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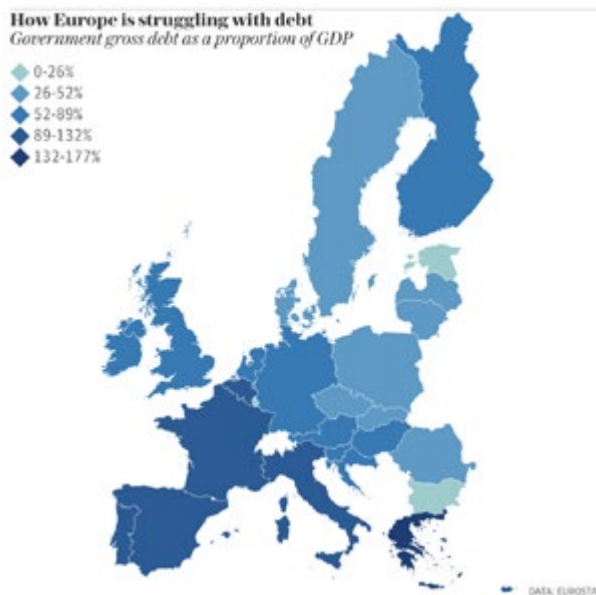
Economical consequences faced by a possible disintegration of the European Union

INTRODUCTION



The European Union, otherwise called EU, is an association which was founded in 1993 with the purpose of achieving a tight, social and political integration between countries (this was to avoid wars and inhumane confrontations through security policies), and to ultimately achieve, long lasting peace. The six founding countries are Belgium, France, Germany, Italy, the Netherlands, and Luxembourg.

As time passed, during the 1970s, other countries joined, such as Denmark, Ireland, the United Kingdom, Greece, Spain, Portugal, Austria, Finland, and Sweden. Years later, after the horrible incident of September 11, 2001, called “9/11”, ten more countries joined the Union, such as Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia, also followed by Bulgaria and Romania. Croatia became the last member of this organization in 2013.



Problems that lead to it's possible disintegration

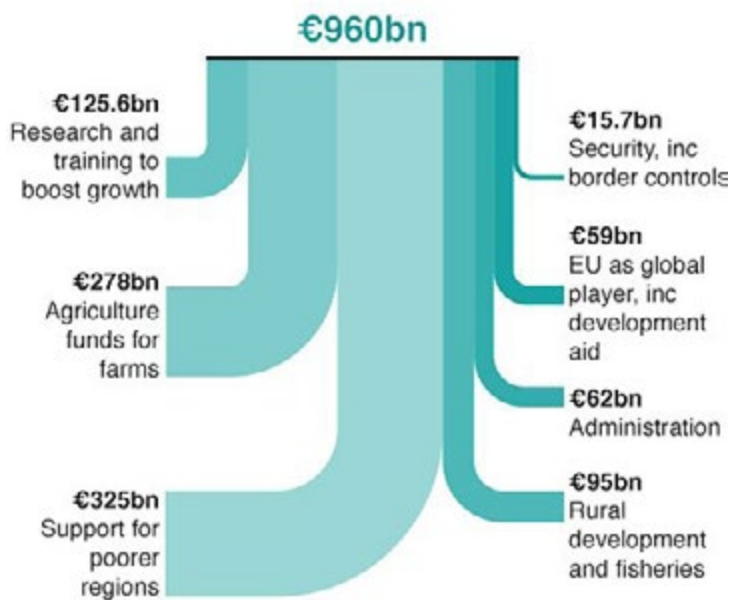
In the past decade, the global economic crisis strikes hard in Europe. With many different countries struggling with sovereign debt, and the amount of people coming in as migrants, most small countries cannot adequately sustain themselves, right after suffering several years in recession, furthermore, in 2016 The United Kingdom, voted through a referendum Referendum: A vote in which all the people in a country or area decide on a very important question.

To leave the European Union, the motion was also called Brexit, even if this process takes two years to accomplish, the consequences will soon start to affect the European economical, political and social balance. Let's elaborate on the aforementioned problems, the European Union

Now that we've finished explaining the definition and the reasons why this organization could disappear, it's important to explore the following question, what would happen if the European Union does disintegrate?. If the European Union does dissolve, it will cause tremendous economic and social consequences many specialists believe that if the eurozone Eurozone: The countries belonging to the European Union that use the euro as their unit of money.

Breaks up, it would have detrimental effects on the global economy, and it would directly affect European countries with a massive exposure of the local banks to foreign debts, then, the fear from the investors will stop the recovery after a hypothetically economical crisis. Smaller countries in the European Union will suffer corporate falls, recapitalization of their banking systems, the collapse of the international trade, and also an interruption in supply chains. We're just mentioning some of the possible consequences, including the most obvious one (and perhaps the most dangerous consequence of them all). It will cause a social and political division between countries.

Plans for spending the EU budget, 2014-20



Source: European Commission

HISTORICAL BACKGROUND

The European Union was officially created in 1993 through the Maastricht treaty, but it only started to operate in 1999, after the world passed through many bloody conflicts, some European countries decided that it was time to unify to stop the violence. The founding countries were Belgium, France, Germany, Italy, Luxembourg and the Netherlands. This helped to establish an economical and political order between these countries, and as a result in 1957 the Treaty of Rome leads to the formation of the European Economic Market.

