



**European Economic Integration**

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**EU-BREXIT-CEE-UKRAINE:  
EUROPE'S HEALTHIER FUTURE  
AND SOCIO-ECONOMIC LEADERSHIP**

**Abstract**

The horrors of WWII changed history and created a better Europe based on a Common market as an essential signal of unity among the EU member states. Now generations have grown up in peace and growing prosperity. However, a decade ago, ECB/EU had to overcome the EU-euro-financial crisis and now Brexit. In addition, Covid19 crisis brings many pressing problems, as the Coronavirus pandemic is likely to result in Europe/Germany's largest economic downturn in the last seven decades. Loss of prosperity, des-integration in the European Union could escalate further. Even in academic and scientific institutions and in European research networks difficulties are relevant. Can we overcome Brexit / Corona and create a healthy Europe that is a global socio-economic leader? Based on our Cultural Heritage across Europe we must look further than Brexit, and even more seek solutions to the Ukrainian conflict.

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*« There is a tide in the affairs of men  
Which, taken at the flood, leads on to fortune;  
Omitted, all the voyage of their life  
Is bound in shallows and in miseries.  
On such a full sea are we now afloat;  
And we must take the current when it serves,  
Or lose our ventures.»*  
**William Shakespeare: Julius Caesar**

### Acknowledgements and Dedication

As we journey through life cooperation and collaboration are important for our actions through inter-actions with colleagues, family, friends, and all who made my academic etc. journey possible: As European Commission-TACIS Manager in 1991-93 in Moscow I learned looking eastward. At that time EU's ability to overcome systemic challenges and political demands provided solutions to the problems faced.

This paper is dedicated to the memory of the wonderful and inspiring Prof. Gäbler as my thesis supervisor and more for his energetic contributions as an academic pioneer in European science and technology. In addition, we honour Prof. Ritter as founder of ISCES for his academic achievements in global science. He was supported by Alexander Elsas (1964-2019). For the Future of the Science Region Europe, see <https://ec.europa.eu/programmes/horizon2020/en>

The conference on *Global Trade / Innovations and Wealth* during the course of *Arnoldshain Seminar XVI* of Bournemouth University (UK) was the impetus for this work. Planned for 2018 by The International Society for Comparative Economic Studies (ISCES), it was postponed to 2019 because of Brexit. The Brexit panel included experts Brendan Vickers, Nicholas Perdikis, Christopher

Hartwell, with moderator Prof. Dr. Roland Eisen and local organizer, Prof. Sangeeta Khorana of Bournemouth University.

*Arnoldshain Seminar XVII* of June 15-20, 2020 at Universidad Alicante/Jaume I/Valencia also has been postponed due to the severe Corona crisis in Spain. We thank our colleagues from Spain / Europe and beyond for efficient digital-tool-actions and inter-actions in this context.

## **Literature review and problem statement**

Arnoldshain Seminar XVI focused on the global economic issues rather than the issues of Britain specifically, so Literature review for this article concentrated mainly on Brexit. Defining European integration has always provoked much debate in politics, amongst the public and in academia, as evidenced by Robert F. Dewey (2013). Social policy, initially restricted to employment policy, has long been a controversial issue in EU politics, with tensions between different national welfare models, the extent to which European integration should seek to balance economic integration with social integration, and the distribution of competences between EU institutions and Member States. This topic gains new dimensions in light of Brexit that are being explored by individual researchers and big institutions alike (Oliver et al., 2018). However, primary sources are of utmost importance, as they provide current information on the withdrawal (HM Treasury; Official Journal of the European Union, 2019).

In addition, the historical development of the European Union and the other European alliances and institutions, political framework conditions plus relevant treaties or agreements are relevant. A review of scientific publications on Brexit and European Integration problems in this context demonstrates enormous numbers of literature/media and scientific contributions from British/European/global university community (Luo, 2017; Raines, 2016; Barysch & Bildt, 2016; Baalen, 2016; Fligstein et al., 2012)

As Pandemics often changed the course of history and had great influence on the political destiny of Europe and its cultural and social development we analyse Brexit during the 2020 COVID-19 induced health systems and market crash. Heterogeneous responses across countries and companies (supply chains needed for products and services) based on astonishing gaps in actions/knowledge led Germany better during Corona pandemic than its EU neighbours and UK. We concentrate on **socio-economic aspects of establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 pandemic.**

The free movement of persons to determine their place of work is a core element of many EU programmes. It applies to research funding and student

mobility. Any restriction here will have consequences for the continued participation of British universities in «Horizon 2020» programme and planned successor EU Research Framework Programme, therefore it will also be addressed.

