# The European Union in the Changing World Order: Crisis and Prospects

Prof. Dr. Chin-peng CHU

Jean Monnet Professor, Department of Public Administration Vice President, National Dong Hwa University

# 經歷 PERSONAL EXPERICENCE

1995

德國基森大學政治研 究所社會科學博士

2003~2006 2007~2008 花蓮縣政府 副縣長

2009~2012 行政院研考會 主任委員



大陸研究所

公共

政學系

或

東

✓ 助理教授

✓ 副教授

✓ 教授

✔ 兼所長

✓ 教授

✓ 兼所長

✓ 兼主任祕書

✓ 兼人社院院長

✓ 籌備處主任

✓ 歐盟莫內講座教授

✓ 歐盟研究中心主任

✓ 兼副校長

✓ 兼國際事務處處長

✓ 兼研究發展處處長

#### 其他經歷

- 教育部公費留學
- 行政院國科會甲種研究獎勵
- 行政院一等人事專業獎章
- 行政院一等研考專業獎章
- 行政院政務顧問
- 亞太電信獨立董事

#### 研究領域

- > 全球化與地方治理研究
- > 歐洲聯盟與區域研究
- > 兩岸關係與中國大陸研究
- > 組織改造與機構改革

2

- I. Overview
- II. Evolution of the European Integration
- **III. Current Political and Economic Context**
- IV. EU's Challenges and Crisis
- V. Brexit and Global Implications
- VI. European Integration after Post Merkel's Period
- VII. EU and World Order in Transition
- **VIII. Conclusions**



# I. Overview



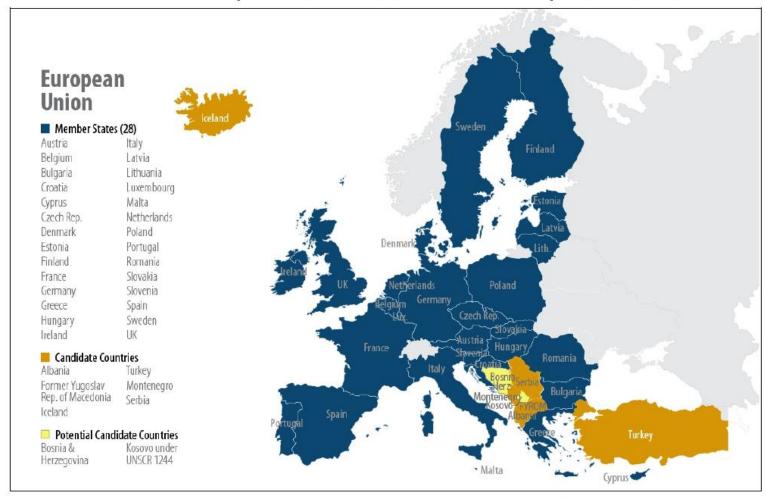
- Political and Economic partnership
- 28 members
- Both a supranational entity and an intergovernmental organization
- Built through a series of binding treaties



- EU members share
  - a customer union
  - a single market
  - a common trade policy
  - a common agricultural policy
  - a common currency (the euro)
- 22 EU members move free in Schengen area



#### The European Union: Member States and Aspirant Countries



**Source:** Delegation of the European Union to the United States, "On the Path to EU Membership: The EU Enlargement Process," EU Insight, December 2010. Adapted and updated by CRS.

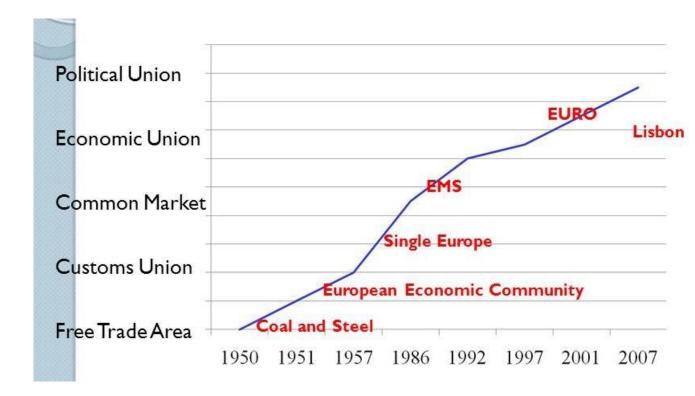
**Note:** Iceland's accession negotiations with the EU have been on hold since May 2013; in March 2015, Iceland requested that it should no longer be regarded as a candidate country, but did not formally withdraw its application to join the EU.

#### Membership in the EU, Eurozone, and Schengen Area

EU Member	Eurozone	Schengen	EU Member	Eurozone	Schengen
Austria	×	x	Italy	×	х
Belgium	X	x	Latvia	X	X
Bulgaria			Lithuania	X	X
Croatia			Luxembourg	X	X
Cyprus	X		Malta	X	X
Czech Rep.		x	Netherlands	X	X
Denmark		x	Poland		X
Estonia	X	x	Portugal	X	x
<b>Finland</b>	X	x	Romania		
France	X	x	Slovakia	X	X
Germany	X	x	Slovenia	X	X
Greece	x	X	Spain	x	X
Hungary		x	Sweden		x
Ireland	X		UK		

Note: Iceland, Liechtenstein, Norway, and Switzerland also participate in Schengen.

# Evolution of the European Integration



# II. Evolution of the European Integration

- 1951, the European Coal and Steel Community (ECSC)
- 1957, the European Economic Community (EEC); European Atomic Energy Community (EURATOM)
- 1993, the Treaty on European Union (also known as the Maastricht Treaty)
- 2009, Lisbon Treaty (which also sought to enhance the EU's global role and increase democratic accountability within the EU)



# EU multi-level governance: who leads?



# **EU** Institutions

European Council (summit)
Art.15 TEU
Artt.235 – 243 TFEU

European Parliament Art.14 TEU Arts. 223- 234 TFEU Council of the EU Art.16 TEU Arts.237-243 TFEU European Commission Art.17 TEU; Arts. 244 – 250 TFEU

Court of Justice Arts.19 TEU, 251 – 281 TFEU Court of Auditors Arts.285-287 TFEU

Economic and Social Committee Artt. 301 – 304 TFEU Committee of the Regions
Arts. 305 – 307 TFEU

European Investment Bank Art 308 – 309 TFEU

Agencies -- Acts in Art. 267 TFEU

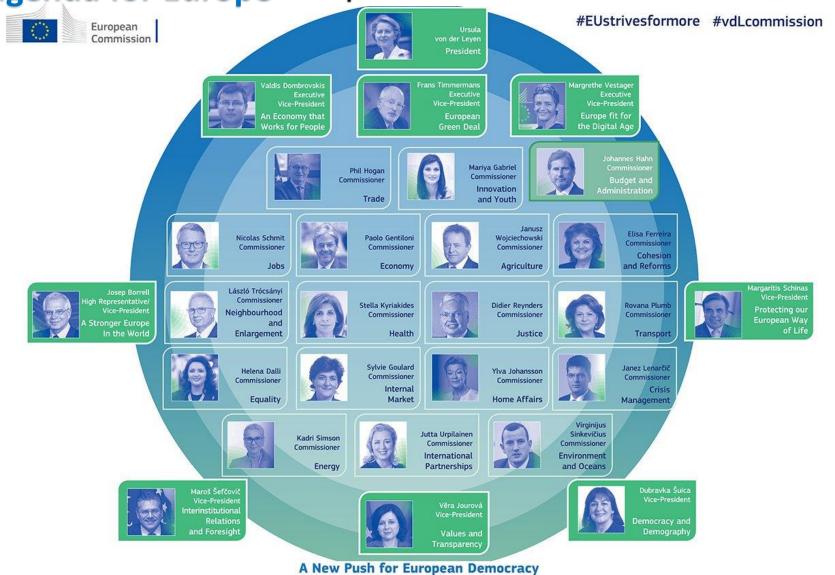
European Central Bank Arts. 282 – 284 TFEU

