A day will come when all the nations of this continent, without losing their distinct qualities or their glorious individuality, will fuse together in a higher unity and form the European brotherhood. A day will come when the only battlefield will be the marketplace for competing ideas. A day will come when bullets and bombs will be replaced by votes. (Europa:2009)

The European continent for the preceding centuries has been afflicted by countless wars and millions of civilian casualties as a result. From the ashes of World War II, politicians and economists came together to discuss the future of Europe in the wake of the Atomic Age and the struggle between the United States and the USSR. Armed with ideals of forming a “European brotherhood” and replacing the battlefield with the market place, the founders of the European Union in Europe fostered a new concept for economic integration. Presently, the union of 27 member states and a population of over 400 million individuals have created one of the largest markets in the world and present a possible global contender to the hegemony of the American economy. Enlargement of the EU, in both economic and political spheres, has increased so much in recent years that currently many nations of Western Europe are concerned with the extent of this progression. For these nations, the addition of the Eastern European nations has created a sense of fear for their own economic security, in terms of employment, stagnation of wages and reduction in social welfare. For the new members, fears have arose concerning possible inflation of basic commodities and a decline in employment resulting from the decrease in subsidies and newly imposed EU regulations. An examination of data and case examples, however, suggests that expansion by the EU will prove beneficial for all its members and help to strengthen, through lower costs of production and EU aid for infrastructure development, the economic security of the EU.
This essay will consist of four major components. The first section will address what the term *economic security* means for the EU and its member countries. The second section will then discuss how the issue of economic security helped to foster the idea of the common market and how this market developed over the years into the current EU form. The third will speak to the fears of both the Western and Eastern European nations. For example, one issue of Western Europe citizens concerns the anxiety about the ascension of new states and whether this will create greater unemployment in current members. The final section will submit case examples of countries from the Western and Eastern European spheres. The essay will then conclude with an analysis on the presented data, demonstrating how the EU and its policies will help to strengthen the economic security of all participants.

**Defining European Economic Security**

The term *economic security* has two meanings in the European Union. The first meaning relates to the EU’s position in the world economic system. The official website of the EU, europa.eu, contains valuable resources concerning the economic goals of the EU and their understanding of the term *economic security*. The EU dictates the importance of European integration in order to compete in the ever globalizing world. Nations in Europe tend to have smaller available natural resources and employed populations in relation to other developing nations or the United States. Through the cross-sharing of resources, companies in Europe will be able to match, and in some instances surpass, the economic prowess of competing countries. The second meaning revolves around the issue of economic equality and solidarity in Europe. The EU and the European Investment Bank (EIB) commit large portions of their respective budgets towards natural disaster relief, infrastructure development, and economic development in all parts of Europe. This act is carried out due to the EU’s drive towards equality amongst its
members, both in the urban and rural environments. The final goal for the EU will be a fully integrated Europe where the standard of living will be found equal throughout all parts of the continent (Europa:2009).

Why would the EU strive to attain such a lofty goal? The EU describes its focus in the 21st century as to, “provide peace, prosperity and stability for its peoples” and “uphold the values that Europeans share, such as sustainable development and a sound environment, respect for human rights and the social market economy” (Europa:2009). These two goals dictate the EU’s drive towards economic equality amongst its member states. The first phrase states that the EU will provide stability for its peoples. Europe is a continent on which many bloody battles have taken place throughout the centuries. The EU has effectively proclaimed how this will no longer be the case in the future, and instead of the nationalistic tendencies of sovereign states, the EU affirms that all members belong to one European people, and from this notion, each group is entitled to the same equal rights and ability to improve their economic status without any barriers. The second phrase then adds onto this idea by describing certain aspects of EU policy. Of this phrase, perhaps the most essential concept comes at the conclusion when it states the EU will be committed to a social market economy model. Unlike the laissez-faire system of the United States in which the government plays, for the most part, a small role in determining a course of action with regard to the economy, the European social market system approaches the role of the government differently. In this model, the government takes a more profound role in the decision-making process and imposes many regulations and taxes on commercial institutions. The social market model arrived from a compilation of both capitalist and socialist theories regarding economic policy. While the EU and its member states approve of capitalism and the free market system, they are also wary of the economic inequality and environmental deprivation
which often accompany this model. To solve this problem, the EU and its members adopted a system of implementing socialist policies, such as government direction and subsidies in key industries, to maintain a government voice in the decision-making process and this to promote economic equality (Europa:2009).

This sense of economic security may sound strange to American ears. Those in the United States may picture economic security as being a quaint home on a one acre lot with the perimeter marked off by a white picket fence. In this home, all children have their own bedroom, in which there is a television or computer, and in the garage sit at least two vehicles. There is also the idea of ‘keeping up with the Joneses’ in American society where materialistic and individualistic wants trump societal and communal needs. The EU and its member states have set themselves apart from Americans by their focus on the community and tradition. The phrase, “uphold the values that Europeans share,” is an excellent example of this focus. In it, the EU claims the community over the individual and demonstrates that the EU will work for a collective goal. In terms of economic security, this means the EU will strive to ensure equality between competing industries and institutions in Europe. In additions, the EU and its members choose to levy taxes and impose regulations such as a uniform measurement system and an environmental standard. By doing this, the EU is then able to achieve a sense of stability in sustainable development, an increase in the standard of living, and more equality amongst its members, therefore fulfilling its economic goals.

The Path towards Integration

To understand the problems the EU faces today, we must first analyze the history of the concept of the common market. Why after so many years of conflict and nationalistic competitiveness has the European continent turned instead to cooperation as the key to future
global market dominance? The previous paragraphs have proven that the EU works on a collectivist model and strives for greater economic equality among Europeans. This is a far cry from less than a century ago when Great Britain, France and Germany fought to defeat one another both economically and militarily and at the same time left the rest of Europe behind choking on the smoke from their industrial sectors and navy fleets. Collectivism in this time meant nationalist collectivism, not a single European market. The following paragraphs will discuss the development of the common market in Europe, from its earliest mention to the current EU model. The common market is a constantly growing organism and these paragraphs will describe to the reader the economic and political reasons behind its growth. At the roots of this organism lies the ideal for a strong economic security among the member states. The common market grew from these roots to achieve what is perhaps humankind’s first true attempt at true collective security.

The development of the EU and the foundation for its modern policies can be traced farther back than the European Coal and Steel Community of 1951. Hans A. Schmitt, author of *The Path to European Union: from the Marshall Plan to the Common Market*, offers information concerning the early attempts for a common market in Europe and the process following World War II. In particular, Schmitt writes of the development of the pan-Europa movement in Europe and its effects on policy. For example, the unification of Germany in 1870, previously a group of independent duchies and kingdoms, proved that a single Europe, or a United States of Europe, could develop. The main supporters of pan-Europeanism were French and German political theorists of the late nineteenth century who maintained that a United States of Europe comprised mainly of France and Germany could act as an opposing force, both militarily and economically, to Great Britain in Europe as well as the United States across the Atlantic Ocean. In 1869 in
France, the League for Peace and Freedom was founded and in Germany, Eduard Loewenthal founded the League for the Union of Europe. From the end of the Franco-Prussian War in 1870 until the start of hostilities in World War I, Europe was presented with relative peace. Due to this peace, it was continually difficult for pan-Europeanists to motivate their fellow citizens to move towards a federalist system (Schmitt:1962,7-8). The global empires of European states brought much wealth into the continent and advocates for pan-Europa were unable to persuade Europeans that the system needed to be changed. Grand construction projects which reached towards the sky and artistic movements symbolizing the peaceful yet ever-changing lifestyle of Europe reinforced the idea for the maintenance of the status quo.

