

Europe's Crises: What They Are and Why They Matter



**Conversations on Teaching Europe:
Brussels Study Tour 2016**

**Ronald Linden, Director
European Studies Center**

Europe's *Existential* Crisis

Europe=EU



Crisis = Crises

Why “Existential”

- **Scale (horizontal, longitudinal)**
- **Simultaneity**
- **New Environment**
- **European Project and Identity**



Europe's Four Crises



1. Refugees

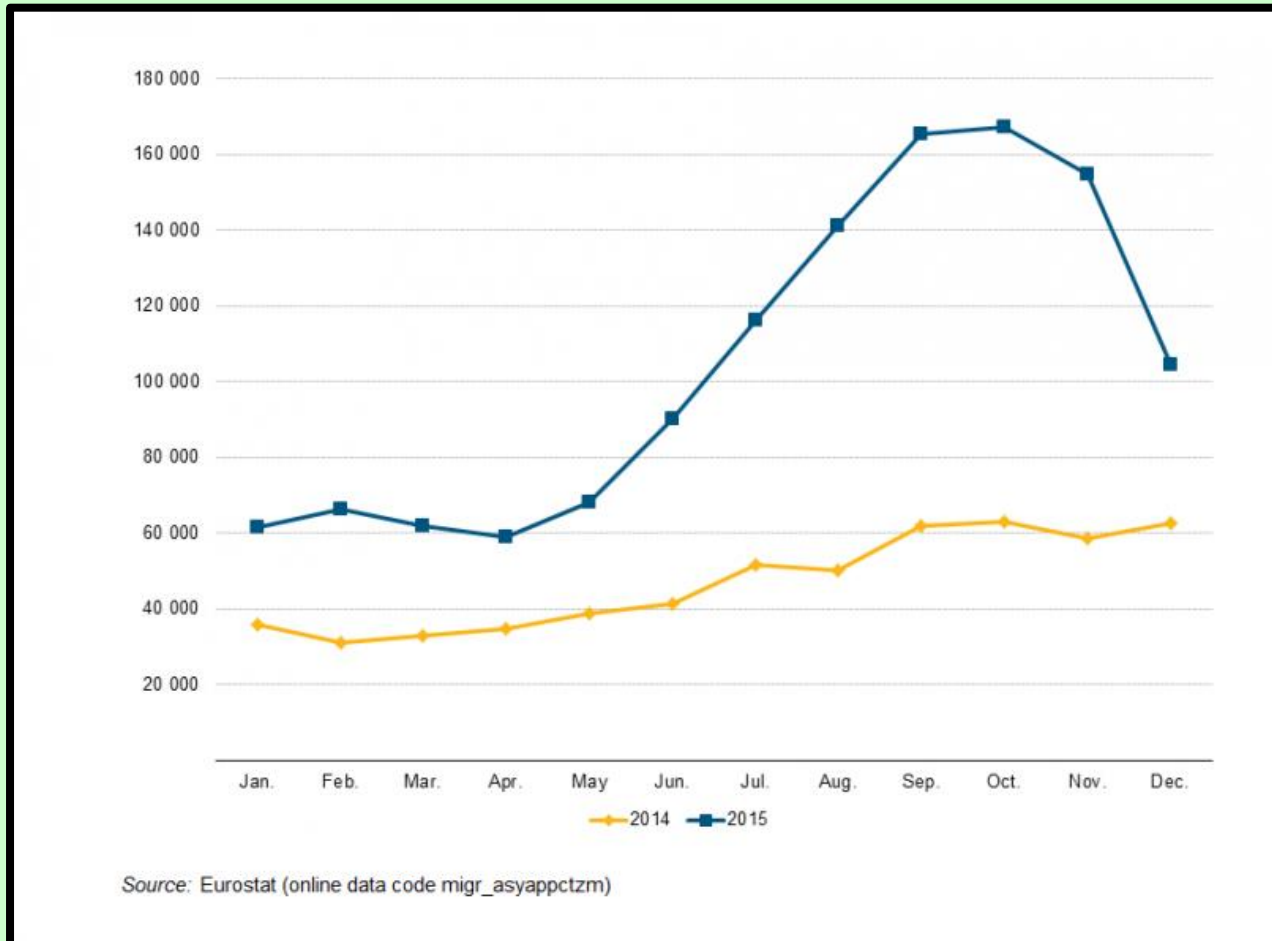
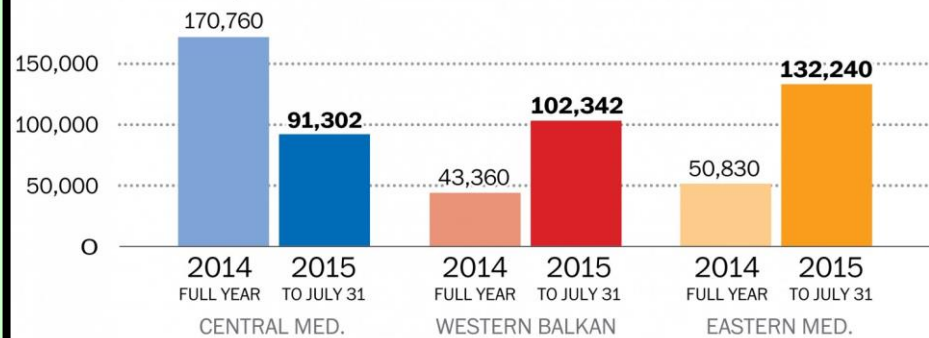


Figure 1: First time asylum applicants, EU-28, January 2014 – December 2015 - Source: Eurostat