# How Is the EU Governed? Multi-level Governance System

- The European Council
- The European Commission
- The Council of the European Union (or the Council of Ministers)
- The European Parliament (EP)
- Classic Community Methods
- Open Method of Coordination
- New Modes of Governance



# A Union that strives for more My agenda for Europe European Commission Candidates 2019-2024



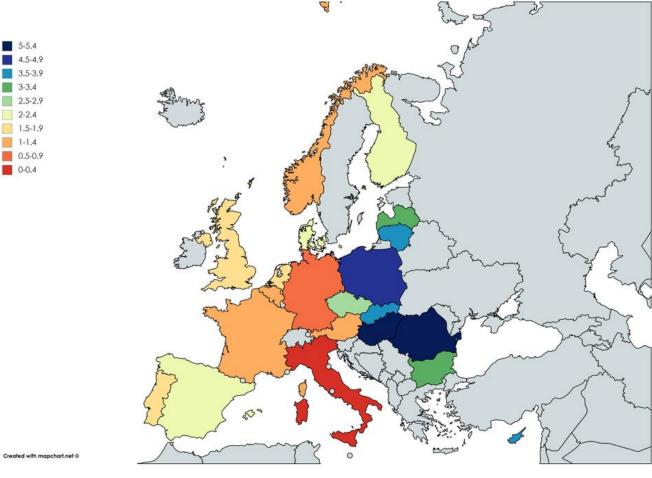
### Inherent Differences and Persistent Tensions

- Historical factor
- Geographical factor
- Political interests
- Economical interests
- Limit to enlargement



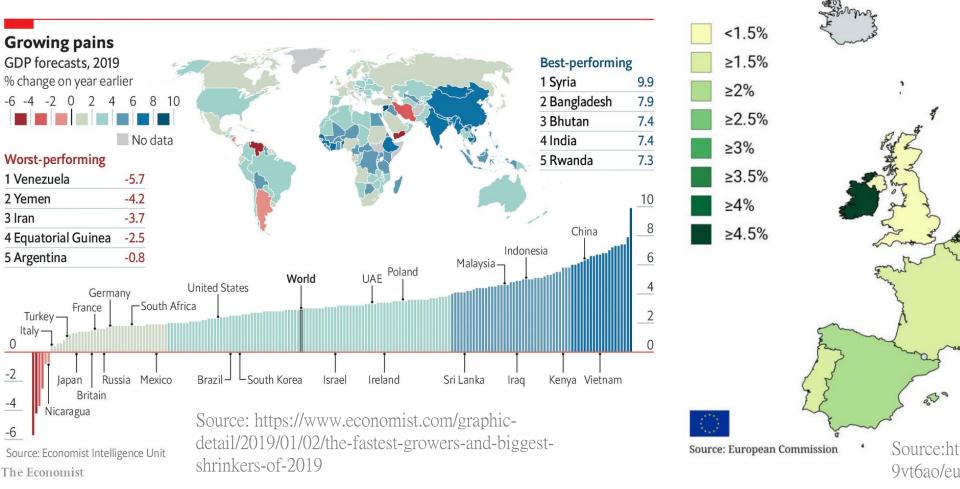
#### **Eurostat: GDP growth rate 2019 Q1 y/y**

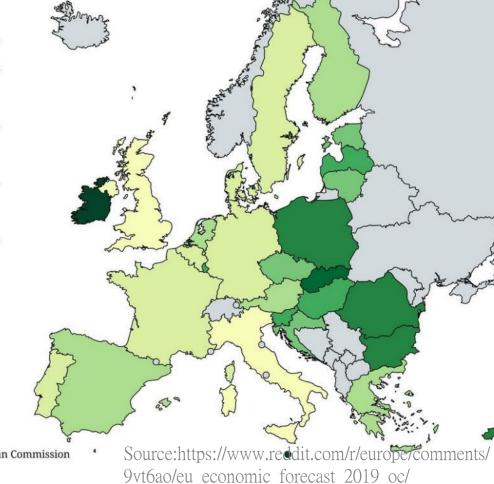




Source: https://www.reddit.com/r/europe/comments/bovstv/eurostat\_gdp\_growth\_rate\_2019\_q1\_yy/

