

Asymmetric Development under the European Integration: a Social Aspect

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Abstract. The aim of the paper is to value the progress in the European social and territorial cohesion in terms of welfare of population. Research methodology is based upon the economic theory, analysis of literature, official documents and statistical data, author's calculations and mathematical statistics. Only a minor degree of development and welfare level equalisation within the EU is stated. The EU new member states seem to face a prospect of remaining a poor periphery of Europe for an uncertain period of time.

Keywords: European integration, EU new member states, Gini index, human development index

I. INTRODUCTION

Various problems accompanying the European integration are being incessantly discussed by scholars and politicians [1]. Overall social progress, social and territorial cohesion are placed among the top priorities of the European Union. The aims of reaching greater social cohesion and reducing poverty were set in the Lisbon strategy and reaffirmed in the *Europe 2020* strategy [2]. The achieved results, however, remain ambiguous. Among the problems, indisputably, the issue of equalisation and cohesion of countries and regions within the European Union is especially acute.

II. DISPARITIES IN PER CAPITA INCOME AND CONSUMPTION

Along with development of the European Union, its heterogeneity gradually increased, turning into one of crucial problems. Each of the successive enlargements of the EU in the period 1973–2007, besides increasing the number of member states, continued to widen diversity of economic and social development levels within the united Europe. It is especially true in respect to the EU enlargements in 2004 and 2007 – since the new member states had appreciably lower development indices in actually all areas. Now the differences between 27 member states of the EU are much greater than they were in the former European Community consisting of 6, 9, or 15 countries. This obviously impedes the process of integration and cohesion.

The gap between the most rich (“core”) and most poor (“periphery”) countries constituting now the EU-27 has little narrowed since the mid-1990s, if measured by GDP per capita. In Table I, ratios of maximal to minimal values of per capita GDP among the 27 countries now having joined the European Union are calculated for 1991–2011. As can be seen, the distance between the highest value (Luxembourg) and the lowest one (Romania, Latvia, or Bulgaria in particular years) tended even to increase until 2000 and only afterwards

appeared decreasing, although proved essentially the same in 2006 as in 1995.

However, the distance between two extreme values does not describe the whole picture of differences among all values presented in a sample. A more appropriate way to measure the overall degree of inequality is to compute the coefficient of variation (k_v). A quite stable degree of disparities in per capita GDP among the 27 countries is proved by values of coefficient of variation lying between 0.49 and 0.44 during 1995–2011 (data for 1991 are incomplete). Level of k_v close to 0.5 indicates very big disparities; thus, the obtained values of the coefficient in the EU-27 imply a steadily big inequality in economic development levels without a significant trend to decrease. It can be concluded therefore that development and enlargement of the European Union resulted neither in substantial equalisation nor in greater divergence of economic development levels in Europe (if measured by GDP per capita). Statistical data and results of the author's calculations supporting these conclusions are presented in Table I. As can be seen, in 2011 disparities remained impressive and GDP per capita in the member states ranged from 45% to 274% of the EU average.

One of alternative welfare indicators better reflecting living standards of households is Actual Individual Consumption (AIC) per capita. This index includes goods and services actually consumed by individuals, irrespective of whether these goods and services were purchased and paid for by households, government or non-profit organisations [3]. AIC index shows less dispersion than GDP per capita. In 20 years the gap between the highest and the lowest value of this index has proven to decline from 4.5 (Luxembourg / Romania in 1991) to 3.4 (Luxembourg / Bulgaria in 2011). The coefficient of variation for this index was also less than in the case of GDP per capita. Still, in 2011 the AIC index ranged between 44% of the EU average in Bulgaria to 150% in Luxembourg.

Parallels between the EU and former Soviet Union have not been the same in recent years [7], [8]. In this context, one can state that the disparities in per capita income between the EU member states at present prove greater than those among the republics of the former Soviet Union during the 1970s and 1980s. As a matter of fact, the present-day distance in GDP levels per capita between Bulgaria or Romania, on the one hand, and the Netherlands or Austria, on the other hand, exceeds the differences in per capita national income that existed in the former USSR between Tajikistan and Latvia or Estonia in the 1980s. Table II presents the author's calculations concerning the disparities among the former

TABLE I

GDP PER CAPITA, 1991–2011, AND ACTUAL INDIVIDUAL CONSUMPTION (AIC) PER CAPITA, 2011, IN THE EU-27 COUNTRIES (AT CURRENT PRICES, IN PPS) ([3] – [6]; the authors' calculations)