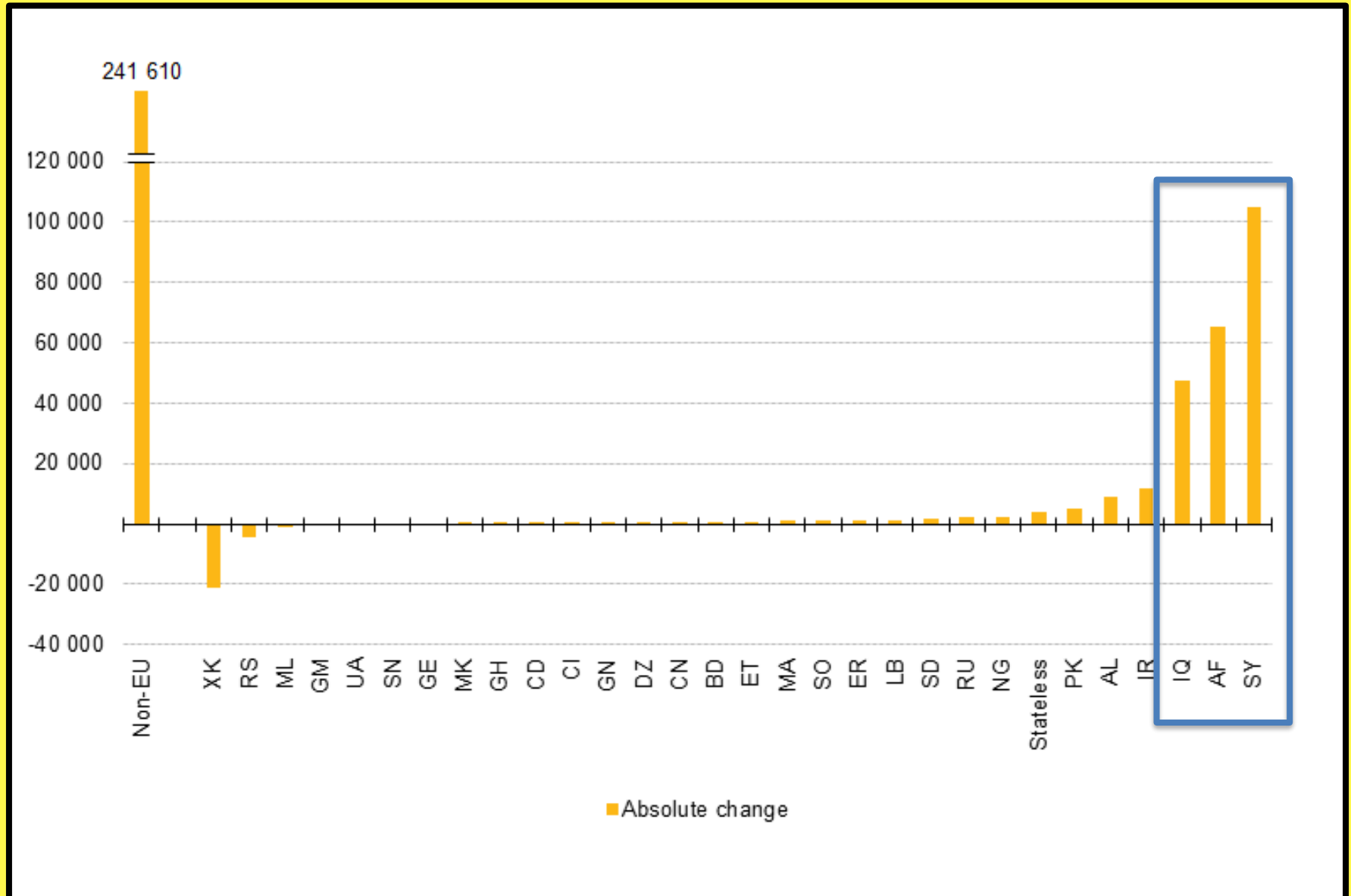
Europe struggles with migration surge



Reported illegal border crossings by three major routes so far this year have dwarfed last year's total of 264,950.

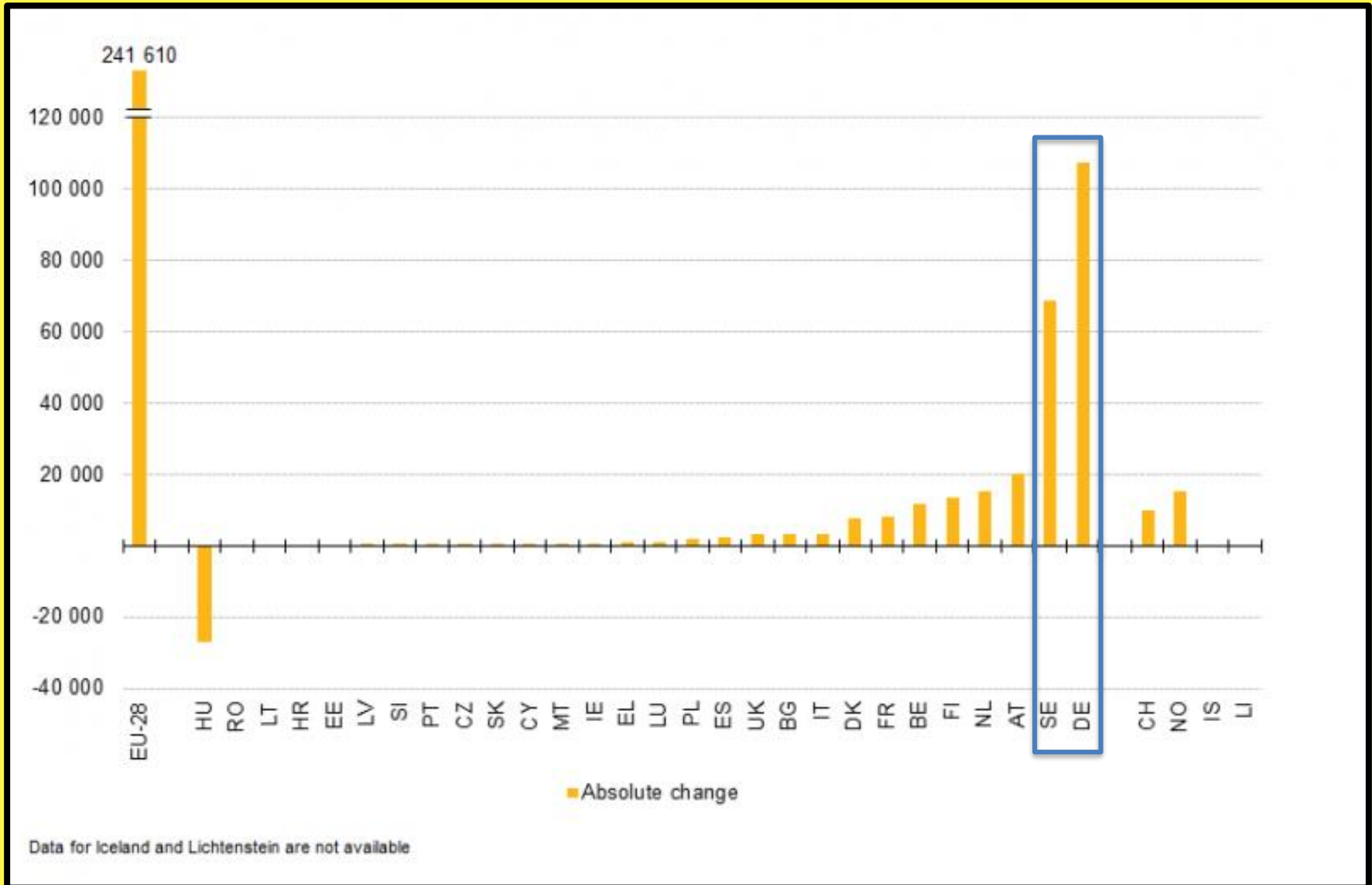


First time asylum applicants by citizenship, absolute change between Q4 2014 and Q4



Source: Eurostat

Destination of First time asylum applicants, absolute change between Q4 2014 and Q4 2015



