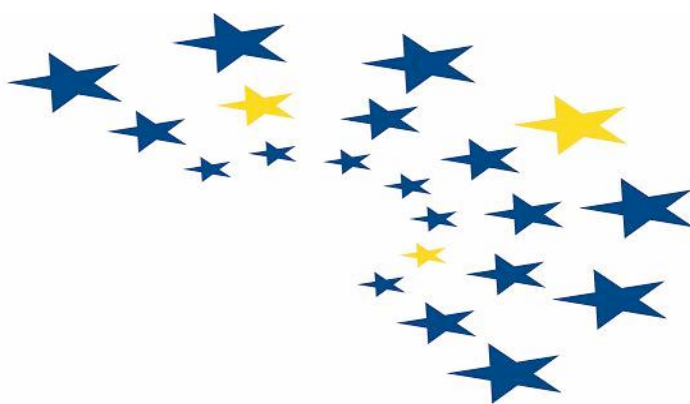


# Preparation Guide - Topic Overviews



EUROPEAN **YOUTH** PARLIAMENT  
PARLEMENT EUROPÉEN DES **JEUNES**  
**NEDERLAND** THE NETHERLANDS

**EYP the Netherlands**

Preliminary Rounds 2013/2014

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## Links to general resources about the European Union

### A comprehensive guide to the European Union (highly recommended):

- <https://www.dropbox.com/s/5ht602gj1b6fdgg/EYP%20DE%20Guide%20to%20the%20European%20Union.pdf>

### A brief summary of the EU's history and its goals:

- [http://europa.eu/about-eu/index\\_en.htm](http://europa.eu/about-eu/index_en.htm)
- <http://europa.eu/about-eu/eu-history/>

### An introduction to the EU's institutional framework:

- [http://europa.eu/about-eu/institutions-bodies/index\\_en.htm](http://europa.eu/about-eu/institutions-bodies/index_en.htm)
- <http://www.youtube.com/watch?v=Av2sI0dHXpQ>
- [http://ec.europa.eu/atwork/index\\_en.htm](http://ec.europa.eu/atwork/index_en.htm)
- <http://www.european-council.europa.eu/the-institution?lang=en>
- <http://www.europarl.europa.eu/aboutparliament/en/00b3f21266/At-your-service.html;jsessionid=9811E6D5B86542E7A185D43C05DFFDCD.node1>
- <http://www.consilium.europa.eu/council?lang=en>

### About the European Parliament:

- <http://europartv.europa.eu/en/player.aspx?pid=24dd4d92-1193-4ebc-b5d8-9f2800a4a40e>
- <http://www.youtube.com/watch?v=OCUF5t1kRII>

### An explanation of the way the EU makes decisions (ordinary legislative procedure):

- [http://ec.europa.eu/atwork/decision-making/index\\_en.htm](http://ec.europa.eu/atwork/decision-making/index_en.htm)
- <http://www.europarl.europa.eu/aboutparliament/en/0081f4b3c7/Law-making-procedures-in-detail.html>
- [http://www.europarl.europa.eu/external/appendix/legislativeprocedure/europarl\\_ordinarylegislativeprocedure\\_howitworks\\_en.pdf](http://www.europarl.europa.eu/external/appendix/legislativeprocedure/europarl_ordinarylegislativeprocedure_howitworks_en.pdf)
- <http://europartv.europa.eu/en/player.aspx?pid=2943a9f1-0a1a-4f7c-9fe8-9f82009fa481>

### An overview of all EU treaties:

- [http://europa.eu/eu-law/treaties/index\\_en.htm](http://europa.eu/eu-law/treaties/index_en.htm)

### The Lisbon Treaty at a glance:

- [http://europa.eu/lisbon\\_treaty/glance/index\\_en.htm](http://europa.eu/lisbon_treaty/glance/index_en.htm)

### On the EU budget:

- <http://europa.eu/about-eu/basic-information/money/expenditure/>

### An overview of the policy areas in which the EU is active:

- <http://europa.eu/pol/>

## Committee on Constitutional Affairs (AFCO)

*Towards a more democratically accountable EU: keeping in mind low voter turnouts for European Parliament elections, how can the role of the European Parliament (EP) be strengthened to secure European democracy in the long term?*

### 1. Key Terms

- **Democratic deficit**

A situation in which there is believed to be a lack of democratic accountability and control over the decision-making process. Some claim that the European Union (EU) suffers from a democratic deficit. The major concerns are: the low popular interest in the EU, the low and decreasing turnout in elections for the European Parliament (EP) and the fact that the only directly elected institution, the EP, does not have full legislative powers.

- **Lisbon Treaty**

International agreement signed by all EU Member States on 13 December 2007. The main points of focus of the treaty are: *Democratic equality*, meaning that European institutions must give equal attention to all citizens; *Representative democracy*, implying a greater role for the European Parliament, changing the voting procedure in the Council of the European Union to qualified majority voting in certain policy areas and greater involvement for national parliaments; *Participatory democracy*, introducing new forms of interaction between citizens and the European institutions, like the European Citizens' Initiative (ECI).

- **European Citizens' Initiative (ECI)**

Introduced in the Lisbon Treaty, the European Citizens' initiative is intended to make the EU more democratic by giving citizens a more direct say in its policies. By collecting at least one million signatures of citizens from at least 7 Member States, citizens can call upon the Commission to launch a proposal of one of the policy areas in which the EU has competencies.

- **Ordinary legislative procedure / co-decision procedure**

This procedure applies to EU legislation on almost all policy areas. It gives the European Parliament and the Council of the European Union the same weight in the process of adopting legislation.

### **Links:**

- The Lisbon Treaty explained: [http://europa.eu/lisbon\\_treaty/glance/democracy/](http://europa.eu/lisbon_treaty/glance/democracy/)
- The ordinary legislative procedure explained: [http://www.europarl.europa.eu/external/html/legislativeprocedure/default\\_nl.htm](http://www.europarl.europa.eu/external/html/legislativeprocedure/default_nl.htm)
- The European Citizens Initiative explained: [http://www.europarl.europa.eu/external/html/legislativeprocedure/default\\_nl.htm](http://www.europarl.europa.eu/external/html/legislativeprocedure/default_nl.htm)

## **2. Relevance and explanation of the problem**

It is often said that the European Union lacks **transparency** and suffers from a **democratic deficit**. Some claim that the EU lacks democracy compared to the national systems, while others stress the fact that the EU is an international institution and does better than many other international institutions when it comes to democracy. Most of the worries about the EU's democratic deficit concern the fact that the **European Parliament (EP)** does not enjoy as much **legislative power** as most national parliaments do, although the European Parliament is the **only directly elected institution** in EU politics. Only the indirectly chosen **European Commission (EC)** has the power to initiate legislation.

Nevertheless, since the **Treaty of Lisbon** the power of the European Parliament has increased. The EP has more say in, for example, the budgeting of the EU. The democratic deficit, however, has not fully evaded. The EP still does not have the right to initiate legislation. Although the EP is the main supervisor of the EC, the EP may not dismiss individual commissioners; it may only dismiss the EC as a whole. Another major problem is the very **low turnout** for the European elections. Turnout has decreased from 63% in 1979 to 43% in 2009.

Bearing in mind these problems that the European Union faces concerning democracy, some say that there is demand for more power of the European Parliament while other may say that the European Commission needs to enjoy greater **democratic accountability**.

### 3. Key conflicts

The European Union is facing democratic challenges. Over the course of its history the EU has, at several occasions, tried to change its institutional framework and make it more democratic. The European Parliament is still one of the main focus points when it comes to the democratic deficit. What role should the European Parliament play exactly? A **more powerful EP** would most likely **compromise powers national parliaments** currently have. Additionally, there is the question of what exactly a more powerful EP would look like. Moreover, it can be debated whether a **politicisation** of the EU institutional framework is desirable. If the EP is to get more power, the question arises whether or not this helps decreasing the democratic deficit because of the ever decreasing **turnout for the elections**.

Where should the European decision makers start when making the EU more democratic? Or does the key to a more democratic EU lie in the hands of the voters, once they turn up?

### 4. Key Questions

- Should the European Parliament have more power within the EU?
- How can voter turnouts be increased?
- How can the supervision of the European Commission be improved?
- Is there more that can be done to solve the EU's democratic deficit?

