

# Economic-European | A1 Sample Answer

## Challenges Facing the EU

The Euro is the common country currency of 17 EU States. Countries such as Great Britain and Poland do not use the Euro. The Euro brings a greater level of economic interaction among euro countries but because of this the Central Bank of the countries cannot control their own interest rates. Countries such as Portugal Italy Ireland Greece and Spain had high debts and put pressure on the stability of the euro in relation to the other currencies. The IMF provided bailouts to these countries. The EU and IMF monitor these countries finances until they are more stable. The IMF left Ireland in December 2013. Some countries are against Bailouts and this causes tension among member states. The enormous debts of these countries places the future of the euro at risk. A problem that faces the EU is that some countries are concerned about how much power member states for hand over to the EU. In Ireland there are milk and fish quotas which limit the output of farmers. Norway did not join the EU as they did not want to hand over control of their oil and gas resources. The EU also encourages travel and trade between member states tourists from member states do not have to have a visa to travel. Companies can also trade without additional taxes and tariffs. Irish citizens have EU driving licences passports and use the Euro. The growth of the EU also caused problems. The EU has 27 members as of 2007. Changes where necessary to the rules of the EU as it was designed for 15 members. The Lisbon treaty was brought in in 2009 to make the EU more efficient. This bill was rejected in Ireland before it was accepted in a another referendum. Turkey is a candidate country for the EU. Turkey joining EU has pros and cons. Some countries do not want Turkey as their culture is different to the rest of Europe and may cause conflict. Turkey is also a poor country and will cost the EU a lot of money. People are also fearful of the amount of migrants Turkey will bring. Turkey has a population of 78 million. Many migrants try to enter the EU each year from Turkey. Those in favour of Turkey joining the EU think it will bring a bond between European and Islamic culture and the young education population will benefit countries with ageing populations such as Germany.

## Barriers to Migration Into The EU

Migrants from the EU another EEA countries do not need work permits to work in the Republic of Ireland however workers from other countries require work permits. The green card scheme is available to workers

in areas such as IT. To be eligible for a green card they must earn salaries of over €60,000. Work permits are given to those who earn between €30,000 and €60,000. Intra company transfers are given to senior staff of MNCs to the country they were transferred to. In Ireland spousal dependent work permits are available to husbands and wives and children of migrants with work permits. The EU blue card is similar to the US green card. To qualify they must be earning 1 and a half times the average salary of that country.

Thousands of Refugees try to migrate to Europe each year. Under the Dublin system the EU country that the refugees first enter has to deal with that person. Applications for asylum seekers can only be examined by 1 member states. Often migrants are sent back to their point of entry. This is a huge problem in Italy. The Italy border agencies are under immense pressure with migrants crossing the Mediterranean from Africa. Italy has had to rescue many ships carrying African migrants. EU Talks have begun to try and combat this problem. In 2004 the EU founded the border control agency Frontex which provides assistance to member states that need help to secure their borders. Frontex is active on the Greek Turkish border where between 200 and 300 illegal immigrants cross from Turkey every day.