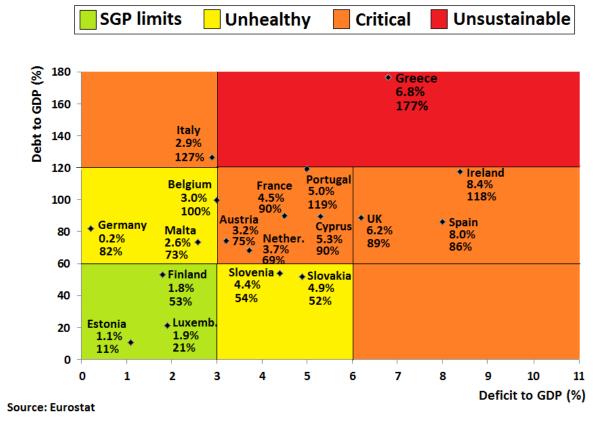
# Ongoing Economic Difficulties





# Eurozone Debt Crisis--PIIGGS

#### **Budget Deficit and Public Debt to GDP - 2012**



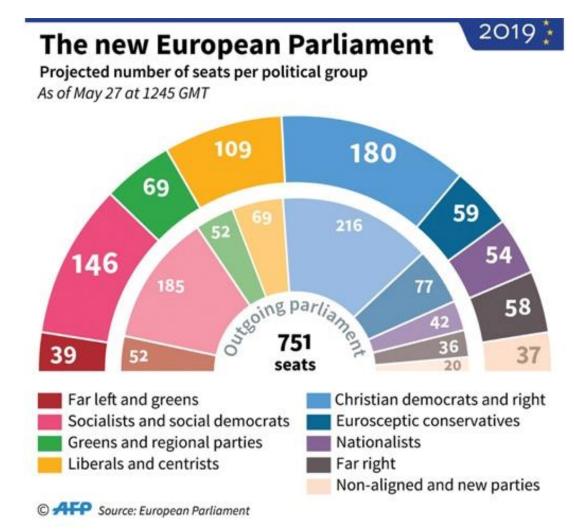


Rise of Anti-EU or "Euroskeptic" Political Parties



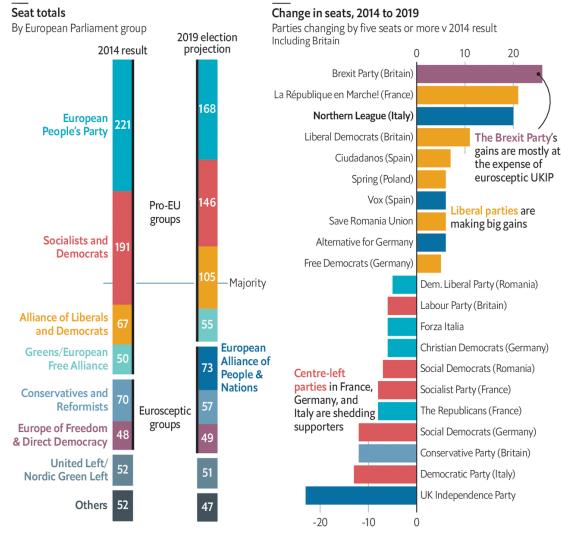


# Euroskeptic 2019



#### The centre-left cannot hold

European Parliament elections, projected seats based on latest polling, May 20th



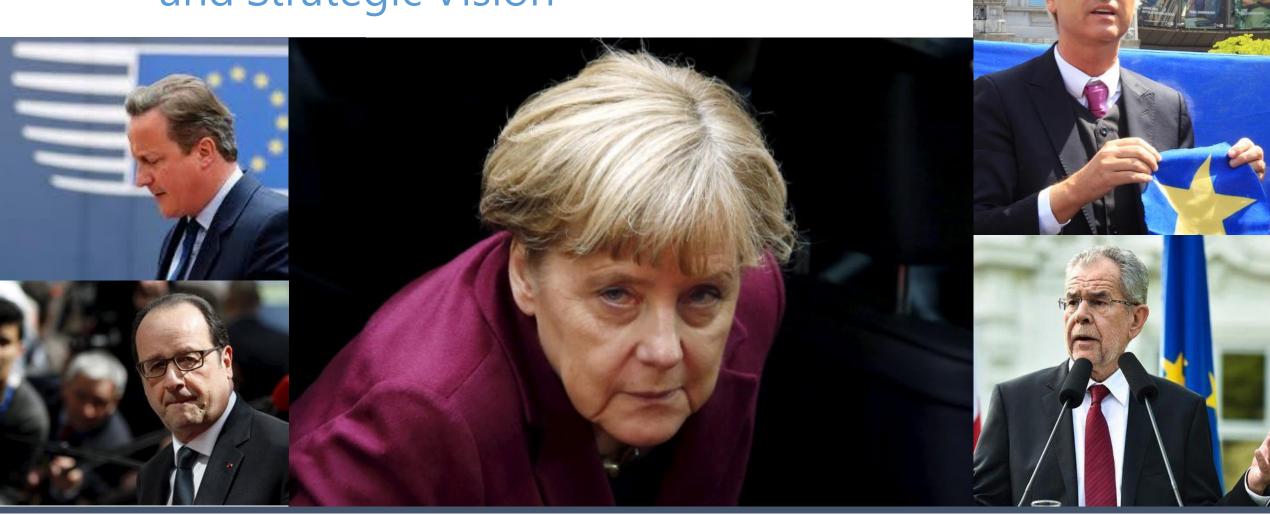
Sources: European Council on Foreign Relations; Politico Poll of Polls

The Economist

#### European Parliaments with Seats and Participation in Government of Extreme Right Parties

Year of Election	Total Seats in Parliament	Seats of Extreme Right	Participation in Government
Hungary 2018	199	Fidesz 134; Jobbik 26	Absolute Majority
Poland 2015	460	PiS 235	Absolute Majority
Germany 2017	631	AfD 94	
Danmark 2015	179	DF 37	
Austria 2017	183	FPÖ 51	
Finland 2015	200	True Fins PERUS 38	
Latvia 2014	100	National Alliance 17	Participation in Government
France 2017	577	FN 8	
Italy 2018	630	Lega 125	Participation in Government
Netherlands 2017	150	Freedom Party 20	
Belgium 2014	150	New Flemish Alliance 33	
Sweden 2014	349	Sweden Democrats 49	
Greece 2015	300	Golden Dawn 18	
Slovakia 2016	150	Slov. National Party 14	Participation in Government

