

# Brussels-Lux Study Tour

## Post-Secondary Faculty Course Module Planning

Name: Dr. Christopher Serafin		Course Title: International Business – Unit: Regional Economic Integration / Trade Blocs – The EU
		Discipline: Business Administration
Course/Module Narrative:	This unit will focus on the economic influence and makeup of two large supranational bodies; namely, the European Union, and NATO. Students will learn the general history of both institutions while being encouraged to think critically about their role in wider geo-political actions, particularly the War in Ukraine.	
Course Objectives: Identify various factors influencing global trade		
<ul style="list-style-type: none"><li>→ Discuss globalization, the evolution of international business, regional economic integration, and the international flow of funds and exchange rates.</li><li>→ Identify how legal and political environmental differences impact global business.</li><li>→ Recognize the cultural environment of global business and how a country's cultural dimensions influence multicultural businesses.</li><li>→ Identify and discuss the various aspects of entry strategies in the global market and the organization of the global market.</li></ul>		
Module Objectives/Learning Objectives: Discuss the role of the EU & NATO within a wider geopolitical and economic context		
<ul style="list-style-type: none"><li>→ Explore how EU trade agreements influence existing political relationships.</li><li>→ Discuss NATO's and EU history.</li><li>→ Examine how the war in Ukraine is affecting global trade.</li><li>→ Discuss the EU-NATO relationship with Ukraine.</li><li>→ Identify countries comprising the EU / Identify countries in Europe.</li></ul>		
Assigned Readings		
<ul style="list-style-type: none"><li>→ <a href="#">Economic impact of Russia's war on Ukraine: European Council response</a></li><li>→ <a href="#">CFR - War in Ukraine</a></li><li>→ <a href="#">The Impact of the War in Ukraine on Global Trade and Investment</a></li><li>→ <a href="#">Russia-Ukraine and the Impact on the World Food Supply</a></li><li>→ <a href="#">NATO Member Countries</a></li><li>→ <a href="#">Shuman Declaration May 1950</a></li><li>→ <a href="#">How Does the European Union Work</a></li><li>→ <a href="#">Russia-Ukraine war impact on supply chains and inflation</a></li><li>→ <a href="#">NATO's role in contemporary global security dynamics: beyond adaptability and resilience</a></li><li>→ <a href="#">NATO and Economic Security</a><ul style="list-style-type: none"><li>○ Dinan, Desmond, ed. <i>Origins and Evolution of the European Union</i>. 2nd ed. Oxford: Oxford University Press, 2014. (recommended)</li><li>○ Drozdiak, William. <i>Fractured Continent: Europe's Crisis and the Fate of the West</i>. W.W. Norton &amp; Co, 2017. (recommended)</li><li>○ Pagden, Anthony, ed., <i>The Idea of Europe: From Antiquity to the European Union</i>. New York: Cambridge University Press, 2002. (recommended)</li><li>○ Marsh, David. <i>The Euro: The Battle for the New Global Currency</i>. Yale University Press, 2009. <a href="http://www.jstor.org/stable/j.ctt1npjjn">http://www.jstor.org/stable/j.ctt1npjjn</a>. (recommended)</li></ul></li></ul>		
Content & Delivery		
Course Content	Instruction & Delivery (lecture, discussion, group work, etc.)	
<ul style="list-style-type: none"><li>→ Contemporary EU trade and political policy</li><li>→ NATO history and contemporary policy</li><li>→ Foundations of EU &amp; NATO</li></ul>	<ul style="list-style-type: none"><li>→ Discussion, and lecture</li></ul>	
Assessment		

## Brussels-Lux Study Tour

### Post-Secondary Faculty Course Module Planning

- In-class map quiz on European Countries.
- In-class writing assignment regarding theoretical roles of future EU and NATO actions/policy.
- Group discussion and participation throughout the lecture.

