



Issue: Ensuring that the European open market is not affected by protectionism

Forum: European Council

Position: Deputy Chair

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Introduction

Before the European Union and the common currency of the Euro was introduced, European countries competed against one another with their own currencies and taxes on imported goods from other countries, taxes which were each set by the government of each country.

Today, we live in a globalized Europe with the European Union, which has worked tirelessly for over 20 years to create an open market where small businesses can expand and the member countries can rely on a strong currency. However, there are still countries such as the Netherlands or Ireland, who have yet to fully respect the tax regulations of the European Union as they practice such methods as tax dumping. Furthermore, politicians such as the president of the United States, Trump, have taken actions which go directly against the idea of an open global market, threatening some of the very core elements of the European Union. For example, if the European union exported certain goods with a 5% tax on them, the USA would have to also export their goods towards the EU with a 5% tax, like that, everyone's a winner, and there is not one party which benefits more from the trade than the other. And with rising political tensions, radical and conservative politicians rising to power, the European community must band together and solve their internal problems in order to face the rest of the world in this economical war.

Definition of Key Terms

Open Market

An open market is an economic system with no barriers to free market activity. An open market is characterized by the absence of tariffs, taxes, licensing requirements, subsidies, unionization and any other regulations or practices that interfere with a naturally functioning free market. Anyone can participate in an open market. There may be competitive barriers to entry, but there are no regulatory barriers to entry.

Single Market

The European Single Market, Internal Market or Common Market is a single market which seeks to guarantee the free movement of goods, capital, services, and labour – the "four freedoms" – within the European Union. It is essentially the open market put in place by the European Union.

Protectionism

Protectionism refers to government actions and policies that restrict or restrain international trade, often with the intent of protecting local businesses and jobs from foreign competition.

Conservatism

A political philosophy bent around the focus of national interests before foreign affairs, usually preferring tradition.

Globalism

The attitude or policy of placing the interests of the entire world above those of individual nations, by taking down physical borders and creating an interdepen

Tax Dumping

When a country proposes tax benefits to expats and companies in order to attract them into coming into the country.

Nationalism

A sense of national consciousness and pride in one's nation often with an idealistic view that a nation is better off by itself and being self-sustaining.

Lisbon Treaty (2009)

The Lisbon Treaty can be seen as an amendment to the Maastricht Treaty signed in 1993, also known as Treaty that officialised the European Union as we know it. And the treaty of Maastricht itself worked upon the previous Treaty of Rome (1957), which itself had been a follow-up to the creation of the European Atomic Energy Community (EURATOM).

Prominent changes included;

- The move from unanimity (if one person does not vote for, the entire decision does not pass) to qualified majority voting in at least 45 policy areas in the Council of Ministers
- A change in calculating such a majority to a new double majority, a more powerful European Parliament forming a bicameral (they work together) legislature alongside the Council of Ministers under the ordinary legislative procedure
- A consolidated legal personality for the EU and the creation of a long-term President of the European Council and a High Representative of the Union for Foreign Affairs and Security Policy. The Treaty also made the Union's bill of rights, the Charter of Fundamental Rights, legally binding.

The Treaty for the first time gave member states the explicit legal right to leave the EU and the procedure to do so.

Background Information

The exchange of goods and services amongst European nations has been led by the rules put in place by the European Union, and its creation of the Single Market; it took down physical barriers, got rid of tariffs and caps, which meant that countries were able to trade whatever they wanted, with whoever they wanted, and without a limit to the amount of goods they could trade. European countries as a whole leveled the grounds for trading as, with a common currency and interdependent economies based on cooperation and trade, countries would no longer be able to deliberately attempt to lower the value of its currency in order to make exports cheaper and more competitive.

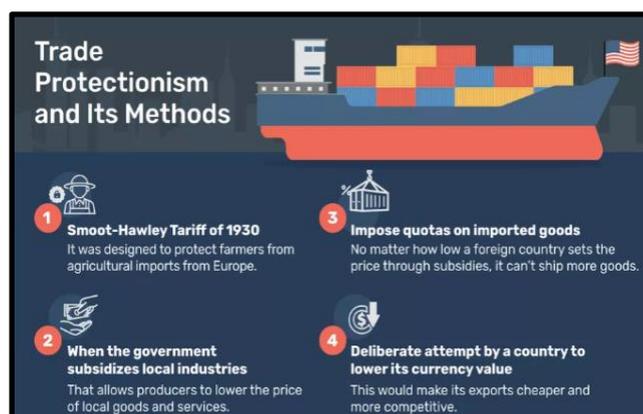
This single market worked wonders for the economies of participating nations (countries such as Norway and Switzerland are part of the single market without being in the E.U).