| Country | 1991 (thous. USD) | | EU-27 = 100 | | | | | | | | | | |
|--|-------------------|-------------------|----------------|------|------|------|------|------|------|------|-------------------|------|----------------------|
| | GDP per capita | AIC per capita | GDP per capita | | | | | | | | | | AIC per capita, 2011 |
| | | | 1995 | 1998 | 2000 | 2002 | 2004 | 2006 | 2007 | 2008 | 2009 | 2011 | |
| Luxembourg | 17.50 | 12.25 | 223 | 218 | 244 | 240 | 252 | 270 | 275 | 279 | 271 | 274 | 150 |
| Netherlands | 15.65 | 11.00 | 123 | 128 | 134 | 133 | 129 | 131 | 132 | 134 | 131 | 131 | 113 |
| Austria | 15.35 | 10.75 | 135 | 131 | 131 | 126 | 127 | 125 | 123 | 124 | 124 | 129 | 117 |
| Ireland | 10.00 | 7.70 | 103 | 121 | 131 | 138 | 142 | 145 | 147 | 133 | 127 | 127 | 100 |
| Sweden | 16.40 | 11.50 | 125 | 123 | 127 | 122 | 126 | 123 | 125 | 123 | 119 | 126 | 115 |
| Denmark | 16.50 | 11.60 | 132 | 132 | 131 | 128 | 125 | 124 | 123 | 123 | 121 | 125 | 113 |
| Germany | 15.30 | 10.25 | 129 | 122 | 118 | 115 | 116 | 116 | 116 | 116 | 116 | 120 | 119 |
| Belgium | 15.75 | 11.00 | 129 | 123 | 126 | 125 | 121 | 117 | 116 | 115 | 116 | 118 | 111 |
| Finland | 15.40 | 10.75 | 108 | 114 | 117 | 115 | 116 | 114 | 117 | 118 | 113 | 116 | 112 |
| United Kingdom | 15.30 | 10.75 | 113 | 117 | 119 | 120 | 123 | 120 | 116 | 115 | 112 | 108 | 118 |
| France | 16.25 | 11.35 | 116 | 115 | 115 | 116 | 110 | 108 | 108 | 107 | 108 | 107 | 112 |
| Italy | 13.85 | 9.50 | 121 | 120 | 117 | 112 | 106 | 104 | 104 | 104 | 104 | 101 | 102 |
| Spain | 11.65 | 8.25 | 92 | 95 | 97 | 100 | 101 | 104 | 105 | 103 | 103 | 99 | 94 |
| Cyprus | ... | ... | 88 | 87 | 89 | 89 | 90 | 90 | 93 | 97 | 98 | 92 | 95 |
| Slovenia | 11.0 | 6.50 | 74 | 78 | 80 | 82 | 86 | 87 | 88 | 91 | 88 | 84 | 81 |
| Malta | ... | ... | 86 | 80 | 83 | 79 | 77 | 76 | 76 | 79 | 81 | 83 | 83 |
| Greece | 7.90 | 5.50 | 84 | 83 | 84 | 90 | 94 | 93 | 92 | 94 | 94 | 82 | 94 |
| Czech Republic | 7.00 ¹ | 4.75 ¹ | 73 | 70 | 68 | 70 | 75 | 77 | 80 | 80 | 82 | 80 | 70 |
| Portugal | 8.55 | 5.75 | 77 | 79 | 81 | 80 | 77 | 79 | 78 | 78 | 80 | 77 | 82 |
| Slovakia | ... | ... | 48 | 52 | 50 | 54 | 57 | 63 | 68 | 72 | 73 | 73 | 70 |
| Estonia | 8.45 | 5.15 | 36 | 42 | 45 | 50 | 57 | 66 | 69 | 68 | 64 | 67 | 57 |
| Hungary | 6.65 | 4.00 | 52 | 54 | 55 | 62 | 63 | 63 | 62 | 64 | 65 | 66 | 61 |
| Poland | 5.20 | 3.25 | 43 | 48 | 48 | 48 | 51 | 52 | 54 | 56 | 61 | 65 | 70 |
| Lithuania | 6.90 | 4.15 | 36 | 40 | 39 | 44 | 50 | 55 | 59 | 61 | 55 | 62 | 66 |
| Latvia | 7.60 | 4.50 | 31 | 36 | 37 | 41 | 46 | 52 | 56 | 56 | 52 | 58 | 56 |
| Romania | 4.10 | 2.75 | 37 | 27 | 26 | 29 | 34 | 38 | 42 | 47 | 46 | 49 | 47 |
| Bulgaria | 5.80 | 4.00 | 32 | 27 | 28 | 32 | 35 | 38 | 40 | 44 | ... | 45 | 44 |
| Max/ Min value | 4.3 ² | 4.5 ² | 7.2 | 8.1 | 9.4 | 8.3 | 7.4 | 7.1 | 6.9 | 6.3 | 5.9 ² | 6.1 | 3.4 |
| Standard deviation (σ) | 4.0 ² | 3.2 ² | 44.4 | 43.5 | 47.0 | 44.9 | 44.9 | 45.9 | 45.8 | 45.1 | 43.1 ² | 43.9 | 26.6 |
| Koefficient of variation ($k_v = \sigma/Y_{av}$) | 0.33 ² | 0.41 ² | 0.49 | 0.48 | 0.50 | 0.48 | 0.47 | 0.47 | 0.46 | 0.45 | 0.45 ² | 0.44 | 0.29 |

¹ Czechoslovakia

² Only for countries presented in the table

Soviet republics in terms of per capita national income in 1965–1985. As can be seen, the disparities somewhat fluctuated, but remained less than those among the EU countries now.

