# More Integration, Disintegration or Something in Between: Lessons from Brexit and Some Other Issues

MIKLÓS SOMAI
PhD, Research Group on European Integration
Institute of World Economics
Centre for Economic and Regional Studies
1097 Budapest, Tóth Kálmán utca 4, Budapest
HUNGARY
somai.miklos@krtk.mta.hu

*Abstract: This paper, by presenting and analysing some recent phenomena – like Brexit, the income (or more generally: prosperity) gap both between Western and Eastern, and Northern and Southern European member states, tensions within the Euro system, or even the resolution of the Greek crisis – would like to point to a certain direction which is worth to be considered in relation to the future of the European Union. In contrast to the standard narrative, it argues that instead of ever more integration – i.e. consisting of forcing more and more dogmatic economic policy under German domination –, Europe would benefit from a looser, multi-tier integration, based on mutually advantageous cooperation of nations. Such a solution would not exclude the preservation of a hard core of countries with deepening integration amongst their economies, but would give countries of the periphery the opportunity to preserve their room for manoeuver, their chances of development, and ultimately their dignity.*

*Key-Words: - EU, GDP per capita, REER, East-West divide, North-South divide, disintegration, net earnings, unemployment, depopulation, sovereign debt crisis, Brexit, democratic deficit*

*JEL classification: - F15, J11, E50, O11*

## 1 Introduction

The major treaties, which are the milestones of the European integration, contain ambitious plans and noble goals. The Preamble of Rome Treaty says that the signatories are "*resolved to ensure the economic and social progress of their countries*"… affirming the essential objective of their efforts being "*the constant improvement of the living and working conditions of their peoples*" (EU treaties, 1957). In the Maastricht Treaty appears the desire of the contracting parties "*to promote throughout the Community a harmonious and balanced development of economic activities*", also "*a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States*" (EU treaties, 1992). Finally, the Lisbon Treaty states that the Union "*shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress*" (EU treaties, 2007).

This paper[1] assesses how far reality is from expectations and from what the Founding Fathers and their successors have, from time to time, set themselves as goals to achieve by the (then) foreseeable future. It will be focusing on some crucial problems, like the remaining East/West divide and the growing North/South divide, as well as the way both Brexit and the Greek crisis have been handled. After presenting and analysing these dysfunctions in today's European policies, we conclude that a looser, multi-tier integration, based on mutually advantageous cooperation of nations would most probably better fit to Europe than continuing with the model of '*ever closer Union*'.

## 2 The old divide and the new divide

[1] Paper presented at the 13th Hungarian-Romanian round table, Budapest, September 26, 2019.

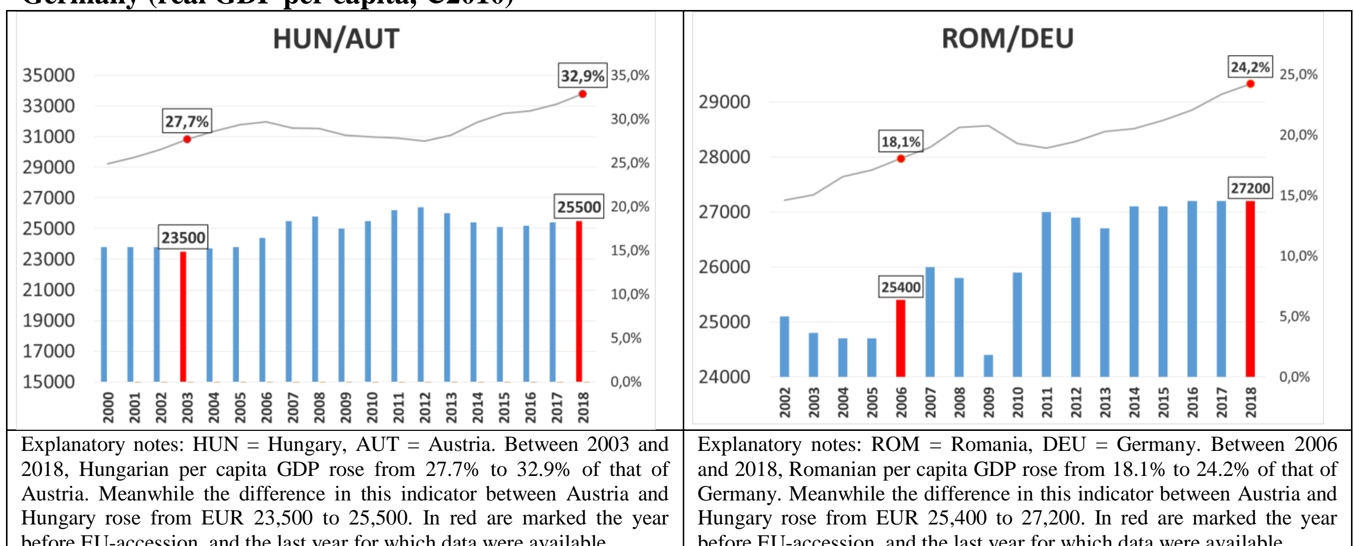
In this section, it is shown how the old divide between Eastern and Western Europe has remained considerable, and how the gap between Southern and Northern Europe has widened over the last one and a half decades. First, we present the catching-up paths of some of the new member states, and compare them and the development paths of some of the old member states to those of Germany and Austria. Then, in the second sub-section, we turn our attention towards the general picture, by comparing all three of North, East and South Europe as a whole, also by entering into such details as earnings, unemployment and demography.