 Lack of Strong Leadership and Strategic Vision







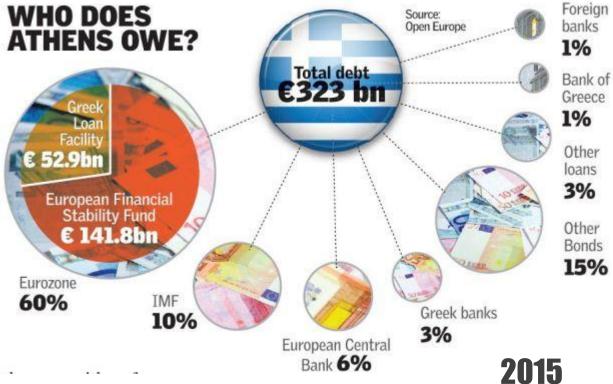
Judicial Independance

# IV. EU's main Challenges and Crisis

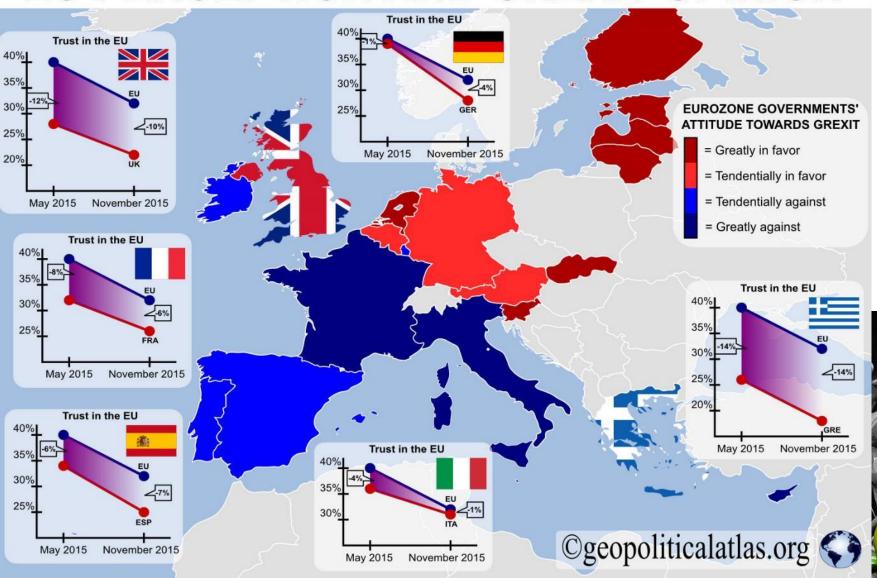


## • The Greece Crisis





# **EU PERCEPTION AND GREXIT OPINION**





### Who is the next one?

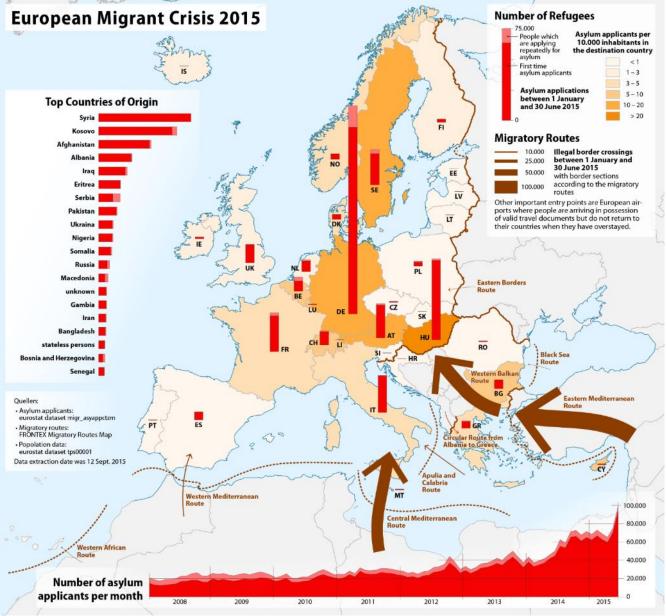


Migratory Pressures









# Immediate Action & Four Pillars

- Immediate Action
  - Founding assistance
  - permanent exchange of information
  - limiting secondary movements
  - supporting refugees and providing shelter and rest
  - shared management of migration flows
  - border management
  - tackling smuggling and trafficking

#### Four Pillars

- Reducing the incentives for irregular migration
- Border management saving lives and securing external borders
- Europe's duty to protect: a strong common asylum policy
- A new policy on legal migration

# Refugees 2018

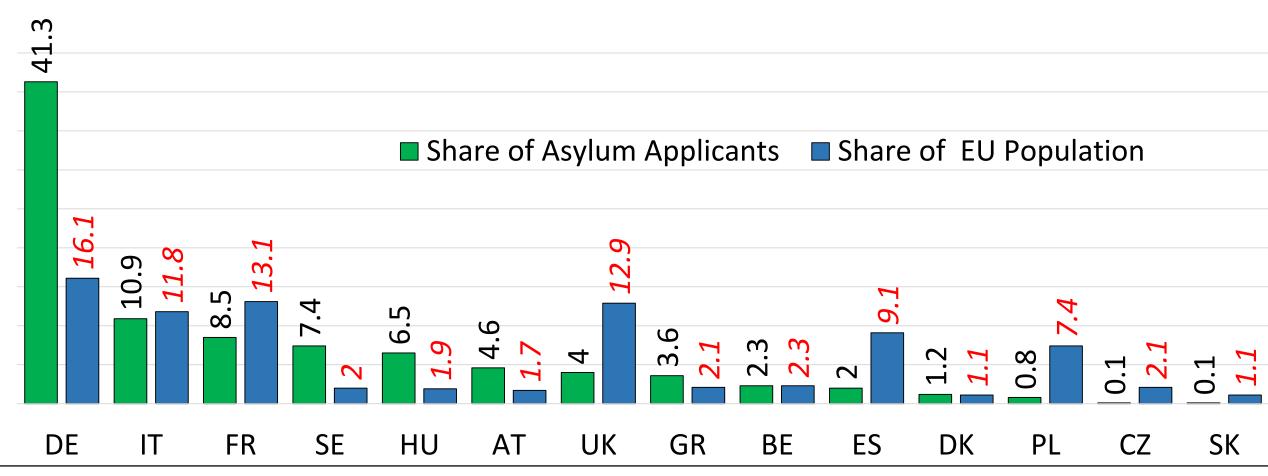
By the end of 2018 the number of refugees worldwide increased to 70.8 million

- The five largest countries of origin of refugees
  - Syrian 6,7 Million
  - Afghanistan 2,7 Million
  - Southsudan 2,3 Million
  - Myanmar 1,1 Million
  - Somalia 0,9 Million

- The five largest host countries for refugees
  - Turkey 3,7 Millionen
  - Pakistan 1,4 Millionen
  - Uganda 1,2 Millionen
  - Sudan 1,1 Millionen
  - Germany 1,1 Million

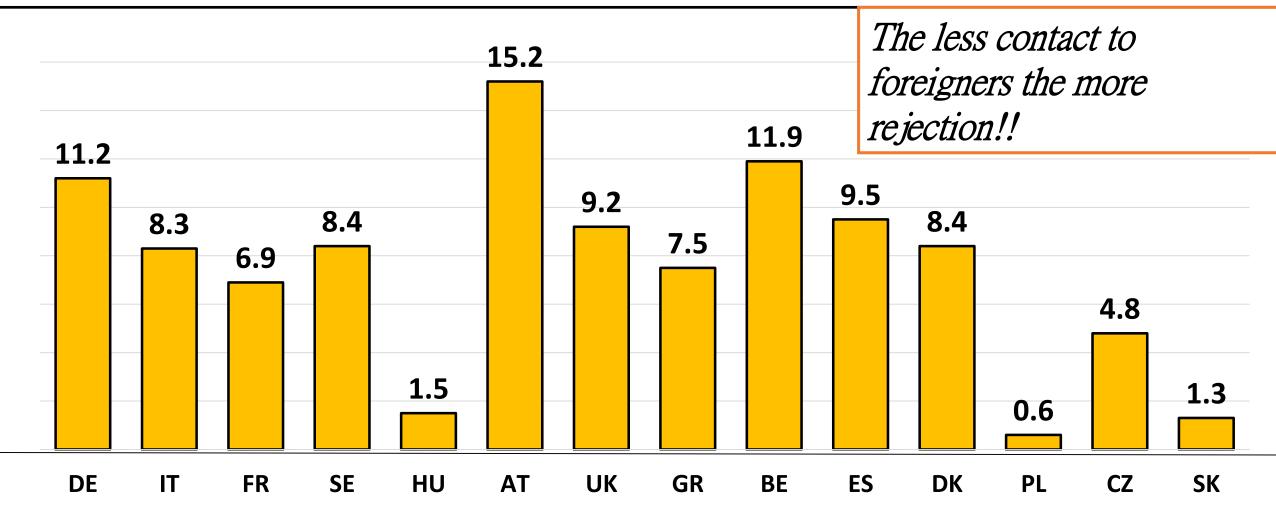
Source: UNJHCR

# Share of Asylum Applicants in Relation to Share of EU Population 2017



Source: Frontex, Eurostat, UNHCR, German BaMF

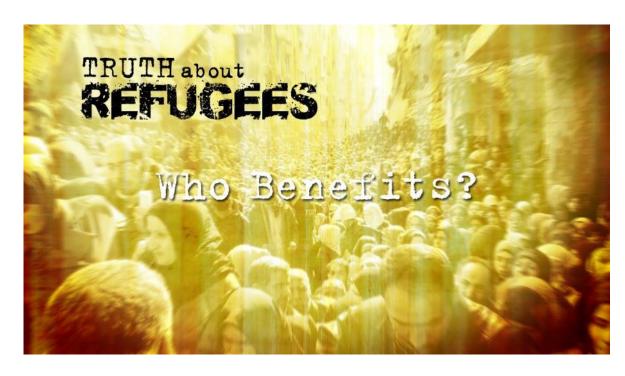
# Share of Foreigners in Each Country



Source: Eurostat

# The benefits of the refugees

- Better demography,
- Well educated labor,
- Better image of the country,
- Possible reelection for Merkel,
- Better political and military policy in European and World context.