Then, World War I threw this perspective into chaos. Advocates for a federal Europe responded by stating that the status quo had failed and a new system was needed to prevent future wars. However, many issues stood in the path way of pan-Europeanism. The electoral gains of the Nazi party in Germany and a government in Great Britain which never fully supported the idea, as they were concerned with maintaining their own massive global empire and Atlantic trade with the United States, proved to pan-Europa advocates that the climate was still too premature for the movement to take hold. To make matters worse for pan-Europeanists, the Great Depression fell upon Europe. As a result, economic trade barriers were put in place and protectionism by the national governments further hampered the efforts of the advocates. A final blow for the advocates was the deaths of many pro-Europa statesmen, the Frenchman Aristide Briand for example, which left the advocates leaderless in the economic storm of the 1930s and during World War II (Schmitt:1962, 8-9).

During World War II, the idea of pan-Europeanism was used by the Nazi regime to implement German social nationalism over the continent. The principal goal was a forced
economic and political integration based on the German model, at the cost of civil liberties. Due to the Nazi attempt to enforce their pan-Europa vision on Europe through violence, the years following the end of the war saw a period of mixed sentiments on the notion of pan-Europa.

David P. Calleo, a political economist and university professor at the Johns Hopkins University School of Advanced International Studies, writes in his book *Rethinking Europe’s Future* that during this time, when the continent was in a tug-a-war between United States and Soviet-Russia, four different theories on the future of European economics and politics were postulated, those being in his terms: the Atlantic Europe, the Nobody’s Europe, the Con-federal Europe, and the Federalist Europe.

The Atlantic Europe model theorized by Calleo states:

…America’s economic partner, together with Japan, managing an integrated world economy held together by free trade, convertible money, and international business firms. (Calleo:2001, 136)

This form was generally accepted by Great Britain, Denmark, and the Nordic countries. It specified that integration in Europe should occur on a limited scale so that any integration would be focused across the Atlantic Ocean rather than on continental Europe. This form was supported by the United States who saw integration as a manner in which the United States could influence the economic policies of Europe in favor of U.S. dominance in their markets. Those countries which followed this approach were those states who would join the Common Market later on and which to this day still favor a limited membership within the European Union and the European Monetary Union (Calleo:2001, 136). The Nobody’s Europe model (Calleo:2001, 142) details a political order in Europe that called for the recreation of the political spectrum which prevailed until World War II. This was a system in which there were many nation-states competing for hegemonic dominance on the continent. The power struggle between Great
Britain, France, Germany and Russia and the intricate alliances between such powers resulted in the peace prior to World War I. These political trappings and power struggles would then result in,

… providing a rational framework for competition among them-one that sets rules that check the strong, protect the weak, promote shared perspectives and effective common actions…it could hope to provide them with a moral institutional framework to protect individual rights and accentuate common national interests. (Calleo:2001, 143)

The Nobody’s Europe model was seen as a way to stabilize Europe in a manner to preserve the old traditions and colonial empires, as well as permit the continuance of European dominance in global affairs. As time has progressed, both of the before mentioned models would be tested and then discarded in favor of the following two models, the Con-federal Europe model and the Federalist Europe model.

The Con-federal Europe (Calleo:2001, 139) and the Federalist Europe (Calleo:2001, 137) models were similar since both advocated a continental focus of integration; however, they differed in the desired outcome of assimilation. The Con-federal Europe system was the approach most favored by French politician and president, Charles de Gaulle, who did not disagree how there was a state of transition in the international economic system. As the economies of the world became more integrated, he saw the advantages France could achieve through integration. He did, however, oppose the final outcome of integration as iterated by the Federalist Europe. He used the term a “Europe of States” to refer to a new order in Europe akin to the Confederation under the Articles of Confederation which functioned in the United States prior to the formation of the Constitution. For con-federalists like de Gaulle, economic integration should be encouraged as this would prove beneficial to all parties; however, the line
would be drawn on domestic judicial affairs and foreign policy, which would remain in the hands of sovereign states (Calleo:2001, 139-42).

The Federalist Europe system, favored by Belgium, Netherlands, and Luxembourg, referred to as the Benelux states, advocated for the formation of a political and economic federalist union following World War II. In addition to the Benelux states, the Federalist Europe model was favored by many statesmen such as Jean Monnet and Robert Schuman (both of whom came from France) and Paul-Henri Spaak (Belgium). These statesmen would be those individuals who launched the institutions and trade agreements that would construct the base for the modern EU. These statesmen saw the severity of the economic future of Europe and advocated the creation of a “United States of Europe” as the only manner for Europe to maintain dominance in global politics and finances. Due to the magnitude of opposition, much coming from their own nations, they favored the functionalist approach towards economic integration in which

integration in one economic sector was expected to spill over to others, with proliferating and accelerating consequences…Interest groups and politics would refocus on the European level, and ultimately, sovereignty itself would migrate to that level.  

(Calleo:2001, 137)

Using the functionalist approach, many statesmen would produce economic integration plans throughout the post-war years; however it would be Monnet and Schuman who would draft the economic plan that set the present-day concept of the EU in motion. The Schuman Plan was the precursor to the European Coal and Steel Community of 1951. The plan called for cooperation between the two main continent powers such that

…some new form of relationship should be established between France and Germany and the nations of Europe, other than relations based on the rules of national sovereignty…to start with one particular problem and have France and Germany agree to transfer for this problem to common institutions.
The Common Market and Fostering Economic Security

The notion of economic integration with West Germany and Italy by the Benelux countries and France seemed like a horrible nightmare to the victims of Nazi occupation. Faced with destruction wrought by German bombs and bullets less than a decade before, the French in particular saw the need for an economic reprisal, not economic camaraderie. The plan also was faced with sharp criticism by communists in Italy and France, both of whose parties maintained much power in national politics, who argued the plan was drafted by American imperialists bent on the formation of a bloc of western states from which they could launch an attack on the Warsaw Pact states. Another issue arose from those states that favored the Atlantic Europe model, notably Great Britain, who were opposed to economic integration on the continent as they perceived that it was not as financially secure as an economic policy oriented on Atlantic trade. Although these reservations were held among a large portion of the population, the issue of economic integration proceeded in many European governments. The end result was the creation of the European Coal and Steel Community in 1951 (Schmitt:1962, 63-66).

