

Does EU Membership Facilitate Convergence? The Experience of the EU's Eastern Enlargement



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The conceptual framework

Convergence: Journey to the **frontier** of economic, social and institutional development

Dimensions

- Economic (“means”)
- Social (“ends”)
- Institutional (“ways”)

Super dimensions

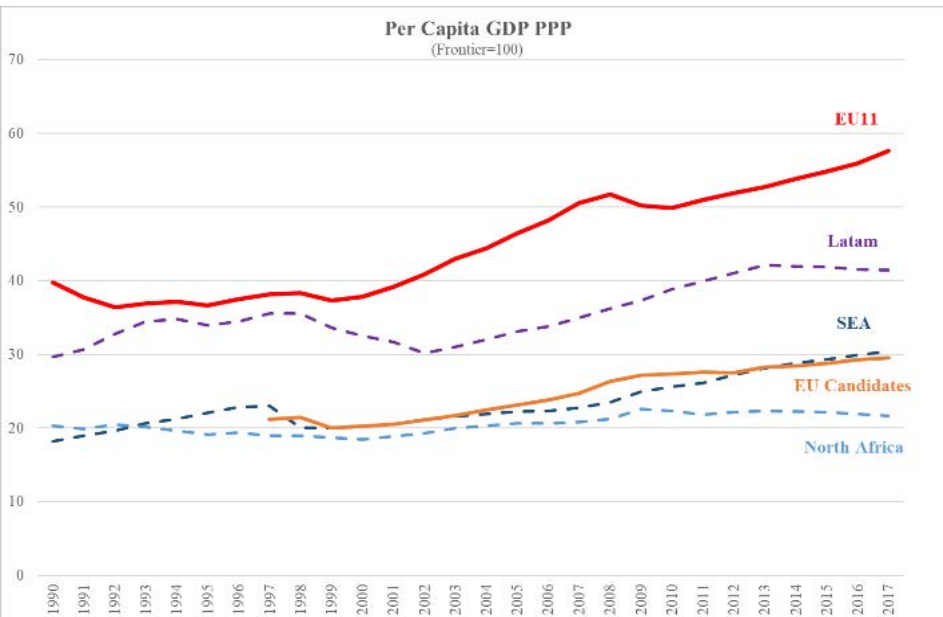
- Fairness
- Sustainability

Channels of interaction

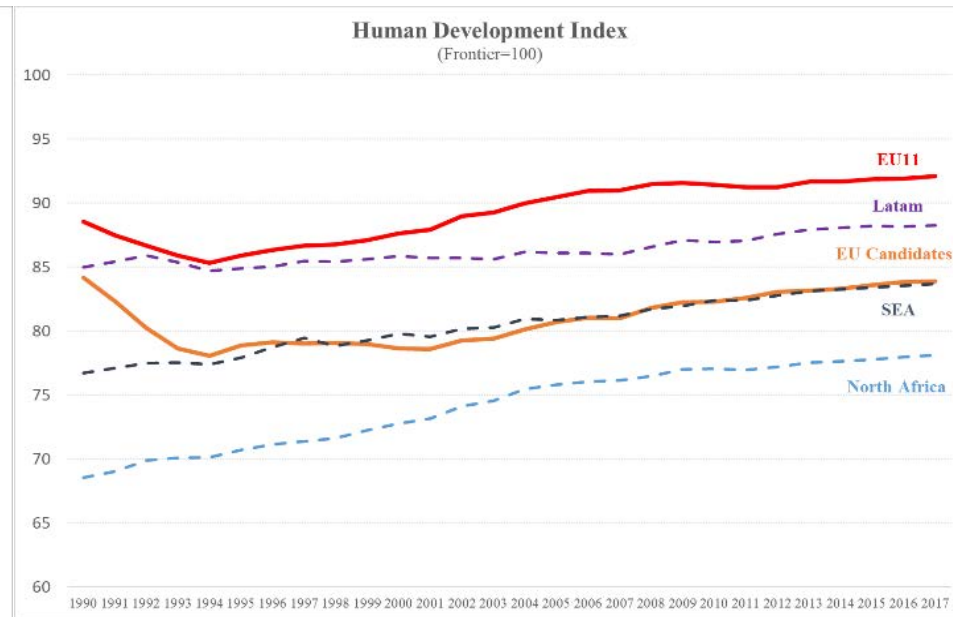
- Trade
- Investment
- Finance
- Migration
- Institutions

Economic and social convergence to the frontier

GDP



Human Development



Sources: For per capita GDP World Bank, for Human Development Index, UNDP.

