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

More than 70 bodies found in abandoned truck

Hungary is rushing to complete a border fence.

Macedonian police have used force to turn back migrants.

Migrants are trying to take a rail tunnel to Britain.

Italy's coast guard recently rescued 4,400 migrants near Libya.

Up to 200 migrants killed after boat sank.

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Full Year</th>
<th>To July 31</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Central Med.</td>
<td>170,760</td>
<td>91,302</td>
</tr>
<tr>
<td>2014 Western Balkan</td>
<td>43,360</td>
<td>102,342</td>
</tr>
<tr>
<td>2014 Eastern Med.</td>
<td>50,830</td>
<td>132,240</td>
</tr>
</tbody>
</table>

Source: Frontex
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*

<table>
<thead>
<tr>
<th>Country</th>
<th>Party</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>UKIP</td>
<td>27.5%</td>
</tr>
<tr>
<td>Denmark</td>
<td>DF</td>
<td>26.6%</td>
</tr>
<tr>
<td>France</td>
<td>FN</td>
<td>25.4%</td>
</tr>
<tr>
<td>Austria</td>
<td>FPÖ</td>
<td>19.5%</td>
</tr>
<tr>
<td>Hungary</td>
<td>Jobbik</td>
<td>14.7%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>PVV</td>
<td>13.4%</td>
</tr>
<tr>
<td>Finland</td>
<td>Persus</td>
<td>12.9%</td>
</tr>
<tr>
<td>Greece</td>
<td>X.A.</td>
<td>9.4%</td>
</tr>
<tr>
<td>Germany</td>
<td>AfD</td>
<td>7.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>LN</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

*As of May 26, 11:00 CET
Source: European Parliament

Source: Statistica.com
Right-wing populism: the real tail risk in Europe

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

Source: National opinion polls, Berenberg calculation.
Election results of rightwing parties in Nordic countries, %

Progress party  Danish People’s Party  Sweden Democrats  Finns

Source: BBC
3. National Challenges

- Brexit
UK Rank in EU

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

*Percent of US total trade
**18 month period
• Democratic Drift: Poland, Hungary
4. Economic Lethargy

Real Gross Domestic Product in Selected Economies

Index, pre-crisis peak=100

Quarters from peak

Source: Council of Economic Advisors

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 (%)

Why “Existential”

• Scale (horizontal, longitudinal)

• Simultaneity: GREECE
European Economic Growth

EU GDP GROWTH RATE

Jan 2013: -0.2
Jul 2013: 0.4
Jan 2014: 0.2
Jul 2014: 0.2
Jan 2015: 0.3
Jul 2015: 0.4
Jan 2016: 0.3

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

856,723
Total arrivals in 2015

123,246
Total arrivals in 2016*

Arrivals on specific Greek islands 2016**

- Lesbos
- Chios
- Samos
- Leros
- Kos
- Southern Dodecanese

Arrivals per month in 1,000

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

2015
2016

* as of March 1, 2016
** accumulated weekly averages until March 1

Source: UNHCR
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