

The background of the slide is a large, slightly blurred image of the European Union flag, featuring twelve yellow stars in a circle on a blue field. The flag is draped across the frame, with some folds and shadows visible.

# **Have we punched our weight in the EU?**

**The new Member States' 10 years in the EU**

Public lecture at the Central European University, 3 April 2014

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European Commission (on leave) & Együtt

# Our common values and objectives

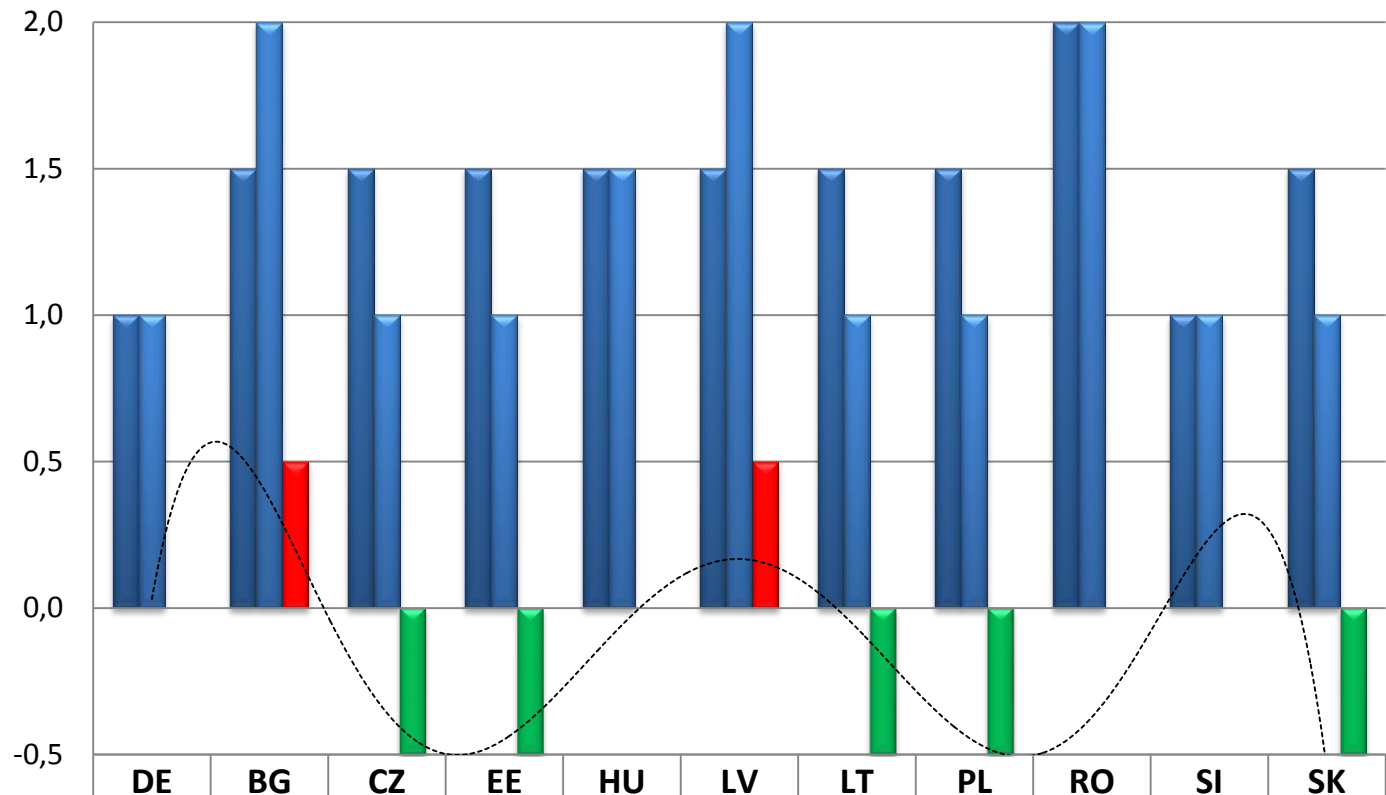
## Lisbon Treaty, Article 2

- The Union is founded on the values of respect for human dignity, **freedom, democracy, equality, the rule of law** and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

## Lisbon Treaty, Article 3

- The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at **full employment** and social progress, and a high level of protection and improvement of the quality of life.
- It shall combat social exclusion and discrimination, and shall promote **social justice and protection**, equality between women and men, solidarity between generations and protection of the rights of the child.
- It shall promote economic, social and **territorial cohesion**, and solidarity among Member States.

