



CUIMUN XXIV

Study Guide

Council of the European Union



STUDY GUIDE

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Welcome Letter from the chairs

Dear Delegates,

We are delighted to welcome you to the Council of the European Union, meeting as the General Affairs Council at CUIMUN XXIV. We are very excited to be chairing this committee, meeting you all, and would like to thank you for choosing this Council to delegate in. It will surely be an incredible weekend of debating as you will meet, debate, and socialise with students from all over the European Union, and of course, the world.

You will be representing Foreign ministers or ministers responsible for European Affairs from the 28 European Union states in this committee, to find solutions to the two complex issues the Union faces now. We hope that exploring these two topics will be challenging for you, but also inspire you to come up with original ideas that bring the union together by representing their interests, while also being faithful to the interests of your country.

The study guide that we have written for you shall provide you with a general overview and discussion of the two topics we are debating over the weekend. The European Union faces broad, and multifaceted challenges, so we hope we have done our best in the guides to cover everything you need to know.

If you have any further questions during the lead-up to the conference about your position papers, or need more clarification on the guide, please reach us at cuimun.xxiv.coteu@gmail.com.

We are very excited to meet all of you, and hope you are looking forward to the conference as much as we are and we wish all the best with your preparation for this conference!

Yours,

Michelle Kazi, Director

Geoff Glover, and Bennett Nightingale, Assistant Directors

Introduction to the committee

The Council of the European Union, formerly known as the Council of Ministers, and not to be confused with the European Council or the Council of Europe, is one of the seven institutions of the European Union. The Council meets regularly in 10 different Council Configurations, each configuration specialises in a different subject. Our council will be sitting as the General Affairs Council.¹

The General Affairs Council is responsible for multiple policy areas, but also has a special coordination role as it is responsible for the Council of the European Union's institutional, administrative and horizontal matters. The Council discusses international matters and general policy matters, these can range the EU's budget plan, to the enlargement of the EU.

The main challenges the European Union faces, and its main priorities are highlighted in the Leaders' Agenda.² As the General Affairs Council prepares and follows up on the meetings of the European Council, the main focus for the GAC is based on the Leaders' Agenda. The following topics are on the current agenda:

- internal security
- migration
- future trade policy
- multiannual financial framework
- single market

The topics for our Council, "The future of the European Monetary Union" and "Enhancing EU-NATO cooperation in the Mediterranean region", both fall under the focus of the Leaders' Agenda, and are very relevant to the challenges faced by the European Union currently.

The European Commission drafts a proposal for a directive, as is common in the EU, and that proposed directive has to be passed by both the Council of the European Union and the European Parliament, who represent the interests of the member states and the European people respectively. Thus, we are simulating the work of the Council of the European Union. Whilst in reality the European Commission also helps to draft the directives written by the Council, we will allow the Council to come up with its own solutions in a draft to be composed during our debates.

The majority of the time in the Council is spent in informal negotiations, and then debating in a more formalised manner when there are proposals ready. We will attempt to replicate this

¹ European Council, Council Configurations, <http://www.consilium.europa.eu/en/council-eu/configurations/>

² European Council, Leaders Agenda, <https://www.consilium.europa.eu/en/policies/tallinn-leaders-agenda/>

the best we can, while still adhering to Model United Nations debating rules of procedure. We will allow for extra time when it comes to unmoderated caucuses, and also entertain a Q&A style session if needed in the unmoderated caucuses if there is clarification needed from a specific country or for a particular topic. This will avoid going in circles during moderated caucuses.

The voting procedure in the Council is different to most committees one comes across in Model UN, and a bit peculiar as the committee shall use various voting methods. Depending on the issue, the Council makes its decisions by:

- simple majority (15 member states vote in favor)
- qualified majority (55% of member states, representing at least 65% of the EU population, vote in favor)
- unanimous vote (all votes are in favor)

The Council can only vote if a quorum is present, and members are allowed to act on behalf of one other member if they are not present (During the conference, this rule will be permitted at the directors' discretion). All procedural votes will require simple majority, and all substantive decisions of the Council require qualified majority.³ A Qualified Majority is achieved when at least 55% of member states, which represent 65% of total EU population vote in favour. It is worth noting that an abstention in QMV is counted as a vote against. We will be using the official calculator of the Council for all substantive votes.⁴

It is only when the Council is not making legislative decisions, will a unanimous vote be allowed; this is usually when a member wants their statement included in the minutes of the meeting, for our case, this will be permitted for perambulatory clauses in our draft.

³ European Council, "Qualified majority", <http://www.consilium.europa.eu/en/council-eu/voting-system/qualifiedmajority/>

⁴ European Council, "Voting calculator", <http://www.consilium.europa.eu/en/council-eu/voting-system/votingcalculator/>

Topic A: The future of the European Monetary Union

1. Introduction

The future of the European economic project has become a highly contested subject in the shadow of the sovereign debt crisis of 2009 that gripped the European Union. The crisis, coming hot on the heels of the 2008 Global Financial Crisis, posed a serious risk to the health of the whole global economy. For a period, the continued existence of the euro was an open question.

This study guide seeks to outline the history of the European Monetary Union, the issues it has faced—especially the debt crisis of the early 2010’s—and the progress that has been made towards stabilising the project. The task of the committee will be twofold: firstly, delegates should seek to gain an understanding of the fundamental structure and issues of the currency union, bearing in mind the causes and the steps that have been taken since 2012 to reduce the risk of the crisis repeating itself. Secondly, having understood that the reform of the currency union is an ongoing process, delegates should look to the future of the currency union.

2. Timeline of Events

The following section will first explore the conception and the initial implementation of a European monetary union. It begins by outlining the shape of economic cooperation, as the founders of the Communities saw it, and the steps taken to create and implement closer economic integration. The discussion then moves onto the Maastricht Treaty, the foundational treaty that established the monetary union as we understand it. The 2008 Great Recession and the 2010 sovereign debt crisis will also be explored in the following section. A brief timeline will summarise the history at the end of the section.

a. The Foundations of the Monetary Union, 1929-1988

The concept for a unified European currency long predates the establishment of the European Communities. For instance, at the League of Nations in 1929, Gustav Stresemann suggested the idea to offset the economic division and imbalances that resulted from the creation of multiple new states after World War I.⁵ However, the idea for greater European integration gained greater traction in the aftermath of World War II. The war, caused largely due to Franco-German antagonism, was the deadliest in human history. Casualty estimates vary between 50-80 million.

⁵ Societe des Nations, Journal Officiel, Actes de la Dixieme Session Ordinaire de l’Assemblee, Stresemann, G. (1929), Geneva:
http://ec.europa.eu/archives/emu_history/documentation/chapter1/19290909fr06speechofgustavstresemann.pdf

Thus, the creation of the European Economic Communities sought to intertwine their economies to reduce competition and, as a result, make war unthinkable.

There were originally various conceptions as to what shape economic integration would take. An early example was the Werner Report published in 1970. Named after Luxembourg Prime Minister Pierre Werner, the report called for the “centralisation of member states’ macroeconomic policies”, which entailed, for instance the “total and irreversible fixing of (currency) parity rates and the complete liberation of movements of capital”.⁶ Note that neither a central bank, nor a unified currency were proposed. However, attempts implement a plan to limit currency fluctuations failed when US President Richard Nixon removed gold backing from the US dollar, which caused the Bretton Woods system (the post war monetary order that governed commercial relations among states) to collapse. This led to monetary integration as a stalling mechanism towards the end of the 1970’s.