### 5. Key Actors

There are several institutions that have direct influence on the democratic legitimacy of the EU. One of them is essentially the **European Parliament**, since the EP is the only body which is directly elected. Another key actor in the issue is the **European**

**Commission**, of which some say that it is the least democratically legitimate body within the EU's institutional framework.

Another very important actor in the issue of democratic legitimacy are the **citizens of the European Union**. In the end, the goal of the EU's democratic structure is to effectively represent the interests of its citizens.

## 6. Measures already in place

In 2009 the **Treaty of Lisbon** came into force. The Treaty confirms that the EU is founded on a **direct representative democracy** by the EP and an **indirect representative democracy** by the EC. The power of the EP increased vastly due the further implementation of the co-decision procedure. Furthermore, the treaty established the **right to petition the European Parliament** for EU citizens. The meetings of the European Council were to be public and general debates were to be held whenever a proposal for a legislative act was to be voted on. Last but not least, the treaty enhanced a **larger role for national parliaments** in EU legislation.

## Committee on Culture and Education (CULT)

*The fight for fair play: in the light of the review of the World Anti-Doping Code, how can the EU best contribute to decreasing the use of doping in both professional and recreational sports?*

### 1. Key Terms

- **Doping**

Doping is the practice of using a drug or blood product to improve athletic performance. Also called the 'use of performance-enhancing drugs'.

- **World Anti-Doping Code (The Code)**

The Code is a leading document that consists of anti-doping rules. It is used for harmonisation of existing anti-doping policies of various sport organisations. It is adopted by over 600 international and national sports organisations, including the IOC. The Code is developed by the World Anti-Doping Agency (WADA). It contains rules in the areas of testing, laboratories, the Prohibited List, Therapeutic Use Exemptions (TUEs) and the protection of privacy.

- **Professional sports**

Athletes performing professional sports earn a living with their sports activities. This can also be referred to by 'elite sport'

- **Recreational sports**

Athletes practising recreational sports do not earn anything by sporting but only do this as a hobby. This can also be referred to as 'amateur sport'.

- **EU Expert Group on Anti-Doping (XG AD)**

Created by the Council of the European Union as a part of the EU Work Plan for Sports 2011-2014. This Expert Group has the task to prepare the EU's contributions to the revision of the Code.



## 2. Relevance and explanation of the problem

The use of foreign substances or artificial means to enhance performance in sports is as old as competitive sports itself. Over the past years, the use of doping has been increasing due to the **commercialisation of professional sports**. The increased use of doping poses a threat to all sports worldwide, including those in Europe. Doping undermines the principle of **open and fair play** and it denies the actual base of sports: the abilities of the athlete, established by talent and hard work. Moreover, the widespread use of doping puts the athletes under pressure to **risk their personal health** for the sake of their competitive performance.

The focus from anti-doping institutions has been mainly on professional sports. But, according to studies commissioned by the European Commission, the use of doping also occurs regularly in **amateur sports**.

2013 gives the world the opportunity to intensify the battle against doping. **The World Anti-Doping Code (last revised in 2007) is under review**. This means that all stakeholders can make suggestions for improvement of the Code, hereby contributing to a stronger anti-doping mentality all over the world. Stakeholders to make suggestions are sport organisations, anti-doping organisations, governments and, as such, the European Union.

### Links:

- On the review of the Code: <http://www.wada-ama.org/en/World-Anti-Doping-Program/Sports-and-Anti-Doping-Organizations/The-Code/>
- The European Commission mission statement on doping: <http://www.theguardian.com/environment/emissionstrading>

## 3. Key conflicts

One of the main reasons the athletes continue using performance-enhancing drugs is because the **number of blood tests remains low**. Blood tests, which could catch those taking EPO and Human Growth Hormone, are insufficiently used, partly due to the

**high costs.** Blood samples are expensive to transport and transport routes are in most cases very long, since WADA-accredited laboratories often lie far apart.

Another factor which causes the low number of blood tests, is a conflict of interest between sports teams or organisations and doping authorities. This, for example includes **doctors**, who are hired by a sports organisation and **fear to lose their jobs** if they do not give in to doping practices.

According to an investigation by the Australian Crime Commission, organised crime gangs control the supply and distribution of performance-enhancing drugs in Australia. Senior anti-doping officials across the world agree that the Australian case is an example of what is happening elsewhere in the world. This shows that doping does not only involve individual and amateur practices, but is also dealing with **organised criminal structures**.

### Links:

- Practices in doping and anti-doping agencies:  
<http://www.guardian.co.uk/sport/2013/feb/15/drugs-growing-threat-sport-society>
- Role of doctors in doping in sports:  
<http://www.guardian.co.uk/sport/2013/feb/15/drug-cheat-dilemma>
- List of performance-enhancing drugs and their effect:  
<http://www.guardian.co.uk/sport/2013/feb/15/performance-enhancing-substances-blood-boosters>

## 4. Key Questions

- How should governments and sport organisations work together in their fight against doping?
- In what way can anti-doping regulations be used or improved to combat organised crime gangs that are involved in doping practices?
- How should anti-doping regulations deal with the role of sports doctors?
- How can the number of blood tests in sports be improved?

## 5. Key Actors

The **World Anti-Doping Agency (WADA)** is responsible for the coordination of the fight against doping. It monitors the correct implementation of the Code by **sports organisation** and **national anti-doping authorities**. Their mission is to create a doping-free environment for **athletes** to perform in. **Sports doctors** are often criticised for their role in doping practices.

Additionally, **drug manufactures** have come to acknowledge their part in the doping industry as well. Drugs manufactured by these companies can be used for doping practices. This is for example the case if the blood-enhancing drug EPO. This drug saved millions of lives of anaemia patients, but it has also turned into a performance-enhancing drug in sports. Also, **organised crime** has started to play an increasingly important role in doping practices, by systematically providing athletes with performance-enhancing drugs.

The **European Union** is trying to contribute in the fight against doping as well. The **Council of the European Union** has set up the **Expert Group on Anti-Doping**, which will draft EU contributions to the revision of the Code.

## 6. Measures already in place

First of all, policies created against doping vary strongly per country. Since 2007, however, there is a general convention against doping in sport. This **Convention against Doping in Sport** has been set up by **UNESCO**. It requires all members of UNESCO to take action on specific elements of the fight against doping.

The UNESCO treaty ensures a certain dedication from governments, while sport organisations must adopt the World Anti-Doping Code. Sport organisations can become a member of the Code on a voluntary basis. The Code specifies anti-doping rule violations, which can be, once committed, followed by specified sanctions for individuals and teams. Committing one of the eight violations leads to disqualification of the event where the athlete is tested and further ineligibility. This

means that the athlete is prohibited to participate in any events and loses the right to financial support.

The Code also gives guidelines on testing for prohibited substances. In the **Prohibited List of the Code**, all substances that are qualified as performance-enhancing drugs are listed. Tests usually take place at sport events. On top of that, out-of competition doping controls are executed. This can be beneficial, as some drugs are only traceable for a short period, while their performance-enhancing abilities are effective over a longer period of time.

## Committee on Economic and Monetary Affairs I (ECON I)

*A commitment against carbon: what can the EU do to meet its target of a 20% reduction of greenhouse gas (GHG) emission by 2020? What does the future for the European Union Emissions Trading Scheme (EU ETS) look like?*

### 1. Key Terms

- **The Economic and Monetary Union (EMU)**

A term for a set of policies that aims at further integration of EU economies by coordinating economic, monetary and fiscal policies. All Member States are part of the EMU. It consists of several phases of economic integration, the last one being adoption of the common currency, the euro, which 17 out of 28 Member States have done so far.

- **Banking union**

A banking union or bank union is a structure where two or more states have a joint policy concerning banks. All banks which are located in the countries involved should then meet the rules established by the countries, are supervised jointly and have guarantee schemes to avoid problems.

- **Single Supervisory Mechanism (SSM)**

A mechanism in which the European Central Bank directly supervises the 200 largest banks within the Eurozone. In the current proposals, the SSM will operate as a subsidiary of the ECB, with the chair of the SSM directly appointed by the European Parliament. All other, approximately 6000 banks will continue to be supervised by national supervisors in close cooperation with the ECB, which can step in at any time.

- **Bank resolution**

Bank resolution is a situation in which banks that are in severe financial difficulties are taken over by a government. The bank's assets are typically sold to another bank or banks. Bank resolution aims at handling the bank's activities in an orderly way and minimising losses for depositors.

