

# Study Guide of Consilium Europa (Council of the European Union)

24-27 April 2021

#### Letter From Under Secretary General

Fellow participants,

It is my pleasure to welcome you to this year's Council of the European Union at ANKAMUN'21. My name is Egehan Akcay and I am currently studying at Izmir Bornova Okyanus College as a senior student and it is my utmost honour to serve as the Under Secretary General.

European Parliament, European Council, coEU and EU related committees were always my passion and I served as a chairman and delegate in such committees.

This committee's rules of procedure could have been a little bit different from the usual General Assembly committee (more likely coEU procedure). Yet, I have decided to use GA procedure. In my opinion online MUN's are harder than normal ones so I do not want to make things more difficult and more complicated.

While I have the tremendous honour of being part of Model United Nations of Ankara Turk Telekom Social High School, I sincerely wish that our participants will have a great time in this committee both academically and socially during this pandemic. Should you have any academic inquiry regarding this committee, do not hesitate to contact me via akcayegehan@gmail.com

With sincere

appreciation, Egehan

Akçay

Under Secretary General responsible for the Council of the European Union.

#### 1) Introduction To the Committee

Consilium Europa, or the Council of the European Union constitutes the most important forum for debate and direct action of the European Union. In addition to the European Parliament, which is elected directly by the citizens, it forms the other half of the European Union legislature, representing the governments of its member states. Delegates to the Council are the respective national ministers relevant to the topic area under current debate. Among the various European Union organs, it is at the Council where the member states thus best represent their own national interests. Compared to national analogies, the Council can be understood as the Upper House of the European Union's bicameral legislative.

The Council was formalised with the Treaty of Lisbon in 2007. Prior to that, the Council had been active already as a supervising board since the days of the European Economic Community, the predecessor of the European Union, which was established in 1957. Its mandate has gradually been expanded, and now includes a wide range of functional policy areas, subdivided into the

areas of expertise of respective Council Configurations (working groups of a sort). This committee

simulation will represent the Foreign Affairs Council (FAC) Configuration, tasked with mapping out the future of strategic investment and European Union engagement in the Western Balkans, the current main area of prospective enlargement for the European Union, as part of its Common Foreign and Security Policy.



#### 2) EU's Response To the COVID-19 Pandemic

#### 2.1) COVID-19 Pandemic in Europe

As of 13 March 2020, when the number of new cases became greater than those in China, the World Health Organization (WHO) began to consider Europe the active centre of the COVID-19 pandemic. Cases by country across Europe had doubled over periods of typically 3 to 4 days, with some countries (mostly those at earlier stages of detection) showing doubling every 2 days.

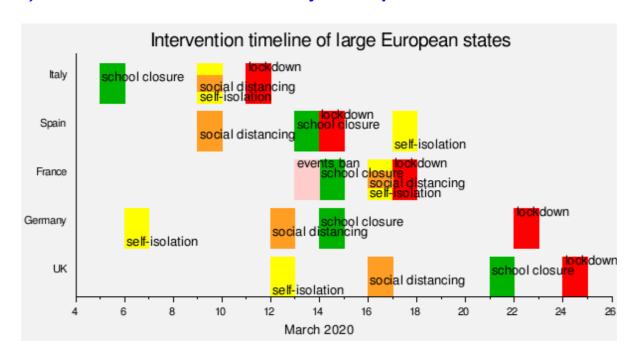
As of 17 March, all countries within Europe had a confirmed case of COVID-19, with Montenegro being the last European country to report at least one case. At least one death has been reported in all European countries, apart from the Vatican City.

As of 18 March, more than 250 million people were in lockdown in Europe.

As of 24 May, 68 days since its first recorded case, Montenegro became the first COVID-19-free country in Europe, but this situation lasted only 44 days before a newly imported case was identified there. European countries with the highest number of confirmed COVID-19 cases are Russia, the United Kingdom, France, Spain, and Italy.

#### 22) First Response of European Countries and Criticism

#### a)Timeline of Interventions in Major European Countries



#### 23) Immigrants and refugees

The European Union closed borders to non-nationals on 17 March. The next day, Greece imposed restrictions on refugees' movement within camps. Thousands of asylum seekers are living in crowded camps, and there are fears that the pandemic could not be controlled under such conditions. The Greek prime minister K. Mitsotakis said that Europe should do more to help because Greece "cannot resolve this crisis instantly and alone". Unnamed Greek officials have stated concerns that Turkey may send infected refugees and migrants towards the islands. Early in April Malta and Italy closed their ports to vessels carrying asylum seekers from North Africa.

#### 24) Criticism

#### a) Travel bans and border closures

Although by 7 March some European politicians such as France's Marine Le Pen had called for Europe's internal borders to be temporarily closed, the European Union by 13 March continued to reject the idea of suspending the Schengen free travel area and introducing border controls with Italy. The deputy leader of the Swiss Ticino League, Lorenzo Quadri, by 29 February had criticised the decision: "It is alarming that the dogma of wide-open borders is considered a priority." United States President Donald Trump said by 12 March the European Union had "failed to take the same precautions and restrict travel from China and other hot spots" as the US had implemented. Trump also said that "As a result a large number of new clusters in the United States were seeded by travellers from Europe." Research on coronavirus genomes indicates the majority of COVID-19 cases in New York came from European travelers, rather than directly from China or any other Asian country.