Note: EU Frontier includes Austria, Denmark, Netherlands and Sweden; EU11 includes Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. EU Candidates include Albania, North Macedonia, Montenegro and Serbia; Latam includes Argentina, Chile, Costa Rica, and Uruguay; North Africa includes Algeria, Jordan, Morocco and Tunisia; SEA includes Indonesia, Korea, Malaysia and Philippines. Simple, unweighted averages of country observations.

Dimensions

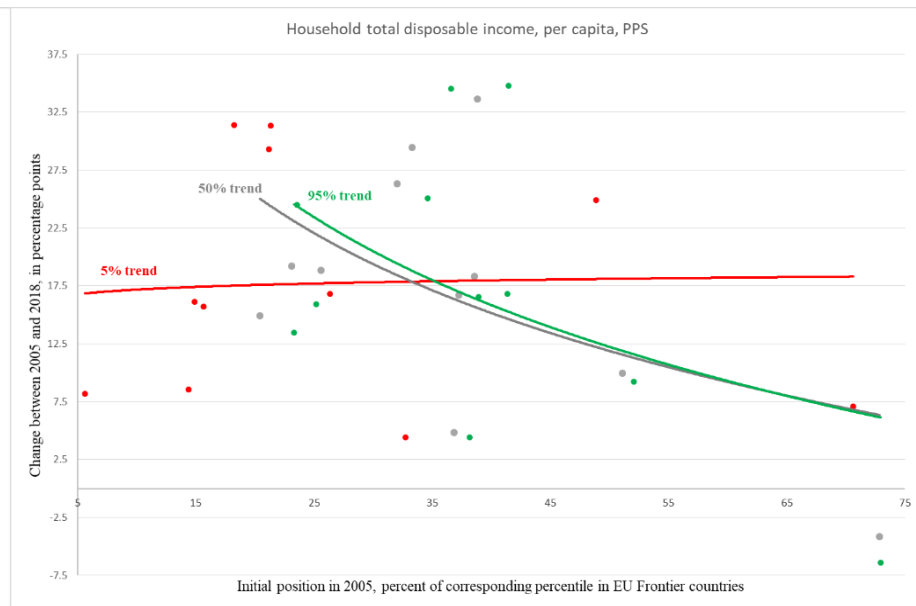
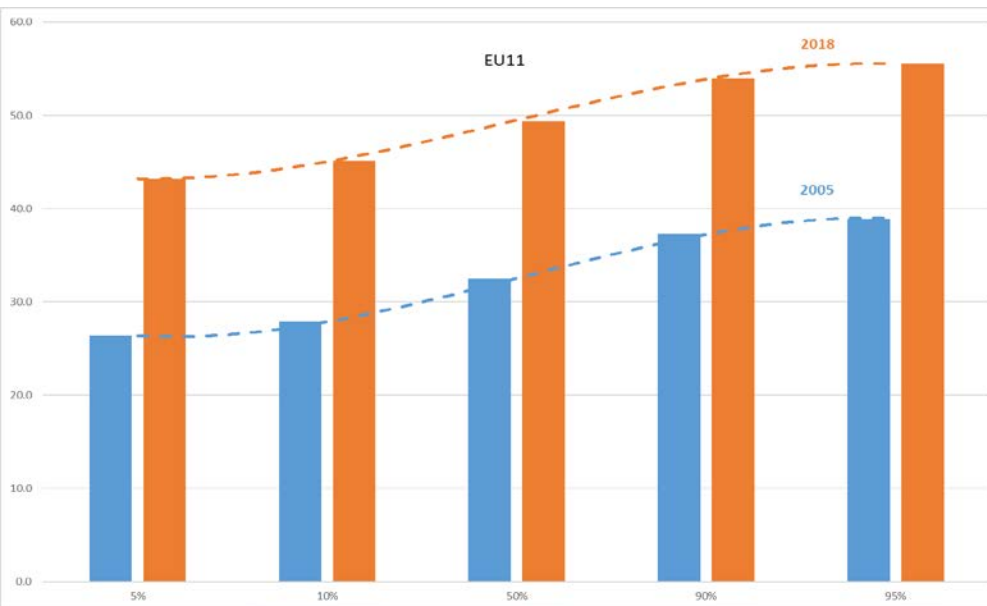
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Different journeys for different groups



