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## THE EUROPEAN UNION AS AN ACTOR OF GLOBALISED WORLD ECONOMY

### Abstract

The European Union is an interesting, and comprehensive model of regional economic integration which, by its importance and impact, transcends the geographical space of its location and is gradually becoming one of the key players in the world economy. The processes of development and further formation of the world economy are currently strongly influenced mainly by the accelerating process of globalization, which generates several changes and specific development tendencies, which influence to the individual geoeconomic units is different. The paper will concentrate on describing and analyzing selected factors determining the dynamics of economic growth and development of the European Union in its internal and external economic space.

**Key words:** the EU, world economy, economic development, economic growth, tendencies of economic growth.

### 1 INTRODUCTION

The current development of the world economy is strongly determined by the accelerating process of globalization, which brings and generates a number of changes and specific development tendencies, both in economic, economic, social, political, social and cultural fields. The impact of these changes is manifested throughout the development of world economy and has influence on many regions, and at the same time affecting all hierarchical levels at the global level, on the one hand to the regional and local levels on the on the other hand. The extensive and complex interconnected space of the

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globalized world economy represents a complex global space, consisting of a whole spectrum of specific national and transnational economic complexes located and forming in the specific conditions of the individual macro-regional units on the political map of the world. These economic complexes are characterized by specific developmental features and tendencies which, on the one hand, are conditioned by the specific characteristics of the given spatial entity in which they are formed and developed (geographical location, specifics of cultural-historical development, specifics related to processes of political system formation). Formation of their national economies, specific determining processes of development of international economic cooperation as well as international economic integration, specific demographic characteristics, global geopolitical and geo-economics development of these units and many others), as well as specific development features and tendencies of their external macro-regional environment features and tendencies of the global geo-economics space as a whole. Based on the above mentioned assumptions, it can be pointed out that the European Union is one of the remarkable and specific examples of the most comprehensive and elaborate model of regional economic integration, built on complex linkages of diversified national economic complexes. The European Union is a specific transnational economic complex, which in regional terms is one of the key economic actors in the european economic area and at the same time one of the key economic players in the world economy. Achieving this status, both in the regional economic area and globally, is a result of the relatively long-term efforts of the European Union as a whole and its individual national states to progress effectively in the process of economic integration so that this process brings positive effects for individual national economic complexes of european integration and in the process of mutual synergies towards the creation of a broad and highly economic transnational economic complex. This motive is one of the European Union's important strategic goals.

## **2 TRENDS IN THE DYNAMICS OF ECONOMIC DEVELOPMENT OF THE EUROPEAN UNION**

Based on the analysis and comparison of the selected trends of economic development at the global level, as well as economic and economic development at the regional level, with a specific focus on the european economic area, we can point out that the European Union is progressing towards the individual integration priorities particularly focused on building the single, internal market and economic and monetary union, it has become one of the largest economic areas at both regional and global level. Processes towards the completion of the single market of 28 Member States have led

the European Union to establish itself as one of largest economic areas in the world economy.

As has been emphasized above, one of the key objectives, which in the long term has been prioritized in a number of key strategy papers, is the objective that is generally aimed at maintaining the European Union's position in the world economy through efficient and effective the implementation of strategies, objectives, measures and instruments, which will lead to the support of the dynamics of economic growth and development both at the level of national states and at the level of the European Union as a whole. The strategic objectives are elaborated in a number of official documents and consist of a whole range of specific, partial objectives aimed at strengthening and dynamising the economic performance of the European integration area inwards, within its internal economic and economic space as well as externally in relations with external partners at regional and global level. Within its internal economic space, built on the basis of mutual synergy, internal cohesion and, in particular, the gradual achievement of convergence of national economic complexes, the European Union seeks to create a broad, dynamically developing, open economic space characterized by appropriate levels and dynamics of economic growth. on solid foundations respecting traditions and the necessary dynamics of development in individual economic sectors, economic space characterized by generating adequate number of new jobs, space characterized by efficient functioning labor market with average absorption capacity, space characterized by high level, quality and functionality of education system, space characterized by high standards in the field of setting the conditions of the labor market, space effectively you exploiting their potential not only of human but also of natural resources in order to ensure a high level of protection and preservation of the quality of the environment, space creating appropriate system prerequisites to support and increase innovation activity and efficient use of sources of innovation potential the level of gender equality, as well as the space also concentrated on social security in the context of reducing the proportion of the population at risk of poverty and social exclusion.

The above-mentioned calculation of the main objectives that the European Union seeks to achieve in the context of current economic and social practice finds its expression in the three main priorities contained in the European Union strategy – Europe 2020, which for the next decade to 2020 smart growth, inclusive growth and sustainable growth.

