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THE DEVELOPMENT OF ECONOMIES OF THE EUROPEAN UNION MEMBER STATES IN THE PERIOD OF 2003-2014.

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Abstract:
The purpose of the study is to present the diversification of the countries belonging to the European Union related to such factors as area, population, GDP and GDP per capita. The study shows inflationary trends as well as changes in employment in the member states. It is also crucial to present positive aspects connected with the membership in the European Union. Despite the diversity of its member states, the European Community is obliged to coordinate its operations in such a way that maintains cooperation and common connections among them. The fields which are regulated by the European standards are different and are related to a lot of areas of state and citizen’s functioning. Owing to homogenous policy, the united member states become closer and more dependent on one another, which fosters the maintenance of social and political order and prevents international conflicts. What is more, being a member of one community provides a lot of opportunities of creating partnerships.

Keywords: the European Union, member states, GDP, GDP per capita, areas of activity of the European Union, inflation, employment

1. INTRODUCTION

The European Union is currently a chance for the majority of the Europeans to improve their living conditions. Owing to the open borders and help with training, everyone has a chance to find a job. With an opportunity of using the EU funds, a lot of people decide to establish their own businesses. States improve their situation owing to the obtained bailout. Common cooperation makes 28 states working on one general success, whereas each of them also benefits from it. Despite the area and structural diversity, they support one another, improving their economic status. They obtain new outlets, better access to raw materials and, owing to lack of boundaries, obtain different consumers for their goods and services.

