



# Europe at the crossroads

What is the future of the  
European Union?



Grzegorz Mazur, Ph.D.  
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



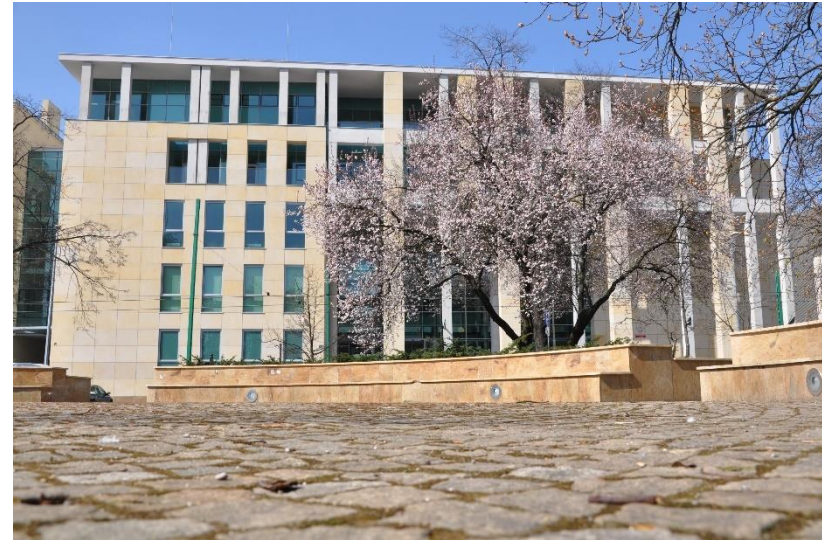
- It is the biggest business university in the region with origins going back to 1926
- PUEB has an academic staff of over 500 academic teachers involved in research and teaching, including 140 full professors





# 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

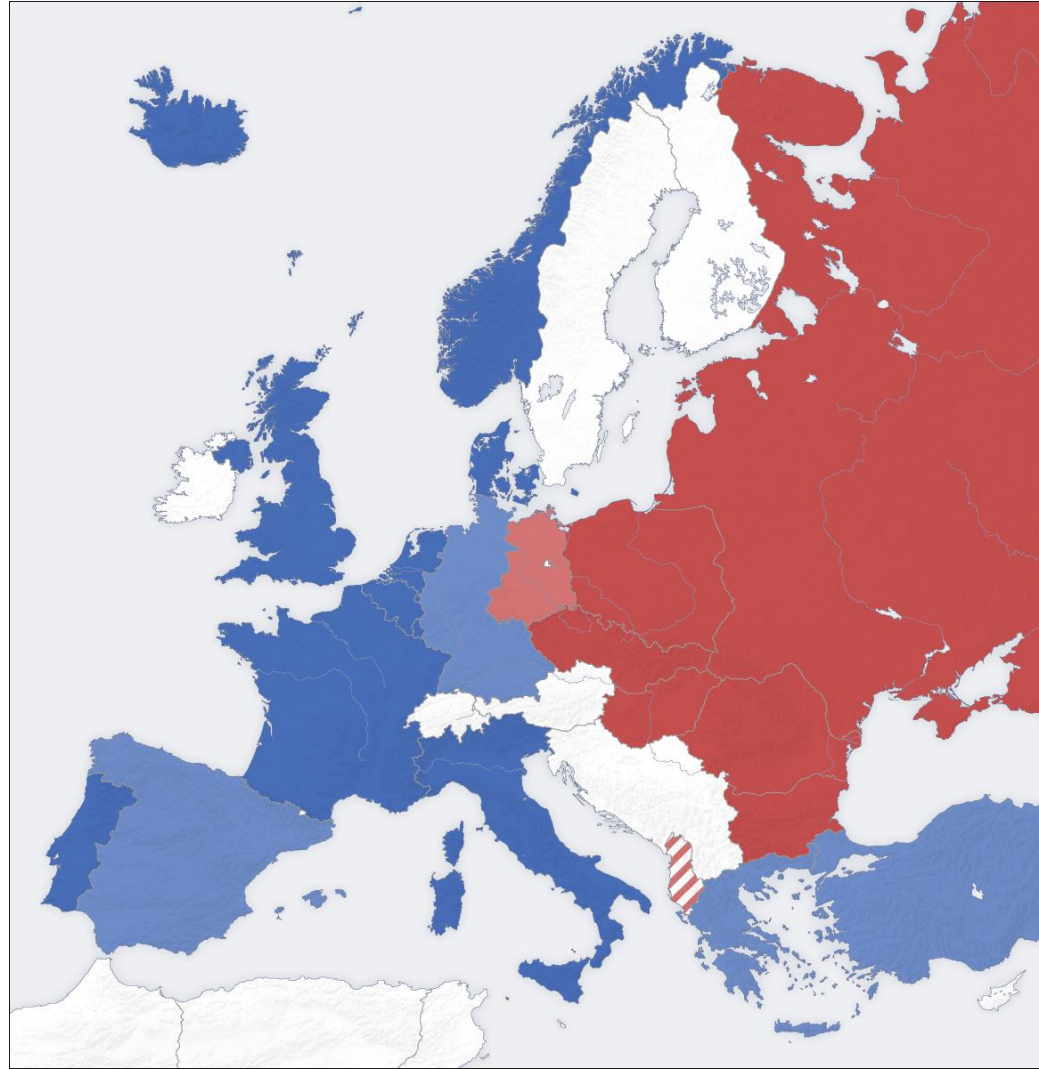
- World War II (1939-1945) - turning point in politics of West Europe



- 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)