The tenets of the European Coal and Steel Community called for the creation of a common market of the coal and steel markets among the members of the treaty. The desired result was an established market free of tariffs and other trade restrictions as well as a strengthened heavy industry sector that could be competitive against the United States. In addition, each member country was required to agree with certain direct orders by the committee. For example, France and Belgium were asked to close those coal mines that underperformed and Germany was asked to open the Saarland to foreign investment and acquisitions. For the Europeans, to cast aside national ambitions in favor of cooperation was seen as a safeguard
against the competing nation states model of Europe prior to World War II and a promotion economic integration (Schmitt:1962, 67-83).

The European Coal and Steel Community was in general a successful endeavor. Between 1951 and 1957, coal trade between the member countries increased 15 percent and the amount of ore mined during these years grew by one-third. In terms of steel production, between 1951 and 1952 alone the amount of steel produced grew by 4 million tons for a total of 42 million tons and in 1959 the tonnage exceeded 63 million, an increase of about 50 percent (Schmitt:1962, 170-71). The success of the Coal and Steel Community resulted in the member states calling for the creation of a common market with more control over different market sectors, such as agriculture and manufacturing. The Common Market resulted in fewer trade barriers and an increase in production in the industrial sector among member states. Escaping from World War II with massive infrastructure and industrial capability losses, Western Europe was faced with American hegemony over its main industries. By breaking the American hold on industry, Western Europe increased its economic security as it was then able to implement their own economic and investment ideas.

The European Economic Community, also known as the Common Market in the United States and Great Britain, was established in Rome on March 25, 1957. The Treaty of Rome was the next step towards the modern form of the EU. The Common Market covered all goods and services produced within the member countries and called for the complete reduction of all domestic duties within 11 years of signing the treaty and the abolishment of domestic import quota restrictions. It was organized so that within the first year the domestic import duties would decline by 10 percent in the first year, by another 20 percent over the following three years, and the remaining duties to be phased out over the next 7 years. In addition to duties and import
quota restrictions, the Common Market also called for the reduction of agricultural subsidies. This would be, however, a divisive issue in France where the agricultural sector possessed immense national pride, a sentiment shared with later member states such as Ireland or Poland. With regard to France, to ensure French legislative approval of the Treaty of Rome, the Common Market Commission permitted France to implement agricultural subsidies. This tactic would in turn be used with the addition of more agricultural states into the Common Market in the following years. The Treaty of Rome also called for the enlargement and increased integration of economic institutions in Europe, resulting in the push to further integrate all the western European states into the market (Schmitt:1962, 237-41). Another component of the Treaty of Rome called for the establishment of a free and mobile work force. The treaty called for the member states to abide by four rights for laborers, these included:

…the right of citizens to move between states; the right to establish residence in another state; the right to work in another state; and the right to move capital between countries. (Rifkin:2004, 203)

In 1961, applications for membership or for greater association with the Common Market flooded into Brussels. In July, Greece signed a treaty of association with the Common Market and three weeks later, Ireland applied for full membership into the Common Market and on August 10th, Denmark followed the Irish government in applying for full membership. The United Kingdom, under Prime Minister Macmillan, expressed interest in Common Market membership, though this was tentative on national opinion and whether Charles de Gaulle would approve the application if submitted. Finally, in December Austria signed a treaty of association with the Common Market. Being the first state from the Iron Curtain to shift away from the Soviet economic model, Austria signaled the future of the Common Market as it transformed itself into the EU. With its treaty, Austria foretold Eastern Europe’s future interest in the market
and the problems associated with this interest for the current members of the Common Market (Schmitt:1962, 242-45).

In the 1970s and 1980s, the European Economic Community expanded with the addition of the United Kingdom, Ireland, Denmark, Spain, Greece, and Portugal. In response to the oil shocks during this period, Thatcher-Reagan economics called for a return to the neo-classical economic model and brought the cause of economic integration under stress; however members of the EEC remained loyal to the treaty. First was the Schengen Treaty of 1985. This Treaty stated that members states needed to maintain an open internal border with other members and strengthen the external borders of their countries with non-member states. In essence, the treaty allows for the total free and unhindered movement of immigrants between the member states (Reid:2004, 207-08). Another example of the expanded the role of the EEC is demonstrated through the passage of the Single European Act of 1987. This act brought Europe closer together through the expansion of the powers held by the European Parliament such as more control on environmental policies, research and technology development, and matters related to the union to both the Parliament, and the Parliament was given the ability to veto the admittance of new states. With the collapse of Soviet Union, the Iron curtain and the Yugoslav republics, the EEC was faced with a dilemma.

If one tenet for the founding of the EEC was to act as an opposing force to Soviet ambitions, then the fall of communism in Eastern Europe threw open the doors to possible Eastern European integration. The dilemma arose whether to integrate into Western Europe the newly liberated states or let them continue on their own economic and political paths. In response, the Maastricht Treaty of 1992 was drafted and would be the final stepping stone to the formation of the current European Union (Rifkin:2004, 205-06). The Maastricht Treaty called for
a new common market based on three pillars. The first was for a full economic and monetary union, the second pillar was meant to increase intergovernmental cooperation in terms of a common foreign and security policy, and the third was to standardize the common rights of all Europeans (Calleo:2001, 185). Under the Maastricht Treaty, the member states were obligated to help move towards enlargement of the common market. This included the newly democratized Eastern European states and paved the way for the memberships of Austria, Finland, and Sweden in 1995; the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia, Malta, and Cyprus in 2004; Romania and Bulgaria in 2007.

**The Birth of the Euro**

The creation of the Economic and Monetary Union under the treaty would prove to be the next major step towards full economic integration. The European Monetary System, implemented in 1979 following the collapse of the Bretton Woods System and which set up a European monetary unit to be used in currency exchanges, collapsed in the wake of a recession in the early 1990s. It is important for the reader to understand the significance of the adoption of the single euro currency. For the people in Europe, it signified perhaps an end to the nationalistic competitiveness that plagued the continent for generations and was the cause of many bloody conflicts. More importantly, the adoption of the euro proved to be one of the last significant economic hurdles for the common market. Through its adoption, financial aid and investment from EU organizations flowed more easily into regions, allowing for an overall greater economic growth within the union. It would eliminate the risks of exchange rates and tighten even further the common market into one cohesive body. The EU hoped the new currency would also be able to stand alone against the U.S. dollar and be a new alternative in world markets. Europe had seen through the Bretton Woods Agreement how they could not rely solely on the U.S. economic
policy to combat global recession and crisis. It was the Bretton Woods Agreement which, as European economists argued, which hampered economic growth in the 70s. In place of the Bretton Woods Agreement, the Economic and Monetary Union would be set up in place and then take one step further with the establishment of a single European currency. The Maastricht Treaty called for the establishment of a single European currency, the euro, by 1999. The exchange rate for all member states would be locked with the euro and by 2002 the former currencies of the member states would need to be taken out of circulation. In order to adopt the euro, member states had to agree and uphold to the following criteria:

Annual fiscal deficits were to be no greater than 3 percent of GDP…accumulated government debt no greater than 60 percent of GDP. Inflation was to be no more than 1.5 percent higher than the average rate of the three least inflationary EU members, and long term interest rates were to be no more than 2 percent higher. (Calleo:2001, 187)