By 9 March Czech Prime Minister Andrej Babiš stated that "European countries cannot ban the entry of Italian citizens within the Schengen area. The only possible way is to have the Italian prime minister call on his fellow citizens to refrain from traveling to other countries of the European Union."

After Slovakia, Denmark, the Czech Republic and Poland announced complete closure of their national borders, the European Commission President Ursula von der Leyen said by 12 March that "Certain controls may be justified, but general travel bans are not seen as being the most effective by the World Health Organization. Moreover, they have a strong social and economic impact, they disrupt people's lives and business across the borders." European Union leaders condemned the US decision to restrict travel from Europe to the United States. European Council President Charles Michel and Ursula von der Leyen said in a joint statement: "The European Union disapproves of the fact that the US decision to impose a travel ban was taken unilaterally and without

consultation."Ursula von der Leyen admitted by 17 March that "all of us who are not experts initially underestimated the coronavirus."

As of February 22, 2021, the UK has banned direct flights from 33 countries, including Portugal, South Africa, Peru and the United Arab Emirates. All travelers entering the UK via indirect flights have been ordered to quarantine in a designated hotel for 10 days. Since passengers coming from high-risk countries with South African virus' mutant (like the UAE and South Africa) are mixing with other travellers before reaching their accommodation, this travel ban is being criticised extensively.

#### b) EU Solidarity

The Italian government has criticised the EU's lack of solidarity with Italy. *Politico* reported on 7 March that "EU countries have so far refused Italy's plea for help fighting coronavirus, as national capitals worry that they may need to stockpile face masks and other medical gear to help their own citizens, officials and diplomats said." Maurizio Massari, Italy's ambassador to the EU, said that "Only China responded bilaterally. Certainly, this is not a good sign of European solidarity." President Aleksandar Vučić said that "European solidarity does not exist. That was a fairy tale."

Eventually, in July 2020 the European Council agreed to a massive recovery fund of 750 billion € branded Next Generation EU (NGEU) to support member states hit by the COVID-19 pandemic. The NGEU fund goes over the years 2021 – 2023 and will be tied to the 2021-2027 budget of the EU (MFF). The comprehensive packages of NGEU and MFF will reach the size of 1824.3 Billion €.

#### c) Reaction time of Spain

According to *The Guardian*, Spain's initially slow response to the coronavirus caused the epidemic to become severe even though it did not share a land border with Italy or other severely affected countries. An analysis in *Vox* hypothesised that the minority government did not want to risk its hold on power by banning large gatherings early; Prime Minister Pedro Sánchez initially defended his decision to allow large gatherings to continue.

#### d) Military exercises during pandemic

The planned NATO "Defender 2020" military exercise in Germany, Poland, and the Baltic states, the largest NATO war manoeuvres since the end of the Cold War, was to be held on a reduced scale because of the coronavirus pandemic. The Campaign for Nuclear Disarmament's general secretary Kate Hudson criticised the Defender 2020 exercise: "In the current public-health crisis, it jeopardises the lives not only of the troops from the US and the many European countries participating but the inhabitants of the countries in which they are operating."

#### e) Restrictions on civil liberties

There was concern that measures taken by some national governments on occasion of the COVID-19 pandemic would have the aim or effect of restricting democracy and civil liberties and rights. In Hungary, prime minister Viktor Orban acquired near absolute powers through such legislation on 3 April.

#### f)Use of scientific advice

The European Union's Chief Scientific Advisors issued a statement on 24 June 2020, providing guidance for how scientific advice should be given and interpreted during the pandemic. One key point made by the Advisors was that scientists must be clearer about the degree of uncertainty that characterises the evolving evidence on which their advice is based, for instance around the use of face-masks. They also emphasised that scientific advice must be separated from decision-making, and this separation must be made clear by politicians.

### 3) European Council's Response To the COVID-19 Pandemic

A video conference was held by the members of the European Council on 10 March 2020, in which President Charles Michel presented four priority areas which the leaders had identified:

- limiting the spread of the virus
- the provision of medical equipment, with a particular focus on masks and respirators
- promoting research, including research into a vaccine
- tackling socio-economic consequences.

At a second video conference on 17 March, a fifth area was added:

helping citizens stranded in third countries.

At the 17 March video conference, leaders also agreed to place temporary restrictions on non-essential travel to the European Union for a period of 30 days.

At their third video conference on 26 March, Council members vowed to urgently increase capacities for testing for coronavirus infections, in view of WHO recommendations.

On 9 April, finance ministers from the 19 Eurozone countries agreed to provide €240 billion in bailout funds to health systems, €200 billion in credit guarantees for the European Investment Bank, and €100 billion for workers who have lost wages. At their fourth video conference held on 23 April, the European Council endorsed the plan, and called for the package to be operational by 1 June 2020.

On the same occasion, the council also tasked the European Commission with taking steps towards the establishment of a recovery fund, the size of which was expected to be at least around €1 trillion. Modalities of the latter fund were still disputed by member states, with France, Italy and Spain leading demands for grants to stricken economies, and Germany strongly favouring loans.