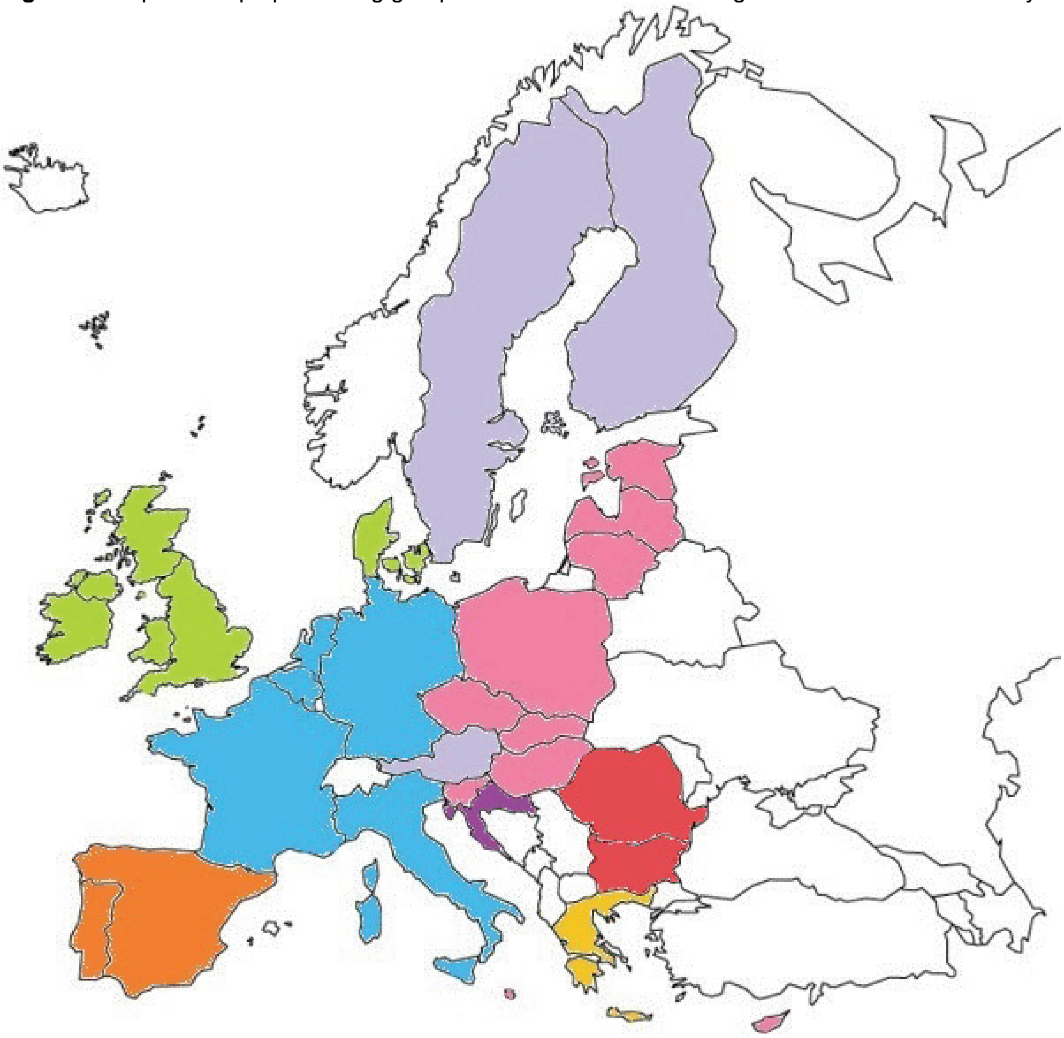
2. THE EUROPEAN UNION

The European Union constitutes a community of states, created pursuant to the Treaty of Maastricht signed on 7th February 1992. It unites 28 countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Finland, France, Greece, Spain, Netherlands, Ireland, Lithuania, Luxembourg, Latvia, Malta, Germany, Poland, Portugal, Romania, Slovakia, Slovenia, Sweden, Hungary, Great Britain and Italy. In spite of the official commence of the period of the EU states' cooperation in 1992, its origin dates back far earlier. In April 1950 Robert Schuman introduced a plan of strengthening economic cooperation with a purpose to coordinate coal and steel production as well as unite the European countries. The cooperation was signed a year later by six states: Belgium, France, Netherlands, Luxembourg, Germany and Italy, creating the European Coal and Steel Community. The founding states, satisfied with the cooperation decided to expand their relations and signed the Treaty of Rome in 1957.It states the freedom the flow of people, goods and services among the countries. They created the European Economic Community and the European Atomic Energy Community. In 1962 their cooperation was expanded by the operations connected with agricultural policy. In 1968 the member states abolished duty on the imported goods. Since that year the cross- border trading has been possible. Six states started to creating the largest trading group in the world. Trade exchange concerned not only the member states but also had a global influence. In 1972 the first plans concerning a common currency were created. A year after, the Community was enlarged by three other countries: Denmark, Ireland and great Britain. The European General Development Fund was established a year later. Its goal was finance management which allowed the funds from richer areas to be transferred to the poorer ones. Such a practice encourages the improvement of road infrastructure, attracts investments and creates new work places. In 1979 it was the first time when the citizens of member states chose members of the European Parliament in general elections. In 1981 the European Community was joined by other members: Greece, and five years later Spain and Portugal. The European Union was established under the treaty of Maastricht on 7th February 1992 and it has been functioning under this name till now. The common rules of functioning of the member states are created by the Treaty of European Union. It presents the rules connected with foreign policy and safety as well as indicates the laws related to the common currency. It also presents different operations of judiciary and issues connected with internal affairs of the member states. Since the introduction of the treaty, the development of the Community has become faster. Since 1st January 1993, there has been a common market which contributes to slow flow of goods, services, capital and people. In 1995 other European countries joined the Community. They were Austria, Finland and Sweden. In the same year the Schengen Agreement was implemented, pursuant to which travelers of different nationalities could cross the borders among the given countries without passport control. those states included Belgium, France, Luxembourg, the Netherlands, Germany and Portugal. another significant achievement of the Community was the signing of the Treaty in Amsterdam, which outlined the program of reforms of the EU institutions. Owing to them, Europe was to be admired in the world and more funds were to be concentrated on the rights of citizens and employment. In the same year there were negotiations conducted with ten countries which were to become other EU members. 1999 was a groundbreaking year in terms of the common currency. Initially euro was used by 11 states in trade and financial transactions. In 2002 it started to be used also as notes and coins used in everyday life. Nowadays euro is accepted in the whole European Union. However, not all the countries have decide to accept this currency for everyday cash business. 2004 was another significant year for the Community. 10 new member states were accepted: Cyprus, Estonia, Lithuania, Malta, Poland, Czech Republic, Slovakia, Slovenia and Hungary. Other aspiring countries included Bulgaria, Romania and Turkey. In the same year all the member states signed a treaty establishing the European Constitution. In 2007 the Community was enlarged by the admission of other new members: Bulgaria and Romania. Turkey, Croatia and Macedonia were still in the group of aspiring countries. In the same year the Treaty of Lisbon was signed. It changed all the previous treaties in order to make the European Union more democratic, clear and effective. What is more, the Community was to fight against such problems as climate change, safety and moderate development. It was implemented in 2009 (The official website of the European Union 2015). In 2013 Croatia joined the European Union as its last member. The European Union has been created and developed for about 65 years. Its territorial development is presented in Figure 1.

Nowadays the European Union’s purpose is to standardize the policy of its member states and create dependence among them. Moreover, it insists on the improvement of areas with low level of development as well as takes care of the environment, ecology and deals with the operations concerning the acquisition of cheap sources of energy. The operations conducted in the Community promote peaceful coexistence of its members, which, because of common cooperation, have stable economy, and their increased standard of living is to be the cause of their welfare. Common currency has been established in order to improve cooperation among the member states and can be used in the whole European Union. Common currency used in the European Union has been established in order to improve cooperation among its member states. Furthermore, the customs have been abolished, which facilitates travelling among the countries. It also enhances tourism and gives more job opportunities as the EU citizens are allowed to be employed not only in their own countries but also in all the 28 member states. Not only does the standardized market facilitate travelling, but also it encourages the exchange of goods, capital and services . Moreover, the Community aims at the increase of its funds to make it more accessible for all the Europeans. One of the priorities of the European Union is taking care of an individual and one’s rights. The basic values are: human dignity, democracy, freedom, the rule of law and equality – all the rules connected with human rights are included in the Charter of Fundamental Rights of the European Union. Other countries have decided to stand for the EU: Albania, the former Yugoslav Republic of Macedonia, Montenegro, Iceland, Serbia and Turkey. Because of the admission of new countries to the EU, it insists on clear and democratic character of its institutions. The rights of the European Parliament have been extended and the roles of national parliaments have been increased because of the cooperation with European institutions and the citizens are able to participate in shaping the policy (The official website of the European Union 2015).In order to be accepted as a EU member, a state needs to be sovereign and independent. It needs to fulfill certain criteria related to economy, policy, human rights which were formulated in the Copenhagen criteria. It is also necessary to accept acquis communautaire which constitutes legal Community acquis. The state needs to have its admission and judiciary which are capable of carrying out union and community legal acts.