The project gained new momentum in 1979. First, the creation of the European Monetary System (EMS) fixed exchange rates to the European Currency Unit (ECU), an accounting currency, to stabilise exchange rates and counter inflation. In 1986, the Single European Act- an amendment to the Treaty of Rome, the founding document of the European Union- formalised political cooperation within the Communities and included six new areas of competence. Chiefly for our purposes, one of these competencies addressed monetary cooperation, which was the focus of the European Council summit at Hanover in 1988. This summit drew the political lines that we have become familiar with; France, Italy, and the European Commission backed a full monetary union backed by a central bank. Britain under Thatcher’s leadership opposed this plan.

b. Founding the Euro: the Maastricht Treaty, 1988-2002

The Treaty of Rome (formally the Treaty on the Functioning of the European Union), which established the European Communities in 1957, and the Treaty of Maastricht (formally the Treaty of the European Union (TEU)) are the two treaties that underpin and give constitutional form to the European Union. The treaty entered into force in November 1993 during the Delors Commission and formalised the “three pillars” structure of the Union, and created the euro, the single European currency. The Maastricht Treaty, and all other pre-existing treaties, have since been amended by the Treaty of Amsterdam (1997), the Treaty of Nice (2001), and most recently, the Treaty of Lisbon (2009).

The Maastricht Treaty was essentially the adoption by member states of the First Delors Commission’s recommendations towards furthering European integration. This was to take place through a three-step plan spanning the decade. The plan is outlined below:

⁶ Financial Times, The history of the Euro, 2001, Accessed: 14/08/2018, <https://web.archive.org/web/20010928182920/http://specials.ft.com/euro/FT3O9H0O2PC.html>

1. 1990-1994: The completion of the free market, namely through the introduction of free movement of capital.
2. 1994-1999: The creation of the European Central Bank (ECB) and the European System of Central Banks (ESCB). Member states would work towards economic convergence in this period also.
3. Fixing exchange rates and launching the euro.⁷

Finally, the Treaty established the Maastricht convergence criteria for European states to accede to the final stage of the European Monetary Union and adopt the euro as the national currency. The criteria are a set of economic parameters that prospective countries must follow to maintain price stability within the Eurozone when the new state adopts the currency. Greece became the first country to adopt the euro after its introduction in 2001. We will return to the convergence mechanism in the following section. For a project this ambitious, the currency's launch was a smooth affair. All ATMs in seven countries were issuing euros by 2nd January, as were 90% of ATMs in four others. Italy was most problematic where only 85% were issuing euros versus the legacy currency.⁸ Despite an early slump in the value of the currency in January 2002 (closing at \$0.8115 on the 15th), there was a rapid recovery, with its value closing just below \$1.00 on the 6th November 2002 (\$0.9971). As the currency strengthened, its importance grew rapidly. It grew rapidly as a foreign exchange reserve currency, starting at 18% in 1999 to 25% in 2003. Today, despite its issues, it remains the world's second reserve currency after the USD.

c. Crisis Era: 2008- Present?

The financial crisis:

With the collapse of Lehman Brothers in 2008 triggering the financial crisis and the subsequent Great Recession (2009-2012), significant cracks appeared in the Eurozone architecture that threatened the continued existence of the currency, and with it the European project itself. The Eurozone was in economic recession (i.e. negative growth) between the second quarter of 2008 and the first quarter of 2009 before returning to growth thereafter (although certain countries remained in recession for longer).

The Lisbon Treaty (2009) formalised the Eurogroup, the meeting of the member states' finance ministers, and, recognising the severity of the crisis in the US, began to cooperate on economic matters more closely than before due to fears of the potential failure of weaker economies in the union. Before this formalisation, the finance ministers met as heads of states in an extraordinary

⁷ The history of the Euro, European Commission, accessed: 17/08/2018 at https://ec.europa.eu/info/about-european-commission/euro/history-euro/history-euro_en

⁸ BBC News, "Euro cash launch 'tremendous success'", accessed: 19/08/18 at: <http://news.bbc.co.uk/2/hi/business/1739966.stm>

summit in Paris on 11th October 2008 where a plan to stabilise the European economy, in tandem with the ECB, was agreed. What is remarkable is the level-headedness of the response to the financial crisis; a joint rescue plan was agreed for the banks to head off a feared meltdown by the leaders of members. Furthermore, the ECB injected €500bn into the banks in June, decreasing the potential for a liquidity crisis. The rapid response and the cooperation between member states strengthened the currency union, with the euro becoming a safe haven to members outside it, such as Iceland, having suffered greatly, which put in an application to join the union in 2009.⁹

The debt crisis:

The debt crisis arose for a number of reasons. However, it is generally accepted that it came about because of the 2008 financial crisis and its consequences. In early 2009, the Greek government revealed that their predecessors had woefully mismanaged the country's finances, borrowing heavily at an artificially low interest rate, leading to a disproportionate budget deficit and violating EU rules. Greece was able to borrow this much because the monetary union has only one monetary policy, and therefore only one interest rate. Germany, the strongest economy in the eurozone, was the reason so many countries could borrow at a much lower interest rate. These higher than expected deficits eroded investor confidence, causing bond (debt issued by governments promising to repay money at a fixed interest rate at a specified date) spreads to rise to extremely high levels. Moreover, investors became alarmed at the prospect of multiple countries having lied about their deficits, spreading a fear and threatening a domino-effect devaluation of the euro. Another related reason the crisis occurred was because the borrowed money was used to finance construction projects, creating property bubbles, such as in, but not limited to Spain.

Thus, this cheap credit was unable to be repaid. Once the issues with Greece's debt were made known, fears were stoked, and several other states had their debt downgraded, the crisis thus spreading to Ireland and Portugal.

Greece, Spain, Ireland, Portugal, and Cyprus were thus unable to repay or refinance their sovereign debt, and did not have the ability to bail out their banks that were facing collapse, third party institutions- the IMF, the ECB, and the European Financial Stability Facility (EFSF) had to step in. This latter was created by 17 Eurozone states to address the debt crisis. It also, importantly, represents a U-turn on a key Maastricht Treaty provision of "no bailouts". However, with Greece and numerous other countries facing financial collapse, the EFSF was necessary to preserve the financial stability of the entire monetary union. In 2010, with investors demanding higher interest rates from states with high debt-to-GDP ratios made it even harder to repay those

⁹ The Guardian, 2009, "Iceland to be fast-tracked into the EU", accessed 22/08/2018 at: <https://www.theguardian.com/world/2009/jan/30/iceland-join-eu>

debts, leading to a loss of confidence in the leadership of some, most notably Greece. The then-PASOK government collapsed, leading to the election of the left-wing party Syriza.

