

**CURRENT CHALLENGES OF EUROPEAN UNION****Sabit Zhanel Gabitkyzy**[Zhanel\\_sabit@mail.ru](mailto:Zhanel_sabit@mail.ru)

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The European Union is a unique association. The degree of integration that has been achieved is worthy of an example for all new integration groupings. The motive for the integration of the countries of the European Union is to preserve the uniqueness and tradition, but at the same time to act idly. Every European country, even the strongest, will be uncompetitive outside of integration. If countries work together, if they are closely integrated, they can represent one of the centers of world development, world politics, that is, they can retain the economic and political weight to which they have been accustomed throughout history. In terms of gross domestic product, the EU is in a leading position, comparable to the United States. But if we take Germany separately — the largest economy in the European Union, ahead of all the other EU countries taken separately, then it does not fall into the league of leaders. The absence of internal barriers in the space of the integration association allows us to make a summation of GDP. The intensive development of transnational ties within the association is stimulated, so that production facilities and companies operate throughout the entire space, without particularly noticing the borders between states. But at the same time, each country remains specific, it can adopt its own legislative provisions. But in terms of the activities of economic actors, in terms of movement in the context of the four freedoms, as an example, freedom of movement of people, goods, services and capital, the European Union has managed to demonstrate impressive results. Now we can say that in many areas of practical business activity, people work not so much in a single country of the European Union, but in this space as a whole.

However, like other integration unions European integration has faced significant challenges in recent years. The main one, I think, is the UK's withdrawal from the union. Different views on integration in the theoretical field and various contradictions that arose in the course of European integration were manifested in the relations between the EU and the UK. The UK has long had the highest separatist potential in the entire EU. In 1975, the UK already held a referendum on whether it should remain in the EEC [1]. Then almost 2/3 of the population voted in favor of maintaining membership in the EEC. Obviously, independence meant, first of all, independence from the European Union. The UK has imposed a number of conditions on the EU in the financial, commercial, political and social spheres. But the main unsolved problem was the migration crisis in Europe, which the UK government decided not to tolerate. As known, the 2016 referendum was won by supporters of ending EU membership. The ratio of those who voted was 52% to 48%. It should be noted that from a legal point of view, the referendum is advisory in nature, so that the final decision may remain with the British Parliament. The European Parliament also immediately began to force the procedure Britain's exit from the EU.

The migration crisis has hit the economy and the social part of the European Union. The migration crisis has exacerbated all the conflicts related to the multi-ethnic and multi-confessional nature of European society. In the mid-2000s, the model of multiculturalism, which assumed a

parallel existence in the integration of different cultures, their mutual penetration, enrichment and development, was considered ineffective. Today, European States seek to ensure the integration of immigrants based on the recognition of the dominant nature of the host country's culture. In recent years, two negative trends have resonated in Europe and are mutually reinforcing each other: the first is the strengthening of Islamic fundamentalism, the second is the growth of nationalism and right – wing radicalism. These processes pose a significant threat to the internal stability of the European Union. The EU's attempt to build a foreign policy strategy in a world of global instability on the basis of "soft power" has not stood the test of reality. The success of the eastward expansion has prompted Brussels to adopt a similar approach to its neighboring countries. The Euro-Mediterranean Partnership and The Eastern Partnership was aimed at creating a "belt of good neighborliness" through the economic and political transformation of the neighboring countries in their own image. However, both programs failed, and the EU received a zone of high instability on its borders, producing risks of a diverse nature [2].

The European Union is criticized for insufficiently effective measures to resolve the migration crisis. The criticism ranges from emphatically accurate expert language to highly emotional political statements. But the rejection of the common migration policy will leave the border countries of the European Union alone with the flow of migrants, which will inevitably lead to disintegration The Schengen Area and will put under these are the fundamental values of European society [3].