All the member states have their representatives in the European management who work on behalf of their countries introducing their issues, making decisions and presenting opinions an certain matters. However, decisions and laws established by the European Union are supervised and agreed on by the commission consisting of representatives of the Community members. The presence of deputees from each country gives them an opportunity to participate in the EU and co-create it. Each country, by its representative, has an opportunity to present its opinions and obtain benefits. It is crucial for the chosen person to be competent and make operations which can bring expected benefits.

Figure 1: Map of Europe presenting groups of the countries becoming members of the EU each year.



- 1951- founding states: Belgium, France, the Netherlands, Luxembourg, Germany, Italy
- 1973- Denmark, Ireland, Great Britain
- 1981- Greece
- 1986- Spain, Portugal
- 1995- Austria, Finland, Sweden
- 2004- Cyprus, Czech Republic, Estonia, Lithuania, Latvia, Malta, Poland, Slovakia, Slovenia, Hungary
- 2007- Bulgaria, Romania
- 2013- Croatia

Source: Own elaboration.

3. EU MEMBER STATES – THE COMPARISON OF SOME ASPECTS.

Nowadays the European Union unites 28 countries diversified in terms of the area and population, development, source distribution, politics and other factors. The differences often influence the perception of a certain country and its citizens by other states. It is obvious that the richer, more developed and more source-rich a country is, the more willing other countries are to cooperate with it. The countries whose economic situation is weaker are reluctant to be chosen. The EU is trying to help less developed and less stabilized economies to achieve such a level to make it possible for them not to depart from others. Table 1 presents the diversity in terms of area and population.

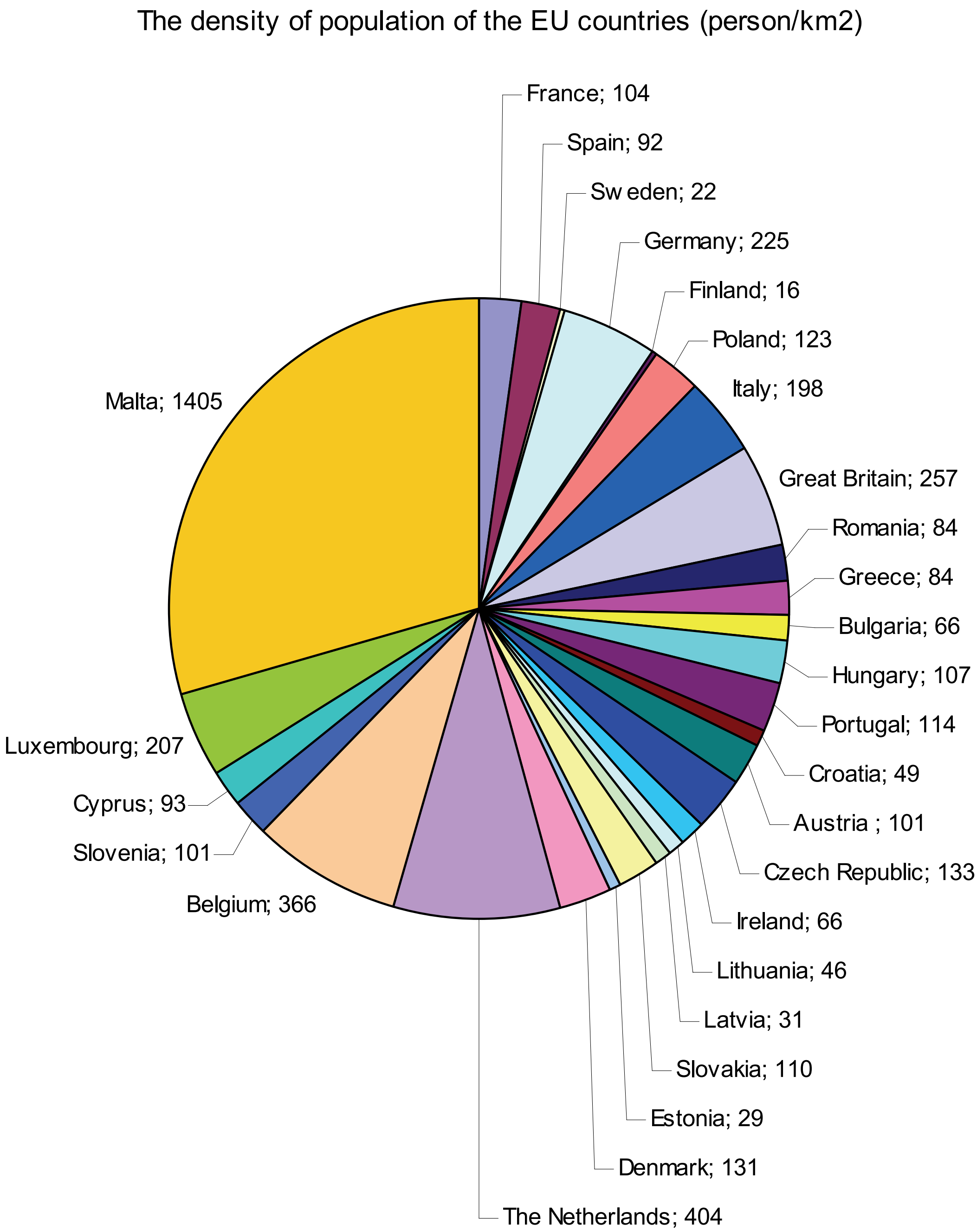
Table 1: The area and population of the Community states

