup> United Nations. 1982. "United Nations Convention on the Law of the Sea." United Nations.

https://www.un.org/depts/los/convention\_agreements/texts/unclos/unclos\_e.pdf.

<sup>&</sup>lt;sup>81</sup> Ibid.

<sup>&</sup>lt;sup>82</sup> Ibid.

<sup>&</sup>lt;sup>83</sup> "The Arctic: Opportunities, Concerns and Security Challenges European Parliament Resolution of 7 October 2021 on the Arctic: Opportunities, Concerns and Security Challenges (2020/2112(INI))." 2007. https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021IP0413.
<sup>84</sup> Ibid.

#### UTMUN 2024 EUROPEAN UNION

The Arctic is an environmentally vulnerable area. The EU is dedicated to sustaining these environmental standards and stresses the need to protect the maritime environment under UNCLOS.<sup>85</sup> It takes strict control and cooperation to ensure that maritime activities in the Arctic do not result in environmental damage, including oil spills and pollution, while allowing for growing commerce and economic activity.<sup>86</sup>

<sup>85</sup> Ibid. <sup>86</sup> Ibid.

### Topic 2: European Economic Integration and Inclusion of Additional Member States

To become a member of the European Union (EU), a country must go through a comprehensive process that involves meeting specific criteria and adhering to various requirements. After this, it must implement the rules and regulations of the EU in all areas. The Copenhagen Criteria that every country must adhere to is as follows:<sup>87</sup>

- Stable Democracy and Rule of Law: The country should demonstrate a well-established democracy, respect for human rights, protection of minorities, and a judicial system that upholds the rule of law.<sup>88</sup>
- Functioning Market Economy: The country must possess a functioning market economy that can withstand competitive pressures within the EU's single market.<sup>89</sup>
- Acceptance of EU Legislation: The country must commit to adopting and implementing all EU legislation, including legal frameworks and standards.<sup>90</sup>
- Acceptance of the Euro: The country should be willing to adopt the Euro as its official currency after meeting the necessary economic conditions.<sup>91</sup>

#### **Economic Disparities**

There are various economic disparities and inequalities within the European Union that carry implications, particularly with regards to the inclusion of additional member states. Income inequality in the EU has increased, both due to stalled income convergence between countries and expanding income inequalities within countries.<sup>92</sup> The inclusion of new member states could exacerbate these income disparities as they might have lower average incomes and employment rates than the existing EU member states. As a result, the income gap would widen and addressing income inequality within the expanded EU would become even more crucial to maintain social cohesion.<sup>93</sup>

<sup>&</sup>lt;sup>87</sup> "Joining the EU." European Union. Accessed September 3, 2023. https://european-union.europa.eu/principles-countries-history/joining-eu\_en.

<sup>&</sup>lt;sup>88</sup> "Conditions for Membership." European Neighbourhood Policy and Enlargement Negotiations (DG NEAR). Accessed September 3, 2023.

https://neighbourhood-enlargement.ec.europa.eu/enlargement-policy/conditions-membership\_en.

<sup>&</sup>lt;sup>89</sup> Ibid.

<sup>&</sup>lt;sup>90</sup> Ibid. <sup>91</sup> Ibid.

<sup>&</sup>lt;sup>92</sup> "Inequality." Eurofound, June 26, 2023. https://www.eurofound.europa.eu/topic/inequality.

<sup>&</sup>lt;sup>93</sup> Ibid.

The European Quality of Life Surveys reveal persistent inequalities in various indicators of quality of life.<sup>94</sup> If new member states with lower levels of social and economic development are included, these disparities could intensify. Access to healthcare, social services, and quality of life could vary significantly among member states, potentially leading to migration of individuals seeking better opportunities.<sup>95</sup> To mitigate this, efforts to ensure equitable access to essential services across all member states would be essential.

There are concerns about reduced upward social mobility for younger generations across the EU, and the inclusion of additional member states with diverse socio-economic backgrounds might magnify this issue.<sup>96</sup> Younger generations in less developed countries could face even greater challenges in achieving social mobility. Therefore, policies aimed at promoting education, skills development, and equal opportunities within all member states would be necessary to counteract this trend.<sup>97</sup>

Gender inequality remains a significant concern, with disparities in working conditions, pay, and unpaid household work.98 The inclusion of new member states could introduce varying levels of gender equality progress when it comes to the gender employment gap, the gender pay gap, pay transparency, and work-life balance.<sup>99</sup> Hence, it would be crucial to ensure that gender equality policies are implemented uniformly across all member states to prevent further widening of gender disparities.