### **Historical overview**

The centuries after the collapse of the Roman Empire are called 'Dark Middle Ages'. However, it was also an era marked by cultural diversity, mobility and consolidation of regional identities.

An ancient English constitution *An Unknown Charter of Liberties* at the time of Anglo-Saxons protected individual English freedoms. Magna Carta Libertatum or Magna Carta of 1215, as the most important source of English constitutional law, established basic political freedoms<sup>1</sup> of the nobility vis-à-vis the English king. Over 1750-1914 UK's main economic sectors (industry, finance, shipping and trade) dominated the globe and British Empire peaked in size in 1922. However, costs of fighting two world wars put a heavy burden upon the UK and after 1945 its Empire began to disintegrate. Many territories demanded independence and by 1960 almost all colonies became independent.

UK entered EEC (now EU) in 1973 as one of the founding members. Near the 60<sup>th</sup> anniversary of the Treaty of Rome, the UK voted to withdraw from the EU, which resulted in the process that has come to be known as Brexit. Regarding the completion of withdrawal from the European Union, Minister Michael Gove said, «On January 1st, 2021, we will regain control and regain our political and economic independence» (Gove 2020). However, the implications for EU and UK are not clear. Keeping a 'political Europe' sustainable in East and West is required. Many basic cultural, ideological and technological influences remain for overcoming all challenges.

#### *Realization of «the United States of Europe»*

In 1946, former Prime Minister Winston Churchill gave a ground-breaking speech in Zurich in which he called for the formation of the «United States of Europe». At that time, almost all European countries were busy rebuilding their economies and political systems. Churchill's vision was that reconciliation and progress in Europe should be led by France and Germany, while Britain was to provide support more remotely. European Union and its member states mark May 9 as Europe Day, which commemorates the historic 1950 Schuman declaration for the establishment of the European Coal and Steel Community (ECSC).

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<sup>1</sup>Only three clauses of Magna Carta still remain on statute in England and Wales: 1) the freedom of the English Church, 2) the «ancient liberties» of the City of London, and 3) a right to due legal process.

ECSC was intended to make a renewed war between the European states materially impossible. The focus was on France and Germany, but other states were encouraged to join. The Treaty of Rome (1957) established the European Economic Community (EEC) as basis for a common market where people, goods, services and capital could move freely, creating the conditions for prosperity and stability for European citizens and allowing any European state to apply for membership (European Commission, 2017). Commission President Walter Hallstein called Europe at the time an «unfinished federal state».

#### *Accession of UK to EEC/ European Union*

The United Kingdom joined the then European Communities (EC) in 1973 as part of the first wave of enlargement together with the Republic of Ireland and Denmark. The reasons for joining were primarily economic in nature. In the 1970s, the United Kingdom was considered the ‘sick man of Europe’ and, after losing its empire, threatened to lag behind the continent’s economic development. However, the United Kingdom did not succeed in shaping the Union according to its own ideas – unlike France. Nor did the UK’s founding vision of peace find any particular resonance, as it continued to see itself as a global player of relevance to world politics after the Second World War. British relationship with the EEC/ EU (Maastricht-Treaty 1992) was marked by reserve, but since its accession, UK has proved to be a reliable and pragmatic partner.

The UK was the largest net contributor to the EU budget after Germany, both being permanent «net contributors». However, UK’s net position gained an annual discount on its payments to the EU budget since the mid-1980s as Margaret Thatcher claimed that without the rebate, the country would contribute excessively to the financing of the EU compared to its prosperity. Thus, Prime Minister Margaret Thatcher already called for special treatment for UK in the European Union (EU) in the 1980s.