No.	Community state	Area in thousands of km^2	Population (2013)	The percentage of population in the UE
1	France	632,8	65 578 819	12,93%
2	Spain	506,0	46 727 890	9,21%
3	Sweden	438,6	9 555 893	1,88%
4	Germany	357,2	80 523 746	15,88%
5	Finland	338,4	5 426 674	1,07%
6	Poland	312,7	38 533 299	7,59%
7	Italy	302,1	59 685 227	11,77%
8	Great Britain	248,5	63 905 297	12,60%
9	Romania	238,4	20 020 074	3,49%
10	Greece	132,0	11 062 508	2,18%
11	Bulgaria	110,9	7 284 552	1,43%
12	Hungary	93,0	9 908 798	1,95%
13	Portugal	92,2	10 487 289	2,06%
14	Croatia	87,7	4 262 140	0,84%
15	Austria	83,9	8 451 860	1,66%
16	Czech Republic	78,9	10 516 125	2,07%
17	Ireland	69,8	4 591 087	0,90%
18	Lithuania	65,3	2 971 905	0,58%
19	Latvia	64,6	2 023 825	0,39%
20	Slovakia	49,0	5 410 836	1,06%
21	Estonia	45,2	1 320 174	0,26%
22	Denmark	42,9	5 602 628	1,10%
23	The Netherlands	41,5	16 779 575	3,30%
24	Belgium	30,5	11 161 642	2,20%
25	Slovenia	20,3	2 058 821	0,40%
26	Cyprus	9,3	865 878	0,17%
27	Luxembourg	2,6	537 039	0,10%
28	Malta	0,3	421 364	0,08%
	TOTAL	4 494,6	505 674 965	100%

Source: Own elaboration based on Eurostat 2015[1]

All the EU countries cover the area of 4,494.6 $km^{2.}$ According to table 1, the largest EU countries are: France, Spain and Sweden, which constitute over 1/3 of the whole Community area. The difference between the size of the biggest and smallest EU countries is huge and is 632,5 $km^{2.}$ Poland is the 6th country in respect of size and population. The most affluent countries are Germany, France, Great Britain and Italy which are home to over a half of the EU population. The difference between the most and the least populated country equals 80,102,382 people. The area of a country is correlated with the number of people living there (correlation on the level of 0.74). However, there are states whose area is not necessarily connected with the number of people living on its territory. Population density for each country is presented on pie chart 1 and shows what number of people fall each square kilometer of the area of the given country.

Figure 2: The density of population of the EU countries (person/km^2) 2



Source: Own elaboration.

It can be easily noticed that the most densely populated country is Malta which is a Community state at the same time. Next four countries are: the Netherlands, Belgium, Germany and Great Britain. Sweden and Finland are the examples of poor correlation of the area of a country and the number of its citizens. They are some of the biggest states of the Community and their population constitutes about 3% of the EU population. The opposite situation can be observed in Denmark, which is one of the smallest EU countries in terms of the area, however, its population is over 3% of the European Community population. The differences are caused by geographical and climate factors, level of social development, urbanization and many others. Nevertheless, the general number of people in Europe is increasing (in 2014 the number of people living in the EU states was 507,416,607). The number of births exceeds the number of deaths. There are also more people settling in Europe than leaving it. The European society is getting older. It is caused by the fact of exceeding life span and decreasing number of births (The official website of the European Union 2015).

The measure of the growth of economy is GDP whose value is defined by the value of services and goods produced in a certain period of time in a particular country. Table 2 presents the values of this index in all the EU states. It does not indicate the welfare of their societies. Such information can be obtained from the index of GDP per capita which is the income of each citizen (table 3).