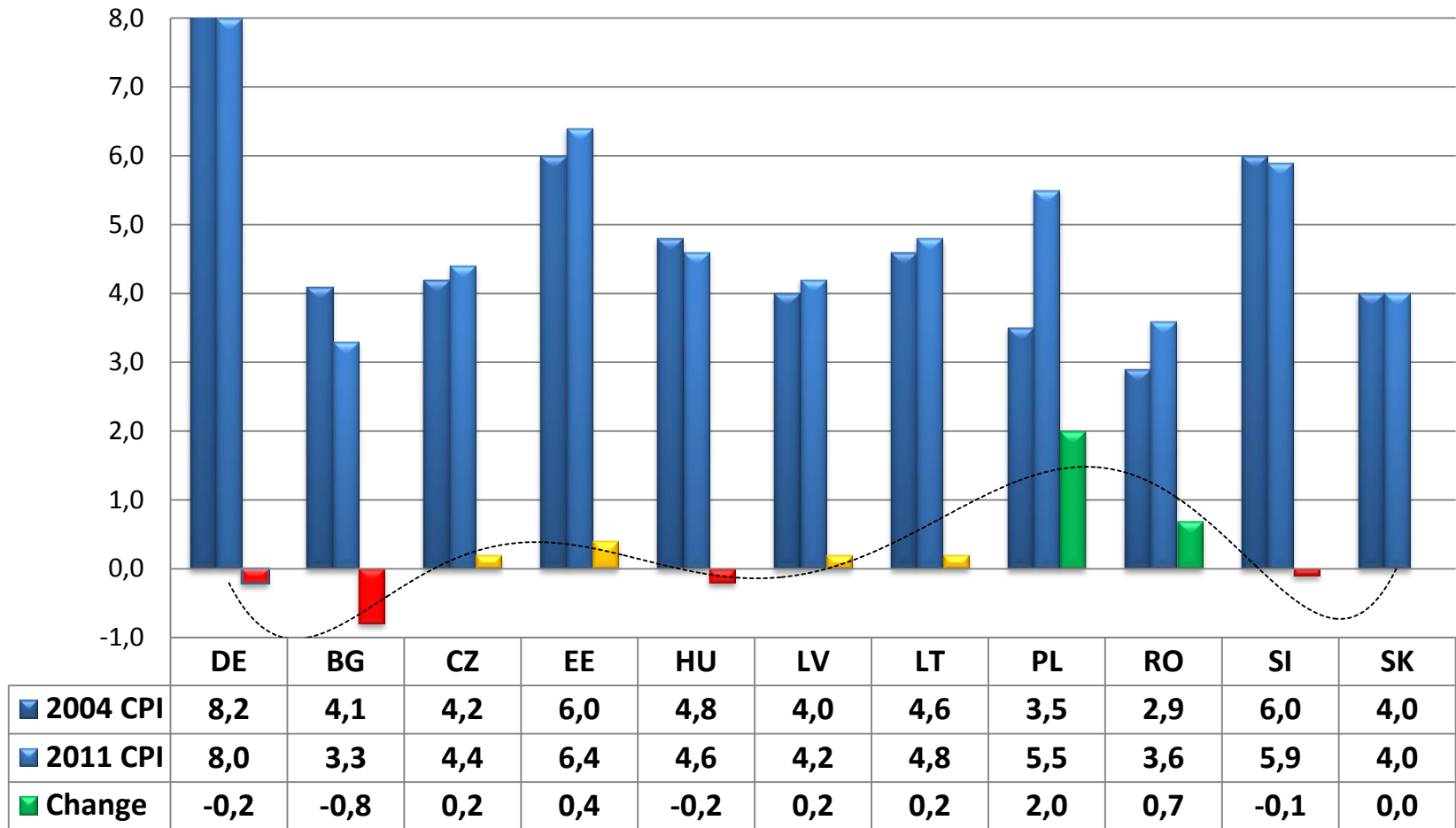
# 1. Democratic convergence (1 = Free, 7 = Despotic)