- **European Resolution Fund**

In the European Commission's current proposal, this is the fund in which all Eurozone banks deposit money that can be used for the resolution of banks. In the past, these funds were indirectly provided by European taxpayers, through European governments.

- **Single Resolution Mechanism (SRM)**

A mechanism proposed by the European Commission in July 2013. In this mechanism, the ECB would communicate the need for bank resolution to the Commission, which then decides on whether to resolve a bank, how to do this and will allocate the necessary funds from the Resolution Fund.

- **Deposit guarantee scheme**

A measure in place in all EU Member States. In a deposit guarantee scheme, depositors who would otherwise lose their deposits, get at least a significant part of their money back when their bank goes bankrupt. The funds used for this are often provided by the country's banking sector itself.

- **European Stability Mechanism (ESM)**

A mechanism that act as a firewall to protect governments and banks in the Eurozone from getting into urgent financial problems. It has a lending capacity of nearly €500 billion. When a country is unable to repay its debts or borrow money on the financial markets, it can receive a loan from the ESM, under strict conditions. Under even stricter conditions, banks can also be recapitalised by the ESM.

## **2. Relevance and explanation of the problem**

The various financial crises Europe has been going through over the past years have proven that some banks had become so large and affiliated, that they were able to bring down a country's economy and even that of a whole currency area. As a result, European governments have been forced to spend as much as **€4.5 trillion** to rescue banks. Eventually, European taxpayers will be the ones suffering from this.

For a stable future of the Eurozone, strict supervision on the banks seems inevitable. So far, individual Member States have been supervising their own banks. Over the past years, it has become clear that this form of decentralised, shattered supervision is insufficient for good supervision of the interdependent European banking sector. The European **banking union** has been initiated to guarantee the stability of the Eurozone

banks in the future. In proposals by the European Commission, a banking union would mean centralised supervision on all banks within the Eurozone in the form of the **Single Supervisory Mechanism (SSM)**, equal legislation in the entire Eurozone, a European **deposit guarantee scheme**, and a mechanism to rescue banks when needed, the **Single Resolution Mechanism (SRM)** with funds from a **European Resolution Fund (ERF)**. Until now, only the Single Supervisory Mechanism has been agreed upon. In the SSM, the ECB will be responsible for supervising the Eurozone's 200 largest banks, whereas all other, smaller banks – approximately 6000 – would continue to be supervised by national supervisors, in close cooperation with the ECB.

### 3. Key conflicts

Whereas the establishment of a banking union has been agreed upon, there are still doubts about its role and its specifics. Chancellor Merkel of Germany, for example, is not unsympathetic towards the creation of a banking European banking union, but sees this as a project for the longer term. There is a clear reason for this. The creation of a banking union is a **risk for wealthier countries** like Germany. These countries fear having to save other countries' troubled banks. After all, the banking union originates from the fact that failing banks bring governments into financial difficulties and threaten economic stability. To counter this problem, it has been proposed to let **banks fund the Resolution Fund** and the **deposit guarantee scheme**. However, this would have negative implications for the current **financial situation of banks**, which is already problematic. Moreover, it is questioned who should be in charge of the SRM and decide whether to allocate funds to the resolution of a bank. The alternative would be to let governments contribute to the fund, or to use funds deposited in the European Stability Mechanism (ESM). This, however, is very controversial, as this fund was originally not meant to be used for bank recapitalisation.

### 4. Key Questions

- Will banks or Member States be funding the ERF?
- Who should decide when funds from the ERF will be used to resolve banks?
- Is a Eurozone-wide deposit guarantee scheme desirable?
- Who should fund the deposit guarantee scheme?
- Would it be feasible to let banks contribute to the ERF and the deposit guarantee scheme, considering their financial situations?
- Is there a role for the ESM within the banking union?

### 5. Key Actors

The complexity of this topic lies in the multitude of actors who are impacted by changes in the Eurozone banking system. The most directly affected are the **banks** themselves, since they will be directly affected by mechanisms such as the SSM. Currently, many banks are struggling to meet new capital requirements and weary of the state of the economy.

**Member States** have, until now, been bailing out banks in their attempts to secure **citizens'** deposits and protect economic stability. When it comes to the banking union, **Eurozone countries** will lose the sovereignty to supervise their own banks. Additionally, these countries might lose more competencies if plans for a Single Resolution Mechanism and a deposit guarantee scheme are put into practice. These proposals will be made by the **European Commission**, which is responsible for drafting legislation concerning the banking union.

## 6. Measures already in place

In March 2013, European leaders agreed upon the specific elements of the **Single Supervisory Mechanism**. This means the 200 largest, systematically relevant Eurozone banks will be directly supervised by the ECB. The SSM will act as a subsidiary of the ECB, which means that all decisions are formally taken by the ECB. The chair of the SSM will be appointed by the European Parliament. The other 6000 Eurozone banks will be indirectly supervised by the ECB. It is, however, unclear when exactly the SSM will be implemented.

### Links:

- Speech of the Vice-President of the ECB on the banking union:  
<http://www.ecb.int/press/key/date/2013/html/sp130212.en.html>
- Critical article from The Economist about the banking union:  
<http://www.economist.com/blogs/freeexchange/2013/05/european-central-bank-2>
- Academic article with a different vision on the banking union:  
<http://blogs.lse.ac.uk/euoppblog/2012/11/13/eu-banking-union-redesign/>



## Committee on Economic and Monetary Affairs I (ECON I)

*Europe as a tax haven for multinationals: how can the EU and its partners tackle legal tax avoidance to ensure a fair tax system, while respecting Member States' sovereignty?*

### 1. Key Terms

- **Tax avoidance**

Not be confused with illegal tax evasion, tax avoidance is the act of altering a company's financial situation in order to, simply put, have less taxes deducted from the company's earnings. For example, should you own a bulk carrier ship, it would be beneficial to register it at the Marshall Islands, a place that's considered a tax haven. Companies organise paying their taxes in such a way that they pay a specific tax in a country where the rate for this tax is low. For example, 91 out of the 100 largest multinationals have some kind of office in The Netherlands, because taxes on intellectual property rights are exceptionally low in that country.

- **Tax haven**

A term for a country where taxes are exceptionally low, and the political and economic climate stable. Bermuda and the Isle of Man are examples, but Ireland and the Netherlands as well.

- **Subsidiary company**

A subsidiary company is a company of which more than half is owned by the actual mother company. Since these companies are, as such, part of the mother company's corporate structure, income can easily be shifted within the full organisation, using different subsidiaries in different countries for maximum benefits.

- **Tax evasion**

An illegal practice where an organization or corporation intentionally avoids paying its true tax liability. This can for example be done by not reporting all of one's income to authorities. Switzerland has played an important role in this, as it doesn't consider tax evasion a criminal offense, which relieves Switzerland of having to assist in prosecuting foreign tax evaders.

- **Offshore leaks**

Website by The International Consortium of Investigative Journalists (ICIJ) similar to Wikileaks. The difference is, however, that Offshore Leaks is targeting solely at publishing information about who avoids/avoided taxes and how

- **Double tax agreement**

When countries decide to exchange their taxpayers' information in order to spot discrepancies that point towards tax avoidance and evasion.

- **European Union Financial Transaction Tax (EU FTT)**

An EU-wide tax on all financial transactions. This was proposed in 2011, and again in early 2013, and it is now a topic of debate. Note however, that not all Member States participate. Notable exceptions are the Netherlands, Ireland and the UK, the latter of which has also been tied to tax evasions, namely through its overseas territories and protectorates.

### **Links:**

- Video on how the Netherlands is used as a tax haven by many multinationals:  
<http://www.ft.com/cms/s/0/5d4b7416-b04c-11e2-8d07-00144feabdc0.html#axzz2g1dPwey3>

## **2. Relevance and explanation of the problem**

In March 2012, European commissioner Algirdas Semeta already urged for laws to clamp down on tax evasion and avoidance in the EU, but his efforts were fruitless. Then Australian journalist Gerard Ryle obtained a 260-gigabyte hard drive containing information on secret offshore trusts and subsidiaries around the world. This, combined with the US' anti-tax-cheat crusade in the form of the FATCA bill, create a media hype that was soon followed by European politics. Apparently, the EU collectively misses out on **1 trillion euros** annually, **150 billion** of which are lost through **tax avoidance** (the rest through evasion).

At the G8 summit in May, it was decided that the participants are going to engage in an 8-way double tax arrangement. The EU is also moving towards a system like this,

however some countries, for example the UK, The Netherlands and Ireland, are not participating in this programme.