Table 2: The value of GDP in the period of 2011-2012

No.	Community state	2011 (data in mln of dollars)	2012 (data in mln of dollars)	difference	increase/fall
1	Austria	349 940	359 021	9 081	increase
2	Belgium	413 746	420 307	6 561	increase
3	Bulgaria	101 206	103 816	2 610	increase
4	Croatia	78 575	78 400	-175	fall
5	Cyprus	23 774	23 613	-161	fall
6	Czech Republic	285 475	286 952	1 477	increase
7	Denmark	207 637	210 147	2 510	increase
8	Estonia	27 684	29 088	1 404	increase
9	Finland	194 412	197 476	3 064	increase
10	France	2 213 780	2 254 067	40 287	increase
11	Germany	3 113 927	3 197 069	83 142	increase
12	Greece	290 559	276 879	-13 680	fall
13	Hungary	195 433	195 630	197	increase
14	Ireland	187 090	192 223	5 133	increase
15	Italy	1 844 392	1 832 916	-11 476	fall
16	Latvia	34 682	37 272	2 590	increase
17	Lithuania	61 641	65 014	3 373	increase
18	Luxembourg	41 437	42 225	788	increase
19	Malta	10 973	11 260	287	increase
20	Poland	771 088	800 934	29 846	increase
21	Portugal	250 114	246 523	-3 591	fall
22	Romania	267 729	273 411	5 682	increase
23	Slovakia	127 001	131 893	4 892	increase
24	Slovenia	58 299	57 955	-344	fall
25	Spain	1 405 787	1 410 628	4 841	increase
26	Sweden	381 485	392 956	11 471	increase
27	The Great Britain	2 291 431	2 336 295	44 864	increase
28	The Netherlands	700 723	706 955	6 232	increase

Source: Own elaboration based on: International Monetary Fund 2015

According to the data in table 2, in 2012 not all the countries achieved economic increase in comparison with the previous year. GDP fell in Croatia, Cyprus, Greece, Portugal, Slovenia and Italy. Greece and Italy experienced the worst situation in this period. The GDP fall may be an evidence of existing or incoming economic crisis in a certain country. The negative difference in GDP can be one of the signs of economic recession. The deterioration of economic situation is often accompanied by the fall of goods and services consumption because, in the time of crisis, the society is mainly focused on fulfilling the basic needs. The demand for luxuries is decreased and the expenditure on basic products is limited. Both Greek and Italian economies were undergoing a huge economic breakdown during that period. Other countries achieved economic growth in different extent. The highest GDP increase was noted in Germany, France, Great Britain and Poland. It can be an evidence of stability of internal economies in these countries. However, the stabilized economy does not denote welfare. In order to consider the society of a particular country as rich, the level of GDP per capita needs to be checked. It is necessary to establish GDP per capita. Table 3 presents GDP per capita according to the Purchasing Power Standard in 2012 and the Purchasing Power Parity in 2013 in USD. The difference between establishing income according to PPS and PPP is that in the former the risk of currency rate influence on the obtained results is eliminated.

Table 3: GDP per capita

No.	Community state	GDP per capita in PPS for 2012	GDP per capita in USD in PPP for 2013
1	Luxembourg	264	90 333
2	The Netherlands	132	46 440
3	Ireland	130	44 663
4	Austria	129	44 402
5	Germany	123	43 475
6	Sweden	126	43 407
7	Denmark	125	43 080
8	Belgium	120	40 760
9	Finland	115	40 045
10	France	107	39 813
11	Great Britain	107	36 208
12	Italy	101	34 103
13	Spain	94	31 942
14	Malta	84	30 567
15	Cyprus	93	28 748
16	Slovenia	82	28 512
17	Czech Republic	82	27 347
18	Slovakia	74	26 616
19	Estonia	71	26 052
20	Portugal	76	25 643
21	Lithuania	69	25 374
22	Greece	74	25 126
23	Poland	66	23 273
24	Hungary	65	23 236
25	Latvia	60	22 832
26	Croatia	61	20 222
27	Romania	53	17 440
28	Bulgaria	45	16 518

Source: Own elaboration based on: International Monetary Fund 2015 and Eurostat 2015

The data presented in table 3 shows that the highest GDP per capita is in Luxembourg. Being one of the smallest European country in terms of area, it achieves a high level of GDP per capita. It denotes the affluence of citizens in this country. Luxembourg diverges from other countries in terms of this index. In both presented years the value of GDP per capita was twice as high as in other countries. In comparison with Bulgaria, which is a country with the lowest income per capita, Luxembourg obtains five times higher result. The European Union tries to prevent such situations and financially support poorer states. The weakest results, apart from Bulgaria, are presented by Romania. Their citizens have the lowest income. They experience poverty, lack of education, low standards of accommodation. It is related to the negative picture of these people in society (The European Commission 2014, 4). The EU conducts programs whose purpose is to improve the situation of such countries. Poor states can obtain additional financial help, which can make it possible for them to achieve the economic growth and improve the citizens' living conditions. Germany, France and Great Britain, which achieved a high increase of GDP in 2012, obtained lower results in terms of GDP per capita (particularly France and Great Britain) being among ten most affluent countries. It can be concluded that the level of consumption in these countries should be very high because of existing welfare and economic stock management. Poland is on the 23rd place in terms of GDP per capita. It means that our society, despite high economic growth, is one of the poorest countries. Price policy is also essential for the economic condition of a particular country. The reflection of prices is the index of inflation. The changes of this index in the period of 2003-2014 are shown in table 4.