	DE	BG	CZ	EE	HU	LV	LT	PL	RO	SI	SK
2004 Freedom rating	1,0	1,5	1,5	1,5	1,5	1,5	1,5	1,5	2,0	1,0	1,5
2013 Freedom rating	1,0	2,0	1,0	1,0	1,5	2,0	1,0	1,0	2,0	1,0	1,0
Change	0,0	0,5	-0,5	-0,5	0,0	0,5	-0,5	-0,5	0,0	0,0	-0,5

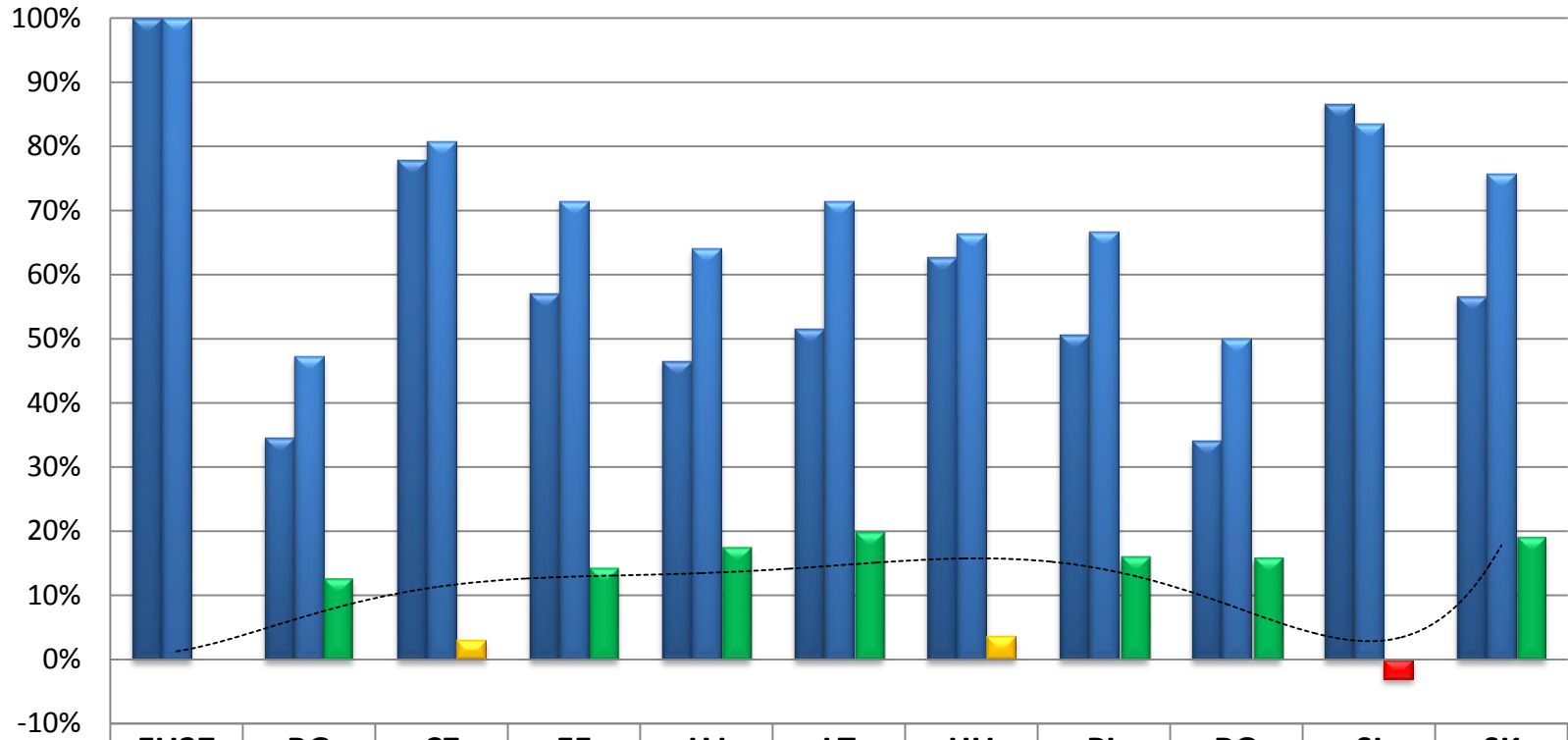
Source: Freedom House, Freedom in the World