- o 1951 – Treaty of Paris
- o 6 countries („the Six”) created the ECSC





# Short history of the European Union

## European Economic Community

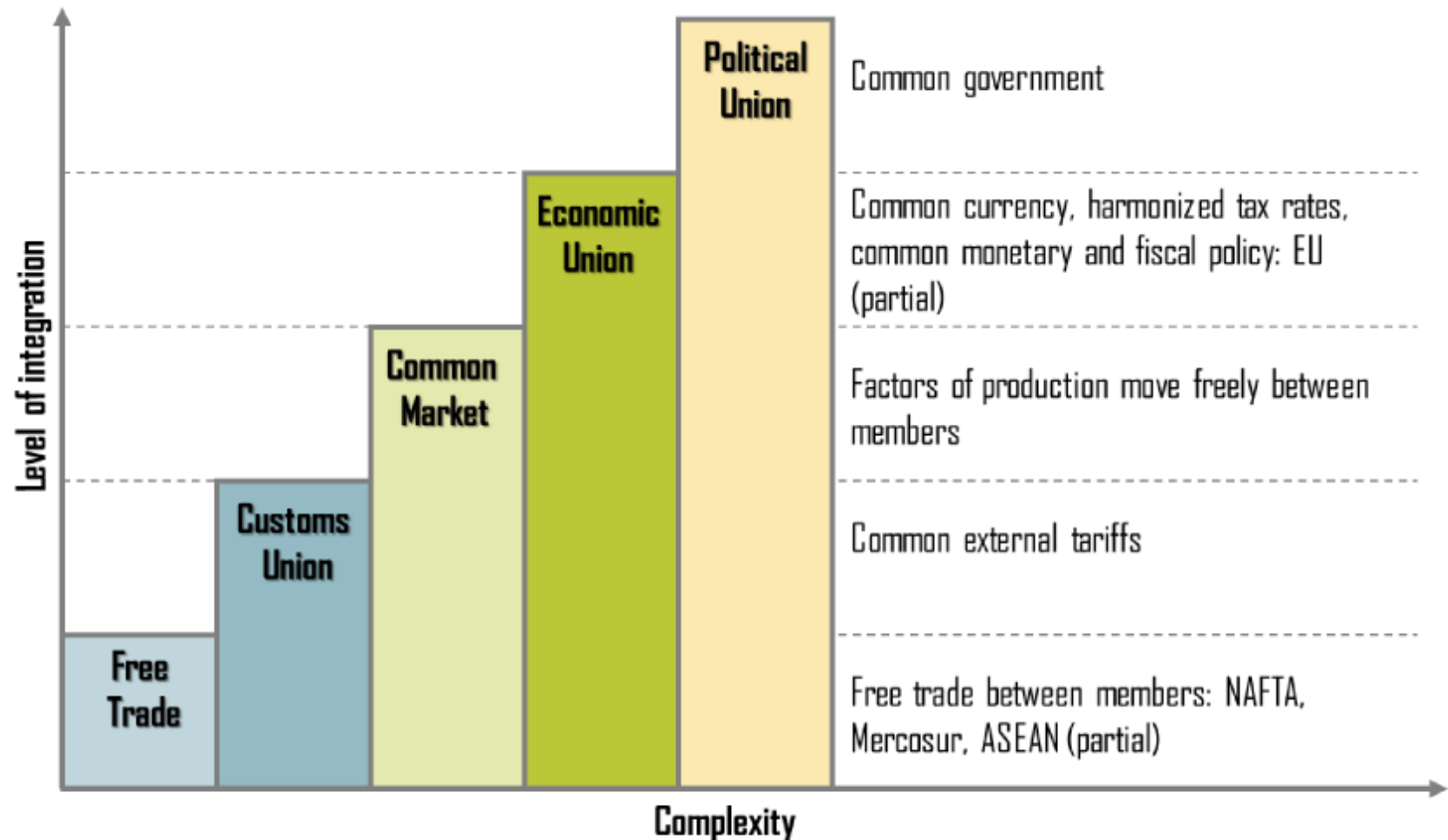
o 1957





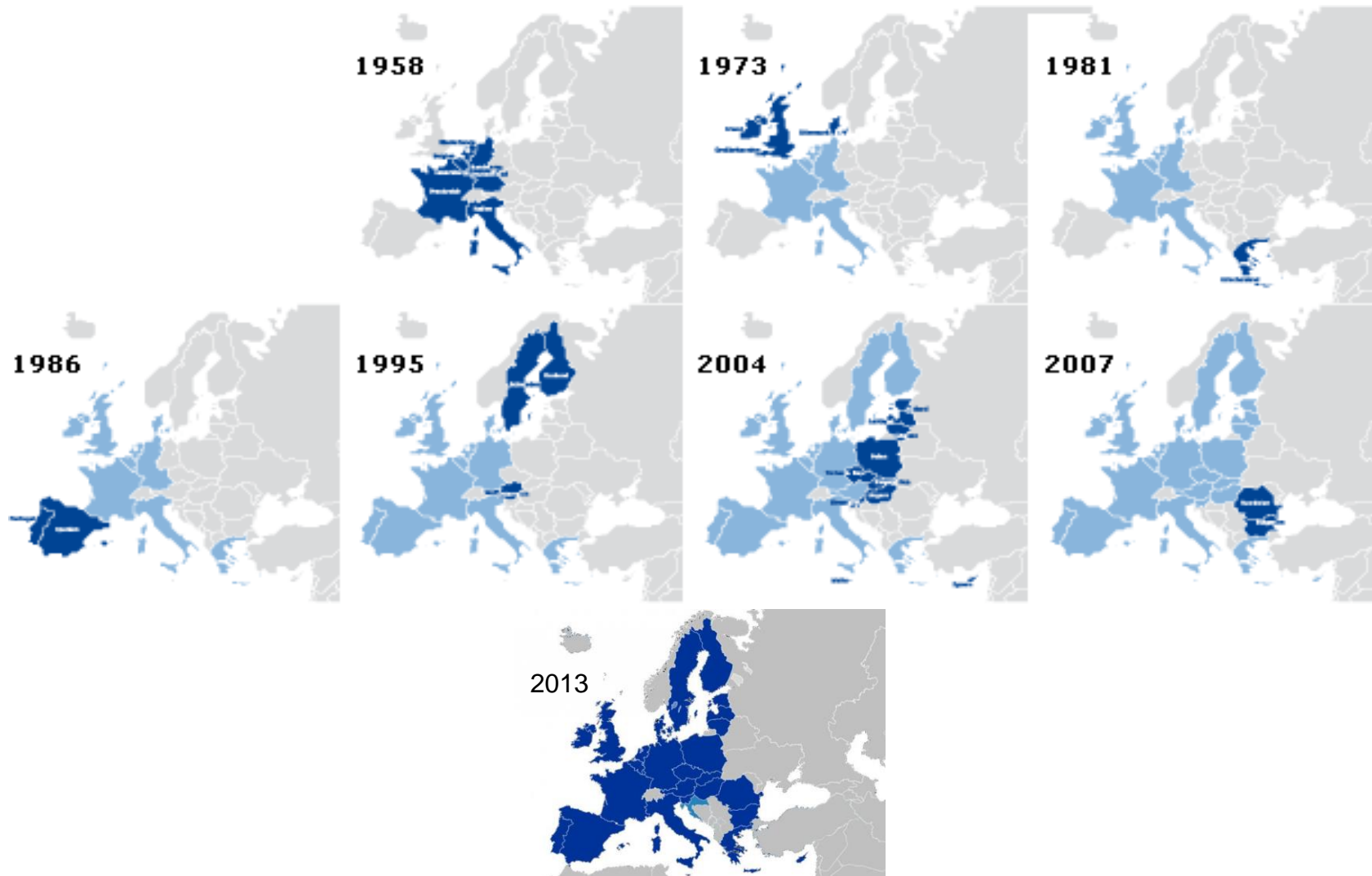
# Short history of the European Union

## stages of economic integration - summary





# Short history of the European Union





# Short history of the European Union

## geopolitical earthquake in Europe

THE FALL OF COMMUNISM 1989 – 1991