Dimensions

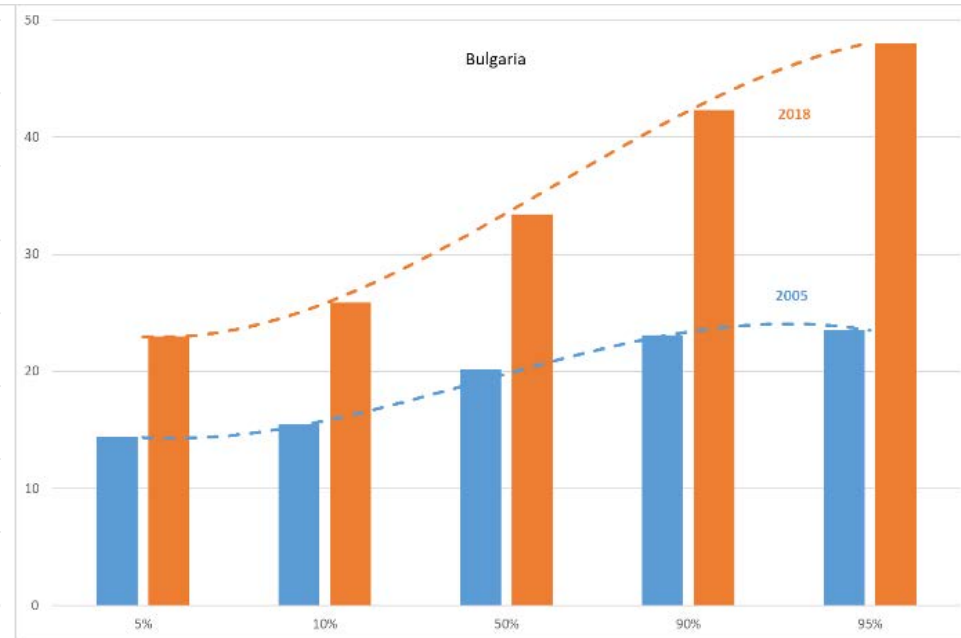
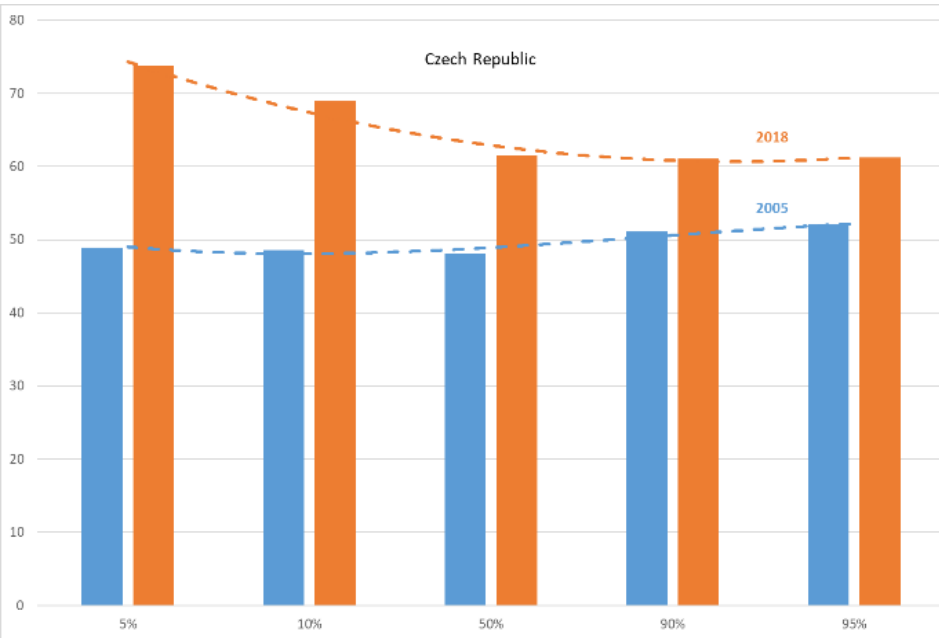
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Different journeys in different countries