However, Thatcher was clear in her support of creating the EU internal market. Based on history, the main issue was agricultural (food) budget, from which UK, in their view, did not profit because of the low importance of their agriculture. After tough negotiations, it was agreed that UK would be reimbursed about 66% of its net payments. From 2010 to 2014, the British rebate amounted to 4.3 billion euros and has totalled more than 110 billion euros since 1985. During 2010-2014, UK paid 8.5 billion euros more to the Brussels budget than they received back: i.e. 0.42 percent of the British GDP. The European Council decided to continue with a new Multiannual Financial Framework (2014-2020) in February 2013. UK’s withdrawal from the EU («Brexite») puts the entire system of compensation payments to the test. British withdrawal from the EU now means other Member States have to make larger financial contributions to EU budgets through this complicated mechanism.

### **Brexit's first consequences**

The original EU treaties initially provided for neither withdrawal nor exclusion from the EU. It was and is possible to suspend certain rights if the Council, acting unanimously in a Member State, finds a serious and persistent breach of the principles of the EU. From the point of view of international law, withdrawal was conceivable despite the absence of provisions in the EU Treaties. The Treaty of Lisbon (2009) was the first to contain a withdrawal clause (Hofmeister, 2010). Each Member State may decide to withdraw voluntarily from the EU. The Union negotiates with this state the agreement on its withdrawal and its future relations with the EU. Due to the close links between the two, this, for example, could mean further participation in the internal market. After withdrawal, a state can apply for EU membership again.

On 23rd June 2016, 51.9% of the British public voted in favour of the UK leaving the European Union. The result of the referendum, which surprised many, caused horror – both among the Brexit opponents in the British Isles and in most of the remaining 27 EU member states. The majority of the population in England and Wales was for leaving, but all constituencies in Scotland and Northern Ireland and almost all constituencies in London voted to stay in EU. Shortly before taking office in October, PM Theresa May commented (BBC News, 2016), «Brexit means Brexit». Many claimed that the main reason for Brexit was to remove the obligation for the UK, to contribute to the financing of the EU budget as its third largest net contributor.

The UK stopped being a member of the European Union (EU) at 23:00 GMT on 31 January 2020. The UK is the first member state to withdraw. The negotiated Brexit package includes a nearly 600-page exit agreement. It lays down the conditions of the separation – such as the rights of EU citizens in the UK and final payments by the UK to the EU of an estimated €45 billion. A transitional period until the end of 2020 could be extended to the end of 2022 (Bank of England, 2018).

While the UK has agreed the terms of its EU departure, both sides still need to decide what their future relationship will look like in detail. Especially for British universities it is uncertain how much the EU will reduce its financial contribution to support research activities when the country is no longer a member of the EU and whether the national budget will then fill the gaps. The EU funded 16% of research in 2015. In the 30th anniversary year of the European flagship program Erasmus, the future of this and other funding programmes in research cooperation and development of higher education capacities will be affected by cuts in the future. However, participation in the Bologna Process, European Qualifications Framework, and similar programmes is still possible (Horizon, n.d.).

Universities across the UK are calling for emergency funding of at least £2bn, warning some institutions will go bankrupt without it. Corona virus pan-

demographic puts UK universities in danger of sharply cutting overseas student numbers, which would result in financial vulnerability. They are asking for controls on student numbers in each university, to keep fee income at similar levels to last year. Universities are promising to honour any offers already made to students.

According to Universities UK (2020), «Without government support, some universities would face financial failure, others would come close to financial failure and be forced to reduce provision». BBC (Coughlan, 2020) reports, «Universities receive almost £7bn in fees from overseas students, and fear that their numbers could be much reduced this autumn. The university sector says it has already lost £790m in cancelled business activities: conferences, catering and student accommodation. There is also uncertainty about whether campuses will be able to re-open in the autumn and whether many UK students will defer entry this year... This is a particular risk for universities in England and Wales, which are highly dependent on tuition fee income». European Union students are now categorized as overseas students, so they will face higher fees and visa restrictions. Oxford University plans to introduce a recruitment freeze and redeploy staff (currently employs about 15,000 people) as part of dealing with financial uncertainty caused by coronavirus.

UK remains one of the most influential countries in the world in terms of foreign and security policy as permanent member of the UN Security Council with veto rights, nuclear power and the highest defence budget and the largest military capabilities in Europe. Also, its extensive diplomatic network and a global reach beyond the European continent and a 'special relationship' with the US and the reserved attitude towards the EU's foreign and security policy should help rebalance UK's relations with the EU after its withdrawal.