Table 4: The percentage result of inflation of the member states in the period of 2003-2014

No.	Community state	Inflation in comparison with the previous year [%]											
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
1	Austria	1,3	2,0	2,1	1,7	2,2	3,2	0,4	1,7	3,6	2,6	2,1	1,5
2	Belgium	1,5	1,9	2,5	2,3	1,8	4,5	0,0	2,3	3,4	2,6	1,2	0,5
3	Bułgaria	2,3	6,1	6,0	7,4	7,6	12	2,5	3,0	3,4	2,4	0,4	-1,6
4	Croatia	2,4	2,1	3,0	3,3	2,7	5,8	2,2	1,1	2,2	3,4	2,3	0,2
5	Cyprus	4,0	1,9	2,0	2,2	2,2	4,4	0,2	2,6	3,5	3,1	0,4	-0,3
6	Czech Republic	-0,1	2,6	1,6	2,1	3,0	6,3	0,6	1,2	2,1	3,5	1,4	0,4
7	Denmark	2,0	0,9	1,7	1,9	1,7	3,6	1,1	2,2	2,7	2,4	0,5	0,3
8	Estonia	1,4	3,0	4,1	4,4	6,7	10,6	0,2	2,7	5,1	4,2	3,2	0,5
9	Finland	1,3	0,1	0,8	1,3	1,6	3,9	1,6	1,7	3,3	3,2	2,2	1,2
10	France	2,2	2,3	1,9	1,9	1,6	3,2	0,1	1,7	2,3	2,2	1,0	0,6
11	Germany	1,0	1,8	1,9	1,8	2,3	2,8	0,2	1,2	2,5	2,1	1,6	0,8
12	Greece	3,4	3,0	3,5	3,3	3,0	4,2	1,3	4,7	3,1	1,0	-0,9	-1,4
13	Hungary	4,7	6,8	3,5	4,0	7,9	6,0	4,0	4,7	3,9	5,7	1,7	0,0
14	Italy	2,8	2,3	2,2	2,2	2,0	3,5	0,8	1,6	2,9	3,3	1,3	0,2
15	Ireland	4,0	2,3	2,2	2,7	2,9	3,1	-1,7	-1,6	1,2	1,9	0,5	0,3
16	Latvia	2,9	6,2	6,9	6,6	10,1	15,3	3,3	-1,2	4,2	2,3	0	0,7
17	Lithuania	-1,1	1,2	2,7	3,8	5,8	11,1	4,2	1,2	4,1	3,2	1,2	0,2
18	Luxembourg	2,5	3,2	3,8	3,0	2,7	4,1	0,0	2,8	3,7	2,9	1,7	0,7
19	Malta	1,9	2,7	2,5	2,6	0,7	4,7	1,8	2,0	2,5	3,2	1,0	0,8
20	Poland	0,7	3,6	2,2	1,3	2,6	4,2	4,0	2,7	3,9	3,7	0,8	0,1
21	Portugal	3,3	2,5	2,1	3,0	2,4	2,7	-0,9	1,4	3,6	2,8	0,4	-0,2
22	Romania	15,3	11,9	9,1	6,6	4,9	7,9	5,6	6,1	5,8	3,4	3,2	1,4
23	Slovakia	8,4	7,5	2,8	4,3	1,9	3,9	0,9	0,7	4,1	3,7	1,5	-0,1
24	Slovenia	5,7	3,7	2,5	2,5	3,8	5,5	0,9	2,1	2,1	2,8	1,9	0,4
25	Spain	3,1	3,1	3,4	3,6	2,8	4,1	-0,2	2,0	3,1	2,4	1,5	-0,2
26	Sweden	2,3	1,0	0,8	1,5	1,7	3,3	1,9	1,9	1,4	0,9	0,4	0,2
27	The Great Britain	1,4	1,3	2,1	2,3	2,3	3,6	2,2	3,3	4,5	2,8	2,6	1,5
28	The Netherlands	2,2	1,4	1,5	1,7	1,6	2,2	1,0	0,9	2,5	2,8	2,6	0,3

- The EU member states

Source: own elaboration based on: Eurostat 2015

The index of inflation shows how the average level of prices is changing in each member state in a particular period. Inflation, which is often called extended in time, is a natural phenomenon. The prices of goods in economy range depending on the demand. Inflation can be dependent on goods availability on the market, changes of costs and processes of production and season. Inflation can be also influenced by a country's policy, unstable budget, overinvestment of economy, too much money in circulation, drop of the value of local currency in comparison with foreign currencies and other factors. As it can be seen in table 4, the majority of the countries which joined the EU in the analysed period, in the year of admission observed a significant growth of inflation in comparison with the year before. Whereas five states (Croatia, Cyprus, Romania, Slovakia and Slovenia) experienced deflation of the average price level in their economies. The excess increase of inflation is as negative as its excess fall. The results of such phenomena can be experienced not only by the society but also by the whole economy. High level of inflation maintained in Bulgaria and Latvia in 2004-2008, and in 2008 in Lithuania. The prices of food and energy were mainly responsible for such a high level of inflation. A high level was also noted in Hungary in 2007-2008 and Czech Republic in 2008. In case of these countries the level of inflation resulted from the increase of regulated prices and indirect taxes. Romania and Slovenia are also important to be mentioned. Before EU admission, both states had had a very high index of inflation. Its level was caused mainly by the dynamics of food prices. Within the years the index dropped in both cases, however, it was more visible in Romania. It can be concluded that the fall was caused by the decrease of food prices in economy spreading with the European market expansion. It made it possible to import cheaper goods and decrease the food prices. The dynamics of food and economy prices had an influence on the degree of inflation in the analysed years and inflation rate in Estonia (Polish National Bank 2008)[2]. Nevertheless, in 2009 inflation dropped to 0.2. From 2009 the increase of inflation in the EU member states over 5.0 was very rare. The EU members obtained the sources, from which the food import was more profitable, food prices decreased and price policy was stabilized. It can be concluded that EU membership positively influence the index of inflation in the long run. What is more, the states willing to accept euro currency needs to control the index of inflation more carefully, as a proper level of inflation is a condition to be able to do it. The inflation rate should not be higher than 1.5 percentage point than inflation, which can be observed in three countries on its lowest level. Another index differentiating member states and denotes being a sign of a good economy condition and proper politics is the index of employment. It shows what part of citizens can be provided with work places.

