

# [European union](https://assignbuster.com/european-union-essay-samples/)

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European Union With globalization process and the economic liberalization, it has become paramount for countries to engage each other in trade partnership and international exchanges programs. The formation of trade unions and other trading blocs has been fueled by the increase in the need for economic integration and economic unions. Globally, countries and continents are engaging in bilateral or multi-lateral trade partnerships for the benefit of its trading partners. The need for the formation of economic and trade unions is prompted by the fact that these countries have different forms of economic and resource endowments thereby creating relative and comparative trade advantages. In this respects, each countries specializes in the production of good or services that are relatively economical and cheaper to produce then exchange their surplus with those of other countries with resources for the production of the alternatives. One of such trade groupings is the European Union (EU). The EU was formed with the aim of coordinating and regulating then economic and trading activities of the main European countries. Through this agency, all the trading and economic activities of the member countries are regulated by this body. This body was formed to oversee the leading economic growth and development of Europe.   
However, the formation of this body has impacted on the economic and industrial performance of many countries within Europe. Even with the growth and growth potential in Europe, the formation of this trade regulatory body has negatively affected the infant industries of the developing countries in Europe, with no economic bargaining power. This has limited their growth and trade development potential. Free trade refers to a government policy that helps to avoid discrimination against imports or any kind of interference with imports through application of tariffs to (imports) and/or subsidies to (exports). It aims at getting rid of unfair trade barriers in the global market plus aims at helping to raise the economy in both developed and developing countries. Free trade has highly devastated European industries and jobs at large.   
Free trade leads to adverse working conditions. Underdeveloped countries will want to cut down on costs in a bid to benefit from price advantages but on the other hand, many employees in the respective countries end up facing low pay, bad working conditions and forced labor including abusive child labor. As underdeveloped countries attempt to cut costs to gain a price advantage, many workers in these countries face low pay, substandard working conditions and even forced labor and abusive child labor. Yet the WTO states that it does not consider a manufacturer’s treatment of workers reason for countries to bar importation of that manufacturers products. The WTO however notes that developing countries insist any attempt to include working conditions in trade agreements is meant to end their cost advantage in the world market.   
Free trade tends to lead to environmental damage. An increase of corporate farms in developing countries tends to increase pesticide and energy use, and in turn host countries ignore costly environmental standards. The Global Development and Environmental Institute, however, find the environmental impact mixed. The WTO is criticized for not allowing barriers to imports based on inadequate environmental standards in countries where goods are produced (Richardson 76-9). Yet the WTO points to its ruling in the 1990s allowing a U. S. ban on shrimp imports because fishing methods threatened endangered sea turtles outside U. S. borders. The extent to which environmental standards should be considered in free trade is an ongoing debate within the EU and WTO.   
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