## 2.1 Selected development trends and specific economic development of the European integration area

As already indicated above, the European integration space is an internally differentiated space characterized by specific features and trends in terms of economic development and basic economic characteristics. This part of the paper will focus on defining and describing selected trends of this specific and high degree of internal complexity and interdependence of national economic complexes characterized by the economic space of the world economy. The monitoring of trends in the area of economic performance dynamics and economic development was carried out on the basis of monitoring and comparison of selected indicators in the time period of 2017 and 2018. On this basis, the prediction of future development of the observed multinational economic complex was subsequently realized. In the area of the transnational economic complex - EU 28, growth of 2.4% was recorded in 2017. In this period, the euro area was characterized by an upward trend towards gradual reduction in disparities and differentiation in the dynamics of economic growth achieved by its individual Member States. Following the development of this indicator, it can be stated that in this period the most significant decrease in the given area has been recorded since the creation of Economic and Monetary Union within the European integration area. The beginning of 2018, in economic terms and in terms of trends in the economic performance dynamics of the European integration area, was marked by a slowdown and a decline in economic performance, reaching 0.4% in this period (from the original level of 0.7%). (Obadi, 2018) The gradual slowdown in economic growth was determined by several factors within the European integration area during this period. Among the most important, which are characterized by time, longer-term impact and influence on the overall dynamics of economic growth and thus also economic activities within the European integration area, we can mention, for example, factors related to the impacts of previous period characterized by appreciation of the euro. with a long-term trend in the European labor market as regards the low level of competitiveness of selected groups of the labor force on the labor market, mainly because of their low qualifications, low levels of work skills and competences of work force. (Obadi, 2018) These factors are directly linked to groups of other factors affecting economic performance and the overall dynamics of economic growth within the European integration area, such as low labor productivity rate, unemployment growth, higher social dependency rate of selected population groups with a strong link to public budgets. In addition to these factors and determinants affecting the overall dynamics of economic growth and economic performance, the European integration



space in this area is also confronted with other specific aspects of its internal economic and political development. This group of factors can include, for example, a significant degree of uncertainty, concern and unpredictability for future developments in the context of an increasingly complicated of the UK's withdrawal from the European Union. These process will have a range of economic implications, both for the European Union itself and for the United Kingdom. Other specific factors that influence the dynamics of economic performance and thus the economic growth of the european integration area can include to factors coming from its external environment. In this case, we can mention in particular the trends in the world economy, characterized by stronger global protectionism. As one of the key actors in the global economy, the European Union seeks, within the external dimension of its economic relations, to increase the level of cooperation and strengthen the liberalization of relations between world economic actors. (Obadi, 2018)

In view of the predicted outlook for future developments in the dynamics of economic performance and economic growth in the european integration area as a whole, it can be pointed out that the forecast indicates a gradual fading of positive impacts, while accentuating the slowdown in economic performance and economic growth key macroeconomic indicators. The forecast for the future development of the European integration area suggests that economic performance will reach 1.9% between 2018 and 2020 and will decline over the next period, reaching 1.7% in 2020. (Obadi, 2018)

The above-mentioned developmental trends accentuating the economic slowdown at the global level and at the level of its individual national and transnational economic complexes are also confirmed by the OECD's ongoing economic outlook in autumn 2019. Based on estimates of global economic growth, global economic activity. The slowdown in growth will be felt in almost all key global geoeconomic actors. The gradual slowdown in global economic growth will progress from 3.6% in 2018 to 2.9% in 2019 and reach 3.0% in 2020. The predicted prediction of the gradual slowdown in economic growth and overall global economic activity also points to selected, specific determinants significantly affecting the indicated trends. These are mainly associated with rising global trade tensions, political uncertainty, increasing geopolitical tensions, slowing economic growth in China, as well as oil price developments. As a result of these factors, not only growth slowdown can be expected, but also a possible prediction of weak global economic growth, which will persist for a longer period of time. (OECD, 2019)

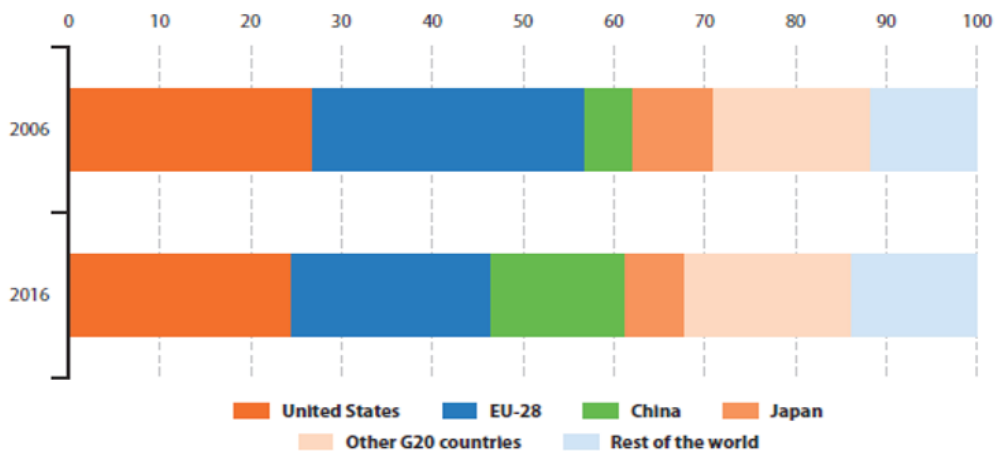
In the context of the perception of the European Union as a major global geoeconomic actor, it can be pointed out that the prediction of future dynamics of global economic development and economic activity conducted at OECD indicates that both the European integration area and the euro area

will see a slowing tendency economic growth. The OECD forecast suggests that economic growth will slow significantly in the euro area over the next period. The economic growth recorded in the euro area in 2018 at 1.9% will decrease over the next two years, with an estimated 1.1% in 2019 and 1.0% in 2020. The slowdown in economic growth in the European integration area was also significantly affected by the decline in global sophisticated production. This trend had a negative impact on the economies of Germany and Italy in particular. (OECD, 2019)

### *Development of HPD at global level and within the European Union*

GDP is one of the basic macroeconomic indicators based on the level of performance of economies of both national economic complexes and economic complexes formed and developing at the transnational level. Globally, we can point out that in the period under review in 2006, the European Union accounted for the second largest share after the US in terms of G20 Member States. However, it is clear from the graphical representation that, compared to the reference year 2006, the EU share of total global GDP is gradually decreasing in terms of G20 Member States.

