

Topic 3

Economic Issues Affect Cooperation between Germany, the European Union, and Other Nations

Context

The collapse of Communism gave central and eastern European nations an appetite for capitalism, and an eagerness to transform their state-controlled economies into free markets. These nations are candidates for admission into the European Union. However, these countries must meet certain economic, political, and social standards in order to gain admission. Most importantly, they must embrace the spirit of cooperation embodied in the creation of the European Union.

One of the most visible cooperative features of the European Union is the new international currency, the Euro. It took more than a decade of discussion for member states to agree on the details of how the new currency should be introduced. Questions arose over design, exchange rates, and the use of the currency on the world financial markets.

Economic cooperation has been made difficult by environmental problems facing Europe. Pollution does not recognize political boundaries. For that reason, the European Union has made environmental protection a major part of its current agenda. European Union efforts at cleaning up environmental problems often meet resistance from countries whose economies are tied to industries that contribute significantly to environmental degradation.

By entering into partnership together, a primary aim of the European Union is to promote democracy, peace, prosperity and a fairer distribution of wealth. After establishing a true frontier-free Europe by eliminating the remaining barriers to trade among themselves, the member states of the European Union have resolved to respond to the major economic and social challenges of the day—to establish a common currency, boost employment, and strengthen Europe's role in world affairs.

Focus Questions



1. Why is it important for the European Union to have a single currency?
2. Why are there difficulties in trying to set international environmental standards?
3. Why do trade issues cause economic conflict between the U.S. and the EU?