## 2.1 Specific cases

It has been a historical, centuries-long desire for nations of Central and Eastern Europe (CEE) to catch up with Western European countries in terms of economic development, or at least to reduce their gap significantly. The above aspirations have been gaining momentum following the regime change and democratic transformation of the late 1980s, when the opportunity for these nations to join Western structures (NATO, OECD, EU, etc.) became a manageable reality. Joining the European Union in particular was, for most of the countries of the region, what they felt promised the fastest way to reach the catching-up target.[2]

In order to measure economic development in the scrutinized countries, we use chain linked volumes of real GDP per capita at reference year 2010 prices, available on the Eurostat website (Eurostat, 2019a). We compare the economic performance of the CEE countries to that of Austria and Germany. As it is impossible to present all the comparisons that have been made, two archetypes of the different cases are displayed. In the first one, there are data on Hungary – having started transition from a relatively better situation, like Czechia or Slovenia –, which are set against those of Austria (Figure 1). For this first archetype, the development has been relatively slower and was interrupted by a period of several years of stagnation (in the case of Czechia) or even decline (for Hungary or Slovenia). The second archetype is illustrated by the example of Romania – having started transition from a relatively poorer situation, like Poland or Slovakia – for which data are compared with those of Germany (Figure 2). In this case, development has been relatively faster and was only interrupted for a couple of years (in the case of Romania), or not at all (for Poland), or was slowed a little bit down (for Slovakia). Common features of the two archetypes are as follow: first, these economies were already growing at a steady pace before accession, so the EU entry did not add further impetus to them; second, the EU membership did not protect new members (bar Poland) from shorter or longer periods of stagnation/decline; and third, differences in absolute terms between the CEE region and Austria/Germany have remained or even slightly increased.

**Figures 1 and 2: Development paths of some EU member states compared to those of Austria and Germany (real GDP per capita, €2010)**




Explanatory notes: HUN = Hungary, AUT = Austria. Between 2003 and 2018, Hungarian per capita GDP rose from 27.7% to 32.9% of that of Austria. Meanwhile the difference in this indicator between Austria and Hungary rose from EUR 23,500 to 25,500. In red are marked the year before EU-accession, and the last year for which data were available.

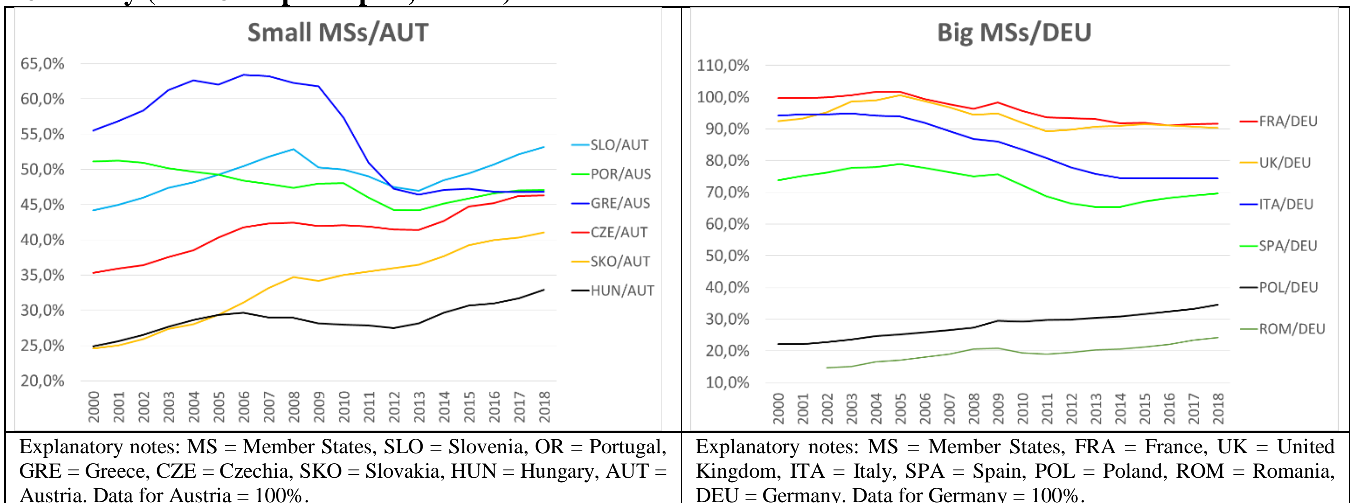
Explanatory notes: ROM = Romania, DEU = Germany. Between 2006 and 2018, Romanian per capita GDP rose from 18.1% to 24.2% of that of Germany. Meanwhile the difference in this indicator between Austria and Hungary rose from EUR 25,400 to 27,200. In red are marked the year before EU-accession, and the last year for which data were available.

