Académie des sciences d'outre-mer
French Academy of Overseas Sciences

ECONOMIC PROSPERITY AND CHALLENGES FOR EUROPE

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Introduction (1)

The origins of the European Union:

1 - A first experience: the Carolingian Empire (7th-9th centuries A.D.)1.1 The Roman Empire:

A/ achieved unity in the Mediterranean world

B/ collapsed in the West under the blows of barbarian invaders (Visigoths, Ostrogoths, Franks, Burgundians, Vandals, Huns, etc.)

C/ retreated to the Eastern Mediterranean Sea (Byzantine Empire, 5th-15th centuries), Orthodox religion

1.2 The Franks conquered the West:

A/ with the Empire of Charlemagne (768-814), crowned in Rome in 800 and established at Aix-la-Chapelle

B/ On his death, the Empire rapidly weakened, hence the division of 843 (Treaty of Verdun) = an Europe divided into three parts:

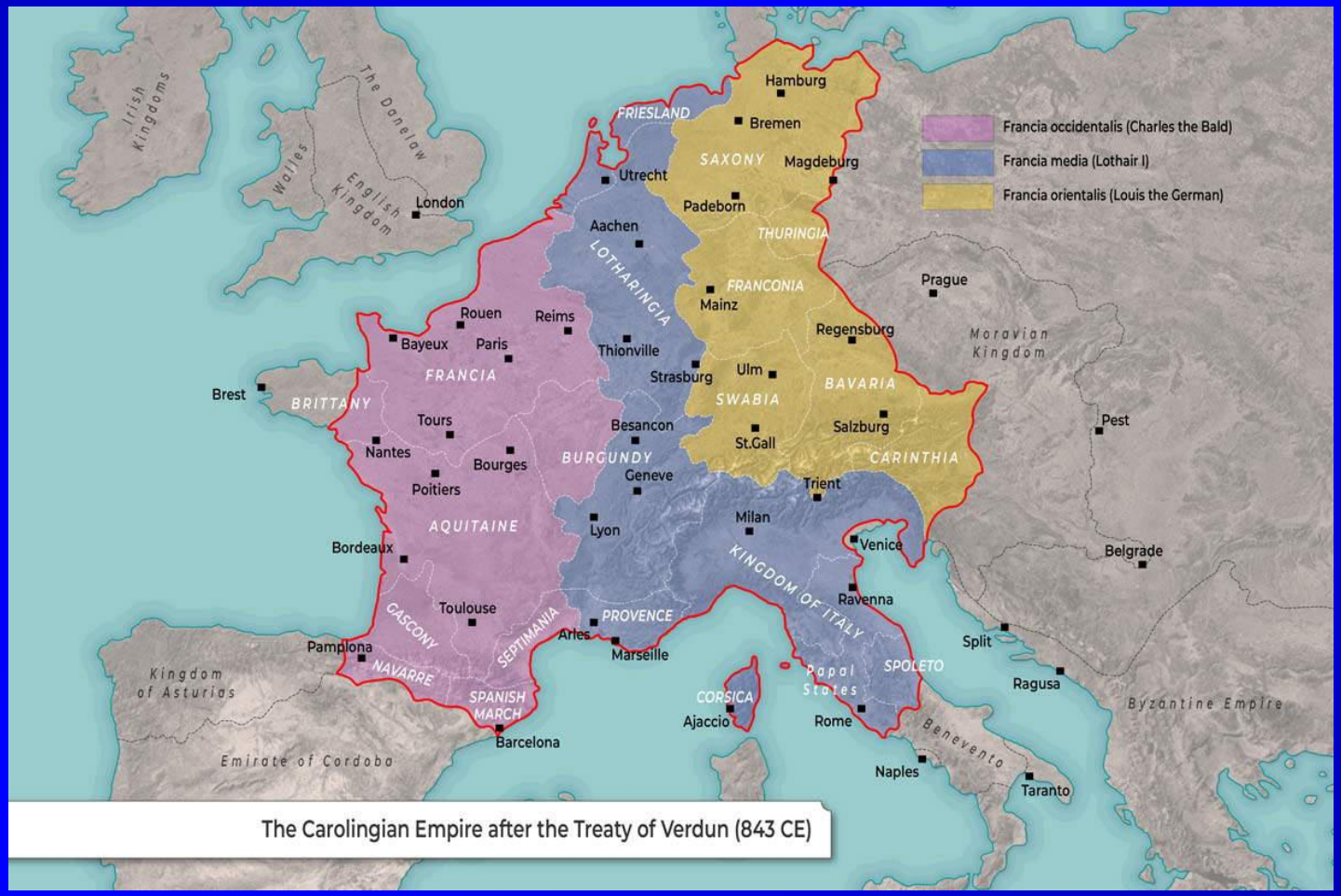
1 – France

2 - Lotharingia (Netherlands, Belgium, Alsace-Lorraine, left bank of the Rhine, Switzerland, Lorraine, Burgundy, Piedmont, Lombardy, central Italy)

3 - Germania

Map of Charlemagne's Empire

Carolingian Empire after the Treaty of Verdun (843 CE)



The Carolingian Empire after the Treaty of Verdun (843 CE)

Introduction (2)

2 - A long aspiration:

2.1 - A religious unity

- A/ around the Catholic religion and the Pope (medieval Christendom)B/ But challenged by :
- 1 - the affirmation of the State (wars between France, England, the Holy German Empire, Spain, the Netherlands, Austria, Russia etc.)
- 2 - the religious Reformation (Anglicans, Lutherans, Calvinists and other Protestants)

B/ Hope for thinkers (Immanuel Kant, Victor Hugo)

2.2 - An aspiration strengthened by the First World Wa:

- A/ The League of Nations
- B/ Franco-German rapprochement (Briand, and Stresemann, Loucheur and Rathenau)
- C/ Business interest (cartels, PanEuropa Committee, E. Mayrisch)
- D/ Nazi totalitarianism: the New German Order

Introduction (3)

3 - Building Europe:

3.1 - US world leadership:

A - The UNO, multilateral institutions (IMF, World Bank, FAO, UNESCO) and the primacy of the dollar

B - The Marshall Plan (1947-1953) the OECE (1948-1961) and OECD (1961-Today)

C - The EDC (1952)

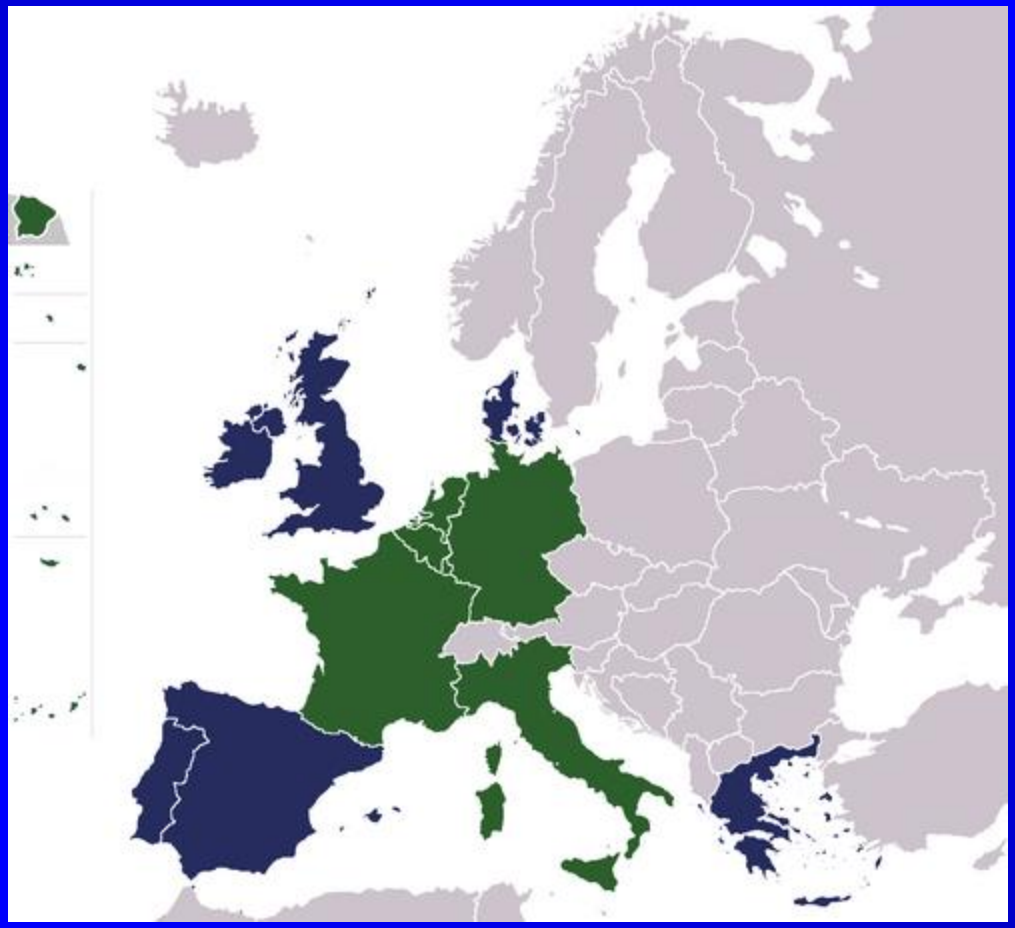
D- NATO (1949) and SEATO (1954)