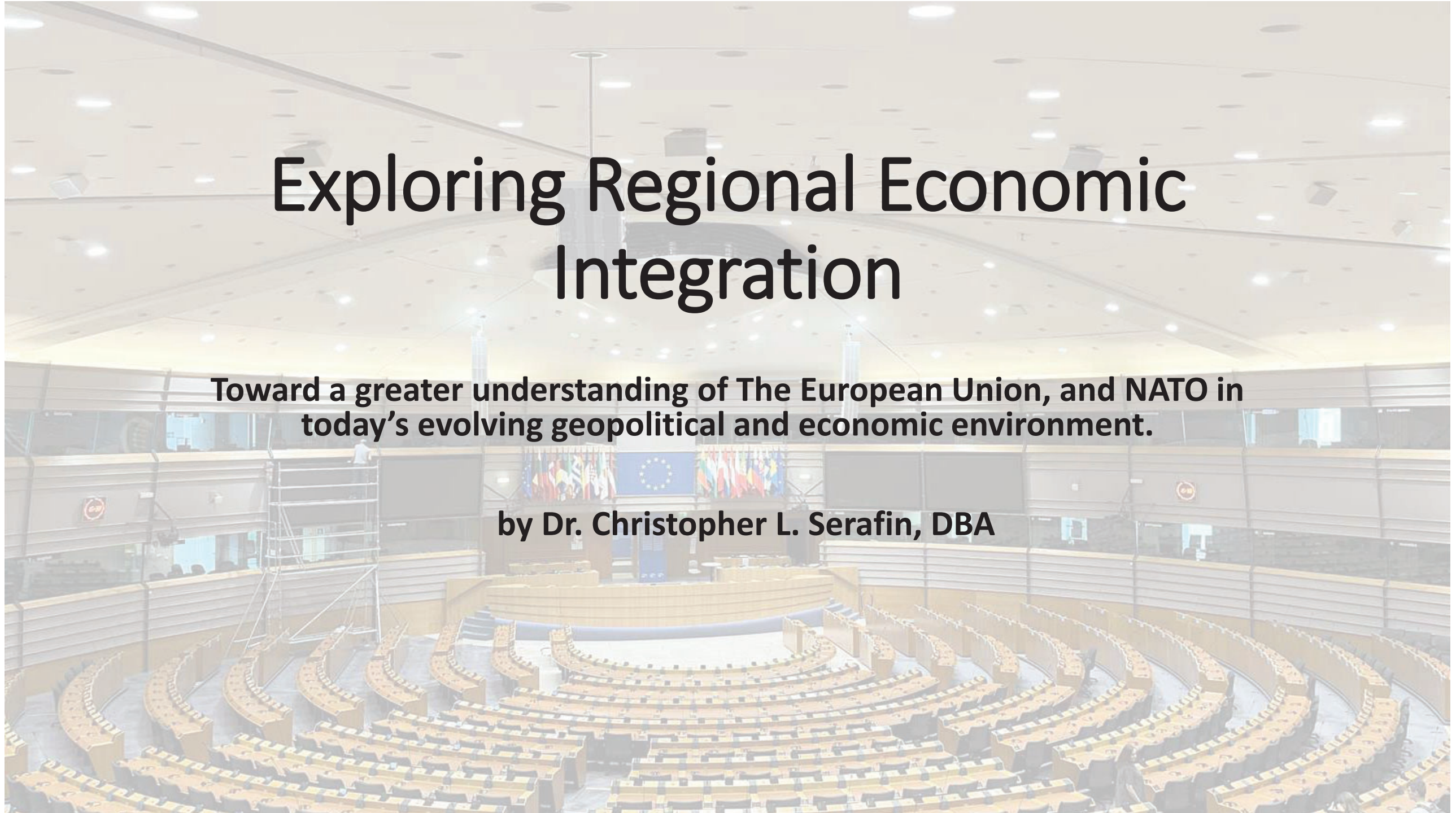
#### Resources and Materials

- Blank Map of Europe
- Answer key map of Europe
- [EU Trade Relations Map](#)
- [Economic integration, trade and connectivity - European Commission](#)
- [EU Trade Agreements](#)
- [EU position in world trade - European Commission](#)
- [Trade policy and agreements – EU action | European Union](#)
- [Overview of the Euro](#)
- [History of the European Union](#)
- [EU Games & Quizzes](#)
- [EU Made Easy](#)
- [What is NATO](#)

# Exploring Regional Economic Integration

**Toward a greater understanding of The European Union, and NATO in today's evolving geopolitical and economic environment.**

**by Dr. Christopher L. Serafin, DBA**



# What is the EU?



- The European Union is a group of countries bound together by shared economic, social, and political beliefs.
- Currently, it is composed of 27 European Countries, though new countries can and do apply to join.
  - Why would they want to join?
    - There are many economic benefits, including the free movement of goods and people across borders, and the option of adopting a common currency, the Euro, among other things.
- These countries come together to make social, legal, and economic policies that influence the union as a whole, while still retaining certain domestic freedoms and identity to individual member states.