Research highlights fraudulent work, self-employment issues, and challenges faced by posted workers.<sup>100</sup> The inclusion of new member states might introduce different labour market practices and working conditions.<sup>101</sup> Ensuring consistent labour standards and protections across all member states would be important to prevent scenarios where some states exploit rules and regulations to attract businesses.

Traditionally, income inequality in the EU was studied at the individual country level or by looking at country averages.<sup>102</sup> However, the focus is shifting to examining inequality across all citizens in individual EU member states.<sup>103</sup> The EU's economic integration and shared policies impact inequality, and this analysis is becoming more important given the economic and social challenges faced by the union. Using income survey data to compare EU-level inequality with other countries, findings show that inequality among EU citizens is lower than in the United States but slightly higher than in countries with established welfare models like Australia and Japan.<sup>104</sup>

- 96 Ibid.
- 97 Ibid. 98 Ibid.
- 99 Ibid.
- <sup>100</sup> Ibid.
- <sup>101</sup> Ibid.

103 Ibid.

<sup>94</sup> Ibid.

<sup>95</sup> Ibid.

<sup>&</sup>lt;sup>102</sup> Fischer, Georg, and Stefano Filauro. "Income Inequality in the EU: General Trends and Policy Implications." CEPR, April 17, 2021.

https://cepr.org/voxeu/columns/income-inequality-eu-general-trends-and-policy-implications.

<sup>20</sup> 

The EU's inequality is a combination of disparities within and between member states, and addressing within-country inequality requires coordination of policies and influencing market or taxbenefit strategies at the supranational level.<sup>105</sup> To mitigate between-country inequality resulting from different starting points, the EU focuses on convergence policies and redistribution mechanisms.<sup>106</sup> A study that examines data from the Statistics on Income and Living Conditions (EU-SILC) and employs the Gini coefficient to measure inequality, indicates that while EU-level inequality is lower than in some of the most unequal member states, it remains slightly higher than in countries with well-established welfare models.<sup>107</sup> Between-country inequality has been gradually decreasing since 2007 due to the economic convergence of newer EU member states with older ones. However, within-country inequality remains a key focus area to address overall EU-level inequality.<sup>108</sup>

Additionally, short-term EU inequality prospects are challenging due to the disproportionate impact of COVID-19 on employment incomes in economically vulnerable member states.<sup>109</sup> The EU's relatively redistributive tax-benefit system, which plays a role in reducing income inequality, is influenced by market incomes across member states and their relative positions in the EU distribution.<sup>110</sup>

#### **Concerns Around European Economic Integration**

The process through which European nations have come together to establish a uniform economic framework that encourages cooperation, collaboration, and the removal of obstacles to trade and investment among member states is referred to as European economic integration.<sup>111</sup> A single market has been created within the EU as a result of this integration, enabling the frictionless movement of goods, services, capital, and labour across national boundaries.<sup>112</sup> The member states' economies have been significantly impacted by the profound consequences and advantages of this integration.<sup>113</sup>

Many of the conventional barriers that prevented cross-border economic activity have been removed with the creation of the single market.<sup>114</sup> Trade restrictions such as tariffs, quotas, and other restrictions have been greatly lowered or eliminated, facilitating business access to new markets and customers.<sup>115</sup> In addition to facilitating trade inside the EU, this can also attract foreign investment due to the bigger and more appealing consumer base provided by the united market.

- <sup>107</sup> Ibid.
- <sup>108</sup> Ibid. <sup>109</sup> Ibid.
- <sup>110</sup> Ibid.

<sup>112</sup> Ibid.

<sup>105</sup> Ibid.

<sup>&</sup>lt;sup>106</sup> Ibid.

<sup>&</sup>lt;sup>111</sup> "Extension: What Is Regional Integration? - EU Learning." n.d. Carleton.ca. https://carleton.ca/ces/eulearning/introduction/what-is-the-eu/extension-whatis-regional-integration/.

<sup>113</sup> Ibid.

<sup>114</sup> https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:51996DC0520&from=SL

<sup>&</sup>lt;sup>115</sup> Ibid.