3.2 - The European Economic Community (1958)

3.3 - The European Free Trade Association (1960)

European Economic Community

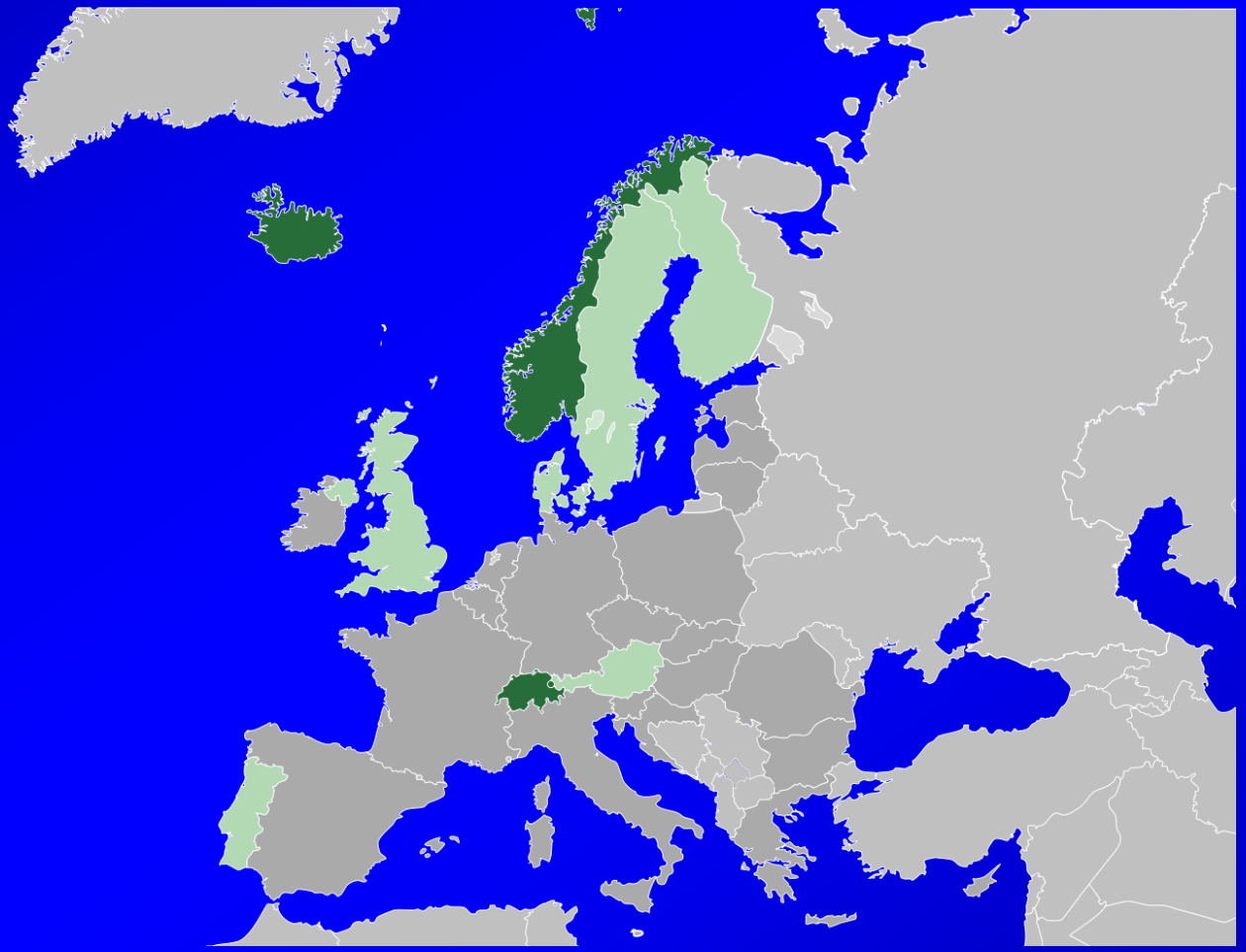
(1958)



Members

Flag	State	Accession	Language(s)	Currency	Population (1990)
	Belgium	25 March 1957	Dutch, French and German	Franc (fr.)	10,016,000
	France	25 March 1957	French	Franc (F)	56,718,000
	West Germany/Germany	25 March 1957	German	Mark (DM)	63,254,000
	Italy	25 March 1957	Italian	Lira (Lit.)	56,762,700
	Luxembourg	25 March 1957	French, German and Luxembourgish	Franc (fr.)	384,400
	Netherlands	25 March 1957	Dutch and Frisian	Guilder (*f*)	14,892,300
	Denmark	1 January 1973	Danish	Krone (kr.)	5,146,500
	Ireland	1 January 1973	Irish and English	Punt (£)	3,521,000
	United Kingdom	1 January 1973	English	Sterling (£)	57,681,000
	Greece	1 January 1981	Greek	Drachma	10,120,000
	Portugal	1 January 1986	Portuguese	Escudo	9,862,500
	Spain	1 January 1986	Spanish	Peseta	38,993,800

European Free Trade Association (1960)



Former members

State	Accession	Left EFTA	Joined EEC/EU
Austria	3 May 1960	31 December 1994	1 January 1995
Denmark	3 May 1960	31 December 1972	1 January 1973
Finland	1 January 1986	31 December 1994	1 January 1995
Portugal	3 May 1960	31 December 1985	1 January 1986
Sweden	3 May 1960	31 December 1994	1 January 1995
United Kingdom	3 May 1960	31 December 1972	1 January 1973 (withdrew 31 January 2020)

Current members

Contracting party	Accession	Population (2021)	Area (km^2)	Capital	GDP in millions (PPP)	GDP per capita (PPP)
Iceland	1 January 1970	370,335	103,000	Reykjavík	12,831	39,223
Liechtenstein	1 September 1991	39,039	160.4	Vaduz	3,545	98,432
Norway	3 May 1960	5,403,021	385,155	Oslo	265,911	53,470
Switzerland	3 May 1960	8,691,406	41,285	Bern	363,421	45,417

1/ THE EUROPEAN UNION: DECISION-MAKING PROCESSES AND COMMON POLICIES

1.1/ A complex decision-making structure

1.2/ A set of common policies:

A/ Common agricultural policy

B/ Regional policy

C/ Common monetary policy

D/ Other Community policies

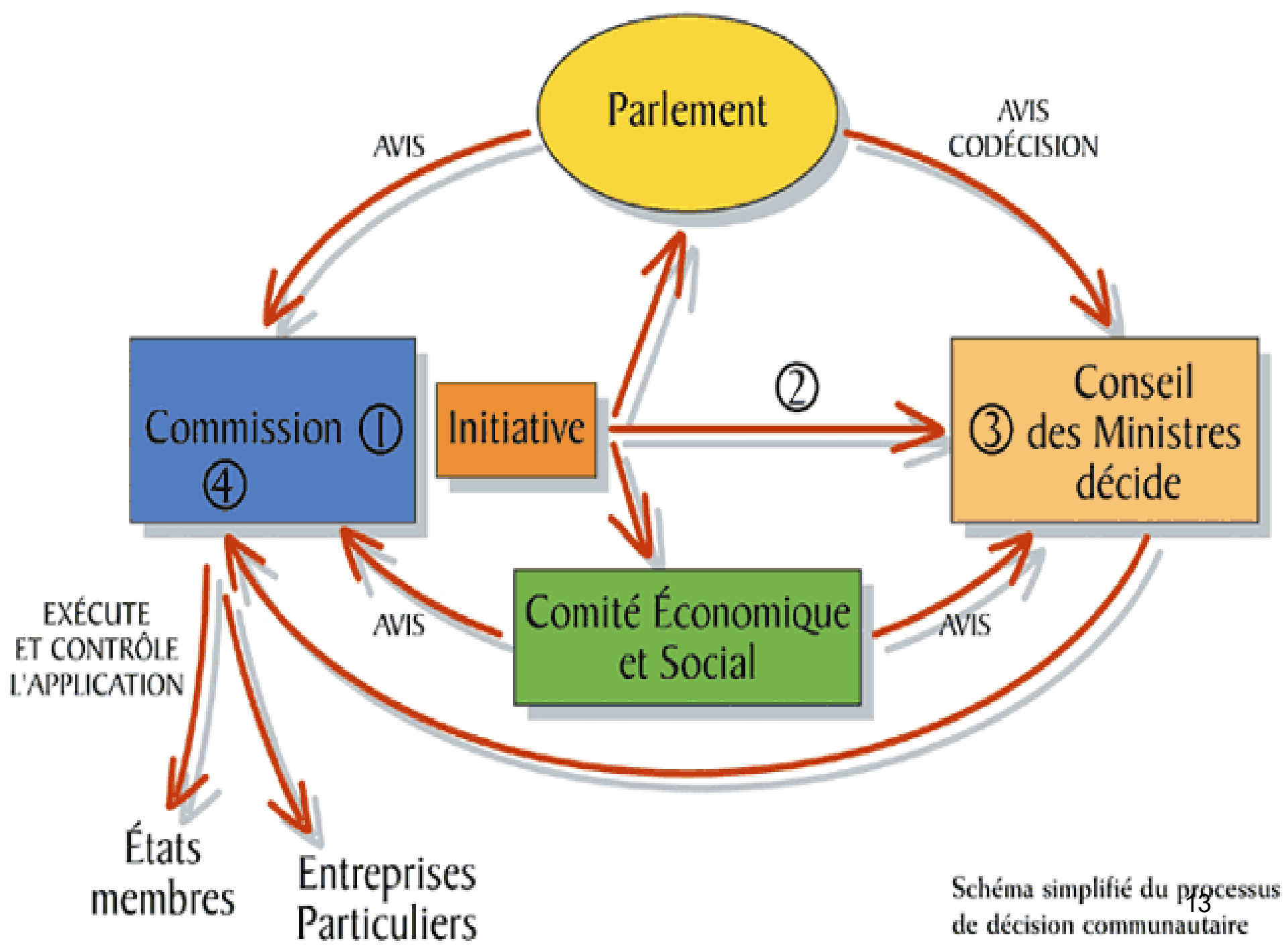
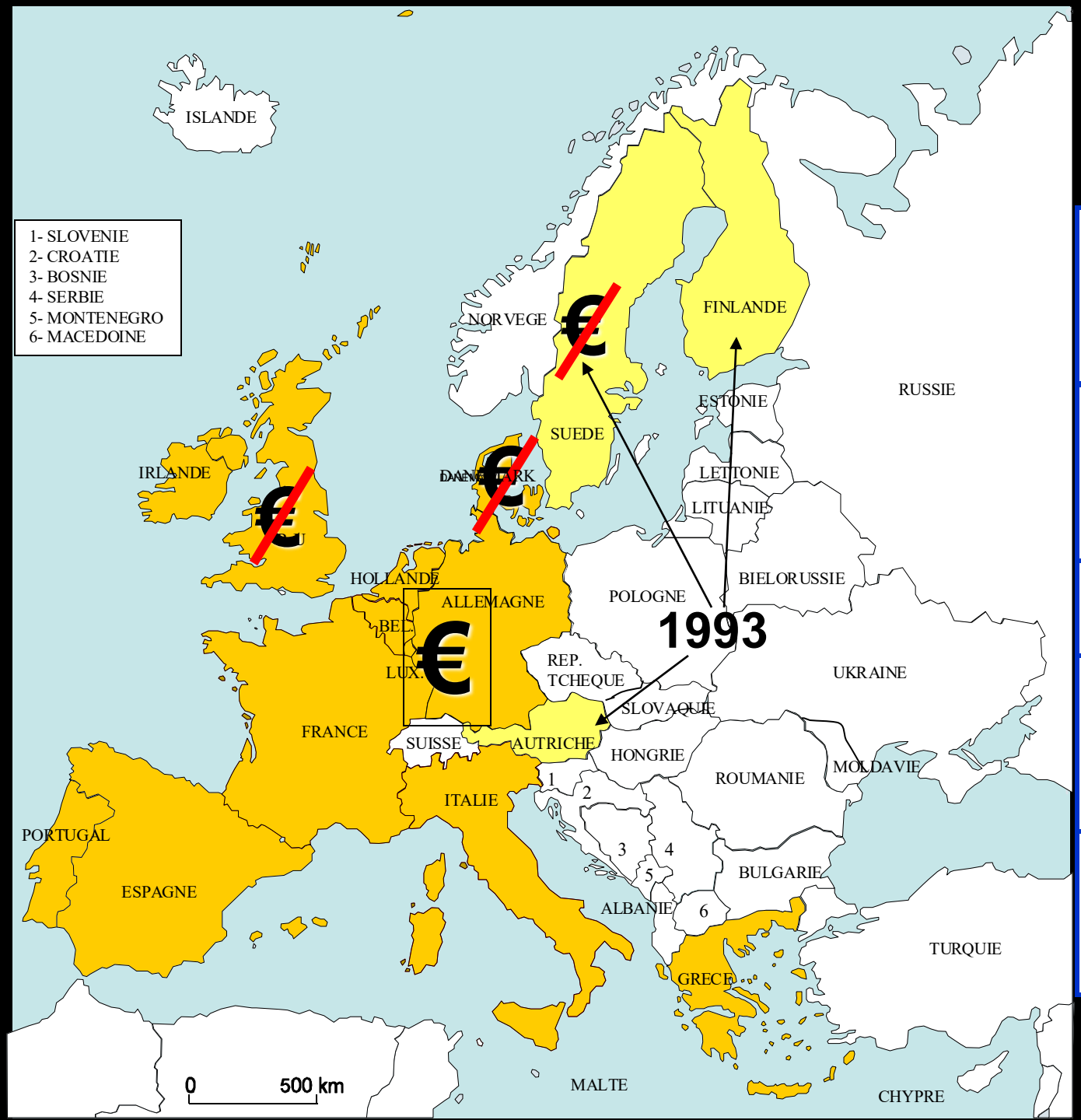


