Chapter 6

Technological Tools in Teaching the EU: A Design Thinking Proposal

Emilio J. González and José M. Mella

Abstract

This chapter focuses on the main challenges of teaching and learning European Union (EU) issues, bearing in mind that the future of the EU is far from being granted, the shock of Brexit, and the new technological innovations. The purpose is to design a methodology for teaching EU using knowledge management and design thinking procedures. Knowledge management refers to information selection, acquisition, integration, analysis and sharing knowledge that takes place in an environment dominated by social networks in which technological links play a major role. The design thinking procedures, as a collaborative methodology, create groups of students in the classroom. Each group should represent an EU member state. Once groups are created, the teacher must give them a task that may include a problem that the EU has had to solve during its history. Then, individual groups must be asked to design a solution. A consensus among all participating groups on the proposed solution should be reached. To design a solution, based on a mind map, groups should be working inside and outside the classroom using technological tools and interacting through social media. At the end of this process, students must play a Kahoot to fix and clarify the key concepts of each lesson. This process must be repeated for all the chapters of the EU syllabus. The syllabus is made up of key issues of the EU. Students should be taken to discover how EU affects their lives and to wonder how they would be without the EU.

Keywords: Design thinking; Facebook; gamification; Kahoot!; mind map; mobile device; social media; Twitter; Web-Pad
Introduction

Teaching and learning the EU poses two major challenges today. The first is related with how teachers can help students to understand the true relevance of the European Union (EU). The origins of the European project seem so back in time that people tend to forget the economic, political, and historical reasons which explain the nature and purposes of the European integration process. Hence, the challenge lies on teaching students that the outcome of the past development of the EU is the environment of the peaceful, well-being democratic societies they live in nowadays. The future continuity of such important dividends is far for being granted. The reborn of populism, nationalism and protectionism altogether jeopardizes the accomplishments resulted from the EU development. So, there is a real necessity to demonstrate the link between recent past and present.

Taking into account such a context, teaching EU needs to give an answer to the question about why Brexit is happening after half a century of the British EU membership. Brexit, in fact, has been a shock for the EU. Never before in the EU’s 60 years history, has a member state given up its membership. So, that British decision has called into question the European construction process. All those events are happening at the same time when universities must face the key challenge of incorporating into the teaching process those methodological and technological innovations that have become pivotal to modern teaching and learning. This is the second challenge.

The purpose of this chapter is to design a methodology for teaching EU in times of Brexit that includes those methodological and technological innovations. This methodology will be based in the Design Thinking methodology and will include employment of technological tools like Kahoot, social networks, mind mapping apps and applications that allow students to collaborate and coordinate their joint work in and outside the classroom.

The argument in this chapter is structured as follows. First, knowledge management is introduced as twenty-first century key competence. Then, the design thinking methodology is presented. After that, the importance of introducing technological tools in the classroom is analyzed. This chapter is specifically focused on using Web-Pad tools to create mind maps, on the role of mobile devices and social media in cooperative learning methodologies, and on the use of Kahoot! as a tool to fix and evaluate knowledge. Fourth, it is explained the use of the design thinking in teaching EU as a gamification methodology. Finally, the chapter concludes with a syllabus proposal.

Knowledge Management

Modern societies demand a new type of skills and competences from educational systems, in addition to the traditional ones. Those new competences are named as twenty-first century skills (Gardner, 2007; Pink, 2006; Visvizi,
Lytras, & Daniela, 2018; Wagner, 2010) or key competences (OECD; Weintert, 2005). Most of these competences deal with how to manage knowledge (Scheer, Noweski, & Meinel, 2012). Knowledge management refers to the process related with information selection, acquisition, integration, analysis and sharing knowledge that takes place in the environment dominated by the social networks (De Corte, 2010) in which technological links play a major role. Therefore, we must include those skills in the student curriculums and develop them with the help of those modern IT tools our students are so familiar with like mobile devices.

Those twenty-first century competences are critical thinking and problem solving, collaboration across networks and leading by influence, agility and adaptability, initiative and entrepreneurialism, effective oral and written communication, accessing and analyzing information, and, finally, curiosity and imagination (Wagner, 2010).