Yet, the very architecture of the Eurozone hamstrung leaders' abilities to respond to the crisis. The monetary union does not include fiscal union. EU rules limited the use of expansionary fiscal policy (i.e. government spending to stimulate growth), and thus, states had to undertake severe austerity measures. In Greece especially, bailouts were conditional on structural reforms—for instance, increased taxes, reduced government spending, cutting of pensions—greatly disrupting economic life and deepening the economic recession. Austerity measures created intolerable unemployment levels, and even in 2018 it remains approximately 20%.¹⁰ To prevent a Greek default and the possible collapse of the euro, the “Troika” (the ECB, European Commission, and the IMF), agreed a €130bn bailout package in 2012, conditional on further harsh austerity measures, and restructured Greek debt, primarily by having private debt holders (banks, insurers) “voluntarily” accept bond swaps with an approximate 54% write-off, but at lower interest rates. A highly technical solution, it allowed Greece to effectively “default” on its debt in an orderly manner. This was the second bailout package that Greece received, but it required several more.¹¹

Greece was not however the only country needing a bailout. Ireland's crisis arose out of the government guaranteeing the banks, the latter which had financed a property bubble. When it burst, Irish banks lost an estimated €100bn to defaulted loans to property developers and homeowners. The economic impacts are hard to overstate: unemployment rose from 4% in 2006 to 14% in 2010, and the national budget, initially in surplus in 2007, rose to 32% of GDP in 2010.¹² A bailout of €67.5bn was required to support the failing financial sector. Ireland managed the crisis extremely effectively and was able to return to financial markets in July 2012, selling over €5bn in long-term government debt at a 5.9% interest rate. In December 2013, Ireland ended its bailout program on schedule without needing further financial support. Spain, Portugal, and Cyprus also required bailouts (notably Spain's was earmarked for bank recapitalisation, not to finance the government) due to structural imbalances in their government debt, but all states exited the bailout mechanism, the former two by 2014 and Cyprus by 2016. All have made significant strides towards economic recovery.

In summary, the debt crisis is at best a managed, but as of yet unsolved, problem. What is laudable is the rapid response of both the Union and national governments to address the issue, although the solutions imposed have been criticised. These include the fact that the taxpayer bore a heavy burden to bail out the banks, the austerity measures that in many cases deepened

¹⁰ Trading Economics, “Greece unemployment rate”, accessed 22/08/18 at: <https://tradingeconomics.com/greece/unemployment-rate>

¹¹ Investopedia, “European Sovereign Debt Crisis”, accessed 23/08/2018 at: <https://www.investopedia.com/terms/e/european-sovereign-debt-crisis.asp>

¹² CIA World Factbook, “Europe: Ireland”, accessed 23/08/2018 at: <https://www.cia.gov/library/publications/the-world-factbook/geos/ei.html>

economic recessions, and that the necessary reforms are still incomplete due to a lack of political will. Much credit must be given to the ECB for stepping up and stabilising the financial system, such as guaranteeing free, unlimited support for all eurozone countries involved in a ESFM/ESM bailout program.¹³

d. Full timeline of events¹⁴

April 1951	Treaty of Paris establishes the European Coal and Steel Community.
March 1957	Treaty of Rome signed, establishing the European Economic Community (EEC) and the European Atomic Energy Community (Euratom).
Oct. 1970	Publication of the Werner Report. The report recommends centralising member states' macroeconomic policies, but not unifying currency.
1971- 1973	Breakdown of the Bretton Woods system. President Nixon detached the USD from gold, causing widespread currency floats and devaluations, resulting in a significant setback to the aspiration towards a European monetary union.
March 1979	The European Monetary System (EMS) is created; it was designed to stabilise the exchange rates of national currencies and counter inflation.
Feb. 1986	Single European Act signed. This modified the Treaty of Rome thus formalising political cooperation between member states in six different competencies, including monetary policy.
Feb. 1992	Maastricht Treaty signed. The Treaty was an indication of a far more ambitious plan for European integration because it set a firm date for the replacement of national currencies by the Euro: January 1999.
June 1992	Denmark voters refuse to ratify the Treaty of Maastricht by referendum. After the UK exits the Union, Denmark will be the only member state with a permanent opt-out of the euro.
17 Sept. 1992	Pound sterling is suspended from within the Exchange Rate Mechanism (ERM) following a series of currency shocks related to factors such as the ongoing reunification of Germany. The UK officially withdraws from the mechanism after sterling falls below its floor against the Deutschmark.
21 Sept. 1992	French voters vote "yes" by a margin of 50.8% in what was then called the "petite oui". Uncertainty over this vote contributed to currency volatility, the reason that the sterling was expelled from the ERM.

¹³ European Central Bank, 2012, "Technical features of Outright Monetary Transactions", accessed 23/08/2018 at: http://www.ecb.europa.eu/press/pr/date/2012/html/pr120906_1.en.html

¹⁴ Financial Times, 2001, "The history of the Euro", accessed 23/08/18 at <https://web.archive.org/web/20010928182920/http://specials.ft.com/euro/FT3O9H0O2PC.html>

Jan. 1994	European Monetary Institute, later the European Central Bank, meets for the first time.
Jan. 1995	European Union expands: Austria, Finland, and Sweden join.
June 1998	European Central Bank established. At the time, its exchange rate policy was uncertain leading analysts to foresee volatility in the single currency. In time, the role of the ECB would grow, and would eventually play a pivotal role in the aftermath of the debt crisis.
Jan. 1999	Euro is launched, climbing to \$1.19 in its first trading day.
Dec. 1999	Single currency falls below dollar parity.
25 Sept. 2000	G7 stands firm on euro. Leading central banks intervene to support the currency.
29 Sept. 2000	Denmark says “no” to single currency, a blow to the monetary union.
1 Jan. 2001	Greece joins the eurozone.
15 Sept. 2008	The bank Lehman Brothers files for Chapter 11 bankruptcy. Over \$600,000,000,000 were held by the bank. This event precipitates the collapse of the US financial system, with its effects rippling throughout the global economy and placing enormous strain on the eurozone. The world enters the Great Recession (2008-2012), the worst economic crisis since the Great Depression
2009	Greek government reveals that its predecessors had significantly misrepresented previous government debt levels triggering the Greek debt crisis.
2010	European nations implement support mechanisms, including the European Financial Stability Facility, and the European Stability Mechanism. Ireland, Portugal, Spain, and Cyprus receive bailouts.
July 2014	Ireland and Portugal exit their bailout programs. Greece and Cyprus partly regain access to financial markets by the end of the year.
Aug. 2016	Bailout program officially ends for Greece.

3. Discussion

As above, the European Monetary Union is the most complex and ambitious international agreement that has ever been undertaken. The product of 60 years of work, it has thus far endured and even thrived under extremely adverse conditions. It has constantly confounded critics that have continuously predicted its collapse, and remains the world's second reserve currency, servicing some 330 million European citizens every day. Yet however remarkable it is, critics are right to point out glaring problems, which include inadequate political will to undertake necessary reforms, a democratic deficit, and, as of 2018, a sluggish recovery bordering on stagnation. This section will explore the current Zeitgeist surrounding the future of the euro. Delegates are encouraged to undertake their own further research that builds on the following cursory overview.

a. Reforming the Monetary Union: an overview

The understanding that the Monetary Union needs to be reformed is not a new one. Numerous concerns arising from simple economic logic and basic facts were obvious from the beginning. Indeed, Begg pointed out as early as 1998 that a lack of centralised banking supervision and an absence of clear responsibilities in crisis management would make the eurozone vulnerable to external shocks (at this time referring to the 1997 Asian Crisis).¹⁵ In the “Five Presidents Report”, co-authored by Juncker (the Commission President), Tusk (the Council's President), Dijsselbloem (Eurogroup President), Draghi (Head of the ECB), and Schulz (President of the Parliament), they acknowledge that the Monetary Union is “like a house that was built over decades but only partially finished”. To weather the crisis, the roof and walls were constructed in a rush to weather a financial storm, but to complete the project, the foundation needs work.¹⁶

Fortunately, the Monetary Union is far more robust than it was at the start of the sovereign debt crisis. Central governance is now in the hands of the central bank. The ECB is now indisputably the central authority governing the union, with the crisis as an impetus in creating new tools. One such innovation is the “Outright Monetary Transactions” system, whereby the ECB has the power to buy government debt when member states apply for economic relief in a crisis. This signals that the central bank is willing to intervene against financial collapse, disincentivising investors from betting against a country.¹⁷ Furthermore, a rescue fund was created, discarding the Maastricht Treaty's provision of “no bailouts”, the European Stability Mechanism. Finally, there are the beginnings of a banking union, a subject which be explored in further detail later.

