

An Overview of the Main Challenges Facing the European Union Analytical Essay

Introduction

Before the dawn of the Second World War, there existed some empires that were forged on compulsion through strong military rule. Such empires can be dated back to Roman and Greek empires. After the Second World War, the world, especially Europe, witnessed one of the greatest horror in human history that brought death, destructions of infrastructure and economic decline.

The European Union was then formed to curb future occurrences of the same destructions and to help unify some policy that could bring expansion and efficacy in political, economic and social arenas across the continent (The Atlantic Wire 2012, par. 2). There have arisen problems that threaten the future stability of the European Union. This paper looks into the problems that the European Union is facing (Guardian 2012, par. 6).

An Overview of European Union

The European Union is a unique institution with a complex administration (Schumann 2012, par. 3). For a decision to be effected, it has to be approved by three institutions that subsume European commission, the council of the European Union and the European parliament.

For the purpose of guiding the union on legal and economic matters, there are three institutions for the same purpose (Neal 2007, p.215). They include the European court of justice, the European council and the European court of editors. On the top of these, there are two other institutions that advice on matters on the ground.

They are the economic and social committee and the committee of the regions. Of importance in administration and business are the three multi-level systems that the union is built from. The complex administration system is where initial problems stem from. The complex administration system that has different acting levels has a further division of three pillars.

The first pillar termed European community is mandated with overseeing of economic and monetary policies, joint agricultural policies for all members, internal markets, and custom union among many. The second economic pillar deals with common foreign and security policies. Finally, the third pillar deals with cooperation of member states in the field of law (El-Agraa 2011, p.96).

Complex Administration Hurdles

From the analysis of the complexities in the administration of the European Union, it is evident that the key area in the genesis of its challenges lies in its quest for harmony in administration.

Since different levels and pillars of administration have different nation members as the heads, each of them is likely to present views that are in the best interest of the parent nation. The end result will be a tag of clashing policies that wants to have their way in the union (Staab 2008, p. 15).

Economic and Monetary Challenges

Trying to boost trade and harmonize the economy of its member states, the European Union, with a help of the organ of economic and monetary union, embarked on ways of creating a common currency called the Euro. By the year 2002, the Euro had been accepted as the common exchange currency among only 12 members of the union.

The major problem for the European Union is to convince the United Kingdom to join the Euro. According to the news reported by the guardian on 29 Jan 2012, the United Kingdom will not yield to the pressures from the European Union and vote for the Euro. The United Kingdom's intention is to remain a free state since lack of freedom led to the World War II (Guardian 2012, par. 6).

The reasons behind the United Kingdom's decision to stick to its pound lay on several factors. Currently, the economy of Great Britain is doing well (Guardian 2012, par. 4). If the UK growth effects spill over to the Euro zone, they will suffer from some setbacks. Such setbacks will incur the wrath from the public who are the investors.

Furthermore, interest rates on things such as mortgages will be different and the economy of the nation will be tilted. For the European Union to have common market operations means to force the UK to yield to the euro, a task that seems to be impossible as per UK's economic status.

Single Market Challenges

Another challenge the European Union faced in its economic and monetary policy is the exceptions that hinder the smooth operation of a common or a single market. In its literal term, the single market was incorporated in the European Union so as to enable free movement of labor, capital, goods and services all over the states constituting the union.

Although this has seen some positives results in terms of wider market and increased competition, its survival is facing major threats from some rigid member states. The members of the European Union are looking at the project of a single market with a kind of phobia and suspicion that threaten its survival (Council of the European Union 2008, p. 75).

Some member countries such as Italy have opted to remain rigid to the point of refusing to implement full rules as per the single market policy document. Since Europe is a continent of cultural divergence, the European Union will find it difficult to fully stick to single market. A conservative state like the one based on Muslim's cultural foundation will not change its cultural heritage so as to fit the European system of single market (Gaens, Jokela & Limnell 2009, p.152).

Challenges in the Labor Market

The implementation of free single market by the European Union has led to some disparities in the labor market. The free market allows free labor movement among member states. Owing to the fact that some nations are not act at per policy set with the other countries, there is likely to be some manipulation by cunning institutions to take advantage of cheap labor from children.

According to the report released on 15 June 2011, child trafficking is a major challenge faced by the European Union (Klaus-Dieter 2010, p.71). Since the European Union advocates for free movement and association between member states, it will be hard to be effectively eradicated. The projected percentage of affected children is 19% which is a very big portion (EU Enlargement 2012, p.3).

The Trillion-Dollar Bailout Plan

On the 10th of May 2010, the European Union flamboyantly hit the headlines with the news of one trillion-bail out plan. The news which was initially received with ululation raised questions among the economists and business analysts (The Atlantic Wire 2010, par, 5). The European Union's initial plan was to make the member states become economic superpowers.

Through this plan, the states with big economic powers were to bail out those with little economic power. The end result would be a demand for reformation from the states bailed out leading to complete deviation from their economic norms and fiscal capacities (Ward 2008, p.355). The magnitude of the bailout woes was heightened with a further outcry in condemnation.

The EU bailout lost its support in the eyes of analysts (McIntyre 2010, p.2). Greece, which was the main beneficiary, could not be towed from the fiscal crisis since the fiscal policies taken by the European Union had no conclusive plan and were also ineffective in addressing the political and social challenges. For the European Union to survive, it is necessary to address and reform its fiscal policies. The bailout scheme has had more negative impact in the entire Europe. Many member states are now posed with the dangers of having its fiscal institutions controlled by outside forces.

The Challenges of Expansion

The main goal of the European Union has been to expand and cover the entire Europe. Currently, it has 27 member states. The entire Europe has over 50 states. For the union to be termed a success, it has to expand its membership to cover almost the entire Europe so as to live to its name (European Union) and goals.

But the expansion will not be possible and if it happens, it will affect the economic equilibrium of the majority of its member states. In this respect, the nations with poorly developed industries are likely to be swallowed by the industrial giants. The same case happened to Lithuania when it was forced by the European Union to close its nuclear plant as it was not up to date.

Another challenge the European Union faced is the cost of expansion. In 2004, when Poland joined the European Union, the aid that was extended to it was worth one billion Euros. Furthermore, the demands embossed on new members are too high. When Poland was allowed to join the union, it was required to implement the environmental protection policies worth €40 millions. Such financial imposition will be ridiculous to existing members and those intending to join.

Conclusion

The fruits of the European Union cannot be overlooked. There have been mega economic benefits from the members' countries. Improved infrastructure increased the number of trading partners, government revenues. Creation of job opportunities is among many other benefits reaped from the union.

Furthermore, the European Union has been founded on strong economic pillars and three institutions that subsume European commission, the council of the European Union, and the European parliament that guarantee its future. Nevertheless, the survival of the union depends on its ability to jump over the threatening hurdles. Starting from its complex administration, the union has to overcome corruption, inefficiencies and complex decision making process in its top organ.

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