These criteria were formulated during the late 1980s, when the economy of Europe was relatively stable. All member states, with the exception of Italy, at that time fulfilled the economic and monetary criteria and could join the Eurozone. The European governments pushed for the currency as it would eliminate overcharges due to the constant exchanging of currencies to enact business transactions. The governments analyzed transactions across the member states and discovered that $10 billion, about 0.4 percent of their annual GDP budgets, was lost due to such transactions. They also argued a single currency would eliminate the risk of exchange rates as it would allow for exporters and importers of goods throughout the currency zone to have a stable single exchange rate to work with instead of worrying about whether the British pound would appreciate against the Italian lira or vice-versa (Reid:2004, 67-8). Finally, they argued a single currency would be the best thing for the European consumer as it would create a single currency. This common currency would permit the common European to
compare the costs of different goods and services in his region to those from another. T.R. Reid in his book *The United States of Europe: the new superpower and the end of American supremacy* explains,

… consumers in Ireland routinely paid about 13.4 pounds for a bottle of vodka. The same bottle was priced in Spain at 998 pesetas…the price in Ireland was three times as high…Once that bottle was priced in euros…Irish consumers could see that the same bottle cost 6 euros in Spain, but 17 in Ireland. For consumers, that kind of knowledge is power. They will pressure retailers to match the price elsewhere. (Reid:2004, 68)

Reid continues to explain how this was indeed the case in Europe when the euro was fully adopted in 2002. Prices in food, beverages, pharmaceuticals, etc. decreased once the consumers were able to compare their prices to those in another region (Reid:2004, 68).

These attributes as described by the EU governing bodies proved how the usefulness of a single common currency could lead to greater economic security for its citizens; however, it did not prove to be as easy as they thought to forge the new currency. Problems, such as persistent stagnant economic conditions throughout Europe during the 90s, resulted with member states finding it increasingly difficult to achieve the criteria needed to adopt the euro. In addition, member states such as Great Britain, Sweden, and Denmark reached an agreement in the Maastricht treaty which permitted their exclusion from the Eurozone until their national politics changed and popular support approved adoption of the euro. These states viewed their national currencies as a symbol of national identity and although they were willing advocates of a common market, their currency was a symbol of a former national prestige prior to the Great Wars.

With their exclusion, the other member states viewed the deutsche mark as the currency for establishing a single European exchange rate. It was with the unification of Germany that the
value of the mark appreciated significantly against other European currencies. Facing a rapid rise in inflation, governments such as Italy and Spain withdrew from the exchange rate system to permit their currency to “float” and reestablish a balance in the world markets. From this, the economies of Europe during the 90s became stagnant, with the exception of Great Britain, and this translated into a negative euro sentiment. In France, for example, the people elected a conservative Gaullist government in 1994 and then elected a Socialist government in 1997, creating tensions in the politics of France throughout the decade. Luckily for France, both governments decided to remain loyal to the single currency idea and tried to straighten the French economy for the 1999 deadline. In 1997, only Luxembourg and Finland met the criteria for the adoption. By May 1999, all member states, except Greece, fulfilled the necessary criteria and adopted the common European currency, minus Great Britain, Sweden, and Denmark who decided to opt out (Calleo:2001, 185-93).

**The Fears for Economic Security-Western Europe**

The EU entered the new millennium with a stable economic outlook. The growth of the EU had brought relative prosperity to the continent. This “honeymoon” was soon eclipsed, however, by a new wave of uncertainty. The EU, through the Maastricht treaty, called for the enlargement of the common market into the newly democratized Eastern Europe. Its hope was to create a safeguard against future Russian antagonism as well as preserve the new social market economic systems. The following section will discuss how the enlargement of the EU into Eastern Europe fostered the Western European fear for their economic security. Simultaneously, this section will demonstrate the reservations of those from Eastern Europe who, also concerned with economic security, worried about such issues as the possible increase of domestic prices for commodities due to their admission into the Eurozone, as well as a fear of
job loss from both the manufacturing and agricultural sectors. The section will describe these fears with greater detail; painting a picture for the reader to comprehend the issues the EU must face today in order to maintain strong economic security for its members.

With the enlargement of the EU into Eastern Europe, citizens from Western European states have become fearful of the negative side effects of enlargement. One of the things they fear most revolves around their own economic security. With the extension of the Schengen area to incorporate the new member states, Western European citizens feared the possible ramifications of an influx of new immigrants and their effect on job security as well as the social welfare system. They were worried about the financial stability of these newly democratized states and the corruption which appeared to permeate all levels of government. Fear for their economic security has resulted in a rise of anti-immigrant feelings in Western Europe. For instance, in Germany 33 percent of the prison population is composed of immigrants, though they make up only 9 percent of the population. The story is similar in France where 26 percent of the prison population consists of immigrants, yet they only make up 8 of the population. In a poll conducted by the European Commission, 39 percent of surveyed EU citizens stated how unemployed immigrants should be forced to return to their country of origin and a survey in 2000 found only 21 percent of EU citizens stated they were tolerant of immigrants in their country (Rifkin:2004, 249-50). The fear of immigrants in Western Europe comes from a fear for job security. Jane Friedman in her article, “The Future of European Union”, writes extensively on this issue. In particular, she writes concerning the issue of job security in France following the admission of the Eastern European states, with Poland being the most prominent target of the skepticism, and how this affected the “no” vote on the formation of an EU constitution in 2005. She wrote,
Many French people blame the high joblessness in part on the EU's historic expansion a year earlier to include former communist-bloc countries from Eastern Europe. They fear EU enlargement will lead French firms to export jobs...into the low-wage east. They also fear that migrant workers will slip into France and form an unregulated, black-market work force at French laborers' expense.

(Friedman:2005)

According to Friedman, although the French government continued to endorse the EU Constitution, the French populace became more and more agitated with the perceived danger for their economic security. Anti-EU supporters fostered these sentiments and launched a campaign against the vote and used immigration and the issue of job security to help in the defeat of the vote. One tactic which permeated the campaign revolved around the “Polish plumber.” This fictitious individual was created by an anti-EU coalition in France and represented a low skill laborer who came to France and stole jobs from the more reputable French plumbers (Friedman:2005). An article from the journal Canada and the World Backgrounder in 2003 wrote of a study by the European Commission which found that nearly 20 million people from Central and Eastern Europe would like to immigrate to Western Europe, and it was estimated by the Commission that nearly half a million immigrants enter EU borders illegally per annum (Canada:2005, 93). If only a fraction of these 20 million immigrated to Western Europe, the effects could be damaging to the Western European political and social structure. In addition to this, many Western Europeans grew concerned about the economic quality of those states ascending into the union. Poland for example had a per capita GDP rate of only 40 percent compared to the EU average and had an agricultural sector that employed 20 percent of the population in comparison to the 5 percent average of the EU. There was also the question of how to handle 100 million extra people with a greater poverty ratio in the already taxed social welfare systems of the Western European states (Kyriakopoulos:2004, 26-7).
Another article written in 2004 by Stryker McGuire for *Newsweek* described the argument that immigration could possibly result in a collapse of the social welfare state. With such a large influx of low wage laborers from poorer than average states into the union, the path to an increased unemployment rate and a strained social welfare system in Western Europe seemed possible to come to fruition. McGuire wrote,

> …immigration brings diversity, which erodes the sense of shared values and solidarity that has kept enlightened European socialism alive in a world of free markets and rampant capitalism.  