However, in this context, UK was the only member state besides Ireland and Sweden to open its labour market to immigrants from the Central and Eastern European EU states. Since then, the number of EU workers in Great Britain has increased significantly. UK benefited economically, but the population's fear of excessive migration has increased. UK's traditionally good relations with Central and Eastern European states recently suffered as a result, although there is increasing common ground with the governments in Warsaw or Budapest, for example, in terms of scepticism about further EU integration.

As the UK is leaving the European Union all eyes are on the eminent economic effects and future trade negotiations to balance its relations with the EU after its withdrawal. In comparison, how British people felt about their country at this defining moment of their history received less attention (de Vries & Hoffmann, 2020).

Since the middle ages, City of London has been a most important financial centre in Europe for business and financial operations, attracting rich people from all over the world with money, low taxes, a stable state, reliable legal system and a bit of old imperial glamour. A preferred domicile for the global rich, London is not only the historic capital of the English language, which contributes to its status as a powerful media hub and major advertising centre, birthplace of busi-

ness practices that define global capitalism. Now wealth is dwindling and London's expensive real estate falling. Eighty percent of economic output UK comes from the service sector. London's Stock Exchange fell sharply when companies and investors pulled out of Britain and moved their business after the Brexit vote. However, some experts then predicted that London would continue to dominate European financial markets, firstly, because of the strength of the local courts, secondly, as the UK's university education in economics and finance is far superior to that in the rest of Europe (Papillon, 2017).

*COVID-19: EU and UK's strength-test in the Brexit transition period*

COVID-19 reminds us even more how our wellbeing is interconnected: in the course of some weeks, everything in UK and Europe came to a standstill. Pandemic figures indicate UK's deepest economic slump in centuries: the GDP is projected to fall 20 percent in 2020. Last time this happened was in the 17<sup>th</sup> century (Siedenbedel & Zaboji, 2020). Prime Minister Boris Johnson did not take Corona seriously until March. After Imperial College estimated 500,000 dead after a few weeks in the British «herd immunity experiment», he changed course and experienced first-hand how dangerous the virus was. Now economic slump can lead the government to a turnaround in the Brexit business. Although many experts assume that leaving the EU without a trade agreement will lead to massive economic upheaval, the government in London wants to stick to its current roadmap. EU and ex-member state UK want to negotiate a free trade agreement. If the timetable is not met, the British will be threatened with a no-deal Brexit in addition to Corona clean up. The Bank of England in its Monetary Policy Report (2020, May) is expecting a 25 percent decline in economic output for the period from April-June 2020 compared to the previous year and economy could shrink by 14 percent in 2020. Restrictions due to the Corona pandemic could cause the highest decline in economic activity in Bank of England's 325-year history: a dramatic decline since 1706, an extreme hard winter in Europe.

About 50,000 coronavirus deaths in UK, Europe's worst results, prompted calls for a public enquiry into government handling of the Coronavirus pandemic. It heavily burdened NHS, as services are free of charge for the patients and paid from the national budget. British do not have to pay into any statutory health insurance, however, this also makes the system directly dependent on the government's budgetary policy. Now, thousands of positions for nurses and doctors are unfilled, mainly Eastern Europeans, have returned home because they no longer feel welcome. Nevertheless, UK could still make use of the EU emergency pool this year, and would have access to the joint procurement of respiratory equipment. In comparison. Germany's healthcare system demonstrated good results during the Covid Pandemic, as noted by experts during an online presentation (UCSF School of Medicine, 2020). But PM Johnson insists the transition period will not be extended, even if the timetable is challenging. Aside from licensing and regulation of medicines, many other aspects of the future UK-EU relationship will also need to be decided, for example, law enforcement, data sharing and security, aviation standards and safety, access to fishing waters, supplies of electricity and gas, and trade.

## EU Recovery Action Plans as #NextGenerationEU

European Commission (2020) addressed the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions saying, «The corona virus has shaken Europe and the world to its core, testing our healthcare and welfare systems, our societies and economies and our way of living and working together. People have lost their loved ones and their jobs, while plans and futures have been cast into uncertainty. Europe was confronted by a public health challenge that quickly became the most drastic economic crisis in its history... Now is the time for our European Union to get back to its feet and move forward together to repair damage from the crisis and prepare a better future for the next generation».