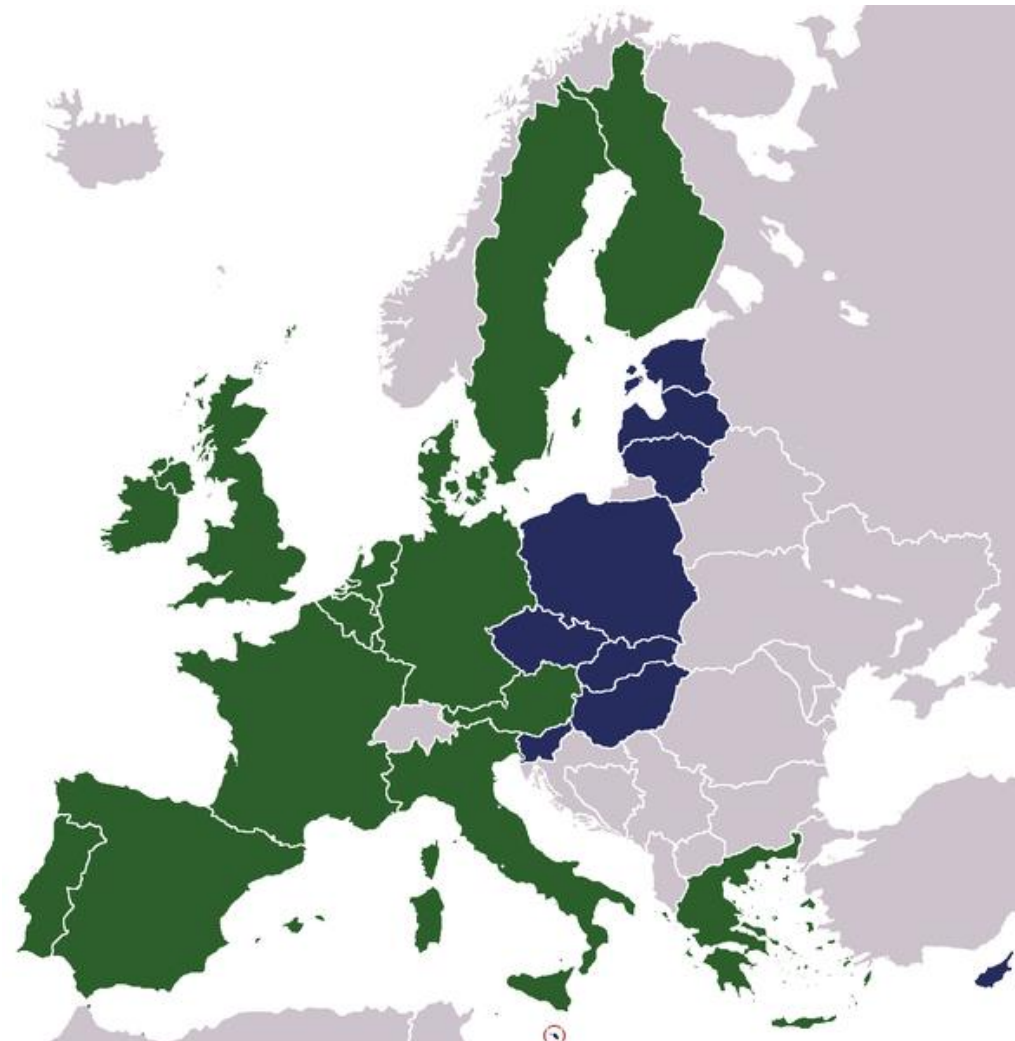






# Short history of the European Union

## 2004 – „big bang” enlargement



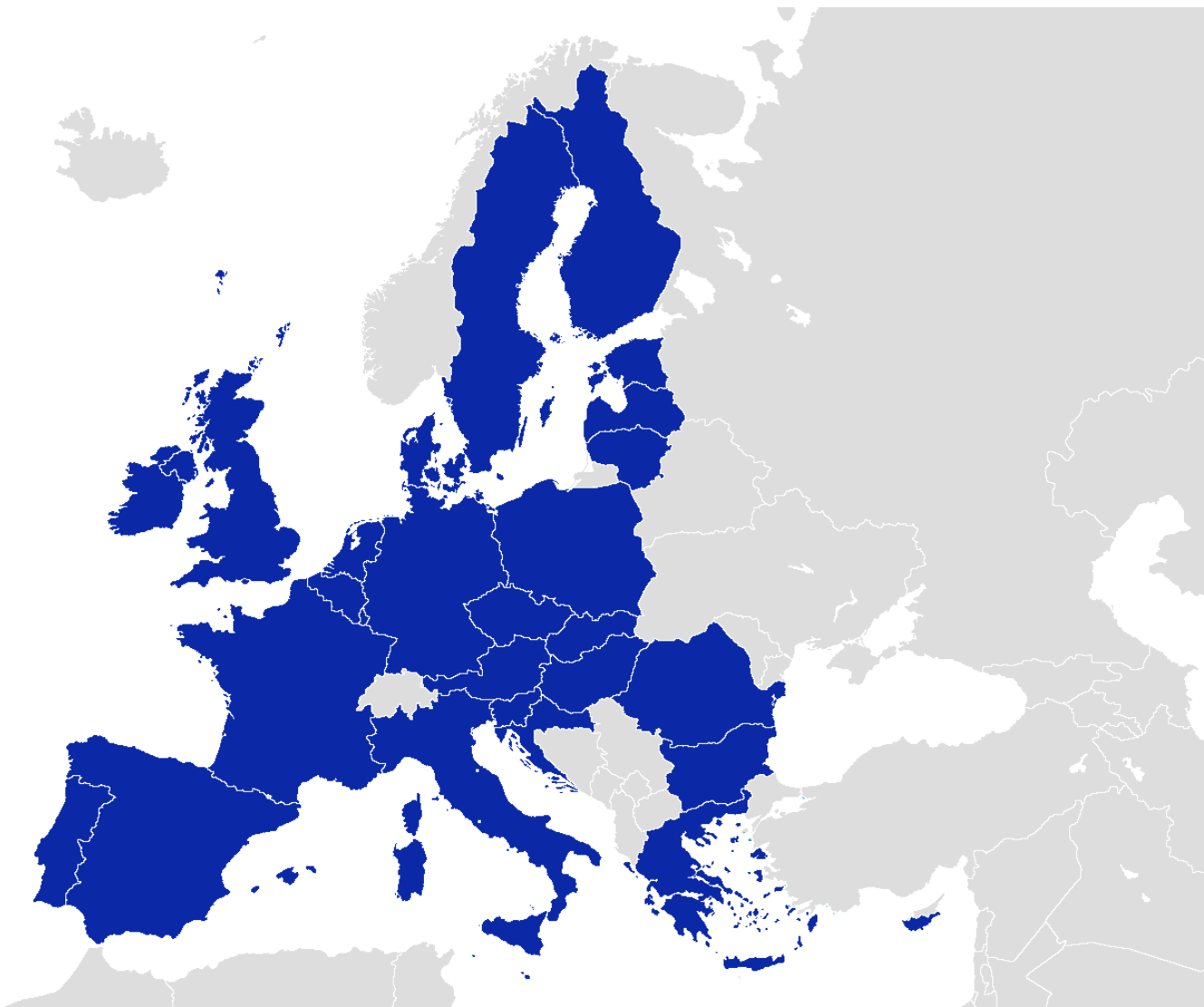


# **What is the European Union today?**



# 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

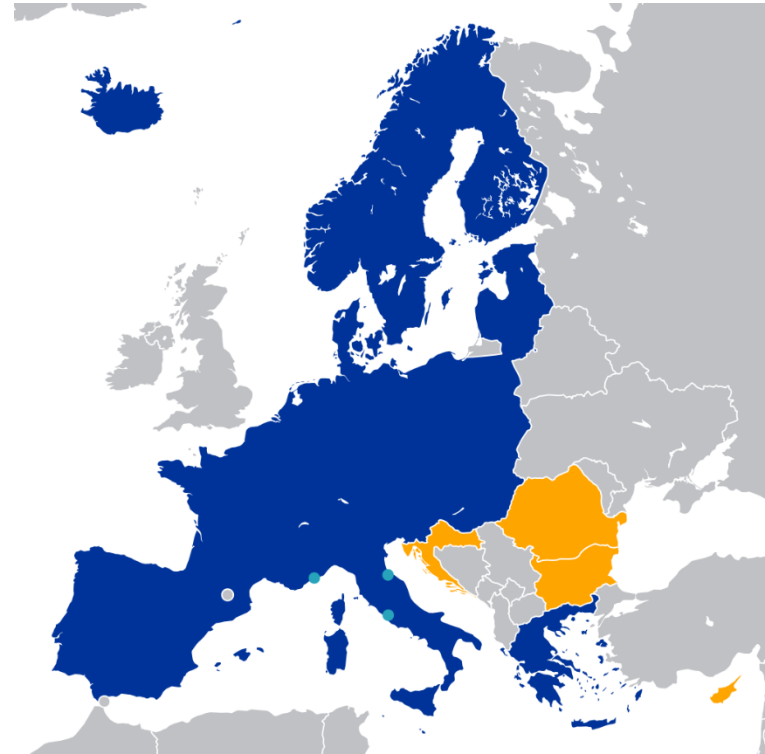
PASSPORT



*European Union*

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

- Schengen area

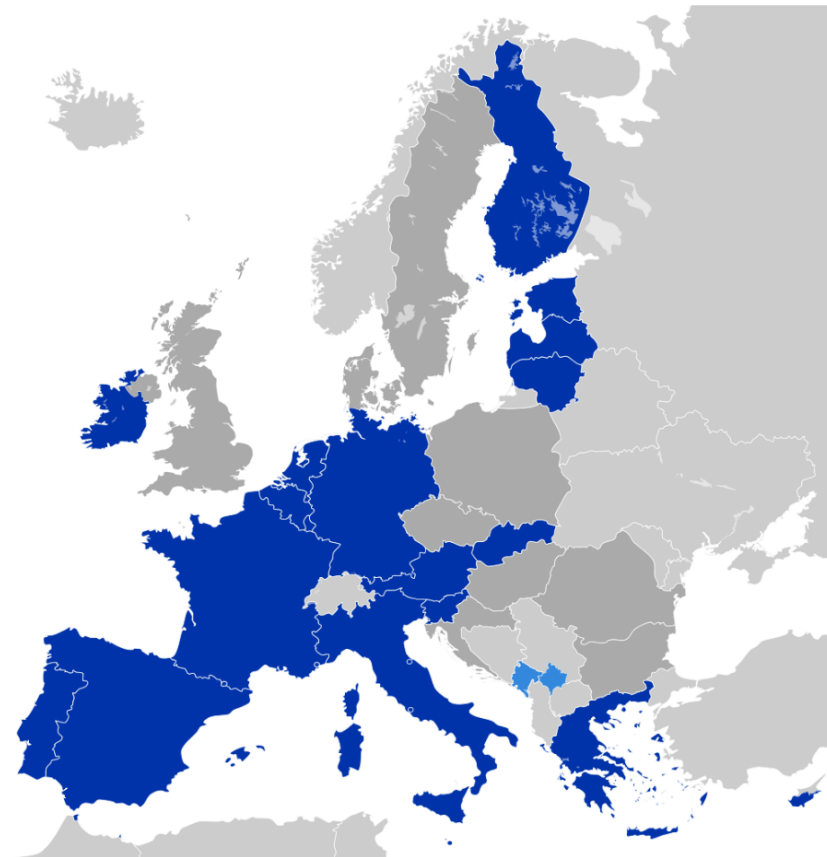




# European Union – 2018

Economic and monetary union  
EUROZONE (since 1999)