**Design Thinking Methodology**

Incorporate such key skills to their curriculums requires our educational systems to develop new models and strategies of teaching. Design thinking can play that pivotal role.

Design thinking is a mindset and approach to learning, collaboration and solving problems. It encourages learners to take an inquiry stance, think divergently and develop reflexivity. It consists of identifying challenges, gathering information, generating potential solutions, refining ideas and testing solutions. The process is circular by nature and demands iterations (Luka, 2014).

Design thinking methodologies were conceived to help professional designers at first. However, they have proved to be relevant to all academic disciplines and professions (Lindberg, Noweski, & Meinel, 2009). Design thinking methodology is based on collaborative learning methodologies in and outside the classroom. Using those educational technics stimulates the engagement of students in learning activities. Students should look for information, generate knowledge, work in teams, communicate with each other and present the outcomes of their joint efforts. Design thinking can be explored directly as an approach or in pursuit of other academic or collaborative work (Welsh & Dehler, 2013).

The key point of this educational methodology is that students should think as designers do. A designer must confront complex problems and look for possible solutions. In doing this, a designer generates diverse high-scoring solutions, and must analyze and evaluate all of them to gradually produce a better outcome (Dorst, 2006). Thanks to this, students can develop skills like conceiving, planning and making something (Buchanan, 1999). Design thinking methodologies help students to develop the key skills needed in the twenty-first century, because they must deal with complex real-life problems by analyzing and evaluating them to be solution oriented and responsible (Scheer et al. 2017).
Phases

Within the framework of design thinking, students must fulfill some consecutive different phases, in which they get, expand, and consolidate knowledge. Those phases are described by Scheer et al. (2017):

- **Understand and Observe (Expanding).** The design thinking starts with building up empathy and understanding of the people and the situation of the problem or challenge is set in. At this point, students have to get a clear image of the link between the problem and the context in which the problem takes place. Students should also identify all possible hidden needs.

- **Synthesis (Consolidation).** Once the problem has been identified, it must be clearly defined to generate meaningful ideas. The context of the problem must be defined too. In the process of definition, the students will generate a lot of information which needs to be interpreted and summarized in meaningful insights. At this stage, students must use and develop critical thinking and interpretation skills.

- **Ideate (Expanding).** In this stage, students should hold a brainstorming to generate a lot of creative proposals for solving the problem. It helps students to work on the ideas of the other members of the team and build up knowledge through collaboration. Then, they must apply that knowledge to create actionable problem-solving ideas.

- **Prototype (Consolidating).** Now, it is the moment for experimenting with ideas, for making them tangible, actionable and testable. This stage involves using skills of sharing ideas, specifying and implementing them in the real world.

- **Test (Expanding).** At this stage, students bring the idea into action, in order to get feedback about it. This allows them gathering more information, in this case focused on the solution. In order to get feedback, students must be able to communicate their solution. They also have to develop the competences of capturing and interpreting that feedback in order to improve the original idea.

Design thinking can be used together with gamification methodologies. Educational gamification proposes the use of game-like rule systems, player experiences and cultural roles to shape learners’ behavior (Hammer, 2011). Adopting different roles in a game can motivate students to learn better in a process of learning by doing because gamification allows them to experiment with rules, emotions and social roles in and out the classroom (Flores León & Tena Fernández, 2016; Hammer, 2011).

Technology in the Classroom

Technology can help students to work with design thinking methodologies. In doing so, they must be asked to draw a mind map. Mind mapping is a creative exercise that begins when students write down a central idea or theme, then draw lines that branch out into new nodes, each with a new word or idea related to the first one. When students construct a mind map, they make explicit the knowledge
they are gaining through it. The Web-Pad tool must be used for constructing mind maps (Oxam, 2003).

Other important technological tools are mobile devices and social media. They create opportunities for interaction and collaboration. Gikas and Grant (2013) argue that using mobile devices allows students accessing information quickly and wherever they are and interacting with each other and with the teacher. They can also look up information and watch required videos to further course discussion. They can use social media to discuss the course materials. Moreover, they may become frustrated with educators that do not incorporate technological tools in their methodological tools. Mobile devices, however, could act as a distraction; hence, teachers should consider this while designing their teaching strategies.