On 27 May, the EU Commission proposed a recovery fund dubbed Next Generation EU, with grants and loans for every EU member state accounting for €500 billion and €250 billion respectively. This followed after extensive negotiations in which the so-called "Frugal Four", comprising Austria, the Netherlands, Denmark and Sweden, had rejected the idea of cash handouts, preferring loans instead. Under the proposal, the money raised on the capital market would be paid back between 2028 and 2058. On 21 July, after a four-day negotiation marathon, EU leaders reached a deal in which the core grants component of the recovery fund was reduced from €500 billion to €390 billion, which the loans component was increased to €360 billion, for the same total as in von der Leyen's original proposal. The deal included a governance mechanism that will allow individual member states to raise objections on the usage of financial transfers from Brussels, and to temporarily block these during a review process of governance of the receiving country of three months maximum duration.

#### 3.1)Control Measures:

#### a)Legal Context

According a publication in Le Monde of 3 members of the University of Michigan, the European health policy relies on three EU pillars:

- the first pillar is the article 168 of the treaty (TFUE) which gives the EU a role in health security, including two agencies such as the ECDC and the drugs agency (OEDT) which were involved in publishing reliable data and avoid medicine starvation;
- the second pillar is the European single market which includes rules to commercialize drugs and medical devices or allow the mobility of health professionals;
- the third pillar being the fiscal governance.

Article 168 plans the Union shall complement national policies, for instance in the "cooperation between the Member States" or adopting recommendations, while the Union shall respect Member States' health policy and organization.

#### b) Timeline:

- 9 January: Directorate General for Health and Safety (DG SANTE) opened an alert notification on the Early Warning and Response System (EWRS).
- 17 January: first novel coronavirus meeting for the Health Security Committee
- 28 January: activation of the EU civil protection mechanism for the repatriation of EU citizens.
- 31 January: First funds for research on the new coronavirus.
- 1 February: EU Member States mobilized and delivered a total of 12 tons of protective equipment to China.
- 1–2 February: 447 European citizens brought home from China co-financed by the EU Civil Protection Mechanism.
- 23 February: the Commission co-financed the delivery of more than 25 tonnes of personal protective equipment to China in addition to over 30 tonnes of protective equipment mobilized by EU Member States and already delivered in February 2020.
- 28 February: first procurement for medical equipment jointly with Member States.
- September: plans were announced for a European Health Union to help better prepare
  the bloc for future pandemics. It could mean more funding and competences for existing
  programmes such as the EU4Health programme, a reinforced European Medicines
  Agency and a strengthened European Centre for Disease Prevention and Control. There
  was also a pledge to build a European BARDA to enhance Europe's capacity to respond
  to future cross-border threats.

#### c) European Commission Coordination

Under the European Union subsidiarity principle, the European Union does not have the legal powers to impose health management policy or actions, such as quarantine measures or closing schools, on member states.

On 21 January 2020, the Platform for European Preparedness Against (Re-)emerging Epidemics (PREPARE) activated its outbreak response "mode 1"

On 28 February 2020, the European Commission opened a tender process for the purpose of purchasing COVID-19 related medical equipment. Twenty member states submitted requests for purchases. A second round procedure was opened on 17 March, for the purchase of gloves, goggles, face protectors, surgical masks and clothing. Poland was among the member states that applied for the second round tender procedure. The European Commission claimed that all the purchases were satisfied by offers. Commissioner Thierry Breton described the procedure as illustrating the power of EU coordination. On 19 March, the EU Commission announced the creation

of the rescEU strategic stockpile of medical equipment, to be financed at the level of 90% by the commission, to deal with the COVID-19 pandemic.

#### d)ECDC Agency

The European Centre for Disease Prevention and Control (ECDC) is the EU agency for disease prevention and control.

It is involved in providing information and risk assessment for the COVID-19 disease for the European Union.

During a two-day meeting, three days before the crisis started in Italy, various countries had different views. Germany had distributed PCR to 20 hospitals and performed 1,000 tests, and Italy observed the shortages of PPI in the world market. Austria and Slovakia did not want to make people afraid.

The agency emits weekly bulletins to provide information on the threats it monitors. These bulletins provide the number of cases (by member definitions) and number of deaths in each member state, the EEA, the UK, and most affected countries. It also provides Europe-wide, EU, or EU/EEA+UK aggregates of those numbers.

On 21 May 2020, the ECDC considered that the first wave in 29 out of 31 countries (EU/EEA countries and the UK) had consistently decreasing trends in COVID-19 14-day case notification rates, while the peak of the EU/EEA+UK aggregate was on 9 April 2020.

Before 22 May, the ECDC, the EASA, and ECDC director Andrea Ammon believed a second wave could occur, because the number of cases reported in May was greater than the number of cases reported in January/February.

On 28 May 2020, the ECDC published a methodology to help public health authorities in the EU/EEA Member States and the UK estimate point prevalence of SARS-CoV-2 infection by pooled RT-PCR testing, rather than reporting individual cases (which underestimated the spread of the virus).

#### e) Recommendations for safe resumption of railway services in Europe

The European Union Agency for Railways (ERA), the European Commission, and the European Centre for Disease Prevention and Control (ECDC) have developed a COVID-19 railway protocol.

The recommendations in the protocol address issues such as Physical distancing, Use of face masks, Respiratory etiquette, Hand hygiene, Case management on board a train, Contact Tracing, Thermal Screening.

#### f)Border Management

#### f.1) External border management

EU leaders condemned the U.S. decision to restrict travel from Europe to the United States. European Council President Charles Michel and Ursula von der Leyen said in a joint statement: "The European Union disapproves of the fact that the US decision to impose a travel ban was taken unilaterally and without consultation."