The economic situation in Europe is also alarming. According to Eurostat data published in early March, in the fourth quarter of 2009, the combined GDP of the euro area and the EU-27 grew by 0.1% compared to the third quarter, which, in turn, increased compared to the previous one. The growth over two quarters gives grounds to announce the end of the period of economic downturn in the EU, which was done at the expert level even before the publication of these data. It should be noted, however, that in ten EU countries, GDP declined in the fourth quarter as well. In addition, the last quarter of 2009 it was marked by a further reduction in investment: in the EU-27 – by 1.3%, in the eurozone - by 0.8%. The employment situation remains very difficult: the unemployment rate in the euro area rose to 10% in February 2010, and in the EU-27 – to 9.6%. This is the highest level since 2000. All this indicates the weakness and instability of the economic growth that has begun. This is also indicated by the economic forecast published at the end of February for 2010. GDP growth, equally in the euro area and in the EU-27, is expected to be 0.7%. The European Commission sees the reasons for the slow recovery of the economy, which is subject to "strong winds", in the extremely uncertain situation in the financial markets, weak investment, and low-promising indicators of the dynamics of industrial production and retail trade. The dynamics of GDP in 2010 is also expected to be multidirectional: in most countries, growth is projected in the range of 0.1-1.9%, but in four-euro zone countries (Greece, Ireland, Spain, Slovenia) – a decrease from -0.2% to -1.4%, in five CEE countries (Bulgaria, Hungary, Latvia, Lithuania, Estonia) - from -0.1% to -4.0% [4].

The EU's most pressing problem at the moment is the threat of default in Greece. In 2009, the budget deficit increased to 12.7% and the public debt to 103%. The threat of Greek bankruptcy has already led to a fall in the euro; in the financial and expert circles of a number of countries, they openly talked about the need to save not Greece, whose stay in the euro zone is hopeless, but the European currency. At the request of the EC, in January 2010, the Greek Government submitted a plan for the stabilization of public finances for 2010-2013, and the Ecofin held on 15-16 February, approved the schedule included in this plan for reducing the budget deficit to 8.7% in 2010 and to 3% in 2012. A preliminary agreement was also given for financial assistance, but subject to deep structural reforms and restrictive policies in the areas of public sector wages, pensions, health care, etc. According to unofficial information, it was about 20-25 billion euros. The consolidated program of assistance to Greece and the conditions for its provision had to be approved by the European Council. But in the course of its preparation, a broad campaign against the provision of financial assistance to Greece at the expense of German taxpayers began in Germany, which influenced the government's position. On March 17, speaking to the Bundestag deputies, Angela Merkel said that the European Union should adopt a norm that, as a last resort, would provide for the possibility of

excluding from the euro zone a country that repeatedly fails to fulfill its obligations. Not only the Greek government, but also some members of the euro zone, especially France, reacted rather sharply to the German chancellor's proposal. There was also a discussion about whether the IMF should be involved in Greece's financial assistance, or whether the EU would take over the entire burden. The long-awaited agreed document was adopted by the European Council on March 25. The Greek bailout plan aims to restore market confidence and lower rates on Greek government long-term securities. The member states of the euro zone were sympathetic to the tough measures taken by Greece to reduce the budget deficit in 2010 by 4%. As for financial assistance, if it is necessary, the IMF will take a significant part in it, but the main share of such assistance will be taken by the countries of the euro zone. The amount of loans granted by each country will be proportional to the size of its contribution to the ECB's capital. The purpose of the loans is to create an incentive for Greece to return to the financial market as quickly as possible. In early April, the size of the financial assistance to Greece was determined: one – third (10 billion euros) will be allocated in the form of a long-term loan by the IMF, two-thirds (20 billion) - by the EU countries. The loans will be provided at 5%, which is significantly lower than the rates at which Greece could borrow money in the financial market. Euro zone participants reaffirmed their willingness to take decisive and coordinated measures to maintain financial stability. In the longer term, they stressed the need for greater coordination of economic policies within the eurozone. Proposals on what measures should be taken to strengthen control over economic and financial risks should be developed by a working group consisting of representatives of member States, the EC and the ECB. A key challenge to the stability of the euro and the EMU is to address the disequilibrium that emerged during the crisis between a single monetary policy and the limited authority to implement a coherent economic policy within the euro area. The search for solutions to this problem will be the focus of the EU institutions and its participants.