Historical experience of the EU, as well of the USSR, seems to prove that equalisation process in an extremely heterogeneous complex of nations can appreciably advance to a certain point but later slows down, stops or even reverses. After the enlargement of the EU in 2004, opinions were expressed by some European experts that the new member states would need 15, 30, 40 or even more years to reach at least the average EU development level [10].

Somewhat paradoxically, the task eased due to the fact that the EU average indices had dropped after including new 10 (later 12) comparatively poor economies. Actually, the average GDP volume per capita in the enlarged EU decreased by 13% after including the 10 new member states in 2004.

Official forecasts and government programmes promulgated in the Baltic States after regaining national independence invariably set the convergence of per capita GDP indices with the European Union average as a strategic goal. In Latvia the aim of reaching the EU average level of GDP per capita in nearest 20–25 years had been declared in official documents at least since the beginning of the 2000s (e.g., in the *Long-Term*

TABLE II

CHARACTERISTICS OF DISPARITIES IN PER CAPITA NATIONAL INCOME AMONG THE REPUBLICS OF THE FORMER USSR, 1965–1985 [9]

| Year | Ratio of the Max / Min value among the 15 republics | Coefficient of variation, k_v |
|------|---|---------------------------------|
| 1965 | 2.22 | 0.26 |
| 1970 | 2.36 | 0.28 |
| 1975 | 2.35 | 0.27 |
| 1980 | 2.32 | 0.25 |
| 1985 | 2.54 | 0.26 |

Economic Development Programme adopted in 2001). Nonetheless, even in the most optimistic scenarios, GDP per capita in Latvia was not expected to reach the EU average level before 2035.

As Table I shows, GDP per capita indices in the Baltic States during 1995–2008 were gradually approaching the EU average level. However, after a dramatic drop of GDP in Estonia, Lithuania and Latvia under the global economic crisis (by 15–22% in 3 years, 2008–2010) the gap from the EU average increased again and the task of catching up Europe must be postponed. Promise to reach the present-day EU average welfare level by 2020 was included in draft of the new *National Development Plan* of Latvia, but the actual convergence of development levels and living standards with the average European indices seems again as far perspective as it was a decade ago. In fact, most of the EU new members seem to face a perspective of remaining a poor periphery of the rich “core” of Europe for an uncertain period of time.

No doubt, globalisation and European integration have resulted in a certain degree of convergence of development levels and living standards in the new member states with the rest of the EU. Statistics shows a substantial progress in terms of such indices as number of cars, mobile phones, personal computers, internet users per 10,000 population, etc. However, the overall level of economic development and, especially, productivity in the new member states still remain far below the EU average.

III. HUMAN DEVELOPMENT INDEX: CONSISTENT GAINS?

Since the early 1990s when the centralised economic system was overthrown in the ex-communist Central- and East European countries, quite dramatic fluctuations of the human development index (HDI) could be observed there, in the Baltic States in particular (Table III).

The three Baltic States, Estonia, Latvia and Lithuania, had maintained relatively high levels of their HDIs from the Soviet era. As Table III proves, in terms of this index in 1991–1992 Lithuania was placed the 28th, Estonia – the 29th and Latvia – the 30th among the countries of the world. From this level, however, Estonia had fallen by 1995 to the 77th, Lithuania in 1993 to the 81st, and Latvia (in three successive

years, 1994–1996) to the 92nd place. This occurred, first of all, because of a dramatic fall in GDP (by 30–50%) and a decreasing life expectancy of population during the transition period to market economy. Afterwards the three countries began to move up in the world rankings, and already by the end of the 1990s the gains were obvious. Finally, the three Baltic States had managed to climb to the 34th (Estonia), 40th (Lithuania), and 43rd (Latvia) places in the world in 2011.

On the whole, as concerns the comparative levels of HDI, the EU new member states are in better positions than in terms of per capita incomes. This is, first of all, due to quite good indices of education and public health. On the whole, progress can be stated in all of the above-mentioned countries. In 2005–2006, the 10 Central and East European countries listed in Table IV were qualified as countries with high HDI; in 2007, two of them, Slovenia and the Czech Republic, ranked among the countries with very high HDI (referred to as developed countries), while the rest 8 were included in the category of developing countries with high HDI; and in 2010–2011, eight of the countries in question, except Bulgaria and Romania, proved in the category of countries with very high HDI. As demonstrated in Table IV, their places in the recent rankings lied between the 21st (Slovenia) and the 55th (Bulgaria) in the world. However, it remains disputable to what an extent this progress can be attributed to the EU membership. And, after all, it is worth observing that the Baltic States have not even regained the positions in the world ranking they possessed two decades ago.