# Foundations of the European Union



- How and why did it form?
  - The EU was formed after the destruction of World War II was realized.
    - Europeans were shocked at the horror and devastation of both world wars.
    - Amidst the social, political, and economic ruin, they sought a way to avoid future conflicts.
- Germany & France
  - As main actors in both wars, Germany & France looked for a solution to avoid future outbreaks.
  - It was thought that if Germany and France shared access to coal and steel resources it would lessen the chance of new conflicts breaking out.
    - Coal and steel were primary resources used for the production and stockpiling of war materials.
    - If France and Germany pooled these valuable resources, it would create economic incentives to avoid future conflicts.
- This first rendition of this idea was called the European Coal & Steel Community (ECSC)
- It was thought that:

"The pooling of coal and steel production... will change the destinies of those regions which have long been devoted to the manufacture of munitions of war, of which they have been the most constant victims."



# History of EU continued



- The EU was founded on economic principles
  - Ultimately, the concept for the EU came from the belief that sharing resources would limit the potential for future wars.
  - These economic foundations have helped make the union one of the leading economic engines in the world today.
- French foreign minister Robert Shuman was a founding father of the EU.
  - The Shuman Declaration of 1950 proposed the ECSC
    - April 18, 1951, a treaty was signed by 6 countries founding the ECSC as other European countries saw the benefit of this cooperative economic union.
- 1957, the Treaty of Rome founded the EEC (ECSC became EEC)
  - EEC = European Economic Community - Founding member countries:
    - France, West Germany, Italy, the Netherlands, Belgium and Luxembourg

# A Growing Union



- The EU has gone through many versions, with new member states being added throughout the years
  - 1973 (Denmark, Ireland, United Kingdom).
  - 1981 (Greece)
  - 1986 (Spain, Portugal)
  - 1995 (Austria, Finland, Sweden)
  - 2004 (Czechia, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, Slovenia)
  - 2007 (Bulgaria, Romania)
  - 2013 (Croatia)
- Currently contains 27 member countries
  - Used to be 28 countries until the UK left (Brexit) in 2020



# The Maastricht Treaty 1993

- This treaty established our modern understanding of the EU
  - **Purpose of this treaty:** to prepare for European Monetary Union and introduce elements of a political union (citizenship, common foreign and internal affairs policy)
  - **Main changes:** establishment of the European Union and introduction of the co-decision procedure, giving Parliament more say in decision-making. New forms of cooperation between EU governments – for example on defence and justice and home affairs.
- The Maastricht Treaty laid the groundwork for the Euro
  - What is the Euro?



# The EURO



- The Euro is a common currency used by European Union members
  - Like the American dollar or the Japanese Yen
  - As of August, 2024 – \$1.09 Dollars = €1.00 Euro
  - Today, the Euro is one of the world's largest reserve currencies as it's used by 20 European countries representing some of the wealthiest nations on earth.
- The Euro is used by roughly 350 million people across European countries.
  - It promotes economic and social unity.
    - How?
- European countries used to have their own currencies, making trade more difficult and complicated.
  - The single currency of the Euro promotes economic stability and follows the founding principles of the ECSC as an economic union that seeks to unite countries in shared principles of peace via economic solidarity

# Discussion

- How or why is the EU important today?
- What does it do?
- Does it have global or international authority?
  - Can it influence events in other countries?
  - If so how? If not why not?
  - Should it even be trying to do this?
- As a political union of powerful state actors, should the EU have a shared military arm?

# What is NATO?



- NATO stands for the North Atlantic Treaty Organization
  - It was also formed out of the ashes of WWII
    - Aka the Washington Treaty
    - Held in Washington DC
- Why was it created?
  - According to the US Department of State: The North Atlantic Treaty Organization was created in 1949 by the United States, Canada, and several Western European nations to provide collective security against the Soviet Union.

# Founding NATO



- Europe was destroyed after WWII
  - Many European countries struggled economically and had trouble ensuring their own security.
  - The US thought that a strong economically viable European continent was necessary for preventing the spread of Communism.
- Secretary of State George Marshall introduced the Marshall Plan
  - The US would contribute aid to rebuilding Europe.
  - Helped reinforce the idea of unity and shared interests between the US and Europe.