¹⁵ VoxEU, 2016, “How to fix the Eurozone: Views of leading economists”, accessed 23/08/18 at: <https://voxeu.org/article/new-voxeu-ebook-how-fix-eurozone>

¹⁶ Juncker, J-C., Tusk, D., Dijsselbloem, J., Draghi, M., and Schulz, M. “Completing Europe's Economic and Monetary Union”, European Commission, 2015, p.4

¹⁷ Bloomberg, 2018, “Europe's Monetary Union is Still Unfinished Work”, accessed 23/08/2018 at: <https://www.bloomberg.com/view/articles/2018-06-25/europe-s-monetary-union-is-still-unfinished-work>

b. Threats to the European Recovery

These first two improvements however are, at best, reactive. They are tools to be used in case a crisis strikes. However, what the Eurozone requires is a system to absorb economic shocks more effectively and prevent recessions from becoming union-wide threats to the existence of the currency. Much of the current recovery can be attributed to a general cyclical upswing in the global economy, hence why the union-wide, growth remains a sluggish 2% as of 2017. As Tilford argues, in its current form, the Union is at the mercy of this economic cycle. Currently, all members, bar Greece, are sharing in a broad-based economic recovery (i.e. growth based on consumption and investment), but its continuation depends on the duration of the current upswing, and the depth of the next crisis. If growth continues for the foreseeable future, national governments will have the fiscal space to boost spending and the ECB will have had time to raise interest rates from their current record lows and subsequently lower them to increase investment. On the other hand, if the opposite is true then governments will lack this space and the ECB will be unable to lower rates. Hence, this slightly optimistic outlook can be threatened by both external and internal threats. Examples of external threats include: a loss of confidence in the USD due to President Trump's trade policies, or a serious economic crisis in China which will have implications for the European economy, as well as the potential collapse of the Brexit negotiations. Internal threats can also derail the recovery, for example Italy's populist government calling a referendum on membership of the euro, or, more likely, premature tightening of monetary policy.¹⁸

c. Managing economic shocks

The prevention of economic crises is generally a futile affair. In the European case, if they occur in an outside economy there is little that can be done to prevent it. One example that comes to mind is the current Chinese states' heavy debt burden and developing housing bubble. Within the Union however, there is room to ensure that good governance prevails at a national and European level, as well as maintaining fair and efficient public administrations. In the Greek case, the state was overwhelmed with debt due to the large number of government jobs and an inefficient tax collection regime. However, the greater test for the Monetary Union is not whether it can prevent crises, but whether it can manage them.

The "Five Presidents Report" is informative. It provides a detailed plan to bring European economies closer together in an effort to plug the holes in the euro's architecture. The impact of economic shocks, in a word, must be shared.

c. i. Short and medium term

Reforms that focus on the short-term are effectively already present. The integration of financial and capital markets is an idea advanced that is currently being debated as of the election of

¹⁸ Tilman, S., 2017, "Is the Eurozone Really out of the Woods?", Centre for European Reform, accessed 23/08/2018 at: <https://www.cer.eu/insights/eurozone-really-out-woods>

Emmanuel Macron, the French President. This, in practice, means deepening the existing customs union to tie European economies even closer. This would be supported by bolstering the ECB's role into becoming a true lender of last resort, and by completing the banking union. This latter union entails transferring the responsibility of banking policy upwards, from the national to the European level. The crisis demonstrated that European banks held too much sovereign debt, and they gained even more because of the transfer of private debt (that arose as a result of property bubbles) to sovereign debt as a consequence of the bailouts. In its current form, the Banking Union consists of two pillars: The Single Supervisory Mechanism, and the Single Resolution Mechanism, which in tandem create a single European regulatory framework.¹⁹ As of 2016, all eurozone members participate in the Single Resolution Mechanism. In the medium term, as European economies converge towards best practice standards, public risk-sharing needs enhancing through a mechanism for fiscal stabilisation to ensure the longevity of the currency.²⁰

c. ii. Long term solutions

The Presidents Report states a two-stage, long term roadmap to resolve the problems in the euro.

Stage 1:

1. A true economic union, not only a monetary one, to address issues that were not prioritised previously such as employment and social welfare;
2. A financial union to ensure risk-sharing with the private sector across the Eurozone (the Banking Union, a common Deposit Insurance Scheme, improving the Stability Mechanism) to prevent taxpayers in one country bailing out the banks of another;
3. A fiscal union consisting of a new Fiscal Advisory Board, an independent, European-level body to assess national budgets against European economic objectives;
4. A “political union” to provide democratic legitimacy and accountability in the implementation of the previous three. Measures would include more regular consultations between commissioners and national parliaments, and a greater role for the European Parliament.

Stage 2 focuses on the more technical aspects of the unions in Stage 1, summarised below:

1. Economic Union: formalise and make binding the convergence process
2. Fiscal Union: Create macroeconomic stabilisation function for the eurozone, i.e. grant the Eurozone fiscal decision-making powers reserved for national governments, e.g. tax.
- 3.** Political: Integrate the ESM into EU law and set up a European treasury that is politically accountable at the European level.

¹⁹ European Commission, 2014, “A comprehensive EU response to the financial crisis: substantial progress towards a strong financial framework for Europe and a banking union for the eurozone”, accessed 23/08/18 at: http://europa.eu/rapid/press-release_MEMO-14-244_en.htm

²⁰ Juncker, J-C., Tusk, D., Dijsselbloem, J., Draghi, M., and Schulz, M. “Completing Europe’s Economic and Monetary Union”, European Commission, 2015, p.4

4. Bloc Positions

PIIGS Countries

The term PIIGS was coined after the 2008-2009 financial crisis for the five weakest Eurozone countries, Portugal, Italy, Ireland, Greece and Spain. These five countries have historically been financially unstable, and struggled to pay off debt, and have been granted massive fiscal bailouts. The inability to cope with financial crises keeps the future of the European Monetary Union unstable, and finding higher stability is a key interest for these countries, as well as increasing employment rates and stabilising their economies. Greece, Spain and Italy, even now, have the top three highest unemployment rates in the EU, in that order.²¹

Franco-German bloc

While national differences between the two nations are less pronounced when it comes to national growth-increasing policies, there are differences between German and French policy concerning the future of the euro zone: the desirability of a strong ECB role, mutual guarantees through Eurobonds and fiscal constraints like those of the Fiscal Compact. The leaders of France and Germany both agree that the Eurozone needs a budget, and that there need to be crisis-proof reforms in the Union.²² However, Germany presses for more financial discipline, with hopes of transforming the bailout fund, the European Stability Mechanism (ESM), into a full-fledged and independent “European Monetary Fund”; France wants to increase risk sharing, with Macron pushing for a Eurozone finance minister who would manage the common budget proposed.²³

Non-Eurozone countries

Out of the twenty-eight EU nations, nine are not in the Eurozone. While UK and Denmark may be exempt from the Maastricht treaty, and Sweden refused the euro in 2003 referendum, the other countries have to enter the euro after meeting the convergence criteria. However, because adopting the euro would mean giving the nation’s monetary sovereignty to the ECB which sets monetary policies for the entire euro area, along with a precipitous economic climate in Greece, serious and endemic structural problems across the Mediterranean, Eastern European countries who once appeared enthusiastic to join the Eurozone.²⁴ A more stable euro would expand the Eurozone to this region.

