



## Paul J.J. Welfens: Editorial

■ 2017 marks a historical year in the sense that the Brexit process has continued – with Prime Minister May weakened after the snap election in June. Most economic studies available clearly suggest that Brexit will have considerable negative long-term effects on national income in the EU and, more broadly, on general economic prosperity in Europe. The “Global Britain” approach of the UK government is contradictory and will not deliver the high benefits suggested except for a possible future US-UK “mini-TTIP”. Hence Brexit not only has weak legitimacy – considering the information pitfall of PM Cameron in 2016 – but it also has poor perspectives for economic gains (see also my UCL Blog <https://ucl-brex.it.blog/2017/12/11/an-accidental-brex.it-a-disorderly-referendum-and-illusions-of-a-global-britain/>).

The role played by the BBC in the field of providing information to the broader British and global public is sometimes rather strange. A typical feature of Brexit TV coverage is that one economist with a pro-Brexit position is opposed by one economist with a Remain position, so that the general public gets the impression that economists are roughly evenly split on the issue of Brexit. However, as the Annual Conferences of the Royal Economic Society in Brighton and Bristol have clearly shown, an overwhelming majority of economists raise critical doubts about the economic effects of Brexit for the UK. The Royal Economic Society indeed has complained vis-à-vis the BBC that its coverage of Brexit is misleading the public by refusing to report the true balance of opinion of said Royal Society – the BBC Trust has largely rejected this complaint. It is also noteworthy that on December 7th, 2017,



Prof. Dr. Paul J.J. Welfens



An Accidental Brexit



Special Issue: Sincere Project

BBC One transmitted the “Question Time” show, where the host David Dimbleby explained to the audience that a No-Deal Brexit would effectively mean free trade between the UK and the EU – this is economic BBC nonsense (<https://youtu.be/uu33Oj3M9gk?t=16m>).

At the same time it should clearly be emphasized that the EU27 has its own problems and that the current institutional setting is likely to lead to a disintegration of the EU (with or without Brexit). The key point is that research by the German expert group Forschungsgruppe Wahlen – whose research focus is on voting behavior – shows that voters are able to correctly identify key policy fields in regional and national elections in Germany, but do not understand the role of EU policies. This leads to a higher probability to rather vote in favor of small, radical anti-EU parties, so that every EU election has a tendency to reinforce anti-EU populist parties in Europe. The EU, with a budget of just 1% of GDP, is too small and lacks visibility vis-à-vis voters in Germany and elsewhere

re in the European community. A static view of the principle of subsidiarity is totally inadequate and dangerous; rather, one should shift selected policy fields from the national level to Brussels (taking into account the approach of fiscal federalism), infrastructure and defense spending for example, so that the EU policy would become more visible and therefore the political EU competition process more intensive: this would reinforce the efficiency of EU policy and actually raise the economic and political benefits of EU integration. In the end the overall tax burden of citizens in EU countries could be reduced. These and other key aspects of a broader Brexit analysis are emphasized in the book “An Accidental Brexit” that I have presented at Georgetown University, Washington DC (September) as well as at the University College London (December).



Prof. Welfens at Georgetown University, Sept. 2017

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## BREXIT Monitor:

The June 2016 EU referendum in the United Kingdom represents a historical development in the history of the European Union. For the first time since the Treaty of Rome, the EU is facing a situation of disintegration involving a large country – both in terms of population and economic weight. The BREXIT dynamics, which are considerable for both the UK and EU27, could lead to further disintegration unless urgently needed reforms are implemented. Reflecting these difficult times for the EU, the EIIW is establishing a dedicated BREXIT section on its English language website. Here, you will find information on books, working papers and other contributions on BREXIT and BREXIT-related topics. If you are an academic or researcher interested in the field and in feedback and discussion, the EIIW invites you to submit English-language papers. Papers of a high scientific quality may also be accepted for publication as an official EIIW discussion paper.

On the right, you can see an overview on the EIIW's Brexit research and publication activities.