The HDI index includes demographic characteristics (education level and life expectancy of population) as two of its three main components. Unfortunately, it is exactly demography that has turned into one of the most acute problems facing the EU new members. Among the painful consequences of the welfare gap from the rich countries, increasing emigration has emerged from the EU periphery states. This process in combination with low rates of natural increase of population has resulted in actual depopulation. Out of the 12 new EU members, 7 are consistently losing their population. In accordance with the official data of Eurostat [4], [5] by the beginning of 2012,

- Bulgaria lost almost 17% of the population it had in 1990;
- in Hungary, where decrease of population was continuous since the 1980s, the number of population dropped from 10.7 million in 1980 to 9.96 million, thus returning to the level of 1960;
- population of Poland decreased from 38.7 million in 2000 to 38.2 million, i.e., by approximately 0.5 million;
- Romania since 1990 had lost about 1.8 million, or 8%, of population;
- population of Estonia was by nearly 15% less than in 1990, returning thus to the level of the mid-1960s;

TABLE III
HUMAN DEVELOPMENT INDICES IN THE BALTIC STATES, 1991–1999 [11]

| Country | | 1991-1992 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 |
|-----------|------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|
| Estonia | Rank | 29 | 43 | 68 | 71 | 77 | 65 | 54 | 46 | 44 |
| | HDI | 0.867 | 0.862 | 0.749 | 0.776 | 0.758 | 0.762 | 0.773 | 0.801 | 0.818 |
| Lithuania | Rank | 28 | 71 | 81 | 76 | 79 | 70 | 62 | 52 | 47 |
| | HDI | 0.868 | 0.769 | 0.719 | 0.762 | 0.750 | 0.755 | 0.761 | 0.789 | 0.803 |
| Latvia | Rank | 30 | 48 | 55 | 92 | 92 | 92 | 74 | 63 | 50 |
| | HDI | 0.865 | 0.857 | 0.820 | 0.711 | 0.707 | 0.727 | 0.744 | 0.771 | 0.791 |

TABLE IV
HUMAN DEVELOPMENT INDICES IN THE 10 EU NEW MEMBER STATES, 2005–2011 [12]

| Country | | 2005 | 2006 | 2007 | 2010 | 2011 |
|----------------|------|-------------------------------|-------|---|--|-------|
| | | <i>High human development</i> | | <i>Very high human development (developed countries)</i> | <i>Very high human development</i> | |
| Slovenia | Rank | | 26 | 29 | 21 | 21 |
| | HDI | 0.917 | 0.923 | 0.929 | 0.882 | 0.884 |
| Czech Republic | Rank | | 35 | 36 | 27 | 27 |
| | HDI | 0.891 | 0.897 | 0.903 <i>High human development (developing countries)</i> | 0.863 | 0.865 |
| Estonia | Rank | | 42 | 40 | 34 | 34 |
| | HDI | 0.860 | 0.871 | 0.883 | 0.832 | 0.835 |
| Slovakia | Rank | | 41 | 42 | 35 | 35 |
| | HDI | 0.863 | 0.872 | 0.880 | 0.832 | 0.834 |
| Hungary | Rank | | 38 | 43 | 38 | 38 |
| | HDI | 0.874 | 0.877 | 0.879 | 0.814 | 0.816 |
| Poland | Rank | | 39 | 41 | 39 | 39 |
| | HDI | 0.870 | 0.875 | 0.880 | 0.811 | 0.811 |
| Lithuania | Rank | | 43 | 46 | 41 | 40 |
| | HDI | 0.862 | 0.869 | 0.870 | 0.805 | 0.810 |
| Latvia | Rank | | 44 | 48 | 43 | 43 |
| | HDI | 0.855 | 0.863 | 0.866 | 0.802 <i>High human development</i> | 0.805 |
| Romania | Rank | | 62 | 61 | | 50 |
| | HDI | 0.813 | 0.825 | 0.840 | | 0.781 |
| Bulgaria | Rank | | 56 | 63 | | 55 |
| | HDI | 0.824 | 0.834 | 0.837 | | 0.771 |

- population of Lithuania was by almost 11% less than in 1990 and returned to the number of the mid-1970s;
- in Latvia, officially stated number of population proved by almost 24% less than in 1990. As known, the actual size of emigration from Latvia remains an object of

public discussion, but even in some foreign experts' opinion, demographic processes, namely emigration and depopulation, are turning into a major obstacle for further economic progress of the country [13], [14].