On 16 March, the EU Commission said that member states should recommend that their citizens remain within the EU to avoid spreading the virus in other countries.

Under EU harmonization, France and Germany planned to reopen their internal (Schengen) borders on 15 June and their external border on 1 July.

As of late June, the EU was considering admitting travelers from 15 countries: Algeria, Australia, Canada, China, Georgia, Japan, Montenegro, Morocco, New Zealand, Rwanda, Serbia, South Korea, Thailand, Tunisia and Uruguay. They planned to reopen borders to these travelers on 1 July.

#### f.2) Border management with UK

The UK left the EU on 31 January but remained part of the bloc's single market during the transition period. This allowed coordination with the British government, without British involvement in the EU's internal deliberations.

Ireland and the UK benefit from a 14-day quarantine due to the UK's high infection rate.

#### f.3) Border management with micro-states

Andorra, Vatican City, Monaco and San Marino were to benefit from the easing of the EU's travel restrictions.

#### f.4) Internal border management

In February and early March 2020, the EU rejected the idea of suspending the Schengen free travel zone and introducing border controls with Italy.

After Slovakia, Denmark, the Czech Republic and Poland announced complete closure of their national borders, the European Commission President Ursula von der Leyen said by 12 March that "Certain controls may be justified, but general travel bans are not seen as being the most effective by the World Health Organization. Moreover, they have a strong social and economic impact, they disrupt people's lives and business across the borders."

On 28 May 2020, a Health Security Committee reports on COVID-19 outbreak suggested appropriate testing strategies are needed before starting the exit strategy. De-escalation of travel restrictions is wished to be coordinated at EU level. The questions related to the Schengen zone and movement within the EU is also in the scope of the Commission and Member States in the HOME Affairs group, and the ECDC. At the same time, an EU support for vaccination plan is under work.

In early June 2020, Ylva Johansson, EU's home affairs commissioner, reported most member states prefer strongly an additional short prolongation of the internal travel ban. Lifting is planned to be gradual, in July.

Under EU harmonization, France and Germany will reopen their internal (Schengen) borders on 15 June while their external border should be reopened on 1 July.

During the summer, differences appeared between member states in their capacity to perform tests and in their test results, with 2 to 176 cases per 100 000 inhabitants, for a 46 average. European parliament would like to avoid the lead to internal border closures.

#### g)Repatriations from outside the EU

On 29 May, repatriation flights under the Union Civil Protection Mechanism led to 83,956 repatriations: 74,673 EU citizens and 9,283 non-EU citizens.

#### 3.2) Assistance to member states:

#### a) Common debt and European Central Bank response

In July 2020, the European Council agreed upon the Next Generation EU (NGEU) recovery package to support member states hardest hit by the COVID-19 pandemic with a 750 billion € fund to be added to the 2021-2027 budget of the EU. As the fund will draw support from large-scale issuance of European sovereign bonds it will be a breakthrough to a unified European fiscal policy. The fund will be paid off by generating own resources through direct taxation. A covid recovery package worth €750 billion was laid by the European Union, as part of its budget, in November 2020. However, its endorsement was delayed to December as Hungary and Poland vetoed during a couple of days the budget due to the connection of EU funds to respect for the rule of law.

#### b) ECB proposal

On 18 March 2020, the European Central Bank (ECB), headed by Christine Lagarde, announced the purchase of an additional €750 billion of European corporate and government bonds for the year.Lagarde urged the national governments of the member states to seriously consider a one-off joint debt issue of coronabonds.

By early April the ECB announced its intention to push back strategy review from a late 2020 target to the middle of 2021.

Former European Central Bank president Mario Draghi stated that member states should absorb coronavirus losses, rather than the private sector. He compared the impact of coronavirus to World War I.

#### c) Coronabonds controversy

The Spanish Prime Minister Pedro Sánchez stated that "If we don't propose now a unified, powerful and effective response to this economic crisis, not only the impact will be tougher, but its effects will last longer and we will be putting at risk the entire European project", while the Italian Prime Minister Giuseppe Conte commented that "the whole European project risks losing its raison d'être (reason for existence) in the eyes of our own citizens".

Debates over how to respond to the epidemic and its economic fallout have opened up a rift between Northern and Southern European member states, reminiscent of debates over the 2010s European debt crisis. Nine EU countries—Italy, France, Belgium, Greece, Portugal, Spain, Ireland, Slovenia and Luxembourg—called for "corona bonds" (a type of eurobond) to help their countries to recover from the epidemic, on 25 March. Their letter stated, "The case for such a common instrument is strong, since we are all facing a symmetric external shock." Northern European countries such as Germany, Austria, Finland, and the Netherlands oppose the issuing of joint debt, fearing that they would have to pay it back in the event of a default. Instead, they propose that countries should apply for loans from the European Stability Mechanism. A similar position by the Netherlands, Austria, Denmark and Sweden was nicknamed by the press as the "Frugal Four".

Corona bonds were discussed on 26 March 2020 in a European Council meeting, which was three hours longer than expected due to the "emotional" reactions of the prime ministers of Spain and Italy. Unlike the European debt crisis—partly caused by the affected countries—southern European countries did not cause the coronavirus pandemic, therefore eliminating the appeal to national responsibility.