- o 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

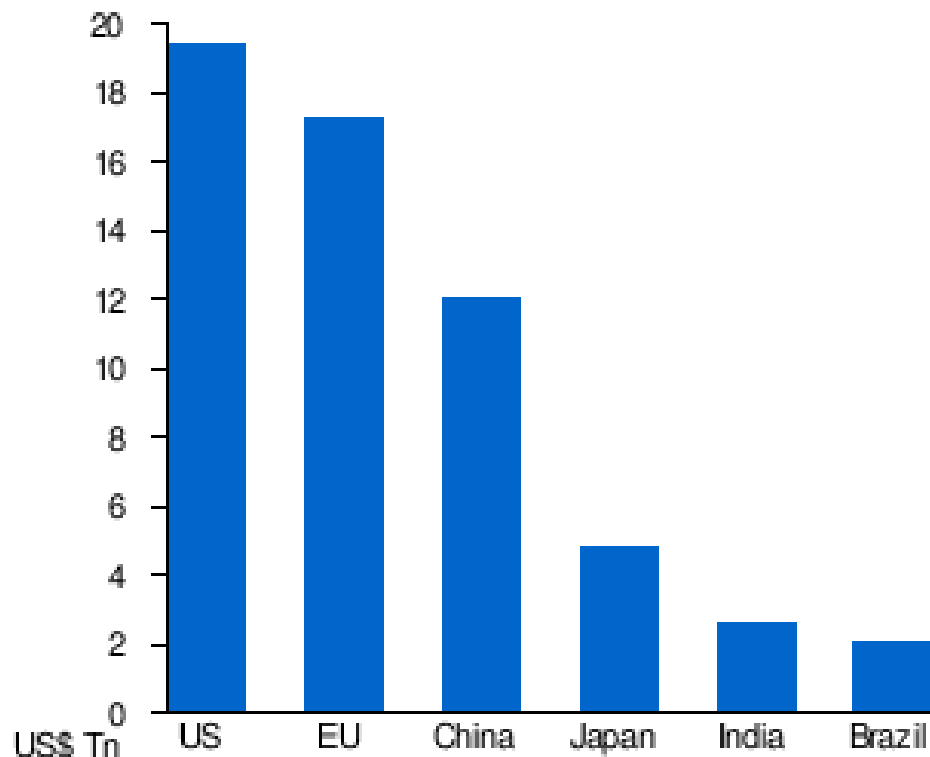






# European Union – 2018

position in global economy

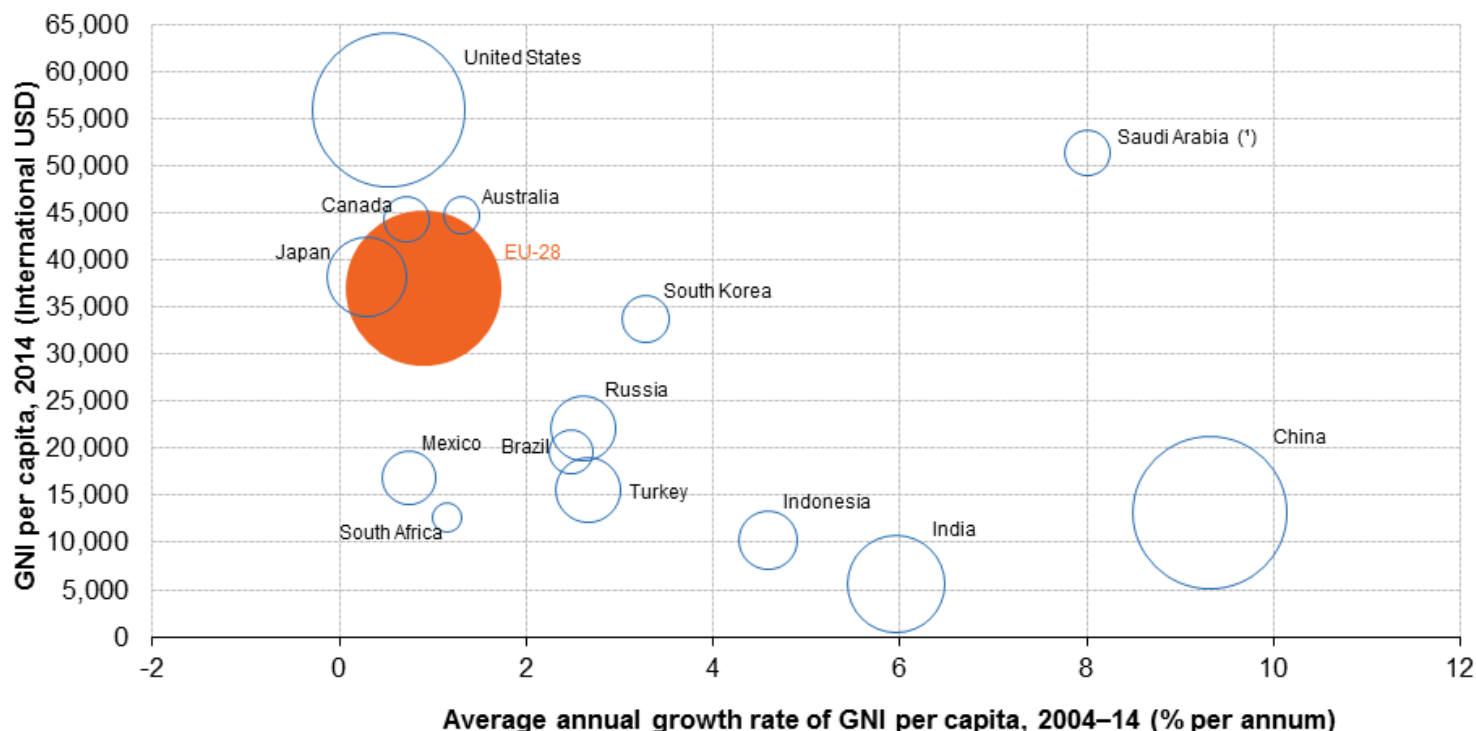


Largest economies by nominal GDP in 2017 (IMF)



# European Union – 2018

## position in global economy (2004-2014)



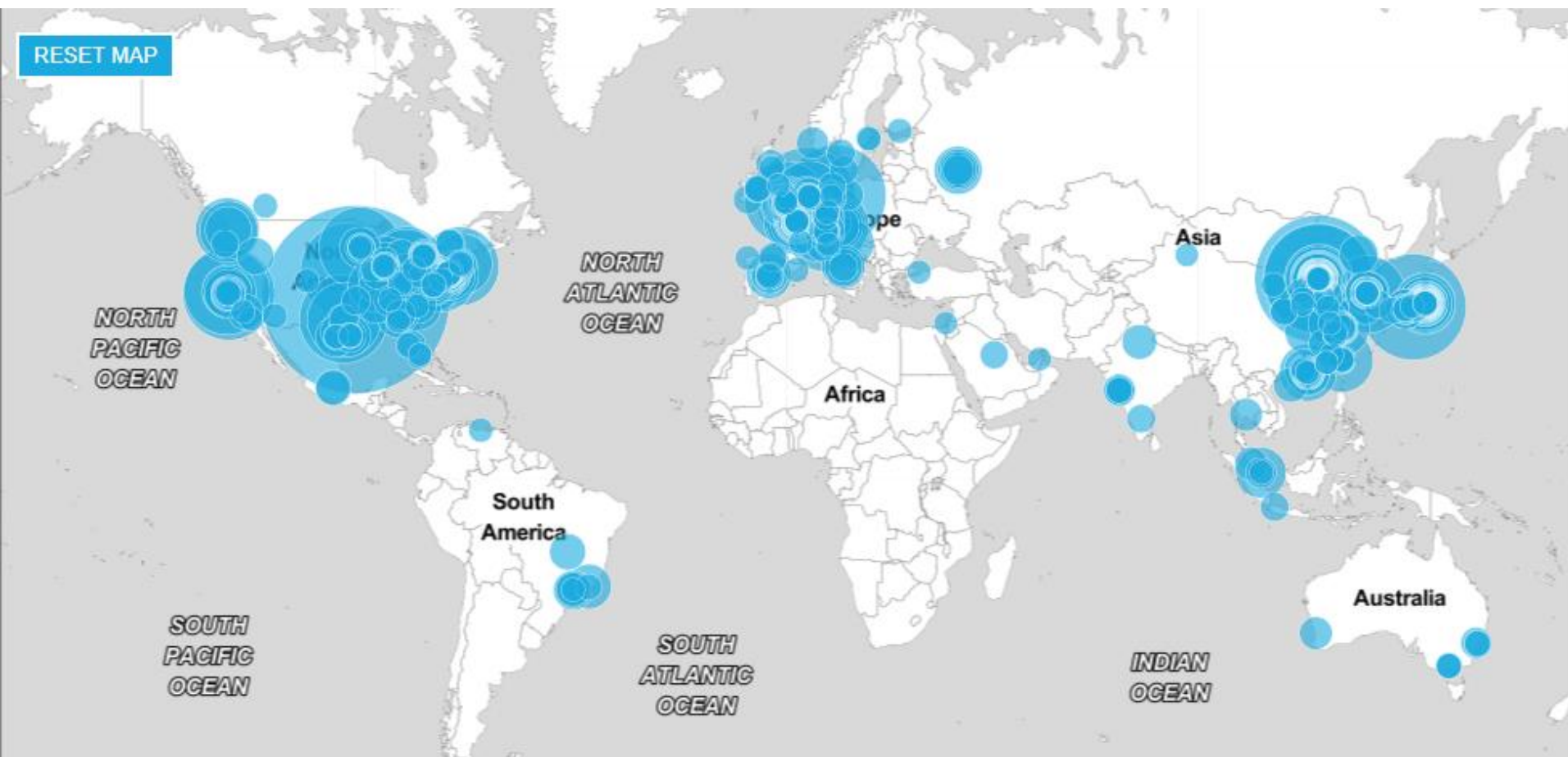
Note: GNI per inhabitant is presented in international US dollar at current prices for 2014. The relative size of each bubble reflects the value of GNI in PPP international USD for 2014. The EU-28's 10-year annual average growth rate of GDP between 2004 and 2014 was 0.9 % (shown on the horizontal axis), 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.

