

Diploma thesis „Economic performance of the EU vis-à-vis the USA” deals with the issue of EU economic underperformance vis-à-vis the US economic efficiency. This negative trend can be observed since the early 70’s. The analysis is based on the assumption that the economic gap between both economies rests on structural grounds. This paper focuses on two areas, which are important for economic growth in the EU. Firstly, it is the economic competition in the Common market. This theme is directly related to the process of European economic integration. The analysis indicates that good market accessibility for competitors stimulates productivity growth in the respective industry. However, firms in the Common market have to face higher barriers to entry and exit than their counterparts in the US. The second field of study deals with research and development in the member states. Present endogenous growth theories assume that technological progress is a crucial factor of long-term economic growth. European Common market should therefore create conditions favourable to business funded R&D so that more and better innovations can be introduced in Europe. However, the analysis indicates that the economic gap between the EU and the US takes place not just due to underdeveloped ICT and biotechnology sector. A great deal of blame rests on European service sector lower innovation capacity as well.