Source: Eurostat

European Response to Migration Crisis

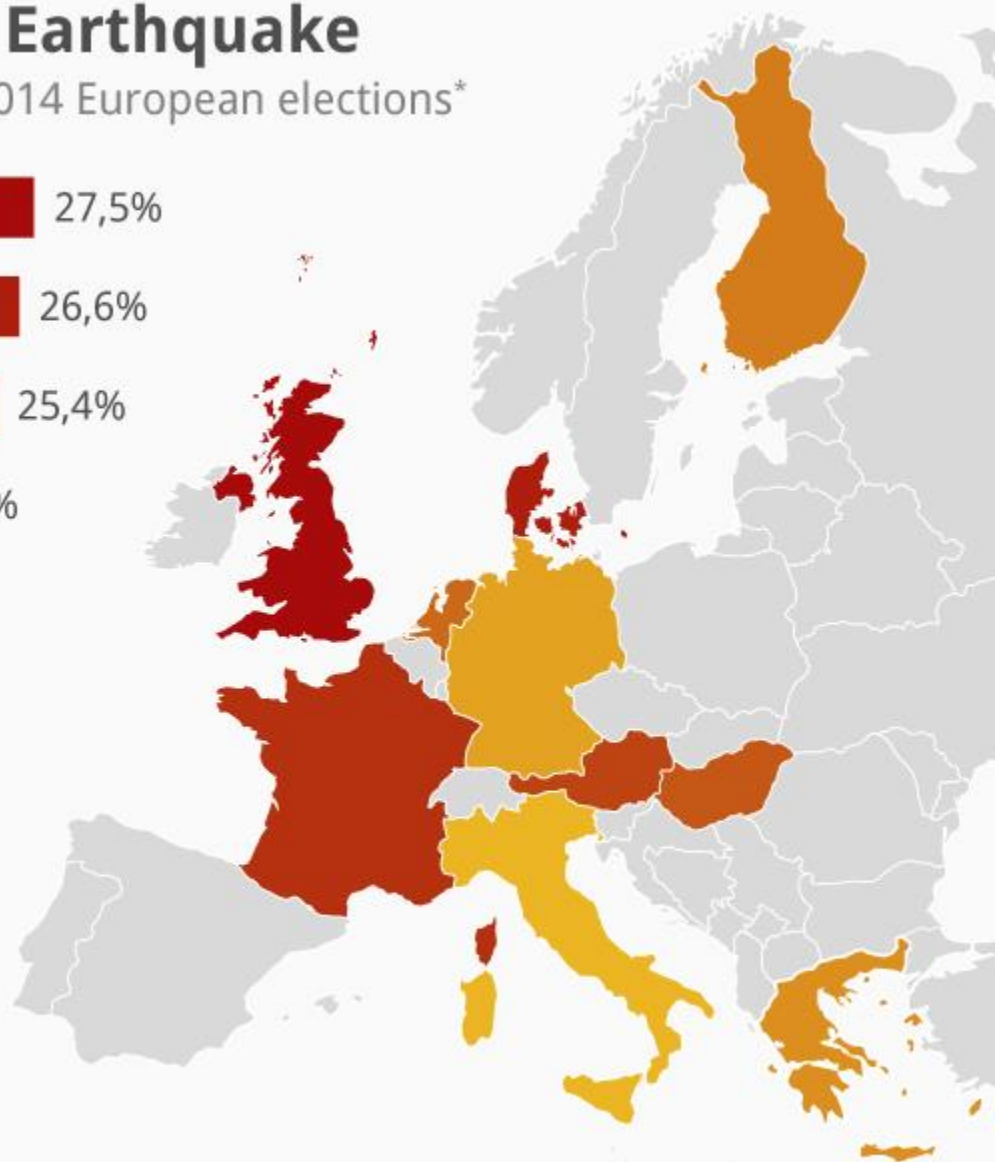
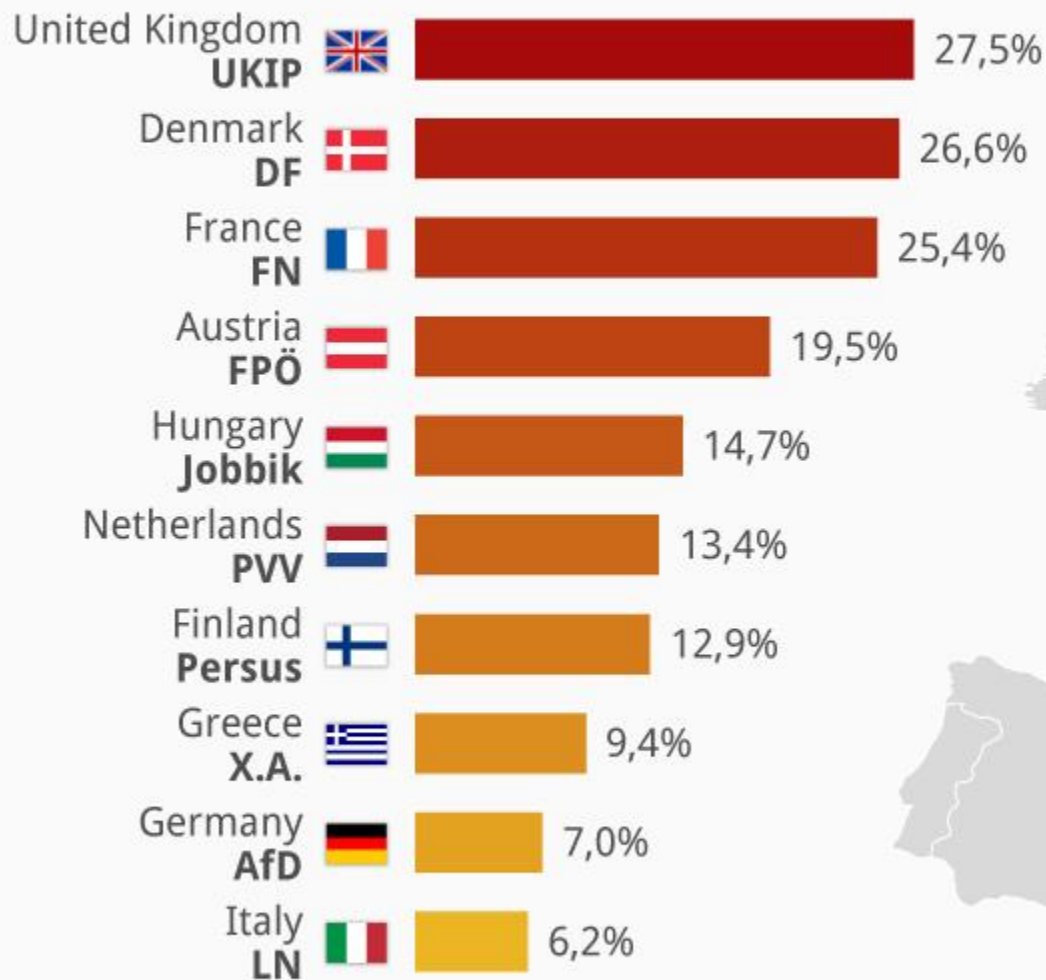
- **Manage numbers**
- **Strengthen external borders; allow re-establishment of internal borders**
- **“Hectoring”, e.g. Greece and shaming**
- **Turning to “others,” e.g. Turkey**
- **Dampening “generators”**