#### d) Vaccines

In July 2020 the European Union refused an offer of 500 million doses of COVID-19 vaccine from Pfizer-BioNTech due to its pricing.

In January 2021, the EU changed their mind and bought 300 millions BioNTech-Pfizer vaccine doses and considered buying 300 million more. 75 million doses were expected to be available during the second quarter of 2021, the remaining doses would be available during the second half of 2021.

The EU has ordered vaccines from AstraZeneca. Problems with delivery thereof led to the European Commission–AstraZeneca COVID-19 vaccine dispute.

#### 3.3) Corporation between member states:

Several actions are performed by many EU countries to help other EU countries.

From 4 to 19 March, Germany banned the export of personal protective equipment, and France also restricted exports of medical equipment, drawing criticism from EU officials who called for solidarity. Many Schengen Area countries closed their borders to stem the spread of the virus.

#### a)EuroMoMo Project

The number of reported deaths does not provide best accuracy on pandemic fatalities, because some countries use slightly different ways to report those deaths.

To avoid such discrepancies, a fatalities excess observatory named "European Mortality Monitoring" (EuroMomo) is weekly operated by Statens Serum Institute epidemiologists with data from 28 partners, from 24 countries.

This project uses standardized methods to ease international comparisons.

Lasse Vestergaard considers that excess estimations are the best way to monitor COVID-19 fatalities. The EuroMoMo project computes a z-score number to rank those deaths in excess.

#### 3.4) Controversies:

#### a) European External Action Service self-censorship controversy

The European External Action Service, charged with combating disinformation from Russia and China, produced an initial status update report on 1 April in which highlighted China's attempts to manipulate the narrative. It asserted that Chinese state media and government officials were promoting "unproven theories about the origin of COVID-19", as well as emphasizing "displays of gratitude by some European leaders in response to Chinese aid". The original report had said that there was evidence of a "continued and coordinated push by official Chinese sources to deflect any blame".

It was revealed that wording was amended under pressure from China to say: "We see a continued and coordinated push by some actors, including Chinese sources, to deflect any blame", and that according to *The New York Times* the office of the High Representative of the European Union, Josep Borrell, intervened to delay the release of the initial report to secure the desired change of wording. The scandal of self-censorship ensued after an email from a staff member EEAS which warned that the softening of the report would "set a terrible precedent and encourage similar

coercion in the future", had been leaked to *the New York Times*. Borrell ordered an internal investigation into the leak.

#### b) Hungary emergency legislation

Sixteen member nations of the European Union issued a statement warning that certain emergency measures issued by countries during the coronavirus pandemic could undermine the principles of rule of law and democracy on 1 April. They announced that they "support the European Commission initiative to monitor the emergency measures and their application to ensure the fundamental values of the Union are upheld." The statement does not mention Hungary, but observers believe that it implicitly refers to a Hungarian law granting plenary power to the Hungarian Government during the coronavirus pandemic. The following day, the Hungarian Government joined the statement.

The Hungarian parliament passed the law granting plenary power to the Government by qualified majority, 137 to 53 votes in favour, on 30 March 2020. After promulgating the law, the President of Hungary, János Áder, announced that he had concluded that the time frame of the Government's authorisation would be definite and its scope would be limited. Ursula von der Leyen, the President of the European Commission, stated that she was concerned about the Hungarian emergency measures and that it should be limited to what is necessary and Minister of State Michael Roth suggested that economic sanctions should be used against Hungary.

The heads of thirteen member parties of the European People's Party (EPP) made a proposal to expunge the Hungarian Fidesz for the new legislation on 2 April. In response, Viktor Orbán expressed his willingness to discuss any issues relating to Fidesz's membership "once the pandemic is over" in a letter addressed to the Secretary General of EPP Antonio López-Istúriz White. Referring to the thirteen leading politicians' proposal, Orbán also stated that "I can hardly imagine that any of us having time for fantasies about the intentions of other countries. This seems to be a costly luxury these days." During a video conference of the foreign ministers of the European Union member states on 3 April 2020, Hungarian Minister of Foreign Affairs, Péter Szijjártó, asked for the other ministers to read the legislation itself not its politically motivated presentations in newspapers before commenting on it.

## 4) EU-UK Negotiations on the future relationship and new EU plans without the UK

#### 1)Brexit

**Brexit** (a portmanteau of "British exit") was the withdrawal of the United Kingdom from the European Union and the European Atomic Energy Community (EAEC or Euratom) at the end of 31 January 2020 CET. To date, the UK is the first and only country formally to leave the EU, after 47 years of being a member state within the bloc, after having first joined its predecessor, the European Communities (EC), on 1 January 1973. It continued to participate in the European Union Customs Union and European Single Market during a transition period that ended on 31 December 2020.



Figure:EU officials removing UK flag in council building.

