CHAPTER 5 EXPERIENCES AND IMPLICATIONS FOR EUROPEAN NATIONAL ENTERPRISES TO JOIN EUROPEAN ECONOMIC DEVELOPMENT

The European Community, as the largest and most mature and successful regional economic integration organization in the world today, can not only effectively stabilize the entire EU economy, but also promote the unification of the economy within the region. Each member country is committed to economic development and patriotism. Controversy and international disputes are declining, and cooperation and win-win situation have become mainstream. In the European Community, the European Economic Community was initially established, and the leaders of Southeast Asian countries also intended to lead Southeast Asia to join a European-like community before the establishment of more communities. In any case, Southeast Asia can effectively apply its experience and achievements in the development of the European Economic Community even if the social conditions, economic scale, and various factors in Southeast Asia are very different from those of the European Union.

5.1 About the EU Economic Community

5.1.1 EU Concept

The European Union (abbreviation: EU-EU) is an international organization established under the Maastricht Treaty (also known as the "European Union Treaty" in 1992. The establishment of the EU promotes the introduction of common currencies and common fiscal policies by EU member states. With free trade, Europe is more emboldened in the international arena; the EU has a population of more than 500 million and GDP is 30% of the world. The European Union is headquartered in Brussels, the capital of Belgium. The EU has 28-member states, Austria, Belgium, Bulgaria, Cyprus, and Czech Republic. Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom and 2013 Croatia.

5.1.2 European Single Market

The Single European Market is seen as part of the founding results of the European Economic Community, the economic integration of a common market based on the European Coal and Steel Community, the establishment of a single market within the European Economic Community, the realization of goods and services the free flow of people, people, and capital, as in a country, is one of the main goals of the creation of the European Community. The member states mutually reduced or eliminated tariffs and commodity quotas, but the member states that maintain cooperation with non-financial finance, transportation, and energy policies still maintained the original common tariff. In 1987, the EU member states signed the "Single European Act", which aims to form a unified market for the integration of Europe and to provide for the free movement of labor, goods, services, and capital in all member states in 1993. In order to unify the smooth completion of the market, all member states have been able to reform the decision-making mechanism, as detailed below:

1. Eliminating restrictions on transit crossings so that there are no borders among member states.

2. Elimination of differences between industry standards and commodity standards.

3. Eliminate the difference between VAT and consumption tax.

The success of the European single market in terms of economic effects has led to an accelerated and balanced development of the member countries' regional economies and enhanced regional economic independence. Most of the goods between the member states are free of tariffs and free trade, and trade with non-member countries is also uniquely advantageous, and export subsidies or price support policies that are issued in line with international market prices are implemented. In any case, in 1992 the EU member states signed the "Maastricht Treaty" marking the beginning of a new phase of EC integration. The treaty clearly stipulates the guidelines of the European Monetary Union. The European Monetary Union stipulates the use of the euro as a single European currency, the use of a common fiscal and financial policy, and the central bank until the elimination of the currency exchange barrier among member countries in 2012 to make trade among member states more liberal. Since then, the European Community has been renamed the European Union (EU).

5.1.3 Economic System of EU Member States

Most member countries have complementary economic systems, as follows:

1) Belgium is a country where both industry and agriculture are developed, and agriculture: growing wheat, barley, rye and bleached flax. Industrial: There are textile and glass industries.

2) The natural resources of the Netherlands are relatively poor, relying mainly on the import of certain raw materials to develop industries, such as:
Food industry, electronics industry; Agriculture is mainly based on raising livestock.

3) Luxembourg mainly produces steel.

4) German agriculture is dominated by the cultivation of genetically modified potatoes, rye, and livestock; industries use minerals,
Petroleum, coal, coke, and automotive industries dominate.

5) French agriculture is dominated by the cultivation of wheat and livestock; industry is made of steel, automobiles and food.
Mainly processed goods.

6) Italian agriculture is dominated by cultivating wheat and rye; industry is made from bicycles and cars and textiles

the Lord.

7) Denmark is dominated by livestock.

8) Ireland is a country dominated by agriculture and animal husbandry.