### 3. Key conflicts

When it comes to the EU and taxation, sovereignty is an important issue. Whereas it is often said that this leads to a **race to the bottom** between Member States that all wish to attract large firms, Member States may have other motivations for certain regulations. For example, **Ireland** maintains its corporate tax rate at such a low level to avoid **special deals with large firms**. To what extent should the EU be involved in these matters? Also, the fact that large multinationals reside in certain countries has positive effects for local tax revenues. On the other hand, many argue it is only fair that companies pay taxes in the country where they earn their money.

Some people, most notably liberal thinkers, argue that tax avoidance is actually a beneficial thing. Paying less tax leaves companies with more money – money that can be used to invest, create jobs and generally add to the economy rather than to directly transfer it to the government.

Many problems arise when it comes to combatting tax avoidance. Even if the EU would manage to create a system where tax avoidance is impossible, who's to say these multinationals won't simply base themselves in other countries and regions? In fact, one could argue that such an **environment** is simply **deterrent and hostile towards investors**, who might then move away completely.

### 4. Key Questions

- Is tax avoidance necessarily negative?
- Could plans to combat tax avoidance really be effective?
- Is more EU influence in national fiscal policies desirable?
- Is there another way than double tax arrangements and closing loopholes to combat this issue?

## 5. Key Actors

Under current treaties, the EU has no power whatsoever to collect taxes. All actions on these issues, such as the possible implementation of a are therefore to be taken by **Member States**. The **European Commission** is active as a mediator between countries and attempts to stimulate cooperation on the issue. Next to that, tax avoidance is an issue that doesn't only impact the EU. Also on the international level, tax avoidance is being dealt with. The **Group of Eight (G8)** have recently decided to combat tax avoidance, tax evasion and money laundering together. Lastly, the actions of **multinational corporations** must be taken into account. As the main evaders, they are one step ahead of policy makers.

## 6. Measures already in place

To be able to more effectively tackle tax evasion, Member States and the European Commission are starting to **intensify administrative** cooperation. The Commission has also recommended Member States to engage even more in double tax agreements to combat tax evasion. Additionally, the Commission has proposed a **Platform for Tax Good Governance**, which will comprise experts from all Member States and will come with specific recommendations to Member States to prevent tax evasion. Steps have already been taken to start using a **standardised taxation form** across the EU, to make it easier for Member States to cooperate on this issue.

## Committee on Employment and Social Affairs I (EMPL I)

*With one out of four EU citizens at the risk of poverty and social exclusion according to Eurostat, how can the EU cooperate with Member States to decrease the negative impact of the crisis on society's weakest?*

### 1. Key Terms

- **At-risk-of-poverty rate**

Persons at-risk-of-poverty are those living in a household with an income below 60% of the national median income<sup>1</sup>.

- **The AROPE indicator**

Short for **At Risk Of Poverty of or Social Exclusion**. The AROPE indicator is defined as the share of the population in at least one of the following three conditions: 1) at risk of poverty, meaning below the poverty threshold, 2) in a situation of severe material deprivation, 3) living in a household with a very low work intensity<sup>2</sup>.

- **Social exclusion**

Social exclusion has many definitions and different understandings. One definition is: "Social exclusion is a rupturing of the social bond. It is a process of declining participation, access, and solidarity. At the societal level, it reflects inadequate social cohesion or integration. At the individual level, it refers to the incapacity to participate in normatively expected social activities and to build meaningful social relations<sup>3</sup>." Social exclusion often holds resemblance with poverty and connections with unemployment, poor education or disability. Whereas the term poverty is only financial, social exclusion also takes social factors into consideration.

- **Society's weakest**

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<sup>1</sup>

[http://ppp.unstats.un.org/indicators/indicator/EYD/Details.aspx?locations=EU&SR=12009/EYD/AGS-12-009-EN/PDF/social\\_e](http://ppp.unstats.un.org/indicators/indicator/EYD/Details.aspx?locations=EU&SR=12009/EYD/AGS-12-009-EN/PDF/social_e)

<sup>3</sup> <http://www.brown.edu/Departments/Sociology/faculty/hsilver/documents/hsilver-social-exclusion-encyc.pdf>

Society's weakest are often people with a disadvantage that makes them unable to perform as well as others in society. Examples are children, elderly, disabled persons and one-parent households. Persons can also be seen as 'weak' within a society because of their gender, race, religion or sexual preference.

- **European Social Fund (ESF)**

A fund that is the EU's main tool to promote employment and social inclusion. It funds projects that promote employment on both the local, regional and national level. Its budget is approximately €75 over the period 2014-2020.

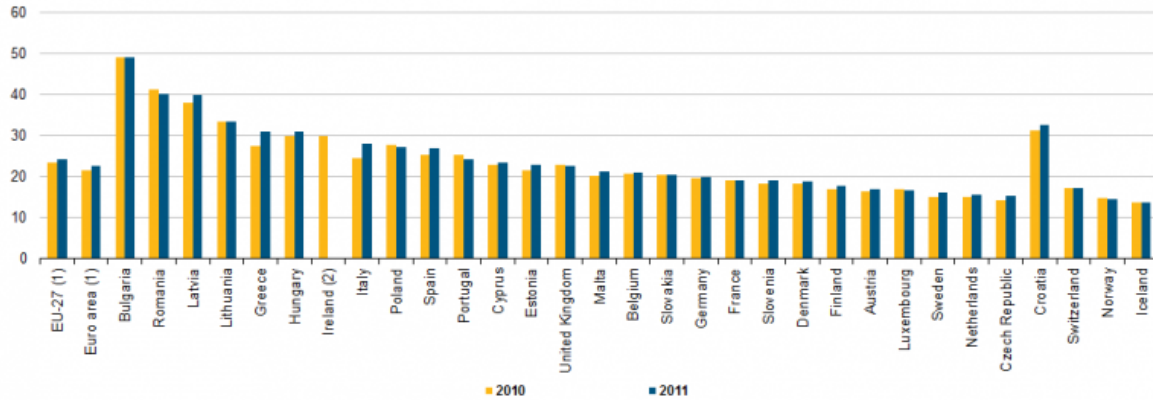
## **2. Relevance and explanation of the problem**

In 2010, the EU laid out a path towards a stronger Europe by the year 2020. In relation to poverty and social exclusion, a specific goal was set: at least **20 million fewer people in or at risk of poverty and social exclusion**. The importance and urgency of striving to achieve this goal is best illustrated by numbers. According to the most recent data from Eurostat, there is still a long way to go towards reducing the number of people at risk of poverty or social exclusion (AROPE). Calculations by the European Commission, show that, in the most favourable case, only **15 million fewer** people will no longer be at risk of poverty and social exclusion. This would mean that the EU has not met its target by 5 million. In 2011 **24.2%** of the European population was **at risk of poverty or social exclusion**. In comparison to the numbers in 2010 (23.6%), this shows growth of the AROPE<sup>4</sup> population.

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<sup>4</sup> Data from Eurostat concerning people at risk of poverty or social exclusion.

[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/People\\_at\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion)



(1) Eurostat estimates in 2011  
 (2) Data not available for IE in 2011  
 Source: Eurostat (online data code:ilc\_peps01)

Eurostat also revealed that there is a huge variation between Member States when it comes to the percentage of their citizens AROPE, ranging from 49.1% in Bulgaria to 15.7% in the Netherlands and 15.3% in the Czech Republic. Their investigation also shows that **children** have a greater risk, with 27% of the children against 24.2% of the adults at risk of poverty or social exclusion in Europe<sup>5</sup>.

### Links:

- Publication on Eurostat’s findings on poverty and social exclusion:  
[http://epp.eurostat.ec.europa.eu/cache/ITY\\_OFFPUB/KS-SF-12-009/EN/KS-SF-12-009-EN.PDF](http://epp.eurostat.ec.europa.eu/cache/ITY_OFFPUB/KS-SF-12-009/EN/KS-SF-12-009-EN.PDF)
- Summary of Eurostat’s research on poverty and social exclusion:  
[http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php/People\\_at\\_risk\\_of\\_poverty\\_or\\_social\\_exclusion](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/People_at_risk_of_poverty_or_social_exclusion)

### 3. Key conflicts

The problem the EU is facing is immense and has been around for a long time. Recently, the economic crises have enhanced the problem by causing **unemployment to rise** and government debts to increase, leading to **budget cuts on social welfare**.