## 2. Rule of law convergence (10 = clean, 1 = very corrupt)



Source: Transparency International, Corruption Perceptions Index

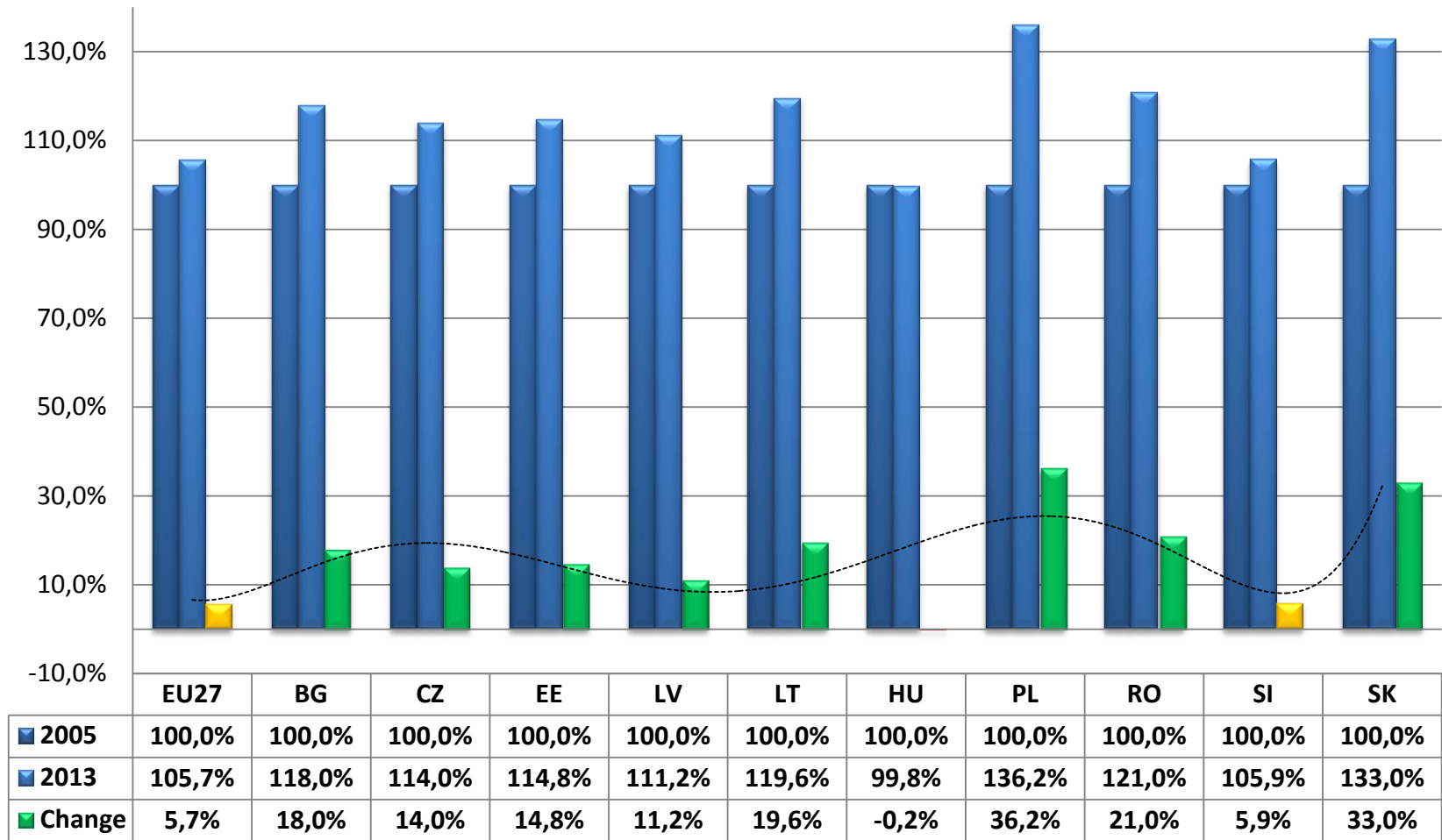
### 3. Economic convergence (GDP per capita, PPS)