Figure 1 GDP at global level in 2006 and 2016



Source: The EU in the world, 2018

Monitoring the development of GDP within the European integration area also brings interesting findings. In terms of assessing the dynamics of economic performance and the rate of economic growth within the European integration space, we can point out that the global economic and financial

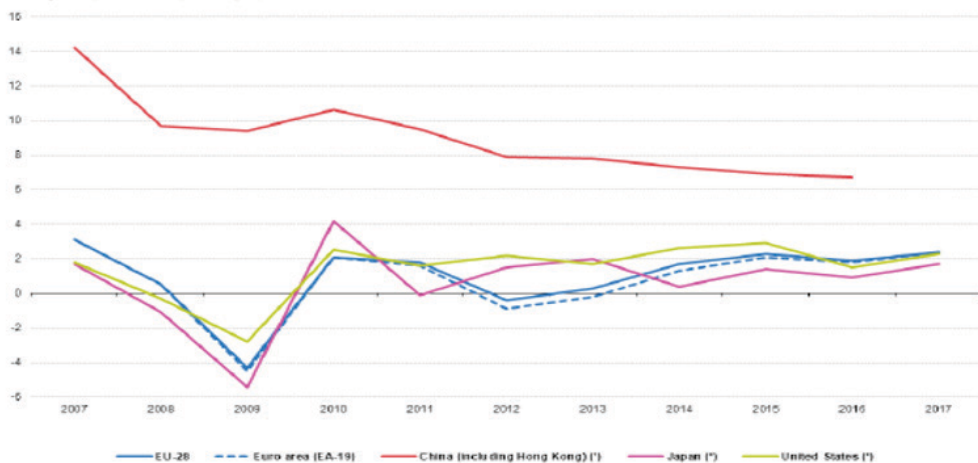
crisis has also affected this economic integration space, which has been reflected in a range of macroeconomic indicators. The negative impacts of the global economic and financial crisis, which, although differentiated, affected almost the entire area of the globalized world economy, were also reflected in the European integration area, with their negative impact already in 2008, when the GDP growth rate is decreasing. In 2009, real GDP fell by 4.3% within the European integration area. We see a gradual recovery in economic activity within the European integration area in 2010, when the volume index of GDP increased by 2.1%, and in 2011 we see a growth in the volume index of GDP by 1.8%. In the following period, in 2012 the GDP decreased by 0.4%. In the area of GDP development, we have seen changes since 2013 indicating gradual growth and increasing dynamics of economic performance of the European integration area. In 2013, GDP increased by 0.3%, in 2014 by 1.7% and in 2015, GDP growth within the European integration area was 2.3%. In 2016, GDP also grew within the European Integration Area, but at a somewhat slower pace, while in 2017 the original dynamics of GDP growth were achieved, with an increase of 2.4% this year. (The EU in the world, 2018)

As mentioned above, the European integration area is characterized by a significant degree of differentiation of its internal economic space, which is reflected in the whole range of macroeconomic indicators monitored. In this context, it can be pointed out that even in the case of monitoring the rate of attained dynamics of economic performance and economic growth monitored on the basis of GDP, there are certain specific trends in this area. As indicated in 2009, it was characterized by a decline in GDP both at the level of the European Union as a whole and at the level of its individual nation states. During this period, a decline in GDP was recorded in almost all Member States of the European integration area except Poland. In the following year, 2010 was a period of signs of a gradual recovery in economic performance and economic growth, with up to 23 Member States declaring gradual economic growth during this period. A certain exception in this period was Spain, where GDP growth unchanged from the previous year. In 2011, up to 24 Member States declared GDP growth within the European integration area. However, in the following year 2012, this positive trend has changed, with only 14 Member States already experiencing positive changes in the dynamics of economic performance and economic growth. The other Member States, with the exception of Bulgaria, which was going through a period of stagnation at that time, showed a decline in the dynamics of economic performance and thus of economic growth. In 2013, 2014, 2015 and 2016, most Member States achieved positive GDP growth, with 17 Member States in 2013, 25 in 2014, and 2015 and 2016 respectively. A positive change in GDP growth was seen

in the 27 Member States. Between 2015 and 2016, only Greece experienced a decline in economic performance of 0.3% (2015) and 0.2% (2016). (National accounts and GDP, 2018b)

Based on the assessment of the level of economic performance and economic growth measured on the basis of GDP in the monitored period 2007 - 2017, we can show that the impacts of the global financial and economic crisis within the European integration area were reflected mainly in the decrease of economic growth performance of individual Member States. In the reference period 2007-2017, the EU 28 achieved an average annual growth rate of 0.8%, while the euro area achieved an average annual growth rate of 0.6%. Between 2007 and 2017, the highest growth rates in the European integration area were Malta (average annual growth of 4.2%), Ireland (average annual growth of 4.1%) and Poland (average annual growth of 3.3%). (National accounts and GDP, 2018b) The development of the dynamics of economic growth monitored on the basis of the achieved real GDP rate in the years 2007 - 2017 is shown graphically in figure No. 2.