9) The coal industry is a major pillar of the British economy

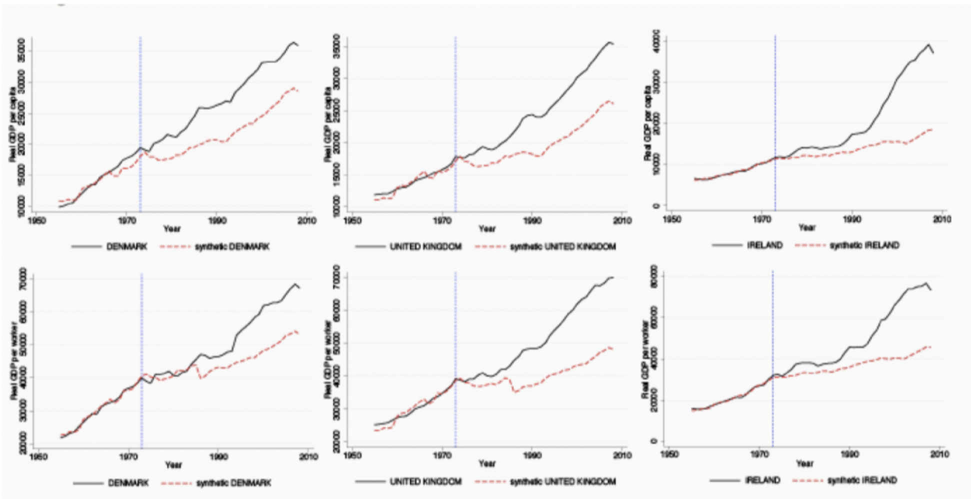
From the perspective of the economic systems of the above countries, each country has production differences but supports each other. For example: the Netherlands, Germany, France, and Denmark all raise livestock; Germany, Italy, and Ireland cultivate feed crops; Luxembourg, France, Germany, and The United Kingdom produces steel and coal; raw materials used in Germany, France and Italy will continue to be used in the automotive industry.

5.2 Experiences of Business Development in Countries under the European Economic Community

John, (2008) One of the important factors for the successful development of the European Economic Community is the mutual benefit between the member states, deepening economic and trade cooperation, and promoting common development. This is also an important factor in enhancing the influence of member countries; for example, France’s profit from the expansion of the agricultural product market, Germany’s expansion of the industrial market. The benefits of labor migration.

A chart showing the state GDP growth of member countries shows that not only poor countries benefit from the technology and economy of the developed countries, but also that the economic powers like Britain, Denmark and Ireland have high GDP since they joined the EU.

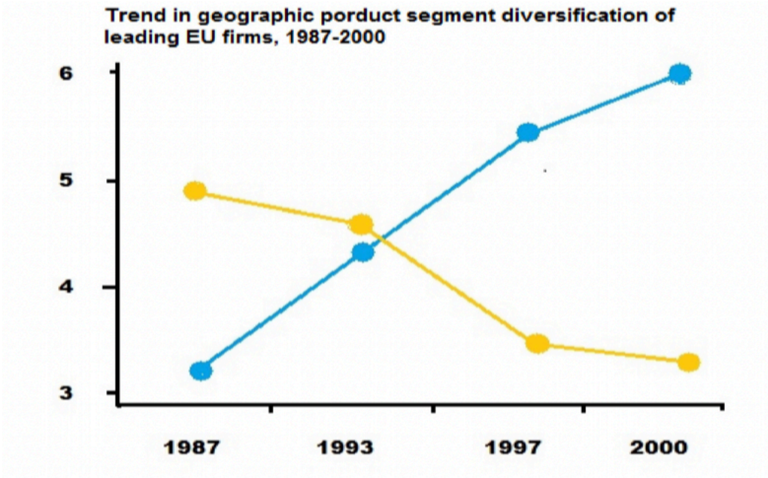
Figure 5-1: Actual and synthetic real per capita GDP and real per worker GDP in the 1973 EU enlargement



(Source :Nauro F. Campos, Fabrizio corice luigi moretti the needle and the camel RIch countires)

From the research report of Harry P. Bowen, 2012, it was discovered that large European companies have relied on diversified development to develop in the core areas and increased investment production in various regions of the world. The above-mentioned European companies have reduced their costs by focusing on their own core areas and on economies of scale. The (economies of scale) has advantages and benefits and became a common market for expanding business between different countries during 1987-2000. The scale of operation of European large companies has been reduced from 5 on average to 3; however, the number of sides of enlarged investment has increased from only 3 to 6 on average.

