The elimination of trade barriers within the European Union likely led to increased economic output for the EU. By removing tariffs, quotas, and regulatory differences between countries, goods and services could flow more freely across borders. This encouraged more efficient allocation of resources and specialization based on comparative advantage. The European Union was established through the Maastricht Treaty which became effective on November 1st, 1993. The core objective of the treaty was to foster greater cohesion between European nations on political, economic, and social fronts. Key provisions included introducing a standardized currency (the euro) to enhance fiscal alignment, forming a common foreign policy and security apparatus, guaranteeing equal citizenship privileges across member states, and facilitating collaboration on matters such as immigration, right of asylum, and judicial processes (Gabel, 2024).

Since its inception, the European Union has strived to cultivate democracy, human rights, and peace across the continent. In recognition of these efforts to unite European countries and provide stability in the region, the EU was awarded the prestigious Nobel Peace Prize in 2012. This embodies the union's foundational commitment to promoting harmony and prosperity between member states through political and economic unity after a long history of conflict among European nations. The alliance has helped reinforce cooperation, collective security as well as open border policies - critical pillars for growth and advancement.

For example, instead of each country needing to produce all types of appliances, one state could focus on manufacturing toasters most efficiently while another could specialize in refrigerators. Rather than facing trade barriers, these goods can now be sold seamlessly across all EU member states. This increase in trade scales up production volumes and leads to lower consumer prices as well.

Additionally, the standardized regulations around things like consumer protections and electric plugs reduce compliance costs for companies looking to sell products in multiple European markets. The integrated economy also makes it easier for workers and capital to flow across borders to where their skills and investments are most useful. These further drives economic output.

By bringing down barriers, the EU created a larger, more efficient single market. Companies can specialize and achieve greater economies of scale while still reaching 500 million consumers. This leads to increased trade, investment, competition, and ultimately higher GDP across European Union countries compared to if they each had distinct closed economies. The expanded markets and freer movement of goods, services, labor, and capital unlock additional productive capacity.

Reference:

Gabel, M. J. (2024, February 1). European Union (EU) | Definition, flag, purpose, history, & Members. Encyclopedia Britannica. https://www.britannica.com/topic/European-Union