²¹ EUOBSERVER, Greece, Spain and Italy have EU's highest unemployment
<https://euobserver.com/tickers/142992>

²² Reuters, Merkel, Macron back eurozone budget in “new chapter” for bloc <https://www.reuters.com/article/us-germany-france-eurozone/merkel-macron-back-euro-zone-budget-in-new-chapter-for-bloc-idUSKBN1JF1L8>

²³ Politico, France and Germany agree on Eurozone reform <https://www.politico.eu/article/french-german-economists-launch-their-own-eurozone-plan/>

²⁴ Panam Post, Why the Czech Republic Is Unlikely to Adopt the Euro Any Time Soon,
<https://panampost.com/david-unsworth/2017/08/01/czech-republic-unlikely-adopt-euro>

5. Conclusion –Key Issues

While the Euro can be hailed as one of the European Union's strongest achievements, it is far from perfect, and in need of great reforms; this not only requires economic cooperation from the EU nations, but political and social cooperation as well. To further the efforts of the Council of the European Union, delegates will need to answer the following questions at our session:

- Has the Council of the European Union done enough through the passing of directives and regulations to strengthen the monetary union? How can we bolster the strengths and overcome the weaknesses of the Council's mode of operation?
- How can the euro be strengthened to avoid external shocks, such as the 2008-2009 financial crisis? Will a centralized bank be the key to this issue?
- What systems can be put into place to absorb economic shocks more effectively and prevent recessions from becoming union-wide threats to the existence of the currency?
- What measures can be taken to finalize the banking union? Is having a EU wide budget going to help? What forms of budgetary disciplines can therefore be introduced?
- How can the Eastern European Countries join the Eurozone, while, keeping the Euro stable, and not losing too much financial sovereignty? Could advancing structural reforms make a better functioning monetary union?
- Could the Economic and Monetary Union become more social and focus on upward convergence?

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Topic B: Enhancing EU-NATO cooperation in the Mediterranean region

1. Introduction

Throughout history, the Mediterranean has been fought over for its strategic and economic value. Romans, Persians and Greeks alike have lost and won battles over controlling vital trade routes and strategic positions in the Mediterranean. Today, the European Union considers the Mediterranean, Europe's "Southern-Front", to be an area of vital importance. Numerous growing terrorist, military and migrant problems within the Mediterranean Sea and countries on the Mediterranean pose significant threats to the stability of the European Union. Cooperation with NATO in the Mediterranean region has increased rapidly in recent years. Significant problems face the future of EU-NATO cooperation on both a political and operational level. It is your task as delegates of the Council of the European Union to reflect and decide the future of EU-NATO cooperation in the region.

The Mediterranean region presents a number of problems for the European Union, and the EU has increasingly sought to cooperate with its NATO allies to solve such problems. In Libya, increasing chaos in the country allowed ISIS to gain control of the coastal town of Sirte in 2015, consequently acquiring access to a 100km stretch of coastline.²⁵ Although ISIS soon lost control of the town, the instability within Libya has led to waves of refugees crossing the Mediterranean into nearby Italy. The dangerous journey has caused a subsequent humanitarian crisis in the region, which the EU and NATO have taken joint action to solve.²⁶ This, coupled with security concerns over the growing Russian presence in the Eastern Mediterranean and a sluggish state building process in post-Dayton Bosnia, the EU faces a host of problems on its "Southern Front".

Rather than presenting just a summary of security/humanitarian problems in the Mediterranean however, this study guide will attempt to place these problems in the context of how the EU and NATO operate more broadly. In particular, the guide will point out that the deadlock and poor institutional cooperation between the two organizations on a political level, often creates problems for operations in the field. Indeed, in order to decide the "future" of EU-NATO cooperation in the Mediterranean, we must be clear of the problematic relationship the two organizations have at a much broader level.

In discussing these issues, this guide should only be used as a foundation for future research, and should not be considered exhaustive.

²⁵ Wintour, P., (2016), Isis loses control of Libyan city of Sirte, Guardian, <https://www.theguardian.com/world/2016/dec/05/isis-loses-control-of-libyan-city-of-sirte>

²⁶ Græger, N., (2016), NATO's Role in the Refugee Crisis: Building Bridges with the EU, European Futures, <http://www.europeanfutures.ed.ac.uk/article-3187>

2. Timeline of events

The following section will set out a timeline which outlines the growth of EU-NATO cooperation as well as the emergence of security/humanitarian problems in the Mediterranean.

1992 – Early developments of a European security policy can be found in the Petersberg Declaration signed by the Western European Union (WEU).²⁷ The WEU, a separate organization to the EU, is granted power to conduct so-called “Petersberg Tasks”, allowing members to conduct small-scale military operations in areas of humanitarian services, post-conflict stabilization, and military advice/assistance operations.

1999 – The Treaty of Amsterdam is adopted by the European Council. This institutionalizes the notion of “Petersberg Tasks” in Article 1 of the Treaty²⁸. This signals the transfer of WEU competences to the EU, and the beginning of the European Security and Defense Policy (ESDP).

1999 – The Cologne Summit further expands on these developments, and under certain instances allows the EU to draw on NATO assets for military operations.²⁹ This marks the beginning of negotiations which lead to the Berlin Plus agreements later signed in 2003.

January 2001 – The Council of the European Union moves to create a permanent Military Staff. This draws on a number of NATO assets as later outlined in the Berlin Plus Agreements.

December 2002 – The signing of the landmark NATO-EU Declaration on the ESDP paved the way for the Berlin Plus Agreements and recognized in the necessity of EU-NATO cooperation³⁰

March 2003 – After years of negotiations between HR Javier Solana and the then-NATO Secretary-General Lord Robertson, the EU and NATO agree to institutionalise cooperation, most importantly allowing the EU to draw on NATO military assets.³¹ However, it has been criticised for being a “straitjacket”, as well as limiting the potential for an autonomous EU military agenda.

March/April 2003 – The first EU-led military mission, Operation Concordia, is launched in Bosnia & Herzegovina. Conducted using NATO assets, this marks the beginning of a

²⁷ Western European Union (1992), Petersberg Declaration, <http://www.weu.int/documents/920619peten.pdf>

²⁸ European Union, (1999), Treaty of Amsterdam, European Parliament: <http://www.europarl.europa.eu/topics/treaty/pdf/amst-en.pdf>

²⁹ European Union External Action Service (2017), Shaping of a Common Security and Defence Policy, EU, <https://eeas.europa.eu/topics/common-security-and-defence-policy-csdp/5388/shaping-of-a-common-security-and-defence-policy-en>

³⁰ NATO, (2008), EU-NATO Declaration on ESDP; https://www.nato.int/cps/en/natolive/official_texts_19544.htm

³¹ Waugh, T. (2010), Berlin Plus Agreement, European Parliament: http://www.europarl.europa.eu/meetdocs/2004_2009/documents/dv/berlinplus_/berlinplus_en.pdf

“European” style of crisis management, utilizing “soft” security measures in post-conflict scenarios.³²

July 2004 – European Defense Agency is formed. Cyprus uses its position as an EU member to block Turkey’s membership.