Table 5: The percentage rate of population for both sexes in the EU states in the period of 2003-2013

No.	Community state	The percentage rate of population for both sexes in the EU states in the period of 2003-2013.										
		2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1	Austria	72,0	70,8	71,7	73,2	74,4	75,1	74,7	74,9	75,2	75,6	75,5
2	Belgium	64,7	65,6	66,5	66,5	67,7	68,0	67,1	67,6	67,3	67,2	67,2
3	Bułgaria	58,0	60,1	61,9	65,1	68,4	70,7	68,8	65,4	62,9	63,0	63,5
4	Croatia	58,3	59,6	60,0	60,6	62,3	62,9	61,7	58,7	57,0	55,4	57,2
5	Cyprus	75,4	74,9	74,4	75,8	76,8	76,5	75,3	75,0	73,4	70,2	67,2
6	Czech Republic	70,7	70,1	70,7	71,2	72,0	72,4	70,9	70,4	70,9	71,5	72,5
7	Denmark	77,3	77,6	78,0	79,4	79,0	79,7	77,5	75,8	75,7	75,4	75,6
8	Estonia	69,6	70,3	72,0	75,9	76,9	77,1	70,0	66,8	70,6	72,2	73,3
9	Finland	72,2	72,2	73,0	73,9	74,8	75,8	73,5	73,0	73,8	74,0	73,3
10	France	69,7	69,5	69,4	69,3	69,8	70,4	69,5	69,3	69,3	69,4	69,6
11	Germany	68,4	68,8	69,4	71,1	72,9	74,0	74,2	74,9	76,5	76,9	77,3
12	Greece	63,6	63,9	64,4	65,6	65,8	66,3	65,6	63,8	59,6	55,0	52,9
13	Hungary	62,4	62,1	62,2	62,6	62,6	61,9	60,5	60,4	60,7	62,1	63,2
14	Italy	60,0	61,5	61,6	62,5	62,8	63,0	61,7	61,1	61,2	61,0	59,8
15	Ireland	70,6	71,5	72,6	73,4	73,8	72,3	66,9	64,6	63,8	63,7	65,5
16	Latvia	67,8	67,9	69,1	73,2	75,2	75,4	66,6	64,3	66,3	68,1	69,7
17	Lithuania	68,9	69,3	70,7	71,3	72,7	72,0	67,0	64,3	66,9	68,5	69,9
18	Luxembourg	67,2	67,7	69,0	69,1	69,6	68,8	70,4	70,7	70,1	71,4	71,1
19	Malta	57,8	57,9	57,4	57,9	58,6	59,2	59,0	60,1	61,6	63,1	64,8
20	Poland	57,1	57,3	58,3	60,1	62,7	65,0	64,9	64,3	64,5	64,7	64,9
21	Portugal	72,9	72,5	72,2	72,6	72,5	73,1	71,1	70,3	68,8	66,3	65,4
22	Romania	63,7	63,5	63,6	64,8	64,4	64,4	63,5	63,3	62,8	63,8	63,9
23	Slovakia	64,8	63,7	64,5	66,0	67,2	68,8	66,4	64,6	65,0	65,1	65,0
24	Slovenia	68,1	70,4	71,1	71,5	72,4	73,0	71,9	70,3	68,4	68,3	67,2
25	Spain	64,3	65,4	67,5	69,0	69,7	68,5	64,0	62,8	62,0	59,6	58,6
26	Sweden	77,9	77,4	78,1	78,8	80,1	80,4	78,3	78,1	79,4	79,4	79,8
27	The Great Britain	74,7	75,0	75,2	75,2	75,2	75,2	73,9	73,6	73,6	74,2	74,8
28	The Netherlands	75,2	74,9	75,1	76,3	77,8	78,9	78,8	76,8	77,0	77,2	76,5