<sup>5</sup> [http://epp.eurostat.ec.europa.eu/statistics\\_explained/index.php?title=File:At-risk-of\\_poverty\\_or\\_social\\_exclusion\\_rate\\_by\\_age\\_group,\\_2011\\_\(%25\\_of\\_specified\\_population\).png&filetimestamp=20130305081548](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:At-risk-of_poverty_or_social_exclusion_rate_by_age_group,_2011_(%25_of_specified_population).png&filetimestamp=20130305081548)

The combination of these two has caused more people to be in a financially difficult situation.

The EU, however, also faces long-term problems, problems that go beyond the crisis. There is a **huge difference in social welfare standards between Member States**. Whereas some countries have generous social welfare systems, other countries provide citizens with **poor education and social security**, which both negatively contribute to AROPE figures. Policies on social welfare, however, are strictly **national policies**, making it extremely difficult for the EU to act on this issue.

#### 4. Key Questions

- What are the possible short-term solutions to reduce the negative impact of the crisis on society's weakest?
- How can the EU help to guarantee certain minimum standards for the weakest in society?
- What measures can the EU take to achieve the Europe 2020 goals on poverty and social exclusion?

#### 5. Key Actors

**One in four European citizens** are either in poverty, or at risk of getting into poverty. They face the consequences of this on a daily basis. On a small scale, they are the main actors.

Decisions about social security are made on a **national level**. The EU can advise Member States or set targets for them, for instance the 2020 target on poverty and social exclusion. How to achieve this goal is eventually decided on a national level. On this topic, the EU only has shared competence<sup>6</sup>. The **EU can therefore not implement rules on a national level**. In the end national **governments** will put laws into practice and are therefore key actors in this problem.

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<sup>6</sup> Frequently asked questions on EU competences. <http://ec.europa.eu/citizens-initiative/public/competences/faq?lg=en#q3>



Space for the EU to step in could be found in other ways. The EURES<sup>7</sup> project is a good example of what can be done on a EU-wide scale to tackle unemployment and thus, attempt to reduce poverty and social exclusion.

## 6. Measures already in place

The EU has already implemented the **law on free movement of workers**<sup>8</sup> within the EU and made sure there always is social security for those who work abroad in the EU. Furthermore, the EU has set up numerous projects and funds to boost employment.

The European Commission has created **three flagship initiatives** as a part of the Europe 2020 strategy in the area of employment, social inclusion and poverty: Youth on the Move European Youth Guarantee<sup>9</sup>), the European platform against poverty and social exclusion and the agenda for new skills and jobs<sup>10</sup>.

**The European Social Fund** is one of the EU's structural funds, set up in 1957 to reduce differences in prosperity and living standards across Member States and regions. It accounts for around 10% of the total EU budget, around €75 billion and has funded tens of thousands of projects across the Union. Another EU programme is **Progress** (Programme for Employment and Social Solidarity). This programme supports the implementation of the Europe 2020 strategy. Amongst others, it increases the availability of microcredit for those looking to develop a small business<sup>11</sup>.

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<sup>7</sup> Short video about the EURES project, a way to increase job mobility.

<http://ec.europa.eu/avservices/video/player.cfm?ref=I073047>

<sup>8</sup> Explanation of the law on free movement. <http://ec.europa.eu/social/main.jsp?catId=457>

<sup>9</sup> Short video explaining the Youth guarantee scheme.

<http://ec.europa.eu/social/main.jsp?catId=669&langId=en&videosId=2619&vl=en&furtherVideos=yes>

<sup>10</sup> Explanation of all flagship initiatives. <http://ec.europa.eu/social/main.jsp?catId=956&langId=en>

<sup>11</sup> Explanation of the European social fund as well as Progress can be found here:

<http://europa.eu/pol/socio/flipbook/en/files/na7012003enc.pdf>

## Links:

- Europe 2020 in a nutshell: [http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index\\_en.htm](http://ec.europa.eu/europe2020/europe-2020-in-a-nutshell/index_en.htm)
- A summary of what the EU does in different policy areas to tackle poverty: <http://europa.eu/pol/socio/flipbook/en/files/na7012003enc.pdf>

## Committee on Employment and Social Affairs II (EMPL II)

*Pensions under pressure: as Europe's population is getting older and older, what steps should the EU take to reform pension systems and guarantee a good standard of living for the youngsters of today, once they reach their retirement?*

### 1. Key Terms

- **Ageing population**

A population in which the number of elderly (people older than 65) is increasing relative to the number of people of working age.

- **Grey pressure**

The number of persons aged 65 years and older as a percentage of the number of people aged 20–64 years. The group of 20–64 year-olds coincides largely with the potential labour force, who have to bear the costs of the ageing population. An increasing grey pressure is mostly the result of a higher life expectancy and a lower total fertility rate.

- **Dependency ratio**

The ratio between the percentage dependent part of the population, which is not eligible for employment (children and elderly) and the working age population (between 15 and 64). For example, when the dependent population is 5 million and the working age population is 10 million, the dependency ratio is 50%.

- **Total Fertility Rate (TFR)**

The expected amount of children a woman, under normal conditions, gives birth to during her life. This varies strongly per country and even by region.

- **Population replacement level**

The minimum number of children per woman that will ensure that the next generation in a certain area is equally populous as the previous one.

- **European Economic and Social Committee (EESC)**

A consultative body of the European Union on economic and social policies. Employers, trade unions and other stakeholders are represented in this committee to give their view on proposals by the European Commission.

## 2. Relevance and explanation of the problem

With the grey pressure increasing in the EU, there is an immense **burden** on the **youngsters** of today. According to Eurostat research, the rate of people over 65 will be 29% by 2050, compared to only 19% of the population ranging between 15 and 24. There are two key advancements that have caused this radical change. Firstly, **medical advances** have structurally increased life expectancies across Europe. Secondly, in a modernised Europe, women have started to become increasingly active on the labour market, leading to falling fertility rates.

The retired population receives **pensions** and **healthcare** which is paid for by the working population. However, as a result of the previously mentioned development, this working population is remarkably smaller in comparison to the dependent population than ever before. Between 2006 and 2050, the **dependency ratio** is projected to double, from **25%** to **51%**. Consequently, radical changes in social systems have to be made to sustain these systems for both the older and the younger generation.

## 3. Key conflicts

The EU and its Member States need to come up with a strategy regarding pensions and healthcare that can guarantee a secure future to the youth. In the future, retirees will most likely have to contribute more to their own pension, next to their state pension and, in some countries, what they have contributed to their employer's pension fund. However, many youngsters are **not concerned with their situation in 40 to 50 years**, especially because of the high **youth employment** they are facing today.

Additionally, rising **healthcare costs** (an average annual growth of 4.6% between 2000 and 2009 for the EU as a whole) pose a significant challenge to European welfare

systems. To make up for this, it is often proposed to ask the **elderly** to **contribute more** themselves, or turn healthcare into a **shared responsibility** between **family** and **state**. Moreover, it is often argued that better **prevention** such as stricter regulations on smoking, drugs and alcohol and healthier lifestyles, can contribute to reducing healthcare costs. Furthermore, to improve fertility rates, **more spending on family friendly policies** can be considered.

#### 4. Key Questions

- How can youngsters be encouraged to start building up their pensions?
- How can healthcare costs be reduced?
- What can be done to improve fertility rates?

#### 5. Key Actors

Most prominently, the **elderly population** and the **current and future working population** are involved. As the elderly population is growing, and the working population is shrinking, this will demand sacrifices from both parties. Additionally, **families of the elderly** might in the future be required to be more involved in taking care of their elderly relatives.

On a political level, **Member States** are mainly responsible for legislation on the issue. The **EU**, therefore, cannot force Member States to take specific actions, but can provide Member States with binding policy directions.

#### 6. Measures already in place

The European Commission outlines **five directions** to meet the demographic challenge over the upcoming years: **promoting demographic renewal** in Europe by improving the balance between professional, private and working life, **promoting employment** in Europe through more jobs and longer working lives. a **more productive and dynamic Europe** thanks to the refocusing of the Lisbon strategy since 2005. This revised strategy will give the different economic operators the chance to take full advantage of the opportunities presented by demographic change, **receiving**

**and integrating immigrants** in Europe and **sustainable public finances** in Europe. These measures have already been discussed in the European Council entitled “European values in the Globalised World” and the Commission’s Green Paper on “Confronting demographic change: a new solidarity between the generations”. Moreover, the United Nations has been drawing attention to the ageing of the world population since 1982, when it organised the first conference on this subject and adopted an international plan of action on ageing on this occasion. The reforms presented by the EU are part of the renewed Lisbon strategy and respond to a common perspective of restored confidence.