Paul J.J. Welfens,  
**An Accidental Brexit -**  
*New EU and Transatlantic Economic Perspectives*  
London: Palgrave

### Elements of EIIW Brexit Monitor

#### BREXIT Monitor

##### Books

An Accidental BREXIT <http://bit.ly/2rYZcku>  
BREXIT aus Versehen <http://bit.ly/2DodQbf>

##### Summary

<http://bit.ly/2yfimgl>

Welfens, P.J.J.; Hanrahan, D.: The BREXIT Dynamics: British and EU27 Challenges after the EU Referendum  
<http://rdcu.be/wBLT>

University College London Blog  
<http://bit.ly/2jSPKKE> (11/12/2017)

[Handelsblatt Global](#)

EIIW-TV for Video Commentary on BREXIT  
<http://bit.ly/2FJA99D>

Paul J.J. Welfens: The True Cost of BREXIT for the UK: A Research Note  
<http://bit.ly/2mDLj7a>

Welfens, Paul J.J.: Foreign Financial Deregulation under Flexible and Fixed Exchange Rates  
<http://bit.ly/2DjsW2w>

Welfens, P.J.J.; Hanrahan, D.: BREXIT: Key Analytical Issues and Insights from Revised Economic Forecasts – forthcoming as EIIW Paper

#### Top Links:

[Rabobank: The permanent damage of Brexit](#)

[HM Treasury analysis: the long-term economic impact of EU membership and the alternatives](#)

[Lawless and Morgenroth, ESRI Working Paper No. 550: The Product and Sector Level Impact of a Hard Brexit across the EU](#)

[HM GOVERNMENT: The United Kingdom's exit from and new partnership with the European Union](#)

[HM GOVERNMENT: Why the Government believes that voting to remain in the European Union is the best decision for the UK.](#)

[OECD: The Economic Consequences of Brexit: A Taxing Decision](#)

[European Parliament: An Assessment of the Economic Impact of Brexit on the EU27](#)

[European Commission: The Economic Outlook after the UK Referendum](#)

### An Accidental BREXIT

In October 2016 Springer (Heidelberg) published the new book on Brexit: **BREXIT aus Versehen**. An updated English version has been published in 2017: **An Accidental BREXIT**, London: Palgrave MacMillan. The book argues that the EU referendum result of June 23 is flawed by the fact that the Cameron government did not include any key insights from the Treasury Report on British advantages of EU membership. The Book was presented at Georgetown University on September 12th and at the University College London on September 6th, 2017.



Boris Johnson's Brexit lie - anti remain campaign bus.



## EIIW-TV:

Selected videos from Prof. Welfens concerning a variety of topics. More videos can be found on the [EIIW-TV homepage](#) or on the EIIW-TV YouTube channel (ECONOTODAY).



[EIIW President Welfens presents his new book „An Accidental Brexit“ in London](#)



[EIIW President Welfens on the past and the future of the United Kingdom concerning Brexit](#)



[Nan Yu „Dynamics of renewable energy generation technologies at regional level in China“](#)



[Paul J.J. Welfens „The ETS and sustainability policy perspectives“](#)

## Special Issue *International Economics and Economic Policy*

Volume 14 · Number 3 · July 2017

# International Economics and Economic Policy

### Editors-in-Chief

Christian Pierdzioch  
Christian Richter  
Paul J. J. Welfens  
Holger C. Wolf

**Special Issue: Resource Efficiency, Circular Economy and Sustainability Dynamics in China and OECD Countries**

**Guest Editors: Paul Welfens, Raimund Bleischwitz and Yong Geng**

### EDITORIAL

Resource efficiency, circular economy and sustainability dynamics in China and OECD countries  
P. Welfens · R. Bleischwitz · Y. Geng 377

### ORIGINAL PAPERS

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M. Winning · A. Calzadilla · R. Bleischwitz · V. Nechifor 383

The innovation trajectory of eco-cement in the Netherlands: a co-evolution analysis  
R. Kemp · E. Barteková · S. Türkeli 409

Innovation of renewable energy generation technologies at a regional level in China: a study based on patent data analysis  
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Innovations for reaching the green sustainable development goals – where will they come from?  
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### Abstracted/Indexed in:

SCOPUS, EconLit, Google Scholar, EBSCO, ProQuest, Academic OneFile, AGRICOLA, Business Source, Cabell's, Current Abstracts, ECONIS, Expanded Academic, OCLC, Research Papers in Economics (RePEc), SCImago, Summon by Serial Solutions

Springer

Special Issue: Sincere Project

### Funding Acknowledgements

We gratefully acknowledge support by the **vita Foundation** on the Global Sustainability Indicator. New results can be found on the website as well as in the Welfens/Debes EIIW discussion paper (No.231).

This acknowledgement also concerns funding of a survey on environmental preferences in Germany.

### BREXIT Analysis presentation at the Swiss National Bank:

On June 27th Paul Welfens has presented key insights from his book *t* (BREXIT aus Versehen) at the Swiss National Bank, Zürich.

### International Presentation at the IMF (September 11, 2017):

Professor Welfens has presented an important paper on Foreign Banking Deregulation under Fixed and Flexible Exchange Rates: A New Trilemma, see EIIW working paper 238.