(\*) Saudia Arabia GNI per capita: 2013 data.



# European Union – 2018

position in global economy (TOP 500)

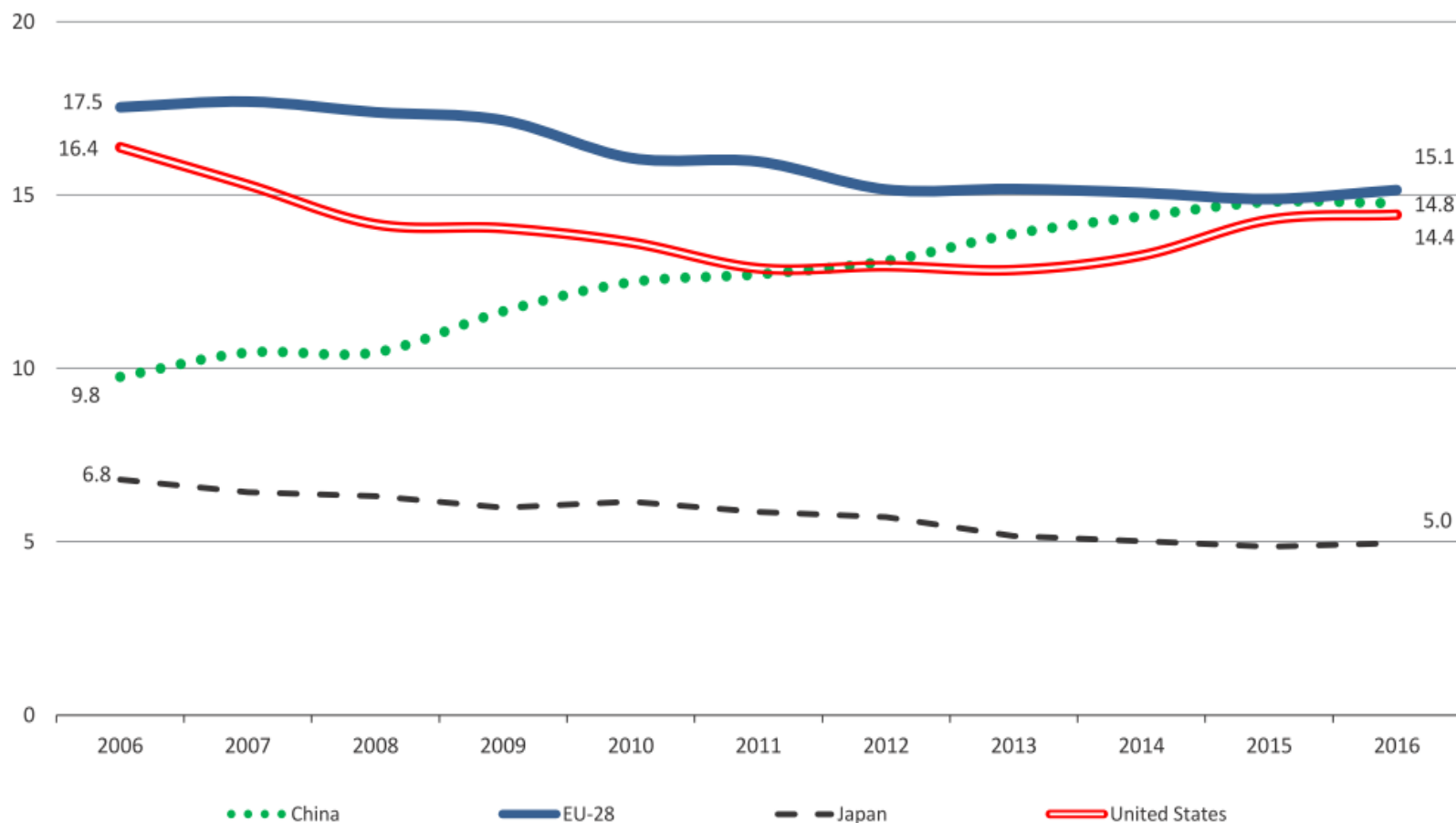




# European Union – 2018

## 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

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
World	7 027.6	7 428.9	8 156.3	6 639.1	8 827.4	10 161.1	11 325.3	11 169.4	11 147.0	11 679.5	11 213.2
Argentina	37.1	40.8	47.6	39.9	50.9	59.0	61.2	55.9	50.8	51.2	51.3
Australia	97.0	103.2	126.2	110.2	159.7	194.5	200.4	190.9	181.1	169.9	172.8
Brazil	110.2	114.6	134.6	108.0	152.3	183.9	188.5	182.0	169.4	172.3	166.7
Canada	309.3	306.7	310.3	226.6	292.3	324.2	354.3	345.1	357.3	368.0	352.0
China	772.0	888.8	971.5	861.8	1 190.6	1 364.4	1 595.7	1 664.5	1 763.8	2 055.5	1 930.3
India	96.0	112.2	120.8	118.4	168.2	220.6	231.4	237.3	239.2	239.9	236.6
Indonesia	80.3	83.3	93.2	83.5	119.0	146.2	147.9	137.5	132.7	135.6	130.3
Japan	515.1	521.2	531.7	416.3	580.7	590.9	621.6	538.1	519.5	563.1	582.6
Mexico	199.0	198.4	198.1	164.7	225.1	251.0	288.6	286.1	298.9	343.1	337.5
Russia	232.5	257.1	312.6	204.3	281.9	356.2	408.2	397.0	374.6	309.5	257.5
Saudi Arabia	157.5	154.0	208.9	125.4	174.8	242.5	285.1	269.3	255.5	182.3	153.3
South Africa	41.8	46.3	49.6	39.0	68.9	78.6	77.5	72.3	68.6	73.4	67.7
South Korea	259.2	271.1	286.9	260.6	351.8	399.0	426.4	421.4	431.1	474.8	448.0
Turkey	68.1	78.2	89.8	73.2	85.9	96.9	118.7	114.3	118.6	129.6	128.8
United States	826.0	848.4	884.0	757.8	963.6	1 065.0	1 203.1	1 188.5	1 219.8	1 356.1	1 313.3
EU-28	1 152.5	1 234.5	1 309.1	1 094.0	1 354.1	1 554.5	1 684.9	1 736.4	1 702.9	1 789.2	1 745.2
France	135.8	140.3	150.9	130.3	154.2	167.1	181.7	177.6	174.3	187.8	183.7
Germany	318.6	337.4	357.7	300.0	376.7	428.9	471.0	469.4	476.4	503.0	501.5
Italy	126.2	139.8	148.7	121.4	141.9	163.0	178.3	180.4	180.0	186.3	184.1
United Kingdom	134.0	135.7	142.5	114.4	148.1	181.2	183.0	229.8	198.2	230.5	194.4

Coverage: excluding intra-EU trade.

