4a) France and Great Britain have responded to the EU policy initiatives differently in the monetary system but similarly in trade. The EU has proposed the introduction of a common monetary currency, the Euro. Throughout all the member nations, France too, has adopted the Euro as their national currency. However, Great Britain, being quite Eurosceptic, has so far refused to join the Euro. If it did indeed join the Euro, it would greatly increase the value of the Euro dollar that is already doing exceptionally well. Great Britain has so far stuck with the pound and has been considering joining the Eurosollar, with the election of Tony Blair, a less Eurosceptic politician than Margaret Thatcher.

In trade both Great Britain and France have been fully integrated into the EU trade agreement. All trade between member nations is tariff-free and basically the EU practices free trade.

b) Sovereignty and its loss due to the joining of the EU has been a controversial aspect of European integration. Great Britain and France, the most influential and powerful nations in Europe both have had to deal with the idea of loss of sovereignty. It is a question of sacrifice of sovereignty for European integration and prosperity. Most nations have chosen the latter including France. Great Britain, although not fully integrated (Euro dollar) will eventually do so and this will be a blow to its sovereignty as it loses much of its own control over economic policy and decisions to the authority of the EU. Great Britain and France would be subject to the same restrictions as lesser and weaker members of the EU and will sorely grapple due to this. Free trade among EU members will further reduce profitability of France or Great Britain at the expense of lesser nations and eventually in order for the EU to compete on a global scale with the USA.
Write in the box the number of the question you are answering on this page as it is designated in the examination.

Complete integration of Europe will be necessary, and this will result in much loss of sovereignty of European nations, including France and Great Britain.
The development of the European Union (EU) may influence national sovereignty, as seen in member countries' differing responses to EU policy areas.

a) The governments of France and Great Britain have responded differently to EU policy initiatives in monetary system and trade. France has recognized the EU as an opportunity to expand its own interests. Shortly after 2000, France gratefully accepted the Euro (the EU's new currency) as its official currency. This was so since at the time the Franc was only worth about \( \frac{1}{6} \) of \$1 US, and the standard currency would be worth more when backed by the economies of the other EU members. Also France is open to the EU's trade initiatives because it hopes to boost its economy and lower the unemployment rate. Great Britain opposes the EU's policy initiatives in monetary system and trade. Great Britain's currency, the pound, is generally the strongest in the world. Therefore, by joining the EU's Euro, the weaker economies of the other nations could only hurt Great Britain's economy. Great Britain also wishes to stay out of the EU's trade initiatives. It sees this as a threat to itself because Great Britain can already trade openly with most nations. Also joining the EU in trade could hurt Great Britain's strong relationship with the United States.

b) France has generally been open to the EU's policy initiatives because France can only gain something positive from such a relationship. Therefore, France is not worried about the threat to its sovereignty the EU presents. However, Great Britain is already largely successful and its economy is satisfactory so it opposes most of the EU's policy initiatives. Great Britain sees the EU as a threat to its sovereignty.
The European Union is a body of European nations together for the cause of uniting themselves in order to make each of them stronger. The European Union gives countries similar goals and aspirations. France & Britain are both members of the EU and don't always agree with the policies it puts forth.

Sometimes they unify through trade. The EU started the idea of the Euro, a continental currency that allows there to be easier trade among the countries. As Britain adopted the Euro, there became an easier and joined the EU's approach to the monetary system, they become more unified.

France also joined with the Euro. Now France can have better relationships with the bordering countries. In the case of the monetary system, both countries have accepted it and have responded positively to the position the EU is in. The Euro does help unify the countries in the EU, therefore it helps its cause.

With the introduction of the Euro, comes the availability of trade between nations. The EU's position on trade was that the more the better, so the Euro was hoped further Britain and France's trade. Britain really was excited about the open trading, as was France. The open trading is now easier, and can only help the countries in the future.