After this had happened, during the 60's, the EU had a significant positive impact in the European Community, helping to the economical development of the region.

In the 70's Denmark, Ireland and the United Kingdom joined the European Union on January 1st, 1973, and after an energetic crisis in Europe thanks to the Arab-Israeli war, and after in 1975, all European dictatorships were over, the EU begins to send money and infrastructure for the development of weak areas. Also, the fight for protecting the environment intensifies.

In the 80's Greece also becomes a member of the EU in 1981, and Spain and Portugal also become members five years later. In 1986, various pacts and treaties were created for promoting trade without borders between the European Nations. In 1989 the wall of Berlin fell and this helps to the mission of unifying Europe.

During the 90's the communism in Europe collapsed, so as a consequence in 1993, the idea of a free trade or "Single Market" is accomplished. The 1990s is also the decade of two treaties: the 'Maastricht' Treaty on the European Union in 1993 and the Treaty of Amsterdam in 1999. In 1995 the EU receives three new members: Austria, Finland, and Sweden, and it is now allowed to travel between borders without a passport, communication is easier thanks to the internet.

And finally, between 2000 and 2009 the euro is established officially as the coin in Europe, and after the "War of Terror" or attacks of terrorists that hijacked planes, the EU decides to unify more, to fight against crime. Officially the divisions between East and West Europe are eliminated, and this leads to 10 new countries to consolidate to the EU, followed by Bulgaria and Romania in 2007, and after an economical crisis in 2008, the Treaty of Lisbon is signed and ratified by all countries in 2009.

CURRENT RELEVANCE

The European Union is based on the rule of law. This means that all activities are derived from treaties, agreed voluntarily and democratically by all Member States. The treaties have been modified and set the day to adapt to the evolution of society. In the most recent treaty reform process, the Lisbon European Council adopted a definitive agreement on 18 and 19 October 2007, to be signed by the Member States on 13 December 2007.

Nowadays, E.U. is an association known worldwide, and that has a direct effect in the macroeconomy and the economic state of all the world. After the year 2010, an economical crisis started to hit different countries of Europe, as a reaction to this the E.U. helps several countries to confront their difficulties and establish the “Banking Union”, which objective is to ensure that the banks of the E.U. countries are ensured and supervised, this for having more reliable banks. In 2012 the E.U. was awarded the Nobel Peace Prize. It includes Croatia as the 28th member in 2013, and as in its beginnings, the concern for the climate change stills alive in the organization, and the leaders of the 28 countries agree to reduce harmful emissions, in 2014, there are elections, and a new European Parliament is introduced. After the annexation of Crimea to Russia, new security policies are established.

Another situation that the E.U. has suffered through is the Brexit, which means the potential or hypothetical departure of the United Kingdom from the European Union, which can have a negative effect in Macroeconomy of European Nations. From 2015 to the actuality, different conflicts and civil wars appeared in the Middle East, and after an increase in religious extremists different European Countries, and members of the E.U. have been involved in terrorist attacks, for example the attack in Paris in 2016, or more recently, the attack in the city of Manchester during May of the current year, which are causing problems with the immigration policies in many of the European countries and the establishment of new borders and controls between countries.. Also to this list of situations we can include the economic crisis in which countries like Spain and Greece are involved, and have a high unemployment rate, Spain(18.4% of overall population) and Greece (23.0% of overall population), the problem here is that it is expected, and a high possibility that they have an economic decay, thanks to this factor and the debt with banks with no possibility of renunciation.

International actions/U.N. actions

International actions- Most of the members of the E.U. are expecting a change, countries like Spain, Greece, Portugal are in an actual economical instability, which means that at any moment their economy can drop, and the reaction can be an economical crisis, and that's one of the reasons for which the United Kingdom wants to leave the union, the different armed conflicts, and the recent terrorist attacks, is making many European countries to reconsider their immigration policies.

By the other hand, countries like Germany which is in a great economic state with only a 6% of its total population unemployed (historical record since the unification) are willing to maintain the E.U. One of the principal organizations that want to maintain the E.U. is the NATO (North Atlantic Treaty Organization), because of their common interests and goals. The relation between the two organizations started in 2001 following steps of the 1990's in defense matters, and nowadays they still work together to take crisis management, capability development and political consultations, also the both organizations share many of their members and almost the same values and beliefs

In a speech before the Security Council, on the occasion of the 60th anniversary of the founding of this bloc of nations, Mogherini stressed that the work of these agencies dedicates, for example, food aid, refugee aid and children , Is as vital as the expenditures of national defense military tasks. and made the call that the American friends to continue to cooperate to prevent any collapse of the EU

POINTS TO DISCUSS

Termination of rights.

- Disappearance of the Court of Justice of the European Union
- The end of the EURO.
- Disappearance of foreign ministries.
- Ending of the social projects.
- Completion of world humanitarian aid.
- End of the consular protection of the world.
- New order by the monopolies.
- No more rights for the consumers.
- Discrimination by causes of nationality.
- Fiscal Paradise.

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