

WORLD ECONOMY AND INTERNATIONAL ECONOMIC RELATIONS

Gap in economic development of the EU countries as a factor of destabilization of the region development

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European Union is in very difficult situation today that is caused by a difficult economic situation at a number of the EU's members. Consequences of financial crisis of 2007-2008 and recession of 2011-2012 are still felt. It is shown in deficit of balance of payments of a number of the countries and reduction of business activity. Such situation promotes forming of negative tendencies in development of the region, breaks stability and a harmony of its development. Emergence of structural imbalances is serious threat for the successful future of an economic system of the EU.

The European Union endures a number of economic problems at this stage of the development. Deepening of the European debt crisis is promoted by globalization of the financial markets, availability of the credits, deficit of trading balances of a number of the countries, failure of the tax and budget policy directed to regulation of size of state revenues and expenses. Having covered the majority of the countries of the world, the economic crisis has negatively influenced also the economy of the European Union, which consequences are felt to this day.

Deepening of the European debt crisis has been caused also by the fact that economies of the EU countries are closely connected

among themselves. Except structural shifts in the sphere of international trade there were also shifts in the sphere of the financial relations. Deficits of balances of payments of a number of the countries promoted deterioration in an internal economic situation resulted in need of the external economic help at the expense of government budgets of other countries. Such situation has led to deterioration of not only the countries, which received the help (despite the macroeconomic help, an economic situation in such countries as Italy, Greece, Portugal, Spain continued to worsen) and provision, and also the countries of creditors – Germany, France have weakened. During recession of 2011-2012 one of obvious features of the EU has been shown: a considerable interdependence of economies of the countries-members.

Crisis has shown the need of changes of the accepted rules of functioning of single Europe when the monetary policy of the Union is transferred to supranational level, but there are neither mechanisms, nor the supranational bodies interfering excess of expenses over the income in certain EU countries. These changes would mean further transfer of national powers on supranational level, and, therefore, bigger restriction of sovereignty of certain EU countries.