Refugees Crisis and the impact in EU

#### DIVISION OF EUROPE

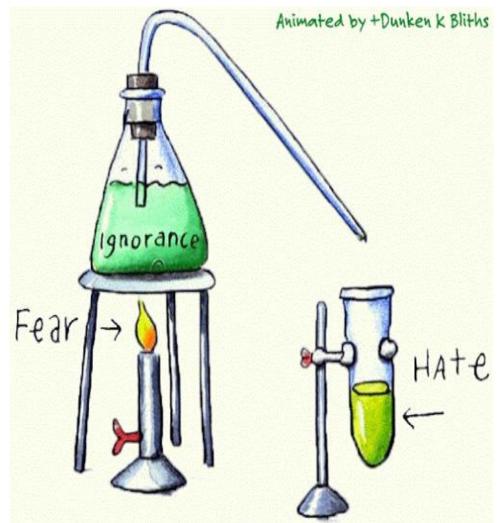
- Extremists won voices,
- Countries closed their borders: Denmark, Belgium, Hungary, France, UK, Slovakia, etc.
- BREXIT → http://video.cnbc.com/gallery/?video=3000495870

#### • EUROPE IN FEAR

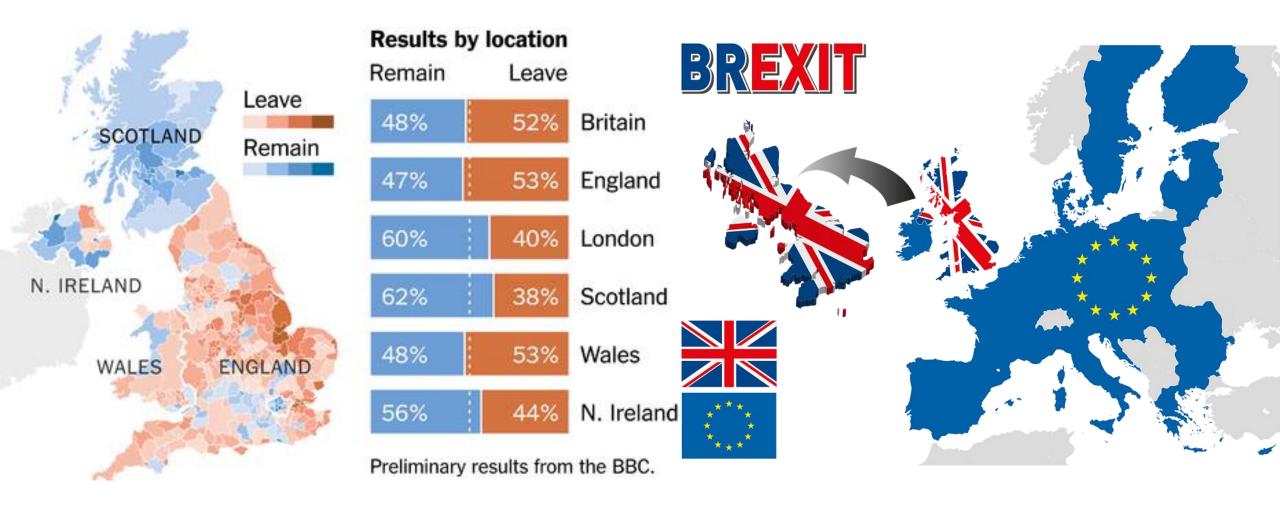
- Terrorist attacks and incapacity of preventing them → fear that ISIS sends terrorists as refugees,
- Increase of islamophobia and racism due to ignorance.

#### LOOSE OF THE EUROPEAN SOUL

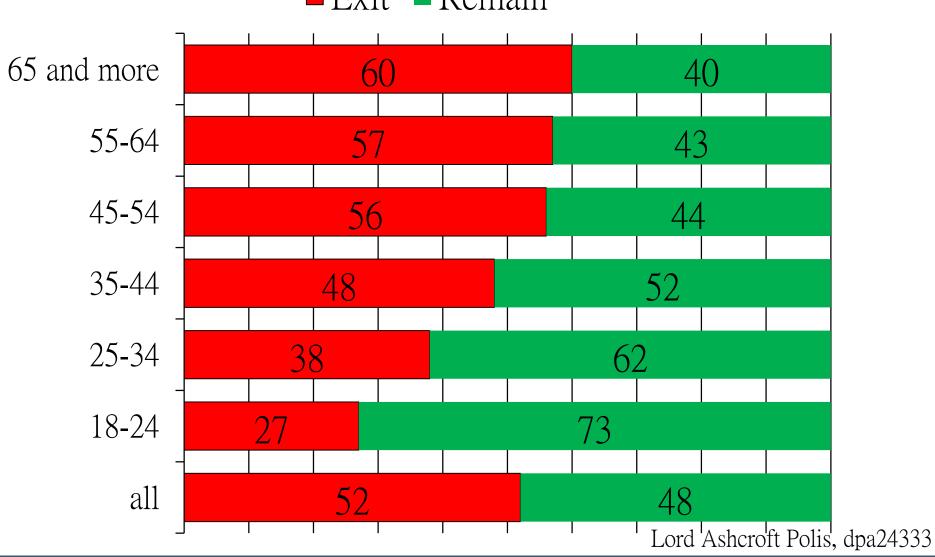
- Conditions of refugees are terrible,
- Pact between EU and Turkey.