Schéma simplifié du processus de décision communautaire



Single Act
1986

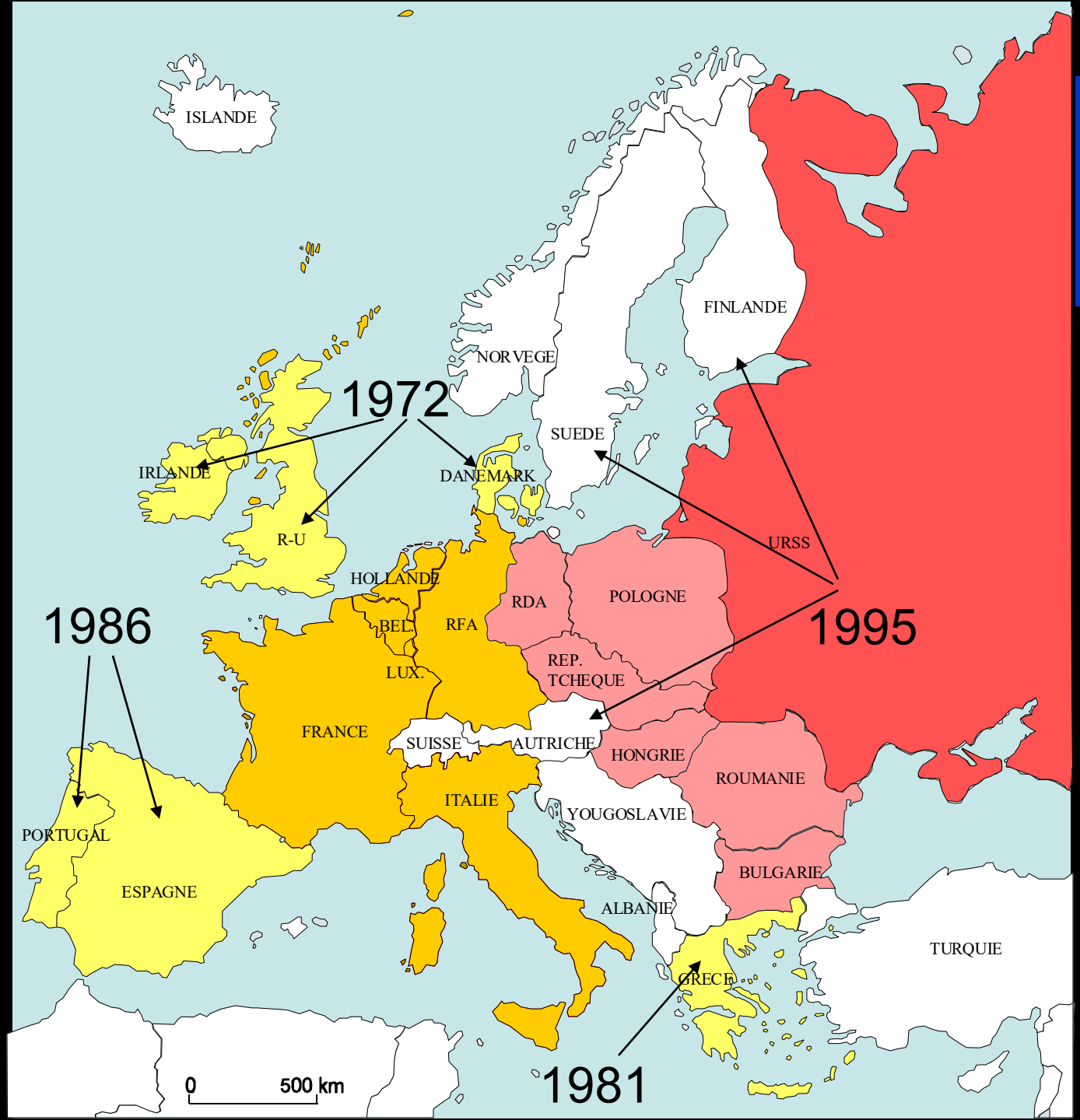
Maastricht
1991

EU 1993

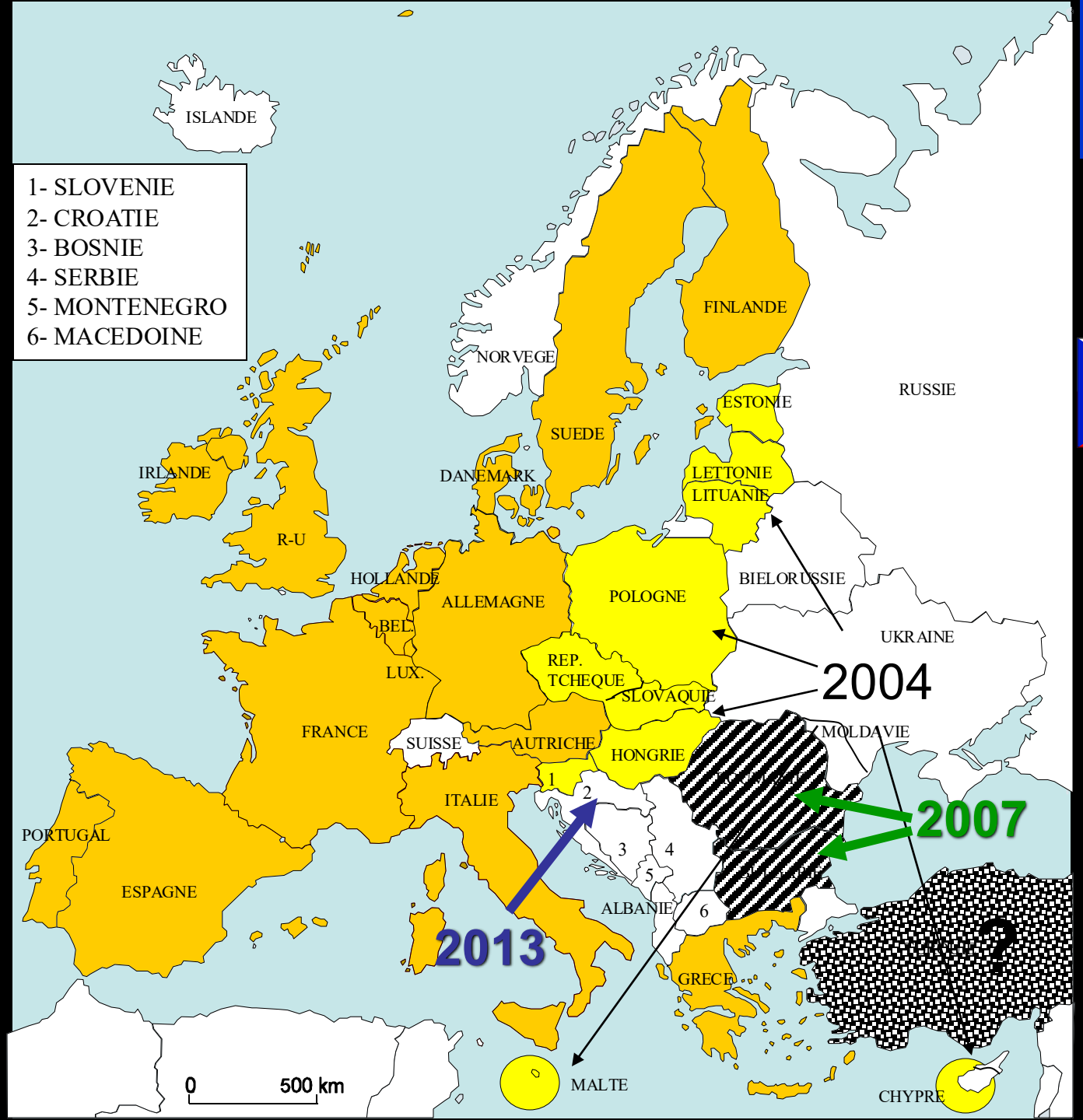
Schengen
1999

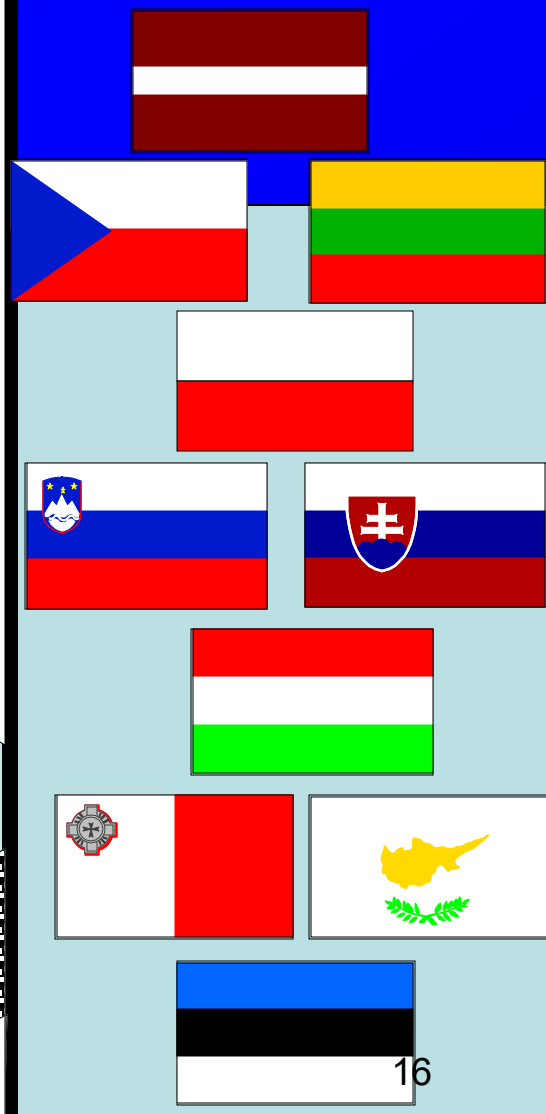
EURO
2002

The enlargements of the EEC

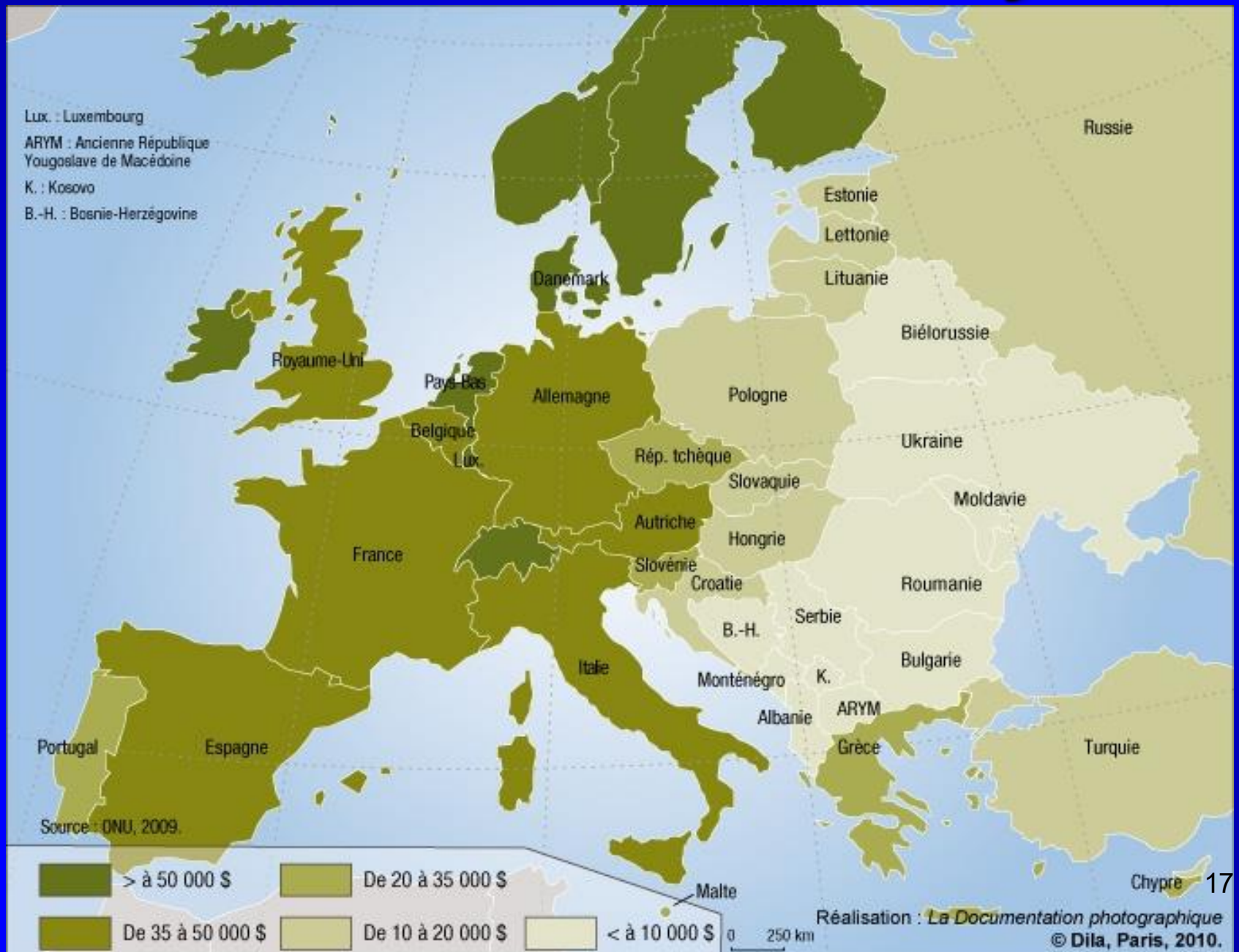


The EU's enlargements

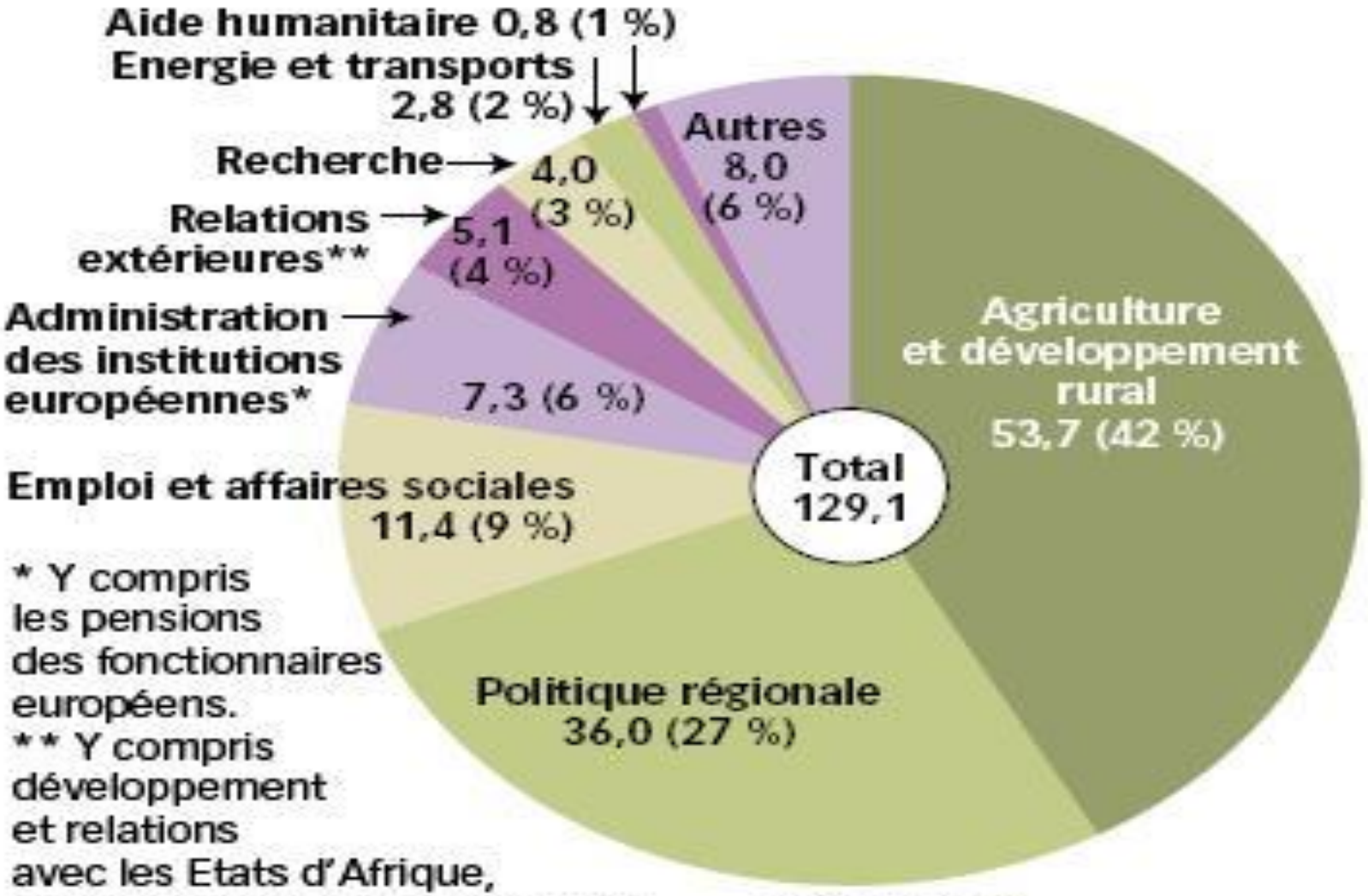




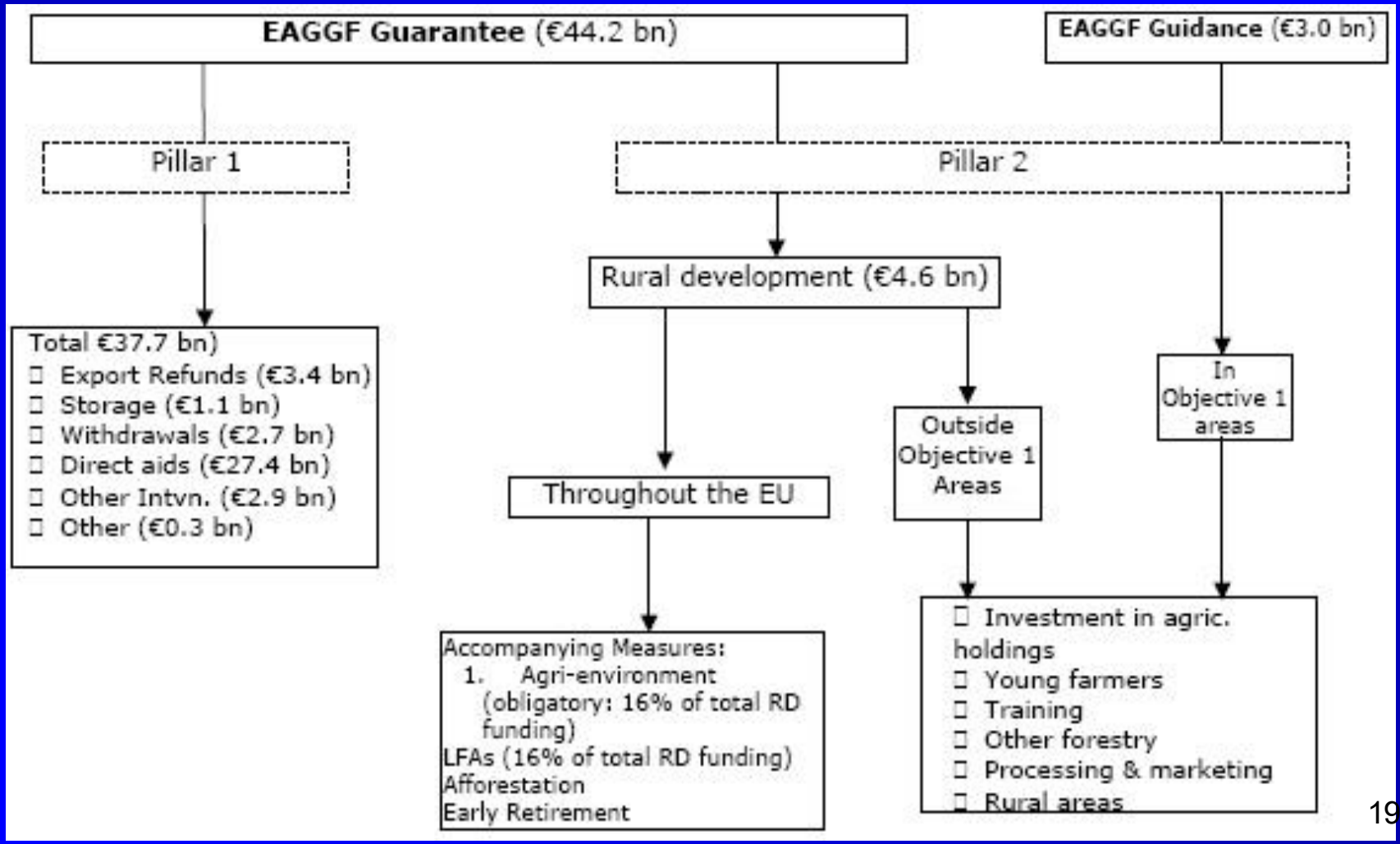
The Economic Diversity



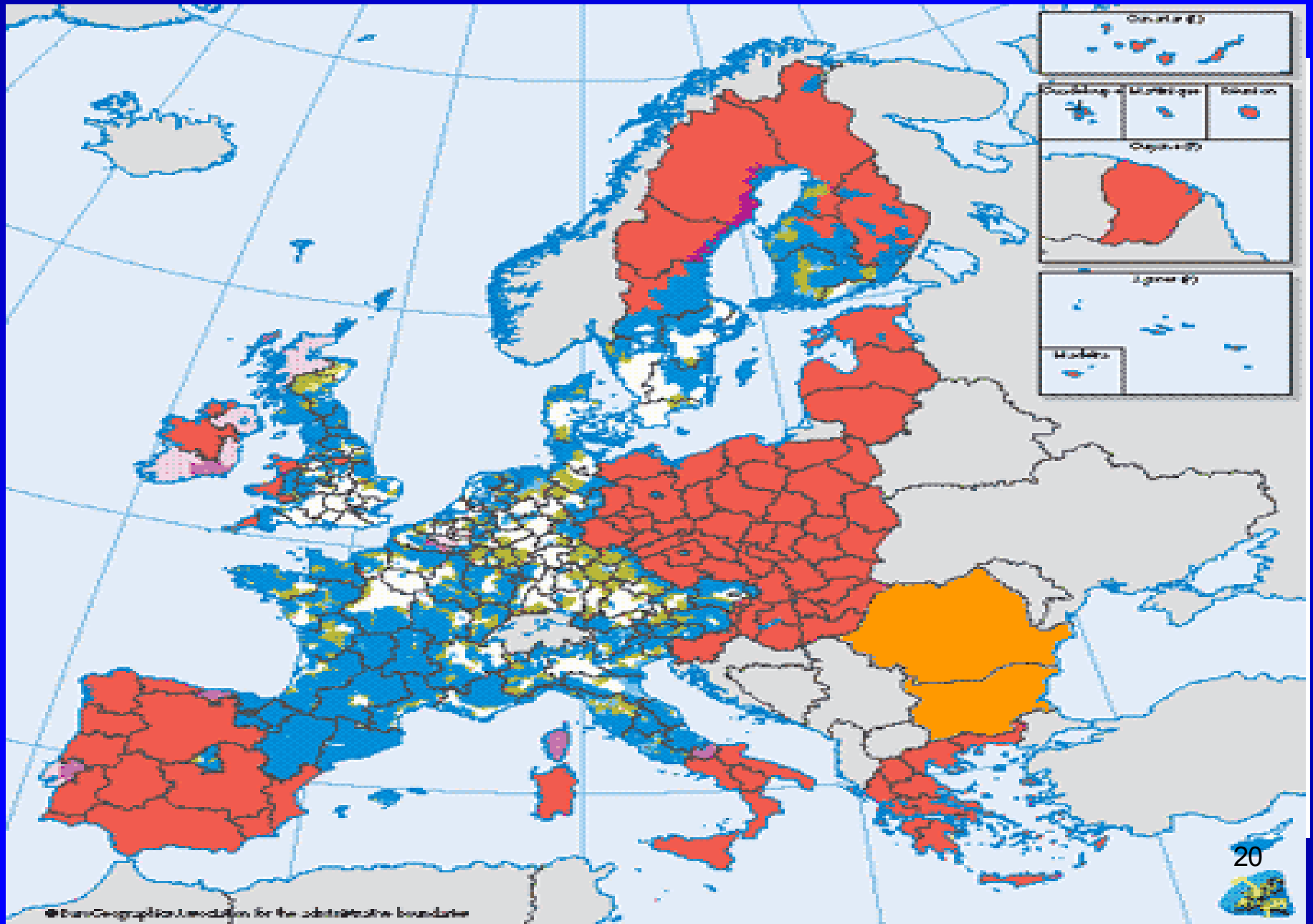
Community policies



The Common Agricultural Policy



The Common Regional Policy