Source: Own compilation based on Eurostat (2019a).

[2] Central and Eastern European countries with a communist past entered the EU in three waves: eight of them (the Visegrád Group, Slovenia and the Baltics) in 2004, two of them (Romania and Bulgaria) in 2007, and Croatia in 2013.

In the next step, we bring into the investigation some older member states, especially from the Southern periphery of the EU. Figure 3 compares the development path of several small and medium-sized countries of both the CEE and the Mediterranean region with the Austrian one, while Figure 4 does the same thing for the most populous representatives of the CEE region and the largest old member states benchmarking their data against those of Germany. What is clear from the graphs is that while the CEE countries have, at least percentage-wise, been steadily closing the gap with both Germany and Austria, all the older member states, presented here, have got behind. There are quite significant changes in the Mediterranean, with Italy departing from the most developed economies of Europe and heading towards “middle-class” Spain, and Greece and Portugal sinking into the group of the most advanced CEE countries. It also appears from the graphs that while more populated CEE countries do, despite unbroken development, still lag very far behind their peers among the older member states, some of the less populated CEE countries have been catching up: Slovenia first overtook Portugal, then Greece too, while Czechia got quite close behind.

**Figures 3 and 4: Development paths of some EU member states compared to those of Austria and Germany (real GDP per capita, €2010)**




| Explanatory notes: MS = Member States, SLO = Slovenia, OR = Portugal, GRE = Greece, CZE = Czechia, SKO = Slovakia, HUN = Hungary, AUT = Austria. Data for Austria = 100%. | Explanatory notes: MS = Member States, FRA = France, UK = United Kingdom, ITA = Italy, SPA = Spain, POL = Poland, ROM = Romania, DEU = Germany. Data for Germany = 100%. |
|---|---|

Source: Own compilation based on Eurostat (2019a).

## 2.2 The general picture

After having presented some specific cases of certain member states, let us broaden the investigation to include larger geographic areas, and calculate regional averages.

For the purposes of this paper, EU member states have been divided into three groups. The first group consists of the most prosperous countries of Northern Europe (NE): Denmark, Sweden, Finland, Austria, Germany, Belgium, the Netherlands, Ireland and the United Kingdom. The second one involves semi-developed member states of Southern Europe (SE), namely Italy, Spain, Portugal, Greece, but also France, all of them being prone to run a relatively loose fiscal policy that led to competitive devaluations in the pre-Euro past, and all of them being, for long years, handicapped by their membership in the Eurozone.[3] To the third group belong all the East European (EE) new member states, except for Croatia.[4]

First, we produce population-weighted regional averages for the ‘real GDP per capita’ indicator, already known from the previous sub-chapter. During the period of 2003-2018, the indicator increased by 19.2%, 5.7% and 70.9% in NE, SE and EE respectively. In order to ensure a better comparison of the three regions, and track the catching-up/lagging-behind processes, we assume the data for the NE region to be 100, and express those for the other two regions as a proportion. We also display the differences in real per capita GDP levels between NE and SE, and NE and EE in absolute terms (i.e. in Euro).

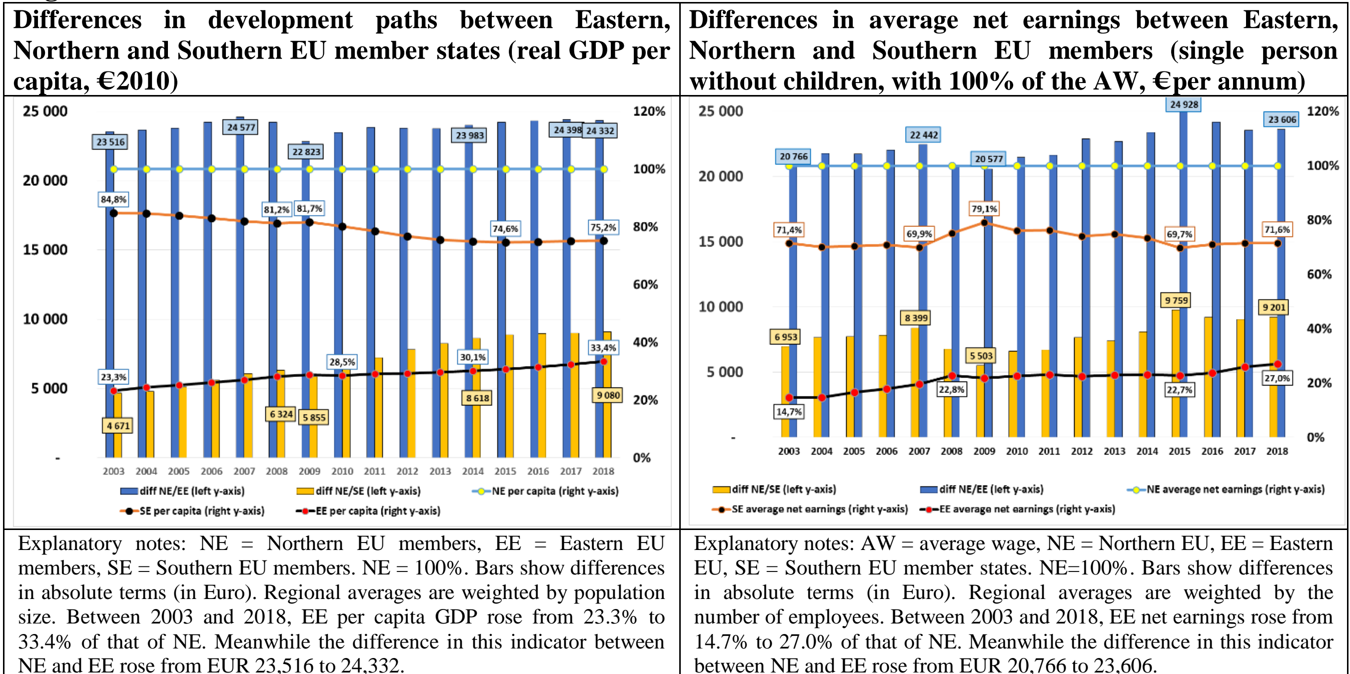
Figure 5 shows that the EE and SE regions move in opposite directions: while the new member states are, although slowly, but gradually catching up with, the “Mediterranean” is lagging behind the developed North. From 2003 to 2018, the EE group climbed from 23.3% up to 33.4% of the NE level, while the SE group sank