# The UK Referendum

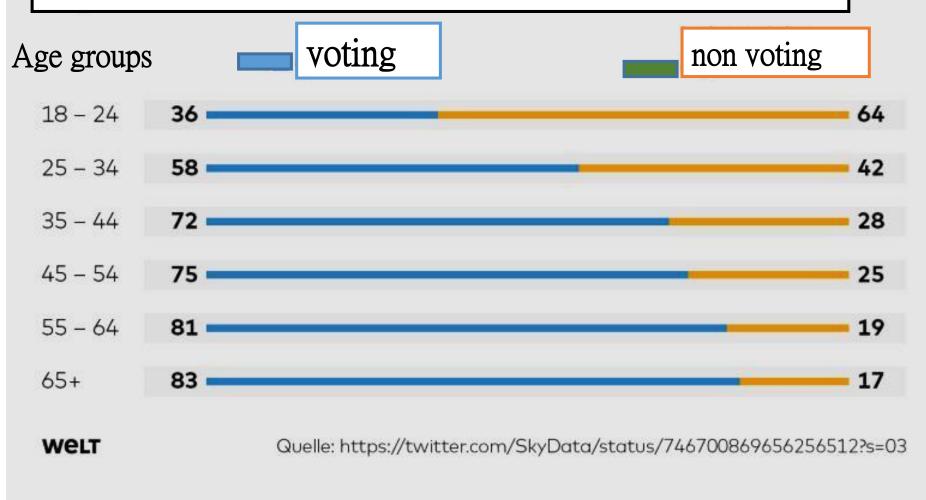


## Survey with 12.000 voters on the election day Exit Remain

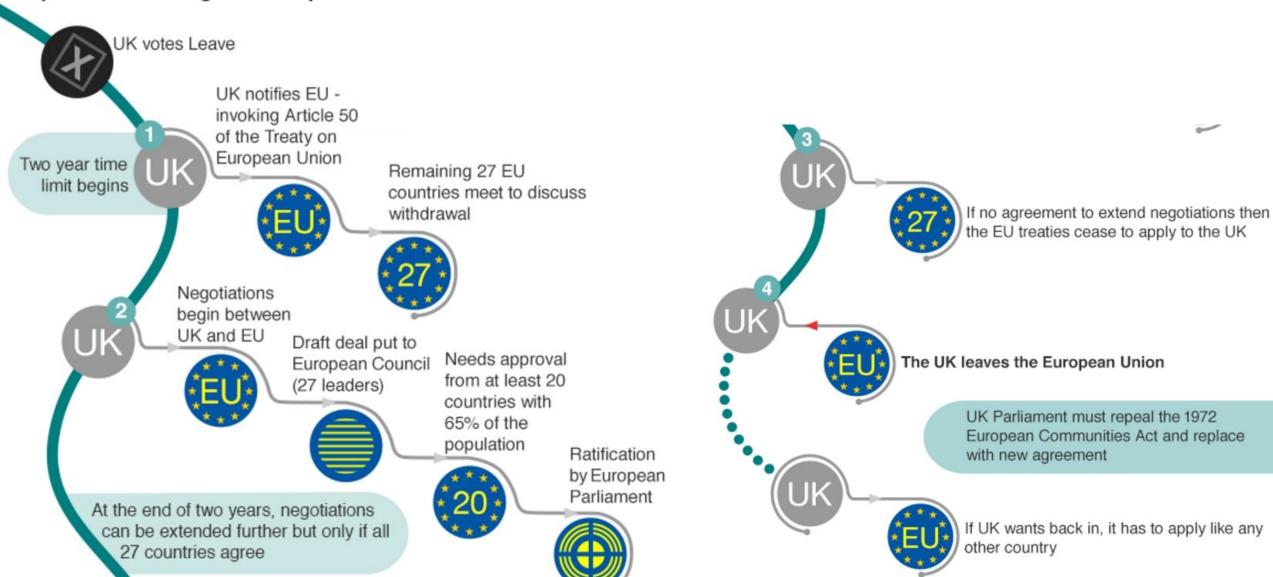




## Participation in the election in %



#### Steps to UK leaving the European Union



## V. The globe implications of Brexit



#### V. The globe implications of Brexit

#### Geopolitical implications

- crisis of globalisation and indication of resurgent nationalism in global affairs
- Anti-immigrant sentiment played a major role in mobilising the Brexit vote
  - Brexit debate incorporated concerns about the EU's ability to handle illegal migration from the Middle East and North Africa. Ironically .
  - Brexit ensures that there will be a significant shift in UK immigration policy.
- Brexit is of particular strategic concern to the US
  - Brexit will increase the drift in US-UK military and strategic relations since the end of the Iraq War (2003-09).
  - Brexit does improve Trump's prospects of becoming the next US president.

#### Geopolitical implications

#### Brexit will undermine several pending trade deals

- Cameron's government was a major supporter of the stalled US-EU Transatlantic Trade and Investment Partnership (TTIP)
- Brexit will eject the UK from the TTIP negotiations
- EU-Canada Comprehensive Economic and Trade Agreement (CETA)
- Brexit will force the UK outside CETA
- Brexit will undermine negotiations between the EU and the Gulf Cooperation Council (GCC) on a free trade agreement
- trade with the EU itself, future UK limits on free movement of people would preclude membership in the EU Single Market.

#### Geopolitical implications

- Chinese reaction to Brexit is largely muted
  - Brexit is likely to further strengthen China's leverage in its relationship with the UK.
- Geopolitical impacts in the Middle East and North Africa are also likely to be muted
  - The UK is likely to retain strong bilateral relations with Saudi Arabia and the Gulf states, but these nations will be concerned about the UK becoming a weaker and more distracted partner.
- Brexit benefits Russia's confrontation with Europe and the US

#### Global economic implications

- The Brexit shock increases the likelihood of a global economic downturn
- The Brexit shock increases the likelihood of an emerging market crisis
   Implications for Taiwan and Mainland China
- -Enterprise Europe Network(EEN)
- -EU-China 2020 Strategic Agenda for Cooperation
- -Taiwan and the EU: BIA and ECA
- -EU and ASEAN(region-to region framework), Northeast Asia (Korea/FTA, Japan/FTA), and Oceania with New Zealand/ Australia in agricultural sectors

#### Global security implications

- Islamic State (IS) is celebrating the Brexit vote, which it describes as a motivation to conduct further terrorist attacks in Europe
  - the referendum result predictably prompted calls for further attacks in Europe, specifically the UK, Belgium and Germany.
- threat of right-wing extremist violence in Europe has increased-Eurobarometer survey in Nov.2015:
  - -positive image of the EU from 52% in 2007 to 37% in 2015;
  - -43% thought things were going in the wrong direction in the EU;
  - -55% distrust the EU and 66% distrust the national government

#### European implications

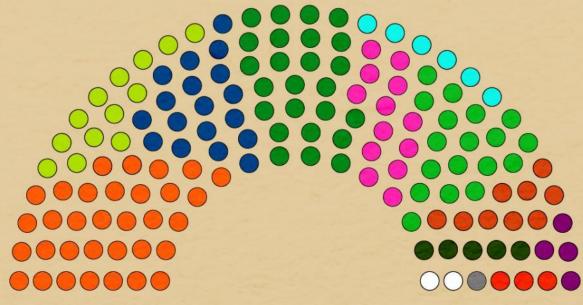
- The Brexit vote means that the EU's default policy option of 'muddling through' is no longer tenable
- Brexit will strengthen the populist surge across Europe
- Debates in UK: Soft Brexit VS. Hard Brexit( Brexit Troika)
- Separatism in Europe: Scottish Referendum, Catalonia Independence in Spain, South Tyrol in Italy etc.