2/ THE EUROPEAN UNION: GROWING PROBLEMS

A/ Cyclical: the Euro crisis

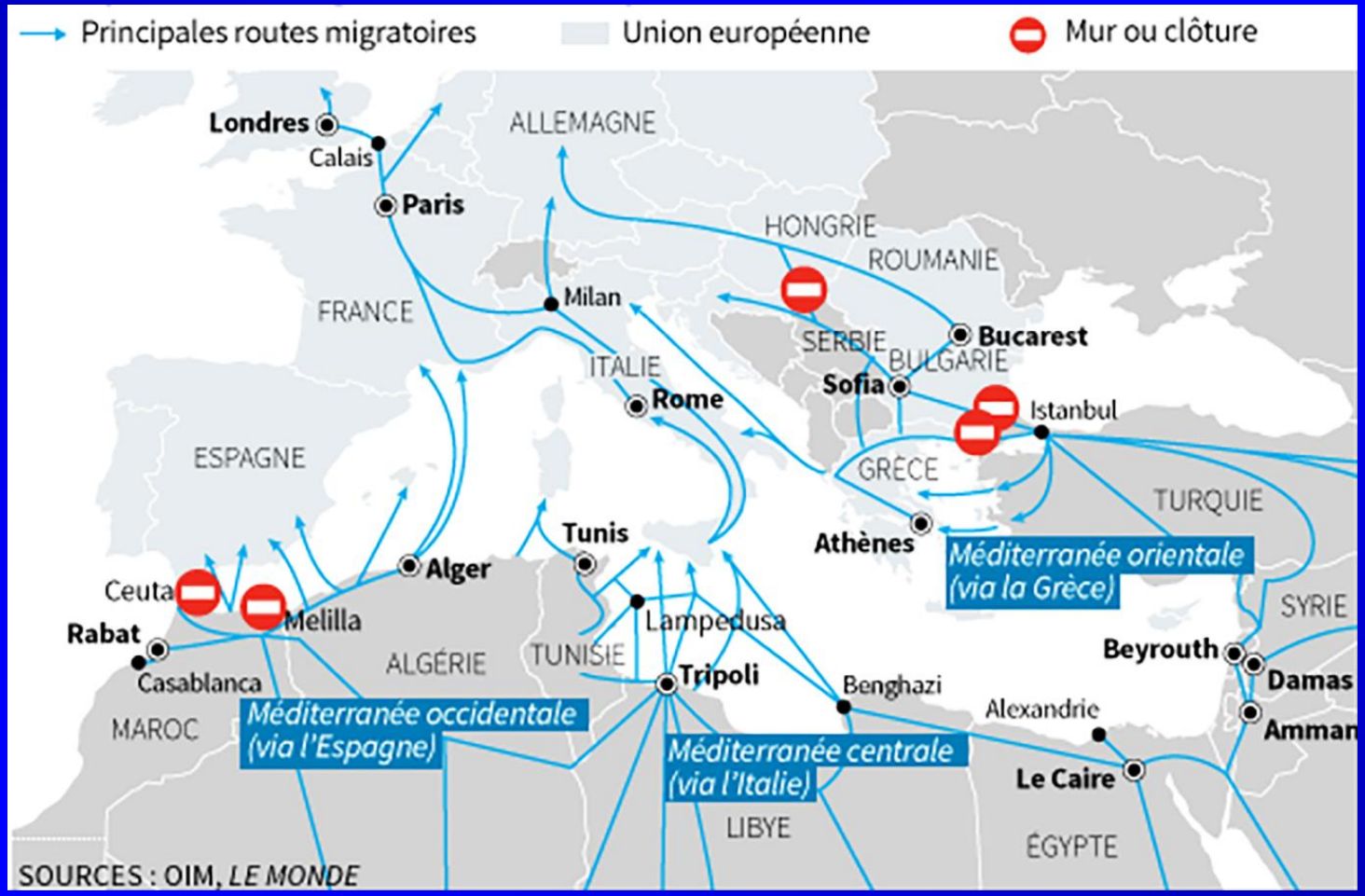
B/ Structural:

1 - demographic decline

2 - economic decline

Les 17 pays de la zone euro
Pays dont la monnaie est l'euro
Date d'entrée
Autres pays membres de l'Union européenne
Finlande
1999
Estonie
Suède
Lettonie
Danemark
Lituanie
1999
Irlande
1999
Pays-Bas
1999
Allemagne
Royaume-Uni
Pologne
1999
Belgique
Rép. Tchèque
2009
Slovaquie
Lux.
1999
France
1999
Autriche
1999
Hongrie
Roumanie
Slovénie
2007
Bulgarie
1999
Portugal
1999
Espagne
Italie
1999
2001
Grèce
2008
Malte
2008
Chypre

International immigration flows and foreigners



3/ CHINA: A DOMINANT PLAYER IN INTERNATIONAL TRADE

3.1/ A major emerging international power:

A/ The world's largest population, but a demographic slowdown on a massive scale

B/ Record economic dynamism (the world's leading economic power at purchasing power parity)

C/ Colossal energy consumption, but a massive switch to new energies

3. 2/ Giant companies still closely linked to the State, but more aggressive abroad:

A/ Strong points: oil, construction, banking, electric cars, IT and telecommunications, modern weappons

B/ Rapidly emerging companies: steel, cement and aluminium, shipyards and electronics

3.3/ Major challenges:

A/ A highly unequal structure of national income

B/ Inflation (rising workers' wages, offshoring)

C/ Domestic debt

D/ Preserving a threatened environment, but spectacular progress

4/ THE EUROPEAN UNION AND CHINA: PRIVILEGED TRADING PARTNERS OR INCREASINGLY HOSTILE COMPETITORS?

A/ Macro-economic vision: rapid growth, but unbalanced trade

1/ An increasingly unfavorable coverage ratio

2/ Strong economic relations

B/ Macro-economic vision: a “win-win” partnership?

