



J.D. Agarwal & Aman Agarwal, EU Enlargement: Global View

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By

Dr. J. D. Agarwal

Professor of Finance,

Founder Chairman, Indian Institute of Finance,

Chief Editor, Finance India

Web: <http://www.iif.edu>; Email: jda@iif.edu

Phone 91-11-27136257; Mobile 9810124292

Prof. Aman Agarwal

Professor of Finance &

Director (Offg), Indian Institute of Finance,

Director, IIF Business School (GGS Indraprastha University)

Web: <http://www.iifbs.edu>; Email: aa@iif.edu

Phone 91-11-27437917; Mobile 9810029223

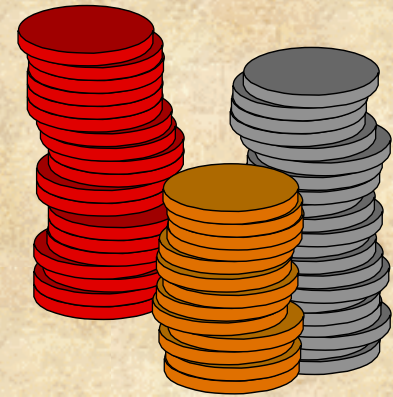
European Customs Conference 2004, Graz, Austria

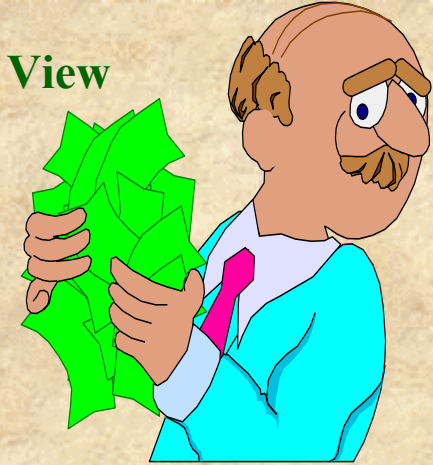


Introduction

World Economy

- **Emerging Power Structure**
- **Erstwhile Power Structure (post WW II)**
- **Dominance of European Nations**
- **Reduction in the dominance of European Nations as a result of WW I and WW II**





Introduction

Objectives

- **Peace, Prosperity & Stability and recovery of the lost glory**
- **Events at turn of the Century**
 - **Fall of Berlin Wall & Unification of two Germanys**
 - **Formation of CIS & Fall of USSR**
 - **Uni-Polar World**
 - **Emergence of terrorism, Militancy & Insurgency**
 - **Formation of WTO & Free trade investments & services**
 - **Emergence of Global MNCs**



EU : A Reality

- **EU – Apprehensions about Political Union**
- **EURO**
- **EU Institutions**
- **EU Change in the thinking and attitude**





EU Institutions: *Historical Perspective*

Integration Process started with setup of “The European Federalist Union” in Paris (17th December 1946)



French Council for a United Europe (by Rene Courtin 1st June 1947)



Formed into European Movement (1953) & Nouvelles Equipes Internationales (by Christian Democrats) later known as “European Union of Christian Democtracts (1965)



The Societal United States of Europe Movement (June 1947, as European Left)



Other Institutions formed were –

- * Organization for European Economic Cooperation (OEEC) (on 16th April 1948) ,
- * The Council of Europe (28th January 1949) ,
- * European Coal and Steel Community (ECSC)(18th April 1951) ,
- * European Defense Community (EDC) (27th May 1952) ,
- * The Court of Justice (1952),
- * Western European Union (WEU) (20th October 1954),



EU Institutions: *Historical Perspective*

Other Institutions formed were – *(Continued)*

- * European Economic Community (EEC) (25th March 1957),
- * The European Atomic Energy Community (Euratom) (25th March 1957) ,
- * Committee of Permanent Representatives (COREPER) (26th January 1958) ,
- * European Parliament (1958) ,
- * European Investment Bank (EIB) (1958) ,
- * European Free Trade Association (EFTA) (July 1959),
- * European Organization for the Safety of Air Navigation (Eurocontrol) (13th December 1960),
- * European Regional Development Fund (ERDF) (18th March 1975),
- * Regional Policy Committee (RPC) (18th March 1975),
- * The Court of Auditors (25th October 1977) ,
- * European Regional Development Fund (ERDF) (6th February 1979),
- * European Monetary System (EMS) (13th march 1979),
- * European Bank for Reconstruction and Development (EBRD) (29th May 1990),
- * European Central Bank (ECB).



Future Scenario : 2020

- **China, US, Japan & India may emerge as the 4 major economic powers**
- **The present estimates indicate that none of the nations from the Europe qualify to be a major economic power by 2020. EU is considered as a major economic power Worldwide as it is viewed as a consortium of nations**
- **The EU enlargement & Integration may change the economic power structure by 2020 in the World Economy**



Future Scenario : 2020

- **EU Enlargement & the integration may also make the EU to emerge as a major social, political and military power with its dominance in its international relations, depending upon the way EU enlargement and integration takes shape in the future.**
- **Will the World be**
 - **bi-polar – US, China or**
 - **Tri-polar – US, China & EU**
 - **Quadri-polar – US, China, EU & Russia**





Future Scenario : 2020



- **The EU is viewed to be an important pillar in the international power structure**
- **EU enlargement may provide a strong stabilizing effect to the World Economy for Peace, Prosperity & Stability against the Uni-polar or Bi-polar international power structure**



Future Scenario : 2020

- **EU enlargement may facilitate and enhance free movement of people, goods and services at lower costs (lower transaction cost) not only within EU, but also with the rest of the world. Particularly the developing region**
- **EU may provide a good option to most countries to tie up their currencies with EURO instead of Dollar as at present.**



Future Scenario : 2020

- **Dollar which has emerged as a single most important international currency in the world may gradually face a strong competition with EURO. The EU enlargement may facilitate EURO to be the dominating currency in the years to come. The international dominance of the currency has both the political and economic implications and facilitates building up brand equity for the nations connected with the currency.**



Future Scenario : 2020

- **EU enlargement may facilitate large FDI inflows and outflows both in absolute and relative terms, sending a signal internationally that EU matters more than ever before.**
- **Reduce inequalities of income & wealth between the people and the multinational nations**

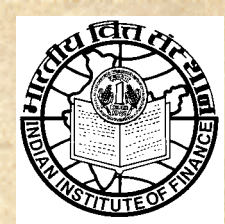




Future Scenario : 2020

- It may generate greater cooperation, understanding and employment opportunities among the people and the member nations.
- It may generate wide acceptability for a stable and stronger EURO in the enlarged EU

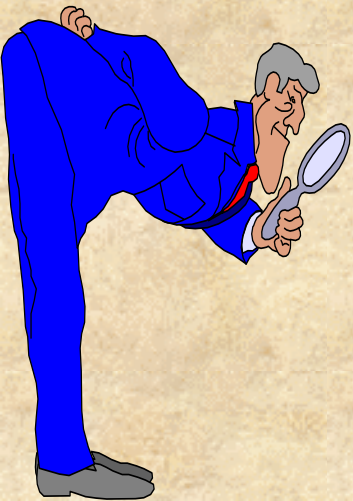


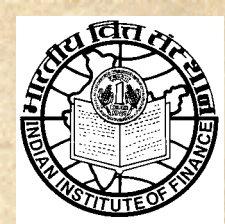


Conclusion



Size Matters as is generally believed and that holds true for EU enlargement as well.





Thank you

I must thank the organizers to have given me an opportunity to share my views on the subject.

I must also thank you, ladies and gentlemen, for your kind patience.