2. Populist/Nationalist Challenges



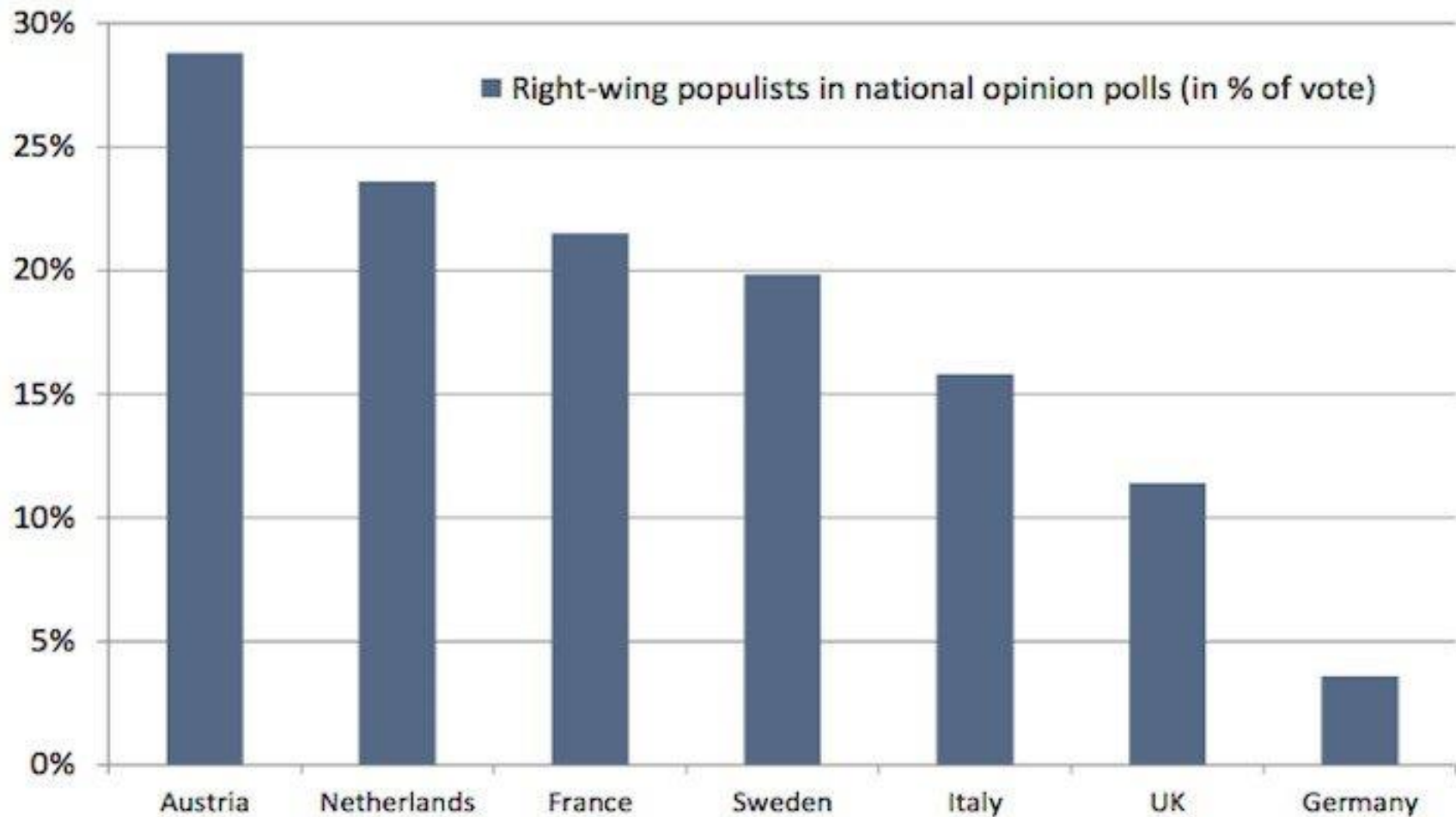
Far-Right Leads Eurosceptic Earthquake

Performance of eurosceptic parties in the 2014 European elections*



Right-wing populism: the real tail risk in Europe

Close to power anywhere? Right-wing populists in national opinion polls



FPÖ for Austria, Freedom Party for the Netherlands, Front National for France, Sweden Democrats for Sweden, Lega Nord + NcS for Italy, UKIP for UK and AfD for Germany; average of 5 latest available polls. Source: National opinion polls, Berenberg calculation. Source: Business Insider, 9/6/15

Election results of rightwing parties in Nordic countries, %

Progress party Danish People's Party Sweden Democrats Finns

25

20

15

10

5

0

97

99

01

03

05

07

09

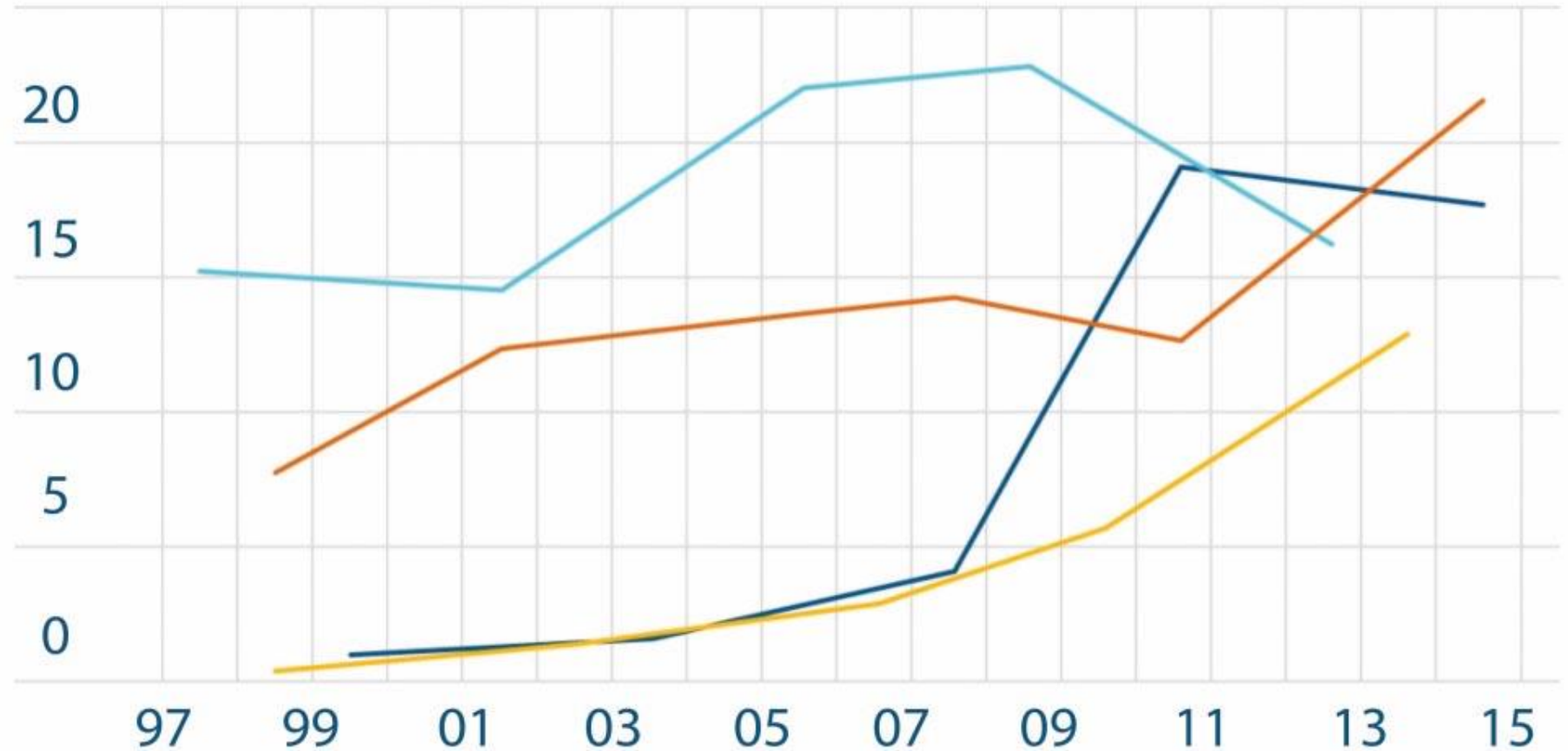
11

13

15

Source: BBC

Source: NewEuropeansMagazine



3. National Challenges

- Brexit



UK Rank in EU

- **Population: 3rd**
- **GDP: 3rd**
- **DefSp/GDP: 1st**
- **MilitExp/ExpPC/Pers: 1st, 1st, 2nd**
- **Trade w/US: 2nd***
- **EUPropTrade: Exp 38-48%; Imp 51-55%****

