PERSPECTIVE OF THE FUTURE OF EUROPEAN INTEGRATION

Duginets G., PhD in International Economics, Associate Professor, Doctorate student of the International Economic Relations Department Kyiv National University of Trade and Economics

Important events are taking place on the European continent - "Brexit", the growing influence of populist anti-European political forces in member states, the spread of euroscepticism, and the migration crisis that has sharpened the issue of solidarity and of European countries' common values.

It is, however, these complex circumstances that, as history has repeatedly shown, become a catalyst for the development of integration processes. The last decade of the EU's operation is a confirmation that the future Europe will grow in the wake of crises, that it shall be built on the decisions and solutions proposed to address those crises

Brexit was, certainly, an unprecedented event in European history, being partly a manifestation of the EU's internal problems. If, theoretically, some country could leave the EU, it could only be Britain, which has always been an example of a country with a large number of exceptions from EU rules. As a consequence, under the circumstances of the migration wave crisis, increased terrorist activity and the intensification of disintegration processes in Europe, Britain, which has been one of the centers of support for the policy of EU expansion, implements a radical scenario of supporting primarily national security. It is planned to implement the "hard Brexit" within 2 years, which will avoid payments to the EU budget (this point is already a serious apple of discord in the negotiations) and compliance with the agreements on labor migration. It is highly unlikely that a country would be able to repeat this in the future without significant negative consequences. Although in the case of Britain, too, one cannot exclude such scenarios as when these actions would lead not only to the partial disintegration of the EU, but also to the destruction of Britain's own unity (the possible referendum on the independence of Scotland). Despite Brexit, however, I must note that the EU-27 still represents one of the largest single markets, along with the United States, and most of the countries that are members of the EU know that they will lose more than they gain from exiting it.

Brexit changes the traditional configuration of forces in the EU. Now, the question of reviving the Franco-German axis is becoming urgent. But, in respect to the time of the EU's formation in the middle of the twentieth century, modern France and Germany have changed quite a lot. The weight of the latter on the world arena has grown significantly, and that of the former has decreased. In the

future, for the informal harmonization of the EU's most important decisions, it will become necessary for a new leader to step up among other members of the association to join France and Germany. Time will tell whether it will be Italy, Spain or someone from the Visegrad4 countries. Speaking of which, it should be noted that the chairmanship of Slovakia, the smallest of the Visegrad4 countries and one of the youngest European states, has left behind no problems that Malta will have to solve. I think one can speak of a policy of real European balance, which began to form during the presidencies of the Visegrad4 countries. A third force is forming within the EU, aimed both at maintaining stability within the EU, and at creating a friendly atmosphere on its eastern borders.

Regarding Germany as a possible EU leader, its adaptation to the new situation will likely be long and complicated. The parliamentary elections of September 2017 will remain the center of domestic political life in Germany for the near future, as their results will likely have a significant impact on the further development of the EU (as early as 2018). In any case, the people of Germany remain optimistic about EU membership. Therefore, it is obvious that the policy of Germany after the elections will retain a centrist character, the expression of which will be the desire to revive the Franco-German tandem.

As for the long-term future of the European integration, nothing is predetermined both for the eurooptimists and for the euroskeptics. Events of 2016-2017 will most likely lead to the formation of a balanced regional policy in the EU, which would take into account the socio-economic characteristics of the member countries. And, the main emphasis will be on preserving the positive results of integration and jointly solving the problems of defense, security, ecology, fighting terrorism, and managing the common market. The further path of integration will depend on the correctness or inaccuracy of decision-making and the quality of regional and state governance. In any case, the European Union is entering a new, rapidly transforming, level of development of relations between countries, where understanding and accepting the euroscepticism that exists in the member countries becomes a priority, as well as the need to adapt the ruling political forces to new social expectations and, as a result, to transform the policy of further integration.

The withdrawal of Britain from the EU entails an institutional and political transformation of the EU structure. The main activities should be aimed at keeping the European Union above nationalization, preventing its desupranationalization. This process can dismantle some all-Union policies that compete with the national interests of EU member states; this would ultimately lead to integration within a common market; effectively, to a significant step backwards in European integration. In order to prevent this, the format of "flexible integration" must be introduced. On the basis of certain interests, temporary coalitions should be created that would cease to function as soon as the goal is achieved, or be transformed if further resolution would be needed. But in this version, however, it is necessary to maintain a balance in order not to widen the gap between the most successful eurozone participants and the economically weaker states. A possible recommendation for the further management of European integration could also be a cardinal reorganization of the management system in order to ensure the maximum preservation of the Union in its present form by strengthening state interests at the supranational level.