1/ China's remarkable trade boom

2/ The EU needs China

C/ Micro-economic vision: the example of the industry

1/ Two major problems (global value chains, obstacles to setting up in China)

2/ A case study: the automotive industry

Conclusion (1)

Today, Europe faces formidable challenges

1 – Geostrategic:

A / Controlling immigration Frontex agreement with southern countries, particularly Morocco, Tunisia and Turkey;

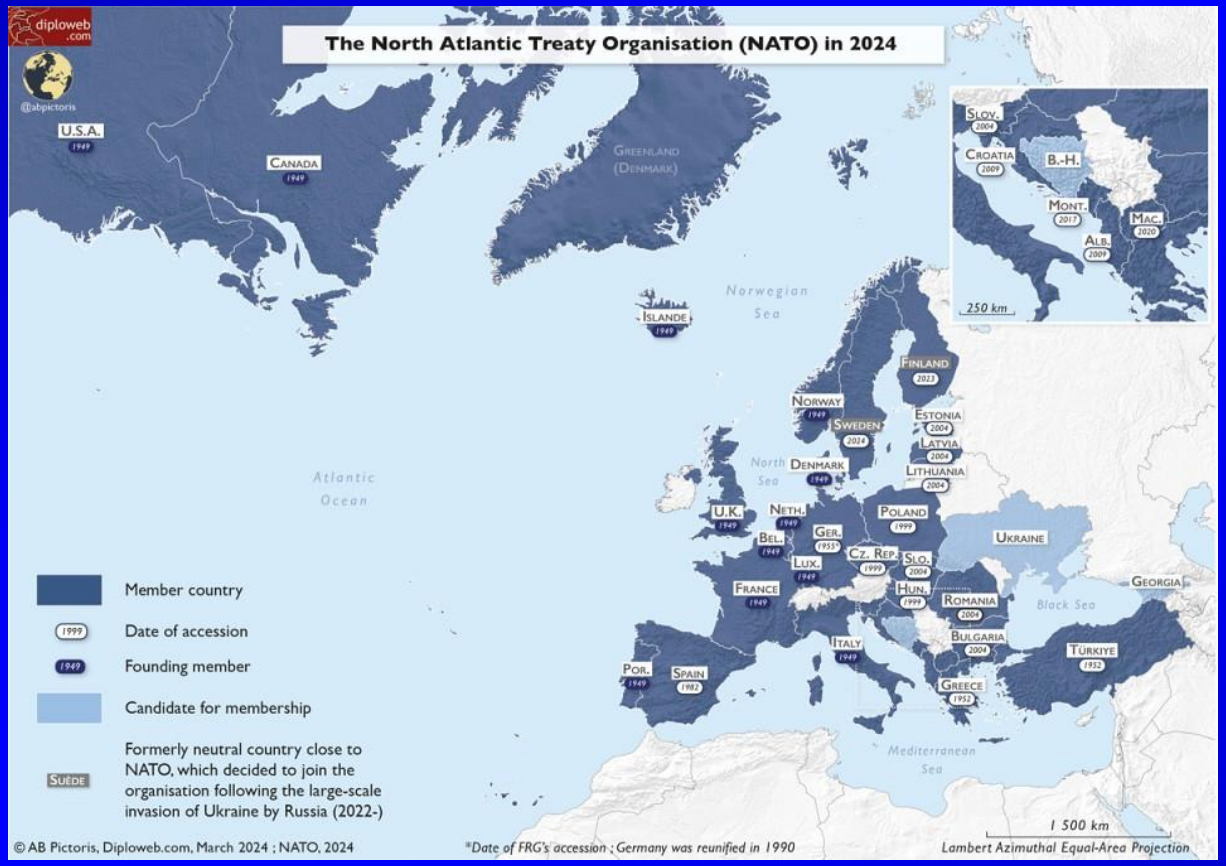
B / Dealing with the consequences of more numerous wars that are costly in human and financial terms:

1) The war in Ukraine:

- strengthening of Atlantic solidarity, but called into question by the new American strategy (return to isolationism, greatly accelerated under Donald Trump);
- influx of new migrants;
- major agricultural crisis in Ukraine and Russia, particularly to the detriment of African countries;
- a long war of opposition mobilising massive quantities of weapons, hence the resistible rearmament of Europe;
- Divergences between Europeans (Poland and the Baltic States versus Hungary and Slovakia, and even Romania)

Source: ISW (21:00 GMT, 24 June)

BBC


The North Atlantic Treaty Organisation (NATO) in 2024
diploweb .com
@abpictoris
U.S.A. 1949
CANADA 1949
GREENLAND (DENMARK)
ISLANDE 1949
Norwegian Sea
Atlantic Ocean
North Sea
Black Sea
Mediterranean Sea
SLOV. 2004
CROATIA 2009
B.-H.
MONT. 2017
MAC. 2020
ALB. 2009
250 km
FINLAND 2023
NORWAY 1949
SWEDEN 2024
ESTONIA 2004
LATVIA 2004
LITHUANIA 2004
DENMARK 1949
U.K. 1949
NETH. 1949
BEL. 1949
GER. 1955*
POLAND 1999
CZ. REP. 1999
SLO. 2004
LUX. 1949
FRANCE 1949
HUN. 1999
UKRAINE
GEORGIA
ROMANIA 2004
BULGARIA 2004
ITALY 1949
TÜRKIYE 1952
POR. 1949
SPAIN 1982
GREECE 1952
Member country
1999 Date of accession
1949 Founding member
Candidate for membership
SUÈDE
Formerly neutral country close to NATO, which decided to join the organisation following the large-scale invasion of Ukraine by Russia (2022-)
1 500 km
© AB Pictoris, Diploweb.com, March 2024 ; NATO, 2024
*Date of FRG's accession ; Germany was reunified in 1990
Lambert Azimuthal Equal-Area Projection

Conclusion (2)

2) Wars in the Near and Middle East:

- The wars in Syria, Lebanon, Yemen and Gaza;
- Influx of new migrants;
- a redistribution of power: the decline of Iran and the Shiites; the strengthening of the Gulf States and, above all, Turkey; the questioning of the Abraham Accords.

3) Changes in Africa:

- decline of European influence;- intensification of power rivalries (Russia, China, the United States, India, Brazil, Morocco and even Rwanda);

- - Rise of Islamism (particularly rivalry between Turkey and Saudi Arabia).
- C/ Increased international rivalries (Egypt/Ethiopia, India/Pakistan, Indian and Atlantic Oceans, Arctic and Antarctic, South China Sea, etc.)

Conclusion (3)

- 2/ Economic:
- A/ The new US trade strategy:
- 1) Taxing exports to the United States to reduce the country's trade deficit (e.g. EU: +20 per cent with suspension until 1 August 2025 at a level of 10%);
- 2) leading to negotiations between individual states: only certain countries can implement anti-US sanctions (e.g. China with rare earths).
- B/ The EU's loss of global competitiveness:
- 1) the long-term consequence of insufficient research and development efforts compared to North America and the Far East;
- 2) Many countries are overly indebted, particularly in Latin Europe
- 3) Excessive increases in energy costs and energy prices (resistance to nuclear power, excessive dependence on foreign sources of new energy, the need to compensate for the loss of Russian gas, etc.)
- 4) Excessively high labour costs (social security contributions, ageing population, labour shortages).
- 5) Excessively restrictive regulations, particularly in the environmental field, and excessive exposure to the demands of activist minorities.
- 6) Too slow technological change (artificial intelligence, robotics, car batteries, solar panels and wind turbines).

The Draghi report on EU competitiveness

Luxembourg 2024

Summary

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Conclusion (4)

3 – The challenges of sustainable development:

A/ Addressing the effects of climate change (natural disasters) and global warming (heat waves, water shortages, fires);

B/ Reducing the impact of pollution (greenhouse gases, plastics), particularly on health (fertilisers, lung diseases, heart disease and cancer) and developing the circular economy through recycling;

C/ Balancing population growth and generational renewal to avoid excessive ageing.

D/ to preserve biodiversity and natural landscapes

THANK YOU FOR
YOUR ATTENTION.
QUESTIONS ?