The European Union and its institutions have developed gradually since their establishment, including 47 years of British membership, and grew to be of significant importance to the UK. Throughout that time Eurosceptic groups had existed, opposing aspects of the Union and its predecessors. Prime Minister Harold Wilson's pro-Europe government held a referendum on continued EC membership in 1975 in which voters chose to stay within the bloc with 67.2% of the vote share, but no further referendums were held as the project grew and became "ever-closer" in the subsequent Maastricht and Lisbon treaties. Facing pressure from Eurosceptic groups, Prime Minister David Cameron's pro-Europe government held a second referendum on continued EU membership in 2016 in which voters chose to leave the EU with 51.9% of the vote share. This led to his resignation, replacement by Theresa May, and four years of negotiations with the EU on the terms of departure and future relations. This process was both politically challenging and deeply divisive within the UK, with one deal rejected by the British parliament, general elections held in 2017 and 2019, and two new Prime Ministers in that time, both Conservative. Under Boris Johnson's

government, the UK left the EU on 31 January 2020; trade deal negotiations continued to within days of the scheduled end of the transition period on 31 December 2020.

The effects of Brexit will in part be determined by the EU–UK Trade and Cooperation Agreement which was agreed on 24 December 2020 and ratified by the UK Parliament on 30 December 2020 and was "provisionally" applied by the EU from 31 December 2020. The broad consensus among economists is that Brexit will likely harm the UK's economy and reduce its real per capita income in the long term, and that the referendum itself damaged the economy. Brexit is likely to reduce immigration from European Economic Area (EEA) countries to the UK, and poses challenges for British higher education, academic research and security; the Turing scheme was announced as a new global student exchange programme in early 2021 to combat this. Following Brexit, EU law and the EU Court of Justice no longer have supremacy over British laws or its Supreme Court. The European Union (Withdrawal) Act 2018 retains relevant EU law as domestic law, which the UK could then amend or repeal.

#### 2) Impact of Brexit on the European Union

In 2016, the impact of Brexit on the European Union was expected to result in social and economic changes to the Union, but also longer term political and institutional shifts. The extent of these effects remain somewhat speculative until the precise terms of the United Kingdom's post-Brexit relationship with the EU becomes clear. With an end to British participation in the EU's policies on freedom of movement of goods, persons, services, and capital, and the European Union Customs Union, as well as sharing criminal intelligence and other matters, there is a clear impact with consequences for both institutions.

#### 2,1)Size and wealth:

In 2018, the UK had the fifth highest nominal GDP in the world and the second largest in the EU.

Brexit makes the EU population to decrease by 13% between 1 January 2019 and 1 January 2020 when, without Brexit, the EU population would have increased (according to Eurostat).

Comparison (2018)	Population \$	Area (km²) ♦	Density (per sq km)	GDP (Eur) ♦	GDP per capita (Eur) ◆
European Union (with the United Kingdom)	513 million	4,475,757	117	15.9 trillion	31,000
European Union (without the United Kingdom)	447 million	4,232,147	106	13.5 trillion	30,000

#### a)Budget

The UK's contribution to the EU budget in 2016, after accounting for its rebate, was €19.4 billion. After removing about €7 billion that the UK receives in EU subsidies, the loss to the EU budget comes to about 5% of the total. Unless the budget is reduced, Germany (already the largest net contributor) seems likely to be asked to provide the largest share of the cash, its share estimated at about €2.5 billion.

As of March 2020, debate continues between those members who wish the budget to be limited to no more than 1% of members' combined GDP and those who want it to be 1.074%.

#### 2.2) Policy changes:

The UK was a major player in the EU which served as both an asset to the Union, but also a hindrance to those who supported a direction firmly opposed by the British government.

#### a) Ideological changes

As the EU's third most populous state, with over 12% of the Union's population, the UK was an influential player in the European Parliament and the Council of the European Union. Its absence will impact the ideological balance within the EU institutions.

#### i)Council

In the Council, during the UK's membership there were two blocs, each capable of forming a blocking minority against the other: the protectionist bloc of mainly southern states and the liberal bloc of mainly northern states. As a member of the latter, the UK's departure will weaken the liberal bloc as the UK has been a sizeable and fervent proponent of an economically liberal Europe, larger trade deals with third countries and of further EU enlargement. While weakening the liberal bloc, it will also strengthen Germany's individual position in the Council through the loss of a key counterweight. However, Germany remains uneasy about this role lest other member states anxious of German dominance may be more tempted to ally against it.

#### ii) European Parliament

In the European Parliament, Brexit led to Changes in group representation: Brexit gave 5 seats to the EPP and 3 seats to the ID, while 29 seats were lost by the NI (including Brexit party) 11 seats

lost by the *Renew Europe* (LibDem) 7 seats losts by the green, and six seats lost by the alliance of socialists and democrats (S&D).

Similarly, a majority of the UK's representatives sat with right-leaning groups, namely the European Conservatives and Reformists and the Europe of Freedom and Direct Democracy, both of which were built around, and led by members of, the British Conservative Party and UKIP. The Progressive Alliance of Socialists and Democrats also lost its members from the UK's Labour Party, but on the whole would be left strengthened by the greater loss to the right, and thus able to form majorities without seeking support from the (conservative) European People's Party. This may lead to a Parliament which may:

- be more willing to pass extra regulations;
- have less support for strong copyright protection;
- pass a smaller budget, but with increased member-state contributions;
- support tax harmonisation and a financial transaction tax (taxation is outwith current treaties);
- give less support to nuclear energy and shale gas in favour of renewable energy sources.

#### b) Defence and foreign affairs

The UK was a key asset for the EU in the fields of foreign affairs and defence given that the UK was (with France) one of the EU's two major military powers, and had significant intelligence capabilities, soft power and a far reaching diplomatic network. Without the UK, EU foreign policy could be less influential. The US saw the UK as a bridge between the US and Europe, and the UK helped align the EU positions to the US and provide tougher policy towards Russia.