TABLE V
VALUES OF GINI INDEX IN CENTRAL AND EASTERN EUROPE, 1992–2009 [15], [16]

| Country | Czech Republic | Slovakia | Bulgaria | Romania | Slovenia | Hungary | Poland | Estonia | Latvia | Lithuania |
|---------|----------------|----------|----------|---------|----------|---------|--------|---------|--------|-----------|
| 1992 | | 19.5 | 30.7 | 25.5 | | | 26.7 | | | |
| 1993 | 26.6 | | | | 29.2 | 27.9 | 32.3 | 39.5 | 27.0 | 33.6 |
| 1994 | | | 24.3 | 28.2 | | | | | | |
| 1995 | | | 31.0 | | | | | 30.1 | 31.0 | |
| 1996 | 25.8 | 25.8 | 35.0 | | | | 32.7 | | 31.7 | 32.3 |
| 1997 | | | 26.4 | | | | | | 31.7 | |
| 1998 | | | | 29.4 | 28.4 | 24.9 | 32.9 | 37.6 | 33.5 | 30.2 |
| 1999 | | | | | | 27.8 | 33.1 | | | |
| 2000 | | | | 30.3 | | 27.3 | 32.9 | 37.0 | | 31.9 |
| 2001 | | | 34.3 | 30.6 | | 26.9 | 32.8 | 36.9 | | 32.4 |
| 2002 | | | | 31.5 | 29.2 | 26.8 | 34.1 | 36.8 | 35.9 | 32.3 |
| 2003 | | | 29.2 | 31.1 | 30.8 | | | 35.8 | 37.7 | 36.0 |
| 2004 | | 29.1 | | 31.7 | 31.2 | 30.0 | 35.9 | 36.0 | 35.7 | 35.8 |
| 2005 | | 29.8 | | 31.6 | | | 34.9 | | | |
| 2006 | | 27.7 | | 32.1 | | | 34.1 | | | |
| 2007 | | 28.1 | 28.2 | 32.1 | | 31.2 | 34.0 | | 36.3 | |
| 2008 | | 26.9 | | 31.2 | | | 34.2 | | 36.6 | 37.6 |
| 2009 | | 26.0 | | 30.0 | | | 34.1 | | | |

IV. GINI INDEX: MEDIUM-TERM FLUCTUATIONS AND THEIR FACTORS

Making the European Union by 2010 the world's most competitive and dynamic knowledge-based economy capable of sustainable economic growth with more and better jobs and greater social cohesion was the goal set in 2000 by the Lisbon Strategy. It seemed obvious from the very beginning that the proclaimed goal had been too ambitious. During the years that had passed since 2000, Europe had become neither the most dynamic, nor the most competitive region of the world. Many other parts of the world proved substantially more dynamic. Greater social cohesion also remained unattained in the EU. As was admitted later, a number of the poor had rather increased than decreased in the European Union during the recent global economic and financial crisis.

Successor of the Lisbon Strategy, the *Europe 2020*, in its turn, points out reducing of poverty as one of the flagship initiatives [2]. Such a phrasing looks again rather a good intention than a really attainable objective.

As concerns social cohesion and poverty, an acknowledged measure of income inequality among population is Gini index. Observed in almost two decades' retrospective in the East European countries – new EU member states –, this index does not demonstrate a tendency to diminish. Moreover, as Table V shows, since the early 1990s, the income inequality tended to increase in most of these countries.

Among the countries in question, the Baltic States, in addition to comparatively low GDP indices per capita, had

been steadily distinguished by the highest values of Gini index (up to 0.36 – 0.37 and above), which implies the greatest degree of inequality in income distribution. Its level appears high in comparison with data of the advanced European countries in the late 1990s (Table VI).

A more detailed analysis of Gini index dynamics in the Central and Eastern European states is carried out below to

TABLE VI
VALUES OF THE GINI INDEX FOR SOME COUNTRIES IN WESTERN AND NORTHERN EUROPE, THE LATE 1990S–2000 [15], [16]

| Country | Year | Gini Index |
|----------------|------|------------|
| Portugal | 1997 | 38.45 |
| Italy | 2000 | 36.03 |
| United Kingdom | 1999 | 35.97 |
| Spain | 2000 | 34.66 |
| Ireland | 2000 | 34.28 |
| Greece | 2000 | 34.27 |
| Switzerland | 2000 | 33.68 |
| Belgium | 2000 | 32.97 |
| France | 1995 | 32.74 |
| Netherlands | 1999 | 30.9 |
| Austria | 2000 | 29.15 |
| Germany | 2000 | 28.31 |
| Finland | 2000 | 26.88 |
| Norway | 2000 | 25.79 |
| Sweden | 2000 | 25 |
| Denmark | 1997 | 24.7 |

