

CHANCES AND LIMITS OF CONVERGENCE FOR THE NEW EU MEMBERS

Kocziszky György

University of Miskolc, Faculty of Economics, Hungary

The decision makers of the European Union have committed themselves a great number of times in the past decades to decreasing the economic and social differences between the member states and the regions of the member states. This is the objective of the regional (cohesion) policy of the Community; this is what the populations in the poorest regions of the new member states have trusted in. The results, however, are not unambiguous. The enlargement of the EU since 1973 has, on the one hand, invariably set back the economic performance of the Community, and, on the other, has increased the regional social and economic differences. The accession of the countries with relatively low specific incomes in 2004 and 2007 has further increased the differences in development and standard of living within the Union. While as a result of the two stages of enlargement the population of the EU increased by 27 %, its economic performance (GDP) grew only by 5 %. Thus the per capita income in the enlarged EU (EU 27) became 12 % lower than it was in the EU 15. The economic growth of the new member states has undoubtedly accelerated and they are faced with a new type of problem (Table 1). Regional disparities have increased in all of the countries without exception. This has several causes. Among them, structural concerns have to be mentioned in the first place. It is first of all regions with mono-cultures that have got into crisis situations. Their structure has put them in extremely difficult situations (company closures, increasing unemployment, emigration of skilled labour, etc.).

Table. Time periods required for reaching the per capita average income of EU15

Global ranking	Country	Per capita GDP 2002 (\$)	Number of years required for reaching German incomes, with different annual growth rates		
			4 %	5 %	6 %
18	Germany (EU-15 average)	26,600	4 %	5 %	6 %
47	Slovenia	18,000	19.7	13.2	10.0
51	Malta	17,000	22.6	15.1	11.4
53	Czech Republic	15,300	27.9	18.7	14.1
54	Cyprus	15,000	28.9	19.4	14.6
59	Hungary	13,300	35.0	23.4	17.7
61	Slovakia	12,200	39.4	26.4	19.9
67	Estonia	10,900	45.1	30.2	22.7
76	Poland	9,500	52.0	34.8	26.3
86	Lithuania	8,400	58.2	39.0	29.4
87	Latvia	8,300	58.6	39.4	29.7
96	Romania	7,400	64.6	43.3	32.6
98	Turkey	7,000	67.4	45.2	34.0
101	Bulgaria	6,600	70.4	47.2	35.5

It is assumed that an annual 2 % continuous increase in GDP is achieved in Germany.