However, Brexit also produced new opportunities for the European defence cooperation, as the UK consistently vetoed moves in this direction, arguing it would undermine NATO. It attempted to do so again – even after its withdrawal referendum, in relation to the establishment of a military HQ. With the UK's withdrawal and a feeling that the US under Donald J. Trump may not honour NATO commitments, the European Council has put defence cooperation as a major project in its [post-Brexit vote] Bratislava and Rome declarations and moved forward with setting up a European Defence Fund and activating Permanent Structured Cooperation (a defence clause in the Lisbon Treaty).

#### c)Freedom of movement

Freedom of movement for workers is an integral part of EU policy and is a foundation of European Union ideals. In addition, the Schengen agreement removes the necessity for passports and visas for travel within the Schengen Area, thus allowing the free movement of people. This concept is

designed to benefit the various member states' economy and society by allowing for business to thrive in Europe and also for the EU to be more culturally interconnected. (Visitors from outside the Area are subject to the usual passport and visa controls at the external border of any Area member state. Not all members of the EU are members of Schengen, and not all members of Schengen are members of the EU).

#### d)Eurozone

The relationship between euro and non-euro states has been on debate both during the UK's membership (as a large opt-out state) and in light of its withdrawal from the EU. The question is how Brexit might impact the balance of power between those in and out of the euro, namely avoiding a eurozone caucus out-voting non-euro states.

The UK had called for the EU treaties to be amended to declare the EU to be a "multi-currency union", which sparked concerns that to do so might undermine the progress of euro adoption in remaining countries.

Professor Simon Hix contended that Brexit would strengthen the Eurozone, which may well replace the single market as the EU's core and driving force. In the pre-referendum negotiation, David Cameron emphasised the importance (in his view) of keeping the Eurozone clearly distinct from the EU. Following a British withdrawal, such pressure may well dissipate.

#### e)Speaking English in the European Parliament

As a result of Brexit, there are now fewer native English speakers in the European Parliament and in working groups. David McAllister, a German politician, stated that his former British colleagues are missed for their pragmatism, humor, and rhetoric. McCallister said that English is still the most common language spoken by members of the European Parliament despite it having 24 official languages.

#### 2.3) Economic Impacts:

#### a) Trade with the UK

After Brexit, the EU becomes UK's biggest trading partner, and the UK becomes EU's third biggest trading partner after the United States and China.

Some member states, notably Belgium, Cyprus, Ireland, Germany and the Netherlands, are more exposed to a Brexit-induced economic shock. The economy of the Republic of Ireland is particularly sensitive due to its common land border with the United Kingdom and its close agribusiness integration with Northern Ireland.

The reintroduction of a customs border would have been economically and politically damaging to both sides, particularly because of the risk to the Northern Ireland peace process that a physical

border presents. Despite protestations of good will on both sides, it was not obvious how border controls could have been avoided unless the UK has a Customs Union with the EU. Arising from the agreements made at the Phase 1 negotiations (after the DUP intervention), any arrangements to be made to facilitate cross-border trade in Ireland will apply equally to cross-Channel trade but the details remain unclear. In October 2019, the UK and EU renegotiated the Northern Ireland Protocol of the draft Brexit Withdrawal Agreement so as to keep open the border in Ireland and to have a customs border between the island of Ireland and the island of Great Britain (leaving Northern Ireland 'de facto' in the EU Customs Union in some respects).

The sectors across the EU that would be most hit by the UK's withdrawal are motor vehicles and parts (the UK is a large manufacturer and depends on an EU chain of supply for parts), electronics equipment and processed foods. Export of raw materials from the Ruhr valley would also be impacted.

#### b)Internal trade

Ferry companies DFDS and CLdN have announced plans for new or additional direct services from Ireland to the mainland, avoiding anticipated delays and disruption on the traditional route via Great Britain.

#### 2.4) **People:**

#### a)EU migration or Freedom of movement

The impact of this would be felt most on eastern European member states who have approximately 1.2 million workers in the UK by the end of 2015; the largest groups from Poland (853,000), Romania (175,000) and Lithuania (155,000). A year after the Brexit vote, net annual immigration to the UK fell by 106,000 with most attributed to EU citizens leaving for other states, with the biggest drop among those from the western European states.

The Polish government is encouraging its young emigrant workforce to return to Poland, but due to regulatory or political reasons many would either stay in the UK or move to other western cities such as Amsterdam or Berlin. Other western European member states may see much of the flow coming from eastern states in future. The influx of workers from the east would be economically beneficial to countries such as Germany, but may be politically problematic.

British residents in the European Union have lost their European Citizen rights but otherwise are to be unaffected because of the terms of the Withdrawal Agreement. However, according to evidence presented by lobby group "British in Europe" (representing British citizens resident in EU countries) to the Brexit Select Committee of the House of Commons in June 2020, "as many as 23 EU member states [had] yet to implement systems to document the future rights of the estimated 1.2 million British citizens already living on the continent, who are in the dark over their future rights and

obligations". "The UK launched its [registration] system for EU citizens last March [2020], with more than 3.3 million people granted pre-settled or settled status to remain in the country after Brexit", the Committee was told.