Figure 2 GDP of the European Union and selected actors of the global economy in the years 2007 – 2017



Source: Eurostat, National accounts and GDP (2018)

### *Standard of living of the population of the European integration area*

In the year 2017, the average value of GDP per capita at current prices in the EU-28 reached 29,900 EUR. In this context, we can thus point out that the highest value of the monitored indicator in 2017 was in Luxembourg. Where the GDP per capita conversion reached 2.5 times the EU-wide average 28. At the lowest ranks of the imaginary ranking of individual Member States

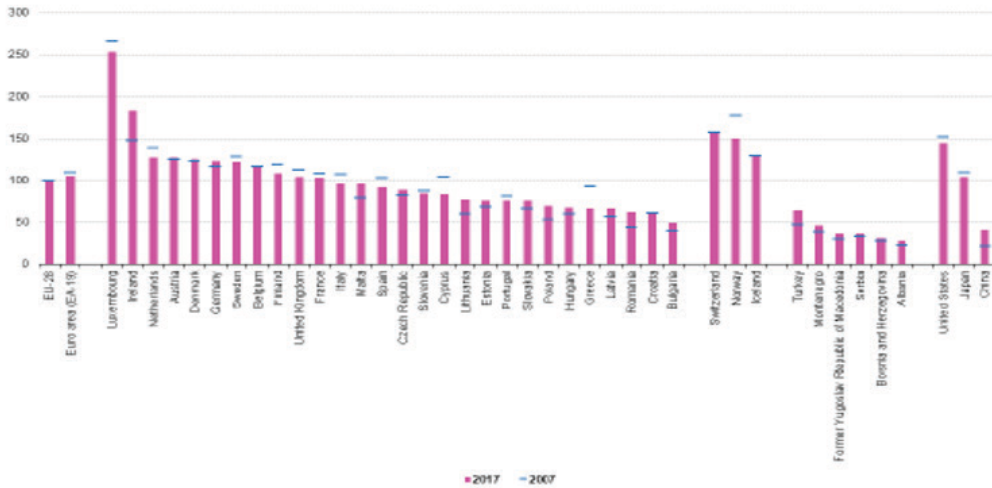
was Bulgaria, which in 2017 reached the value of the monitored indicator at a level below half the EU average. The development of the monitored indicator within the European integration area for the period 2007 - 2017 is changing to some extent depending on the whole range of internal and external factors determining the level of economic performance and the possibility of effective utilization of economic potential towards support of growth trends. (The EU in the world, 2018a)

The change in the situation in the monitored area aimed at assessing the level of living standards achieved within the European integration area was conditioned by several factors during the period under review. One of the most important ones is the global financial and economic crisis.

Between 2007 and 2017, we can observe these trends in the European integration area within the monitored indicator. The fact that a large proportion of the Member States that belong to the group of new Member States, those which joined the EU in 2004, 2007 and 2013, recorded a growth in the monitored indicator, which gradually approaches the EU average, is positive. For this group of Member States, only Slovenia and Cyprus achieved a lower endpoint compared to the EU average 28. (Eurostat, 2018a)

Within the second group, the original Member States Greece and Portugal reported lower values compared to the EU-15 average, and Italy and Spain showed a decline in the level of the indicator from above the EU-28 average to a border at the average level reported within EU 28. Over the reference period 2007-2017, Ireland, Germany, Austria and Denmark recorded stronger growth in the indicator and exceeded the EU-28 average, with Luxembourg, Finland, the Netherlands, the United Kingdom, Sweden and France compared to 2007, In the period under review, the 2017 indicator showed a decline in its level, from values above the EU average to values close to the EU 28 average in 2017. However, despite this trend, these Member States still maintain their position on average. EU 28. (Eurostat, 2018a) Figure No. 3 shows graphically the development of the comparison indicator in 2007 and 2017.

Figure 3 GDP per capita in current prices (in 2007 - 2017)



Source: Eurostat, National accounts and GDP (2018)

### *Gross EU added value by economic activity*

Based on the monitoring and comparison of individual time periods in terms of the development of the share of individual economic activities in the creation of gross value added within the EU, it can point out these developmental trends within the European integration area in terms of the period 2007 – 2017. Within the European integration area (EU 28), the share of industry in total value creation has been gradually decreasing over the period under review, which represents a decrease of 0.5 percentage points. Industrial activity accounts for 19.6% of gross value added in the EU and, despite a decline, this area of economic activity remains the EU leader in value added. For this group of activities according to the achieved share we can include activities related to trade, transport, accommodation and catering services. This group of economic activities is characterized by maintaining the stable value of its share in the creation of the value added since 2007 at 19%. Another group of economic activities with a significant share in the creation of EU added value is public administration, education and health, which accounted for 18.6% of total EU added value in the year. This group of economic activities recorded the second highest growth of its share in the value added at the level of 0.8 percentage points in the monitored period of 2007 - 2017. (National accounts and GDP, 2018c)

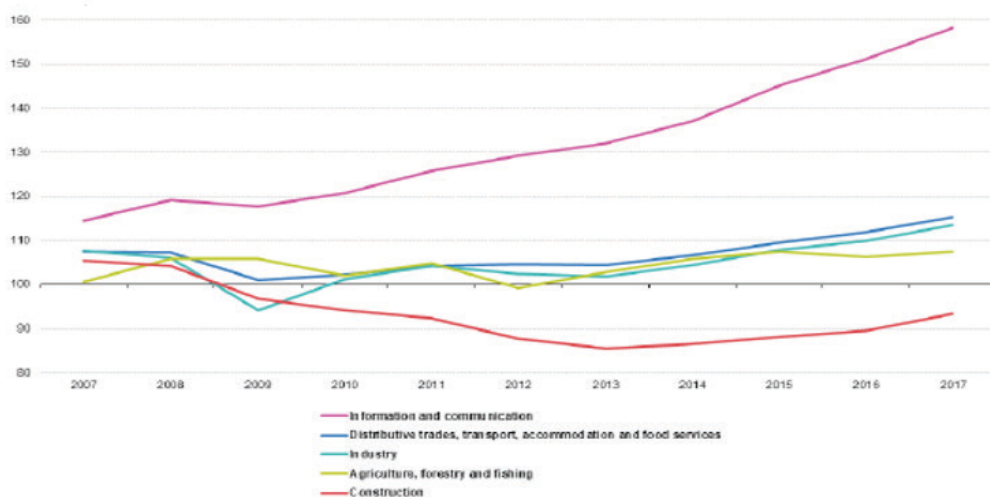
The group of other economic activities, which recorded a significant share in the creation of gross value added in the period under review, included the following activities: real estate activities (11.3% share), professional,