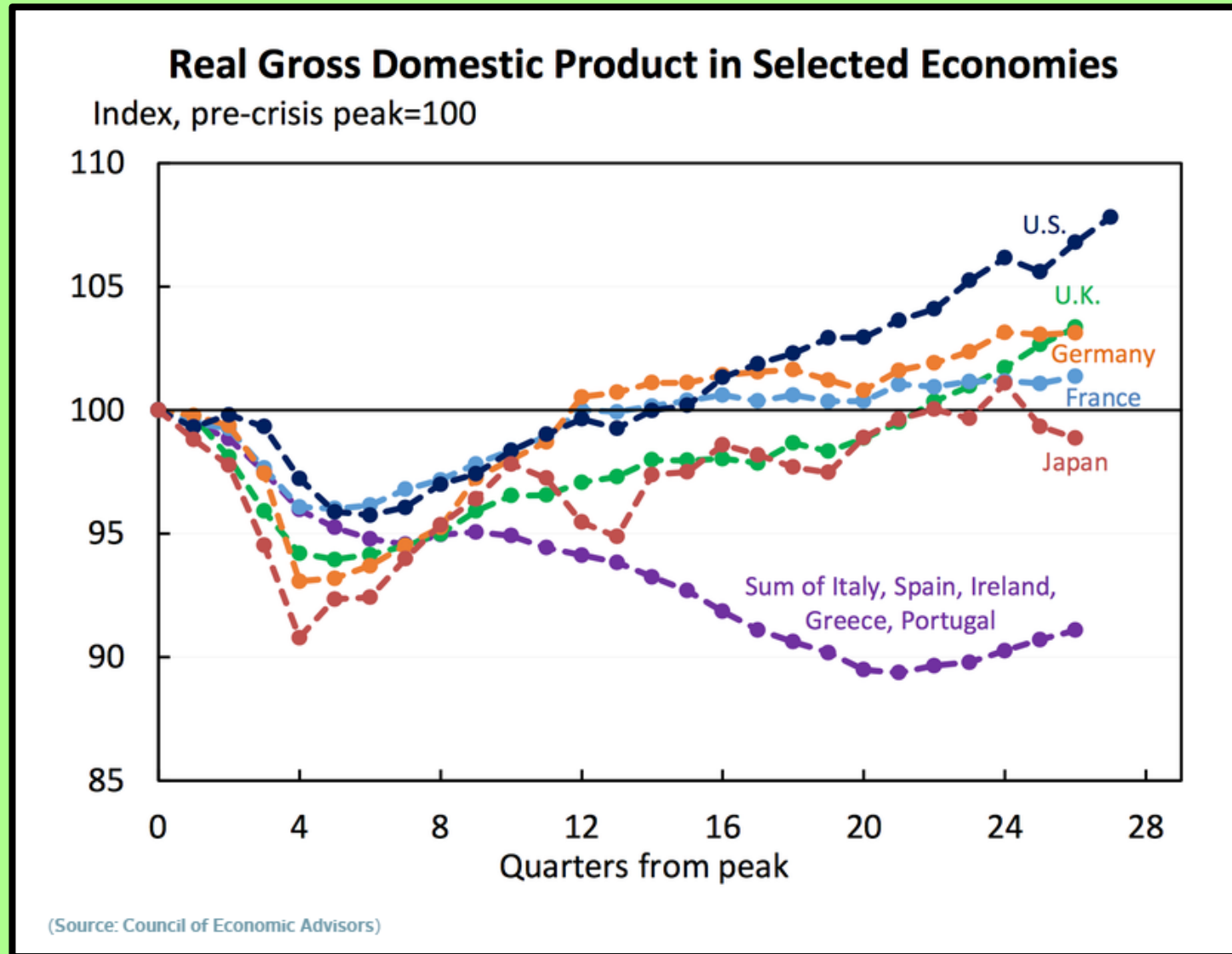
*Percent of US total trade

**18 month period

- **Democratic Drift: Poland, Hungary**



4. Economic Lethargy

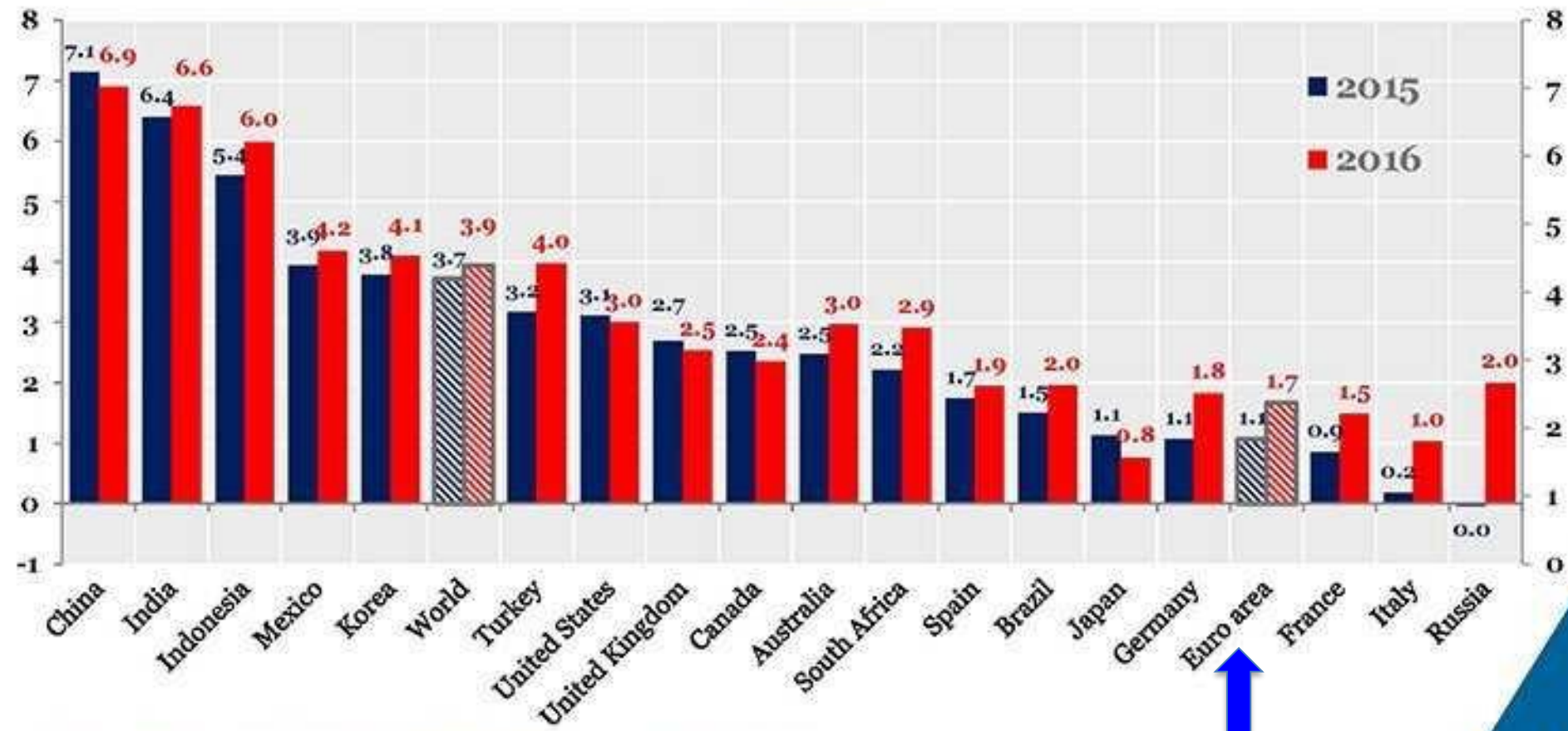


Source: Paul Bodner, “Can the Euro survive this situation: The Euro, Greece, Germany and the rest of Europe?” allfinancialonline.com, January 8, 2015.