Sources : Eurostat (Comext, Statistical regime 4), IMF DOTS



# European Union – 2018

## position in global economy – global imports

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
World	7 347.2	7 740.5	8 485.7	6 938.7	9 126.4	10 408.7	11 649.8	11 388.1	11 382.7	11 954.7	11 587.8
Argentina	27.2	32.6	39.1	27.8	42.4	52.8	53.3	55.7	49.1	53.9	50.3
Australia	112.1	122.0	137.7	120.9	154.4	178.6	206.8	185.8	181.7	191.9	182.2
Brazil	77.6	94.3	124.8	95.8	145.2	172.3	184.1	191.2	182.8	163.8	131.2
Canada	295.5	294.2	294.2	244.0	313.5	343.8	381.5	368.7	367.8	401.1	385.7
China	630.6	697.7	769.6	719.7	1 051.5	1 251.0	1 414.5	1 467.7	1 477.7	1 443.7	1 436.0
India	140.7	171.5	191.4	184.7	264.6	334.1	381.7	352.3	346.6	353.5	322.4
Indonesia	48.6	54.3	87.9	69.4	102.3	127.5	149.2	140.5	134.1	128.6	122.4
Japan	460.9	453.8	518.5	395.7	523.5	614.2	689.6	626.7	611.4	584.0	548.3
Mexico	215.1	217.1	221.4	178.1	241.1	267.0	305.9	304.3	319.1	377.6	370.2
Russia	105.5	145.5	181.5	115.3	164.0	212.2	246.6	237.2	215.2	164.4	164.5
Saudi Arabia	54.3	64.6	77.0	66.8	78.9	93.1	119.2	124.1	128.2	149.2	121.3
South Africa	57.3	66.2	65.2	51.0	66.3	78.2	85.9	82.6	79.7	81.6	71.8
South Korea	246.4	260.4	295.9	231.6	320.7	376.7	404.4	388.2	395.6	393.4	366.8
Turkey	111.1	124.0	137.3	101.0	140.0	173.0	184.1	189.5	182.3	186.8	179.4
United States	1 528.6	1 472.0	1 472.7	1 149.7	1 484.6	1 586.2	1 771.7	1 708.0	1 767.2	2 020.4	1 977.8
<b>EU-28</b>	<b>1 368.3</b>	<b>1 450.3</b>	<b>1 585.2</b>	<b>1 235.6</b>	<b>1 531.5</b>	<b>1 730.0</b>	<b>1 798.8</b>	<b>1 687.4</b>	<b>1 692.2</b>	<b>1 729.2</b>	<b>1 708.3</b>
France	132.8	140.2	154.9	123.2	145.4	168.7	172.9	165.4	164.7	163.0	159.8
Germany	261.2	271.8	292.2	234.6	292.1	329.0	327.6	314.3	313.8	326.0	320.6
Italy	148.0	156.5	171.9	125.4	164.5	184.2	177.5	160.8	153.0	153.1	144.2
United Kingdom	213.5	215.6	217.5	188.2	227.0	252.4	283.4	239.4	244.3	261.7	284.2

Coverage: excluding intra-EU trade.

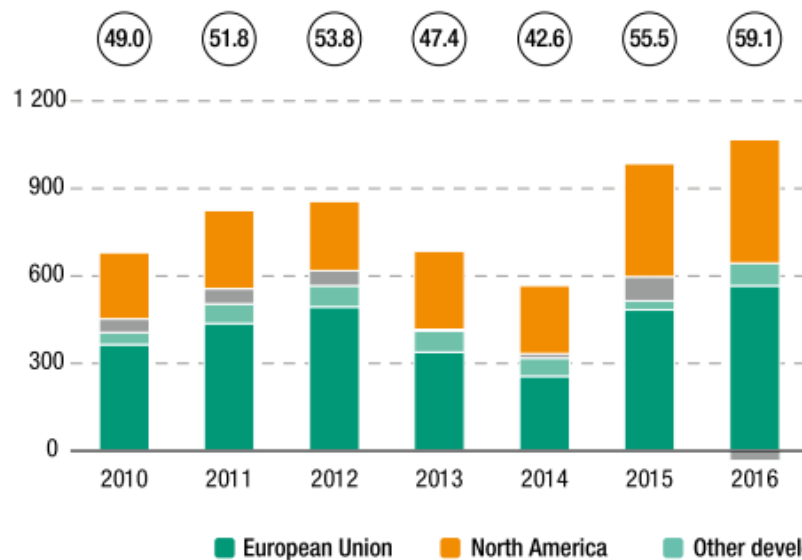
Sources : Eurostat (Comext, Statistical regime 4), IMF DOTS



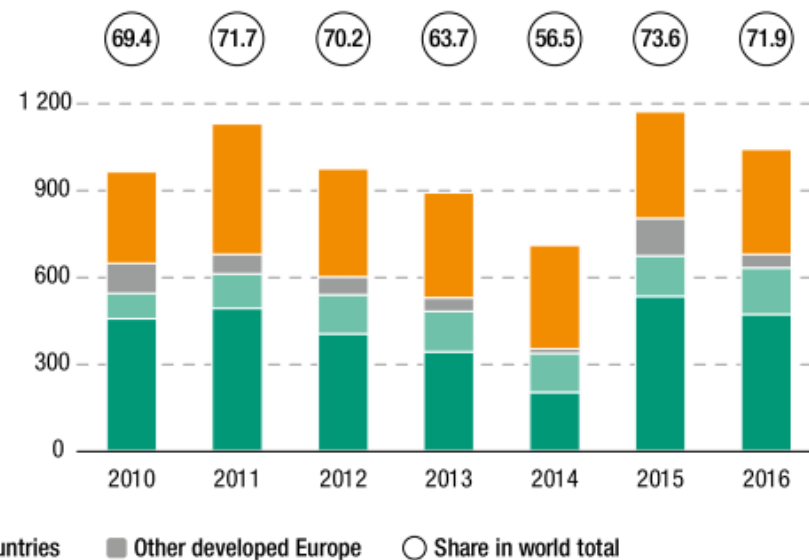
# European Union – 2018

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)







# **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

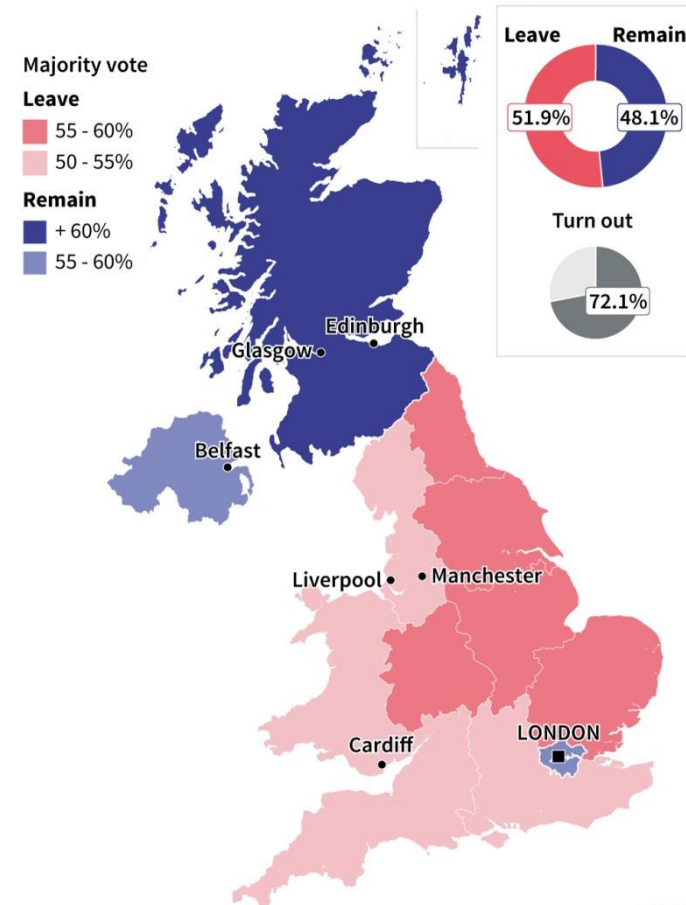


# 1. Brexit

- o the future of London as a financial center?
- o status of Scotland?