TABLE VII
REAL GDP GROWTH RATES (%) IN SELECTED EASTERN EUROPEAN COUNTRIES, 1992–2009 [4], [17] – [22]

| Country | 19 92 | 19 93 | 19 94 | 19 95 | 19 96 | 19 97 | 19 98 | 19 99 | 20 00 | 20 01 | 20 02 | 20 03 | 20 04 | 20 05 | 20 06 | 20 07 | 20 08 | 20 09 |
|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Lithuania | ... | ... | ... | ... | 5.2 | 7.5 | 7.6 | -1.1 | 3.3 | 6.7 | 6.9 | 10.2 | 7.4 | 7.8 | 7.8 | 9.8 | 2.8 | -15.0 |
| Latvia | -34.9 | -14.9 | 0.6 | -0.9 | 3.7 | 8.4 | 4.8 | 2.8 | 6.8 | 7.9 | 6.1 | 7.2 | 8.7 | 10.6 | 11.9 | 10.0 | -4.2 | -18.0 |
| Estonia | ... | ... | -1.6 | 2.2 | 5.7 | 11.7 | 6.7 | -0.3 | 10.0 | 7.5 | 7.9 | 7.6 | 7.2 | 9.4 | 10.0 | 7.2 | -3.6 | -14.1 |
| Poland | 2.0 | 4.3 | 5.2 | 6.7 | 6.2 | 7.1 | 5.0 | 4.5 | 4.3 | 1.2 | 1.4 | 3.9 | 5.3 | 3.6 | 6.2 | 6.8 | 5.0 | 1.7 |
| Hungary | -3.1 | -0.6 | 2.9 | 2.5 | 0.2 | 3.1 | 4.1 | 3.2 | 4.9 | 4.1 | 4.4 | 4.3 | 4.9 | 3.5 | 4.0 | 1.0 | 0.6 | -6.3 |
| Slovenia | ... | 2.8 | 5.3 | 4.1 | 3.6 | 5.0 | 3.5 | 5.3 | 4.4 | 2.8 | 4.0 | 2.8 | 4.3 | 4.5 | 5.8 | 6.8 | 3.5 | -7.8 |
| Romania | -8.8 | 1.5 | 3.9 | 7.1 | 3.9 | -6.1 | -4.8 | -1.2 | 2.4 | 5.7 | 5.1 | 5.2 | 8.5 | 4.2 | 7.9 | 6.3 | 7.3 | -7.1 |
| Bulgaria | -8.4 | -11.6 | -3.7 | -1.6 | -8.0 | -5.8 | 4.1 | 2.3 | 5.4 | 4.1 | 4.5 | 5.0 | 6.6 | 6.2 | 6.3 | 6.2 | 6.0 | -5.0 |

verify some hypotheses concerning possible relationship among economic growth rates, overall level of economic development, and the changes of Gini index.

There is always temptation to search for a link between economic growth and the degree of income inequality in market economy. From the theoretical point of view, market competition, which is considered the principal engine of economic progress, inevitably generates progressing differentiation of income levels. On the other hand, inequality is often believed to create incentives for economic activity while levelling in distribution is typically blamed for discouraging any efforts. The option is sometimes presented as dilemma: “Either efficiency or equality”. However, the relationship between economic growth and inequality in income distribution does not appear so straightforward.

The degree of income inequality has undoubtedly increased in the Central and Eastern European countries in comparison with the times of centralised Communist economy. During the transition period to market economy and afterwards, economic growth experienced by the EU new member states was in most cases followed by increasing inequality in income distribution. It seems especially true in respect to the Baltic States; before the recent economic crisis they had demonstrated both the highest GDP growth rates in the EU and the most impressive values of Gini index. Nonetheless, any generalisations on dependence, either positive or inverse, between dynamics of GDP and the values of Gini index do not look demonstrable.

Dynamics of GDP (expressed by GDP growth rates) in some of the EU new member states in 1992–2009 is presented in Table VII. Figures 1–4, in their turn, reflect these data concerning four of the above-mentioned countries plotted on graphs in combination with values of Gini index. As can be concluded, no correlation follows from the pictures

obtained: any GDP growth rates prove compatible with stable high values of Gini index.

In fact, Gini index in the Central and Eastern European countries used to increase in the years of economic expansion as often as in the periods of crises. It can be concluded thus

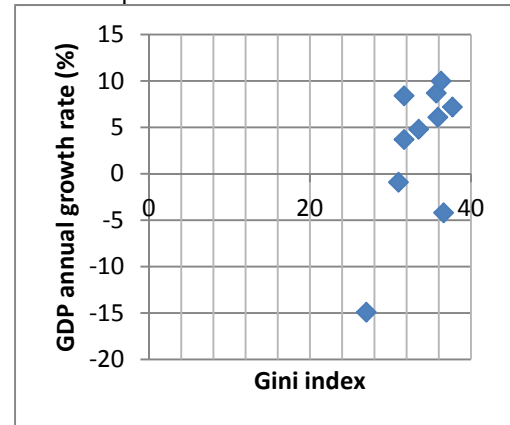


Fig. 1. GDP growth rates and Gini index, Latvia; 1993–2008 [elaborated by the author]