*(McGuire:2005, 96)*

For some Western Europeans, immigration could result in threatening the socialist model which has prevailed in Europe throughout the 20th century. The idea of immigrants being able to abuse the generous welfare system strikes the nerve of those Western Europeans who fought hard to create the system and which they pay high tax rates to support. Colin Meek in *Canadian Medical Association Journal* in 2004 said that how citizens from the former Soviet-bloc states are, by the EU’s Charter of Fundamental Rights of 2002, able to receive treatment for a disease in any other member state. In addition, Meek writes about the immense rate of mobility by immigrants from the former Soviet-bloc to Western Europe and the concern of the EU about the spread of contagious diseases and its potential impact on the welfare system *(Meek:2005, 105)*. Many Western Europeans also fear for the possible increase in taxes needed to pay for additional immigrants in their states. In this example, the large influx of immigrants can potentially result in the dispersal of contagions and result in a greater reliance on the social health care system. The fear of abuse on the social safety net by immigrants is prevalent in states where the social welfare component involves a larger share of the government’s budget.

These welfare systems were set up in such a manner that undocumented workers could receive benefits, even though they would not pay into the system. Therefore, the burden to pay
for these externalities relies heavily upon the citizens, a factor which many find displeasing. There may be some truth to this concern as a report by Strycker McGuire in *Newsweek* wrote how 8.3 percent of immigrants in Germany receive welfare assistance compared to 3.3 percent of native citizens (McGuire:2005, 97). In conclusion, McGuire proceeds to write how many Western Europeans are “wary of immigrants or others who might not share those values…that they will exploit the system and our generosity.” (McGuire:2005, 98) It should not seem illogical for the populations of Western Europe to maintain this attitude towards immigrant groups from Eastern Europe or the Arab world. European States, such as France or Germany, have long been homogeneous societies, that are a society which is ethnically and culturally non-diverse. It was not until the turn of the 20th century and the fading years of colonial Europe when immigrant groups began arriving into the previously homogeneous societies. Immigration increased during the economic miracle of the 1950s-60s and continues to this day. The immigrants would not follow the same cultural and societal norms of their host states, resulting in the fear of economic and cultural degradation.

**Fears for Economic Security-Eastern Europe**

The populace of Eastern European states maintains different, but also similar, fears concerning their economic security. For these states, ascension into the EU presents them with many possibilities which would have been a dream during the cold years of Soviet political and economical control. As stated previously, following the demise of Soviet Russia control over Eastern Europe, the rest of Europe was faced with the possibility of reconnecting with a region that had been divided from the rest of the continent since World War II. The EU was enthusiastic about the possibility of expansion into Eastern Europe and with the Maastricht Treaty its enthusiasm became a reality. There were many Eastern Europeans, however, who
were wary of allegiance to the EU. As will be addressed later, the recent emancipation from the Soviet yoke meant independence for many ethnic groups for the first time and Eastern European governments considered the advantages of EU membership too good to be true. However, while the benefits to EU membership are clear, Eastern Europeans possess a fear for their own job security due to the implementation of EU regulations, a rise in the price for commodities, and a collapse of the agricultural sector.

Following the collapse of the Soviet Union, Eastern European states were opened to investment from companies from the West. The Eastern European states offered heavy subsidies to these companies. These subsidies permitted the companies to operate in the newly independent states with little corporate tax and low wage rates. EU regulations on tax exemptions and other business practices led to increased concerns for job sustainability in a few Eastern European states, like Hungary. Don Belt of *National Geographic* writes about concerns. Belt describes that Gyor, Hungary, a town of 129,000 people and a center of large multinational manufacturing centers like Volkswagen’s Audi division, was a town which prospered before the ascension of Hungary into the EU. Through government deals and tax exempt status, EU manufacturing firms set up shop in Hungary due to a cheap source of labor. With an unemployment rate of under 4.5%, the town of Gyor benefitted greatly during the pre-EU years and it was mainly due to this that the citizens began to worry about the effects of membership into the EU and its impact on their jobs (Belt:2005, 37-8). A commonly held fear was that the EU manufacturing firms would close up shop and move to another Eastern European state outside the control of the EU and its regulations. Small business owners in Hungary were also worried about their own economic security. Although not directly employed by the multinational firms, the small business owners expressed the concern of a loss of business or
closure due to their inability to pass EU regulations. Steven Arnyek, a free lance photographer in Budapest echoed this view. He stated

There’s a lot of fear in the air right now. What happens when one of these big foreign factories decides to pack up and leave? And how will our small businesses survive when they’re totally unprepared to deal with EU regulations? I am for the EU-it’s a necessity-but I also think it’s going to be a catastrophe.

(Belt:2005, 38)

It is interesting to note that Arnyek supports the EU and the potential benefits it will provide for his country. Why then does he feel as though the ascension into the EU will have a negative consequence on the state? For the Hungarians, and perhaps most Eastern Europeans, there is a fear of the uncertain. Having lived through the sub-zero deep freeze of the Cold War, Eastern Europeans fear the deals of the EU may have been too good to be true. Following the collapse of the Soviet bloc, the Hungarian economy experienced unprecedented economic growth and the prospect of a diminishment in these fortunes fostered a sense of anxiety. This was augmented by the concern of an increase in the price of common commodities. After the establishment of the Eurozone and the common currency, the EU made it obligatory that each new member accept the euro as its currency, once certain financial criteria were reached. As the currencies of Western Europe were generally stronger than their eastern counterparts, a fear arose for the possible rise in the price of commodities. In Latvia and Poland, this fear manifested itself with the citizens stockpiling essentials such as petroleum, sugar and cigarettes as they feared that the adoption of the euro currency would inflate prices. Roger Wilkison of Voice of America News quotes Lena Kolarska Bobinska, who headed the Committee on Public Affairs in Poland, explained the situation. She stated

Suddenly there is gossip that the price of sugar will go up. So, like in the period of communism, everybody is running to the shop and buying sugar and hiding it because the price will be bigger…And there is a big question mark suggesting that prices will not go down, that you were cheated, prices will go up.
Steven Arnyek’s attitude is an example of the fear that was pervasive in the Eastern European states. While the benefits are evident, the concern lies in the basic necessities that seemed to be threatened by the country’s ascension into the EU. If citizens were truly stockpiling commodities as they did during the communist era, this shows a rather hefty level of distrust. If the statement by Kolarska Bobinska was accurate, the Polish were rather pessimistic about the EU. If in their minds the communist era was a period which needed to be forgotten, what does it say about their commitment to the EU cause? The Western Europeans did not concern themselves with the possibility of inflation; rather they worried that the undervalued Eastern currencies would drag the euro down and destroy the possibility of the new currency becoming a competitor to the dollar. While the citizens of Eastern Europe were feeling pessimistic about the euro and economic integration, it appears as though their elected representatives were committed to membership. Leaders such as Swieboda, former leader of the Poland’s European Integration department, stated that entry into the EU could create a few economic setbacks; however, the overall economic growth of the country would result in positive gains (Wilkison:2005, 44). It would appear that although their governments were in compliance with the process of attaining membership in the EU, there was a level of pessimism among the general populace.