The creation of common standards and rules is an essential component of European economic integration.<sup>116</sup> Businesses operating in various member states now have an equal playing field thanks to the harmonization of legislation in areas like product safety, technical standards, and competition policy.<sup>117</sup> As a result, there is no longer a requirement to abide by several, frequently incompatible national regulations, which has decreased the cost of conducting business.<sup>118</sup> Additionally, it has increased customer confidence because, regardless of where they are produced, goods and services that adhere to EU standards are.<sup>119</sup> The Guardian has estimated a cost of approximately €250bn should the EU add nine member countries.<sup>120</sup>As a result, some EU nations are advocating for gradual membership while others find this idea random citing "membership is membership".<sup>121</sup>Furthermore, the EU is debating whether membership be granted by 2027 or 2030.<sup>122</sup> It's up to you to navigate these points of complexion as the committee reviews prospective members' requests.

In terms of economic growth and prosperity, the benefits of European economic unity are particularly clear.<sup>123</sup> Numerous EU countries have experienced economic growth thanks to the single market's increased trade, investment, and market access.<sup>124</sup> Due to increased competition brought on by the removal of trade barriers, efficiency and innovation can be increased. Since the integrated market offers a more stable and appealing business climate, it has also become easier to draw in foreign direct investment.<sup>125</sup>

#### **Monetary Issues**

The adoption of the Euro as the common currency in the Eurozone marked a significant milestone in European economic integration.<sup>126</sup> The Eurozone comprises the countries within the European Union that have chosen to replace their national currencies with the Euro.<sup>127</sup> This decision has brought about several benefits, including streamlined financial transactions, reduced currency risks, enhanced price transparency, and increased competitiveness within the region.<sup>128</sup>

<sup>116</sup> Ibid.

<sup>117</sup> Ibid.

<sup>&</sup>lt;sup>118</sup> Ibid.

<sup>&</sup>lt;sup>119</sup> Ibid.

<sup>&</sup>lt;sup>120</sup> O'Carroll, Lisa. "Adding Nine Countries to EU to Cost Existing Members More than €250bn." The Guardian, 4 Oct. 2023, www.theguardian.com/world/2023/oct/04/adding-nine-countries-eu-cost-existing-members.

<sup>&</sup>lt;sup>121</sup> Ibid.

<sup>&</sup>lt;sup>122</sup> Ibid.

<sup>&</sup>lt;sup>123</sup> Extension: What Is Regional Integration? Carleton.

<sup>&</sup>lt;sup>124</sup> Ibid.

<sup>&</sup>lt;sup>125</sup> Ibid.

<sup>&</sup>lt;sup>126</sup> "The Return of the Eurozone Crisis?" Intereconomics, vol. 2022, no. 5, 2022, pp. 272–272,

www.intereconomics.eu/contents/year/2022/number/5/article/the-return-of-the-eurozone-crisis.html.

<sup>&</sup>lt;sup>127</sup> "Eurozone Definition, History, Member Countries." Investopedia,

www.investopedia.com/terms/e/eurozone.asp#:~:text=As%20of%202022%2C%20the%20eurozone. Accessed 20 Sept. 2023..

<sup>&</sup>lt;sup>128</sup> European Union. "Benefits." European-Union.europa.eu, 2022, european-union.europa.eu/institutions-law-budget/euro/benefits\_en.

The ease of doing financial transactions is one of the Euro's most palpable benefits. When carrying out cross-border trade and financial transactions within the Eurozone before the introduction of the Euro, businesses and people had to deal with various currencies.<sup>129</sup> Transactions were more complicated and expensive due to currency conversion and exchange rate changes. With the Euro being used as the common currency, transactions can now be carried out smoothly without necessitating frequent currency conversions. This has enhanced efficiency in cross-border trade and investment by lowering transaction costs and administrative hassles.<sup>130</sup>

Currency risk refers to the uncertainty and potential losses associated with fluctuations in exchange rates.<sup>131</sup> By adopting the Euro, member states in the Eurozone have effectively eliminated currency risk among themselves.<sup>132</sup> This is particularly advantageous for businesses engaged in international trade and investment within the Eurozone, as they no longer need to worry about sudden changes in exchange rates affecting their profits or costs. This stability encourages businesses to engage in long-term planning, investment, and expansion across the Eurozone borders.<sup>133</sup>

