## CRISES AND PROBLEMS OF THE EUROPEAN UNION: PAST AND PRESENT

Європейський Союз переживає один із найважливіших періодів у історії. Економічна криза 2008-2009 р. підірвала світову економіку та виявила великі проблеми у провідних економіках світу. До того ж економічно нестійкі країни Європейського Союзу поставили під загрозу стабільність у Європі. Пройшло вже більше 5 років, а економічна ситуація в Європі далека від ідеальної, хоча і протягом свого існування Європейський Союз не раз стикався із проблемами. Окрім економічних, присутні певні соціально-політичні протиріччя в житті країн-членів ЄС, які швидко деформують та потребують якнайшвидшого вирішення.

**Ключові слова:** ЄС, Європа, стабільність, криза, проблеми, світова економіка, аспекти, вирішення, протиріччя.

Европейский Союз переживает один из самых важных периодов в своей истории. Экономический кризис 2008-2009 г. Подорвал экономику и выявил большие проблемы основных экономик мира. К тому же экономически нестабильные страны Европейского Союза поставили под угрозу стабильность в Европе. Прошло уже больше 5 лет, а экономическая ситуация в Европе далека от идеала, хотя на протяжение всего своего существования Европейский Союз не единожды стыкался с проблемами. Кроме экономических, присутствуют некоторые социально-политические противоречия в жизни стран-членов ЕС, которые необходимо решить.

*Ключевые слова:* ЕС, Европа, стабильность, кризис, проблемы, мировые экономики, решение, противоречия.

Nowadays, European Union has the most difficult period in his history. The Economic crisis in 2008-2009 destroys the world economic and identifies the couple of problems. Moreover, unstable European countries make a huge treat in Europe. 5 years have passed, but the economic situation in Europe is not perfect, although the economic troubles are not something special. Except economic, the Europe has also social and political problems in Europe, which quickly deform and need to be solve.

Key words: EU, Europe, situation, crisis, problem, world economic, solve.

European Union throughout its existence, has attracted researchers' attention to various aspects of its activities, ranging from economic integration to reaching problems of cultural development organization. Dynamic processes of European integration, the increasing complexity of the institutional framework of the Union, various security threats, socio-economic disparities, which increased after the accession of new countries caused throughout the period of the EU crisis situations. This study of crisis provides an opportunity to make a prediction about the future destabilizing processes in Europe and worldwide. In addition, researchers attract attention to problems of European integration and the consequences of their action, especially the EU policy-making and their impact on international processes, political behavior and political processes at the national level.

Problems of the European Union were actively studied by national experts for the analysis and processing of the major factors influencing EU policies in all areas of its operation. In particular, A. Kruhlashov, I. Ozymok, T. Astapenko, V. Russu are the authors of a thorough directory «European integration in the new millennium» [4]. This book provides an opportunity to consider the main problems encountered on the long path of creating the EU and the integration process in general. Different kinds of problems in the European Union were devoted a number of articles. The economic crisis of the EU is investigated by I. Smyrnova [6], the problem of integration processes, including extending the EU's eastward is considered in the article by Yurchuk O. [11], the impact of global processes on the present policy of the European Union is explored by O. Andriyenko [1], etc. However, the study of contemporary issues in the EU needs a comprehensive approach, examination of all the problem areas of the organization and features of their interaction, leading to the crisis. This is the side of this article that considers the problems and crisis in EU activities.

Therefore, the aim of this article is to determine the causes of the crisis, which were developed throughout the period of the EU and the study of contemporary issues.

The history of the European Union traces its roots in 1950, when R. Shuman delivered a speech on the need for European space international organizations that would promote economic reconstruction for postwar Europe. Processes of European integration began in 1951 after the signing of the Treaty on the European Coal and Steel Community and continued Treaty establishing the European Economic Community and the European Atomic Energy Community (Euratom) (1957). The aim of the EU is determined to remove barriers in trade within the Community, a customs union, and finally - the creation of a common market (free movement on the territory of the member countries of the Community of goods, services, capital, labor). The objective of the Euratom determined cooperation of member countries to use nuclear energy for peaceful purposes. However, the legal fact creating precisely the European Union in its present form was the signing of the Maastricht Treaty in 1992. Nevertheless, integration processes that led to the emergence of a powerful international organization in the European Union, were not straightforward and had a large number of problems and crisis relapse.