#### b)Political Asylum

At the end of the transition period, the EU's Dublin regulation – which specifies that political asylum should be claimed at the first point of entry to the Union – will cease to apply to the UK and with it any obligation on EU member states to accept return from the UK any asylum seekers that have transited that state en route to the UK.

#### c)Company

With the end of the transition period planned on 1 January 2021, companies operating business with British nations will need to change their trade mark, border and copyright policies to comply with new British procedures and their associated costs.

#### d)Duty and VAT(Value-added tax)

The Brexit/trade agreement lead to a change in duty and in VAT. For instance, EU buyers of UK items now pay EU member state VAT rather than the previously applicable one.

#### 2.5) Institutional changes:

#### a) Agencies located in the UK

Until 2017, the UK had been hosting the European Medicines Agency and the European Banking Authority for many years. As an EU agency could not be located outside the Union, the Council began a process to identify new host cities for the agencies. Hosting an agency is seen as a valuable prize for a city, so the process was hotly contested by nearly two dozen cities not just on the objective criteria, but on political grounds. By November 2017, it was agreed that they would relocate to Amsterdam and Paris.

The backup data centre for the security behind the Galileo satellite navigation system was also relocated from the UK to Spain due to Brexit.

#### b) European Parliament seats

The UK was allotted 73 seats in the 751 seat European Parliament, which became vacant upon its withdrawal in 2020. 27 of these seats were redistributed to other countries, with the remaining 46 reserved for potential new member states, reducing the number of MEPs to 705.

Under normal procedures, the UK's seats would have been redistributed between the remaining members according to the standard formula, but there were a number of alternative proposals. The

European Parliament originally proposed that 22 seats would be redistributed and the remaining 50 would be reserved either for new members, or an additional transnational list of MEPs which would be elected across the Union in an effort to deepen a direct democratic link. This was a long-standing proposal, notably supported by the European Green Party and French President Emmanuel Macron. However, due to the legal uncertainty around Brexit, any bold moves were opposed by constitutional affairs committee chair Danuta Huebner. Computations were proposed in a paper titled "The Composition of the European Parliament" on 30 January 2017. The constitutional affairs committee eventually decided on 23 January 2018 that 27 of the UK's seats would be redistributed and 46 reserved for new member states and transnational lists. On 7 February 2018, MEPs approved the redistribution of 27 seats, but voted against the introduction of transnational lists. On 31 January 2020, all British MEPs vacated their seats; reallocation began on 1 February 2020.

#### 2.6) Costs and benefits:

#### a)Five billion euro adjustment fund

Charles Michel proposed a five billion euro fund which could be used to reduce the shock of the British divorce when the British transition period ends. This reserve is a part of the €1,074 billion European Union budget.

Ireland and Netherlands are the countries which will have greatest benefit from the shock absorber. According to the Scottish National Party leader in the House of Commons, Ireland "has received" [the equivalent of] one billion pounds from the reserve. Other sources put the figure at €991.2 million.

For the Netherlands, the allocation is 713,7 million euros.

For Germany, the allocation is €429.1 million.

For France it is €396.5 million. Other sources suggest that France may receive more than €420 million.

Belgium should receive up to €325 million euros from the EU budget for the impact of Brexit. This includes €200 million from the first tranche for Flanders.

#### 2.7) Language:

Danuta Hübner, the head of the European Parliament Committee on Constitutional Affairs, has argued that after Brexit, English would no longer be an official EU language: "We have a regulation ... where every EU country has the right to notify one official language. The Irish have notified Gaelic, and the Maltese have notified Maltese, so you have only the U.K. notifying English ... If we don't have the U.K., we don't have English."

However, this statement has been contradicted by the European Commission Representation in Ireland, whose spokesperson argued that changing the current language regime would require a unanimous vote by the Council, as well as by President Jean-Claude Juncker in an answer to a

Parliamentary Question on 9 August 2017. However, Juncker has also stated that despite this, in the wake of Brexit, English is losing its importance in Europe and members of the German Bundestag (German Parliament) have called on staff in EU institutions to use German more often.

When the United Kingdom and Ireland joined the EU's predecessor in 1973, French was the dominant language of the institutions. With the addition of Sweden and Finland in the 1990s, and the Eastern European states in the 2000s, English slowly supplanted French as the dominant working language of the institutions. In 2015, it was estimated that 80% of legislative proposals were drafted first in English. The role of English as a lingua franca is believed to be likely to continue, given how heavily staff rely on it, and that in European schools, 97% of children learn English as an additional language, compared with 34% learning French and 23% learning German.

Dr Marko Modiano has suggested, in an academic paper, that Euro English could be codified in a similar way to native English varieties following Brexit.

Language rules are currently covered, amongst others, by: Article 55 of the Treaty on European Union (TEU) (which lists the 24 "Treaty languages" in which the Treaty is drawn up); Articles 20 and 24 of the Treaty on the Functioning of the European Union (TFEU), which lay down the rights of citizens to petition the European Parliament and to address the institutions in any of the Treaty languages and to obtain a reply in the same language, and Article 342 TFEU, which states that "the rules governing the languages of the institutions of the Union shall, without prejudice to the provisions contained in the Statute of the Court of Justice of the European Union, be determined by the Council, acting unanimously by means of regulations";and Council Regulation No 1/1958,which lists the current 24 official languages.

	<u>Further</u>	Reading/l	<u>Research:</u>
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