

The Future of Europe

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focus on **Euro-zone** excluding Cyprus, Latvia, Lithuania, Luxembourg, Malta, Slovenia, Slovakia.

COVID19 death rates from Washington Post
Economic forecasts: IMF & World Economic Forum

Germany and Italy at odds.

Article by **Yanis Varoufakis**: A Greek economist who was finance minister from Jan. to July 2015

Paul Krugman, paraphrasing Franklin Roosevelt, 'The only fiscal thing to fear is deficit fear itself.'

Death Rates per 100,000 Population: covid19 (Source: Washington Post)

Table 1 Euro-Zone	May 7	May 14
• Finland **	4.7	5.3
• Austria*	6.9	7.1
• Germany**	8.9	9.5
• The Netherlands**	31.2	32.9
• France **	38.8	41.4
• Belgium**	(74.6)	(78.4)probably a complete count
• (weak economies in 2019)		
• Ireland **	28.9	31.3
• Greece *	(1.4)	(1.5)
• Portugal**	10.8	11.6
• Italy **	49.1	52.1
• Spain**	55.8	58.8
• * Greece and Austria are down to only a few more cases per day		
• ** Close to getting only a few more cases per day		

Death Rates per 100,000 Population for covid19 and %

TABLE 2 NON EURO COUNTRIES

	May7	May 14	% May 14 (rounded)
•Denmark**	9.0	9.3	.009%
•Sweden#	31.2	35.8 (no lockdown)	.036%
•Norway**	4.1	4.4	.004%
•UK#	47.1	51.3	.051%
•USA#	23.3	26.4	.026%

– # far from ending.

• USA certainly underreported; probably true for other counties except Belgium (%=.08)

• **Underreporting:** deaths at home; had symptoms but not tested; deaths in nursing homes and care homes; politics

Economic Impact: projections 2020 for GDP (Gross Domestic Product)

International Monetary Fund (IMF)

Euro Zone -7.5%

Italy -9.1%

Spain -8.0%

Germany -6.5%

USA -5.9%

UK -6.5%

WORLD ECONOMIC FORUM* (WEF) Projections**

EURO ZONE:...12.2% drop in GDP

USA:...3.9% drop in GDP

•***WEF membership: 1000 Largest Corporations (CEO's) (Davos)

The future of the Euro: Will Germany and Italy reach an agreement?

- Germany Italy (wild card)
No bailout (not like 2010-1).....Debt must be shared
- Little or no debt Highest debt of Euro Countries
- OKed a loan: May 8 No more loans; only grants
- Responsible fiscally No more austerity!
- Subsidizing companies.....Can't compete
Stay in Euro 30% want out
Stable governmentGovernment OK but Salvini, a populist
(*The Economist* notes risk of Salvini)

Per Capita \$34,279

Public Pensions

Income

Assets

Per Capita \$26,588

Home ownership