scientific and technical testing and analysis and administrative and support services (share of 11.2%, in 2017 these economic activities recorded an increase in their share in the creation of an increase in the value of 1.0 percentage point, construction (share of 5.4%, on the contrary, this economic activity its share in value added creation (by 1.0 percentage points). The group of economic activities with a share in value added of 5% and lower was represented by information and communication services and financial and insurance activities (share of 4.9%) The lowest share of EU value added in the reporting period was the following activities: arts, entertainment and other services (share of 3.5%) and agriculture, forestry and fisheries (share of 1.6%). (National accounts and GDP, 2018c)

Compared to 2016, in 2017 there was an increase in the share of gross value added in the EU in almost all of the above economic activities except agriculture, forestry and fisheries, where we see tendencies indicating a slight decline and stagnation. Information and communication activities show the most significant growth. The above mentioned trends show graphically figures No. 4 and No.5.

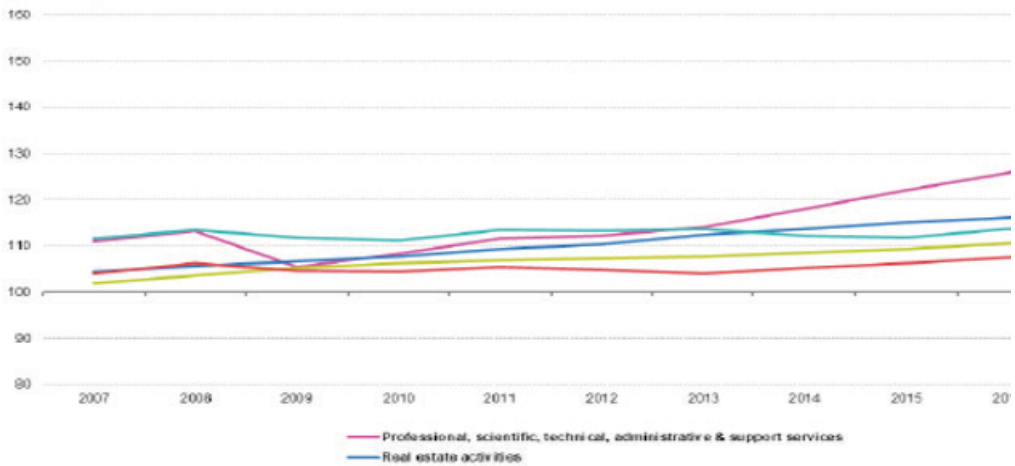
Figure 4 Real added value of the EU 28 in 2007 - 2017



Source: Eurostat, National accounts and GDP (2018)



Figure 5 Real added value of the EU 28 in 2007 – 2017



Source: Eurostat, National accounts and GDP (2018)

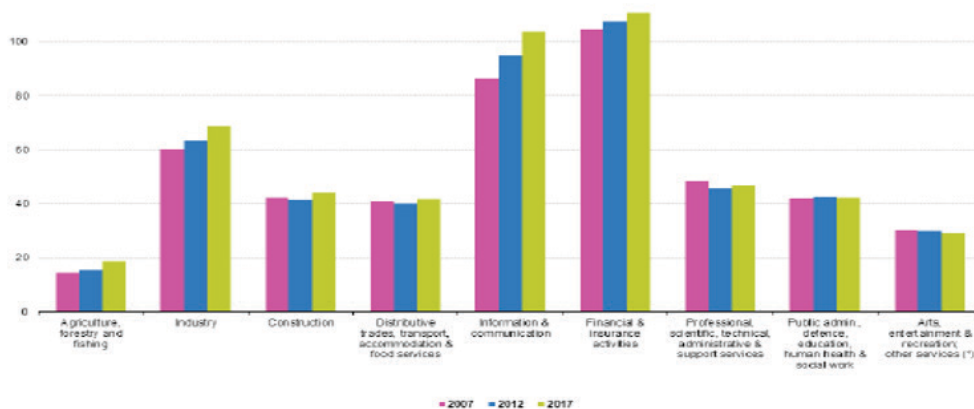
### *Workforce productivity*

One of the relatively problem areas identified in the long term that affect their overall economic performance and economic activity in the EU area is the area of labor productivity. In several types of strategy papers aimed at defining the basic objectives and areas to be addressed in the context of efforts to achieve continued economic growth but also effective economic development and increasing competitiveness in regional and global markets, the area of labor productivity is considered one of the key areas. (Kazanský, Andrassy, 2019)

In terms of monitoring and comparing the labor productivity indicator, the evaluation and comparison of this indicator is based on the conversion of labor productivity per employed person. The analysis of data and data on labor productivity developments over the period under review, covering the period 2007-2017, shows that the rate of real labor productivity measured in the EU area has seen an upward trend. Between 2007 and 2017, labor productivity increased in the vast majority of economic activities. The highest rate of labor productivity growth in the period under review was recorded in agriculture, forestry and fishing (up 28.9%), the second highest rate of labor productivity growth was recorded in information and communication services (up 20.0%), while the third economic activity with a higher rate of labor productivity growth, industry represented an increase (of 13.7%), which is shown in Chart 5. From the point of view of monitoring the development of labor productivity rates within the EU geographical area, we can point out that labor productivity in Bulgaria, Latvia, Lithuania, Slovakia, Spain and the