### Links:

- Communication on the European Commission’s proposal for measures in response to the ageing population:  
[http://europa.eu/legislation\\_summaries/employment\\_and\\_social\\_policy/situations\\_in\\_europe/c10160\\_en.htm](http://europa.eu/legislation_summaries/employment_and_social_policy/situations_in_europe/c10160_en.htm)
- A revised strategy on ageing by the European Commission:  
[http://ec.europa.eu/economy\\_finance/articles/structural\\_reforms/article14761\\_en.htm](http://ec.europa.eu/economy_finance/articles/structural_reforms/article14761_en.htm)

## Committee on Environment, Public Health and Food Safety I (ENVI I)

*With natural disasters, such as floods, droughts and storms, occurring regularly in the EU, what role should the EU play in preventing these disasters and providing aid to the affected areas?*

### 1. Key Terms

- **Greenhouse effect**

A term for certain gases in the atmosphere that act like the glass in a greenhouse, allowing the sun's energy in, but preventing heat from escaping. Some greenhouse gases are naturally present in the atmosphere. However, human activities are releasing immense additional amounts of greenhouse gases, such as CO<sub>2</sub>, into the atmosphere, enhancing the greenhouse effect and causing global warming.

- **Deforestation**

The clearance of trees or forests. Trees help to regulate the climate by absorbing CO<sub>2</sub> from the atmosphere. When forests are taken down, the immense amount of carbon stored in the trees is released into the atmosphere as CO<sub>2</sub>, adding to the greenhouse effect. On top of that, the destroyed forest can no longer absorb CO<sub>2</sub> from the atmosphere. When deforestation occurs, water will move more quickly from the rainfall area to rivers, causing erosion and stripping the topsoil. This soil and dirt streaming into the river will become sediment and fill up the rivers allowing them to be more prone to floods.

- **Green Paper**

Document published by the European Commission to stimulate discussion on a given topic at the European level. They invite the relevant parties to participate in a consultation process and debate proposals that have been put forward. Green Papers may give rise to legislative developments that are then outlined in White Papers.

- **European Emergency Response Centre (ERC)**

A centre set up by all countries that are a member of the Civil Protection Mechanism (all EU Member States and Iceland, Lichtenstein, Norway and Macedonia) that aims to coordinate and support action in case of natural disasters, both in and outside the

EU. It acts as a communications hub between participant states, the affected country and dispatched field experts.

## 2. Relevance and explanation of the problem

As a result of climate change, the chance of natural disasters occurring in the EU is augmenting. Natural disasters taking place are often thanks to human activities, such as **deforestation**, which stimulates erosion, or gas outlets, which stimulate the **greenhouse effect**. Thanks to the greenhouse effect, the earth's temperature is increasing and which increases the amount heat waves, forest fires and droughts that occur globally. Heavier precipitation and flooding is projected in northern and north-eastern Europe, with an increased risk of coastal flooding and erosion. A rise in such events is likely to increase the magnitude of disasters, posing a significant threat to the safety of citizens across Europe.

These disasters do not only create a danger for the **wellbeing of citizens**, but also create significant **economic losses**: the EU is vulnerable to nearly all types of natural disasters. Natural disasters cause human losses and damages, affecting economic stability and growth. They may have cross-border effects and can threaten entire areas in neighbouring countries. Even where costs of major disasters are locally concentrated, if costs are inadequately covered by insurance then individual Member States may carry large fiscal burdens, which could cause internal and external imbalances.

## 3. Key conflicts

Concerning natural disasters, one of the current hot topics is the question of insurance against natural disasters. According to research by the Commission, many **individuals** and **businesses** underestimate the risk of natural disasters in their area, and, thus, do not **insure** themselves **sufficiently**<sup>12</sup>. One option is to make insurance against natural disasters compulsory. This, however, is very controversial, and difficult to implement from a European perspective.

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<sup>12</sup> <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52013DC0213:EN:NOT>



Moreover, there are **significant differences** across the EU when it comes to **climate adaptation**. Some Member States see natural disaster policies as a less important point of focus at this time of **crisis**, whereas some countries, such as the Netherlands, have been consistently investing in their ability to deal with and prevent natural disasters.

Additionally, there is the question of **subsidiarity**. Some measures are best suited to be managed at household or municipal level, such as the improvement of natural drainage to prevent pluvial flooding or suitable care and housing for elderly people that can buffer the effects of heat waves. While the European Emergency Response Centre serves as a good platform for the coordination of response to disasters, the European Parliament, Council and Member States all call for **more action at community level to prevent disasters**.

#### 4. Key Questions

- What can the EU do to ensure that its citizens and businesses are better insured against natural disasters?
- How can the EU make sure that adaptation strategies are implemented on a local level?
- What can the EU do to make citizens more aware of the consequences of climate change?
- How can the EU encourage Member States to do more about adaptation to climate change despite in times of crisis?

#### 5. Key Actors

When it comes to this topic, the main actors are the **citizens**: they are the ones in danger of natural disasters and the ones affected by them, but they also play an important role in adapting to the consequences of climate change. Citizens have the ability to take measures on a local level.

At the same time, the **European Commission** is an important player in this problem. The Commission is responsible for proposing new measures and strategies. **Member states** are crucial to the execution of these policies on a national level. Member states are responsible for national policies on insurance, which is a key aspect of the problem.

They are also the ones that have to cooperate with **local governments**, such as **municipalities**, to implement policies on a local level.

## 6. Measures already in place

The EU has opened the **European Commission's Emergency Response Centre** in April 2013. This centre allows better coordinated, faster and more efficient response to natural and man-made disasters in Europe and beyond. The European Commission has come up with a **new adaptation strategy**<sup>13</sup> last April to prevent and tackle these natural disasters. The strategy is focusing on the responsibility of the Member States and their adaptation to climate change, on a stronger and better infrastructure concerning natural disasters in the EU, and on the spreading of knowledge regarding natural disasters through citizens. Examples of adaptation measures include: using scarce water resources more efficiently; adapting building codes to future climate conditions and extreme weather events; building flood defences and raising the levels of dykes; developing drought-tolerant crops; choosing tree species and forestry practices less vulnerable to storms and fires; and setting aside land corridors to help species migrate.

In a related measure, the Commission adopted a **Green Paper** on insurance in the context of natural and man-made disasters. This public consultation launches a wide debate on the adequacy and availability of existing insurance options. The Commission is now waiting for annotations of all stakeholders, including the public. With this commentary the Commission shall install new legislation and non-legislative measures.<sup>14 15</sup>

### Links:

- Information about the Commission's new adaptation strategy:  
[http://europa.eu/rapid/press-release\\_IP-13-329\\_en.htm](http://europa.eu/rapid/press-release_IP-13-329_en.htm)
- Some of the key points of the current policies:  
[http://ec.europa.eu/commission\\_20102014/georgieva/hot\\_topics/european\\_disaster\\_response\\_capacity\\_en.htm](http://ec.europa.eu/commission_20102014/georgieva/hot_topics/european_disaster_response_capacity_en.htm)

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<sup>13</sup> [http://ec.europa.eu/clima/events/0069/index\\_en.htm](http://ec.europa.eu/clima/events/0069/index_en.htm)

<sup>14</sup> [http://ec.europa.eu/dgs/jrc/index.cfm?id=1410&dt\\_code=NWS&obj\\_id=16630&ori=RSS](http://ec.europa.eu/dgs/jrc/index.cfm?id=1410&dt_code=NWS&obj_id=16630&ori=RSS)

<sup>15</sup> [http://ec.europa.eu/ture/analysis/external/insurance/definitions\\_en.pdf](http://ec.europa.eu/ture/analysis/external/insurance/definitions_en.pdf) (page 34-40)

## Committee on Environment, Public Health and Food Safety II (ENVI II)

*A potential boost or threat? In the light of increasing technological possibilities, what stance should the EU take when it comes to genetically modified (GM) food, bearing in mind public concerns about their possible effects?*

### 1. Key Terms

- **Genetically Modified Organism (GMO)**

EU legislation officially defines GMOs as “organisms in which the DNA has been altered in manners that do not occur naturally”. These alterations result in capabilities the organism did not have before the modification, for instance the capability of plant to withstand a high range of temperatures.

