Europe at the crossroads

What is the future of the European Union?

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Poznań University of Economics and Business
Agenda

- Introduction
- Short history of the European Union
- What is the EU today?
- Europe at the crossroads – main challenges ahead
- Q&A
Introduction
Poland (ポーランド)
Introduction

Poznań - the place that I come from…

- located in west-central Poland
- one of the oldest and biggest Polish cities

- important centre of trade, industry, and education
- hosts regular international trade fairs
Poznan University of Economics and Business

- major academic institution in the western part of Poland specialised in business and economic sciences
- one of the oldest and most prestigious economic universities in Poland
- It is the biggest business university in the region with origins going back to 1926
- PUEB has an academic staff of over 500 academic teachers involved in research and teaching, including 140 full professors
Poznan University of Economics and Business

• specializes in educating economists, managers and specialists in quality management

• ca. 11 000 students studying at five Faculties

  • Faculty of Commodity Science
  • Faculty of Economics
  • Faculty of Informatics and Electronic Economy
  • Faculty of Management
  • Faculty of International Business and Economics
Introduction
Department of European Studies

Research and teaching areas
- European integration
- European economy
- Poland in the European Union
Short history of the European Union
Short history of the European Union

- World War II (1939-1945) - turning point in politics of West Europe
- Economic damage
- Political situation – the beginning of the Cold War
Short history of the European Union
Short history of the European Union
European Coal and Steel Community (ECSC)

- 1951 – Treaty of Paris
- 6 countries („the Six”) created the ECSC
Short history of the European Union

European Economic Community

- 1957
Short history of the European Union

stages of economic integration - summary

Level of integration

Complexity

Free Trade

Customs Union

Common Market

Economic Union

Political Union

Common government

Common currency, harmonized tax rates, common monetary and fiscal policy: EU (partial)

Factors of production move freely between members

Common external tariffs

Free trade between members: NAFTA, Mercosur, ASEAN (partial)

Source: http://people.hofstra.edu/geotrans/eng/ch5en/conc5en/economicintegration.html
Short history of the European Union
Short history of the European Union

diagram showing the fall of communism in Europe

Source: BBC News
Short history of the European Union
2004 – „big bang” enlargement
What is the European Union today?
European Union (欧州連合)

EU-28
European Union - 2018

- most advanced economic integration project in the world
- from 6 (1958) to 28 countries (2014)
- over 508 million people in all EU countries
- EU institutions (European Parliament, European Commission, Council of the EU)
- customs union – Common Commercial Policy
- EU budget
- many common regulations and policies (agriculture, regional policy, environment, transportation, etc.)
European Union – 2018
Single European Market (since 1993)

- 4 freedoms: goods, services, labour and capital

- European citizenship - the right to move and live in any of 28 EU countries (the same rights for all EU citizens)

- Schengen area
European Union – 2018

Economic and monetary union
EUROZONE (since 1999)

- common currency Euro € (19 of 28 countries)
European Union – 2018

Economic and monetary union
EUROZONE (since 1999)

- common European Central Bank
- common monetary policy
- co-ordination of fiscal policy

https://www.ecb.europa.eu
European Union – 2018
position in global economy

Largest economies by nominal GDP in 2017 (IMF)
European Union – 2018

position in global economy (2004-2014)

Note: GNI per inhabitant is presented in international US dollar at current prices for 2014. The relative size of each bubble reflects the value of GNI in PPP international USD for 2014. The EU-28’s 10-year annual average growth rate of GDP between 2004 and 2014 was 0.9% (shown on the horizontal axis), while its GNI per inhabitant in 2014 was 37,007 (shown on the vertical axis). The GNI was 18.7 trillion international USD in 2014 (represented by the size of the large orange circle). Data not available for Argentina.

(*) Saudi Arabia GNI per capita: 2013 data.
European Union – 2018
positional in global economy (TOP 500)

http://fortune.com/global500/
European Union – 2018
position in global economy – international trade

Share in world trade in goods in selected countries (%)

Coverage: excluding intra-EU trade.
Sources: Eurostat (Comext, Statistical regime 4), IMF DOTS.
## European Union – 2018
### Position in Global Economy – Global Exports

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**EU-28**

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Coverage: excluding intra-EU trade.

Sources: Eurostat (Comext, Statistical regime 4), IMF DOTS
### European Union – 2018
position in global economy – global imports

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Coverage: excluding intra-EU trade.

Sources: Eurostat (Comext, Statistical regime 4), IMF DOTS
European Union – 2018
position in global economy – FDI flows (2010-2016)

Figure B. FDI inflows, 2010–2016
(Billions of dollars and per cent)

Figure C. FDI outflows, 2010–2016
(Billions of dollars and per cent)

Source: World Investment Report 2017
Europe at the crossroad – main challenges for the European Union

1. Brexit
2. Immigrants
3. Economic growth
1. Brexit (Britain + Exit)

- withdrawal of the UK from the EU
- for the first time in the history of the EU
- 23 June 2016 – referendum (turnout – 72.2%)

52%  48%
1. Brexit

- 29 March 2017 – 2 years for reaching the agreement (should be agreed by October 2018)
- More questions than answers yet
  - Model of EU – UK future trade/economic relations (FTA/CU/common market?)
  - Future status of EU citizens in the UK
  - Financial bill
1. Brexit

- the future of London as a financial center?
- status of Scotland?
2. Immigration to Europe

Map 1 - Main irregular border crossing routes by nationalities, 2010 - 2015 (Q1)
2. Immigration to Europe

Asylum claims in Europe, 2015

Total EU claims*
1,321,560

*Map also shows claims for non-EU members Norway and Switzerland

Source: Eurostat
2. Immigration to Europe
2. Immigration to Europe

Source: https://data2.unhcr.org/en/situations/mediterranean
2. Immigration to Europe

- difficult situation in „frontier” countries (e.g. Greek islands)
- growing reluctance and nationalism in some of European countries
3. Economic recovery (stable and sustained)

- Economic recession in 2008/2009
- ...and again in 2012/2013 – Eurozone crisis

Source: Eurostat
3. Economic recovery (stable and sustained)

- public finances (budget deficits and government debts)
- PIIGS countries (Portugal, Italy, Ireland, Greece and Spain)
3. Economic recovery (stable and sustained)

- Unemployment rates (%)
3. Economic recovery (stable and sustained)

Unemployment rates in January 2018, seasonally adjusted

- Czech Republic: 2.4%
- Malta: 3.5%
- Germany: 3.6%
- Hungary: 3.8%
- Netherlands: 4.2%
- UK: 4.3%
- Poland: 4.5%
- Romania: 5.2%
- Denmark: 5.3%
- Luxembourg: 5.5%
- Estonia: 5.5%
- Austria: 5.9%
- Bulgaria: 5.9%
- Slovenia: 6.1%
- Ireland: 6.5%
- Sweden: 6.6%
- Belgium: 7.3%
- EU28: 7.3%
- Lithuania: 7.5%
- Slovakia: 7.9%
- Portugal: 8.3%
- Latvia: 8.5%
- Finland: 8.6%
- EA19: 9.0%
- France: 9.8%
- Croatia: 9.8%
- Cyprus: 11.1%
- Italy: 16.3%
- Spain: 20.9%

* November 2017 ** December 2017

Source: Eurostat
3. Economic recovery (stable and sustained)

Today situation is better but still many structural reforms are needed:

- support for employment (young and women, retirement age)
- stable public finances (lower budgets deficits)
- co-ordination of banking systems (e.g. bankruptcy)
- competitiveness of the economy (innovations, clean environment)
ありがとうございます!

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