Czech Republic increased most significantly. (Eurostat, 2018f)

Figure 6 Labor productivity in the EU in 2007, 2012, 2017



Source: Eurostat, National accounts and GDP (2018)

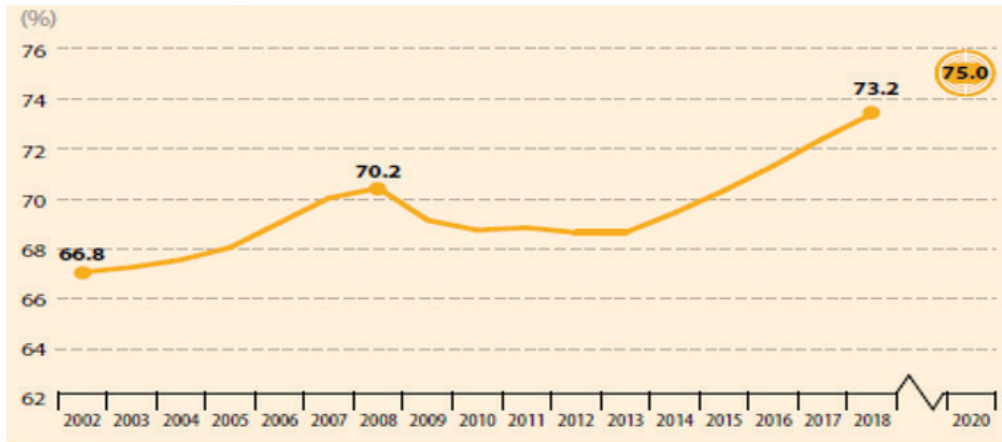
### *Employment rate*

Within the European integration area, the indicator is one of the following macroeconomic indicators and a basic social indicator, which is used mainly in the analysis of labor market developments. At the same time, this indicator shows the dynamics of economic growth and the economic potential of the national economic complexes and the transnational economic complex of the European Union as a whole in the context of monitoring the economy's ability and efficiency to generate new jobs. Within the European integration area, the monitoring of the employment rate of the population aged 20 – 64 is one of the important indicators, while the objective of achieving a progressive increase in the employment rate of the population of the European Union in this age category at national and transnational level is at the same time Europe 2020 implemented between 2010 – 2020.

In terms of the development of the employment rate of the population of the European Union aged 20-64 years, we can point out that in 2017 and 2018 there was a trend within the European integration area pointing to a gradual increase in the employment rate within the monitored geoeconomic area. The positive development trend in this area was also determined by several factors, mainly by economic growth and especially by implementation of various measures at national and transnational level concerning strengthening of employment and increasing competitiveness of selected groups of labor force on the labor market. Due to these and a range of other specific factors, developments in the employment rate have been positive at the European

Union level, with an employment rate of 73.2% in the European Union aged 20-64 in 2018. (Smarter, greener, more inclusive, 2019)

Figure 7 Employment rate in the EU in the period 2002 - 2018

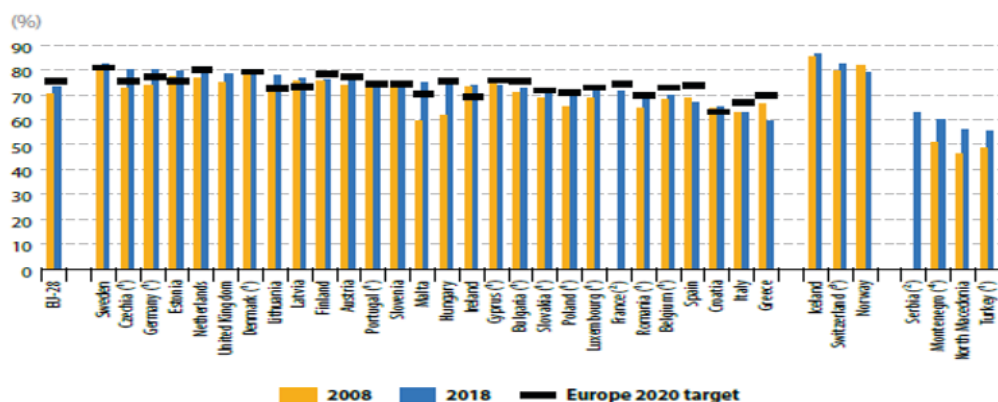


Source: Smarter, greener, more inclusive, 2019

Based on monitoring and comparing the development of the employment rate of the population of the European Union aged 20-64, we can show that in 2018 the employment rate within the European integration area ranged from 59.5% (Greece) to 82.6% Sweden. In terms of the geographical disparities in employment rates achieved within the European Integration Area as a whole, we can point out that a stronger increase in the employment rates of the population aged 20-64 has been observed in the Member States of the European Union located in Northern and Central Europe. Half of the Member States from this geographical area have seen an increase in the employment rate and the achievement of the Europe 2020 target of 75%. The Mediterranean Member States report lower figures for the reported employment rate of the population of the European Union aged 20-64. (Smarter, greener, more inclusive, 2019)

Between 2008 and 2018, the employment rate of the population aged 20-64 in the vast majority of Member States has been growing within the European Integration Area. Malta (15.8 percentage points) and Hungary (12.9 percentage points) recorded the strongest growth. (Smarter, greener, more inclusive, 2019)

Figure 8 Employment of the European Union population aged 20 - 64 in 2008 and 2018