	EU27	BG	CZ	EE	LV	LT	HU	PL	RO	SI	SK
■ 2004	100%	35%	78%	57%	47%	52%	63%	51%	34%	87%	57%
■ 2012	100%	47%	81%	71%	64%	71%	66%	67%	50%	84%	76%
■ Change	0%	13%	3%	14%	18%	20%	4%	16%	16%	-3%	19%

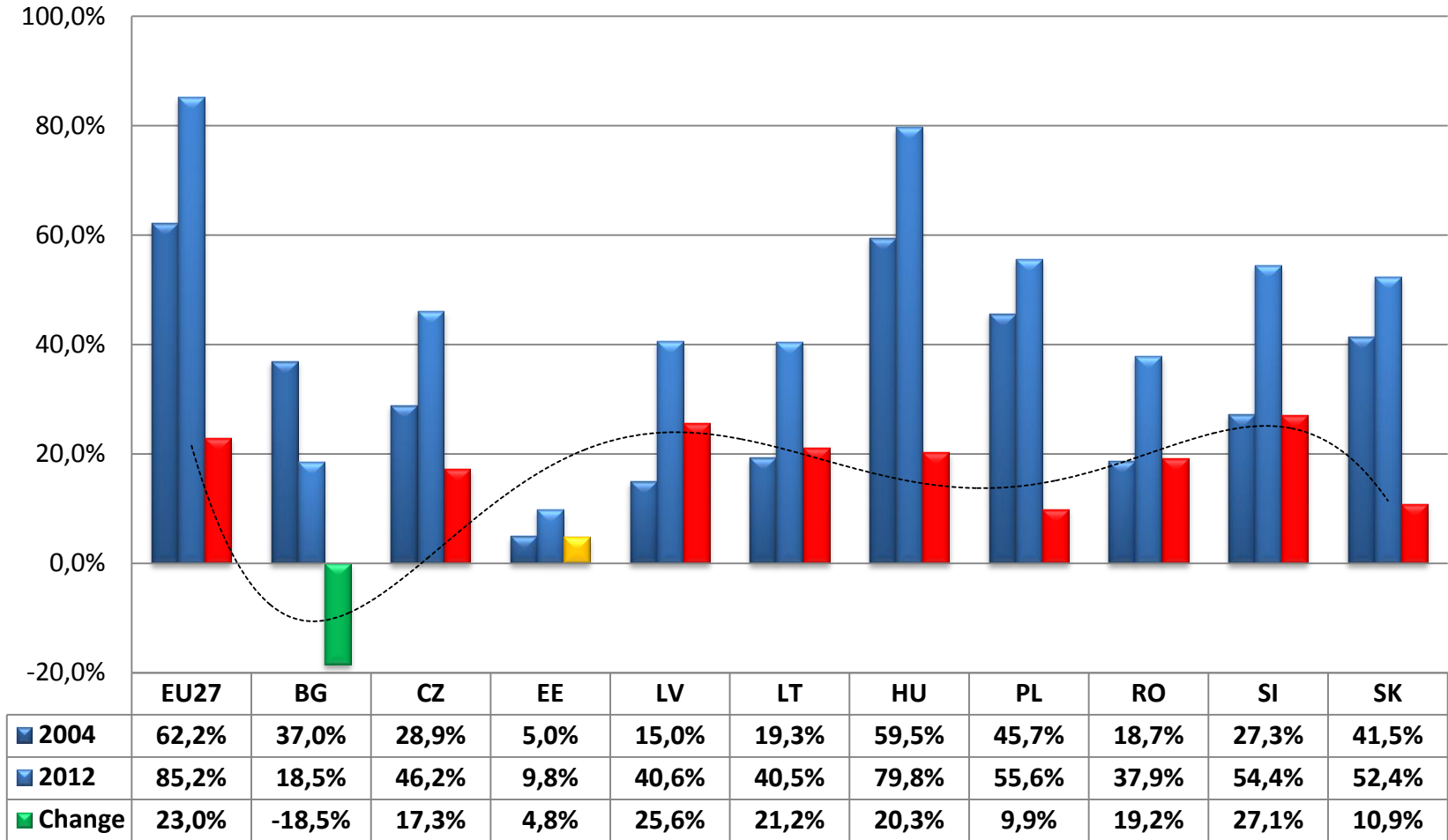
Source: Eurostat

## 4. GDP growth (2005 = 100%)



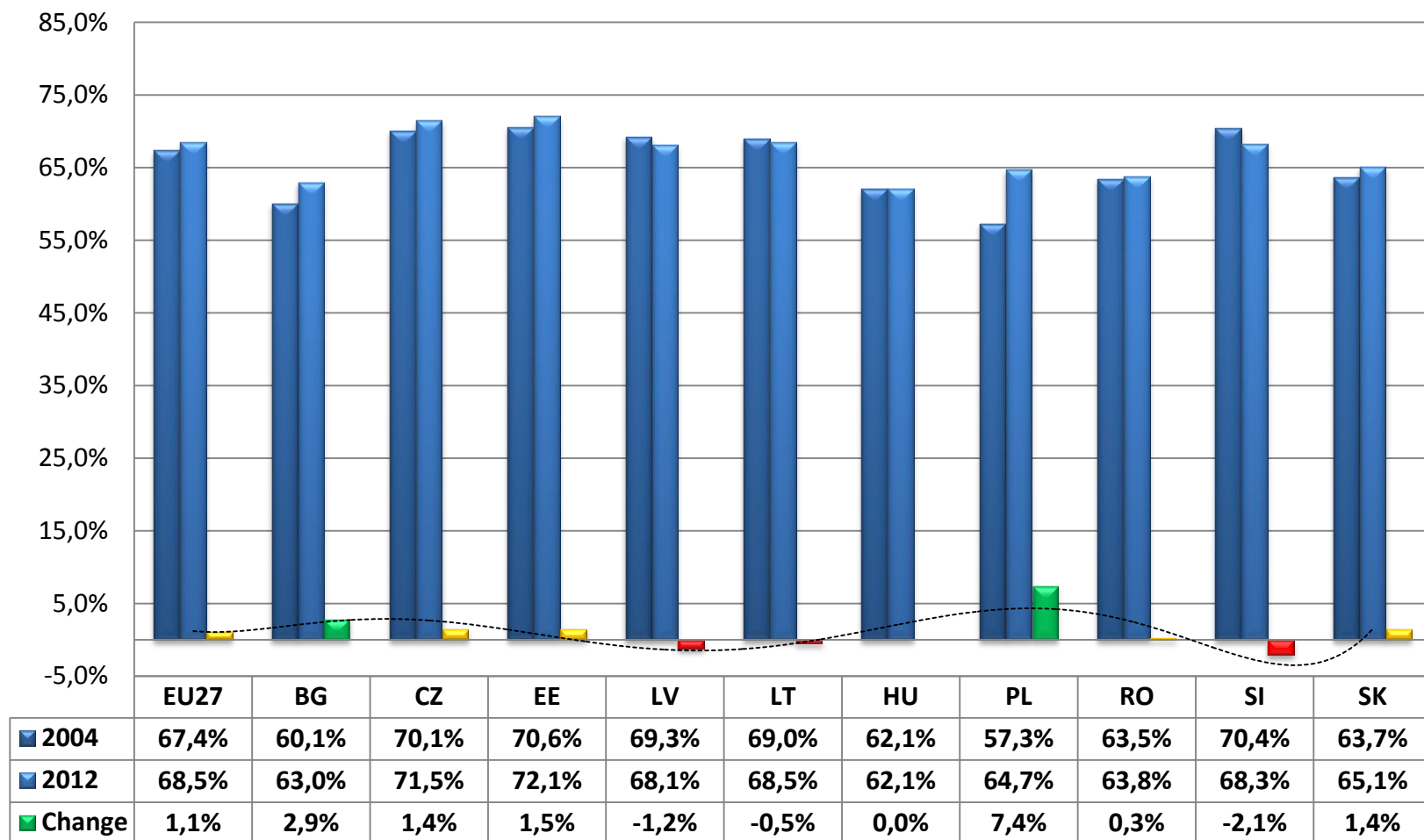