Encouraging students to use social media is important because the Millennial generation associates Facebook and Twitter with expression of their ideas. Moreover, tools such as YouTube enable the sharing and discovering new content (Neier & Tuncay Zayer, 2015). Millennials also prefer online discussions to traditional face-to-face discussions (Owens & Price, 2010).

Finally, Kahoot! should be incorporated too. Kahoot! is a student response digital game that engages students through quizzes, discussions and surveys. Knowledge is acquired by competition between students, or group of students, providing answers to the questions presented by the teacher. It can be played using mobile devices (Icard, 2014).

**Using Design Thinking in Teaching EU**

As design thinking is a collaborative methodology, the first step to implement it in teaching EU is to create groups of students. Each group should represent a EU member state, and the group should be asked to investigate and get familiar with the country, its economy, history, culture, etc. Students should have to interact and share information between them in order to complete every proposed task. They must use mobile devices at every stage to interact, look up information and share it among them and with the teacher.

**Starting the Game**

Once groups are created, the teacher must give them a task to start the game. The task may include a problem that the EU has had to solve during its history. It may be related to the historical origins of the EU, the creation of the Common Agricultural Policy (CAP), the Cassis-Dijon case, The Schengen Agreement, the European Monetary Union (EMU), etc. Then, individual groups must be asked to design a solution to such a problem, considering that a consensus among all participating groups on the proposed solution should be reached. The purpose is (i) to show students that everything related with the EU is the answer, right or wrong, to a problem; (ii) to show them that it is needed to take into account all the different national positions related with a topic in order to reach a consensus; (iii) that the final outcome might not be the best solution, because it is needed to reach an agreement between all the state members, but that a second best is
always better than no solution at all; (iv) that the well-being levels that the European societies enjoy today has had to be built during decades; and (v) that the future continuity of such outcomes is far from been guaranteed if nationalist attitudes prevail over the cooperative ones.

In order to design such a solution, members of each group should design a mind map in which they must define the problem, analyze it, make a brainstorming, propose a solution, test it and go back to improve it in an iterative process. Students should use Web-Pad to design the mind map. In order to interact and share information among them, they must be required to open social media groups in Twitter, Facebook or other social media. The teacher should be invited to join all the groups as a member to check what students are doing, make suggestions, provide groups with materials, if needed, and solve doubts. To design a solution, groups should be working inside and outside the classroom using technological tools and interacting through social media.

**Testing the Solution**

Once every group has designed a solution, they have to share it with the rest of the groups, explain the advantages of their proposals in order to find a consensus between all of them, and try to reach an agreement among all the participant groups considering that each group interests may differ from the rest of the groups. Doing this they should learn that different solutions to a specific problem may be possible, but in implementing it they should consider that it cannot be imposed but agreed.

When this stage is over, students must be asked to look up the solution that the EU has implemented for the problems they were dealing with. To do this, they should use their mobile devices to find information in YouTube, the EU web and other sources of information provided by the teacher. Then, they must compare their proposals with the EU outcomes, identified the differences and try to understand why the EU did what it did. Finally, they must be asked to think about how such an outcome affects both their lives and the well-being of the societies they live in.

At the end of this process, students must play a Kahoot! designed by the teacher. Questions must be prepared in advance and must be related with all the relevant knowledge students have to acquire through the design thinking methodology. This process must be repeated for all the chapters of the EU subject syllabus. Playing Kahoot! must help students to fix and clarify the key concepts of each lesson.

**Syllabus Proposal**

Teaching EU also has to deal with the challenge of how to do it in times of Brexit. This requires emphasizing the relevance of the EU, its nature, structure and policies for the well-being of the member states. The structure of the syllabus must not be changed but the way in which teaching each topic is conceived. Students should be taken to discover how EU affects their lives and to wonder how they
would be without the EU. Hence, we propose the following Syllabus structure to fulfill this need:

EU antecedents:

a. The idea of Europe in historical perspective.

