

Globalization of European Union countries in the context of global turbulence and geopolitical shift in the 2020s

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Abstract: Globalization of EU countries in the context of global instability and shift was studied. Analysis with the use of KOF globalization index confirmed hypothesis assuming that EU countries represent a relatively high level of globalization, but there are still large differences between new and old EU members. Globalization does not solve world economy's problems, and may even induce new global challenges and threats. Turbulence in the 2020s raises questions about further development of international relations and globalization. Disrupted international cooperation and disturbed geopolitical balance, may limit, inhibit or change globalization. Exacerbation of tensions between global powers may lead to the division of the world into competing platforms. Geopolitical shift becomes particularly important. Hypothesis assuming that instability in the global economy in the 2020s influence prospects of globalization, including globalization of EU countries was positively verified.

Keywords: Globalization, Geopolitics, European Union

1 Introduction

Intensive processes of internationalization, regional integration, and globalization were characteristic for the last decade of the 20th century and for the beginning of the 21st century. However, the 21st century turned out to be a period of many global challenges and threats, as well as related instability, uncertainty and turbulence for the globalized world economy, resulting from both economic and non-economic factors.

The main objective of the conducted research was to identify changes in the level of globalization of the European Union countries from 2010 to 2024. The parallel objective was to identify the prospects for further development of globalization in the context of global turbulence and geopolitical shift in the 2020s. The following hypotheses were verified during the research:

- H1: The European Union countries are characterized by a relatively high level of globalization, but there are still large differences between the degree of globalization of the new and old EU countries;
- H2: Instability and uncertainty in the world economy in the 2020s affect prospects of globalization, including globalization of European Union countries.

The research was conducted with the use of the following research methods: critical literature study, analysis and logical construction, descriptive analysis, descriptive statistics and synthesis. KOF globalization index (KOF GI) was used for the comparative analysis of the level of globalization of the EU countries. The study concerned the 27 countries that operate in the EU structures in 2025¹.

Possible scenarios for further development of globalization were examined, taking into account the phenomena and processes that have become visible in the world economy by the end of April 2025, including the COVID-19 pandemic, a full-scale war in Ukraine, the armed conflict in the Middle East, US foreign policy change in 2025.

2 Globalization of European Union countries in the light of KOF Globalization Index

KOF Globalization Index (KOF GI) 2010-2024 for EU27 countries is presented in table 1. In 2010 KOF GI ranged from 71.51 in Romania to 92.95 in Belgium. It should be noted here that Belgium was the most globalized country in the world in 2010, while Romania took the 39th position in the KOF globalization ranking. Globalization of Austria and the Netherlands was also extremely high in 2010 (they formed the top three most globalized countries together with Belgium). Having in mind the fact that the average value of KOF GI for EU27 amounted to 83.19, while it was only 56.8 for the world, one has to perceive all EU27 countries as relatively highly globalized countries in 2010. The following years brought only slight changes for some EU27 countries, while others did experience more dynamic situation:

- Germany improved its position in the KOF ranking by 13 places thanks to an increase in KOF GI by 3.53 (it was the 5th most globalized country in 2024, while in 2010 it took the 18th position in 2010);

¹ For example, Croatia was included, even though it only joined the European Union in 2013, whereas the study did not cover the United Kingdom of Great Britain and Northern Ireland, which joined the European Community in 1973 and operated within the EU's institutional structures until the end of January 2020.

- Greece's position in the KOF ranking improved by as much as 17 places (it was 31st in 2010 and 14th in 2024), and its globalization index increased by as much as 8.04;
- Romania improved its position in the KOF ranking by 6 places (from the 39th position in 2010 to the 33rd one in 2024) and its KOF GI increased by 7.27;
- Cyprus has dropped by 13 positions in the KOF ranking from 2010 to 2024 (21st position in 2010 and 34th one in 2024);
- KOF GI for Hungary was reduced by 3.82 in the analyzed period of time, which resulted in a drop of 8 places in the KOF ranking (10th position in 2010 and 18th in 2024);
- KOF GI for Portugal was reduced by 3.99 in the analyzed period of time, which resulted in a drop of 8 places in the KOF ranking (8th and 16th places respectively);
- Czechia's position in the KOF ranking worsened by 8 places (it took the 19th position in 2024, while in 2010 it was classified on the 12th place), due to the drop in the KOF GI by 3.79;
- Poland's position deteriorated by 7 places (23rd position in 2010 and 30th place in 2024), which was related to the drop in the index by 1.73.

It should be pointed out that despite the persisting differences among the EU27 countries in regard to globalization, the disparities of the level of globalization in the studied group of 27 EU countries decreased significantly in the analyzed period of time. This is evidenced by the reduction of the KOF GI range by over 8.2 percentage points from 2010 to 2024.