December 2009 – The adoption of the Lisbon Treaty gave new powers to the CSDP, and further increased the EU’s defense agenda.

March 2011 – Civil war in Libya leads the UN Security Council to authorize NATO airstrikes against the Gaddafi government. Although a rebel victory soon follows, infighting quickly restarts in post-conflict Libya.

October 2014 – A shipwreck off the Italian coast leaves 150 migrants dead.

2014 – The European Union Maritime Security Strategy is adopted. It allows for a common EU framework in upholding maritime security, and in particular, sets out to promote better cooperation with third parties such as NATO in achieving this aim.³³

April 2015 – Several boats capsize off the Mediterranean leaving 700 dead.

June 2015 – Operation Sophia is launched to combat human smuggling networks in the Central Mediterranean. Providing support from NATO, particularly in the Aegean Sea, the EU is mandated to board, disrupt and seize and divert smuggler’s vessels transporting migrants to Europe.³⁴

November 2015 - A wave of terrorist attacks in Paris lead to the death of 130 people. Terrorists Ahmad Al-Mohammad and M. al-Mahmood are suspected to have travelled to France by posing as migrants³⁵

June 2016 – The European Council adds two additional tasks to Operation Sophia: the training of Libyan coastguards, and the implementation of a Libyan arms embargo to reduce the arms

³² Mace, C. (2004), Operation Concordia: Developing a ‘European’ Approach to Crisis Management, *International Peacekeeping*, 11(3), pp.474-490

³³ European Commission, (2014), European Union Maritime Security Strategy: Responding Together to Global Challenges, https://ec.europa.eu/maritimeaffairs/sites/maritimeaffairs/files/leaflet-european-union-maritime-security-strategy_en.pdf

³⁴ EU, (2016), EU Operations in the Mediterranean Sea, European Union External Action Service, https://eeas.europa.eu/sites/eeas/files/5_euoperationsinmed_2pg.pdf

³⁵ BBC News, (2016), Paris Attacks: Who were the attackers?; <https://www.bbc.co.uk/news/world-europe-34832512>

flow to terrorist groups.³⁶ Human rights activists have criticised the former as a “militarization of the humanitarian” by human rights activists³⁷.

July 2016 – A key turning point in EU-NATO relations is the signing of the 2016 Joint-Declaration. Here the two organizations suggest a number of new areas for cooperation, including cyber security, hybrid threats, and most important for us, maritime security³⁸

April 2017 – Putin steps up Russian naval presence in the Mediterranean Sea as a response to the US missile strike on Syrian government forces.

March 2018 – The International Organisation for Migrants states that both the number of migrants reaching the Mediterranean, and the number killed during transit, has fallen by over half between 2017 and 2018. The IOM attributes this to increased maritime patrols and more restrictive policies to migrants across Europe³⁹

July 2018 – Joint Declaration on EU-NATO Cooperation encourages the increased cooperation between the two organizations⁴⁰. More interestingly whilst the 2016 Declaration encouraged maritime cooperation, this declaration more specifically comments on the success of EU-NATO migrant policies. Additionally, it draws emphasis on strengthening the security capacity of EU/NATO neighbours to the south and east.

³⁶ EU, (2016), *ibid.*

³⁷ Rettman, A. (2016). NATO to join EU warships in Libyan migrant operation, EUobserver; <https://euobserver.com/migration/134278>

³⁸ European Council, (2016), EU-NATO Joint Declaration; <http://www.consilium.europa.eu/en/press/press-releases/2016/07/08/eu-nato-joint-declaration/>

³⁹ Goebel, N. (2018), Fewer migrants enter Europe via the Mediterranean Sea, says UN Agency, DW: <https://www.dw.com/en/fewer-migrants-enter-europe-via-the-mediterranean-sea-says-un-agency/a-42800544>

⁴⁰ Commission, (2018), Joint Declaration on EU-NATO Cooperation, EU; http://www.consilium.europa.eu/media/36096/nato_eu_final_eng.pdf

3. Discussion

As we have explored, EU-NATO cooperation has burgeoned in recent years. Not only are 22 EU member-states also NATO members, the common norms and values of the two organisations allows them to share a number of resources to better ensure the security of Europe. In this particular instance, cooperation with NATO has allowed the EU to combat the migrant crisis, and the reliance on NATO assets has also allowed the EU to gain expertise in peacebuilding missions such as Operation Concordia.

And yet, just because the EU and NATO cooperate on a variety of issues, cooperation is not without flaws. Whilst field operations between the two organisations have been a source of widespread criticism, particularly Operation Sophia's reliance on NATO warships, the very core relationship of the two organisations dating back to the Berlin Plus agreements is also problematic. As we will discuss, in order for EU-NATO cooperation in the Mediterranean to advance further, we must be aware of their problematic relationship at its core.

The following section will be divided into two distinct parts. First will be a focus on the broad political relationship between the two organisations, what academics refer to as the "participation problem", before discussing the EU's potential overreliance on NATO. Second will be a discussion of the operational level of their relationship, focusing on joint missions combating illegal migrant flows from Libya as well as peacebuilding missions in Bosnia & Herzegovina. Indeed, the success and failures of these operational missions should be placed in the wider context of the flawed relationship between the EU and NATO, and should also be used to shed light on potential other areas of cooperation in the Mediterranean region.

a. The Political Relationship: The "Participation Problem"

Although a number of NATO members are also EU member-states, there is a significant number of countries who although EU members, are not NATO members, and vice versa. While this would seem both an obvious and harmless fact, it raises a number of problems. Here, we move to talk about the relationship between Cyprus and Turkey. Their troubled relationship, and the breakdown of the Cypriot peace process, is according to some academics, the key problem of EU-NATO relations. Given that Turkey is a member of NATO but not the EU, and that Cyprus is a member of the EU but not NATO, each uses its respective veto powers in either organisation to block cooperation with the other.

