

# EFFECTIVE INTEGRATION AND ECONOMIC DEVELOPMENT

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**Abstract:**

*Economic Union is a state of integration in which interdependencies are emphasized that almost all economic policies out of the strictly national development. Member States remain free in monetary policy. Integration of politically is considered a means of reducing political tensions, to foster political cooperation to increase their participation in international political life.*

**Key words:** *Integration, economic development, competition, domestic market, structural reforms*

**JEL classification:** *O10*

Motives of European integration have created an accelerated process but habitual contradictions. Economic integration is a collaboration of the various participating countries in order to build a single market as a long term process. Financial projections and economic aspects of European integration pose new challenges with the ultimate goal in developing a new economy that responds to credible, scientific, new issues raised by the European real economy. During integration, content policy and common materialized Community

Overall economic objectives of the European Union, a permanent and stable growth, the gap between different regions of the Union, a low unemployment, stable prices, balance of payments surplus steadily, the imposition and acceptance of compromise between the demands of integration and economic independence state. Industrial policy promotes an innovative company with such potential, the competitive international market. Supporting SMEs, stimulating research and development, cooperation between firms and encourage structural adjustment in a free market-oriented and competition are important objectives which the Union wants to, achieve a selective intervention in the market. The instruments used may be provisions in the area of taxes, support payments, state orders, support research and regulations for the establishment of technology consulting group.

Improving professional qualification, new forms of organization of work, quality control, technology development and training of new information networks are priorities that reflect the requirements of the social system based on expertise. Should be taken to ensure effective competition, subject to further reforms Administrative and improving cooperation between the bodies is necessary to harmonize the private initiative with the Community interest, culture, science, health, environmental protection, information technology and communications have great potential for growth which will lead to an increase in jobs. Latent conflict between regional policies and the competition becomes more intense with increasing costs of research and development. The purpose of the common agricultural policy is to increase productivity, improve living conditions of workers in agriculture, price stabilization, ensuring supply at affordable prices for consumers. Exchange differences cause some types of problems that can not be solved by the grant.

EU supports the development of national transport networks that stretch and abroad became international roads and eliminate agglomerations by the addition of new road

and railway communication lines. Research efforts aimed at development of new means of transport to eliminate, as little matter in the atmosphere.

The future raises many questions. Imposing a new balance environmental, economic, technology and society requires significant funding. To this end it is expected introduction of environmental taxes and tax reform. Contradictions between ecology and economy can not be avoided. These can be reduced through joint efforts by the gradual change of mentality.

The instruments used for implementing EU policies on development of partnership agreements mention trade preference systems that facilitate the entry of countries into the EU market, financial and food aid. Economic integration is one of the most important problems of contemporary history. International economic integration is the problem fundamental to globalization. The great economic flows linking countries together, they place a priority among member countries of these forms of integration. Integration can only be a gradual process, an action in stages through the transition from a lower to a higher stage. The measurement process can not be integration based on coverage of international structures. Full advantage of integration will not be achieved without similar economic sectors to be attracted to the network integrator. Economic integration creates a high level of transactions between actors within the region of integration. Integration of private economic sectors in the states will put pressure functional integration related economic sectors. Political integration is an inevitable effect of economic integration.

The fundamental importance of economic integration is given by increasing actual or potential competition. Economic integration exposes competition regional or national governments not just businesses. When prevailing modest objectives, economic policy remains national integration. The objectives of higher economic integration tend to be embedded or the result of processes of political integration. To resolve political issues and structures to reduce inequalities between different region, EU funding was allocated through which significant sums for economic and social conversion of areas facing structural difficulties, human resource development in developed regions. The regions marked increasing the size of the provisions of regional policy over the economic aspects. Globalized Economy emphasizes external constraints and limited autonomy of national policy.

Free movement of capital has the advantage of financial integration, but introduces instability. Freedom of movement can be tricky, defense conversion rates because capital markets are moving slightly and create an unstable exchange rates and interest rates.

Globalized Economy emphasizes strong external constraints and limited autonomy of national policy.

External constraints acting on monetary policy produces conjunction of two concurrent processes: the free movement of capital and stabilize exchange rates. The creation of the EU financial perspective is not achieved only in an expansion of markets but also as a means of achieving better allocation of financial resources allowing a greater choice and lower transactions cost advantageous for both creditors and debtors. We must show that the financial area has an effect on the financial and banking structures, but also on financial system stability is fragile.

Integrated financial area alter national states to intervene in monetary and financial: the national monetary policy is less effective and competition among rules to determine an alignment less restrictive provisions. The stability of the whole system will be based on rules rather than the national community. At the microeconomic level the single currency has fostered a certain limit in cases of extra uncertainties linked to exchange rates (exchange risk and costs involved in the exchange).

At the macroeconomic level, the euro has allowed more efficient protection of economies to international speculation that central banks have forced states to keep interest rates high to defend the exchange rate of their currencies. A decrease in interest rates was beneficial growth of EU countries. The choice of the convergence criteria for the changeover of privileged fight inflation and unemployment.

EU varies between solidarity and quick integration and fear of relocation. The first estimate of the budgetary costs of accession show an effort that the Community budget could not support. Integrating the countries of Central and Eastern Europe to build a security zone in place of a zone of uncertainty between the EU and Russia in search of his identity.

European construction has been and is constrained by two logics: that of deepening (always a fully integrated Europe) and that of expansion (issues accessions). Enlarging Union powers concerns industrial policy, trans-European transport networks, consumer protection, education, training, culture, public health, social policy, economic and social cohesion, research and technological development, the environment. Union has been made to perfect the single market and single currency. The economy has been and remains the engine of European integration.

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