Students will have to understand that the idea of European unification is not new. Its roots go as deeper as the Medieval Age, with Charlemagne and the Holy Roman Empire. Many other people through history also claimed for a united Europe, including Hildegard von Bingen, Jean Jacques Rousseau and Victor Hugo. All of them were worried about the many wars Europe had suffered since the fall of the Roman Empire and thought that the European unification would be a way of putting an end to centuries of militar conflicts between European nations.

The students must learn the initiative conducting to a peaceful Europe launched and sponsored by Richard Coudenhove-Kalergi in his work “Paneurope.” He was asking for European unification to avoid a new drama like the First World War. In addition, he wanted to give European nations the ability to compete in economic terms with the United States, the emergent power by merging national markets into a supranational one. Students have also to learn the European experience during the Great Depression years and how it paved the way for Second World War.

Finally, students must learn about the first real political attempt of creating the Council of Europe, a supranational organization, after the Second World War. Its stated aim is to uphold human rights, democracy and the rule of law in Europe. The Working Group must think on the outcomes of peace the EU has brought.

The European Coal and Steel Community:

d. The Schuman Declaration.
e. ECSC foundational principles.
f. Cooperation in the domain of defence.

Students must learn that the origin of the European construction lies in the creation of the European Coal and Steel Community and why the process started with the Schuman Declaration. The purpose was to create a common market for coal and steel among its member states, which served to neutralize competition between European nations over natural resources, particularly in the Ruhr region.

They also have to learn the ECSC foundational principles. They are free movement of both coal and steel and free access to sources of production, a constant market surveillance to avoid problems that may lead to the imposition of quotas, the respect of competition rules and price transparency and, finally, to support the sector modernization and restructuring.
Students should be informed of the first attempts to create a common European defence, first by the Dunkerque Treaty and the Brussels Treaty and, later, by the failed creation of the European Defence Community.

The Working Group must think on how the ECSC has influenced the future developments of the European construction process.

The Treaty of Rome:

g. The Messina Conference.
h. The Treaty of Rome.
i. The European Economic Community.
j. The European Atomic Energy Community.
k. The Common Agricultural Policy.
l. Spain and the EEC: Immigration and Preferential Agreement.

Students must learn that the Messina Conference was an intent to recover the spirit of the European process by relaunching the process through economic integration. The result was the Rome Treaty.

Once they know the origins of the Rome Treaty, students have to learn that the Rome Treaty contains the constitutional basis of the EU. They have to understand them and their true importance for the European construction process. Finally, they have to learn that the Rome Treaty, in fact, is composed by to treaties: the European Economic Community Treaty and the European Atomic Energy Community Treaty.

The European Community is the cornerstone of the European construction process. The students must learn why the process was started by the economy. They also must learn about the free movements of goods, services, people and capitals, the competition policy and the institutions that rule the EU.

The European Atomic Energy Community was created to promote the peaceful use of nuclear energy between European countries.

The CAP is one of the major pillars of the EU. Students must learn why the CAP was created, how it evolved through the years and how it is structured today in order to be adapted to the challenges that production of food faces at the beginning of the twenty-first century.

Finally, students must learn the history of the Spanish relationships with the European Economic Community (EEC). They include issues related with the Spanish emigrants in Western Europe and the Preferential Agreement signed in 1970 that allowed Spain starting trading with the EEC, and that was the first step in a process that led to join the EEC in 1986.

The Working Group must think about why then it was so easy to reach an agreement about the Rome Treaty and what are the benefits that it has brought to the state members.

Monetary cooperation (I):

m. The Treaty of Rome and the exchange rate policy.
n. The need for monetary cooperation.
o. The Werner Plan and “the snake in the tunnel.”
Despite the Rome Treaty does not refer to a monetary union (MU), it is implicit in its content. So, students must learn about the importance of a coordinated exchange rate policy for a single market. Despite the Bretton Woods, system of fixed exchange rates was still alive when the Rome Treaty was signed; there were problems inside the EEC due to some exchange rate revaluation that happened during the 1960s.