#### 2017年荷蘭大選結果



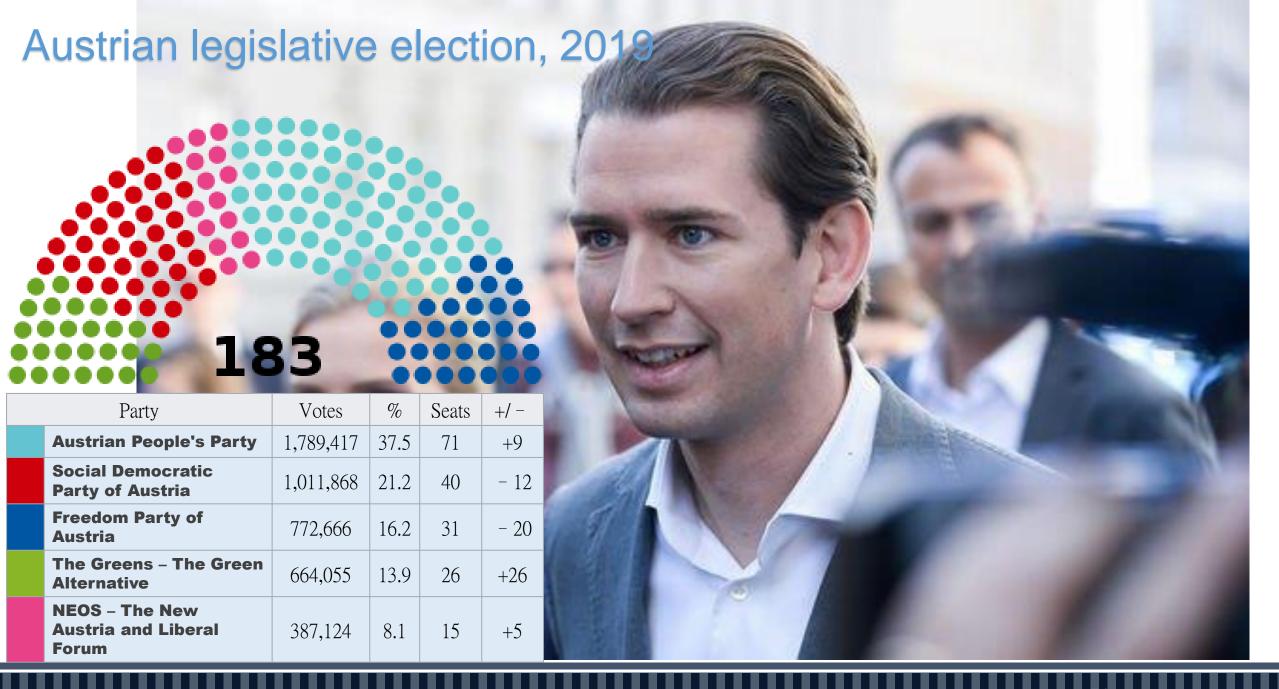


- 自由民主人民黨(VVD) 33席
- 工黨 (PvdA) 9席
- 社會黨 (SP) 13席
- 基督教民主呼籲 (CDA) 25席
- 自由黨(PVV) 18席
- 六六民主黨(D66) 18席

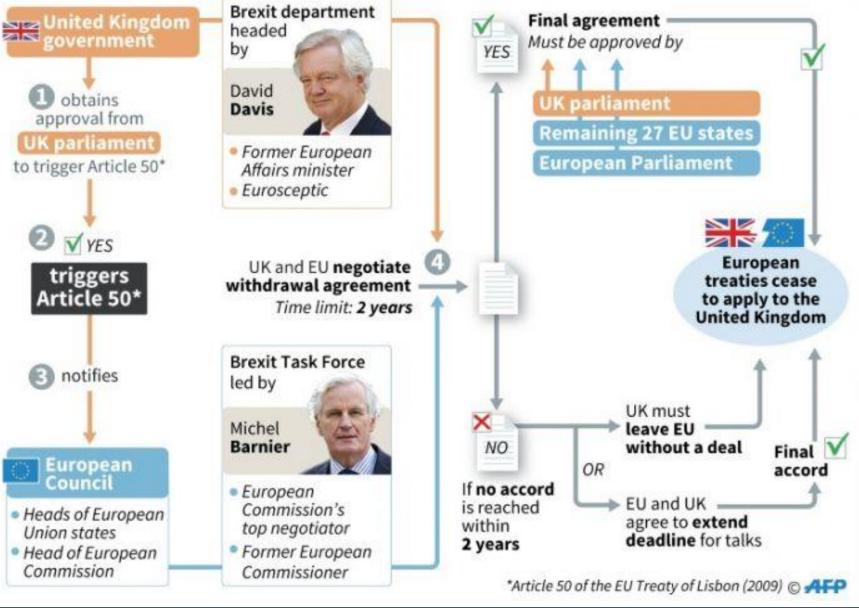
- 基督教聯盟(CU) 6席
- 改革政治黨(SGP) 3席
- 愛護動物黨(PvdD) 5席
- 50PLUS 4席
- DENK 1席
- FvD 2席

資料來源:荷蘭NOS廣播公司出口民調





#### The Brexit process





#### New Model for UK-EU Relation after Brexit

- → EEA: Norway model
- → Customs Union Model
- → Swiss Model
- → FIA/CETA Model
- → WTO Model





#### European Security Concerns Managing a Resurgent Russia















European Security Concerns Countering Terrorism





## VI. European Integration after Post Merkel's Period



- Merkel's loyalist: Annegret Kramp-Karrenbauer(AKK) won CDU leadership election on 7.
   December 2018
- Significance of AKK's victory: with even tember and centrist policy, party unity
- ARD's nearst party barometer: CDU 30%; Green 20%; SPD 14%; AfD 14%; FDP 9%; Die Linke9%
- Challenges for Germany: "the rejection of multilateralism, the return to nationalism; the
  reduction of international cooperation to deal-making or threatened trade wars...hybrid
  warfare, destablisation of societies with fake news or the future of our EU" said Merkel
  and "in difficult times we shouldn't forget our Christian and democratic stance,"
- Uncertainty of integration Germany and Europe

# YII. EU and World Order in Transition



#### EU's Three Crises in multilateral world order

A crisis of power: decline of American power and the emergence of China as a rival power in multilateral affairs. Russia opposed the US in the security council over Syrian war. China persuaded US allies, including EU members, to join the AIIB projects in 2015



 A crisis of relevance: Multinational peace operations have become bogged down in cases Mali and Somalia. EU were shocked by the limits of UN agencies and the International Organisation for Migration at the height of the refugee crisis. Hungary and the right-wing Austria politician led a campaign against the UN Global Compact for Migration that eventually persuaded 9 members to reject the pact. EU diplomats recognize that it reflects deeper rifts over the value and principles of multilateralism within the bloc. And new challenges how to govern cyber technology and artificial intelligence(AI) has become serious matter for EU.



 A crisis of legitimacy: challenges from nationalist and political popular movement. The EU officials aware that it is easy for demagogues to demonise multilateral bureaucrats. How the EU keep its positive role with the NATO under the Trump's criticisms and attacks on NATO



#### EU's four areas for multilateral action

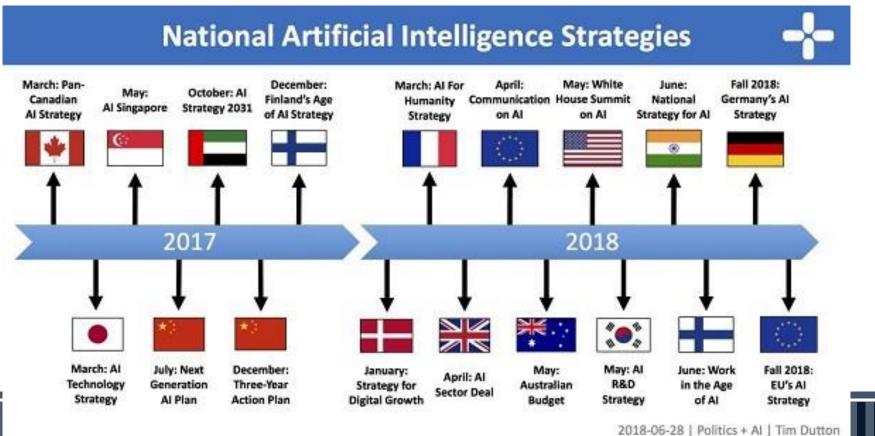
International trade: role of international trade and the shape has been transformed by the digital commerce and the development of information-based value chains. China has taken a leading role in world trade and preserving an economic and political system which differ with the western liberal democratic and market-oriented model. The US argued that China is exploiting the WTO system to profit from a structurally unlevel playing field. EU believe that the best response would be confront China within the multilateral system and work to update and innovate its rule, for instance, in the areas of subsidies, state-owned enterprises, technology transfers, transparency etc.

