

PRESS RELEASE

15-year anniversary of EU eastward enlargement

There is much to be happy about, but also reasons to worry about the future of the region.

Fifteen years on from the accession of eight CESEE countries to the EU, there is much to look back on with satisfaction. All eight EU-CEE countries, as well as others who joined the EU later, have significantly increased per capita GDP levels. Apart from Slovenia, all have converged economically with Germany.

EU-CEE countries also now have generally better institutions, freer media, and higher education and environmental standards. EU membership in the region is popular everywhere except the Czech Republic. Significant movements pushing towards leaving the EU do not exist in any of these countries.

Nevertheless, there are important caveats to this positive story. Many in EU-CEE are disappointed with the pace of convergence, and most countries have lost a large share of their population to Western Europe. Recently, authoritarianism and state capture have been on the rise in the region. Institutional convergence has gone into retreat in some EU-CEE countries.

Economic convergence with Western Europe is likely to continue in the coming years. However, the challenges posed by demographic decline and the transition to automation and digitalisation are significant. There is also a risk that EU-CEE countries are stuck in the production portion of the value chain, which could cap their convergence potential.

A further great leap forward in EU integration looks unlikely in the coming years, with a "muddling through" scenario appearing more realistic. The accession of Western Balkan countries also faces formidable obstacles, not least a distinct lack of enthusiasm in parts of Western Europe.

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For more details, see

wiiw News' *EU eastward enlargement: A qualified success*', 30 April 2019 Link: <u>https://wiiw.ac.at/n-377.html</u>

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