# NATO Founding Members



- 1949 Founding Members Included:
  - United States
  - Canada
  - Belgium
  - Denmark
  - France
  - Iceland
  - Italy
  - Luxembourg
  - Netherlands
  - Norway
  - Portugal
  - United Kingdom
- These countries agreed to consider an attack against one as an attack against all, along with consultations about threats and defense matters. AKA Article 5
  - Article 5 has only been employed once – after the 9/11 attacks against the US

# NATO Enlargement



- 1952 Greece & Turkey were added
  - Each country feared Soviet expansion extending to their borders.
- 1955 (West) Germany joined
  - On October 3, 1990, Germany reunified and the Federal Republic of Germany joined NATO.
- 1982 Spain joins
- Then...In 1991 – What happened?
  - With the Cold War ending, was NATO's existence still justified?
  - What do you think? Why?



# Post-Cold War NATO membership



- It was determined that NATO was still necessary and would provide enhanced security even after the Cold War ended.
  - 1999 – Czechia, Hungary, Poland join
    - Why was this significant?
      - These were former Warsaw Pact members
  - March 29, 2004 - Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia also join NATO
  - 2009 – Albania & Croatia join
  - 2017 – Montenegro joins
  - 2020 – North Macedonia joins
  - 2023 – Finland joins (why is this significant)?
  - 2024 – Sweden joins (what prompted Finland & Sweden to join)?

# NATO Today



- Today – how many countries are part of NATO?
  - Presently, 32 countries
  - These countries are sovereign states that come together to discuss security, political issues, and make decisions together.
- Currently, NATO's purpose is
  - According to NATO, it's purpose is: NATO's essential and enduring purpose is to safeguard the freedom and security of all its members. It does this through political and military means, ensuring the collective defence of all Allies, against all threats, from all directions.

# Who pays for NATO?



- Each country contributes funding to NATO
- Currently, there is a 2% of GDP guideline that countries need to meet.
- Since Russia's invasion of Ukraine, member countries have been increasing their contributions.
- By the end of 2024, almost all countries will meet or exceed this guideline.