## Brexit: how Britain voted

Results of the referendum on membership of the European Union

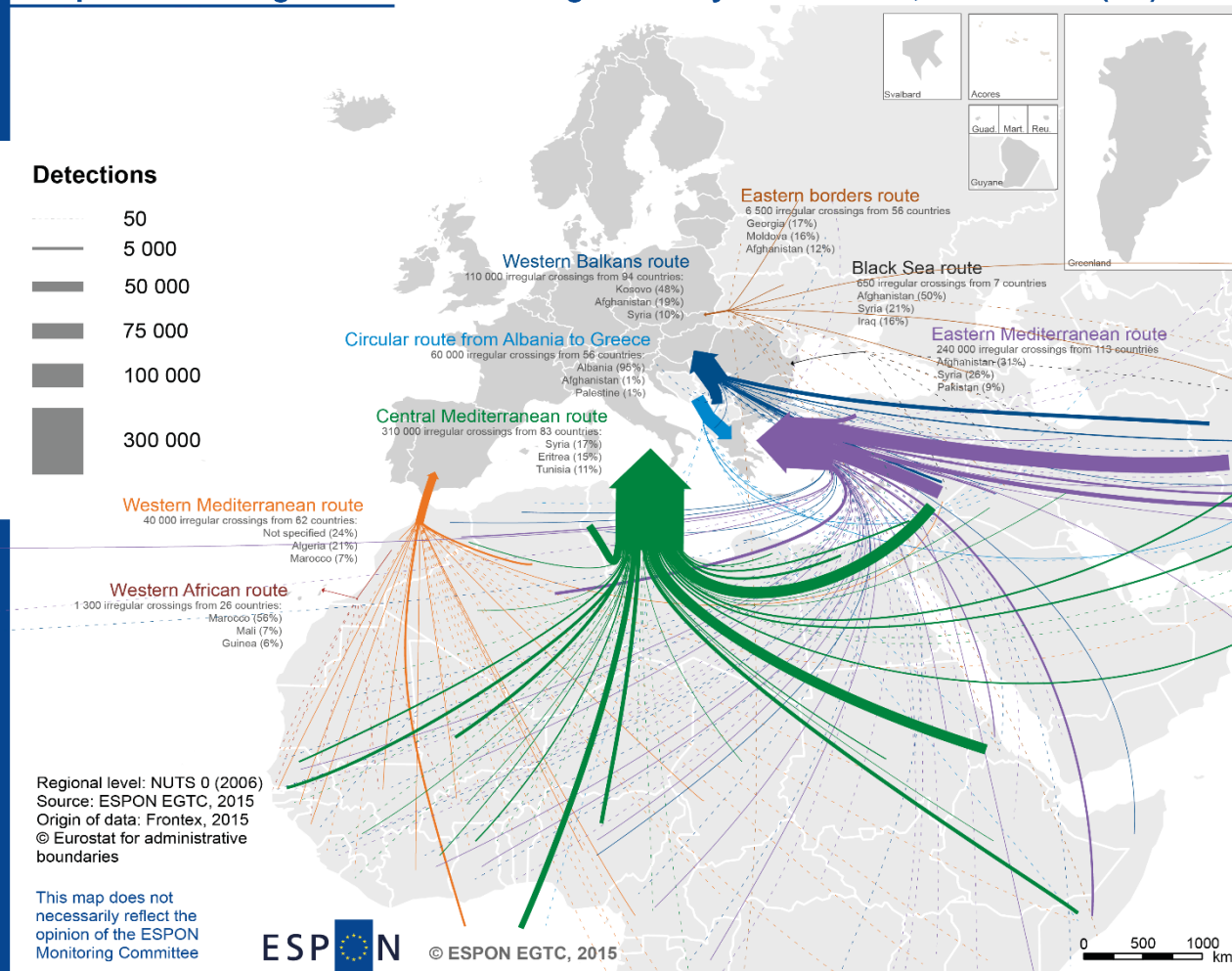


Source: Electoral commission



## 2. Immigration to Europe

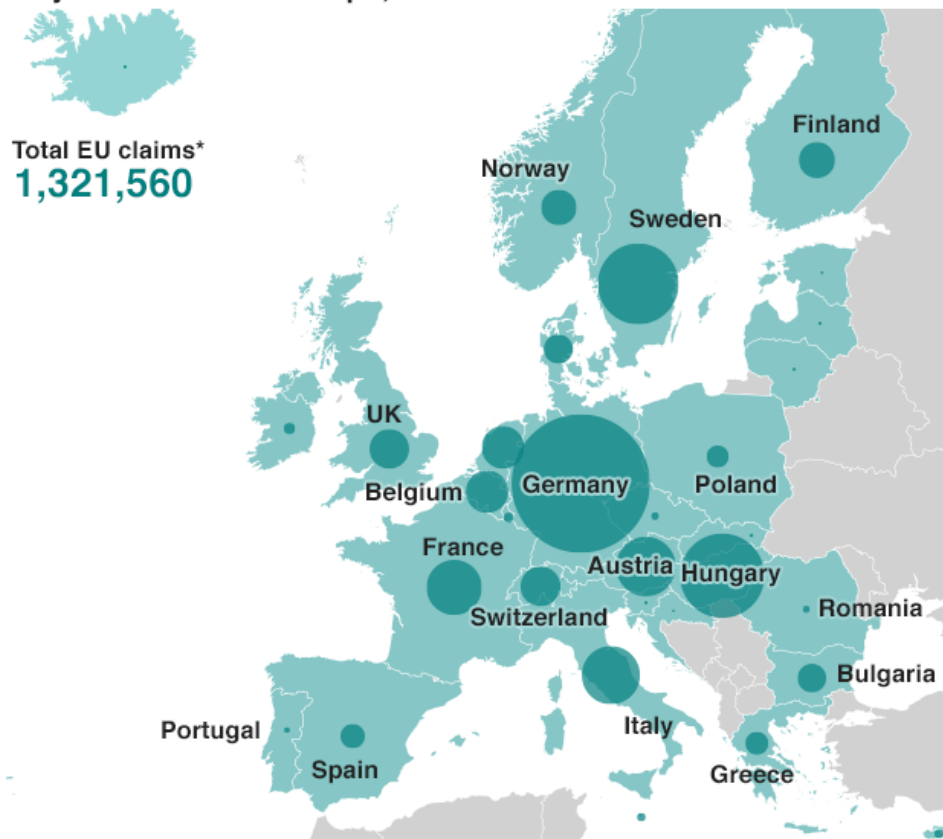
Map 1 - Main irregular border crossing routes by nationalities, 2010 - 2015 (Q1)



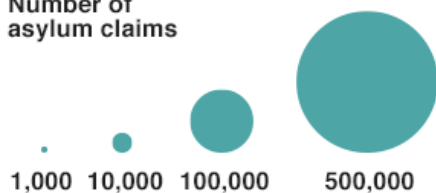


## 2. Immigration to Europe

Asylum claims in Europe, 2015



Number of  
asylum claims



■ No data

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



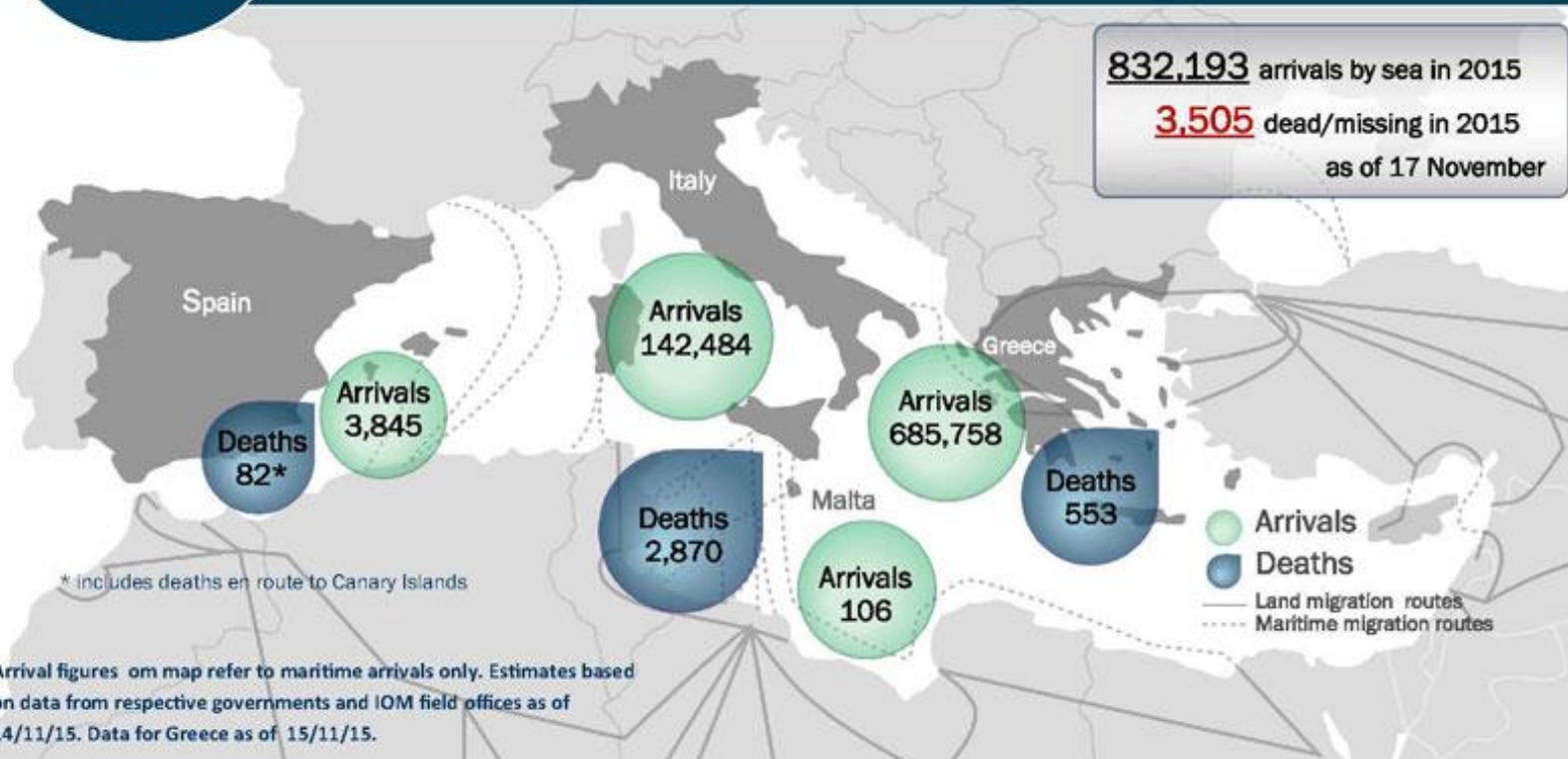
## 2. Immigration to Europe



### Mediterranean Update

*Migration Flows Europe: Arrivals and Fatalities*

**832,193** arrivals by sea in 2015  
**3,505** dead/missing in 2015  
as of 17 November







## 2. Immigration to Europe



### Sea arrivals in 2018

**31,809**

Last updated 28 May 2018

### Dead and missing in 2018 (estimate)

**628**

Last updated 28 May 2018

Previous years	Sea arrivals	Dead and missing
2017	172,301	3,139
2016	362,753	5,096
2015	1,015,078	3,771
2014	216,054	3,538