Those problems led to establishes the need for monetary cooperation, because they affect trade and capital flows inside the EEC. At this point, the students have to learn why monetary cooperation is so important for a single market.

The first answer to such problems was the Werner Plan. The students must learn the reasons why the EEC adopted the Werner Plan. The Werner Plan was conceived to promote a free capital movement area, to unify the monetary policy of the member states and, finally, to establish a system of fixed exchange rates between their currencies. They tried to reach this later target by creating the snake in the tunnel. The system failed since the very first moment because it was created in a time of strong turbulences in global exchange markets that followed the breakdown of the Bretton Woods system and, later, the first oil crisis.

The Working Group must reflect on the importance of monetary cooperation in a single market.

Monetary Cooperation (II):

p. The European Monetary System: structure and functioning.
q. The ECU.
r. Results and crisis.
s. The European Monetary System II.

Monetary cooperation inside the EEC was restarted in 1979 with the creation of the European Monetary System (EMS). The students must learn how the European exchange rate mechanism (ERM) was conceived to reduce exchange rate variability and achieve monetary stability in Europe. The ultimate target was paving the way to the Economic and Monetary Union. They also must learn that the ERM was based on exchange rate bands. Monetary cooperation resulted from the obligation of all the central banks of the countries participating in the ERM to help stabilizing the system by interventions in the foreign exchange markets and through loan arrangements.

A very important part of the system was the ECU that can be read as the acronym for European currency unit or as the French word Ecu, but it refers to a historical French coin too. Students must learn that the ECU was the first European currency; despite it was a virtual one because it was composed by a basket of member states currencies. It was the unit of account of the European Community before being replaced by the euro. The European Community budget was calculated in ECUs. It was also used for issuing securities nominated in ECUs in international financial markets.

The EMS was so successful during the 1980s that it encouraged member states to think in creating the EMU. Students must learn the importance of the EMS in
terms of exchange rate stabilization of the EEC market. They also have to learn the reasons why the system was broken in 1992 and the role of the German Bundesbank played in the breakdown.

The EMS was rescued by the decision of widening the bands of the ERM. Students must learn that the EMS was transformed in the EMS II that is a system in which the currencies of EU countries that want to join to the EMU have to stay for two years in order to show the stability of their exchange rates.

The single market:

t. The Delors Report.

u. Free movements of goods, services, persons and capitals.

v. Fiscal harmonization: the VAT.

w. The Schengen Agreement.

x. EU multiannual financial framework.

y. Social Europe.

The students must learn that to pave the way for the EMU it was needed to complete the single market. The Delors Report was part of the strategy. It defined the Economic and Monetary Union and identifies the conditions that had to be fulfilled to achieve it.

The Delors Report stated that free movement of capitals should be established. Moreover, the creation of the EMU would facilitate the movement of persons and trade by removing currency exchange costs and eliminating exchange risks. The students have to learn the true importance of establishing and/or consolidating the free movements of goods, services, persons and capitals.

Another obstacle to the completion of the single market was the different tax regimes applied to commerce inside the EEC. The students have to learn that the EU decided to harmonize indirect taxation to solve the problem by the substitution of previous tax figures by the value added tax (VAT). VAT is regulated by a European directive that all of the state members have to obey.

An additional obstacle was the existence of physical borders, including different administrative procedures affecting the movement of goods inside the EEC. Students must learn that the Schengen agreement was signed to overcome such a problem and to facilitate the free movement of persons inside the EEC territory.

Another major achievement of this era was the establishment of the multiannual financial framework. Students have to learn what the multiannual financial framework is, how it is negotiated and why it is important for the EU budget, because it was created to solve previous budgetary problems that resulted either in an excessive expenditure or in several blockings of the passing procedures.

Social policy was given more importance. Students have to learn that European social policy that aims to promote employment, improve living and working conditions, provide adequate social protection and combat social exclusion. They must learn that a defining ideal of the European project is that economic prosperity and social progress should go hand in hand.

The Working Group must think about how the relationships between member states would have been without such decisions.
Technological Tools in Teaching the EU

The European Union:

z. The Treaty of Maastricht.

aa. Foreign policy and common security.

bb. Justice and internal affairs.