[3] This issue will be treated more in detail later on.

[4] When establishing the three groups of countries, Luxembourg, Malta and Cyprus were omitted because of lack of data and/or the small size of their economies, as well as Croatia due to its relatively recent membership in the EU.

from 84.8% to 75.2% of it. Most of the latter decrease occurred in the worst years of the Eurozone crisis. As for the differences in absolute terms, while the one between the EE and NE regions has remained almost constant, the one between the SE and NE regions has nearly doubled. Nevertheless, concerning its level of development, Southern Europe is still much closer to Northern Europe than to Eastern Europe.

**Figures 5 and 6:**




| **Differences in development paths between Eastern, Northern and Southern EU member states (real GDP per capita, €2010)** | **Differences in average net earnings between Eastern, Northern and Southern EU members (single person without children, with 100% of the AW, €per annum)** |
|---|---|
| Explanatory notes: NE = Northern EU members, EE = Eastern EU members, SE = Southern EU members. NE = 100%. Bars show differences in absolute terms (in Euro). Regional averages are weighted by population size. Between 2003 and 2018, EE per capita GDP rose from 23.3% to 33.4% of that of NE. Meanwhile the difference in this indicator between NE and EE rose from EUR 23,516 to 24,332. | Explanatory notes: AW = average wage, NE = Northern EU, EE = Eastern EU, SE = Southern EU member states. NE=100%. Bars show differences in absolute terms (in Euro). Regional averages are weighted by the number of employees. Between 2003 and 2018, EE net earnings rose from 14.7% to 27.0% of that of NE. Meanwhile the difference in this indicator between NE and EE rose from EUR 20,766 to 23,606. |

Source: Own compilation based on Eurostat (2019a; 2019b; 2019c).

A broadly similar picture to the one described above is painted by Figure 6 where we made the same sort of calculations for net earnings, weighted by the number of employees. There are, however, differences. First, the relative wage level in the SE region has not followed the GDP per capita trends over the reference period, but it ended in 2018, after some fluctuations, where it had been in 2003. Second, the catching-up process of the EE region has not been as frictionless as in the case of the GDP per capita indicator, but experienced stagnation from 2008 to 2015. Finally, the percentages for both SE and EE countries are inherently lower than in Figure 5, while differences in absolute terms between them and their NE peers have increased, even if marginally, since the beginning of the period.

It is an undeniable fact that, thirty years after the start of transition in Eastern Europe, a stark divide in wages between East and West remains. There is still a very sharp border in terms of net earnings in the very middle of the continent (Figure 7). Pay differences between neighboring countries are substantial: in Finland one can earn more than twice more money than in Estonia, in Germany more than thrice more than in Poland, in Austria more than three and a half times more than in Hungary, and in Sweden almost four times more than in Latvia or Lithuania. Differences in absolute terms vary from Euro 17.1 to 24.6 thousand between the countries in the examples above.

