

52. EU – (dis)advantages

Advantages

Political influence in international affairs

- being a member of the EU means that a country is able to participate in decision-making process and contribute to decision about important affairs, e.g. conflicts, fiscal policy, instruments for decreasing regional differences, etc.

Funds – obtaining

- many European regions are supported by
 - *Structural funds* of the EU (ERDF, EAGGF, FIFG, ESF)
 - *Cohesion fund* (large investments into improvements of infrastructure)
- these funds try to decrease regional disparities within the EU by:
 - stimulating economic activities (agriculture, social inclusion, R&D, education, SME, ...)
 - supporting IT, employment, health care
 - supporting sustainable development of natural environment, e.g. NP, hydro-plants
 - maintaining cultural heritage

Free labour market

- European citizens can freely migrate for work within member countries

Spread of entrepreneur markets

- FDI flow into new markets – into new member states

Security

- higher security of citizens within the EU vs. corruption, police regime, dictatorship, etc.

Common currency – EURO

- acceptance of EURO = fewer losses from exchanging 1 currency to another

Disadvantages

Funds – contribution

- in the future, new member states will contribute to European budget more they get from the EU nowadays

Regional disparities

- some regions are very developed and attractive for living. But many marginal, peripheral regions suffer from high unemployment rate, low levels of FDI, limited job opportunities, etc.
- national states – national pride = scepticism of old member states to new ones ⇔ EU consists of many national states which try to protect their citizens (workforce) by reducing new immigrants from abroad
- cultural and mental differences: many countries = many differences in culture and mentality + *right of veto* (veto power) => problems with decisions and consensus (accordance)
- 2 seats of “European government”: Brussels vs. Strasbourg
- inefficient CAP = it supports many agricultural activities within the EU. It’s becoming increasingly inefficient vs. cheap import of products from abroad (Ukraine)

Competition

- opening of new markets = higher levels of competition among the member countries => threat for domestic producers vs. impulse?

Lack of interest of European citizens for the EU

- EU is “far” from citizens => people are not interested in affairs within the EU

Common currency – EURO

- acceptance of EURO = *higher prices*, e.g. in Germany prices have increased by 30%

Brain drain

- regions with high unemployment rate will suffer from lack of skilled workforce ⇔ emigration of highly qualified people

Keywords

Structural funds, Cohesion fund, social inclusion, brain drain, right of veto, consensus/accordance, R&D, SME, FDI, sustainable development