# NATO Member Spending

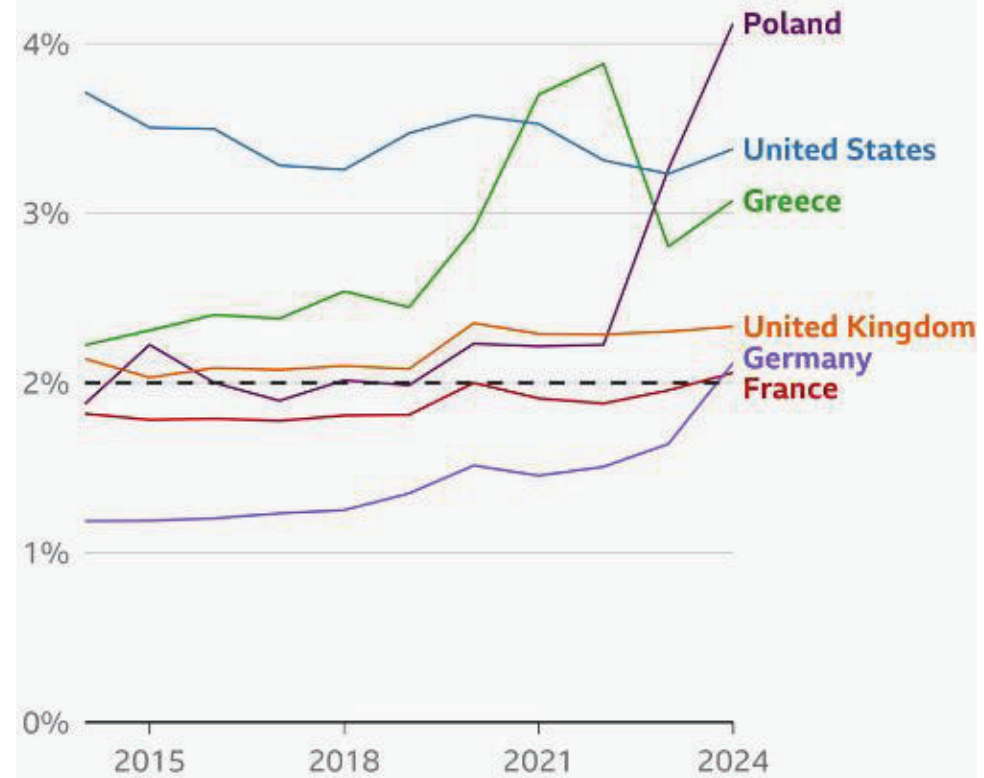


Defence spending by Nato countries in Europe as % of GDP



Nato members pledged to spend 2% by 2024

Defence spending as % of GDP



# Discussion

- What does the EU & NATO have in common?
- Do the policies of one body (EU or NATO) affect the policies of the other? If so, how?
  - Could the EU use NATO as its military arm?
  - What potential legal hurdles would affect such a suggestion?
- How has NATO helped EU member countries develop and grow economically if at all?
- What influence is the War in Ukraine having on the EU or NATO if any at all?
  - Is Ukraine a member of the EU or NATO?
  - Should this matter?

# Ukraine



- Ukraine is a country in Eastern Europe on the Black Sea
- Ukraine is just south of Russia and used to be a Warsaw Pact country.
  - What is the Warsaw pact again? Think Cold War.
- In 2014 Russia annexed part of Ukraine (Crimea)
  - 2014-2022 Russia & Ukraine have been fighting (Donbas)
- 2022 Russia invades Ukraine in earnest, war is ongoing
  - Economically, this has contributed to global inflation and disrupted global trade.
  - In what ways is it doing this?



# Economic Impact of War in Ukraine



- From an economic perspective
  - How is the war affecting the price of food globally?
    - Ukraine and Russia together produce roughly 30% of the world's wheat, 60% of the world's sunflower oil, and 20% of the world's corn.
      - IE: Since both countries have been fighting they are not producing as much wheat, corn, or sunflower, which creates a shortage of these commodities.
      - This in turn creates increased demand for something in shorter supply – which results in higher prices.
      - Wheat, for example, is an important crop used to make: bread, pasta, muffins, cakes, pastries, and crackers, but also it's used to create: starch, paste, malt, dextrose, alcohol, and other products.
- How is the war causing inflation to rise?
  - The war in Ukraine is also causing supply chain interruptions.
    - A supply chain is the series of events that must occur to get a product from its natural environment to you.
      - Think of all the different actions that must occur to get wheat from a field in Ukraine into a box of pasta sitting on the shelf at your local Walmart.
      - Ultimately, supply chain shortages increase prices by causing disruptions in labor, transportation, or simple time delays / combined with COVID-19 has had negative economic outcomes resulting in inflation.

# Discussion

- Historically speaking, why might the war in Ukraine make Europeans nervous?
- How should the EU approach the war in Ukraine?
  - What can it do?
  - How can the EU influence policy?
  - Should the EU have armed forces?
- How should NATO approach the war in Ukraine?
  - What can NATO do for Ukraine?
  - Is Ukraine a NATO member? Should this matter? Why or why not?

# Map Quizzes

- The next two slides have map quizzes for “fun.”
- Try to name as many countries in the European Union as you can using the blank map.
  - For extra credit, try to name as many total European countries as you can.
  - The website Geoguessr, also has a cool quiz you can try:  
<https://www.geoguessr.com/vgp/3007>
- An answer key for EU countries is provided on slide 23.