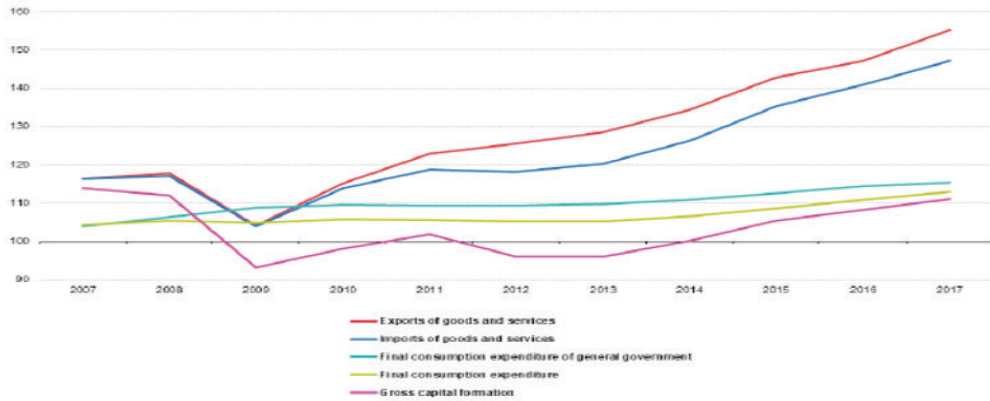


Source: Smarter, greener, more inclusive, 2019

### *Consumption expenditure*

Decomposition and follow-up of the components of the GDP indicator indicate that, in terms of monitoring the evolution of final consumption-oriented expenditure within the European Integration Area, these have increased by 8.1% over the reference period covering the 2007 -2017 period. However, the recorded upward trend in consumption expenditure was not entirely continuous. In terms of investment activity as well as in terms of composition of entities involved in investments, it can be pointed out that in the period under review we have recorded a significant share of the private sector in the area. Analyzed and compared calculations show that in 2017, investment by businesses and households accounted for 17.9% of GDP, while public sector investment was 2.8% of GDP in this period. In terms of monitoring the spatial distribution of representation and the proportion of investment groups under review (expressed as a percentage of GDP), the highest volumes of public sector investment were invested in Hungary and Estonia, with the highest volumes of business sector investment being applied in Ireland and Sweden. (Eurostat, 2018d)

Figure 9 The EU consumption expenditure in 2007 – 2017



Source: Eurostat, National accounts and GDP (2018)

### 3 THE EUROPEAN UNION AS AN ACTOR IN THE WORLD ECONOMY

As has been pointed out in the previous sections, the European Union is a geographically vast, internally differentiated, complex, dynamically developing, open transnational economic complex that has gradually established itself as one of the key geo-economic actors in the globalized space of the world economy. By maintaining the continuity and necessary dynamism of the integration process and progressively fulfilling the key integration priorities, as well as the ability to gradually consolidate the internal economic space after major changes related to the gradual deepening of economic integration and the expansion of the transnational economic complex to a specific and important economic and trading partner. Following the development of selected macroeconomic indicators, we can point out that the European Union achieved GDP growth of EUR 15.3 billion in 2017. In terms of the allocation of trading partners in the context of monitoring the volume of trade with these actors, more than 64% of the total trade is realized within the internal economic space of the European Union. The European Union, together with the US and China, are the three largest trading players in the world economy. (Globalisation patterns in EU trade and investment, 2017)

In 2018, the US and China were the main trading partners of the European Union based on monitoring the evolution of the volume of trade in goods, as documented in Table 1.

Table 1 The European Union's main trading partners – trade in goods in 2018 (million EUR)

State	Export	Import	Total sum	Trade balance
USA	406 372	267 270	673 642	+ 139 102
China	209 906	394 698	604 604	- 184 179
Switzerland	156 484	108 980	265 464	+ 47 504
World	1 955 746	1 980 361	3 936 107	- 24 615

Source: Globalisation patterns in EU trade and investment, 2017

In terms of monitoring the share in the total volume of global foreign direct investment, the European Union in 2016 accounted for the largest share of this monitored volume, both in terms of the volume of foreign direct investment invested domestic and in abroad.

Table 2 Share in world FDI in 2016 in%

State	Inland FDI	FDI abroad
EU	38,4	52,0
USA	35,3	39,5
China	7,5	7,9
Canada	5,3	7,5
Japan	1,0	8,7

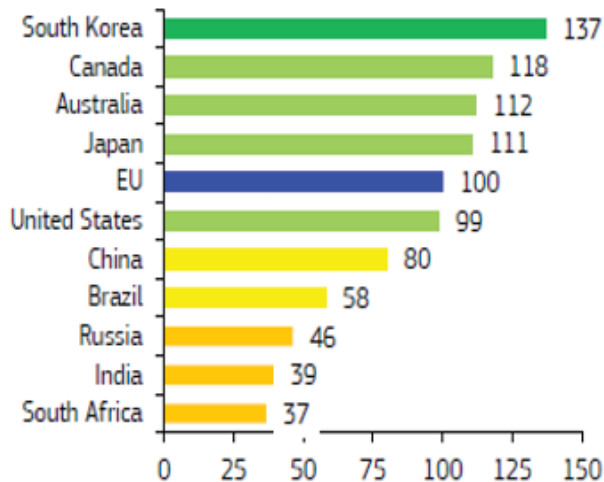
Source: Globalisation patterns in EU trade and investment, 2017

One of the key indicators monitored not only in terms of assessing economic performance, but above all in terms of the ability of the national economy, the economy of a multinational economic complex and specific economic, business entities carrying out their economic activities in a given territory is the achieved level of competitiveness. In the sources of economic literature, competitiveness is currently identified as one of the most watched characteristics of the ability of the national economy to use the comparative advantages available to produce goods and services that it is able to locate and maintain in the long term in both regional and global markets.