The Founding Treaty on European integration inspired actors to rapidly accelerate integration. Political and military integration of the member states have to provide extremely ambitious Treaty establishing the European Defence Community, proposed by France («Pleven Plan»). This agreement was signed on 27 May 1952 by the governments of France, Germany and the Benelux countries. Implementation of a common defense policy was not possible without the development and implementation of a common foreign policy. As a result, the foreign ministers of six countries addressed the Assembly of the ECSC with a call to resort to a political community. This treatment has given impetus to the development of more ambitious Treaty establishing the European political community (hereinafter - AP) as the legal basis for the development of the European Federation (Project Agreement was published in Strasbourg March 10, 1953) [12, p. 49-50]. However, this high quantity of European integration has caused an anxiety in countries of data contracts that favored the principle of «quieter ride - way», so that the processes of political and military integration deposition were far in the future.

However, after the signing of the Treaty of Rome, economic integration was so successful that it directly affected the willingness of other countries outside the EU or to become a member of the Union. Yes, July 8, 1959 Greece applied for associate membership status, which she received 9 July 1961 after the signing of the agreement between Greece and the EEC. This agreement was to promote their convergence with a view to joining the future of Greece to the EEC. During 1961 Ireland (31/07/1961), the Denmark (08/09/1961) and United Kingdom (08/10/1961 City) requesting membership in the European Community, and April 30, 1962 with a similar request addressed Norway. In 1962, the Spanish Government (02/09/1962) and Portugal (18.05.1962) offered to begin negotiations on the Community Association Agreement [12, p. 51]. However, this rapid expansion of the European Union had a lot of problems, resulting in a first crisis. Lack of political integrative component necessitated to continuous harmonization of national interests, which often do not coincide. As a result -

the inability to reach consensus and the emergence of the first crisis in the economic sector in 1965.

Crises in the economic sphere took place in the future. After the signing of the Maastricht Treaty of 1992, we determined the status of the European Central Bank (ECB), which is responsible for monetary policy in the EU and strengthened the coordination of national fiscal policies. In addition, the Maastricht Treaty was first introduced to the main orientations of economic policy (Broad Economic Policy Guidelines), which was developed as a system of coordination of economic policies of the Member States, an economic and monetary union, the introduction of the single currency [2, c. 77]. However, this document does not become effective instrument of collective impact, as it was only a recommendatory document - declarative nature and did not provide for any sanctions for non-compliance by States reached agreement on a European level [7, c. 4]. Another important economic document was signed by the Stability Pact in 1997. However, it has undergone considerable criticism from leading economists for failing to ensure the desired level of control over the compliance of the declared parameters of the true state of affairs [7, c. 6]. Lack of practical implementing the strategic decisions led to the fact that in the early twenty-first century. Acutely aware of the need for the EU to become more dynamic and competitive in the global arena. To normalize the position adopted by the Lisbon Strategy, which in turn revealed the weaknesses of the European Union and actualized the issue of structural reforms [7, c. 6]. The next turning point in the economic development of the EU was a big financial crisis of 2008-2009. This global crisis has undermined the moment in the U.S. financial system, and in Europe in turn several large banks went bankrupt. In France, there was a scandal over the bank Société Générale which triggered a financial outflow of capital from Europe. Another blow to the European Union has been a difficult situation in Greece. External public debt started to become dangerously high in early 2010, the situation was complicated when the published data on the state of macroeconomics Greece, in particular, about the actual size of the public debt, which hold back the conservative government of Karamanlis during the two election periods. Because of the inability to pay the debt, the government was forced to cut spending on the public sector, which caused riots and demonstrations since the start of the crisis. In Spain, in turn, increased unemployment, which led to riots in the region. The government tried to save the country from the crisis and began to impose certain restrictions on the financial sector. Most affected the construction sector and most of the major campaigns have become bankrupt. But in this situation, European countries had to financially help their neighbors in order to reduce financial stress and allow debtor countries to pay their debt. In 2010, EU member states have set up the European Stability Fund, which is aimed to regulate and financial support to European countries that suffered most from the crisis. From basic measures to stabilize the economic situation in the region may be distinguished:

- Issuance of bonds of the European stabilization fund for five years at \$ 5 trillion

- In the second package of financial aid to Greece has also been given credit of 164 billion.