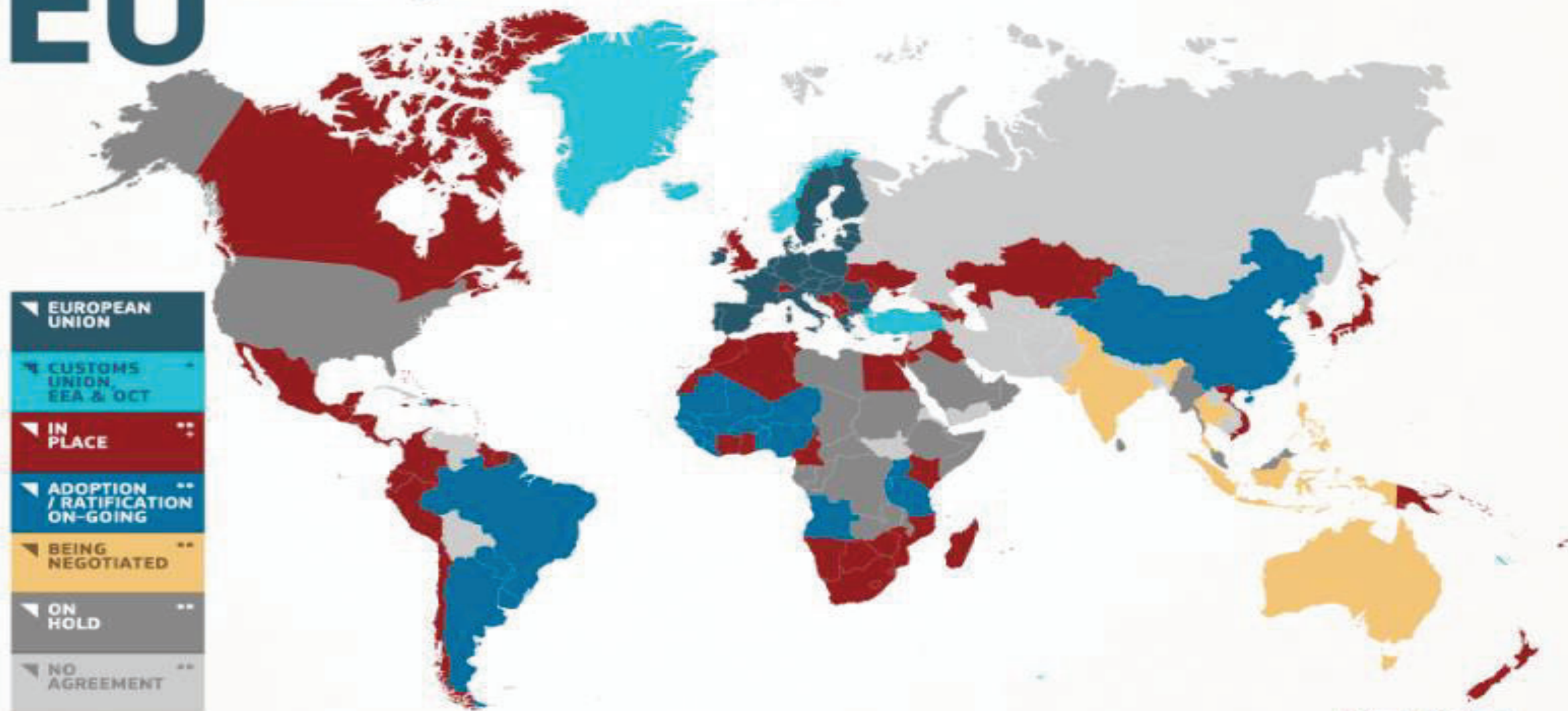
# Existing Trade Agreements Relationships

- As a foundational principle, the EU feels strongly that trade helps foster global connectivity and economic integration.
  - According to the EU website on trade, their position on this topic is as follows:
    - The EU is responsible for the trade policy of the member countries and negotiates agreements for them. Speaking as one voice, the EU carries more weight in international trade negotiations than each individual member would. The EU actively engages with countries or regional groupings to negotiate trade agreements.
- Reference the following slide to see the various trade agreements the EU has in place or is working on.
  - Do you notice any trade relationships conspicuously missing? Why might this be?



# EU trade agreements 2024

Updated 24/07/2024



\* European Economic Area (EEA) / Overseas Countries and Territories (OCT).

\*\* Free Trade Agreement (FTA), Deep and Comprehensive Free Trade Agreement (DCFTA), Investment Agreement, Enhanced Partnership and Cooperation Agreement (EPCA), Partnership and Co-operation Agreement with preferential element (PCA).

• The updated agreements with Tunisia, and Eastern and Southern Africa are currently being updated, the updated agreement with Chile is under ratification. The DCFTA with Georgia does not apply in South Ossetia and Abkhazia.

#EUtrade



# Lesson Conclusion & Paper Topic Questions

- Assessment for this lesson = 2 to 3-page in-class writing assignment (length is variable as time permits).

## Topics/questions to cover:

- Given the historical role and development of the EU, should it have a defense force attached to it? Why or why not?
  - How would such a development protect or inhibit the EU's economic (and by extension global) trade security? Defend your position with examples.
- Is NATO's existence still justified? How do you see the future of this organization?
  - How has NATO historically protected economic security and growth in its member countries?
  - What role should it have in relation to Ukraine...a non-NATO member?
- Justify your answers with evidence and solid arguments.

# Lesson References

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# Thank you for listening

This presentation is created with special thanks and consideration to the University of Pittsburgh's European Studies Center, for providing a week-long study tour of the EU in Brussels, Belgium, in June of 2024 for educators.