The introduction of the Euro has also promoted price transparency and enhanced competition within the Eurozone.<sup>134</sup> When countries have their own national currencies, consumers and businesses often face difficulties in comparing prices across borders due to varying exchange rates.<sup>135</sup> With the Euro, price comparisons become straightforward, enabling consumers to make informed choices and encouraging businesses to offer competitive prices.<sup>136</sup> This increased transparency fosters healthy competition, which benefits both consumers and the overall economy by driving innovation and efficiency improvements.<sup>137</sup>

Furthermore, the Euro has boosted the competitiveness of Eurozone countries on the global stage. By sharing a common currency, these countries have eliminated the need for constant currency adjustments to maintain competitiveness.<sup>138</sup> Consequently, the EU provides a lower risk of competitive devaluations and a stable environment for businesses to plan and operate.<sup>139</sup> The elimination of currency risk and the facilitation of cross-border transactions have made it easier for businesses in the Eurozone to collaborate, trade, and invest, thus contributing to the region's economic growth and integration.<sup>140</sup>

133 Ibid.

<sup>136</sup> Ibid.

<sup>&</sup>lt;sup>129</sup> Ibid.

<sup>&</sup>lt;sup>130</sup> Ibid.

 <sup>&</sup>lt;sup>131</sup> "What Is Currency Risk? Definition and Explanation | Seeking Alpha." Seekingalpha.com, seekingalpha.com/article/4544644-what-is-currency-risk.
 <sup>132</sup> Ibid.

<sup>&</sup>lt;sup>134</sup> "The Return of the Eurozone Crisis?" 2022. Intereconomics 2022 (5): 272–72. https://www.intereconomics.eu/contents/year/2022/number/5/article/the-return-of-the-eurozone-crisis.html.

<sup>&</sup>lt;sup>135</sup> Ibid.

<sup>&</sup>lt;sup>137</sup> Ibid.

<sup>&</sup>lt;sup>138</sup> Ibid.

<sup>&</sup>lt;sup>139</sup> Ibid. <sup>140</sup> Ibid.

#### **Political Cooperation**

The development of a common market and a single currency as a result of economic integration has produced a distinctive setting where the economies of member states are closely intertwined.<sup>141</sup> This economic connectivity has logically permeated international policy as well.<sup>142</sup> As EU member states became aware of how intimately tethered their economic prosperity is to regional and global peace and stability, they understood the significance of a coordinated foreign policy strategy.<sup>143</sup>

The development of the EU's Common Foreign and Security Policy (CFSP) offers member states a framework for coordinating their statements and actions related to foreign policy.<sup>144</sup> By pushing member states to cooperate on diplomatic initiatives, dispute resolution, and crisis management, economic integration has strengthened political relations.<sup>145</sup> Most notably in the case of France and Germany, we see strengthened political cooperation.<sup>146</sup>

#### Case Study: EU Economic Integration Strengthening Political Ties Between Germany and France

• <u>Franco-German Relationship</u>: Germany and France's expanding economic links within the EU have cultivated a solid political alliance that includes collaboration on foreign affairs.<sup>147</sup> The Franco-German axis has had a crucial role in determining how the EU views international relations.<sup>148</sup> For instance, the two nations worked closely together to develop the Minsk agreements to end the crisis in Ukraine.<sup>149</sup> The fact that they are united in their diplomatic efforts shows how economic integration has made it possible for these nations to align their foreign policy goals and use their collective influence to advance peace and stability.<sup>150</sup>

<sup>&</sup>lt;sup>141</sup> Ibid.

<sup>&</sup>lt;sup>142</sup> Ibid.

<sup>&</sup>lt;sup>143</sup> European Commission. 2023. "What Is the Economic and Monetary Union? (EMU)." Economy-Finance.ec.europa.eu. 2023. https://economy-finance.ec.europa.eu/economic-and-monetary-union/what-economic-and-monetary-union-emu\_en.

<sup>&</sup>lt;sup>144</sup> "Common Foreign and Security Policy." n.d. Commission.europa.eu. https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/common-foreign-and-security-policy\_en#:~:text=The%20Common%20Foreign%20and%20Security.

<sup>&</sup>lt;sup>145</sup> Ibid.

<sup>&</sup>lt;sup>146</sup> Ibid.

 <sup>&</sup>lt;sup>147</sup> Poptcheva, Eva-Maria. 2015. "Briefing." https://www.europarl.europa.eu/RegData/etudes/BRIE/2015/568359/EPRS\_BRI(2015)568359\_EN.pdf.
 <sup>148</sup> Ibid.

<sup>&</sup>lt;sup>149</sup> Ibid.