### Upcoming Publication:

**Paul Welfens** and **Samir Kadiric** have concluded research on risk premia in financial markets in the runup and the aftermath of the Transatlantic Banking Crisis - with the book to be published by De Gruyter Publishing (2018); part of research - supported by contacts to several central banks - reflects BREXIT-related new risk aspects.

## EIIW Discussion Papers published in 2017 (selected):

### No. 232 Welfens, Paul J.J.:

Negative Welfare Effects from Enhanced International M&As in the Post-BREXIT-Referendum UK

### No. 233 Udalov, Vladimir; Welfens, Paul J.J.:

Digital and Competing Information Sources: Impact on Environmental Concern and Prospects for Cooperation

### No. 234 Welfens, Paul J.J.:

The True Cost of BREXIT for the UK: A Research Note

### No. 238 Welfens, Paul J.J.:

Foreign Financial Deregulation under Flexible and Fixed Exchange Rates: A New Trilemma

**No. 239 Welfens, P.J.J.; Kadiric, S.:**  
Neuere Finanzmarktaspekte von Bankenkrise, QE-Politik und EU-Bankenaufsicht

Download all papers from the EIIW website here:

<http://www.eiiw.eu/index.php?id=3708>

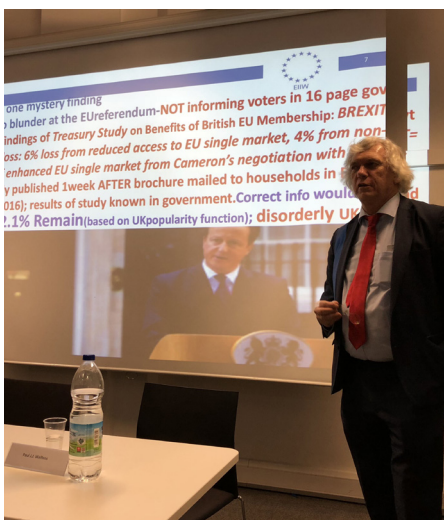
## Final Workshop in the DFG-Sincere Project and presentation of „An Accidental Brexit“ at the University College London, December 6-8, 2017.



Prof. Welfens at the UCL



Prof. Welfens presenting his book to journalists



Book presentation at the UCL European Institute



Chatham House



Nan Yu presenting at the final SINCERE conference, Dec. 7th 2017, UCL



Vladimir Udalov presenting at the final SINCERE conference, Dec. 7th 2017, UCL



**Hoffmann Centre**  
for Sustainable  
Resource Economy

**SINCERE**

**CHATHAM  
HOUSE**  
The Royal Institute of  
International Affairs

## Final Workshop SINCERE-Projekt, Friday 8 December 2017:

### *The Circular Economy in China and Europe: Latest Insights and Future Perspectives*

Location: Chatham House (Simulation Centre) | 10 St James's Square | London

This Roundtable will discuss the key findings of the [SINCERE](#) project, as it draws to a close, and explore the role of future policies in China and Europe to support the circular economy and resource efficiency. It will bring together participants from academia, business organisations, government and civil society to discuss the most promising opportunities for intervention, collaboration and leadership and options for overcoming barriers to progress.

**SINCERE** is a collaborative research project between European and Chinese academic institutions to develop new economic modelling tools to understand the resource use patterns of China and the EU.

#### 08.30 – 09.00 Registration with Breakfast & Coffee

#### 09.00 – 09.15 Welcome and Introduction

Speakers will make opening remarks and explain the objectives and anticipated outcomes for the roundtable. Speakers will also give short reflections on the current state of Circular Economy policy, where it is heading as well as summarize discussions from the final SINCERE Conference at UCL on 7 December.

##### Speakers:

**Raimund Bleischwitz** | University College London  
**Simone Cooper** | Hoffmann Centre for Sustainable Resource Economy, Chatham House

#### 09.15 – 10.45 Session 1 |

##### **Circular Economy policy landscape in Europe and China**

This session will focus on circular economy policy frameworks in China and the EU. Speakers will give a brief overview of policy developments reflecting on specific areas of regulatory reform, how to best support innovation in a circular economy and how governments can encourage new entrants and business models.

##### Chair:

**Anthony Chiu**, Gokongwei College of Engineering, De La Salle University

##### Speakers:

**Hugo-Maria Schally** | DG Environment, European Commission (via Skype)

**Beijia Huang** | Shanghai Science & Technology University

#### 10.45 – 11.00 Coffee Break

#### 11.00 – 12.30 Session 2 |

##### **Innovation in Delivering Circular Economy Policies**

This session aims to explore innovative methods in which circular economy policy has been delivered in China and Europe. One factor and mode of delivery affecting policy developments in both regions is the rapid development of information technology. This development has occurred in parallel to transitions in product and business model design

and waste management, with urban areas or regional clusters often acting as hubs for delivery. Speakers will provide short introductions to each method of delivery to stimulate the discussion.