Dimensions

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Super dimensions

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Income inequality within countries

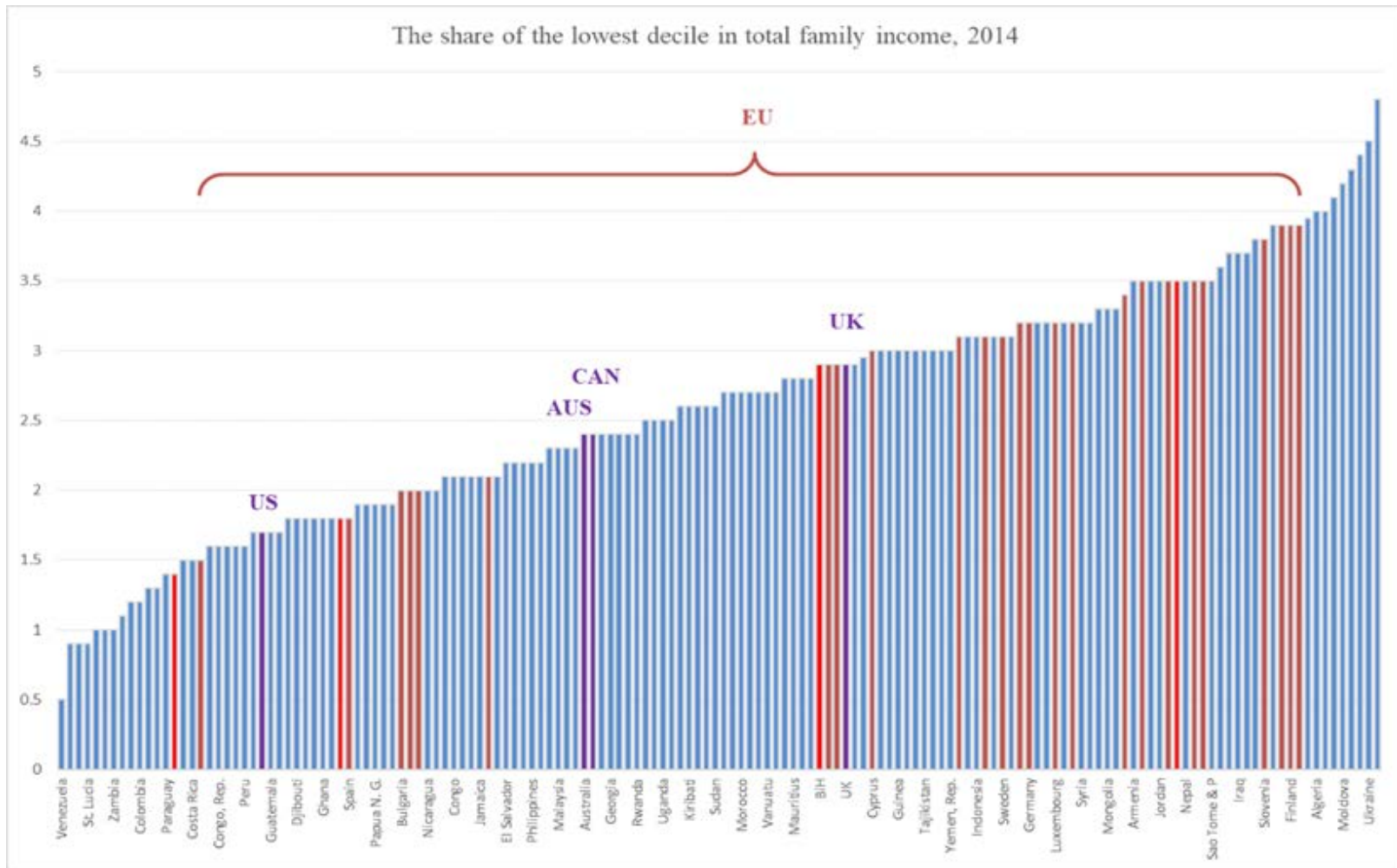
Share of lowest decile in total income

Dimensions

- Economic (“means”)
- Social (“ends”)
- Institutional (“ways”)