The European Union is developing new strategies to support the economy and its development. For instance, "Europe 2020. Smart Sustainable and Inclusive Growth Strategy " This strategy replaces the EU's long-standing Lisbon Strategy for the period from 2000 to 2010. The main objective of the economic development strategy for the period up to 2020: building on strengths such as a talented workforce, technology, industrial strength, a single market, a single currency, a socially oriented market economy, democratic institutions, a tradition of economic solidarity, attention to the environment and cultural diversity, respect for equality between men and women, and finally, the experience of collective action. The EU must show its ability to generate sustainable growth. Further, the main part of the document outlines a set of tasks in five areas, namely: employment, research and innovation, climate change and energy, education, and the fight against poverty. Some of the tasks were transferred to the new Strategy from the Lisbon Strategy, since the crisis and other factors did not allow the EU to solve them by 2010. For example, such tasks and slogans as: 75% of the working-age population aged 20 to 64 years should be employed; 3% of the EU's total GDP should be invested in R & D; harmful economic emissions to the environment should be reduced by 30%, the share of renewable sources in the final energy consumption should be brought to 20%; young people should be given the opportunity to receive higher education; the number of Europeans living below the national poverty level (and this, we recall, is 60% of the average income in each member state) should be reduced by 25%. The tasks listed in the Strategy, which are relevant for both old and new member states, are supposed to be solved based on the tools available to the EU – the common budget, the mechanisms for managing the single market and the monetary union, and actions at the national and international levels. Many important statements are also contained in the main part of the Strategy. For example, it is noted that the employment rate in the EU-an average of 69% of the economically active population-is still lower than in other parts of the world. First of all, the indicators of women's employment are lame (in the EU countries, only 63% of able-bodied women are employed, while 76% of men are employed), then the indicators of employment in the pre-retirement age (in the EU, only 46% of EANS in the age category from 55 to 64 years have a job compared to 62% in the USA and Japan). The aging process of the population is accelerating. EU states spend less than 2% of GDP on R & D, while the US spends 2.6% and Japan spends 3.4% of GDP. Only one in three EU residents

in the age group from 25 to 34 years has a higher education, while in the US this figure is 40%, in Japan-50%. 8% of the employed have incomes below the poverty line. The answer to these problems, as defined in the Strategy, should be a program for the construction of a European Research Area focused on the following tasks: strengthening energy security, improving the operation of the transport system, improving resource efficiency, protecting health and the environment, improving the framework conditions for innovation and patent activity. Member States should strive to strengthen cooperation between universities, research and business structures, to focus educational programs on creativity, innovation and entrepreneurship, to promote student mobility (including by building on the existing EU mobility programs Erasmus, Erasmus Mundus, Tempus and Marie Curie), to encourage young people to continue their studies, to provide reference services to facilitate job search. It is predicted that increasing the share of renewable sources in energy consumption to 20% will result in savings of 60 billion euros and the strengthening of the EU's energy security, and further progress towards the integration of the energy markets of the member states will increase the total GDP by 0.6-0.8% and create an additional more than 600 thousand new jobs. If in addition to this, the task of improving energy efficiency and creating environmentally friendly production facilities is implemented, then we can expect an increase of 1 million new jobs. Accordingly, environmental protection and energy efficiency are becoming the priorities of the EU Structural Funds and other financial instruments. A special role in the Strategy is assigned to the new EU industrial policy, which will further modernize public procurement systems, state support and other competition rules, simplify and internationalize the activities of SMEs, ensure effective access to the single market, develop European standardization, and develop tools for solving global problems and projects, such as Galileo and GMES (Global Environmental Monitoring System).