Students will have to discover the challenges, which European Governments faced at that historical time. They must know that the Foreign Ministers of the 12 community countries signed in Maastricht (February 7, 1992) the Treaty on European Union, which is expected to transit to an Economic and Monetary Union (EMU) in three stages and all the economic and political problems followed that. They also have to discover why the institutional architecture of the EMU and its institutions was made as it was (De Grauwe, 2012).

The students will need to discover and understand the challenge of the EU. This challenge can have three dimensions. First, it can be conceived as an international subsystem (Europeanism vs. Atlanticism and Europe market vs. political Europe). Second, the EU can be seen as a foreign policy system (Inter-gubernamentalism vs. Supranationalism, defending the national interest vs. Europeanization of national diplomacy). Third, the EU can be seen as an international actor (“Actorness”: State nature vs. foreign policy formulation capacity and power vs. military capabilities with civilian power) normative power, market power and traditional power (Cameron, 2012).

Justice and Home Affairs issues are immigration, asylum, judicial and police cooperation in matters such as civil and criminal, and customs control, among others, of increasing topicality, as shown by the strong public impact events on the southern border of the EU.

The European Monetary Union:

c. The European Monetary Union (EMU) by the Treaty of Maastricht.

dd. The European Central Bank and the European system of central banks.

ee. The Eurogroup.

ff. The economic policy of the euro.

gg. The Stability and Growth Pact.

hh. The euro in the world.

Students must consider the three phases for the EMU established in Maastricht (De Grauwe, 2012).

The ECB is a central institution of money government. The ECB has the functions of design and implementation of the monetary policy of the countries forming part of the euro.

The Euro group is the informal meeting, which brings together at least once a month the Ministers of Economy and Finance of the Member States of the European Union whose currency is the euro. It is the forum where preferably policies are coordinated and overseen. In addition, common economic strategies – “economic policy of the euro” – are adopted by the Eurozone States.
The Stability and Growth Pact (SGP) lays down provisions relating to the excessive deficit; in particular, with regard to the temporary and exceptional circumstances under which the 3% government deficit reference can be overcome without considering that excessive deficit.

The euro in the world has to do with the exchange rate policy of the euro. Then, the euro, as an international reserve currency, has problems of coordination and effects on third countries.

It is important that the Working Group carry out a balance of the EMU results, concluding if it has been a success or a failure, valuing the role of the EMS on it. Positions of authors who claim that the ECB is the Bank “more independent and the most credible” must be evaluated and it is relevant to consider the collateral effects of the policy of the ECB.

The Lisbon Treaty:

ii. The EU and the fall of the Berlin wall.
jj. The Treaty of Lisbon and the institutional reform of the EU.
kk. Exclusive and shared competences.
ll. Closer cooperation.

The fall of the Berlin wall was in fact an opening and attraction of Eastern European countries to the EU. The Treaty of Lisbon (2007), which entered into force in 2009, represented the culmination of the process of institutional reform, which, following the Treaty of Nice (2001) developed from the Convention for the future of the Union in which the Constitution Treaty was conceived (2004) (Priollaud, 2008).

It is for students to see how the EU is adapting its institutional structures to needs and evaluate the proposed changes.

EU is equipped with powers, derived from an attribution of competences by the states, and actually means – in the opinion of some – a real limitation of their national sovereignty. Although, according to others, it does not mean a loss of sovereignty, but joint exercise of sovereignty between the EU and the States. Therefore, in other words, at the national level, this exercise would have become purely formal.

The euro crisis:

mm. Genesis and development.
nn. The European Semester.
oo. The European mechanism of stability.
pp. The European Banking Union.
qq. What needs to be done: the Deposit Guarantee European Fund of Credit, the European unemployment insurance and the Fiscal Union (FU).

This working group should consider the consequences of the breakup of the euro. All of this arise the dilemma between rupture of Europe or more EU, total destruction or be the strongest power in the West and the world (De la Dehesa, 2018).