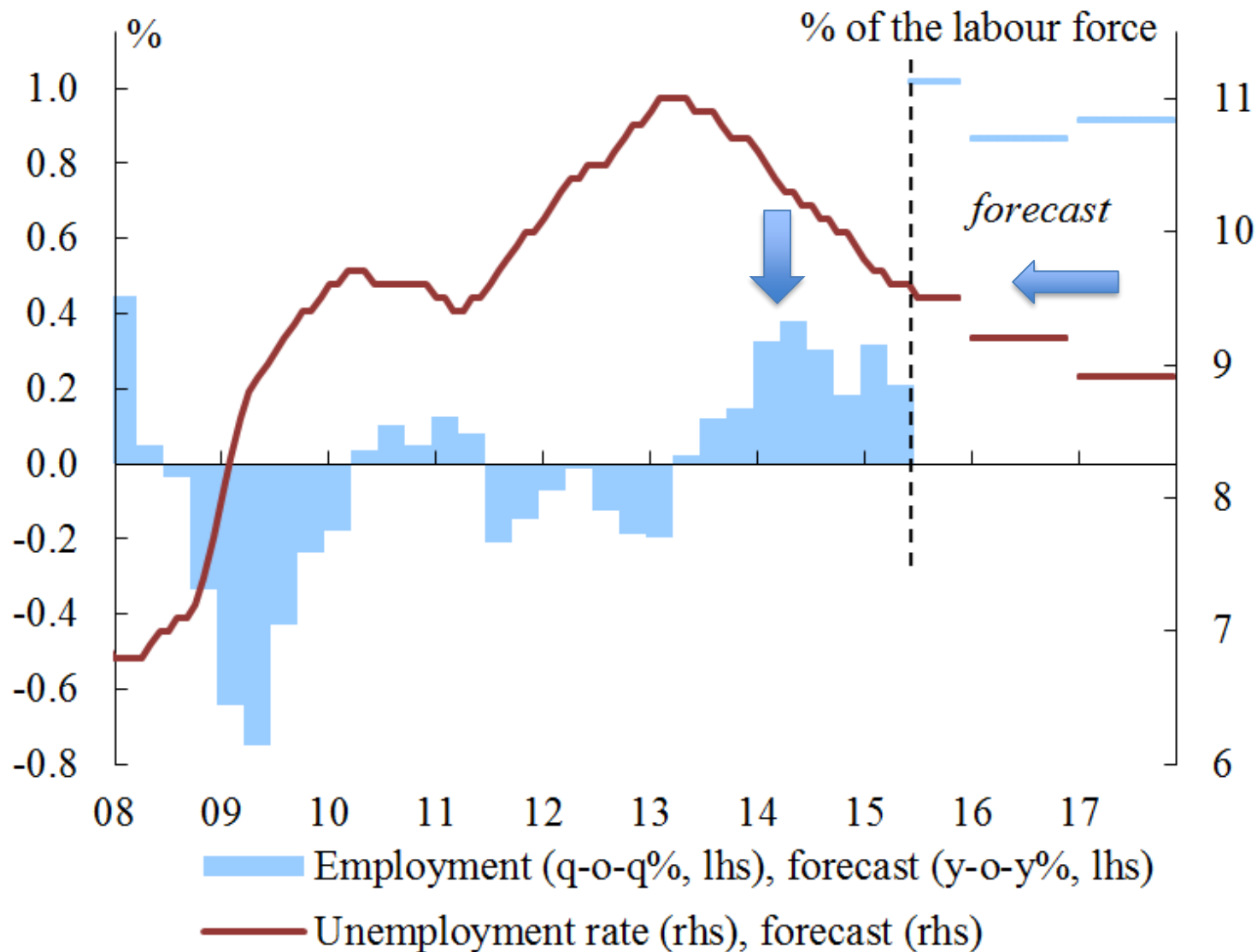
Growth projections for 2015-16

GDP growth Per cent



Source: Preliminary November 2014 OECD Economic Outlook database.

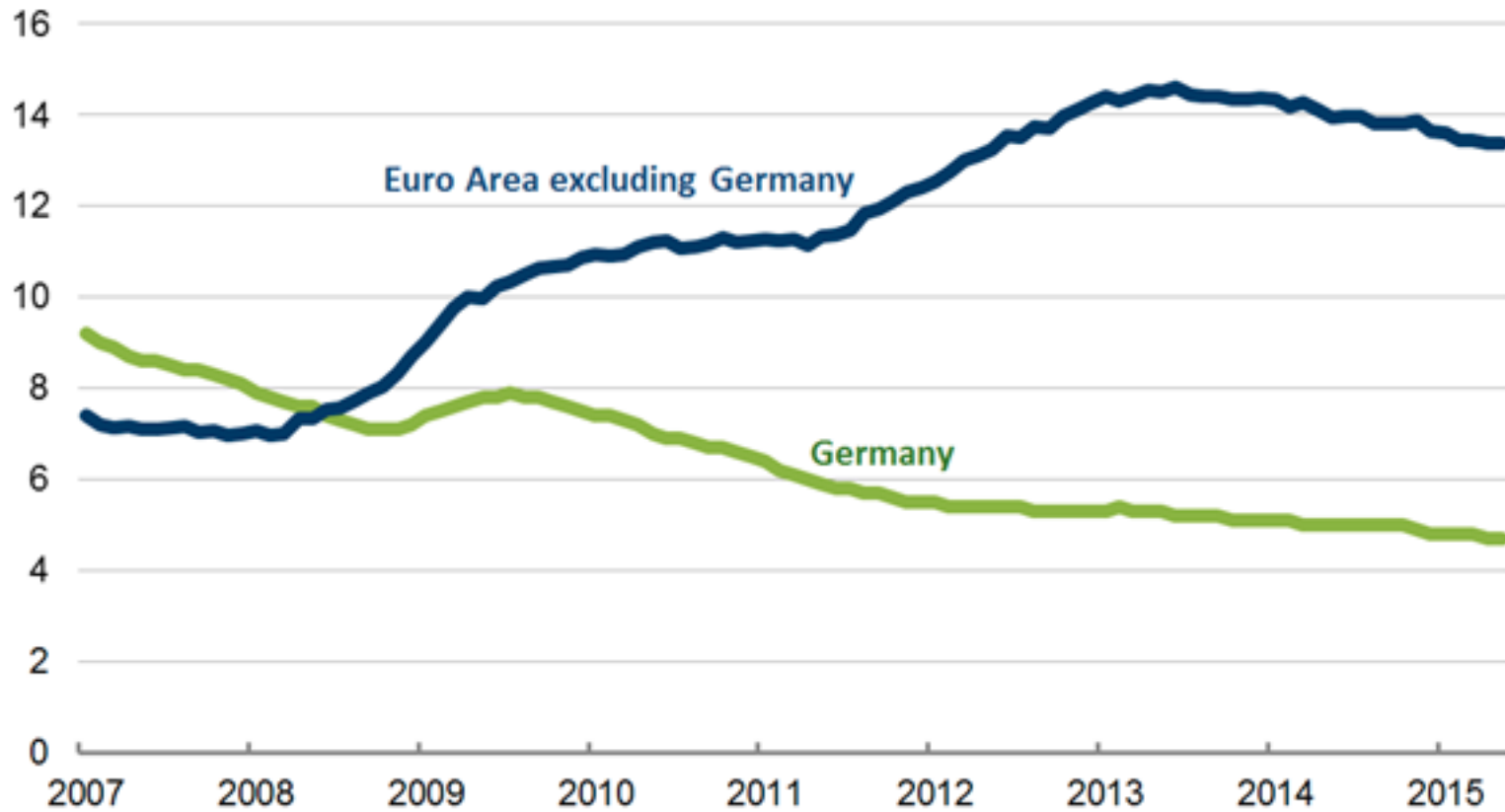
Graph I.14: Employment growth and unemployment rate, EU