One of the biggest challenges that are being faced today by the European Community is the rise of Nationalism, Populism, and Separatists movements all over Europe, which led to the U.K voting out of the E.U and France nearly electing a president that wanted to withdraw France from the EU.

Major Parties involved

The European Union

The European Union is an association of European nations formed in 1992 for the purpose of achieving political and economic integration. Incorporating the European Community. It sets tax regulations and laws that collectively apply for all of the member nations and oversees the free movements of goods and services. It is currently under the threat of multiple nationalist and conservationists parties



that wish to withdraw their country from the Union, such as the ones responsible for the United Kingdom's withdrawal, often colloquially referred to as "Brexit".

China

China has been part of multiple controversies where it is being accused of buying businesses and propriety in Europe and Asia, and is currently spending immense amounts of money for their Belt-and-Road initiative, which aims to redirect the entire world's trade towards China. It has taken controversial initiatives such as helping Greece with their national debt by making various investments in the country, including setting up a Chinese-owned port in the coast of Greece. Some Euro-skeptics use that as an example to show how the EU is not looking to help their own members, and therefore lead them to accept foreign investment.

U.S.A

The United States of America, under the Trump administration, has fueled the populist sentiments in Europe by waging economic warfare such as raising taxes on certain goods and pushing European Leaders to become less interdependent towards the EU. It has repeatedly called out the EU on their policies, and has led to the EU realizing that they could no longer rely solely on the U.S as a trade partner and a political ally.

As Angela Merkel (Current Chancellor of Germany) said; "*Europe can no longer rely on the U.S 'to protect it'*". These events have strengthened European Identity and fueled both Globalist views and Nationalist Views, where some think that the EU must come together to further strengthen links and other support a complete withdrawal of their nation from the European Union.

Timeline of Events

Year	Event	Description
1986	Single European Act	Establishment of the Single Market, EU flag adopted, Portugal and Spain join EU.
1992-1993	Maastricht Treaty	Introduction of the Euro
2002	-----	The Euro is adopted by twelve different countries
2009	Lisbon Treaty	<i>Look at Key Terms</i>
2016	Brexit	U.K holds referendum to leave the EU
2017	Start of Brexit	U.K invokes article 50
2017	Negotiations for Brexit	The EU and the UK formally started negotiations in order for the UK to formally leave the Union.

Possible Solutions

Educating the people

One of the major reasons why Europeans do not have trust in the EU, is because they are not really informed about what it does. One crucial step in strengthening the European Union and its connection to its inhabitants, is to make sure that the people actually understand what the EU does for them and their country.

Ensuring that those in power are known to the public

This part goes hand-in-hand with the previous statement. The highest officials in the EU and those that pass the laws and decisions of the Commission, Council and Parliament, are elected by technocrats, and are not really known to the public, therefore creating a big gap between those deciding the fate of the continent and the people living the consequences of their actions. It is equally important that the people know who is representing them, and what are their agendas in order for the people to be able to trust in the EU, and to not be influenced by mis-information.

Make more efforts to get people to vote

In the few times that the people actually get to vote for representatives in the EU, it is only really made public to the more politically-focused people in the EU. But in order for the inhabitants living in the EU to trust those representing them, it is important that the Council implements measures to incite Europeans to not only interest themselves in the EU, but to take the time to vote.

Focus on strengthening between with E.U member states

It is vital for European countries to focus on cementing what it means to be an European, and that it is necessary for member states to stand together against the rising powers such as China. For that, the European community would have to focus especially on its eastern members, who have felt pushed aside from the E.U's agenda, and to make it clear that all member states are an essential part of this Union, and that there is only a future if all its members are heard, involved in the discussion and help each other to grow. It would help if more meetings or contacts between European leaders took place, and more initiatives were taken by all states in order to make a prosperous Europe.

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