- The EU member states

Source: own elaboration based on Eurostat 2015

The decreasing index of employment is a sign of deteriorating of economic conditions of the country. The fewer work places are, the worse the living conditions of the society get. In case of the countries which joined the EU during the analysed period. The change of index was initially slight. However, the following years brought development and more work places. The more time a country is an EU member, the more work places it is able to provide. Bulgaria, Croatia, Latvia, Malta, Poland and Slovenia can constitute an example of this phenomenon. The states that were members of the European Union in the analysed period have rather stable situation and their index level is maintained on appropriate level despite some minor fluctuations. The situation diverges from the norm only in case of the countries which have experienced a crisis. The index falls significantly in Greece in the period of 2011-2013. The situation of this country deteriorated during these years in terms of economy and politics. The weakening of economy led to the decrease in the number of available work places. In 2013 the situation appeared negatively because the rate of employment was slightly over 50%. A similar situation has been observed in Spain and Italy in the recent years, where the employment has been below 60%It can be caused by the crisis present in these countries. Another example which is worth mentioning is Malta. Its membership in the EU has helped this country increase the employment rate significantly within 10 years. A small percent of employment has probably been caused by poor development of the country and a high population density. Despite being the smallest state in the European Union, Malta is the most populated – in 2013 its population density was 1400 people for a km square. In comparison, in the biggest country of the EU , France, the density was 104 people per km square. A large number of people and small area has significantly limited opportunities of development of the state, however, the EU membership has made it possible for Malta to obtain funds for the improvement and for the citizens to find jobs in the whole country. It can be concluded that EU membership positively influences the rate of employment in the member states. The European Union gives a range of opportunities for economic development, which results in appearance of new work places.

4. THE FIELDS OF OPERATION OF THE EUROPEAN UNION.

Despite the differences among the EU states, being united as one community, they conduct politics based on common cooperation. The EU sets standards and rules their work. The individual states are given certain norms they need to follow in all the areas of the operation. All the goods and services provided in the EU have to meet the requirements. Owing to this, a customer can be certain of the quality no matter what EU country the products come from. The norms are imposed also in other areas of life. Imposing and control of the standards are quite difficult but possible to be done in spite of the diversity of the EU members in terms of economy and development. Noone should lose in the EU community and the member states should be partners not rivals. On account of that it is necessary to treat every single state equally and use policy which sets the laws satisfying to all the countries. The EU laws set a number of rules necessary to be followed in different fields of social and economic life. They cover all the aspects of everyday and political life. They regulate financial matters, making common international policy. They set norms concerning duty, taxes, budgets, regulate economic and financial matters and care about preventing financial malpractice. Enterprises and food producers' work is regulated in a similar way. There are standards set related to quality, outlets and competition. Each EU citizen can experience EU standards in everyday life, not being aware of that. The regulations are also connected with health, sport, education, culture, tourism, transport, science and technology (The official website of the European Union 2015). The member states benefit from EU programs co-financing local development. Owing to this, poorer countries are able to take care of their economic situation. It increases the attractiveness of a particular country, which has a positive influence on tourism and further development. There are roads, playgrounds, parking places created. It gives work places, decreasing the unemployment rate of a country. What is more, with the use of EU funds there are a lot of enterprises established, giving new work places and increasing productivity. The European Union pays attention to preventing unemployment and increase of qualifications among young people in order to be employed (The European Commission 2014, 8). The EU operations go further. The European Union operates in the field of humanitarian help, justice, human rights and the environment (The official website of the European Union 2015). Owing to its interference in a lot of fields , the EU not only gives more opportunities but also can control the acts of leaders better. A wide range of standards and rules prevent making decisions which can be incompatible with the will of Community. The EU norms are quite demanding and are sometimes difficult to be followed. The breach of EU laws can result in penalizing – mainly financially.

The EU dispose of different financial instruments such as: the European Social Fund whose purpose is to equalize the level of life in the EU countries. Another financial instrument of the European Union is the European Globalization Adjustment Fund. It ensures help to employees being dismissed because of the collective dismissal. In the regions where the unemployment rate among young people is high , the trainings can be subsidized from the EU funds. Other financial instruments are: Fund for European Aid for the Most Deprived and the European program for Employment and Social Innovations(The European Commission 2014, 13).

5. CONCLUSION

The European Union, as an organization uniting a lot of states, is perceived by the rest of the world as an economic power. In order to benefit from the unity it needs to conduct firm and decisive politics, which is to bring benefit not only to individual states but also to the whole community. The role of the European Union is to make particular states dependencies to prevent them from operating individually and make them collaborate. Helping poorer countries, it makes underdeveloped economies bring profit. Owing to such relations, each state is responsible for the success of the whole community, benefiting from it at the same time. EU admission brings a lot of benefits, especially to the economies of low level of development. Because of EU help they are able to achieve success. Without it, they would not have such an opportunity. However, as a community, all the countries, weaker and better developed, constitute power which plays a significant role in the world. It is a huge advantage of participating in Europe. EU membership has allowed a lot of underdeveloped states to improve their situation. There are more roads, schools, places of sport and entertainment, the condition of health care has improved, a lot of agricultural machinery has been bought, more enterprises have been established and more unemployed people have found jobs. EU membership constitutes a chance for a country to improve its social and economic conditions. Furthermore, EU members have a lot of privileges giving opportunities of further development. The society is given a chance to develop owing to the possibility of open mobility in Europe as well as improvement of living conditions. EU membership gives the states a lot of profits. They benefit in terms of politics, trade, economy as well as everyday social life.

However, in order to be able to benefit from all the EU privileges, the states need to fulfill certain conditions which can guarantee that they will work together for the common success, In order to become EU member, the states have to prove that they are able and willing to follow the given norms and adjust to the common laws and standards.

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