Corona-crisis hits EU-economies now symmetrically with differences in magnitude levels: sharpest drop is estimated in Greece with 9.7 percent, in Italy with 9.5 percent and in Spain 9.4 percent. Italy's industrial centres in the north of the country were hit hardest. After *Grexit-discussions*, as Italy now has second largest debt in relation to GDP, fears arise of '*Italex*', i.e. Italy to fall out of the Eurozone and even the EU. Because of discrepancies between European countries, the EU initiated an economic stimulus package based on a 500 billion euro Franco-German initiative for economic recovery in the EU. However, there was resistance in Austria, Netherlands, Denmark and Sweden as it offered only repayable loans and no grants. If the countries stand shoulder to shoulder, they can borrow money on more favourable terms than many governments could do on their own. Crisis states such as Italy or Spain, but also affected industries could receive subsidies. However, for this to happen, all 27 EU countries must agree to pay off the debts of EU countries through contributions to the EU budget over a long period. It comprises around €750 billion loans and grants (DW, 2020), excluding the various national programmes: German aid package is 55% of GDP – €1,9 trillion (Schneider et al., 2020) or Italy – €55 billion (Fonte & Balmer, 2020).

Also European Central Bank (ECB) promised to buy up to €750bn more of government and private bonds in a Pandemic Emergency Purchase Programme. The spending would last until at least the end of 2020 «to counter the serious risks to the monetary policy transmission mechanism and the outlook for the euro area posed by the outbreak» (European Central Bank, 2020). As Bardt et al. (2020) rightly point out, comprehensive efforts by the ECB and the Commission, including loosening the rules concerning state aid and in the second phase mean that Europe will need a common recovery program fostering economic development in order to come back to sustainable growth quickly. Open borders for goods, services and labour are necessary to maintain the single market and to restart cross-European value chains. The nature of the actual economic crisis re-

quires investment in the next generation, so EU-Commission is proposing a new standalone EU4Health program with a budget of €9.4 billion (European Commission, 2020).

Going further to address the inevitable losses caused by the COVID-19 pandemic, the Commission proposed a recovery plan called *Next Generation EU*. As per the press release of European Economic and Social Committee (2020, June 3), «[the plan] consists of extraordinary funding of €750 billion to be invested across three pillars: a new recovery and resilience facility of €560 billion which will be allocated to Member States with a mix of loans and grants (45/55%); a new Solvency Support Instrument with a budget to support private companies; and a third pillar, called «Addressing the lessons of the crisis», that includes a new health program, EU4Health, to strengthen health security and prepare for future health crises.»

Bulgaria may benefit the most from this Corona aid package. While the country's economy is expected to collapse by around seven percent this year according to the forecast of the EU Commission, the country will receive transfers amounting to 15 percent of GDP. The bottom line is that the country will receive around eight percentage points more than it is losing – the equivalent of around 4.8 billion euros. Besides Bulgaria, Croatia, Poland, Romania and Latvia would also be among the five biggest beneficiaries of the Corona aid package – relative to the loss of GDP. Ireland, France, Belgium, the Netherlands and Germany will also receive billions, but measured against GDP and the predicted decline in 2020 the net result will be smaller, e.g. Germany would receive €29 billion, but a real GDP decline of 6.5 percent as forecast by the EU Commission would entail economic losses of €223 billion in real terms.

Another aspect of *Next Generation EU* that would ensure EU uses its full potential is creating competitive sustainability. Europe needs initiatives to foster growth through public and private investments, focusing on health, technology, and the green economy. A Green Deal should play a key role for an economic recovery programme as Climate future of EU-Europe will transform the way we live, work and move (European Commission, 2019). In addition, International Organization for Migration (IOM) estimates that there could be as many as 200 million such refugees by 2050, «environmentally/climate displaced persons» – especially to European countries (Apap, 2019).

The *Recovery Plan for Europe* (2020, July) also takes into account the digital needs of the modern economy. More investment in communication technologies, as well as «artificial intelligence, cybersecurity, data-cloud infrastructure, 5G/6G- networks, super-computers and blockchain technologies» is suggested due to the resulting positive effect on Europe's strategic autonomy. The EU countries under the Recovery and Resilience Facility will receive proceeds from the Commission targeting their reform and resilience plans, in particular «the Green and Digital transformation, the Member States' national energy and climate plans, as well as with the Just Transition plans». Additionally, in light of

Covid crisis it has become clear that there is need for a new pharmaceutical strategy to address the exposed risks like pharmaceutical production capacities in Europe.