As we know, there is no MU without fiscal union (Tabellini, 2016). That is why more progress must be made in that direction. The European Semester is
the cycle of the first six months of the year during which the coordination and synchronization of the economic policies of the EU Member States take place. The European Stability Mechanism serves to grant EU financial assistance to a Eurozone Member State that is in difficulty or at serious risk of serious difficulties, caused by exceptional events that that State cannot control. It is a kind of firewall to safeguard the financial stability of the Eurozone. Hence, the relevance of the European Banking Union (BU) to break the vicious cycle between banking and public finances is crucial.

Students will have to consider how to move forward on several lines such as building confidence in the security of bank deposits regardless of the member state in which banks operate, or a much closer fiscal cooperation with transfers between States and with a supervision.

The EU into question:

rr. Brexit.
ss. Germany.
tt. Italy.
uu. France.
vv. Eastern Europe.
ww. The migrant and refugee crisis.

Indeed, the EU is in question; But why? This Working Group has the complex task of fully answering this relevant question. Firstly, on agenda, we can refer to the Eurozone crisis. The Group will have to understand well that, first of all, Europe is not an optimal currency area because capital and labor do not move freely between its member states, and prices and wages are not as flexible as in the United States and Canada. Second, an area that is not optimal, a single monetary policy could be, on the one hand, lax for member states that are converging toward the Eurozone average – and with higher inflation rates – and, on the other hand, demanding for member states more growth rates that grow more slowly and inflation rates are lower. Third, some member states may suffer asymmetric shocks that would not affect other member states. Fourth, the combination of a single currency and a single market could generate agglomeration economies in certain cities, regions or states of the Eurozone. Fifth, in a MU, some member states may have incentives to incur high debts and fiscal deficits and take advantage of other members in better fiscal position, which would ultimately finance them, by not having a risk of change and be in the same single currency. The Working Group therefore needs to reflect on the need for a Single Tax Authority to impose discipline and a Single or Common Fiscal Policy, through either a Common Budget or a Common Treasury and even a European Fund capable of helping member states more affected by asymmetric shocks. Therefore, this Group should consider the relationship between MU–FU–Political Union, if it is appropriate (Darvas, Martin, & Ragot, 2018; Feld, Schmidt, Schnabel, & Wieland, 2018).

In this sense, the study of the positions of the different countries is illustrative. Brexit is the opposite option not only to greater integration, but also to set back to levels prior to the existence of the European Single Market (i.e., in the early 1990s
of the last century). Germany’s position is based on a public spending rule with a debt target as a percentage of GDP, always based on a balanced budget; while France’s position poses a reduction in spending, but with a flexibly set target. Italy is in a very complicated situation, as it needs to reduce its debt default risk levels. That is why his finance minister insists that an additional expense should be with new income. By 2000 the Eastern Europe economies were stabilized, and sooner or later between 2004 and 2013 all of them joined the EU. The trend shows that the sovereign debt ratio to GDP in most countries has been rising, particularly in Croatia, Hungary and Slovenia (over 70% of the GDP). Finally, the migrant and refugee crisis, which is a consequence of income differences between European countries and their Mediterranean and African neighbors.

**Quo vadis Europe?**

The answer to this big question should focus on a fundamental aspect of the EU. We are referring to the FU. The Working Group should consider the enormous problem that the Eurozone, that is, MU will not be able to survive if it does not achieve a FU and would even be at risk if a crisis as major as the 2009–2013.

The FU is a fundamental requirement for the smooth functioning of both the BU and the Capital Markets Union.

Consideration should also be given to the desirability of establishing a common system of Unemployment Insurance in the Eurozone, in addition to member states’ insurance systems (Arpad, Brogueira de Souza, Marimón, & Mayr, 2018).

One might also think of the need for the Eurozone to issue its own debt, supported by tax revenues from all member states to pay off the Eurozone debt service, with the Stability Bonds. This revenue should have sources of future tax revenue such as government revenue (income from the issuance of euro banknotes and coins by the ECB), a fraction of VAT or a future recurring wealth. Another reflection of interest would have to do with the Common Fiscal Policy and the need to have a new Common Institution such as a European Fiscal Institute, a logical evolution of the European Stability Mechanism, which could be based on principles similar to those used by the ECB. In addition, to create a Euro-System of National Tax Systems.