We are therefore led to what Smith calls the "participation problem".⁴¹ The political volleying of both Cyprus and Turkey means that despite a series of joint declarations and cooperation commitments between the two organisations, to this date no agreement exists which allows for comprehensive cooperation between *all* EU and NATO members. Cooperation exists entirely

⁴¹ Smith, S. (2011), EU-NATO cooperation: a case of institutional fatigue, *European Security*, 20(2), pp.243-264

under the Berlin Plus agreements agreed in 2003. The Berlin Plus agreements were significant in allowing the EU access to NATO military assets. They established information and asset sharing between the two bodies, and set in motion the transition from a NATO to an EU-led peacebuilding mission in Bosnia & Herzegovina.⁴²

Nevertheless, this came at a great cost. Prior to the agreement, a number of concerns were raised as to the extent to which the EU could use military assets independently of NATO. Turkey, a protagonist in this debate, became worried that as a non-EU member, an independent EU military program would marginalise Turkish interests. In order to gain Turkish consent therefore, the agreements were amended so that only EU members who were *also* NATO members, or had signed the Partnership for Peace could participate in Berlin-Plus operations. In other words, Cyprus, a state who is neither a NATO member nor a signatory to the PfP, was sidelined by Turkey in order for the agreements to be adopted.⁴³ In turn, Cyprus played a part in denying Turkey's entry into the European Defense Agency, despite Turkey having the largest military in Europe.⁴⁴

As a result, EU-NATO meetings are not attended by all EU member-states, as Cypriot (and Maltese) delegates are blocked from attending by Turkey. In turn the assets which both the EU and NATO can draw on is severely limited. Consider for example, in 2006 when NATO commanders Afghanistan were suffering losses and requested an additional 2,500-4,000 troops from EU reserves, the EU was unable to meet these demands. Given that Italy, France, Belgium and Germany had deployed 5,000 troops to Lebanon as part of a UNIFIL peacekeeping mission, the narrow membership of the Berlin Plus agreements meant that the NATO demands went unfulfilled⁴⁵.

EU-NATO relations have therefore suffered from restricted resources, and also what some describe as "permanent political deadlock".⁴⁶ The inability to resolve Turkish-Cypriot relations has therefore dealt a huge blow to EU-NATO cooperation. The current economic crisis in Turkey is unlikely to help resolve this situation in the near future, as more and more EU members look disapprovingly on Erdogan's leadership. As delegates of the European Council, in order to realize the full potential of EU-NATO cooperation, it becomes vital to resolve the historical tensions between Cyprus and Turkey.

⁴² See; Mace, C. (2004), Operation Concordia: Developing a 'European' Approach to Crisis Management, *International Peacekeeping*, 11(3), pp.474-490

⁴³ Gebhard, C. & Smith, S. (2015), The two faces of EU-NATO cooperation: Counter-piracy operations off the Somali coast, *Cooperation and Conflict*, 50(1), pp.107-127

⁴⁴ Eralp, D. (2017), EU develops its defences and Turkey is left out again, *Ahval*: <https://ahvalnews.com/defence/eu-develops-its-defences-and-turkey-left-out-again>

⁴⁵ European Union Centre of North Carolina, (2007), EU-NATO Relations, https://europe.unc.edu/files/2016/11/Brief_EU_NATO_Relations_2008.pdf

⁴⁶ Smith, S. (2011), *op cit*.

b. The Political Relationship: An over reliant EU?

A second and interrelated problem is the ability of the EU to act independently of NATO. Looking at the discourse in the EU surrounding defense after the Brexit referendum, we see a huge increase in the desire for some form of European defense program. On the 22 November 2016 the European Parliament voted in favour of a European Defense Union, and only a week later the Commission issues a European Defense Action Plan.⁴⁷ Even Jean Claude Juncker commented that the reintegration process could be kick-started through defence projects.⁴⁸ Despite the desire for what seems like a distinctly European military program, the EU has also made an effort to increase its commitment to work with NATO. To many, this is a contradiction.

How can a desire for autonomy and reliance on NATO co-exist? If the European Union achieves strategic autonomy, what is NATO for? And if they cannot, what is the use of the CSDP? These are the very questions that a number of academics raise when looking at the future of EU-NATO cooperation. In particular, the likes of Holworth suggests that EU-NATO cooperation should lead to the phasing out of NATO from Europe. Cooperation between the EU and NATO on the operational level, as in the Mediterranean, should eventually aim to realise an autonomous EU defense program⁴⁹. As he argues, the current arrangements under Berlin Plus leads to a duplication of resources, inefficiency as well as acting as a straitjacket on cooperation.

Despite this, it can be clear to recognise the different expertise of both NATO and the EU in both security and humanitarian operations. As will be discussed, cooperation between each institution is less a question of over-reliance, but more about achieving distinct strategic aims. Put simply, the EU is better suited at some operations than NATO, and vice versa. Nevertheless, the broad political relationship between NATO and the EU should frame our perception of actual case studies of cooperation in the Mediterranean. The flaws of the Berlin Plus agreements, and the question of over-reliance asks the same question: what is the future and purpose of EU-NATO cooperation?

c. Cooperation in the Mediterranean: The Migrant Crisis

In July, a boat carrying 218 migrants capsized off the Libyan coastline, leaving few survivors. Although the IOM has reported that both the numbers of migrants crossing the Mediterranean and those dying in transit has fallen, the tragedy in July illustrates the danger migrants face has not disappeared. Evidence suggests that migration routes change, moving from the Central

⁴⁷ European Parliament, (2016), European Defence Action Plan, EU; <http://www.europarl.europa.eu/legislative-train/theme-europe-as-a-stronger-global-actor/file-european-defence-action-plan>; Commission, (2016), European Defence Action Plan: Towards a European Defence Fund, EU: http://europa.eu/rapid/press-release_IP-16-4088_en.htm

⁴⁸ Holworth, J. (2017), EU-NATO cooperation: the key to Europe's security future, *European Security*, 26(3), pp.454-459

⁴⁹ Holworth, J. (2017), *op cit*.

Mediterranean to the Gibraltar Strait.⁵⁰ Tackling migrant flows has been a key problem for the EU and NATO, and since the launch of Operation Sophia (EUNAVFOR) in June 2015, measures have been taken to disrupt and target suspected smuggling vessels. Operation Sophia which is still ongoing, aims to proceed in four distinct stages:

1. Initial stage aims for heightened patrols and monitor of smuggling vessels on the high seas
2. EU/NATO patrol ships are mandated to board, search, seize, disrupt and diversion those suspected to be smuggling. This stage is still ongoing
3. The prior operation is extended to Libyan waters, either with UN Security Council approval or permission from the Libyan government. Currently neither has been achieved.
4. Operation Sophia is confirmed to achieve its mission and it is terminated.

In response to mixed success in phase two, the European Council in 2016 allowed EU/NATO troops to train the Libyan coastguard to seize and repel migrants. This, in turn, has led to opposition from human rights activists who argue that the EU is “deputizing the Libyan coastguard”.⁵¹ Their argument is that this new element of Operation Sophia violates the non-refoulement principle in international law, as it denies the right of those in Libya to leave the country. The instability, violence and chaos within Libya means people trying to escape are only sent back into danger by the Libyan coastguard. The proper EU/NATO response, they argue, should be to solve the situation in Libya directly rather than effectively quarantining Libyan waters and trapping migrants inside.⁵²

Not only does Operation Sophia raise ethical and human rights questions about cooperation with NATO, it also points out the effect NATO has influencing EU mission objectives. Garelli & Tazzioli point out for example, that although Operation Sophia was initially a humanitarian mission to save those who could be lost at sea, upon NATO involvement it transitioned to a military mission aimed at targeting and seizing suspected smugglers.⁵³ The effect NATO has a military organization, it is argued, is shifting EU operational objectives. The target changes from saving migrants to attacking smugglers, and the mission is no longer humanitarian but a militarized intervention. NATO as a hard security institution ultimately has a distinct set of values to the EU, and we ought to pay attention to how working with NATO leads to the projection and influence of these values onto EU operations.

