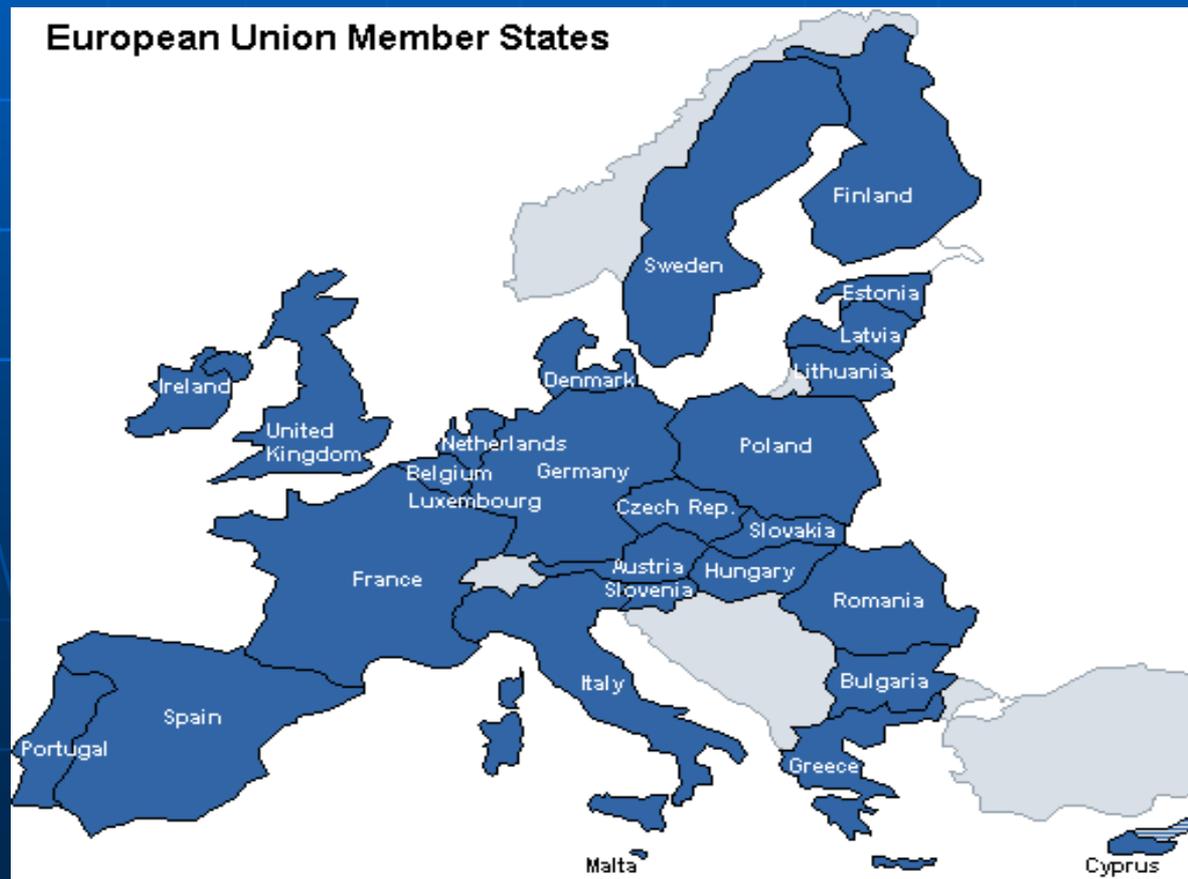




**EUROPEAN
UNION**

European Union

- Political and economic union of 27 member countries.



EU

- With almost 500 million citizens, the EU combined generates an estimated 30% share of the world's gross domestic product (US\$16.8 T)



EU

- The EU has developed a single economic system through a system of laws which apply in all member countries, guaranteeing the freedom of movement of people, goods, services and capital.
- Fifteen member countries have adopted a common currency, the euro. It has developed a role in foreign policy.

Membership Requirements

- Requirements for joining EU:
 - A country must have a democratic government (a Stable Government, not a Dictatorship)
 - Must have a functioning market economy (Non-Communist)
 - Must accept the obligations and intent of the European Union (Obey the EU rules and decisions)

Benefits of EU Membership

- **The end of war between European nations**
 - A war between Europe's major powers, England, France and Germany, is now unthinkable.
 - The economic futures of these countries depend upon cooperation. Thus, they are unlikely to fight.

Benefits

■ **Democracy is flourishing in 27 countries**

- Spain, Portugal, Greece, and the EU's 10 ex-Communist countries are parliamentary democracies.
- None of these nations were truly free in the decades following the Second World War.
- Each is now a democracy anchored within the EU and is unlikely to change.

Benefits

- **The creation of the world's largest internal trading market**
 - The 27-nation EU now around 500 million people making it the world's largest economic trading bloc (no trade barriers between EU countries.)
 - By comparison the US has a population of around 300m.
 - China and India have larger populations, but their economies are weaker and not large consumers.

Benefits

- **Crime-busting co-operation, through Europol**
 - The police in EU member countries can now use an EU arrest warrant to get suspects moved from one country to another where they will face serious charges without lengthy extradition procedures.

Disadvantages of EU Membership

■ Brain Drain

- With free movement of labor and capital, the most skilled and educated workers may go from formerly Communist Eastern countries to more developed Western countries like Germany and UK to take advantage of higher benefits and wages.
- This could weaken the economy of a new EU member.

Disadvantages

- Loss of Autonomy
 - Countries are not able to make their own decisions on economic, political, environmental, and human rights issues.
 - All members must conform to EU standards, lessening the role and importance of individual governments and their legislatures.

Disadvantages

■ Increased Costs

- EU's regulations on labor, agriculture and the environment will raise production costs for new members who will have to modernize.
- Existing members do not need to change anything about how they produce things, new members need new equipment and have to pay more taxes.