- **Food safety**

Food is safe when it, if prepared correctly, does not pose a threat to the human body.

- **Biotechnology**

Biotechnology is the collection of techniques that enhance and improve biological product. Examples of biotechnology are DNA typing, genetic modification and cloning.

- **Agricultural productivity**

Agricultural productivity is the measured ratio between agricultural input and output. This depends on the efficiency with which the agricultural sector uses resources such as land and water, as well as the yield of the production.

- **Food security**

Having the access to food whenever a human needs or wants it.

### Links:

- Information about GMOs from the European Food Safety Authority (EFSA):  
<http://www.efsa.europa.eu/en/topics/topic/gmo.htm>

## 2. Relevance and explanation of the problem

*'The world's population is set to grow considerably over the coming years, albeit at a slower rate than in the past, and with considerable differences across regions. Over the next four decades, the world's population is forecast to increase by 2 billion people to exceed 9 billion people by 2050. Recent FAO estimates indicate that to meet the projected demand, global agricultural production will have to increase by 60 percent from its 2005–2007 levels'' from the Food and Agriculture Organization of the United Nations (FAO) 2013 World Yearbook.*

Adding to the **growing world population**, the alarming rate at which humans are **exploiting** the **resources** the earth has to offer is another element that has to be considered. The **competition** between more economically developed countries over securing food supplies for their respective population is damaging the international food market. **Farmers** are unable to keep up with demand and the growth of **agricultural** productivity is slowing.

Looking at the current situation, GMOs could be of large benefit to food safety and food security. However, there is wide public concern about the **potential hazards** of genetic modifications.

## 3. Key conflicts

The conflicts surrounding the cultivation and consumption of GM crops can be divided into three categories: **economic concerns**, **environmental concerns** and **concerns about public safety**.

It is accepted that GM crops could provide a large boost to agricultural production. They are better able to withstand pests, drought and diseases. This is beneficial to the yields of European farmers and consumers alike since it will **decrease production costs**. However, the corporations controlling the industry are likely to use **intellectual property rights** to create **unfair competition**. Moreover, only large commercial farmers are likely to benefit from the surge in GM crops. The EU believes this could have **negative consequences** for **smaller and non-industrialised** farms in less economically developed areas.

GM crops and GMOs are often promoted as to provide the world with food security in the future. The already wildly used GMOs that are insect resistant have resulted in

less use of harmful insecticide. On the other hand, **the long-term effects of GM crops on human health and the environment are unknown.**

#### 4. Key Questions

- Bearing in mind the little scientific knowledge about long-term effects of GMOs, should the EU make policies on GMOs less stringent?
- With regard to the international position of the EU, should it change or maintain its current policy?
- To which extent should the EU seek to control the GMO market, which has proved to be vulnerable to monopolies?

#### 5. Key Actors

As representatives of the European population, the **European Parliament** is mainly struggling with the currently sceptic European population. Less than a quarter of all Europeans believe that GM food is safe for future generations<sup>16</sup>.

All new GM product are considered as new food types and are assessed by the **European Food Safety Authority**, which very critically assesses new products and advices the **European Commission**. The Commission can decide whether or not to allow this particular product. Any new legislation on GMOs submitted by the Commission will have to be approved by both the European Parliament and the **Council of the European Union**.

**Biotechnological companies** spend immense amounts of money on developing new GM products. The average new product costs 13 years and 136 million dollars to develop. Due to strict regulations, these companies have not yet targeted the EU market. **Small farmers**, however, would be unable to keep up with these large investments and would therefore struggle to remain competitive.

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<sup>16</sup> [http://ec.europa.eu/public\\_opinion/archives/ebs/ebs\\_341\\_en.pdf](http://ec.europa.eu/public_opinion/archives/ebs/ebs_341_en.pdf)

## 6. Measures already in place

The current EU policy concerning GM crops dates back to 2003. An extensive evaluation carried out in 2009-2011 concluded regulations from 2003 were still up-to-date. It also concluded that, although the legislation was not used as intended by legislators, the public did receive the intended benefits.

In current legislation, companies can file **requests for cultivation** of specific GM crops to the **EFSA**, which assesses these requests and sends them on to the EC. The EC can approve the proposal on a European level and this specific crop is then allowed in all member states. However, individual **Member States** can impose **stricter rules** on certain products. This has led to numerous clashes between Member States and individual companies or the EC, claiming their ban is unjustified.

## Committee on Industry, Research and Energy I (ITRE I)

*A commitment against carbon: what can the EU do to meet its target of a 20% reduction of greenhouse gas (GHG) emission by 2020? What does the future for the European Union Emissions Trading Scheme (EU ETS) look like?*

### 1. Key Terms

- **European Union's Emissions Trading Scheme (EU ETS)<sup>17</sup>**

The EU ETS is a cornerstone of the European Union's policy to combat climate change and its key tool for reducing industrial greenhouse gas emissions cost-effectively. It is a cap-and-trade scheme in which permits to emit carbon—roughly half the European Union's total carbon emissions—are allocated to firms and can then be traded between them. The European Commission is responsible for the administration of the scheme.

- **Kyoto protocol**

An international treaty that sets a binding framework for industrialised countries to reduce emissions of greenhouse gases. The 15 countries that were EU members before 2004 ('EU-15') are committed to reducing their collective emissions to 8% below 1990 levels by the years 2008-2012. Most Member States that have joined the EU since 2004 also have Kyoto reduction targets of 6% or 8% which they are on course to achieve.

- **Europe 2020 growth strategy<sup>18</sup>**

The EU's growth strategy for the coming decade. Its goals are to make the EU a smart, sustainable and inclusive economy. Effectively, the Union has set five ambitious objectives - on employment, innovation, education, social inclusion and climate/energy - to be reached by 2020. One of the headlines is the commitment of the EU to cut its greenhouse gas (GHG) emissions to 20% below 1990 levels by means of a package of binding legislation.

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<sup>17</sup> [http://ec.europa.eu/clima/policies/ets/index\\_en.htm](http://ec.europa.eu/clima/policies/ets/index_en.htm)

<sup>18</sup> [http://ec.europa.eu/europe2020/index\\_en.htm](http://ec.europa.eu/europe2020/index_en.htm)

## Links:

- Short video on how the EU ETS works:  
<http://www.youtube.com/watch?v=uQcYMOHxwBg>
- Page from the website of *The Guardian* with many links to articles about emission trading worldwide and the EU ETS in particular:  
<http://www.theguardian.com/environment/emissionstrading>

## 2. Relevance and explanation of the problem

To prevent climate change's possible destructive effects, such as rising sea levels, extreme and unpredictable weather, global warming and water shortage, the international community has agreed that **global warming** should be kept below 2°C compared to the temperature in pre-industrial times. To achieve this goal, the EU has decided to join the **Kyoto-protocol** to lower its greenhouse gases by 20% in 2020 towards the emissions in 1990. The EU Emissions Trading Scheme is the EU's key policy instrument to achieving this. Even though all Member States agreed upon its implementation, the EU ETS has been a topic of debate throughout Europe. The European Parliament recently voted in favour of maintaining the scheme in April 2013.

Questions have been raised concerning the **effectiveness of the EU ETS** and its capability to reduce the emission of greenhouse gases by firms. Partly because **recession** has reduced industrial demand for permits, and partly because too many allowances were issued in the EU ETS's early stages, there is **massive overcapacity** in the carbon market. Also, **prices have been falling** from €20 a tonne in 2011 to €5 a tonne in early 2013, which does not encourage companies to switch to greener alternatives. The European Commission hatched a plan to take 900m tonne of carbon allowances off the market now and reintroduce them later, hoping that the demand would be larger (the proposal is referred to as "**backloading**"). The European Parliament at first rejected this plan in April but changed their mind in July. They voted in favour of cutting allowances with a maximum of 900 million tonnes of carbon allowances. Reforms on the short term seem, since they are opposed by **Europe's largest companies**, especially energy-intensive ones, such as chemical firms. They complain the EU ETS is imposing higher costs on them and that carbon prices are being artificially raised.



### 3. Key conflicts

Considering the catastrophic effects of the greenhouse effect and the financial crisis, there is a clear conflict of interest between **environment and economic priorities**. Rising costs for allowances might negatively impact the EU's already fragile industries, while failing to reduce emissions might have severe consequences for the environment on the long term.