However, one of the biggest issues for last years is the situation with pandemic. It makes a lot of difficulties in EU integration and brings misunderstanding between countries. The coronavirus has affected political situations in each country. The European Union (EU) has come under heavy criticism for its failure to cope with the COVID-19 coronavirus pandemic and for abandoning the core principles on which it was founded, namely common interests, morality, mutual benefit and solidarity. Selfish actions by some countries undermined the above principles when they decided to ban the export of medical protective equipment. Such an outburst did not escape the attention of the former President of the European Commission, Jacques Delors, who said that the lack of solidarity between the member states of the European Union would lead to fatal consequences. Italian Prime Minister Giuseppe Conte has warned of the collapse of the European Union as a "political project" if each country in the bloc continues to rely only on its own forces in the fight against the coronavirus pandemic. In his opinion, countries must avoid making catastrophic decisions and if the European Union does not prove that it is able to accept this unprecedented challenge, then the European community will no longer see a need for it. As for Serbian President Aleksandar Vucic, he poured all his indignation on the European Union when he refused to lend a helping hand to the Serbs, thereby abandoning the main principle of the European Union - solidarity. According to the Serbian leader, all European principles are just "fables". Meanwhile, French President Emmanuel Macron sounded the alarm, warning EU colleagues that the coronavirus and related restrictive measures threaten the EU's existence. The unexpected epidemiological danger clearly revealed the emerging anti-liberal trend in the world and in the West. The pandemic was the reason for the closure of borders, interference with privacy, restriction of freedoms, and the suspension of economic activity. The crisis has become a serious test of the viability not only for domestic political systems, but also for international institutions. It turned out that in the face of a global threat, liberal ideals and the achievements of globalization can be easily set aside for the sake of security. In the current conditions, it is important to see how the pandemic will affect the further political development of Western countries and the world as a whole. The COVID-19 pandemic as a new global threat also has a political dimension. On the whole, it contributes to the strengthening of the illiberal tendency present in the West and in the world. It strengthens the isolation of countries, provides an additional reason for economic protectionism due to the need to localize vital industries. The spread of the infection has led to extraordinary restrictions on civil rights and freedoms, unprecedented bans on the

movement of citizens, and increased interference in economic activity and privacy. Meetings of the EU summits in February and March 2020, dedicated to the next EU budget for 2021–2027[5], respectively and financial and economic measures to combat virus did not lead to tangible results. Despite the desperate state of affairs in Italy and Spain and calls from Rome, Madrid and other national capitals for financial assistance from the EU, the idea of “corona bond” (pan-European bonds of social stability) is blocked by Germany and the Netherlands. Italy has become one of the largest hotbeds of the virus in Europe. Rome's decision to quarantine the entire country and isolate the population - 60 million people - prompted an immediate response from neighboring states. Austria, Slovenia, Hungary and Switzerland are tightening controls at Italian borders, checking the health of travelers, and demanding medical certificates. Flights and transport are limited. On March 16, Germany closed its borders with Austria, Denmark, France and Switzerland. The virus effectively eliminates the European free movement zone. Cases of coronavirus have already been recorded in all countries of the community. The crisis once again points to the fragility of European unity and the inability of the EU to act as a united front. The spread of the virus is forcing countries to resort to a "every man for himself" strategy. The situation is only aggravated by the new migration crisis, which is simultaneously unfolding on the external borders of the European Union. The Eurozone during the pandemic is experiencing a confluence of two serious problems health care and immigration. A similar opinion was expressed by the President of the European Commission, Ursula von der Leyen. “Bans on movement of people are not the most effective remedy for coronavirus. EU countries should take proportional measures," she said[6].

At the moment, the main question that will need to be answered in the course of adapting the integration project to the new realities is the reform of the EU institutions and the adaptation of the decision — making mechanism, including the procedure for coordinating interests, to a much larger number of interested participants, without violating the basic principle of supranational cooperation of sovereign states.

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