<sup>&</sup>lt;sup>150</sup> Ibid.

- <u>Climate Change Efforts</u>: Germany and France now coordinate their efforts on environmental issues, particularly climate change, as a result of economic integration within the EU.<sup>151</sup> Both nations have actively pushed for aggressive climate targets and environmentally friendly regulations at the EU level. They have collaborated on projects like the European Green Deal, which aims to make the EU carbon-neutral by 2050, as a result of their common commitment to addressing environmental issues.<sup>152</sup> Germany and France may now pool their resources and expertise to advance sustainable environmental policy thanks to economic integration.<sup>153</sup>
- <u>Security and Defense Cooperation</u>: Economic integration has made it easier for Germany and France to work together on security and defence issues.<sup>154</sup> The Common Security and Defence Policy (CSDP) of the EU has given member states a framework for working together to address security issues.<sup>155</sup> As the two most powerful militaries in the EU, Germany and France have collaborated to build defence capabilities and joint military projects.<sup>156</sup> For instance, the European Intervention Initiative (EII) aims to strengthen European military crisis response capabilities.<sup>157</sup> This collaboration illustrates how economic integration has created the framework for stronger security linkages and coordinated defence initiatives.<sup>158</sup>

Germany and France provide an example of how economic integration has made Europe more cohesive and cooperative. Due to their mutual economic dependence, these countries' stronger political ties have made it possible to work together on a variety of non-economic policy issues. Shared gains from this collaboration include stronger diplomatic clout, more practical responses to global problems, and improved security. Aligning national interests, upholding unity in a varied EU, and resolving the concerns of smaller member states to ensure equitable collaboration are still issues.

156 Ibid.

<sup>157</sup> Ibid.

<sup>158</sup> Ibid.

<sup>&</sup>lt;sup>151</sup> European Council. 2022. "Tackling Climate Change in the EU - Consilium." Europa.eu. European Council. December 20, 2022. https://www.consilium.europa.eu/en/policies/climate-change/.

<sup>152</sup> Ibid.

<sup>153</sup> Ibid.

<sup>&</sup>lt;sup>154</sup> "A Stronger EU on Security and Defence | EEAS Website." n.d. Www.eeas.europa.eu. https://www.eeas.europa.eu/eeas/stronger-eu-security-and-defence\_en. <sup>155</sup> Ibid.

### State of Affairs Committee Start Date: 02-09-24

#### **Topic 1: Emerging Trade Routes in the Arctic**

The European Union Council convenes to address the implications of the emerging trade routes in the Arctic, specifically focusing on the Northern Sea Route. The following represents the current state of affairs:

- **Opportunity for Trade Expansion:** The melting of glaciers in the Arctic due to global warming has created the NSR, offering EU member nations a faster and more cost-effective route for international trade. This route has the potential to significantly reduce the cost burden on member nations and enhance their competitiveness in the global market.
- Ethical and Environmental Concerns: The utilization of the NSR raises ethical and environmental concerns. Indigenous communities residing in the Arctic region are vulnerable to the expansion of trade routes, as it may disrupt their well-being and traditional ways of life. There have been expressions of discontent from these communities, highlighting the need for responsible and accountable actions by the EU.
- Environmental Risks: The exploitation of the NSR carries environmental risks, including the potential for oil spills and damage to coastal areas. Historical incidents like the Deepwater Horizon Oil Spill and Ixtoc I Oil Well disasters serve as cautionary examples. Ensuring safety and environmental protection while using the NSR is a priority.

The EU Council recognizes the need to balance economic opportunities with ethical responsibilities and environmental sustainability when considering the use of emerging Arctic trade routes.

#### Topic 2: European Economic Integration and Inclusion of Additional Member States

The EU Council also deliberates on the possibility of further economic integration within the European Union and the inclusion of additional member states. The following represents the current state of affairs:

- <u>Free-Trade Success</u>: The European Union is known for its successful free-trade policies among its member nations, eliminating tariffs, quotas, and other trade barriers. These policies have promoted economic growth, political cooperation, and increased Foreign Direct Investments (FDI) among member states.
- <u>Interest in Membership</u>: Several nations are expressing interest in becoming EU member states, attracted by the benefits of free trade and closer economic ties. However, adding new members poses challenges, as not all countries have the same economic standing. Some may require proactive assistance from the EU, potentially imposing budgetary pressures.
- <u>Balancing Benefits and Burdens</u>: While expanding the EU has the potential for greater economic benefits, including increased competitiveness and FDI, there is a need to consider the financial implications and ensure that the burden on current member states is minimized or effectively managed.