##### Chair:

**Harald Friedl**, Circle Economy, Netherlands

##### Speakers:

**Jackie Tseng** | International Society for Business Innovation

**Paul Welfens** | University of Wuppertal  
Suzanne Baker | techUK

**Yan Wang** | University of Brighton

1230 – 1300

##### **Looking Ahead & Setting Priorities**

This session will consider some of the key future policy 'challenges' and questions for both China and Europe in the circular economy, including financing innovation, the changing jobs & skills market, policy leadership and international trade and geopolitics. Participants will be asked to explore possible solutions, policy priorities and propose specific areas for enhanced EU-China collaboration on circular economy, including potential areas of opportunities and for further dialogue.

##### Chair:

**Rob Bailey**, Research Director, Energy, Environment and Resources Department, Chatham House



##### **SINCERE Partners**

**Raimund Bleischwitz**, Deputy Director  
UCL Institute for Sustainable Resources

**Shun Fung (Anthony) Chiu**, Board of Trustees  
Asia Pacific Roundtable for Sustainable Consumption and Production

**Ming-Lang (Jackie) Tseng**, Editor in Chief  
International Society for Business Innovation and Technology Management

**Beijia Huang**, Associate Professor  
Shanghai Science & Technology University

**René Kemp**, Professor of Innovation and Sustainable Development  
University of Maastricht

**Matthieu Glachant**, Professor of Economics  
MINES ParisTech

**Paul Welfens**, Chair in Macroeconomics and Jean Monnet Chair  
University of Wuppertal

**Matthew Winning**, Research Associate  
UCL Institute for Sustainable Resources

**Nancy Yu**, Research Associate  
University of Wuppertal

**Vladimir Udalov**, Research Associate  
University of Wuppertal

**Rainer Walz**, Head of Competence Sustainability and Infrastructure Systems  
Fraunhofer Institute for Systems and Innovation Research

**Matthias Pfaff**, Researcher  
Fraunhofer Institute for Systems and Innovation Research

**Serdar Turkeli**, Researcher & Coordinator Innovation, Institutions & Development Specialisation  
UNU-Merit

**Will McDowall**, Lecturer in Eco-Innovation  
UCL Institute for Sustainable Resources

**Forthcoming in 2018 in the project sponsored by Deutsche Bundesbank:  
*The Influence of Brexit on the EU28***

*1. Workshop as part of the EIIW-Project: The Influence of Brexit on the EU28\**



**Guesthouse of the University of Wuppertal  
(Campus Freudenberg, Rainer-Grünter-Str. 21)**

**Friday, 16 March 2018**



**The Influence of Brexit on the EU28:  
Banking and Capital Market Adjustments as well as Direct Investment  
Dynamics in the Eurozone and other EU Countries**

*\*The financial support of the Deutsche Bundesbank is gratefully acknowledged*

**Preliminary Workshop Agenda:**

**Chair:** Paul J.J. Welfens, EIIW

**10:00 Welcome Address:** Paul J.J. Welfens,  
President of the EIIW, Chair for Macroeconomics and Jean Monnet Chair at the Schumpeter School of  
Business and Economics, University of Wuppertal

**10:15 Overview of the Project,**  
Paul J.J. Welfens, EIIW

**10:30 Brexit and 'The City'**  
Andrew Mullineux, University of Birmingham  
Discussant: Markus Doumet, University of Wuppertal  
Discussant: Christopher Thiem, University of Duisburg-Essen

**Coffee Break: 11:30-12:00 Uhr**

**12:00 BREXIT and FDI: Key Issues and New Empirical Findings,**  
Fabian Baier (EIIW), Paul J.J. Welfens (EIIW)  
Discussant: Manfred Kremer, ECB

**Lunch break: 13:00 Uhr**

**Chair:** Michael Vogelsang, Hochschule Ruhr West

**13:45 Lack of International Risk Management in BREXIT?**  
Paul J.J. Welfens (EIIW)  
Discussant: Markus Demary, IW Köln

**14:45 The Impact of Brexit on the British Pound / Euro Exchange Rate**  
Arthur Korus (EIIW), Kaan Celebi (Frankfurt University of Applied Sciences)  
Discussant: Discussant: Christopher Thiem, University of Duisburg-Essen

**15:45 The Permanent Damage of Brexit**  
Alexandra Dumitru, UK/Brexit Analyst Rabobank, Utrecht  
Discussant: Paul J.J. Welfens, EIIW