Forecast figures are annual data.

Source: European Commission

Figure 2: Unemployment Rates in Germany and the Euro area (%)



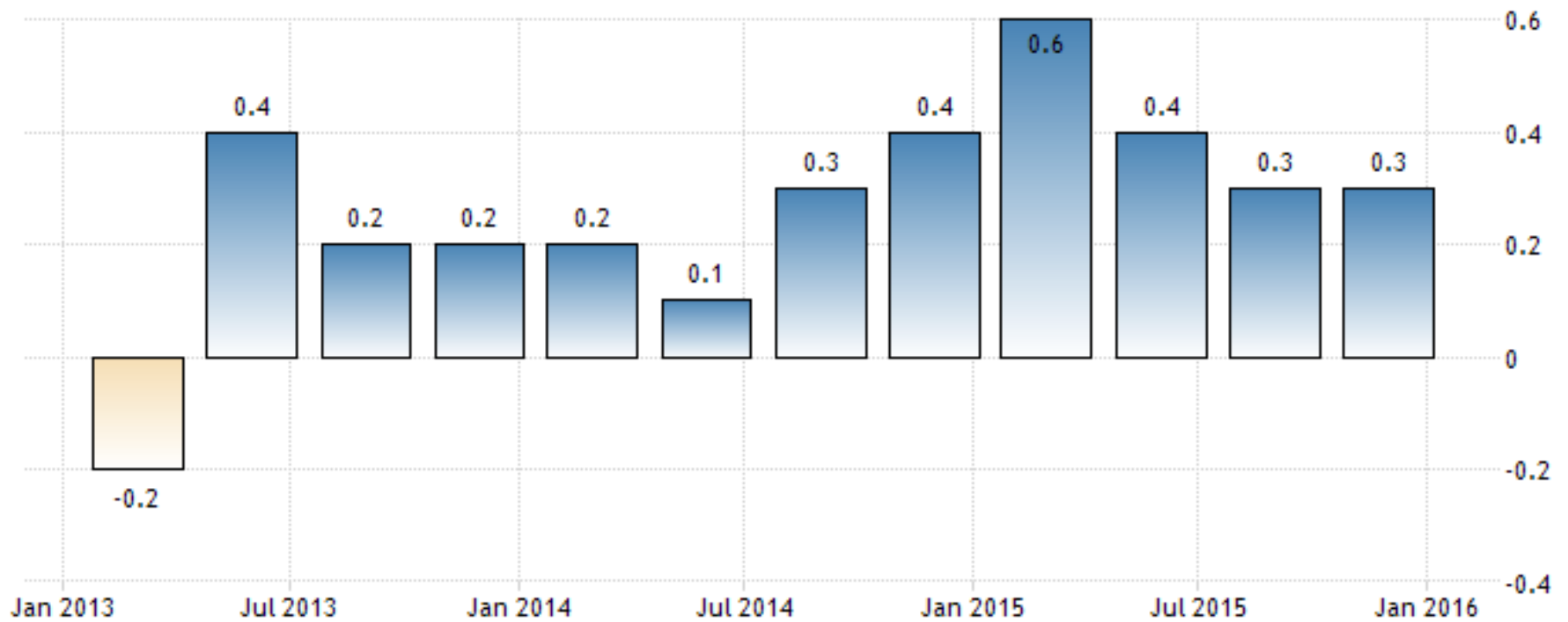
Source: Ben S. Bernanke | “Greece and Europe: Is Europe holding up its end of the bargain?” *Ben Bernanke’s Blog*, Brookings Institution, July 17, 2015.

Why “Existential”

- **Scale (horizontal, longitudinal)**
- **Simultaneity: GREECE**

European Economic Growth

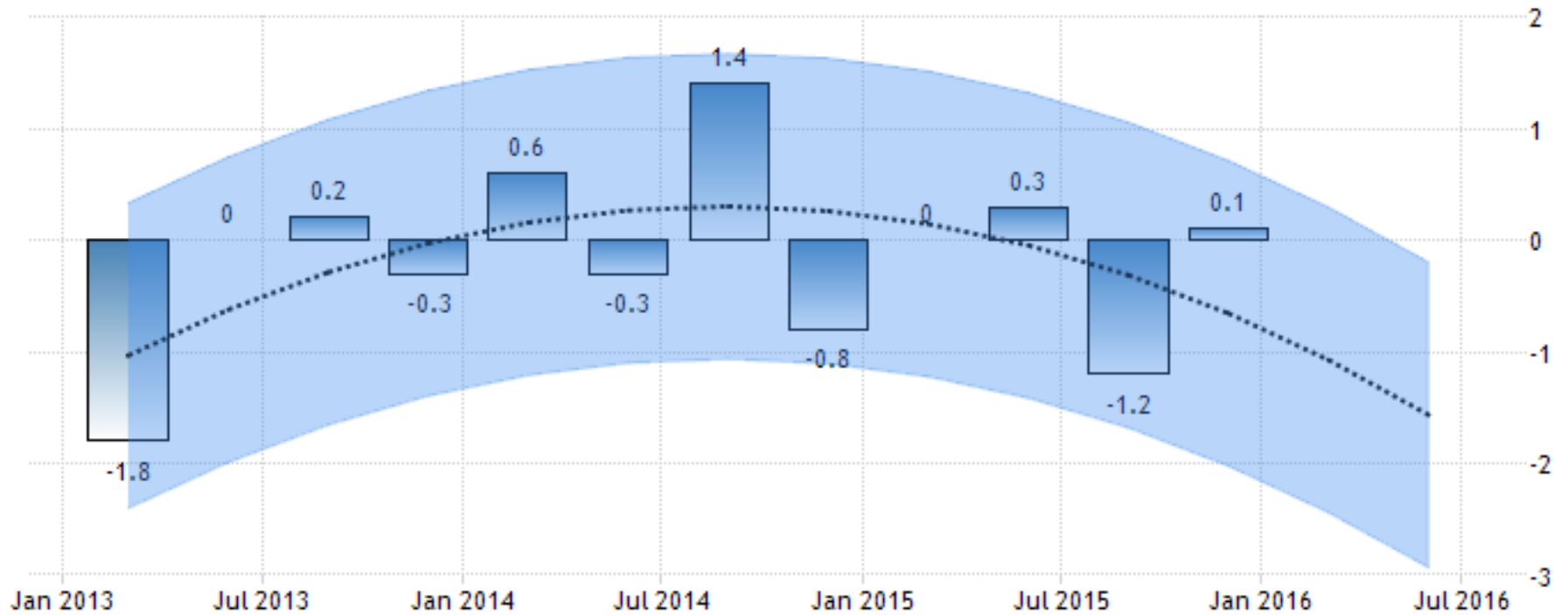
EU GDP GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | EUROSTAT