## 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)

o economic recession in 2008/2009

...and again in  
2012/2013 –  
Eurozone crisis



Note: based on chain linked volumes.  
(\*) 2006-2010: estimates. 2016: not available.  
(\*) 2016: estimate.  
(\*) 2016: not available.  
Source: Eurostat (online data code: naida\_10\_gdp), OECD and World Bank

Source: Eurostat



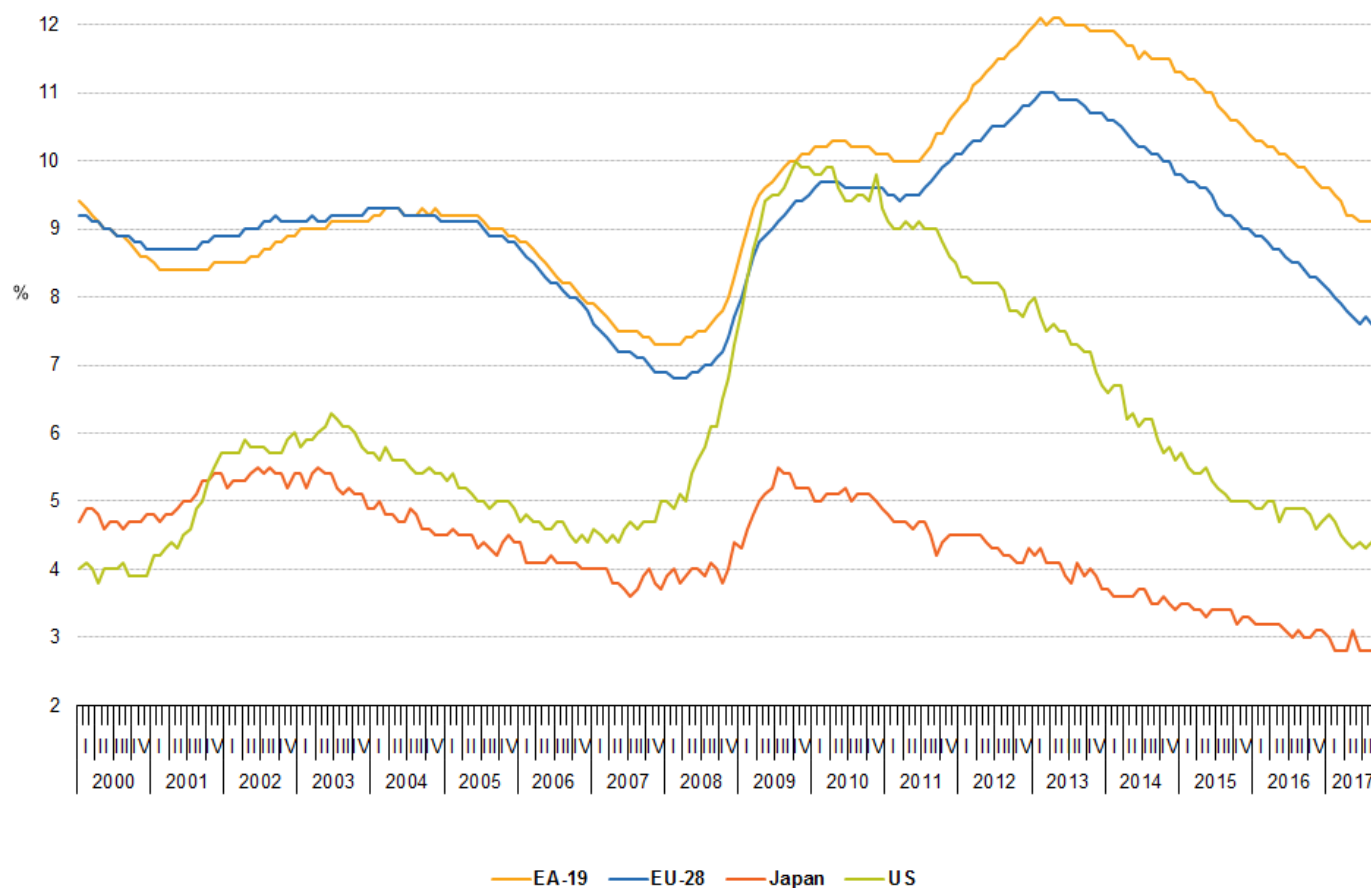
### **3. Economic recovery (stable and sustained)**

- public finances (budget deficits and government debts)
- PIIGS countries (Portugal, Italy, Ireland, Greece and Spain)



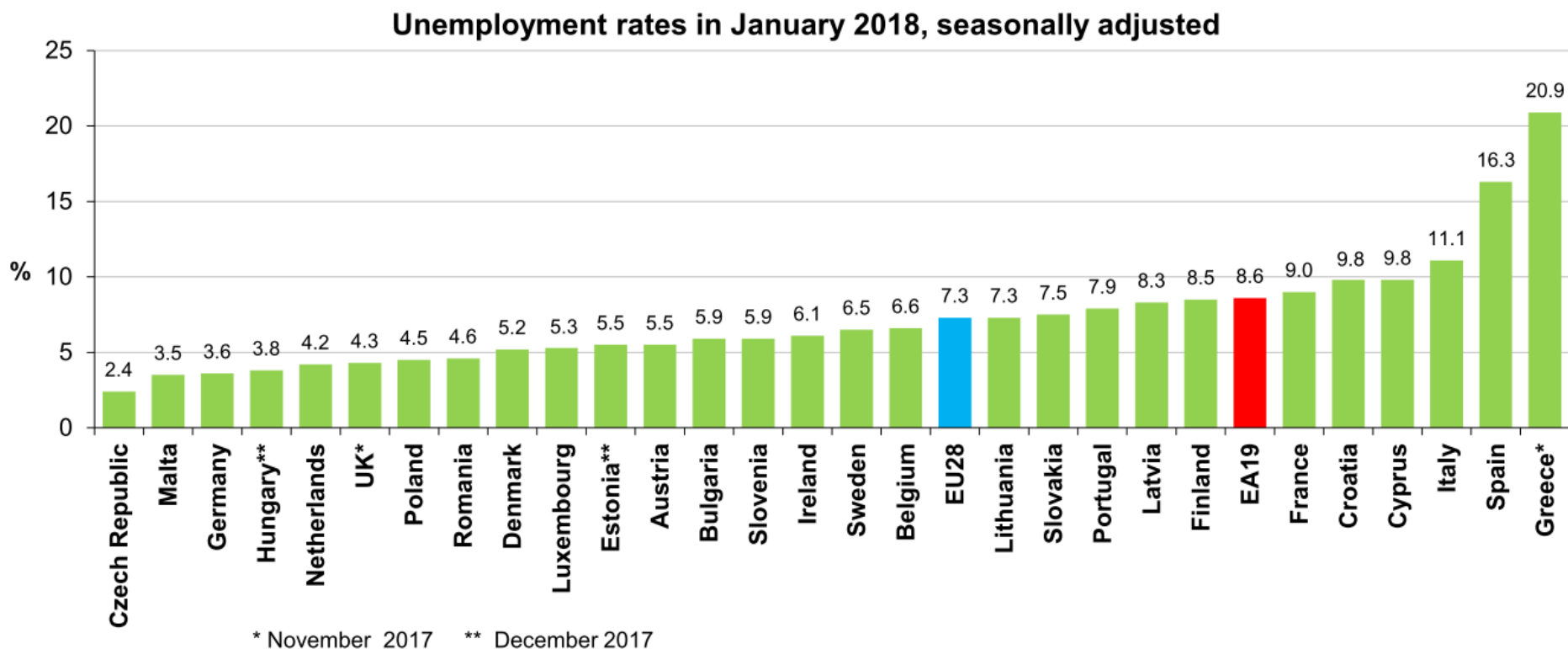
### 3. Economic recovery (stable and sustained)

#### o Unemployment rates (%)





### 3. Economic recovery (stable and sustained)





### 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!

**Grzegorz Mazur, Ph.D.**

Poznań University of Economics and Business  
Faculty of International Business and Economics

[grzegorz.mazur@ue.poznan.pl](mailto:grzegorz.mazur@ue.poznan.pl)

Tokyo 2018