Source: Eurostat

## 5. Public debt (% of GDP)



Source: Eurostat

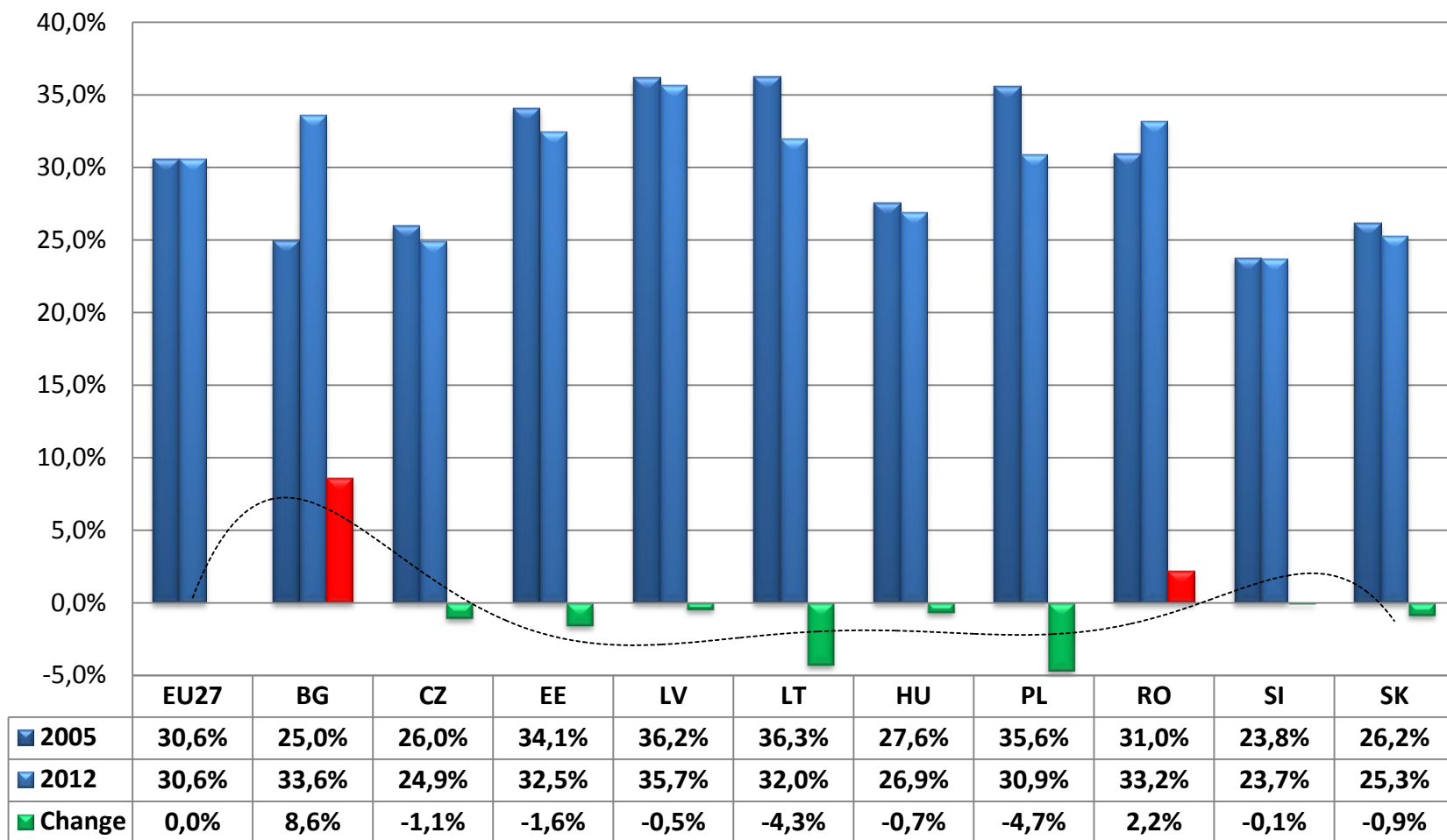
## 6. Employment rate (Age 20-64)



