

ECONOMIC PERFORMANCE IN EUROPE

ECONOMIC PARTICIPATION POSSIBILITIES

Single Market

Free Trade Area

Customs Union

EEA AGREEMENT

Differences?

Advantages of each possibility?

SWISS MODEL

- Switzerland is not a member of the EU, but its model rests on a series of sector-by-sector trade deals. It thus has selective access to the single market, and has agreed to participate in EU research and education programs, and policies on borders (Schengen) and asylum (Dublin).

EEA MODEL

- Allows to participate in the EU's single market through the European Economic Area, which entails respecting all the four freedoms (including the free movement of persons). It has independent control over its fisheries and farming policy (which full member states delegate to the EU), and can pursue its own trade deals.
- Country is bound by the legislation that the EU adopts in these areas, but it does not participate in EU decision-making.

TURKISH MODEL

- As with the Norwegian and Swiss models, Turkey has to abide by EU product standards, but has no ability to influence them. This arrangement extends only to trade in goods: attempts to broaden the deal to include services and agriculture have faltered.

CANADA MODEL

- Canada has negotiated a tariff-free agreement on trade in goods – but not services. Importantly, although the deal includes the gradual elimination of regulatory barriers, it also includes some features which add costs for Canadian exporters. For example, they will have to demonstrate that the goods they're selling into the EU were entirely made in Canada – a move designed to prevent exporters from elsewhere in the world gaining access to the single market through the back door.

WTO MODEL

- Under WTO rules a country can trade with the EU, but the two parties have to apply the same tariff rates and quotas that they apply to the rest of the world. Both are free to impose regulatory barriers to trade, and the rules do not cover trade in services.

VIDEOS

- https://www.youtube.com/watch?v=7Bg3Php6_Tc
- <https://www.youtube.com/watch?v=sHjPJKX07o>
- <https://www.youtube.com/watch?v=gxxrd88-674>
- <https://www.youtube.com/watch?v=K8tmHxDt-48>