Figure 5-2: Large European Companies Rely on Diversified Development to Core Area Development



Source: Harry P.Bowen(2008) European intergation the Third strep

In addition, it shows that the use of European company strategies has been successful. Being a market leader must give development research and advertising a certain degree of importance. The production results of the top five companies indicate that it is important to develop research and advertising 30% before setting up a single market in Europe, but after establishing a single market in Europe, it is 45%. This strongly suggests that large companies all recognize and significantly increase the use of this strategy in the market share, especially advertising has a very important role. Advertising plays an important role in accurately expanding the market and conveying brand positioning information to consumers.

5.3. The EU is Worth Where ASEAN and Thai Enterprises Learn

5.3.1 EU deserves reference from ASEAN companies

The analysis of the goals of ASEAN's establishment shows that ASEAN's joint cooperation does not reach the level of the common market, but the economic community can be said to be a collection of free trade zones, and the degree of capital and labor mobility is limited. Looking into the future direction of development similar to European economic and financial communities, it is more difficult to achieve.

The European debt crisis shows that the economic and financial differences between member states and not yet ready to go will likely lead to the failure of the region. Not to mention the combination of political and economic differences among ASEAN member states, safeguarding the sovereignty of ASEAN member countries makes it more difficult to establish organizations that exceed the EU. Therefore, the integration of ASEAN is loose. There is no fixed provision, and any decision of ASEAN must be approved by all member states before it can be implemented. This will make the implementation of the policy very slow. However, any ASEAN decision is deliberated by the member states, and it is a decision that has a practical effect on its own country and the EU as a whole. Difference between EU and ASEAN

Table 5-1: Comparison between EU and ASEAN

Content	EU	ASEAN
Trade tariffs among member countries	Zero tariff	Zero tariff
Investment liberalization	All free	Limit direct investment
Service Trade Cooperation Ratio	100%	70%
Labor migration	Free migration of labor force	Free migration of skilled labor
Non-member trade tariffs	Compulsory use of uniform tariffs	National standards
Currency	Euro	National legal currency
Form	Beyond the country’s central authority	The highest decision is in the country

5.3.2 EU deserves reference from Thai companies

Compared with the EU, there are differences in the form of ASEAN alliance or the depth of alliance. However, Thailand can learn from the successful experiences and failures of the EU's development and apply it to ASEAN cooperation. Therefore, first of all, the government should promulgate positive policies to promote domestic economic development to meet the ASEAN challenges, and legislation should guide capital flows to infrastructure construction. Subsidiaries should quickly adjust their development strategies, base themselves on fundamentals, seize opportunities, and realize strategic transformation. Leading Thai companies such as Chareon Pokphand Foods PCL. have reduced the cost of their businesses through economies of scale and achieved rapid expansion in ASEAN countries through increased investment and joint ventures. In addition, improving company's production and operation efficiency, increasing scientific research and development, attaching importance to personnel training, and improving management decision-making power are still the key to reducing costs and achieving rapid development. In general, Thai companies' research and development capabilities are still relatively weak. The increased pressure from ASEAN countries is not new to Thailand. Because the Thai economy has always been relatively open, it has strong links with the external economy. However, ASEAN has established a more excellent platform with more detailed and clear standards, making the trade and investment within the ASEAN region more smooth and convenient. Therefore, in a highly competitive environment, on the one hand, we should seize the advantage that the company's own professional strengths and strengths, on the other hand, we should keep up with the changes in trade standards and rules, keep up with the times, and at the same time Focus on competitors and avoid all kinds of consequential economic risks.