In terms of assessing the level of innovation performance achieved by the European Union as a whole at global level for 2018, it can be pointed out that the European integration space is lagging behind in South Korea, Canada, Australia, Japan in terms of innovation performance. However, compared to 2017, the European Union has seen a slight improvement in its position in

terms of innovation performance compared to the US. However, an assessment of the degree of innovation performance achieved by selected actors at the global level shows that the European Union, compared to the key innovation leaders, is significantly lagging behind with a prediction of widening these disparities in the coming period. (European Innovation Scoreboard, 2019)

Figure 10 Innovation performance on global level in 2018



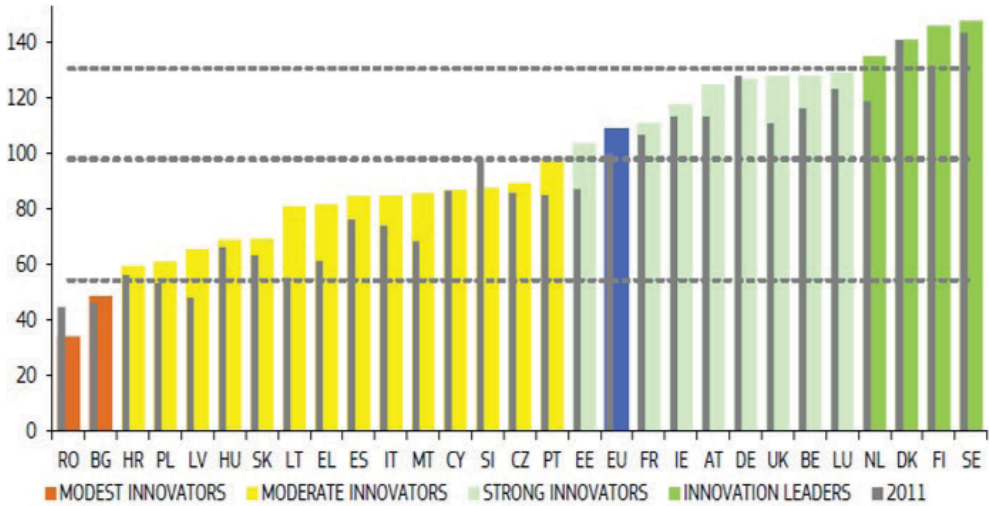
Source: European Innovation Scoreboard, 2019

On the basis of a comprehensive comparison of the innovation performance achieved within the European integration area, it can be shown that, since 2011, the innovation performance of this transnational economic complex has increased by 8.8 percentage points. This positive development in the area of innovation performance was influenced by the positive development in the area of more specific: new doctorate graduates, international scientific co-publications and broadband penetration. (European Innovation Scoreboard, 2019)

Since 2011, the level of innovation performance achieved within the European Integration Area has increased, with a positive trend for 25 Member States and a decline for 3 Member States. The most significant growth rates of innovation performance were observed: Lithuania, Greece, Latvia, Malta, the United Kingdom, Estonia and the Netherlands. On the other hand, Romania and Slovenia recorded a decline in the level of innovation performance. Convergence dynamics in terms of innovation performance rate suggests that Member States with a lower rate of innovation performance are more progressive in this area than Member States with a high rate of innovation performance. (European Innovation Scoreboard 2018, European Innovation Scoreboard, 2019)



Figure 11 Innovation performance of the EU in 2018



Source: European Innovation Scoreboard, 2019

The European Union, as one of the key global economic actor in the world economy area, is characterized by a relatively comprehensive and sophisticated foreign trade policy characterized by the conclusion and subsequent implementation of specific types of foreign trade agreements and agreements concerning the development of friendship in a particular economic cooperation in selected areas. The basis of foreign cooperation with selected economic partners is to achieve a high degree of liberalization of mutual relations, especially in the area of tariff reduction and customs burden, removing other non-tariff barriers to mutual trade in goods, creating opportunities for improving trade in services, the protection of investors and investments, the consolidation and harmonization of technical, administrative and regulatory measures, the protection of employers and employees, and cooperation in various other areas relating to selected economic and economic sectors.

## CONCLUSION

The European Union is currently one of the key players in the globalized global economy. The accelerating process of globalization, manifested in the world economy, brings with it a whole spectrum of specific developments, to which both national and transnational economic complexes must adapt. As one of its key objectives, the European Union has set itself efforts to maintain and strengthen its position in the world economy through the implementation of various measures and the implementation of instruments aimed at

strengthening internal cohesion and the economic convergence of its internal economic space. However, the achievement of these strategic objectives is largely influenced by the development tendencies manifested not only in its internal but also external economic environment. In this context, it can be pointed out that, despite the effects of the whole range of influences and trends, the European integration space has maintained its stable position in the world economy. Its position in this area is also strengthened by the extent and level of development of foreign trade cooperation within the European Union. The European Union has developed a broad global trade partnership with selected actors from almost all macro-regions of the political map of the world. A stronger strengthening of the European Union's position in the world economy would also contribute to increasing its competitive position not only in regional but especially in global markets. On the one hand, this can be achieved through the development of foreign trade cooperation, but also by increasing the degree of competitiveness of products and traded commodities and services by increasing their added value, in particular by implementing various innovations. However, to this end, it would be necessary, within the European integration area, to increase R&D investment rates and to develop partnerships with key economic partners from the external environment also in this area, as well as to improve the level and quality of the education system.

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