The last of the main concerns was in regard to the role of the agricultural sector in the EU economic model. Eastern European states such as Poland, having approximately 20% of its citizens employed in the agricultural sector in comparison to the EU average of 2%, were worried that subsidies given to the sector would decline with membership in the EU. As a large portion of the population worked in the sector, the fear was that government subsidies would
disappear as the EU would try to level the playing field. It was estimated that approximately half of all agricultural production could be subsidized under the EU, and actions taken by the EU in 2004 seemed to justify the fears of the citizens (Belt:2005, 36). It was in 2004 that the EU approached the U.S., Canada, and Japan and stated they would eliminate export subsidies on agricultural products, but only if the other states made the same gesture (Brand:2005, 79). In each of these states, the farm export subsidy is a hot political topic and the fact that the EU was willing to eliminate the subsidy reinforces the potential concerns of the Eastern Europeans. With their membership in the EU, there was little they could do to halt EU policies concerning the subsidies.

A large portion of the EU budget is spent on subsidies in the agricultural sector, the French agricultural sector being a notable beneficiary. If the European Commission chose to change its stance on a subsidy, the farmers in Poland had to follow in turn. The result of EU policy could lead to a decline of employment in the sector, and, in turn, an increase in the number of unemployed low skill wage earners in the country. If this happened, then the fear of western Europeans of an invasion of low skilled wage earners from the East could become a reality. These laborers would be unemployed due to the collapse of subsidies in industries, such as the agricultural sector, as a reaction to Western European business models and regulations indoctrinated in the EU.

**Case Studies-The Effect of EU Membership**

The concerns outlined above are only a small sampling of the fears of Western and Eastern Europeans. As I have shown, these concerns revolve around one central theme, enlargement. For the Western Europeans, enlargement into the east seems to be crucial to their concerns. It is expanding the EU’s borders that permit the free movement of low wage labor
from the east and it is enlargement which requires the EU to spend billions of euros on infrastructure development in the east. For many Western Europeans, the enlargement of the EU results in an ever bloating bureaucracy who forgets about the needs of the Western European states in favor of the younger “children” of the EU. As noted previously, the Eastern European governments are, generally, in favor of enlargement as they see it as a means of developing their economies and states for the new global order. At the same time, however, the citizens of Eastern European states appear to have apprehension over enlargement into the EU, mostly fears of price inflation and jobs. The following paragraphs will demonstrate how the idea of enlargement by the EU is crucial and will ultimately lead to greater economic security for all Europeans, both western and eastern. They will describe some case studies of Western European states who joined the EU and who did not possess strong economies like their other western compatriots, but who today have strong economic footing not only in Europe, but also on the world stage. Following this section will be a section devoted to current economic facts and figures for some Eastern European states that have only just recently joined the EU. The purpose of these sections will be to demonstrate that enlargement has benefited and will continue to benefit all members of the EU and provides greater economic security.

Today, many Western Europeans argue against enlargement into the east as they see those countries as not possessing robust economies and being riddled with corruption. They forget, however, that not all Western European states were always as economically stable as they have been in more recent times. Two states in general, Spain and Ireland, have notoriously been economically behind their other western neighbors, and it wasn’t until they joined the Common Market that their economies began to stabilize and in fact outpace other western states. Spain was not a member of the Common Market until 1986. Following the demise of the Franco
regime in the 1970s, Spain was faced with many economic and political challenges which hampered its entrance into the EU and the road would be difficult. The first challenge to Spanish membership presented itself in the political spectrum. France, under Giscard D’Estaing, was a notable opponent to Spanish membership into the EU. Leaders in France argued that Spain’s entry into the EU would destroy the French textile industry and could also result in the immigration of low wage laborers from Spain to France. It was not until Giscard D’Estaing was voted out of office in favor of his socialist opponent François Mitterrand that the opposition against Spanish membership into the EU would subside. The second challenge came from the poor condition of the Spanish economy. The government had to completely transform judicial and economic laws to comply with EU policies, approximately 800 doctrines, and pushed to modernize the economy (Roy & Kanner:2001, 237-8).

There were many economic hurdles for Spain with its joining the EU. First was the impact on the EU agricultural sector. Spanish ascension into the EU would expand fruit production by 48% and olive oil production by 59%. Spain also possessed an extremely large fishing industry with a third of all fishermen coming from Spain and 70% of the EU fishing fleet located in Spain. In addition, Spain would require large sums of investment, nearly 9 billion euros a year, by the EU for infrastructure development. The Spanish government, helping to alleviate these issues, embarked on an economic modernization movement. The government privatized many publicly held firms, promoted foreign investment into the country, promoted investment and expansion of Spanish firms into foreign countries, and decreased the amount of subsidies available to farmers and the fishing sector (Roy & Kanner:2001, 237-9).

Joining the EU proved extremely beneficial for Spain. Between 1985 and 1994 the average growth rate of the economy was about 2.9%, and income per capita increased 3.5% per
annum, totaling an increase of 41.3% in just ten years. Also in those ten years, imports and exports increased dramatically with the total of imported goods rising from 50% to 60% and the total of exported goods rising from 60% to 71% (Roy & Kanner:2001, 243). To meet the requirements of the EMU, Spain also had many problems it needed to address in order to adopt the euro. In 1991, Spain’s public sector deficit was 4.4% and increasing, interest rates were about 13%, and inflation was around 4.1%. The government worked hard to meet the requirements for the euro and its perseverance paid off. In January of 1998, the inflation rate fell to 1.8%, below the goal of 2.7%, the average interest rate fell to 6.3%, below the EU average of 7.8%, and the public debt was reduced to 68.8% of the GDP, just below the required 70% (Roy & Kanner:2001, 244). With the fulfillment of the criteria for the euro, Spain demonstrated that she could play the game as well as any other western state. These changes in government policy as well as economic support rendered from the EU for development, permitted Spain today to become the eighth largest economy in the world. A stronger economy and a revolutionized agricultural sector helped to bring more foreign investment into the country, with the end result being stronger economic security in Spain and in turn, the EU.

Ireland was in the same boat as Spain throughout much of its history, although the road to its current economic prosperity was rough. Located on an island jutting out into the North Atlantic, Ireland has been isolated from much of Europe for most of its history. Great Britain gradually took over the island from the fifteenth century onwards, but did not see much economic gain from either the island’s natural resources or its inhabitants, and in the 1920s, the British granted Ireland its political freedom from the Crown. Throughout the nineteenth and twentieth centuries many Irish emigrated from their homeland to the United States, England, or Canada due to the poor economic conditions in their state. Irish involvement in the EU began in
the 1960s with the British bid for membership into the EC. Due to the large extent of the interconnectedness of the Irish and British economies, with 75% of total Irish exported goods going to Britain and 50% of total imports coming from Britain, the Irish government could not risk being exposed to the EC’s external tariffs if Britain were to join (Finnegan:2001, 177-8). Therefore, Ireland submitted a bid for membership attached with Britain’s application in 1961. However, the Irish did not count on the de Gaulle factor. De Gaulle vetoed the bids for membership as he wanted to keep Britain out the EC in retribution for their policy against France during the Suez Crisis of 1956. As long as de Gaulle was in charge of the French government, Ireland would be unable to enter into the EC (Finnegan:2001, 175-6).