In the long-term, the revised Multiannual Financial Framework 2021-2027 is planned to be adopted in December 2020 to establish overarching strategy for the next seven years.

### **Brexit-EU-CEE-Ukraine and the House of Europe**

Challenges from *perestroika* agenda spread as stories from Portugal to Ukraine and urged countries to create coherent transformation programs. Shortly after the *Peaceful revolution*, Soviet power collapsed and many CEE-states joined an expanded EU, forming the so-called «New Europe». At the Conference on Security and Cooperation in Europe (CSCE) at the Paris Summit in 1990, all members of NATO, the Warsaw Pact and the 12 non-aligned states of Europe adopted a *Charter of Paris for a New Europe* (1990). President Mikhail Gorbachev in his 1987 book *Perestroika* spoke of a «Common House of Europe» where Russia would live with equal rights and obligations. This idea would be improved upon and developed into the framework of CSCE, aiming to decrease defence spending in the Western nations after the end of the Cold War.

In 2004, CEE-countries were admitted to the EU, but European Union was more fractured between North and South, East and West than ever before. Ukraine has long struggled with the direction of its foreign policy until settling on Euro-Atlantic integration. However, its aspirations of becoming a member of the EU as soon as possible were a rather unfulfillable wish from Kiev, so a compromise was achieved in its «substitute» – a 2014 Association Agreement between the EU and Ukraine. Unfortunately, it was seen in Moscow as a last geopolitical grab for control of this neighbour of Russia. Further exacerbating the precarious relations, Russia annexed Crimea in 2014, violating the UN Charter, the CSCE Act and other European treaties. EU does not recognize annexation of Crimea. Wolfgang Ischinger, a German diplomat, considers dangers in 2020 to be greater than in the late phase of the Cold War, thus bringing the necessity for OSCE to deal with all these irritations and misperceptions full circle. As a construction of 57 states, including America and Russia, OSCE may be the organisation capable of restoring the lost trust between the East and the West. In comparison, EU's lack of problem-solving capacity demands for moral authority based on EU as a triad of promises of peace, prosperity and solidarity, stresses the peace-building significance of EU enlargement to the East, and resolving the perpetual conflict between «deepening» and «enlargement».

From the collapse of the Soviet Union to Putin's offer of cooperation to the West, presented in his speech to the German Bundestag only a few days after 9/11, to Putin's «anger speech» at the Munich Security Conference in 2007, when the whole frustration over the West's unwillingness to cooperate exploded out of him, to the most recent tensions in connection with the Crimean annexation and the fighting over eastern Ukraine, the relationship with Russia has been EU's predominant one among its relationships with Eastern neighbors. Many observers perceive Ukraine currently and historically exclusively in connection with Russia. A Ukrainian perspective, familiar with the country's historical development, its cultural and ethnic make-up and its imperial heritage, from the Kiev Empire of the Middle Ages to the Soviet era and events on Majdan and the annexation of Crimea, matters. In 2019, the Orthodox Church of Ukraine was recognized with Autocephaly Tomos. At first glance this is a purely religious development, however, since the only church previously recognised by Constantinople maintained close ties with its Moscow centre, it might significantly undercut the pro-Russian influence on the Ukrainian populace (Soroka, 2018). Unfortunately, the current European leanings and any socio-economic progress achieved by Ukraine are put to the test by the pandemic.

Similarly, pandemic in CEE is changing societies in Eastern Europe and EU must improve its communication strategy in the eastern neighbourhood due to great mistrust. In Georgia, political camps are unusually united. On Europe Day, the Georgian Prime Minister Giorgi Gakharia commented on the fact that the European Union were the first to express their desire to help Georgia in the fight against coronavirus. He congratulated and thanked every European, everyone who considers themselves European, for the help they are providing to Georgia (Dumbadze, 2020).

However, these are not common sentiments in the other CEE countries. History, geographical location and rejection of EU migration policy has been a common ground for the Visegrad states, Poland, the Czech Republic, Hungary and Slovakia. This group acted as a mediator towards the East in the dispute over migration in 2015. EU Eastern Partnership and the question of the Western Balkans is designed to promote innovation and cohesion in Central/Eastern Europe.