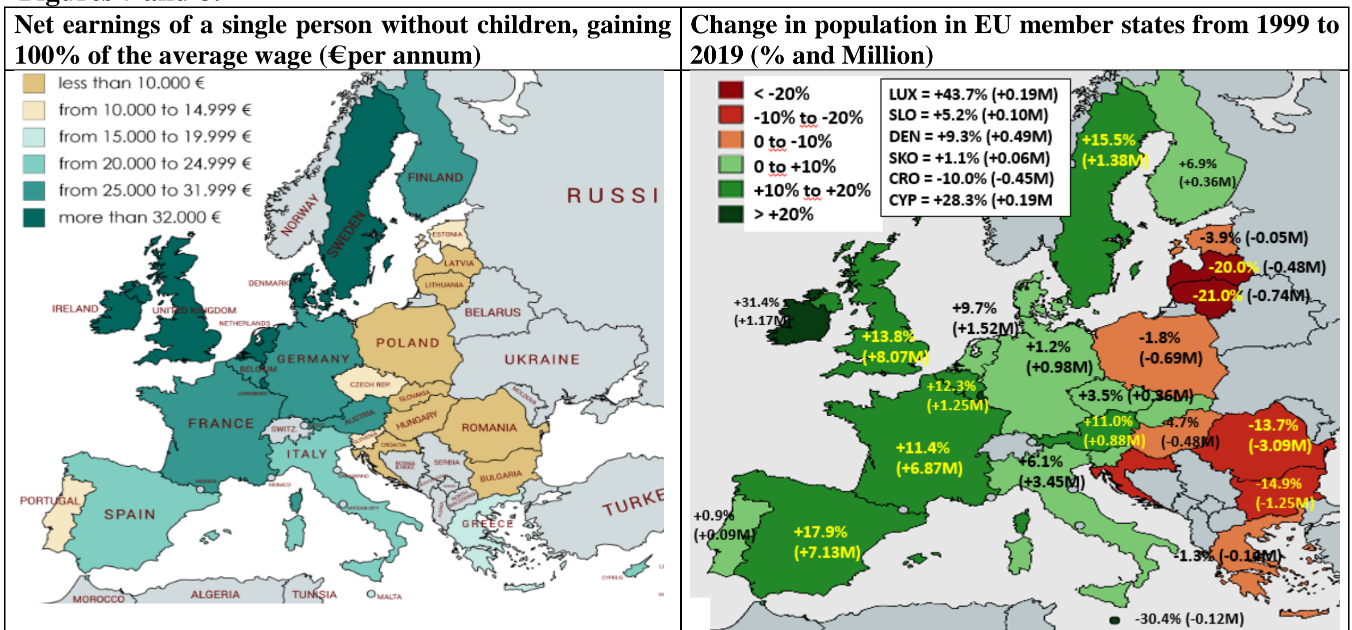
Investigating the differences in net earnings in absolute terms between countries is of great importance as this wage differential often plays a critical role in investors' decisions. In this regard, the EE region continues to offer excellent opportunities for investments – especially for low-medium value-added activities of both manufacturing and services – originating from more advanced member states of the EU. However, foreign investments cannot substitute for organic domestic economic development. That ship has unfortunately sailed when, at the dawn of transition, the loss of their former Soviet markets and the simultaneous opening up of their domestic markets before Western imports resulted, for a significant number of medium-size and large national companies, in being severely weakened or destroyed. On the ground of the dual economic model, which has emerged from the above process, even multinational companies were unable to build an organic pyramid of suppliers for themselves on the spot. What they were able to do was to attract the best workforce available locally.

And this brings us back to the other important consequence of the East-West wage gap: brain-drain. Since the accession of their home countries to the European Union, millions of Polish, Romanian, Baltic and other Central and Eastern European people have been flowing to the West, in several waves, in the hope of better earnings and working conditions. Naturally, this leads to serious tensions (i.e. labor shortages) in the domestic economy in a number of occupations, of which best known are: health professionals (doctors), health and social welfare associate professionals (nurses, pharmacists, and physicians), skilled trades in construction and building (plumbers, carpenters, bricklayers, roofers, and plasterers). Although there are researchers (e.g. Meyer & Shera, 2017), stating that workers' remittances positively and significantly contribute to the economic growth in recipient countries, we are of the opinion that it is only a second best option. While most remittances go to consumption and thereby contribute to the survival of the current economic system (through the purchase of lots of imported goods), employing these people in meaningful workplaces in their home countries would have a much greater impact on development (public investment and investment development), as they have much higher tax and social security fees content than pure consumption has.

If we consider the facts – the existence of dual economies which do not generate sufficient taxable income, swathes of talented people working abroad and missing for the national economies, the lack of protected internal market (unlike as it was with some Asian emerging countries), strict EU rules on general deficit, state aide and public procurement process (mandatory EU-wide tendering) – we can reach the conclusion that it is no wonder almost all these countries face depopulation (Figure 8). If there are not enough well-paid jobs in the home country, public services are falling or becoming less and less available, working and living conditions are getting more and more difficult, and there is no prospect for having a life at least as comfortable as the one the parents had, people will tend to try their luck abroad.

**Figures 7 and 8:**

| **Net earnings of a single person without children, gaining 100% of the average wage (€per annum)** | **Change in population in EU member states from 1999 to 2019 (% and Million)** |
|---|---|




Source: Own compilation based on Eurostat (2019b; 2019d).

Undeniably, there is an East-West divide in terms of demography in the European Union which is very similar to that of net earnings. In the last twenty years, the eleven EU member states with a communist past have lost 6.7 million people or 6.1% of their population. In absolute terms, population decline has been the most severe in Romania (minus more than 3 million humans), while percentage-wise Latvia and Lithuania have suffered the biggest loss (one-fifth of their population has gone). It is to be noted that depopulation has recently also reached Portugal (since 2011), Greece (since 2012) and Italy (since 2016). But the economic difficulties of the Mediterranean needs a separate analysis.

## 2.3 Problems with the Euro

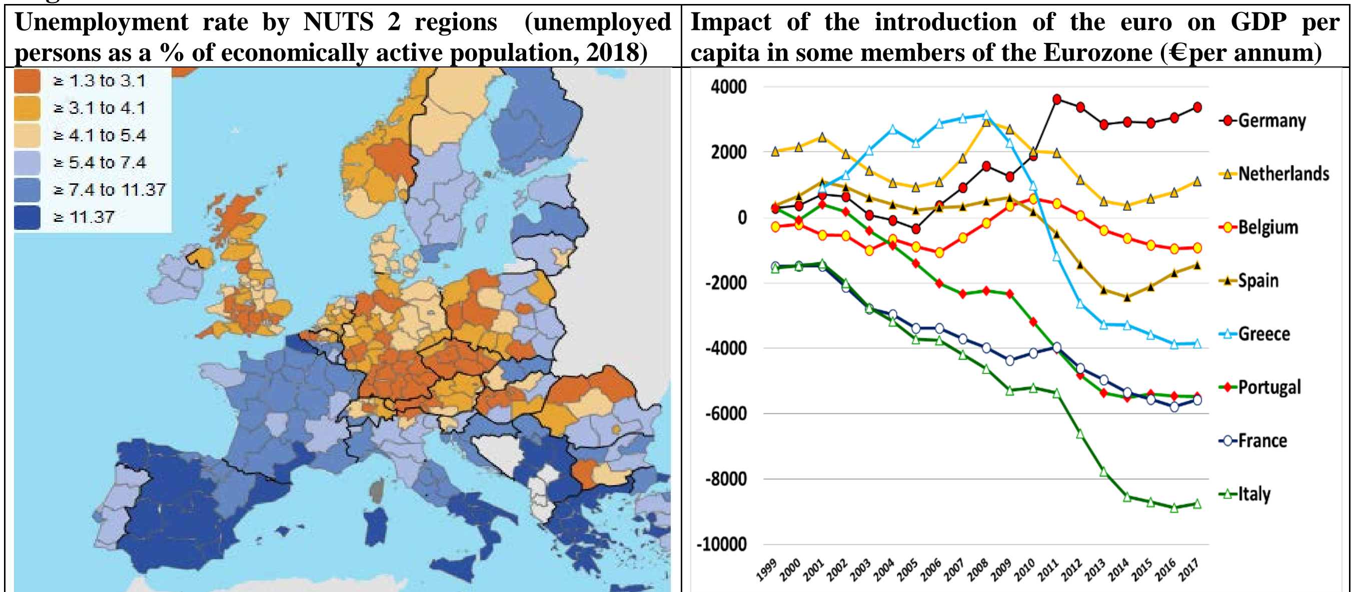
We have already seen that The Southern European member states of the EU have been gradually lagging behind their peers in Northern Europe in terms of GDP per capita (Figure 5), while their handicap in terms of net earnings has remained at the same level (Figure 6). This situation can only make sense if there are problems

with employment. And indeed, there are such issues. Especially, since the outbreak of the global financial crisis, the number of people aged between 20 and 64 has practically stagnated – went up by only less than half a million (from 75.1 to 75.5 million, i.e. +0.6 percent) – in SE region, while it has increased from 90.5 to 98.3 million (+8.5 percent) in NE region (Eurostat, 2019f). The main economic (and social) problem for Southern Europe is not a mere lagging behind the rest of the EU, but a structural mass unemployment, compounded by extreme rates of youth unemployment (especially in Greece, Spain and Italy).[5]

Undeniably, there is significant North-South divide in terms of unemployment in Europe (Figure 9). We assume that membership in the Eurozone may play a role in this, as unemployment figures – except for Germany and closely tied to it Austria and the Netherlands – are only favourable in those countries which have retained their national currencies.

**Figures 9 and 10:**

**Unemployment rate by NUTS 2 regions (unemployed persons as a % of economically active population, 2018)** | **Impact of the introduction of the euro on GDP per capita in some members of the Eurozone (€per annum)**




Source: Eurostat (2019e) and own compilation based on Gasparotti & Kullas (2019).

As already mentioned, the SE countries have often made use of competitive devaluation in the past to keep their economies in line with those of the NE region. But once within the Economic and Monetary Union (EMU), this practice came to an end. As a consequence, the competitiveness of these Southern European countries has been distorted by the replacement of their national currencies with the euro, which obliged them to manage differences in productivity gains vis-à-vis Germany, Austria and the Netherlands without the possibility of nominal exchange rate adjustments.

This phenomenon can be understood by several ways. One way is by examining data on real effective exchange rate (REER), assessed regularly by the International Monetary Fund (IMF). Based on data on the period of 2015-2018, there is an important difference in terms of REER between Germany and the Netherlands on one hand and the countries of the SE region on the other. For Germany, the difference is in the range of 12.5-25.8 percentage points (p.p.) with France, 11.0-30.0 p.p. with Italy, and 13.0-29.3 p.p. with Spain, while for the Netherlands the same figures are of 8.2-17.9 p.p., 6.7-22.1 p.p., and 8.7-21.4 p.p. respectively (IMF, 2016; 2017; 2018; 2019). This implies that German (and Dutch) products benefit from an undervaluation of more than 20 (those of the Netherlands roughly 15) percent against French, Italian or Spain products. This is quite a considerable advantage and largely explains the German (Dutch) trade surplus to the detriment of the other countries of the Eurozone. Also, it explains why member states of the SE region can only stabilize their trade balance by resorting to extremely restrictive internal market policies (Sapir, 2019).

[5] In 2018, the rate for young unemployed (aged 15-24 years) was 39.9%, 34.3%, and 32.3% in Greece, Spain and Italy respectively, while it was 9.4%, 7.2%, and 6.2% in Austria, the Netherlands and Germany (Eurostat, 2019g). Taking into account only those neither in employment nor in education and training, the same rates were 14.1%, 12.4%, and 19.2% for the SE countries, and 6.8%, 7.2%, and 5.9% for the NE countries (Eurostat, 2019h).

When presenting the other way to understand the impact the introduction of the euro had on Southern Europe's competitiveness, we rely heavily on a recent CEP[6] study (Gasparotti and Kullas, 2019), published on the occasion of the 20th anniversary of the common currency, and trying to sort out which countries had, until then, emerged as losers and winners of the euro experiment. In this study the so-called 'synthetic control method' has been used whereby the economic performance of selected EMU members was compared to that of an econometrically optimized group of non-Eurozone countries, having shown similar economic growth path to that of the given Eurozone member states in the years before the introduction of the euro. The meaning of all this was to answer the hypothetical question: what would be the per capita GDP of a given Eurozone member if it had not introduced the euro? Differences between reality and such a counterfactual scenario are summarized in Figure 10. It can be seen that, unlike Germany and the Netherlands which have almost continuously benefited from the euro over its 20 years of existence, the SE region as a whole have been suffering from the outset. Their situation has been made even worse following the financial crisis and the subsequent European sovereign debt (i.e. Eurozone) crisis. Overall, Germany's gain for the whole period of 1999-2017 corresponds to 7 months, while that of the Netherlands to 5.6 months of their respective GDP. On the other side of the coin, there are enormous losses: for France, it amounts to more than one and a half years, for Portugal to 2 years and two months, and for Italy to almost two years and a half of their respective GDP. Losses far outweighing gains, this looks very much like a "lose-lose" situation. The study concludes that the fundamental problem of the Eurozone, i.e. the divergence in member countries' competitiveness and the impossibility for those with weaker economies to devalue their currency in order to remain internationally competitive, does – despite any measures taken since the Greek crisis (e.g. bailouts, quantitative easing, etc.) – remains uncured.[7] In most SE countries, the introduction of the euro was the primary cause for an erosion of their international competitiveness which has led to slower economic growth, rising unemployment and mass impoverishment.

The above negative tendencies could naturally be addressed if the Eurozone was an optimum currency area. But it is notoriously not. It lacks fiscal integration, i.e. the ability to smooth asymmetric shocks through fiscal transfers from one region with booming economy and low unemployment to another one with economic problems and high unemployment. Currently, there is no separate Eurozone budget – even if a mini-budget of EUR 17 billion to be spent over 7 years has recently been agreed by EU finance ministers (NewEurope, 2019) – while the common budget is far from substantial to handle asymmetric shocks in the integration.[8]

## 3 Short comments on Brexit and the Greek crisis

These two topics, the withdrawal of the United Kingdom from the European Union and the Greek sovereign debt crisis, are not primarily presented here because of their economic aspects, but rather to show how European democracy 'worked' in these two delicate situations. As a remainder, Article 3a-2 of the Lisbon Treaty says: "*The Union shall respect the equality of Member States before the Treaties.... It shall respect their essential State functions, including the territorial integrity of the State...*"

As for the first Greek sovereign debt crisis in 2010, experts know it was a banking crisis. Instead of allowing Greece to go bankrupt, and fearing of contagion towards other countries of the Eurozone (like Italy, Spain or Portugal), European leaders – with the help of the IMF – portrayed the bailout of their own banks (mostly French and German banks, severely exposed to Greek sovereign bonds) as an act of solidarity with the Greek people. The IMF did even breach its own rule not to lend to a country before debt restructuring. As a consequence, Greece found itself being given the largest loan in history with no real hope to ever grow it out, also in a quasi-colonial status with a group of international experts (*troika*) replacing its government in all important state functions and imposing austerity policy measures on generations to come.

As for Brexit, it is an example of how the British and the European economic and political elites try to disregard the opinions and the interests of the people by manipulating them through the media, the parliament,

[6] Centre for European Policy, based in Freiburg close to the German-French border, is the European-policy think tank of the non-profit foundation Stiftung Ordnungspolitik.

[7] Countries seemingly on the winner side are not happy either, as financial assistance makes them liable for possible future problems in the bailed-out Eurozone members. The extremely accommodative (i.e. ultra-loose) policy pursued by the European Central Bank (ECB) for the last couple of years has recently been severely criticised by 6 former top ECB officials, of which 4 former governors/presidents of German, French, Dutch, and Austrian central banks (Forexlive, 2019).

[8] By comparison, the US federal budget in GDP terms is more than 20 times, its amount per capita is more than 35 times the size of the European common budget (2015 data).

and even the legal system. Already the narrative that has been developed on it is deceptive: there is no such thing as hard or soft Brexit. The only sensible option is a clean Brexit which means the UK would leave the EU institutions (the single market and the customs union), and regain control over borders, money and laws. Any other option leads to a messy Brexit whereby the UK remains tied to decisions in which it will have no say any more. Typically, Brussels has so far only supported solutions – either with the previous May government or the incumbent Johnson government – that would deal Northern Ireland separately. Hence by not ensuring the integrity of the UK it would threaten the Irish peace process.

# 4 Conclusion

Today's functioning of the EU is marked by serious shortcomings. There are no substantial efforts towards convergence. The former East-West income/prosperity divide remains significant, and a new North-South divide is about to become permanent. There is an obvious deficit in democracy, as people's votes are often disregarded and disparaged by the establishment. Instead of ever deeper integration, a move towards a freer, looser community, and cooperation based on free choice of countries, also a better consideration of social and environmental impacts may lead to a more colorful and fair Europe.

*References:*


[1] Eurostat (2019a). *Real GDP per capita* – Chain linked volumes (2010), euro per capita. https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=sdg_08_10.

[2] Eurostat (2019b). *Population on 1 January*, The number of persons having their usual residence in a country – https://ec.europa.eu/eurostat/databrowser/view/tps00001/default/table?lang=en.

[3] Eurostat (2019c). *Employees by sex, age and occupation (1000)* – https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsq_eegais&lang=en.

[4] Eurostat (2019d). *Annual net earnings*, Single person without children, 100% of AW – https://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do.

[5] Eurostat (2019e). *Unemployment rate by NUTS 2 regions* – https://ec.europa.eu/eurostat/web/products-datasets/-/tgs00010.

[6] Eurostat (2019f). *Employment and activity by sex and age* – https://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=lfsi_emp_a&lang=en.

[7] Eurostat (2019g). *Youth unemployment rate by sex* – https://ec.europa.eu/eurostat/databrowser/view/tesem140/default/table?lang=en.

[8] Eurostat (2019h). *Young people aged 15-24 neither in employment nor in education and training* – https://ec.europa.eu/eurostat/databrowser/view/tipslm90/default/table?lang=en.

[9] EU treaties (1957). *Treaty establishing the European Economic Community – The Treaty of Rome*, Rome, March 25, https://europa.eu/european-union/law/treaties_en.

[10] EU treaties (1992). *Treaty on European Union – Maastricht Treaty*, Maastricht, February 7, https://europa.eu/european-union/law/treaties_en.

[11] EU treaties (2007). *Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007,* Official Journal of the European Union, C306 – https://europa.eu/european-union/law/treaties_en.

[12] Forexlive (2019). *Former top ECB officials sign joint letter criticizing Draghi's policies*, 6 Oct 2019, https://www.forexlive.com/centralbank/!/former-top-ecb-officials-sign-joint-letter-criticizing-draghis-policies-20191006.

[13] Gasparotti, A., & Kullas, M. (2019). 20 Years of the Euro: Winners and Losers. *cepStudy* Februry 25, 2019 – https://www.cep.eu/en/eu-topics/details/cep/20-years-of-the-euro-winners-and-losers.html.

[14] International Monetary Fund (IMF). *IMF External Sector Reports*, 2016, 2017, 2018, 2019 – https://www.imf.org/en/Publications/SPROLLs/External-Sector-Reports#sort=%40imfdate%20descending.

[15] Meyer, D., & Shera, A. (2017). The impact of remittances on economic growth: An econometric model. *EconomiA*, *18*(2), 147-155.

[16] NewEurope (2019). *The Eurozone gets a mini budget*, October 11, https://www.neweurope.eu/article/the-eurozone-gets-a-mini-budget/.

[17] Sapir, J. (2019). *Can we and must we get out of the euro?* Intervention of Jacques Sapir at the conference "The euro twenty years after, assessment and prospects" of Monday, May 6, https://www.fondation-res-publica.org/Peut-on-et-doit-on-sortir-de-l-euro_a1219.html.