The Irish government saw EU membership as beneficial to the ailing Irish economy. Firstly, Irish farmers were being disadvantaged by exporting their products to Great Britain who throughout the century had pushed to keep food prices low. With diminishing returns, the Irish farmers wanted to sell their products in different markets and they saw the EU as a large unexplored market for Irish agricultural goods. Secondly, the government hoped membership in the EU would allow for greater economic investment by foreign companies and the promotion of creation of new modern industries in Ireland. Lastly, unable to maintain and improve upon the infrastructure of Ireland, the government looked at the EU infrastructure investment funds as a potential means of upgrading the level of infrastructure in the country. In 1973 Ireland joined the EU and decided on a five year plan of transition into the EU. Funds from the Common Agricultural Policy went to the farmers in the form of subsidies, protecting them for a few years as they tried to become more competitive with the other western agricultural producers. By 1980, these funds were unavailable to Irish farmers and the average income for Irish farmers decreased by one-third (Finnegan:2001, 177-8).
Inflation was another issue which presented itself in the 1970s. Principally driven by the increase in cost for oil, inflation rose to a staggering 25% during the first oil shock and in 1980 hit increased another 18% (Finnegan:2001, 177-8). In the industrial sector, the hope of introducing Irish produced goods to the continent failed miserably. Cheaper and more efficiently produced goods in the toy, house wares and furniture industries from Europe decimated the local Irish industries and unemployment in the state increased from 4% to 8% in the five years since its ascension into the EU and economic growth for each year throughout the 1970s was less than 3%. This economic growth was better than the average annual growth rate during the 1980s when it averaged less than 1% and in three years when it actually declined. In addition to this, the unemployment rate in the mid-1980s reached an unprecedented 16-18% (O’Hearn:1998, 49-50). During the 1980s, Ireland seemed caught in a nightmare. Admission into the EU was supposed to bring economic change for Ireland, but instead seemed to worsen the economy.

It wasn’t until the beginning of the 1990s that the dream of economic security for the Irish began to be realized. Fueled mainly by the IT movement in the 1990s, Ireland’s economy grew the fastest of any EU state during the 1990s. The United States invested heavily in the Irish technological market as it saw the Irish as an educated populace whose government policies of the 1970s-80s emphasized education in the technological fields. Also, with its cheaper living standards and lower wages, Ireland offered a cheap footstep onto the threshold of the European continent. With these advantages, American technological firms relocated their European headquarters and main manufacturing facilities to Ireland, notably Intel, Gateway, Dell, AST, Apple, Hewlett-Packard and Siemens-Nixdorff. It was during the 1990s that the growth rate in Ireland averaged around 5.8% per annum and the per capita income increased from 60% below the EU average in 1988 to full parity with the EU in the late 1990s. The unemployment rate
dropped to an average of 4%, one of the lowest not only among Europe but of most 
industrialized nations. Ireland earned the nickname the “Celtic Tiger” in reference to the Asian 

Another important component of Irish growth dealt with the role of women in the 
workforce. Ireland had traditionally been a strict Roman Catholic country and as such enforced 
certain societal norms to keep women from entering into the workforce. The state emphasized 
the family unit and the role women needed to fulfill in this regard. If a woman did maintain a job 
outside the household, it was usually a low wage earning position which enabled the woman to 
maintain a stronger family unit. Due to EU policies, the government and the society needed to 
open all levels of employment to the women in the 1970s and many women jumped into the 
movement. Between 1971 and 1983, the number of women in the workforce increased 34% and 
the number of married women by 425%. By 1996, there were 488,000 women working in 
Ireland, an increase of 212,000 since 1971 and between 1996 and 2000 a further 128,000 entered 
the workforce. When this rate is compared to the increase of male employment of only 23,000 
during the same period, one can see the speed and magnitude at which women entered the 
workforce (Coulter:2003, 95-6). The results of this helped to greatly expand the Irish economy 
and helped to raise the per capita GDP of the Irish to its current position of second in the world. 
The growth in Ireland was not only due to the amount of investment by the IT firms, but also by 
the funds for infrastructure development and policies of the EU. EU policies helped to open the 
Irish economy to modern business practices and helped to move the country towards the 
technological market of the 1990s. The funds given by the EU for infrastructure development 
helped to rebuild decaying railroad lines and helped to expand airports and seaports operations.
It was with these developments that Ireland was able to receive the investment from the United States in the 1990s and helped to provide the foundation for the Celtic Tiger.

As we have discovered, in both Spain and Ireland, the economies at one point looked as though they were in dire straits. However, through their membership in the EU, they opened their economies to foreign investment and were forced to restructure both their political and economic policies in a manner that permitted unprecedented growth in each state. The end result was increased economic security for the people of each state. Once they achieved this level of prosperity, they became beneficiaries of the EU and commenced giving back to the system. The funds they must now give to the EU are now in turn helping the Eastern European states to catch up with the West. Although their admission into the EU is more recent, there is plenty of evidence to show that the Eastern European states have benefitted greatly from their ascension into the EU, and most of these reports are helping to disprove the fears of the Eastern Europeans. For instance, in Lodz, Poland, once a major manufacturer of textile products, is now an example of modern industry. Jonathan Karp of the Wall Street Journal wrote, “But instead of belching smoke and toxic dyes, the box-like buildings stand as antiseptic outposts of a vibrant modern economy that is luring global industrial- property developers.” (Karp:2008) He goes on to write of the expansion of industry and warehouses in Eastern Europe in the recent years since their ascension into the EU. Karp describes how in 2007 alone, 24 million square feet of warehouses were constructed in Eastern Europe, roughly equal to that of Western Europe. He states that firms such as Procter and Gamble Co. of the US and Carrefour SA of France, as well as packaging centers for Lego toys and Gillette products have set up shop in Poland in recent years. The reason given for the construction of these centers is the rise of the consumer class in Eastern Europe and the possibility to be the first to cash in on the new market. Karp says, however, that
it is more than just simply making a quick dollar/euro because not only packaging centers and
distribution centers are setting up shop, but also electronic and auto-manufacturers are moving to
Poland as it is becoming the crossroads between the West and East in Europe. Karp explained
the reason for this occurrence. “For most companies, Poland is the main prize. The country
boasts the port of Gdansk and a location that puts it in the path of major trans-European
highways that are under construction. One will link Berlin to Moscow via Warsaw, a second
artery will run south from Gdansk to the Czech Republic, and a third will cross southern Poland
to link Germany with the Ukraine.” (Karp:2008)

