

Terms of reference

4. Five years of an enlarged EU – Integration, openness and growth: did accession make a difference?

Background

EU enlargement occurred against the background of globalisation and the developments observed in both old and new Member States have also to be seen in that light. Migration, producing parts and components in the most efficient locations, intra-industry trade, mergers and acquisitions or deeper specialisation are taking place on a worldwide scale and the related adjustment costs or increased economic performance may not be attributed to enlargement. The question arises to what extent development in both old and new Member States would have taken place anyhow and which role was played by accession.

Aims of the essay and key questions to be tackled

The aim of the essay is to study the relative impact of enlargement on developments in both old and new Member States compared to more global trend. With respect to country coverage, Romania and Bulgaria should be included where possible. The focus of the assessment is the 5 year period between 2004 and 2009, but often it will be necessary to have a broader time frame to understand developments. Indeed, the perspective of EU accession had been a driver in the economic transition of new Member States. As far as method is concerned, in addition to a macroeconomic approach with a relevant empirical dimension, also case studies of a particular sector, market or country will be highly welcome as they are concrete and potentially very effective in passing a message or illustrating a point. However, also with case studies the cross-country perspective may not be forgotten.

The essay may zoom in on a particular aspect of the issue or cover more domains, reflecting the state of the art in the literature on the topic:

- The extent to which the new Member States are integrating into the EU or the world from several angles (e.g.: orientation of trade and foreign direct investment, influences on interest rates and stock market indices, business cycle synchronisation);
- Enlargement as a response to globalisation through the competitive edge and greater dynamism that the new Member States brought to the EU;
- The contribution of the EU versus global forces in the modernisation and economic performance of the new Member States.