Economy	KOF Globalization Index overall									KOF GI change	Position		Position change
	2010	2012	2014	2016	2018	2020	2022	2024	2010 /2024		2010	2024	
Austria	92,51	90,55	90,48	89,83	87,91	88,56	88,36	87,6	-4,91	2	7	-5	
Belgium	92,95	92,76	91,61	90,51	90,47	90,46	90,09	88,9	-4,05	1	3	-2	
Bulgaria	75,41	72,50	71,38	77,16	79,52	79,77	79,04	77,52	2,11	32	36	-4	
Cyprus	82,45	86,59	85,27	84,07	75,60	83,06	79,54	78,4	-4,05	21	34	-13	
Czechia	86,87	85,76	83,97	86,60	83,41	84,88	84,85	83,08	-3,79	12	19	-7	
Germany	84,16	81,53	79,47	78,24	86,89	88,83	88,44	87,69	3,53	18	5	13	
Denmark	89,68	88,11	87,43	86,44	87,85	87,96	87,86	86,48	-3,2	6	9	-3	
Spain	85,71	84,36	84,66	83,73	83,31	83,81	85,18	84,52	-1,19	16	12	4	
Estonia	79,49	79,34	79,38	78,46	81,97	82,91	82,21	81,81	2,32	26	23	3	
Finland	87,31	84,34	85,87	85,47	85,98	87,7	87,22	86,16	-1,15	9	10	-1	
France	86,18	84,12	82,76	82,61	87,34	87,69	86,94	86,72	0,54	13	8	5	
Greece	75,83	81,30	80,29	80,4	80,31	82,89	83,25	83,87	8,04	31	14	17	
Croatia	76,85	75,88	74,92	75,59	79,04	81,19	81,04	80,63	3,78	29	25	4	

Hungary	87,00	87,38	85,91	85,78	84,20	83,83	83,84	83,18	-3,82	10	18	-8
Ireland	86,92	91,95	92,17	91,64	83,53	85,54	85,82	84,36	-2,56	11	13	-2
Italy	82,26	81,02	80,37	79,59	82,15	82,82	82,56	83,04	0,78	22	20	2
Lithuania	74,73	66,56	73,27	77,26	78,78	81,15	81,28	79,77	5,04	33	28	5
Luxembourg	85,84	86,02	84,57	83,55	82,00	82,82	85,37	84,65	-1,19	14	11	-3
Latvia	71,61	66,27	70,17	70,97	75,42	79,77	76,79	76,54	4,93	37	38	-1
Malta	76,42	76,39	75,95	75,04	77,51	77,28	80,76	79,47	3,05	30	31	-1
Netherlands	91,90	90,94	91,33	91,7	90,24	90,68	90,48	89,72	-2,18	3	1	2
Poland	81,26	80,81	79,52	79,9	78,72	79,67	80,83	79,53	-1,73	23	30	-7
Portugal	87,54	86,73	87,01	85,08	82,21	84,88	84,79	83,55	-3,99	8	16	-8
Romania	71,51	74,94	72,24	75,09	77,88	79,29	79,4	78,78	7,27	39	33	6
Slovakia	85,07	83,83	83,55	83,62	80,74	82,66	83,2	81,96	-3,11	16	22	-6
Slovenia	78,78	77,67	76,86	76,24	79,76	81,21	79,7	80,36	1,58	28	26	2
Sweden	89,95	88,23	87,39	85,92	88,05	89,44	89,2	87,63	-2,32	5	6	-1
KOF GI Arithmetic mean for EU27	83,19	82,44	82,14	82,24	82,62	84,10	84,00	83,18	-0,01	—	—	—
KOF GI Arithmetic mean for the world	56,8	57,3	58,17	58,93	59,32	60,24	59,93	60,42	3,62	—	—	—
KOF GI Maximum for EU27	92,95	92,76	92,17	92,30	90,47	90,68	90,48	89,72	-3,23	—	—	—
KOF GI Minimum for EU27	71,51	66,27	70,17	69,00	75,42	77,28	76,79	76,54	5,03	—	—	—
KOF GI range for EU27	21,44	26,49	22,00	23,30	15,05	13,40	13,69	13,18	-8,26	—	—	—
KOF GI Standard Deviation for EU27	6,30	7,03	6,39	5,55	4,30	3,72	3,75	3,66	-2,64	—	—	—
Raw data for year	2007	2009	2011	2013	2015	2018	2020	2022	—	—	—	—

Table 1.
KOF Globalization Index 2010-2024 for EU27 countries

Source: (KOF, 2010, 2012, 2014, 2016, 2018, 2020, 2022, 2024) and own calculations.

The analysis of the KOF ranking 2022 (created with the use of raw data for the pandemic 2020 year) confirmed a negative impact of the outbreak of COVID-19 pandemic and lockdowns which were introduced practically worldwide on globalization for both the EU27 and in global terms. The same conclusion can be drawn from the analysis of the KOF ranking 2024 (reflecting the situation in 2022, i.e. the year of the outbreak of a full-scale war in Ukraine – raw data for 2022 were used in this case). Here, too, the globalization index for the EU27 has slightly decreased.