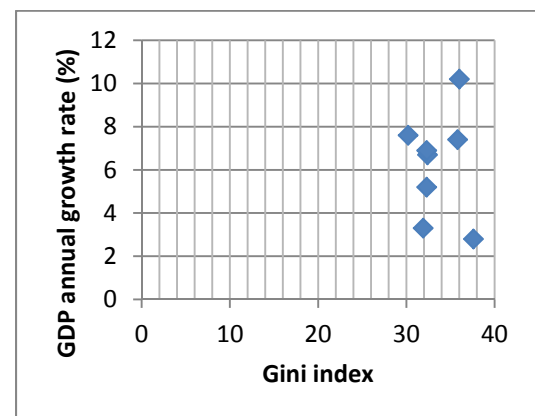


Fig. 2. GDP growth rates and Gini index, Lithuania; 1996–2008 [elaborated by the author]

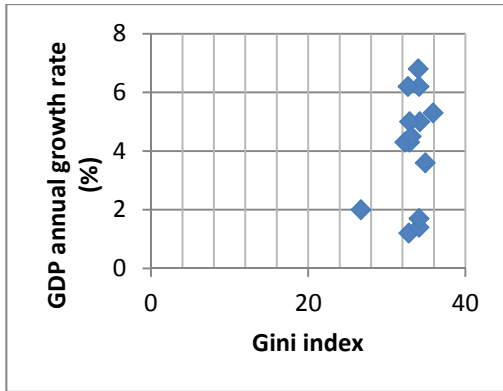


Fig. 3. GDP growth rates and Gini index, Poland; 1996–2009 [elaborated by the author]

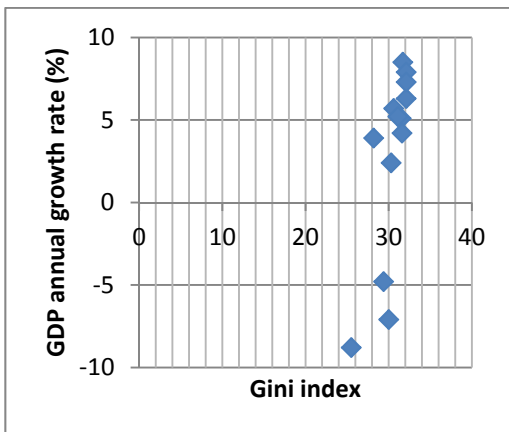


Fig. 4. GDP growth rates and Gini index, Romania; 1992–2009 [elaborated by the author]

that other factors, first of all changes in political and economic system and priorities of government policies, proved more essential for dynamics of inequality than the economic growth rate as such. It seems that economic policies in most of the countries considered above did not favour the low-income groups of population. Only few of the countries in question (as Slovakia after 2005) appeared able to somewhat reduce the degree of income inequality.

To some extent, values of Gini index in the countries considered may be linked with overall level of economic development (measured by GDP per capita). The case of Central and Eastern European region supports the statement that, like in the world on the whole, values of Gini index are more likely to prove higher in relatively poor countries.

Finally, it can be noted that territorial disparities tend to be greater if they are measured at the level of countries' regions instead of whole countries. Even within such small countries as the Baltic States, a very high degree of internal regional inequality could be observed. In Latvia the differences among rural districts in terms of GDP per capita (e.g., 3.6 to 3.9 times in 1996–1998) [23] proved even more dramatic than those among many countries of the European Union. Values of Gini index also vary very substantially among the historical regions of Latvia – Vidzeme, Kurzeme, Zemgale, and Latgale. Unfortunately, this kind of territorial inequality did not tend to decline in the course of time – rather the other way round [24].

CONCLUSIONS

- Globalisation, economic integration and cohesion are three different aspects of modern economic development, which do not necessarily go hand in hand. Economic processes in different countries, even under the conditions of integration, continue to develop asymmetrically. Integration itself does not warrant equalisation of development and welfare levels.

- Preceding history of the European Union demonstrates that the enlargement of the EU was pushed ahead more rapidly than the convergence of development levels could occur. A contradiction emerged, therefore, between the progress of integration “in breadth” (embracing new countries) and “in depth” (cohesion of the member states).

- On the whole, gradual enlargement of the European Union does not prove a factor of appreciable equalisation or further divergence of economic development levels in the continent of Europe. On the other hand, the EU itself in its expanding borders (EC-9, EU-15, EU-25, EU-27) becomes increasingly heterogeneous.

- Historical experience of the EU and some other unions, such as the former USSR, corroborates the conclusion that the equalisation process in a heterogeneous group of nations advances to a certain point but later may stop or even reverse. Among the EU member states, a minor degree of development and welfare level equalisation can be stated. In addition, the process of equalisation is fluctuating: being quite apparent initially, it gradually slows down or sometimes even makes a step backwards. As concerns the EU new members, their lag from the most advanced EU countries is most likely to remain substantial in a foreseeable future, and equalisation with the rich countries seems to be a long-term and rather uncertain perspective.

- Economic growth was followed in the EU new member states rather by increasing overall inequality in income distribution than by strengthening social cohesion. The Baltic States in particular were distinguished among the new member states by the highest levels of Gini index.