These and other measures have helped to stabilize the economic situation in the region and preserve the integrity of the European Union. It is believed that the financial crisis has waned and nearly ended in 2012. However, we note that still financial problems in the European Union have not disappeared. Currently the European union declares the principle of expansion, ie all European countries have been opened the road to the EU. But there are a few «buts». The first country that wants to gain membership in the EU must comply with the Copenhagen conditions (recognize and promote E U values to stabilize and make closer the level of economic development to the European standards, etc.) [5, c. 47]. The second issue is not resolved within 1-2 years, and it must be understood that, for example, at the time of financial problems no union opens its doors to other countries. Moreover, in such a situation, there are certain social and political problems. In the last decade Europe faced the problem of migration. Thousands of immigrants from poorer Arab, African countries or Eastern Europe illegally occupy the giant European countries like Germany, France and Holland. It has become so progressive that the governments of some European countries began to impose quotas on the admission of foreigners and strengthen border control in order to prevent the inflow of illegal immigrants. This problem can be seen in the example of France, which recently suffered greatly from the influx of immigrants. According to the latest public opinion polls today in France there are 3170000 stateless foreigners, plus 2.17 million immigrants who received citizenship, and 500 thousand children of foreigners born in France. More than 7 million people born overseas, are now living in France. To date, 3.6 million are officially registered unemployed. Many of these immigrants do not speak French and live off welfare. Thus, «with low skilled immigrants in the country for more than three million unemployed, of whom 1,7 million have not found a job within a year and a few months; 470000 not looking for more than three years [8]. Another striking example of migration in Europe is Germany. This country is very popular among immigrants due to the economic success and stability. The high standard of living and the opportunity to earn good money creates significant opportunities for immigrants.

Interestingly, this method of protection is practiced not only in the EU and in other countries, such as Switzerland. So in a referendum held more than half of the Swiss voted to limit the inflow of foreigners to restrict the inflow of labor from other countries [10]. Another major problem of the EU is rather unstable unemployment rate in the population. According to recent statistics the unemployment rate of the population is quite large, about 10%. And in some EU countries it is even higher. For example, Greece and Spain have as of 2013 about 26 %. The lowest rate in Norway - 3,7 % and 4,9 % in Austria [3]. But this problem must be viewed in a different plane. A significant proportion of young people aged up to 25 years with excellent European education can not get a prestigious job. In my opinion the reasons are several. First is the problem of migration. As we know, after the signing of a new member state, the European Union opened its borders and in accordance with law and the provisions of the basic agreement, every citizen of this country has the right to take up permanent residence, to get an education, get a job in any EU country. In addition, we must not forget that a significant number of immigrants from countries not members of the Union or from third countries also take certain jobs (although in most cases they do not work on a prestigious job). Second is the problem of funding from the EU leadership, again not 100 % condition that jobs have been created within the Union and therefore there is a problem and for which solution billions of dollars ar needed [9].

The European Union is a powerful economic organization, which includes currently 28 member states and declares the principles of expansion in the near future. Compared with other economic alliances and formations standard of living and development potential in the EU is high and clearly progressing. But despite this progress in the European Union, there are significant social, internal and external economic problems that affect every European country. In order to overcome these effects of the crisis, European executive and legislature provide some internal system organization.

## ЛІТЕРАТУРА

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Рецензенти: Іванов М. С., д. політ. н., професор; Семенченко Ф. Г., д. політ. н., професор; Соловйова А. С., к. політ. н., ст. викладач.

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ЛУШАГІНА Тетяна Вікторівна – кандидат політичних наук, старший викладач кафедри політичних наук Чорноморського державного університету імені Петра Могили, м. Миколаїв, Україна. *Коло наукових інтересів:* історія політичної думки України, сучасні проблеми Європейського Союзу.

**ТИСЯЧНИЙ Віталій Андрійович** – студент факультету політичних наук Чорноморського державного університету імені Петра Могили, м. Миколаїв, Україна.

Коло наукових інтересів: сучасні проблеми Європейського Союзу.