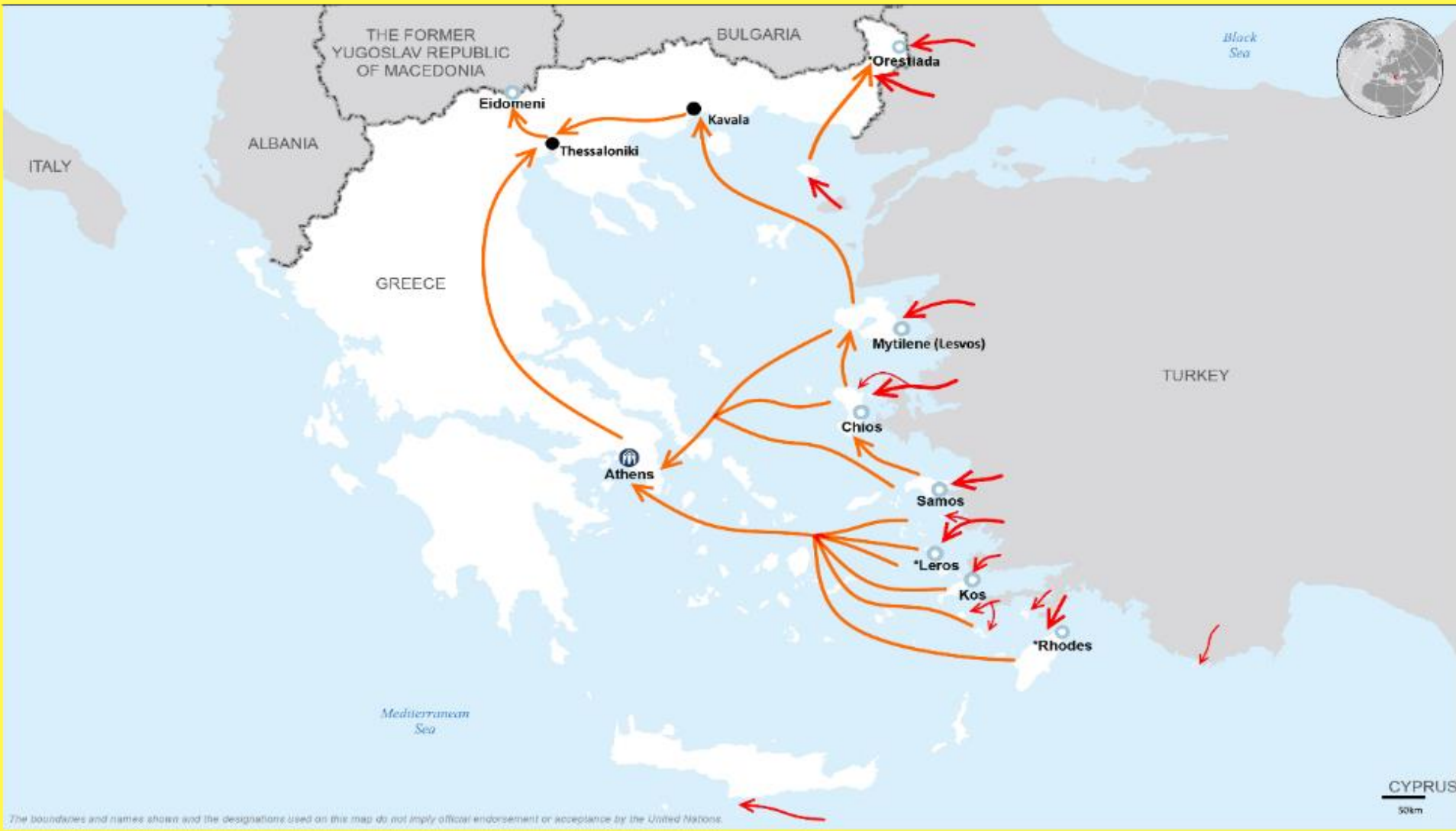
Greek Economy

GREECE GDP GROWTH RATE



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL STATISTICAL SERVICE OF GREECE

Refugee Routes to Greece



Source: UNHCR

Greece on the Frontline

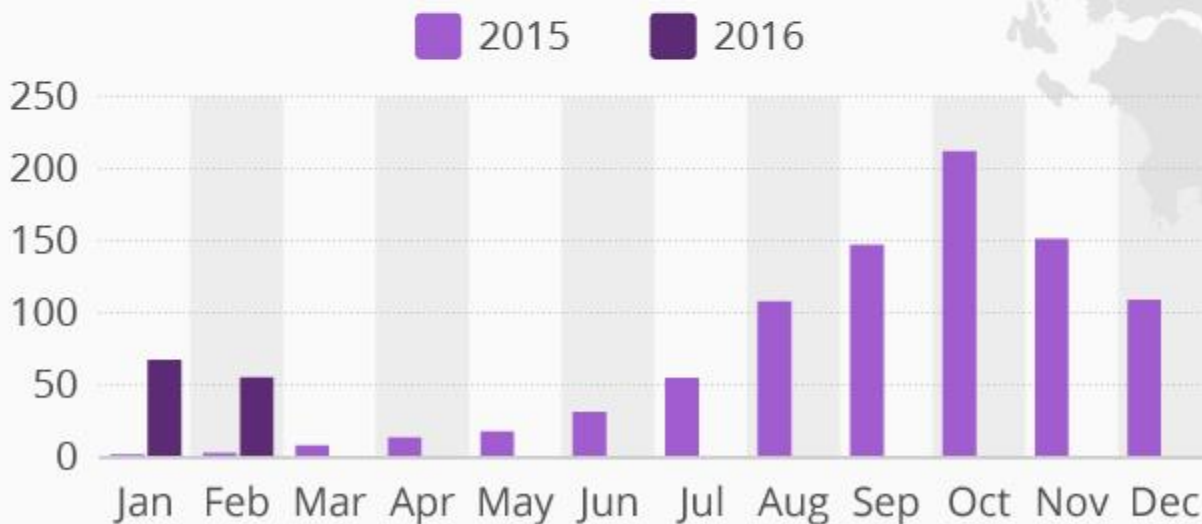
Arrivals of refugees from Turkey by sea



Arrivals on specific Greek islands 2016**



Arrivals per month in 1,000



* as of March 1, 2016

** accumulated weekly averages until March 1

Why “Existential” (Cont.)

- **New Environment**
 - Information
 - Loss of control
 - Low cost of “transmission”
 - Spread of conflict

- **European Project and Identity**



What has happened to you, the Europe of humanism, the champion of human rights, democracy and freedom? What has happened to you, Europe, the home of poets, philosophers, artists, musicians and men and women of letters? What has happened to you, Europe, the mother of peoples and nations, the mothers of great men and women who upheld, and even sacrificed themselves for, the dignity of their brothers and sisters?

**--Pope Francis, on receiving the
Charlemagne, Prize, May 6, 2016**