3 Globalization at Crossroads

In the first decade of the 21st century the emergence of terrorism as a new global problem and the outbreak of the global financial crisis initiated the debate on globalization. Many experts began to emphasize that globalization does not solve the most important problems of the contemporary world economy, and may even induce new global challenges and threats. The process of reshuffling the main economic, political and military powers, as well as the growing income and wealth inequalities should be mentioned here (Kleer, 2008). The third decade of the 21st century has brought a series of accumulating global problems, challenges and threats. Geopolitical, economic and demographic shocks (Thompson, 2022) have been superimposed on global problems that had been identified much earlier, such as international debt, the ongoing degradation of the natural environment and climate change, demographic problems, the problem of hunger, international terrorism, and which had not been solved or even mitigated. The increasing instability and uncertainty in the world economy of the third decade of the 21st century as a result of the COVID-19 pandemic, the war in Ukraine, the new edition of the conflict between Israel and Hamas, as well as a change of the US foreign policy in 2025 raise questions about further development of international relations, including the future of globalization. Tensions between global superpowers, as well as fragility of international geopolitics destabilized the global environment already before the COVID-19 pandemic (Altman, 2020; Yip, 2021). Russia's armed aggression against Ukraine in February 2022, which initiated a full-scale war, overlapped with the ongoing COVID-19 pandemic. The consequences of the still ongoing war between Russia and Ukraine have been shaking not only the two countries, their societies and economies, but also the whole Europe and, more broadly, the global economy. They clearly showed the importance of the global security network (Kammer et al., 2022). The fragile international geopolitical balance was disturbed. The awareness of strategic external dependencies of regional and global nature increased (Gutmann, Pitlik & Fronaschutz, 2023). The consequences of the war in Ukraine for globalization were also pointed out by Erasmus (2022), Jenkins (2023), UN experts (United Nations, 2023). The attitude to globalization changed considerably also in the US (despite the very many gains from globalization for the US) (Wen, 2024). Trade and foreign policy of the US under D. Trump's presidency in 2025 became unpredictable: it has already created numerous threats for international business, disrupted international trade and ruined global geopolitical architecture (Fields, 2025; Islam, 2025). Fields (2025) indicated that the US decision to escalate trade war in 2025 "is designed not just to reshape America, and trade, but the way the world itself has been run". International Monetary Fund pointed to damages to the global economy resulting from Trump's tariff policy (Stewart, 2025).

It seems that due to such a high level of advancement of globalization, it is impossible to completely reverse the process of globalization. However,

unfavorable phenomena and processes that take place in the world economy in the third decade of the 21st century, disrupting international cooperation and disturbing the so far international geopolitical balance, may limit or inhibit globalization, as well as change its shape. The political divisions between the major powers are deepening. This could lead to the division of the global economy into competing platforms and a shift from the logic of cost optimization to the logic of risk reduction (Płociennik, 2022). Many points to the end of globalization in its current form, not the end of globalization as such (Sofuł, 2022). Undoubtedly, globalization 1.0 has ended (Atkinson & Ezell, 2025). Geopolitical shift becomes particularly important. The world faces four fundamental and existential challenges: increasing inequality, climate change, demographic change, and the weakening of democracy. Far-reaching international cooperation will be needed to solve them. However, for this to be possible, it is necessary to rebuild global institutions and regain their credibility. Structural reforms are necessary for the creation of a more resilient economic, financial, and geopolitical system. Solving the basic threats facing the global economy in the 21st century is a necessary condition for moving towards a safer and more sustainable world (Acemoglu et al., 2022). It can therefore be stated that the hypothesis assuming that instability in the global economy in the 2020s influence prospects of globalization, including globalization of EU countries has been positively verified.

Conclusions

The EU27 economies are characterized by relatively high level of globalization. Comparative analysis with the use of KOF Globalization Index indicated the existence of significant differences in the studied group of countries from 2010 to 2024.

In 2024 the highest level of globalization was characteristic for the Netherlands, Belgium, Germany, Sweden, Austria, France, Denmark and Finland – they were positioned in the top ten of the KOF Globalization Ranking (with KOF GI overall ranging from 86.16 in Finland to 89.72 in the Netherlands – the number one most globalized country in the world). The lowest level of globalization was noted in the following EU27 countries: Latvia, Bulgaria, Cyprus and Romania. They were classified in the 4th ten of the the KOF Globalization Ranking 2024 (and the value of KOF GI in their case was less than 80). Even these EU countries must be considered highly globalized entities if we look globally and analyze them against the background of all the countries of the world.

The third decade of the 21st century brought an end to the hitherto shape of globalization. We have passed the turning point of globalization. We do experience dynamic creation of a new shape of the world economy system. There is no come back to the pre-pandemic shape of globalization. International conflicts, geopolitical tensions, economic competition, technological innovation, and climate change will determine the future of the world economy. Instability and uncertainty

in the world economy and in the global politics do affect the directions and prospects of further development of globalization, including globalization of the EU countries. Rules-based multilateral agreements are shifting away. Reorganization of the global economy in order to reduce global risks (catastrophic climate change, the danger of further pandemics, bioterrorism, rising inequalities, the growing problem of exclusion, regional and world military conflicts) is of vital importance. This requires a sort of historical change/leap. On the one hand, it seems extremely difficult, even impossible, but on the other hand, it is precisely the major crises that create political space for radical reforms. The questions are: Is there a chance for international / global action resulting in a better / fairer model of globalization? Is de-globalization more likely?

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