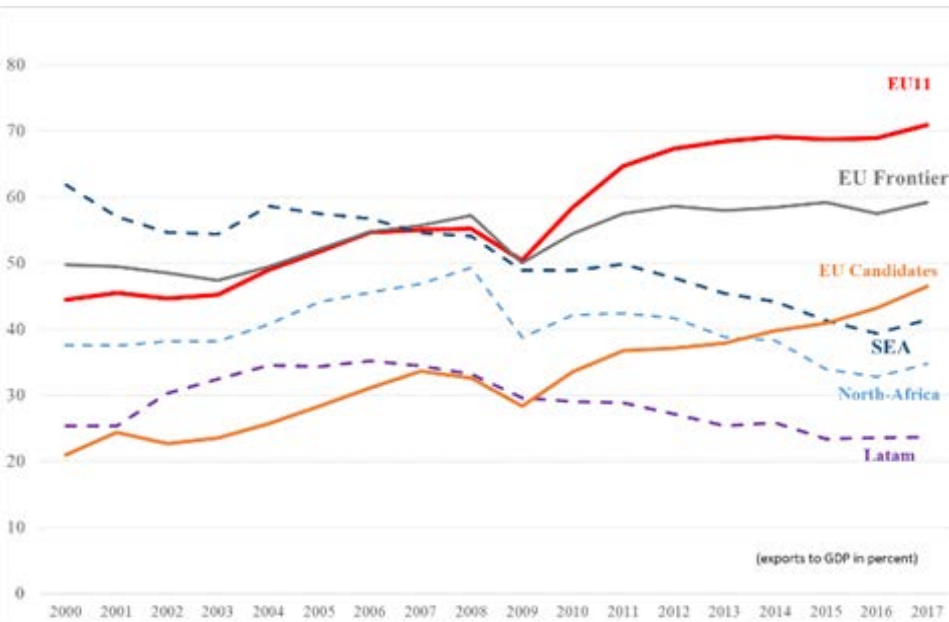
Super dimensions

- Fairness
- Sustainability

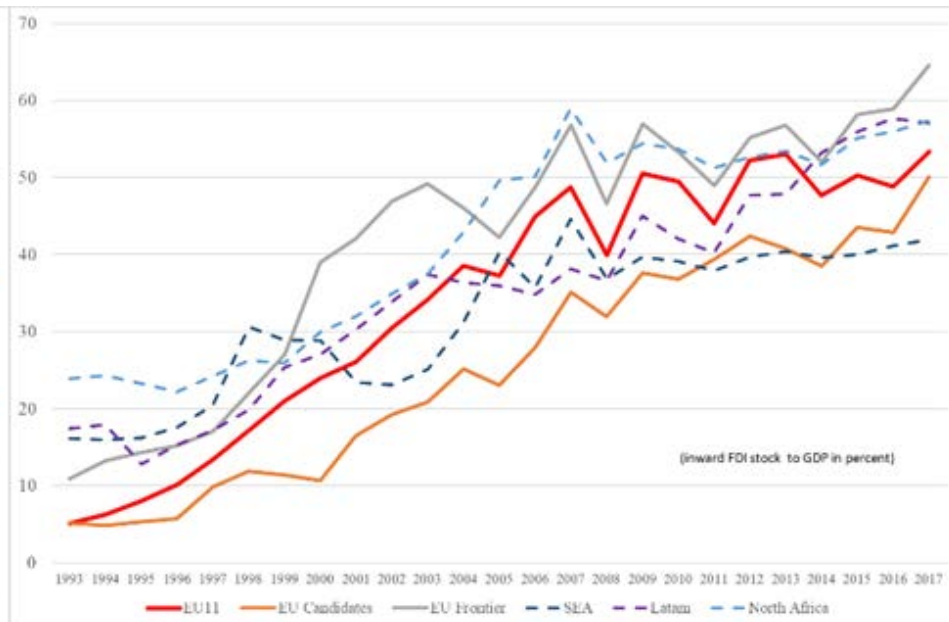


Exports and FDI

Exports



Inward FDI

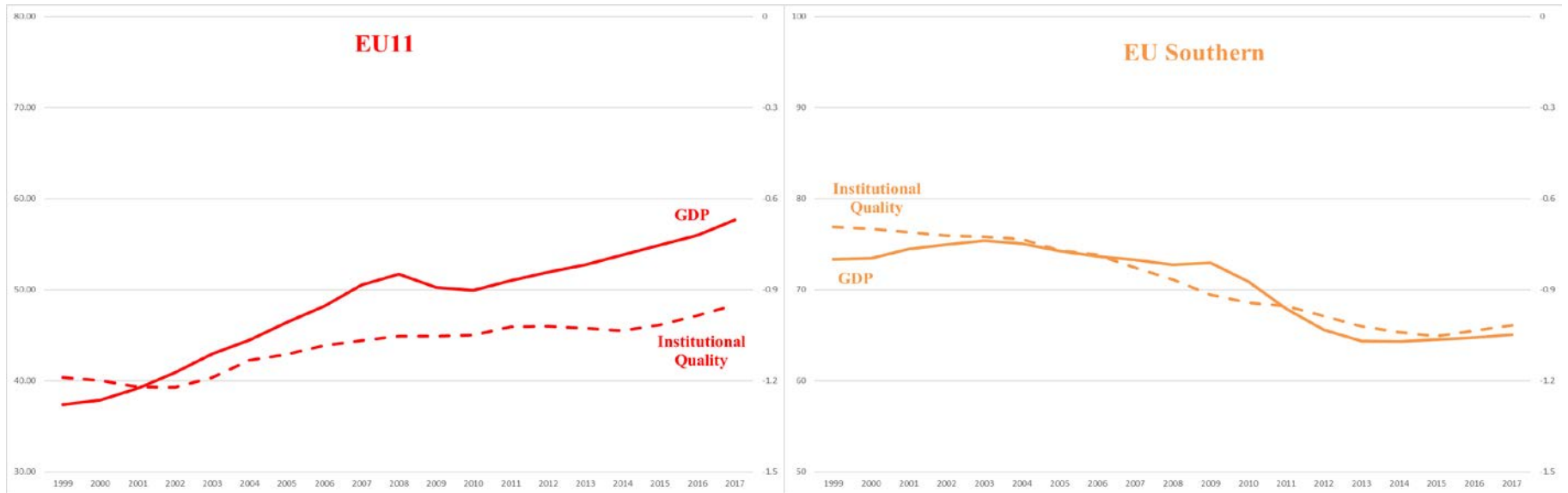


Source: World Bank, UNCTAD

Channels of interaction

- [Trade](#)
- [Investment](#)
- [Finance](#)
- [Migration](#)
- [Institutions](#)

Institutions



Sources: World Bank, WGI

Note: Institutional quality (right axis) is the distance to the EU Frontier, based on an average of the WGI indices, and it is the average for the three preceding years. Per capita GDP in PPP relative to EU Frontier (left axis).

EU Frontier includes Austria, Denmark, Netherlands and Sweden; EU11 includes Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. EU S4 (Southern) includes Greece, Italy, Portugal and Spain.

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Super dimensions

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Channels of interaction

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Looking forward

- How can economic convergence be better linked with social convergence, and through this preserve the coherence of the EU? What is the role of institutional convergence in this regard?
- How can enlargement help the EU to strengthen its economic potential while also strengthening its cohesion? What are the main lessons of the 2004-2013 Eastern enlargement for future waves of enlargement?
- How can going green and digital in the post-Covid environment accelerate convergence and support coherence?
- How can the EU with its heterogeneous membership strengthen internal coherence in the changing geopolitical and geo-economic global setting?