Looking at the EU ETS's performance so far, it has been said that its **malfunctioning** so far pointed out that the EU should take a step back and ask itself if there still is a place for the ETS in the EU 2020 growth strategy.

### 4. Key Questions

- Should the EU continue working with the EU ETS?
- What are the alternatives for the EU ETS?
- Should the EU adapt its climate change goals as Member States and industries suffer from the economic crisis?
- Is it necessary for the future of the ETS to set minimum and maximum-prices in order to be more effective?

### 5. Key Actors

With the effects of climate change being global, the **international community** as a whole will be affected by its consequences. Additionally, in their roles as **consumers**, they will be charged higher prices if prices of allowances rise. Responsible for this are some of **Europe's largest companies**, especially energy-intensive ones such as chemicals firms, cars and vans companies, builders and airports. . They are also the ones that can trade emissions with each other. The administration of the EU ETS is the responsibility of the **European Commission**, which is also responsible for changing or introducing any legislation regarding the scheme. **The European Parliament** voted in favour EU ETS but will have to continue finding solutions for the problems it faces.

## 6. Measures already in place

The EU has already taken adequate measures and initiatives to reduce carbon emissions<sup>19</sup>, such as the **European Climate Change Programme (ECCP)**, which has led to the implementation of dozens of new policies and measures. **Binding targets** have been introduced to reduce CO<sub>2</sub> emissions from new cars and vans. They are supporting the development of carbon capture and storage (CCS) technologies to trap and store carbon emitted by power stations and other major industrial installations. Additionally, measures have been taken to give climate action a more prominent role within politics. To further advance this "**mainstreaming**" process, the European Commission has proposed that at least **20% of the EU budget for 2014-2020** should be spent on **climate-relevant** measures. In July 2013 the European Parliament also voted in favour of limiting carbon allowances in order to increase their price and create a more even balance on the market.

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<sup>19</sup> [http://ec.europa.eu/clima/policies/brief/eu/index\\_en.htm](http://ec.europa.eu/clima/policies/brief/eu/index_en.htm)

## Committee on Industry, Research and Energy II (ITRE II)

*Standing on the shoulders of giants: what strategy should the EU develop to maintain its leading position in the area of research and innovation? Is Open Access part of the solution?*

### 1. Key Terms

- **Open Access**

A concept which provides unrestricted access to peer-reviewed, scholarly articles via the Internet. "By "Open Access" to this literature, we mean its free availability on the public internet, permitting any users to read, download, copy, distribute, print, search, or link to the full texts of these articles, crawl them for indexing, pass them as data to software, or use them for any other lawful purpose, without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. The only constraint on reproduction and distribution, and the only role for copyright in this domain, should be to give authors control over the integrity of their work and the right to be properly acknowledged and cited."<sup>20</sup>

- **PLOS**

Stands for Public Library Of Science, an American Open Access publishing project which only concerns the beta sciences. PLOS could function as an example for a Europe-based public library.

- **Price and permission barriers**

Restrictions of Open Access in the form of financial restrictions (for example: fees) and permission restrictions (mostly copyright and licensing restrictions).

- **SMEs**

Stands for small and medium-sized enterprises. "The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than

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<sup>20</sup> Budapest Open Access Initiative: <http://www.budapestopenaccessinitiative.org/boai-10-recommendations>

50 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.”<sup>21</sup>

- **Open Innovation**

The concept of sharing innovative ideas with external partners.

### Links:

- A very brief introduction to Open Access:  
<http://legacy.earlham.edu/~peters/fos/brief.htm>
- A short explanation on PLOS Blogs:  
<http://blogs.plos.org/about/>
- Website of the Budapest Open Access Initiative:  
<http://www.budapestopenaccessinitiative.org/>
- Useful article about Open Access and the European Union:  
<http://www.openaire.eu/nl/open-access/mandates-a-policies>

## 2. Relevance and explanation of the problem

Europe has had a leading position in the area of research and innovation since the Enlightenment. With new competitors arising in the process of globalisation, this leading position is no longer self-evident. Therefore, it is important to reflect upon the cooperation between Member States within the areas of science and the European Union’s strategy on research and innovation. More specifically, the issue of **publishing and data-availability policies** are part of the discussion.

It seems evident that Open Access to research outputs is beneficial, both economically and socially. If research results are openly available or shared, **innovation** will be stimulated and this may lead to **economic growth**, more wealth and thus higher living standards. In addition, the dissemination of research results may lead to a more equal access to knowledge. **Cooperation between universities** can also encourage innovation. Yet, this process has to be properly monitored and organised. As

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<sup>21</sup> [http://ec.europa.eu/enterprise/policies/sme/files/sme\\_definition/sme\\_user\\_guide\\_en.pdf](http://ec.europa.eu/enterprise/policies/sme/files/sme_definition/sme_user_guide_en.pdf)

professor Boulton of Edinburgh University said: “Openness of itself is not valuable, it’s only if it’s intelligently open that it has value.”<sup>22</sup>

Copyright issues have been a subject of debate for a long time now. These debates usually concern copyrights in the entertainment industry. However, for this topic, the discussion concerns the copyrights on scientific publications and the profit these rights generate. Academic research is a valuable **resource**, but instead of being advantageous to the academic community, it currently is mainly beneficial to its legal owner.

### 3. Key conflicts

One of the key conflicts is the **value of academic research** and if it would subsequently be beneficial to invest in it. In some fields of research, the benefit generated is very evident. Pharmaceutical research, for example, results in new treatments. Other fields of research, such as historical research, generate a much different, less evident, benefit. Is one benefit superior to the other? Should this be reflected in the budget per field?

Furthermore, it is a topic of debate to what extent scientific research should be funded by **governments** or the **private sector**. If this is a governments’ responsibility, should these funds be national or international? Open Access would also significantly reduce or even eliminate **profits made by publishers** of academic work, as well as the **income of the author of the work**. This might discourage academics from being active in the public and scientific debate.

Also, cooperation between universities already exists in all sorts. Should this cooperation be intensified or revised? And if these collaborations are revised, how will be determined which universities collaborate with each other?

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<sup>22</sup> The Wall Street Journal: <http://blogs.wsj.com/tech-europe/2013/03/19/eu-opens-up-access-to-scientific-research/>

## 4. Key Questions

- Should academic research output be accessible to everyone across the EU? Or perhaps even worldwide?
- Should academic research be a public good?
- How can the EU encourage more investment in scientific research?
- Is investment in research a responsibility of governments or of the private sector?

## 5. Key Actors

Education is a **Member State** competency. The EU, however, is actively encouraging research and development by allocating funds from the EU budget to this goal. Thus, the **European Commission**, the Commissioner Research, Innovation and Science in particular, plays a big role. The **European Parliament** and the **Council of the European Union** decide on this budget together. Additionally, the **European Research Council** attempts to encourage high quality research in Europe through competitive funding.<sup>23</sup>

In the educational field, **European universities** are players in this issue. They are the main administrators of research programmes and employ **scholars** that perform this research. Their work is published by **publishers**, who earn their profit from publishing this research.

## 6. Measures already in place

At this moment, there is an **obligation of Open Access for EU-funded scientists**. Scientists whose work is funded by the EU are obliged to share the results of their work in an Open Access-format online. There is also a number of Open Access databases available online. One of them is **ChEMBL**, an Open Access database concerning drugs and chemical compounds. It is maintained by the European Bioinformatics Institute<sup>24</sup>.

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<sup>23</sup> <http://erc.europa.eu/about-erc>

<sup>24</sup> <http://www.projects.eu.com/>

Additionally, the EU allocates funds to projects that promote sharing research and development output. The **Open Alps** project encourages the competitiveness of Europe's industry through the concept of Open Innovation. SMEs in six European countries (Germany, France, Italy, Austria, Switzerland and Slovenia) are supported to share their innovative ideas and products with external partners. Open Alps is funded by the **European Regional Development Fund** and has a duration of three years (from 2011 to 2014).<sup>25</sup>

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<sup>25</sup> <http://www.open-alps.eu/open-alps/?synSiteLang=2>

We wish you all the best in your preparations for the Preliminary Rounds! In case you have any questions, please do not hesitate to be in touch with us: [voorrondes@eyp.nl](mailto:voorrondes@eyp.nl) and stay updated through our Facebook page: [www.facebook.com/EYPNL](https://www.facebook.com/EYPNL).