The EU Council acknowledges the importance of maintaining the principles of free trade while carefully evaluating the economic and budgetary consequences of expanding its membership. Deliberations will focus on finding solutions that benefit both existing and potential member states.

### **Questions to Consider**

- 1. How effective are your policies in aiding climate change efforts when managing the Arctic routes?
- 2. Do your policies offer inclusivity for the Indigenous communities?
- 3. What cooperation tactics do your policies offer, in complying with non-EU nations when managing the NSR?
- 4. Do prospective member nations offer long-term growth for the EU? Or will they only be beneficial in the short-run?
- 5. How are current member states planning to manage the possible disparities which will arise post the addition of new member states?
- 6. Are current member nations willing to assist with political cooperation after the economic integration? Are they willing to forgo existing political tension with the prospective nations?
- 7. What do the case studies around economic integration help other current member nations devise and conclude?

### Tips for Research, Writing Position Papers, and the Conference

#### 1. Read the background guide!

a. While we unanimously agree it can be an intimidating document, it is ultimately a resource that helps you and gets you started. The more you relate your work to the background guide, the more on track you will be to making productive working papers and speeches!

#### 2. Use credible sources when researching and cite your sources!

a. We will be checking! Credible sources include scholarly articles, peer-reviewed papers, anecdotal work, UN/EU documents and resolutions, legal frameworks and legislations, etc. Do not feel limited by what you can and cannot research, but ensure that they are trustworthy and accurate! If you're not sure, email us and ask!

#### 3. Position papers should be no more than two pages.

a. Be concise when outlining your country's position.

#### 4. Adhere to your country's foreign policy in your position paper and in debate.

a. You are representing a unique nation with your own sets of values, beliefs, and political ideologies. The more you stay true to your character, the more productive and healthy debate will follow. As such, be careful who you form blocs with - they might disagree and that is okay!

#### 5. Always keep equity in mind!

a. We are dealing with some sensitive topics, so please be mindful of how you approach your country's political stance, even if it is relatively controversial. UTMUN strives to ensure the comfort of all Delegates, and you play a large part in that!

#### 6. Engagement is key!!

a. Model UN is only exciting when you talk, pass notes, form blocs, participate in writing bills, debate, etc. As intriguing as the topics may be, we still rely on you to make the conference lively, don't let us down!

#### 7. Trust your Dais.

a. We are experienced and heavily trained Model UN staff. If there is anything we can do, during the conference or otherwise, please let us know! If you are new to Model UN, please reach out to us and let us know how we can improve your UTMUN experience.

#### 8. Do not hesitate to seek clarification!

9. Please feel free to reach out to <u>eu@utmun.org</u> with any questions about these tips, the background guide content, or anything else relating to the conference

### **Key Resources**

#### To Know the EU:

- European Union <u>https://european-union.europa.eu/index\_en</u>
- The Arctic Institude <u>https://www.thearcticinstitute.org/the-arctic-institute-2023-series-</u> <u>european-unions-arctic-policy-final-remarks/</u>
- Global Gateway <u>https://www.politico.eu/article/global-gateway-if-not-now-when/</u>

#### High Seas Treaty:

- Oceans and Fisheries <u>https://oceans-and-fisheries.ec.europa.eu/news/win-ocean-high-seas-</u> treaty-signed-united-nations-2023-09 20\_en#:~:text=The%20agreement%20provides%20for%20the,fight%20climate%20change%2C
   <u>%20and</u>
- Guardian <u>https://www.theguardian.com/environment/2023/sep/15/five-amazing-ocean-</u> <u>sites-to-make-the-first-protected-high-seas-areas</u>
- France24 <u>https://www.france24.com/en/live-news/20230920-high-seas-treaty-moves-closer-to-reality-with-first-signatures</u>

#### For Economic Articles:

- Cost of Adding New Members <u>https://www.theguardian.com/world/2023/oct/04/adding-</u> <u>nine-countries-eu-cost-existing-members</u>
- Harvard International Review <u>https://hir.harvard.edu/eclipsed-again-russias-northern-sea-</u> route-will-have-to-wait/
- The Economist <u>https://www.economist.com/</u>
- Reuters <u>https://www.reuters.com/</u>
- Bloomberg <u>https://www.bloomberg.com/</u>
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