Another report of economic growth in Eastern Europe was described by Lara Sowinski of
World Trade magazine. She discusses the economic growth in Romania and the possibility for
American firms to invest in Romanian ventures that will prove to be worthwhile in the end. For
instance she wrote that Romania is eligible for 20 million euros in infrastructure investment
funds from 2007 through 2013. Sowinski writes of the San Francisco-based Bechtel Group,
which is in charge of the construction of a $3.2 billion, 258-mile divided highway that will
connect the industrial city of Cluj-Napoca to Vienna. (Sowinski:2008) Another economic gem
Romania has concerns the Port of Constantza which Sowinski calls a possible “Rotterdam of
Eastern Europe.” This port, she states, is already the largest on the Black Sea and has the
possibility of opening Western Europe to the rest of the former Soviet Union and Turkey. She
then states that already many major manufacturers are moving operations to Romania as they see
the construction of roads and the access to a major port beneficial for their operations. One
noteworthy manufacturer she discusses is the Ford Motor Corp whose “$1 billion investment
would position Romania as the biggest auto producer in southeastern Europe. The first vehicles
are expected to roll off the assembly line in 2009…In four years' time[,] Ford expects to produce 300,000 vehicles annually.” (Sowinski:2008)

**Conclusion**

The important idea to keep in mind is how the EU fits into the economic development of these states. Would Poland been able to build three major highways or Romania modernize the Port of Constantza without the financial support of the EU? While these states have only been members since 2004, this membership has proven to be beneficial to the enhancement in the economic security for their people. If these current trends hold, which until the current severe recession appeared accurate, then those concerns relating to job loss by Eastern Europeans seem ill-conceived. Instead of large unemployment, we see stable job growth and an actual increase in economic security. Remember, Western Europeans were worried about the possibility of low wage earners such as the Polish plumber taking their jobs. Inversely, Eastern Europeans were concerned with the loss of high wage positions in the industrial sector. The question now is which group needs to fear more for their job security? With the amount of investment in the Eastern European states by the EU, mostly made in infrastructure development and the modernization of facilities, thousands of jobs are being created. It may be possible that manufacturers would leave an EU state in favor of a non-EU one; however, most of the Eastern European states that joined in 2004 are located in the center of the continent.

The articles written by Jonathan Karp and Lara Sowinski have demonstrated that manufacturers are remaining in this area as transportation costs are decreased and the real wages of the employees are still low in comparison to their western neighbors. IMF data shows that the unemployment rate of France has actually declined from about 9.2% in 2006 to a projected 8.2% in 2009. Although there has been some immigration from Eastern Europe, the effect on job
security in France was minimal. Germany also showed this pattern with a decrease in unemployment from 9.8% in 2006 to 8% in 2009 (IMF:2009). This data demonstrates that EU membership has not equated into large immigration rates to the west. An increase of immigration would result with an increasing unemployment rate. Likewise, evidence can suggest membership into the EU has resulted in large economic growth rates for Eastern European states. For example, the gross domestic product of Poland increased from $341 billion in 2006 to over $601 billion in 2009. In Slovakia, the gross domestic product increased from $56 billion in 2006 to approximately $112 billion in 2009 (IMF:2009). This data describes expanding economies in Eastern Europe and reveals a stable and positive employment outlook for the states. In Eastern Europe, this data shows the possible rise of consumerism and the possible profits to be made by Western European companies, such as Carrefour SA of France, who invest into the economies of Eastern Europe.

The concern for job security is noteworthy and many Eastern European states have unreasonably high unemployment rates; however, as we have partially seen in the articles and IMF data, there has actually been job growth in the new member states to replace those lost in the agricultural sector. In addition, many Western European firms such as Carrefour SA have expanded operations into Eastern Europe. These operations have proved to be extremely profitable as the firms were able to introduce themselves into the newly opening markets. It appears that the fear of the Polish plumber was ill conceived. It is true that many Eastern Europeans did immigrate to the West, but not nearly as many as was predicted by the media or political leaders of Western Europe. It is from these data sets that we can ascertain that the enlargement of the EU has, overall, led to greater prosperity for its member states and their respective populations. The EU was founded on the principles of the social market and the sense
of community needed in economic growth. Through its policies, the EU has striven to bring all Europeans from the East and West together under one unifying economic system and it has so far succeeded.

If one examines closely all the examples from both Western and Eastern European states, one can conclude that the EU is extremely influential in the economic security of a member state. EU policies force the member states to change government policy on matters such as subsidies for the agricultural sector or tax incentives for foreign investment. In the cases above, I have shown that the EU has fostered an increase in the economic growth of its members by such policies. For the naysayers of Western Europe, Spain and Ireland are clear examples of Western states whose economies were wrought with low or negative growth. Their ascension into the EU helped in stabilizing and then augmenting their economic growth. The EU provided a backbone and a foundation on which to reconstruct their economies. While many complain new Eastern European states are a drain on EU financial resources, it wasn’t until very recently that Ireland, even its most robust “Celtic Tiger” years, stopped receiving financial aid for infrastructure development. In the case of Ireland, it has now shifted from a receiver of funds to an exporter of funds to the newer states. This shows how the EU system succeeds and fosters continued growth in a cyclical fashion. As a state joins the union, it receives aid, if it needs the development, to foster infrastructure development to give it the keys necessary for continued economic growth. As its years in the union continue, the amount of aid diminishes until it starts to pay back into the system and the process starts over with the next generation of member states. It is in this fashion that the EU can continuously maintain its version of the New Deal or until the enlargement process is finalized.
Winston Churchill, the famed Prime Minister of Great Britain during World War II, was a firm advocate of the one-Europe idea. With regard to the purpose of an institution like the EU, Churchill stated,

> It is to re-create the European Family, or as much of it as we can, and provide it with a structure under which it can dwell in peace, in safety, and in freedom. (Reid:2004, 35)

Churchill advocated for the United States of Europe as it seemed to be the best way to create a safe and economically stable society on the European continent that was free of nationalistic competitiveness. Economic security was as important following World War II as it is today. In the 1950s, the idea of the French and Germans working together towards a single European economic and monetary system would have seemed as implausible as Greece and Turkey having friendly political relations. By means of small steps, the EU was able to grow over 50 years into an economic force in the world. Since its conception, the issue of economic security was always at the forefront of its agenda. To enhance the living standards and economic conditions for all Europeans has been its aim since the signing of the Maastricht Treaty.

Every European has the dream of economic security and for many from Eastern Europe the possibility of membership means the official end to Soviet economic and political policies. Individuals favor control over uncertainty as they want the ability to control their own fates. With the enlargement of the EU and the expanded economic system across the continent, the uncertainty over economic security in both the West and East seems to have abated. Studies have shown that the economies of the Western and Eastern European states have not been negatively affected by enlargement into the East and have in fact shown an improvement in economic security. For the EU to continue the progress it has achieved in the past 50 years, it must pass by the negative fears and concerns and keep its gaze forward. It is only by doing this
that the economic security it has for so long fought to attain will come to fruition and the dream of an economic security for the European community as a whole will be realized. Through functionalism, the idea of pan-Europa has finally taken hold on the continent. As the global economy continues to modernize, the role of the EU and its potential aid towards greater economic security will result in a new era of possibilities for the continent and its people.

Reference:


