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DATE: Hira, Kiran

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Question #01

Considering the current political, economic and social crisis in the Europe continent, do you think that European project will fail in future?

Answer:

From the start of twenty-first century facing crisis of social and economical but it is first time greatly effected with COVID-19 pandemic globally impact on supply chain management effect economically and socially the life of European continent.

European countries recovers from side-effects of pandemic, after short time, Europe faced a new challenge still not recover from the past. In 2022 Russia invaded Ukraine, this is a point where European continent is in trouble. The European union commission with United State of America imposed sanction on Russia to destroy its economy but in response EU & the continent have to face a severe energy crisis when Russia stop its oil & gas supply to European countries. Russia provide almost 42% gas to European countries or simply say Russia provide European need of gas to its industry around 42%.

European depends highly for energy needs to Russia. Russia broke/destroyed 1225 km long pipeline called Nord Stream pipeline which supply gas from Russia to West. Russia - Ukraine War effect Europe from three ways.

- Energy crisis
- Food crisis
- Finance crisis

Let's see how these crisis effect the social, political & economy of Europe.

Energy crisis:

As we see for energy demand Europe depend on Russia for almost 42%. After sanctions apply by USA and EU, Russia stop its supply for Europe, Russia supply gas to Germany through Nord Stream pipe line I by almost 60%. As all industry need energy through gas and as Russia stop the supply of gas Europe has to buy it from other oil/gas exporter increase their price upto 100 to 200%. As the price of gas increase the cost of product increase result in high inflation effect the economic growth of the country.

European countries faced severe energy crisis in winter season. As the summer is extremely cold, this continent need

not only for industrial making products but also for heaters as well to warm houses in extreme winter. In result of this increase use of wood in summer is followed by Europe. Price of wood increase in whole Europe specially France, Germany and Poland.

As Europe consume about one-third of global gas supply. The average energy inflation in Europe almost 43.9%.

As Europe demands of gas met by USA, UAE, Poland but they increase the price of gas drastically that cost of product increase result in decrease of production effect the GDP of the countries. GDP growth rate of 27 European country drastically effected.

Some of European countries like Germany their GDP growth decline to 77%.

France their GDP growth decline to 145%.

UK their GDP growth decline to 143%.

Italy their GDP growth decline to 150%.

Result in long term sustainability of economical system of country lose.

Germany faced energy shortage & low product in industrial sector, result in inflation severely effected the economy and German consumption of gas constitute to Russia about 55%.

France also face economic crisis because the living cost product prices

increase drastically about its energy need
france depend on 27% gas from Russia
Although its energy needs are not sufficient
but price of product import from products
price of foreign country increase the economy
of country.

Socially the people of European country
protest against the government for
record inflation, low wages of working
labour & demand high salary in
response to high inflation that increase
the cost of living of a person
effects the individual livelihood in
whole west.

The people of France and Germany
demands government to exit from
EU and NATO. Around one million plus
people strike against the government and
severely condemn the policy of EU
and NATO against Russia as this
sanction severely effects the cost of
living person. This energy crisis not
only effects the economy and social
life of people because government
also energy rate of electricity
fluctuate result in electricity bill.

Politically as people protest against
the government for accepting the
EU and NATO policy for sanction around
Russia because people considering that
USA want utilizing European country

as proxy against Russia. In France millions of people on roads for pension reforms and low wages with respect to high record Inflation. The current scenario of political crisis we seen in United Kingdom (UK) as Boris Johnson resigned, other prime minister also resigned after 40 days and now Rishi Sunak came in power, the political instability in previous severely affects the economy of country as UK according to OECD expected growth rate to be zero in 2023. As 80% hike in electricity bills. As Russia-Ukraine war effects global supply chain result in severe economic crisis to Europe.

Food Crisis:

First COVID, now Russia-Ukraine cause huge crisis in sector of food for Europe. As Russia and Ukraine constitute about 30% of World wheat. As war broke out and heavy sanction on Russian product result in food crisis. 20% of World Corn is constitute in Russia and Ukraine that world demands export by these country. As 80% of World

Sun flower oil is exported by these country result in huge food crisis or inflation in whole world specially Europe.

From the current stats shows that in only Europe the food inflation reached to 20.4%.

The food product that Europe buy from ~~export~~ imports are highly expensive result in high inflation and also increased the standard of living simply means increase the cost of living in increasing economical crisis like stagnating economy, gradual decrease in GDP growth.

Socially result in inflation, unemployment, low production, cost price hike result in creating social unrest or instability in country like Litvia, Serbia, Austria, Germany, Italy etc

The whole Europe faced a severe shortage of food product that result in hikes of product that available in storage. Now after energy crisis the food security crisis become a national crisis for whole world and increase in cost of product severely effect the individual livelihood of European.

Finance Crisis:

As the Europe in his complete history not faced such economical and food crisis, Europe although not severely effected by finance or money but his economy face finance issue. As these country faces high inflation and low production and high prices and cost of living to compensate the people of country, government launch different relief programme to increase stability in economy plus control the growing inflation rate. To compensate such relief these government have to take loan or decreasing their currency value. Currently the European currency like Euro have greatly degraded its value in market. At the same time UK currency Pound also face currency degradation in overall market.

Putin stated that if European country want to take gas and oil from Russia they have to take in Rubel Russian currency. From the stats

of this years, Rubel value is increasing and it is one of ~~most~~ best currency in world trade, and europe currency euro severely damage its value in market. These crisis show huge disaster in future for european continent.

Future of European projects:

Although in finance europe win right now but in long term future prospect we see huge debts plus severe currency degradation in world market to europe, it is showing a continuous decreasing graph of economy growth.

The energy crisis is also not showing any positivity in graphs as for electricity europe highly depend upon Gas and LNG.

Convert to renewable energy sources require high investment plus 10-20 year for full installation and operation like Solar, hydal, Wind and specially Nuclear power plants. As europe is a coal based

or gas based project industry, first it is very difficult to renewable source and second it require high investment as the current economy right now relatively showing a decrease GDP growth.

As currently Europe lose its economy, investors also not showing very good or promising approach to invest money because the euro degraded and its not gonna profit in their investment. European countries have single currency euro in common market show a strong union of Europe to world. But because of economy fall in country many west nations like France and Germany wants to leave EU.

Energy Charter treaty abandon by many European country like Poland, Spain, Italy and Netherland remove themselves from this treaty of 1998.

France and Germany are also in a way removes themselves from this treaty because it is affecting their economy.

EU as most powerful autonomy of European country because of

its treaty and policies in current scenario forced country to leave EU. European monopoly in market is degraded and disintegration of countries from EU also fall its status as master.

It is likely possible that in current scenario of Europe crisis, the future of Europe project will failed and difficult to recover to its original status because Europe is not recover from COVID and now Russia-Ukraine war destroy the economy of European countries.