



Jean Monnet Chair Blog on Europe Competition 2017

European Economics and Freedom of Movement

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I think the EU offers a fair deal to those countries that have chosen to come together and become members. The agreements give a lot of opportunities to member states – for instance, all businesses in the EU operate within a single market, which is great because it's free to trade with a different business in the EU. There are two more things that come with the EU single market: free movement of people and free movement of services.

But being a member of EU is not free and the UK spends around £280m on membership contributions per week to be member of the single market and the EU. This figure might also be wrong as it is difficult to arrive at objective figures, yet for the UK being a member of the single market is less expensive than paying trade tariffs for each transaction. Following Brexit, the UK may thus suffer because trading will be more expensive and people will have to pay more for the goods and in taxes.

I think free movement of people is a good idea because people should benefit from the EU and the EU should benefit from them. Freedom of movement also brings together people from many different countries, many of them highly qualified. As we know, nowadays we need these people, who can solve real-life problems efficiently, more than ever. This applies to all EU member states, which is why all take part in the single market. The single market also gives us the opportunity to use different services without barriers. Free movement of people also brings money to different countries. Nowadays, people find it easier to travel and go on holidays because of EU – this way people go different countries and spend their money which helps the respective destination country's economic growth. People are more encouraged now to go to different countries – I think this is really great.

But there is other side – the negative side of freedom of movement. Freedom can also bring on economic crisis if too many people move one country at the same time. For example, when the population growth is too quick and the demand for goods and services rises too quickly. There could thus be a shortage of jobs, because everyone needs money to pay for their needs. So, people who cannot afford living costs may become homeless and fall ill. High unemployment has not only an impact on the country's economy, but unemployed people need a help and support. So, the country has to support paying money to people to maintain their health and to become employed again. Such state intervention may mean that the economy adjusts again and creates more jobs for people, but this is not a given.