As noted by Ian Kershaw (2019), the united European continent has felt «more peaceful, more prosperous and more free than at any time in its long history». However, it had been increasingly exposed to global pressures, from migration to technology, terrorism to trade, prosperity with inequality, diversity with division, winners with losers. There are concerns that an economic crises and limits of solidarity can stop Europe's traditional urge to expand and the consequences of its economic and political over-expansion may reflect on Europe's economic attractiveness. Nevertheless, despite Brexit, the EU still has 27 members, and new candidates are still on the doorstep. The euro is used by over 340 million EU citizens in 19 countries and is second important currency in the world. In 2020 all cross-border payments in euros in non-eurozone countries, namely

Bulgaria, Croatia, Czechia, Denmark, Hungary, Iceland, Liechtenstein, Norway, Poland, Romania, Sweden and the UK, are priced the same as domestic payments.

### **Conclusion: Brexit, Covid19 crisis and dis-integration in EU**

All European countries now suffer major losses of wealth. Both sides after Brexit-failure of negotiations will have to conduct their trade according to the rules of WTO. The political «ice age» will be even more serious. All disadvantages of a breakdown in negotiations are so great that both sides will need time to pull themselves together.

Countries with good public health systems are better able to control the pandemic. A €750 billion reconstruction plan from EU Commission financed by loans from the financial markets must be repaid via EU budgets during 2028-2058. As the next generations will be burdened with 750 billion in debt, creating future is important: the EU must decide how this money is to be spent. The European Commission must monitor both how the money from the «Next Generation EU» reconstruction is spent and provide the EU with the financial resources and instruments in the long term, to ensure that future crises do not require ad hoc solutions, but rather solutions are simply ready for use. Europe of tomorrow is made today – the Commission has already launched an online public consultation asking all Europeans about future directions. Whatever they may be, Europe's nations can only overcome crisis by providing impulses for the renewal of the EU, which requires structural political, economic, social and ecological changes that can only be achieved by joining forces.

The cooperation among nations is largely managed by the presidency of the Council, which rotates among the EU member states every 6 months. During this 6-month period, the presidency chairs meetings at every level in the Council, helping to ensure the continuity of the EU's work. Croatia presides over the EU Council during 1 January – 30 June 2020. Germany follows from July 1, under the slogan of «healthy Europe» and a strangely functioning global economy to operate as an export nation. As Germany takes over again, it faces an old dilemma: leading the EU without dominating, as 75 years after the end of the war, Germany's past remains a challenge with the legacy of World War II also concerning future generations. Germany will focus on restarting the EU economy after Corona, energy transformation and digital policy plus finishing the negotiations on the Multiannual Financial Framework (MFF) for 2021-2027.

Britain and the EU will have to agree on their future relationship by the end of 2020, which falls into the period of Germany's presidency of the Council of the European Union. The future of relations with the UK after Brexit need a compro-

mise between the EU's the North and the South regarding the principles of providing assistance and financial tools in Europe. German presidency hopes to take advantage of the chance to build upon the solid relations between member states, but citizens across the Union remain sceptical, which is not helped by China's efforts of engaging only CEE countries with overtures of friendship, taking advantage of the internal EU disputes and using EU's weaknesses.

While all disasters and calamities are limited in geography and duration, the same cannot be said about pandemics – they can occur everywhere at once and last for months or years. The devastating impact of 1918 influenza pandemic circled the globe in recurring waves, killing many more people than the brutal WWI: estimates for the pandemic range to 100 million – equivalent of more than 400 million people today. Future microbial pandemic might not arise in our lifetimes, and by the time it does, science may have come up with robust medical countermeasures to contain it at lower human and economic cost. Alternately, future pandemics could bring us down—killing millions, devastating commerce, destabilizing governments, skewing the course of history for generations.

According to the United Nations, human development could fall this year because of the Corona crisis for the first time since the introduction of UN Development Index (HDI) 30 years ago. The United Nations and the World Bank fear a sharp increase in extreme poverty as a result of the corona pandemic. Can we fill the gaps left by the pandemic and ensure the European dream of peace and prosperity, securing Europe's socioeconomic leadership?

A look at European history shows that common values and cultural differences have always shaped the European identity and this may be a challenge for churches and community leaders, as well as politicians and economists. A basis for the future is our Cultural Heritage across European Borders and academic institutions. Our «House of Europe» is an image of an association of states in EU and beyond.

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