

The process of real economic convergence in *Visegrád* countries

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The first six years – number of effects and benefits

- the most extensive enlargement round (by the number of newly acceding countries and their populations);
- it will remain a record, as it is difficult to imagine another 10 countries that would become a part of the EU „all at once“;
- its most fundamental systemic characteristic: this enlargement brought together countries that had undergone entirely different economic, social, and political development over the preceding decades; a milestone in the European reunification process

Effects and benefits

- the new member states made the EU stronger and culturally richer;
- the enlargement process helped organise and adapt democratic rules in these countries after the liquidation of their former communist and socialist regimes;
- It strengthened European security through securing the key anchors of stability during a period of conflict and when various tremors were apparent in the peripheral parts of the continent and namely outside Europe

Effects and benefits

- it significantly strengthened the economies and improved the standard of living in the new member states, as a result of which even the old member states enjoyed a significant benefit, primarily as a result of new export and investment opportunities;
- it strengthened the Union economy as a whole through integration advantages and benefits within the framework of a more extensive internal market;
- it also allowed the EU to take greater advantage of the benefits of globalisation

Questions

- the integration process did raise numerous issues, including fears about the capacity of the EU's institutions to absorb a wider variety of opinions in decision-making processes;
- questions were placed with regard to enlargement expenses, when all the new members have lower levels of economic development in relation to the EU average;
- the citizens had mixed feelings about enlargement (jobs, salaries, security, and identity);
- another dimension given by the global financial and economic crisis

Summary of enlargement effects

- the extent and the under-development of the new members – an enormous challenge for old and new member states;
- for feasibility: the Copenhagen criteria;
- new members: 21% of population, only 7% of EU's GDP: income and performance gap;
- main benefits: synergy and the potential for economic dynamics over the long-term: answer to the challenges of globalisation

Real convergence

- initial recession at the start of the 1990s;
- the economies stabilised and gained momentum for its economic growth during the second half of the 1990s and primarily for the most majority of this decade;
- one of the key inducements and reasons for economic recovery: „actual convergence game“ in the form of signals on accession

Real convergence

- after the 2004 enlargement: mobilisation of economic activities and stimuli initiated in the new member states as a result of the EU's Single Internal Market environment, common and co-ordinated policies, and the removal of other nonessential obstacles to the development of trade and business transactions and projects across borders

Real convergence

- the key stimulators and accelerators:
openness of their economies, namely in
the area of trade and direct foreign
investments; an overall improvement of
the institutional framework;
- many other positive convergence effects

Real convergence

- sectoral components of economic growth within the real convergence;
- the role of trade and business relations;
- the role of foreign direct investments

Real convergence

- differences between the real convergence on the national and regional levels and the factors behind them;
- real convergence and the main components of GDP growth

**Thank you very much for your
attention !**

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