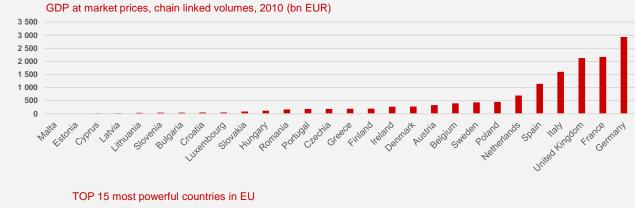
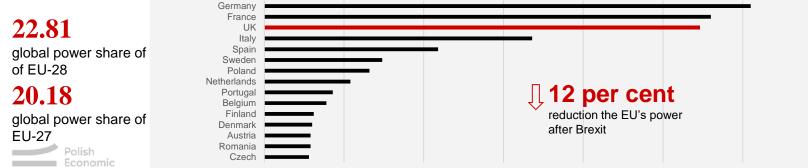


Hansa 2.0. A return to the Golden Age of trade

**Brexit** will cause ripples across Europe, forcing the EU to adjust its economic policies.

### The Netherlands after Brexit





Source: own preparation based on Eurostat data and Arak, P., Lewicki, G. (2018). State Power Index/Indeks Mocy Państw.

## **The Netherlands after Brexit**



# - Britain has long functioned like **third wing** of European **TOP3 fidget-spinner** (DE-FR-UK)

- The Netherlands as third most important European trade partner of UK, that will absorb substantial portion of the shock

Export	Per cent	Import	Per cent
United States	13	Germany	14
Germany	10	United States	9
France	7	China	9
Netherlands	6	Netherlands	8
Ireland	6	France	5

#### Trade in goods by Britain's top 5 partners in 2017



The economic risk of Brexit led the Dutch to propose a new collective initiative, already dubbed the "New Hanseatic League" (or **the Hansa 2.0**) by the media.



# After Brexit support for free trade within the EU could weaken.

UK = Hansa ?

Even without fresh blood, the **Hansa's** combined international power (2.48 points) is comparable to that of Britain (2.73 points)

## **Core of Europe: Franco-German cooperation**

### 01.

Meseberg Declaration on Eurozone reform (VI 2018) 02.

Treaty of Aachen (I 2019)

- expanding European Stability Mechanism
- stabilising European banking sector
- creating Eurozone budget

deepening Franco-German alliance

- mutual cultural institutes
- "Franco-German economic area"

German indecision as to how to proceed is precisely where Dutch PM sees an opportunity to recruit Germany for the idea of New Hansa



Hansa 2.0 philosophy: "real value-added, not far-reaching transfers of competence to EU level"

## Hansa: supplier of a networkbased model of leadership

#### Hansa's pronciples

01. transforming the European Stability Mechanism into a **European Monetary Fund** 

02. completing the single market and advancing free trade

03. harmonizing national structural and fiscal policies

()4. completing the **Banking Union** 





Source: Polish Economic Institute (2019). Hansa 2.0. A return to the Golden Age of trade.

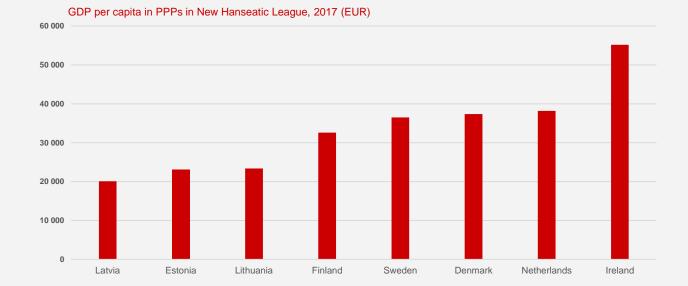
## Hansa's key economies



Hansa 2.0 of EU-28 GDP

### 7.7 per cent

Three Seas Initiative of EU-28 GDP





Source: own preparation based on Eurostat data.

Perhaps unknowingly, **Hansa 2.0** is following in the footsteps of the **Three Seas Initiative** – a successful infrastructural intra-EU project.

# New type of structure and historical momentum for reforms

The New Hanseatic League and the Three Seas Initiative as a new type of intra-EU project

Characteristics	Hansa 2.0	Three Seas Initiative	
1. Goal-oriented	Free trade	Infrastructure and security	
2. Regional – aimed at specific EU region	Northern and Central Europe (Baltic Sea)	Eastern and Central Europe (eastern EU border)	
3. Response to threat	Economic impact of Brexit	Geostrategic insecurity and destabilization by Russia	
4. Shared identity	Shared experience of historical Hansa region	Shared experience of communist trauma	
5. Pragmatic aims	Directing evolution of Eurozone in a specific direction and creating specific European institutions	Increasing connectivity of energy supply systems, modernization of infrastructure of logistics and security, technological unification	
6. Intra-EU	Internal EU projects to increase regional cohesion that will benefit the whole EU		
7. Initiated by individual members state(s)	Netherlands and other EU countries	Croatia and Poland	
8. Attractive for weaker EU states	Allows for amplifying voice of the countries without sufficient diplomatic/lobbying power when acting alone		
9. Bottom-up and spontaneous	Regional initiative that does not require attention of Brussels at the very initial stage		

Polish Economic Institute

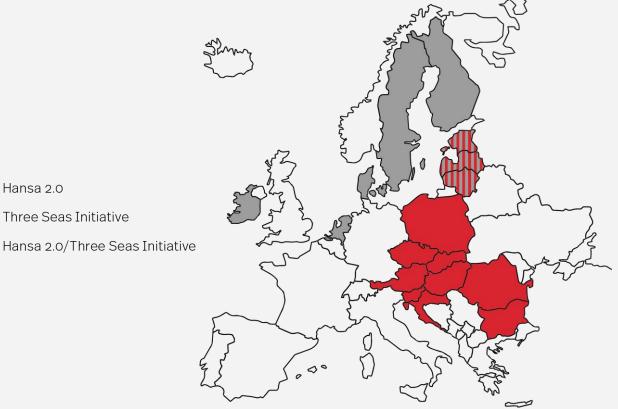
A **neo-medieval order** needs not only overarching values that permeate the system, but also local, diversified networks of multi-layered relations to govern its own complexity



## **Overlapping membership**

As the younger and less experienced of the two, the Hansa 2.0 could learn from the Three Seas Initiative, especially since some Hansa members – Lithuania, Latvia and Estonia - are part of both. Poland may wish to join at some point, too.

15





Source: Own study based on Global Europe 2050.

Hansa 2.0





# Thank you

### Piotr Arak

**Polish Economic Institute** 

E: piotr.arak@pie.net.pl

Director

### Grzegorz Lewicki

Fellow

Polish Economic Institute E: greglewicki@alumni.lse.ac.uk