It would be important for the Working Group to reflect on the importance of the decisions of the European Tax Authority we are talking about. Because decisions would not have to be taken unanimously but by a simple or qualified majority. It should be thought that this way of operating would have a great advantage in avoiding national vetoes.

On the other hand, the European Fiscal Institute could finance large European infrastructures, European Defence or European Scientific Research, among other policies.

The question should also be raised whether the system is durable and irreversible so that it is not reversed. That would give it great credibility.

All these issues involve a loss of sovereignty on the part of member states. On these grounds, it is obvious that Europe will have a more efficient functioning and progress in its fuller integration, not only monetary, but also fiscal.
Additionally, the EU prospects for the next five years are quite complex. First, the EU should move toward full European banking union. After establishing the unique monitoring and resolution mechanisms, it is expected the implementation of the third pillar: deposit-guarantee insurance at the European level. Even though, a political will is needed to achieve a full sharing of the risk.

Secondly, a more harmonized taxation is necessary, especially in corporate tax. There is considerable heterogeneity of preferences among countries. In a system of decisions such as the present, where unanimity is required, it is difficult to make progress in this field. A qualified majority would be required to have consensus on issues such as the fight against fraud and tax evasion, and then to move to discuss the taxable bases.

Third, the immigration crisis of 2015 and the persistent threat of terrorism represent a questioning of Schengen and the adoption of restrictive measures, which are not a solution to the long-term problem, since it will not reduce migratory pressure from Africa. On the contrary, it will even generate large cross-border flows of people.

Students must consider whether the current global conditions do not raise again the need for further European integration (Pisani-Ferry, 2014).

Final Remarks

It is important to bear in mind that, without a united Europe, the voice and influence of European countries would be greatly reduced in the whole world. However, the EU, with a single currency, the second most important in the world behind the dollar, has taken a decisive step, which will be greatly strengthened by FU. Students of the EU’s problems should be aware that, without FU, a Monetary Union could not function in a lasting way. In this sense, the experience of the Great Recession of 2008–2013 is evident. Hence, it is obvious to implement the necessary tools to deal with the next Great Crisis. Tools should include, sooner rather than later, the Political Union of Europe.

On the other hand, young students should bear in mind that the EU is becoming increasingly aged, which calls into question the sustainability of existing fiscal rules, pension systems and industrial relation models. An aging is due to low female fertility, increased life expectancy at birth, falling mortality rates and increased average age of the population. As a result, the ratio of working-age people to the retired population is declining, the maximum European population will fall from 2050, and the need for young people – presumably, immigrant population from Africa – will be inevitable.

Last but not least, EU economic growth is based on lower productivity, higher unemployment, rising social inequality, and high public debt levels, clear expressions of European decline, accompanied by low levels of investment in digital and ecological transitions, R&D, education and innovation and over-investments in construction and real estate. Nevertheless, the large political support of the last European elections (May 26, 2019) to the European integration leaves the national-populism and the Euroscepticism behind. Therefore, the future of Europe depends on taking actions on the six areas proposed by Ursula von der
Leyen, the new EC president: (1) a Green European Deal to reach the climatic neutrality in 2050; (2) deepening on the Economic and Monetary Union and complementing it enhancing the Social Pillar; (3) developing the Digital Agenda; (iv) relaunching a new European Pact on Migration; (5) boosting the European voice at the international arena; (vi) strengthening the European democracy with higher with the European parliament, more transparency and accountability.

References


AUTHOR QUERIES

AQ1 There is a discrepancy in the author names between the ms and the runsheet, hence we have followed the one in the runsheet.

AQ2 Citation Scheer et al. 2017 is not provided in the ref. list. Please check.

AQ3 Please provide the institute name and location for ref. Arpad et al. (2018).

AQ4 Please provide the page number for the ref. Darvas et al. (2018).

AQ5 Please provide the volume number for the ref. Lindberg et al. (2009).