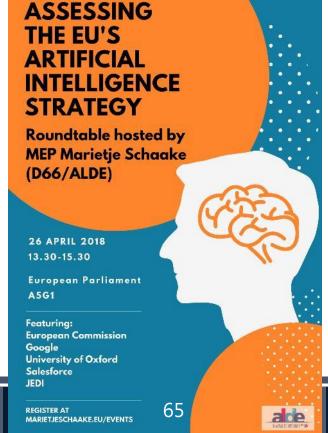
 Security, migration, and human protection: These include the conflicts in the Arab world and the Sahel, and the related challenges of transnational terrorism and unregulated people flows in the Middle East and north Africa. EU creates a basis for much-needed multilateral stabilization efforts in the region, for example, EU has helped to launch the G5 Sahel Joint Force( a counter-terrorist operation involving Burkina Faso, Mali, Mauritania, Niger, and Chad); The European Commission has also managed a project on migration protection with cooperation IOM.

 Human rights: core value of the EU. HRC's two significance thematic resolutions, one is 2017 endorsing the importance for human rights, and another one in 2018 for mutually beneficial cooperation on human rights. EU countries with the OIC to pass a resolution setting up an investigative mechanism on the persecution of the Rohingya in Myanmar. They also supported Latin American countries on a resolution on the crisis in Venezuela that was harsher on the Maduro government than the EU might have risked alone. In general speaking, the EU members are willing to be pragmatic in multilateral human rights.

 Controlling new technologies: control of cyber technologies and challenges of AI development trends. EU's AI strategy, EU's H2020 AI funding programme.

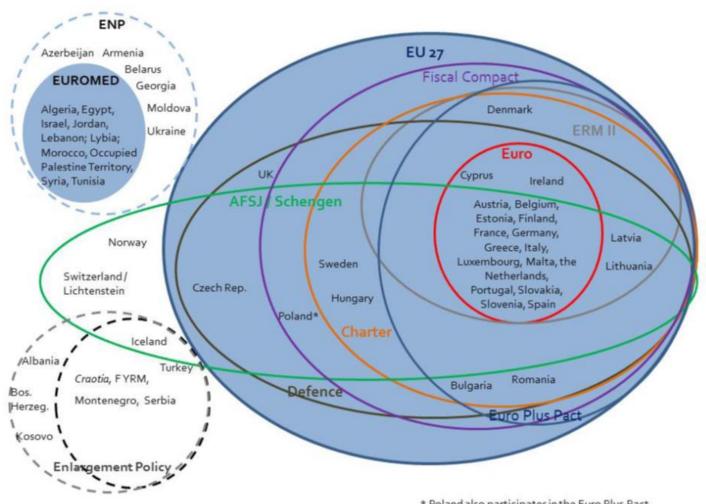
Source: Richard Gowan & Anthony Dworkin(2019), Three crises and an opportunity, Policy Brief, European Council on Foreign Relations

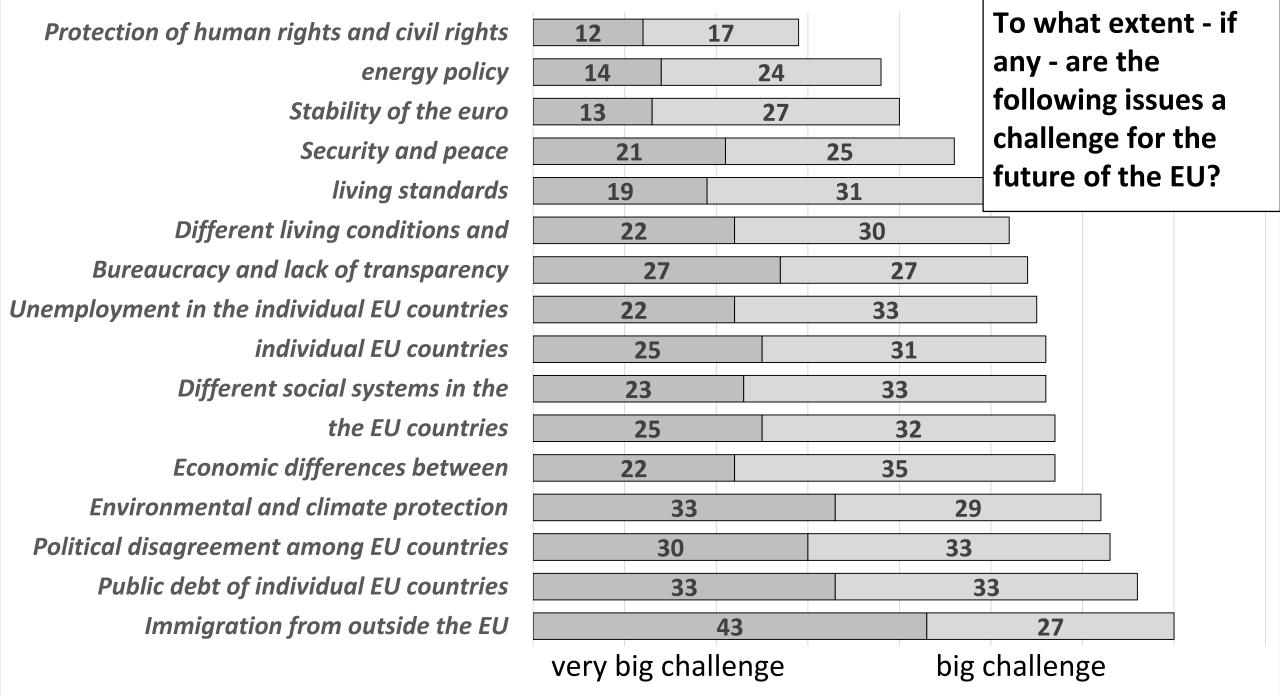






#### Multi-speed, multi-tier Europe





Source: Dieter Eissel, "Immigration to Europe / Germany Causes and Reactions".

- More united, stronger and more democratic union
- A leader in global cooperation, crisis response and conflict management:
   The world's largest donor of development and humanitarian assistance
- Internal Challenges of the EU
- Political polarization and Euroscepticism: The rise of populism, populist parties, and radical right; the Brexit issue
- Economic crisis and reform of the Eurozone: The European Stability
   Mechanism; the regulation and supervision of banks.
- The migration crisis has been one of reasons behind the increased popularity of radical right-wing parties in many member states.

Trade policy: The trade policy of the US has shifted under Trump in the direction of protectionism, undermining multilateral rules and taking steps towards trade wars and the most important rising power, China, is undermining certain aspects of free trade with its own protectionist measured. The WTO trading system has been facing serious challenges. The European Commission President, Jean-Claude Junker stated that EU are not naïve free traders. Thus, the EU has invested in a network of bilateral agreements. The negotiation over the TTIP with the US and CETA with Canada exposed the increase in bottom-up opposition to globalization and free trade among EU citizens.

### Thank you for your attention!