- Demographic problems in the form of depopulation are aggravating in the EU new member states. For Latvia, demography may become the most serious of all problems facing national economy in the long run. To prevent further depopulation and to escape its negative consequences, it is necessary to raise international competitiveness of economy in all aspects, both in terms of productivity and social conditions. The latter should imply, in particular, a more pronounced social orientation in economic policy and more substantial benefits for families with children.

- No clear relationship between economic growth rates and Gini index in the Central and Eastern European countries can be proved on the basis of statistical data.

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Aleksandrs Fedotovs. Asimetriska attīstība Eiropas integrācija apstākļos: sociālais aspekts

Pētījuma mērķis ir novērtēt progresu Eiropas teritoriālās un sociālās kohēzijas jomā no iedzīvotāju labklājības rādītāju viedokļa. Pētījuma metodoloģija pamatojas uz ekonomikas teorijas atziņām, literatūras, oficiālo dokumentu un statistikas datu analīzi, autora aprēķiniem un matemātiskās statistikas metodēm.

Teritoriālā un sociālā kohēzija pieder pie stratēģiskajiem Eiropas Savienības mērķiem. Taču pēdējos 20 gados sasniegtie rezultāti ir neviennozīmīgi gan starpvalstu salīdzinājumos, gan atsevišķi ņemtu valstu ietvaros. ES paplašināšanas process tika virzīts uz priekšu straujāk nekā spēja notikt dalībvalstu attīstības līmeņu konverģence. Statistiskās datu analīze ar variācijas koeficienta palīdzību rāda, ka atšķirības IKP apmēros uz vienu iedzīvotāju starp ES-27 valstīm nav būtiski mazinājušās apskatītajā laika periodā. Variācijas koeficienta vērtības 0.49 – 0.44 robežās laika posmā no 1995. līdz 2011. gadam liecina par ļoti lielu atšķirību pakāpi. ES jauno dalībvalstu ieņemtās vietas pasaulē tautas attīstības indeksa (Human development index) ziņā ir ievērojami augstākas, nekā pēc ienākuma vai patēriņa rādītājiem uz vienu iedzīvotāju, un turpina secīgi paaugstināties. Tomēr Baltijas valstis nav atguvušas pozīcijas, kuras tās ieņēma starp pasaules valstīm 1991. – 1992. gadā. Baltijas valstis izceļas starp jaunajām ES dalībvalstīm ar visaugstākajiem Džini indeksa līmeņiem, kas liecina par augstu nevienlīdzības pakāpi iedzīvotāju ienākumu sadalē. Salīdzinājumā ar 1990. -to gadu sākumu nevienlīdzība ir ievērojami augusi gan Baltijas valstīs, gan vairākumā ES dalībvalstu Austrumeiropā. Tomēr nav pamata meklēt korelāciju starp ekonomikas izaugsmes tempiem un Džini indeksu minētajās valstīs. Citi faktori, pirmām kārtām kārtām ekonomiskā politika, būtiskāk veicināja nevienlīdzības padziļināšanos. Tāpēc ekonomiskajai politikai šajās valstīs ir nepieciešama izteiktāka sociālā orientācija.

Александр Федотов. Асимметричное развитие в условиях европейской интеграции: социальный аспект

Цель исследования – оценить прогресс в области европейской территориальной и социальной когезии с точки зрения показателей благосостояния населения. Методология исследования основана на экономической теории, анализе литературы, официальных документов и статистических данных, расчётах автора и методах математической статистики.

Территориальная и социальная когезия принадлежит к числу стратегических целей Европейского союза. Однако результаты, достигнутые на протяжении последних 20 лет, неоднозначны как при сравнении стран, так и в пределах отдельно взятых государств. Процесс расширения ЕС форсировался быстрее, чем могла иметь место конвергенция уровней развития стран-членов. Анализ статистических данных с помощью коэффициента вариации показывает, что различия в размерах ВВП на душу населения между странами ЕС-27 за рассматриваемый период существенно не сократились. Значения коэффициента в пределах 0.49 – 0.44 на протяжении 1995 – 2011 гг. свидетельствуют об очень большой степени различий. Места, занимаемые в мире новыми членами ЕС по индексу социального развития (Human development index), значительно выше, чем по показателям дохода или потребления на душу населения, и продолжают последовательно повышаться. Тем не менее, страны Балтии не вернули себе позиций, которые они занимали среди стран мира в 1991 – 1992 гг. Страны Балтии выделяются среди новых членов ЕС самыми высокими уровнями индекса Джини, что говорит о высокой степени неравенства в распределении доходов населения. Неравенство существенно возросло по сравнению с началом 1990-х гг. как в странах Балтии, так и в большинстве восточноевропейских государств-членов ЕС. Однако нет оснований искать корреляцию между темпами роста экономики и индексом Джини в упомянутых странах. Другие факторы, прежде всего экономическая политика, существенно способствовали углублению неравенства. Поэтому проводимая в этих странах экономическая политика нуждается в более выраженной социальной ориентации.