⁵⁰ McKenzie, S. & Borghese, L. (2018), Rescue ships docked as hundreds of migrants die crossing Mediterranean, CNN; <https://edition.cnn.com/2018/07/03/europe/114-migrants-missing-mediterranean-intl/index.html>

⁵¹ Riddervold, M. (2018), A humanitarian mission in line with human rights? Assessing Sophia, the EU’s naval response to the migration crisis, *European Security*, 27(2), pp.158-174

⁵² Human Rights Watch, (2016), EU/NATO: Europe’s Plans Endangers Foreigners in Libya, <https://www.hrw.org/news/2016/07/06/eu/nato-europes-plan-endangers-foreigners-libya>

⁵³ Garelli, G. & Tazzioli, M. (2018), The biopolitical warfare on migrants: EU Naval Force and NATO Operations of Migration government in the Mediterranean, *Critical Military Studies*, 4(2), pp.181-200

d. Cooperation in the Mediterranean: Post-Conflict Stabilization in Bosnia & Herzegovina

In the final section, we will move to talk about the EU's role in stabilizing post-Dayton Bosnia. To focus exclusively on EU-NATO policy *in* the Mediterranean Sea ignores the wider EU-NATO cooperation in and *around* the Mediterranean. More importantly however, the case of Bosnia lends insight into the respective strengths of both the EU and NATO in peacebuilding processes, and can help highlight further avenues of cooperation.

Academics often distinguish between the EU and NATO on the “hardness” of security. The CSDP and EU are often seen as forms of “soft security”, as opposed to the “hard” territorial security provided by NATO.⁵⁴ In turn, the CSDP is taken as a European experiment of “doing security” in areas of humanitarian aid, military assistance and crisis management.⁵⁵ In the post-Dayton Bosnia, the transition from a NATO to an EU-led peacebuilding mission in 2003 can be seen as a shift to softer security governance. Emphasis was placed on the security sector, police and judicial reform. What defined the EU mission, in contrast with NATO's, was the desire to rebuild an integrated state ready to join the EU, as opposed to just maintaining peace.

Central to this is the concept of conditionality, which is the way in which membership in a particular organisation is made conditional on the adoption of certain norms and values. In other words, to join a club, you have to take on its values. For Bosnia, conditionality has become central to the state building process, as values such as democratic governance, human rights, and free market economies are “exported” to Bosnia. Scholars have made the point that EU expertise in these areas make it a valuable institution for long-term statebuilding, especially in Bosnia⁵⁶.

Despite this, the EU mission has had limited success and the process of state building in Bosnia is far from over. In 2006, the academic David Chandler, points out that the EU's attempt to transfer norms of democratic self-governance have proved ineffective.⁵⁷ Chandler's arguments over 10 years later still have insight, as the progress of Bosnia's accession into the EU is sluggish at best. Problems over the rule of law, corruption and huge divisions between ethnic groups illustrate the flaws in the EU's mission.⁵⁸ Thus, how useful is the CSDP against these problems, and to what extent should NATO act as a leader instead of the EU in post-conflict operations?

⁵⁴ Bull, H. (1982), *Civilian Power Europe: A Contradiction in Terms?*, *Journal of Common Market Studies*, 21(2), pp.49-170

⁵⁵ Smith, S. & Gebhard, C. (2017), *EU-NATO relations: running on the fumes of informed de-confliction*, *European Security*, 26(3), pp.303-314

⁵⁶ Gülnur, A. & Bieber, F. (2011), *From Dayton to Brussels: The Impact of EU and NATO conditionality on state building in Bosnia & Herzegovina*, *Europe-Asia Studies*, 63(10), pp.1911-1937

⁵⁷ Chandler, D. (2006), *State-Building in Bosnia: The Limits of Informal Trusteeship*, *International Journal of Peace Studies*, 11(1), pp.17-38

⁵⁸ Velebit, V. (2018), *What is the state of Bosnia & Herzegovina's European Integration?* *European Western Balkans*, <https://europeanwesternbalkans.com/2018/01/26/state-bosnia-herzegovinas-european-integrations/>

4. Bloc Positions

NATO

NATO fundamentally is military alliance, whereas the EU is a supranational entity. As with the case of Operation Sophia, what was once a humanitarian operation easily turned into a military one due to the influence of NATO. Therefore, it is worth bearing in mind that enhancing the relationship with NATO will further shift the focus of the EU into more military based ideals.

NATO ministers have also in the past discussed how, after the turmoil of the Arab Spring, the alliance could help set up a Libyan Defence, and to work with the European Union to train police and border- and coastguards.⁵⁹ The EU initially provided Libya with assistance in form of underlying the importance of inclusiveness of the political process and supporting the implementation of economic reforms; but has, again with the influence of NATO, started addressing security and military challenges as well.⁶⁰

Southern European Countries

The coastal areas around the Mediterranean Sea have seen a high influx of refugees from war torn countries such as Tunisia, Libya and Syria, and increasing coast guards in this region; while they have managed to send refugees back, has resulted in the loss of significant number of lives. The instability of the MENA region has also had adverse effects on the European coast of the Mediterranean,

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As with most issues faced by the European Union. France and Germany play an important role. In the case of the Mediterranean, the role played by these two nations has had a crucial importance in the ensuring of the European security equilibrium. Both countries have an intermediary role, which is useful for the mediation between the European countries, and also within NATO.⁶¹ In the case of the Mediterranean, France has a strong position and is able to have an influence on the measures to take because of its historical interest in the area, while Germany has played an instrumental role in helping the EU tackle the issue of large number of migrants.

⁵⁹ Reuters, NATO agrees bigger Mediterranean mission to stop smugglers, <https://uk.reuters.com/article/uk-nato-foreign-libya/nato-agrees-bigger-mediterranean-mission-to-stop-smugglers-idUKKCN0YA1SF>

⁶⁰ Europa, EU-Libya Relations, https://eeas.europa.eu/headquarters/headquarters-homepage_en/19163/EU-Libya%20relations

⁶¹ Mediterranean Affairs, NATO, EU and France: a call for cooperation in the Mediterranean, <http://mediterraneanaffairs.com/nato-eu-and-france-a-call-for-cooperation-in-the-mediterranean/>

5. Conclusion –Key Issues

As this topic is a multifaceted issue, delegates will not only have to consider new ways to enhance the relationship of the EU and NATO in the Mediterranean region, but also how the current approaches to issues can be improved. To further the efforts of the Council of the European Union, delegates will need to answer the following questions at our session:

- Has the Council of the European Union done enough through the passing of directives and regulations to strengthen their partnership with NATO in the Mediterranean region? How can we bolster the strengths and overcome the weaknesses of the Council's mode of operation?
- Can the naval borders be strengthened and made more secure to regulate the influx of refugees without the cost of human life?
- Can Operation Sea Guardian and Operation Sophia work more efficiently together? Or even be merged into one operation (based on humanitarian values) when it comes to the Mediterranean region and its maritime security problems?
- Are measures needed to prevent information sharing networks between the two operations from being hijacked by cyber terrorists?⁶²
- What measures can be implemented to reduce the possibility of hybrid threats in the regions and around it? Can current counter-terrorism measures be improved?
- Will more security and checks in the region reduce illegal migration and human, arms or drugs trafficking?

⁶² Allied Maritime command, Operation Sea Guardian Coordinating with EU's Operation Sophia in the Central Mediterranean Sea, <https://mc.nato.int/media-centre/news/2018/osg-coord-with-eus-operation-sophia-in-the-central-med.aspx>

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