Economic Aspects of European Integration

When the European Integration started 1951 with the European Coal and Steel Community and 1957 with the European Economic Integration, the wounds and scars of World War II were still omnipresent. But based on the Schuman declaration and the Monnet plan, the founding members Italy, France, Belgium, Luxemburg, the Netherlands and West-Germany started an economic cooperation long before a political cooperation was feasible. In several steps, the members abolished all kind of trade obstacles and formed one economic area that is unprecedented in world history. The six founding members were followed by 22 other European countries and the list of further applications is long.

The core economic principles of the European Integration are the “four liberties”, the free movement of goods, of services, of capital, and of people. In addition to that, Europe has a strong anti-trust policy and many other fields of cross border economic cooperation. The introduction of the Euro in the year 2000 as a single currency that is adopted meanwhile by 19 different countries is another keystone of economic and monetary development, followed by a banking union in 2014. All these economic treaties contributed to an unprecedented growth and prosperity on the European continent and to the longest period of peace in European history.

The future of the European economic integration is not clear. It is challenged by populist parties like the Brexit Party in the UK, intending to give up the four liberties and to reintroduce border controls. The necessity to protect and strengthen the economic and monetary union is obvious.

Literature:


Contact: dirk.wentzel@hs-pforzheim.de