Source: Eurostat

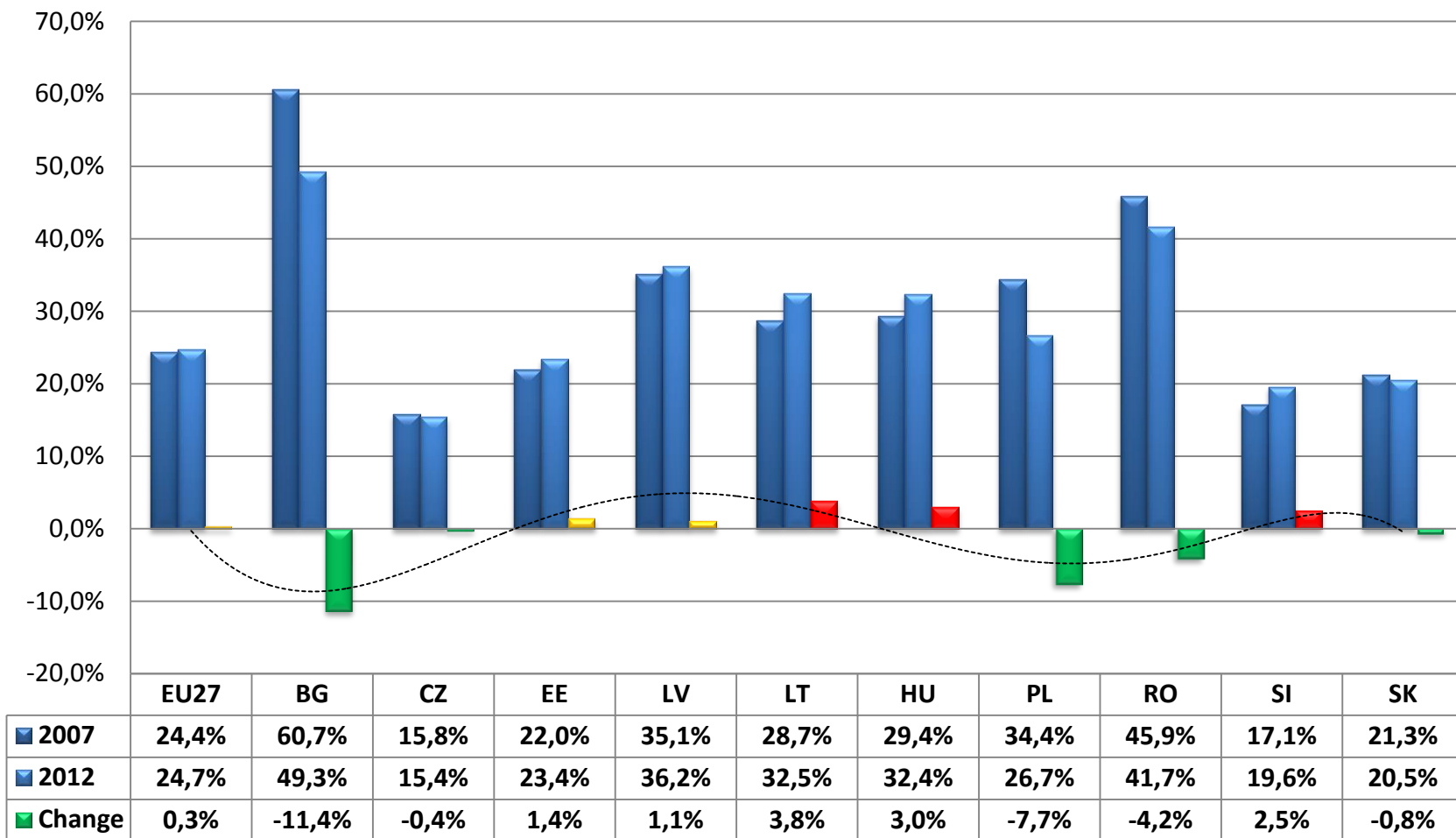


## 7. Income inequality (Gini coefficient)



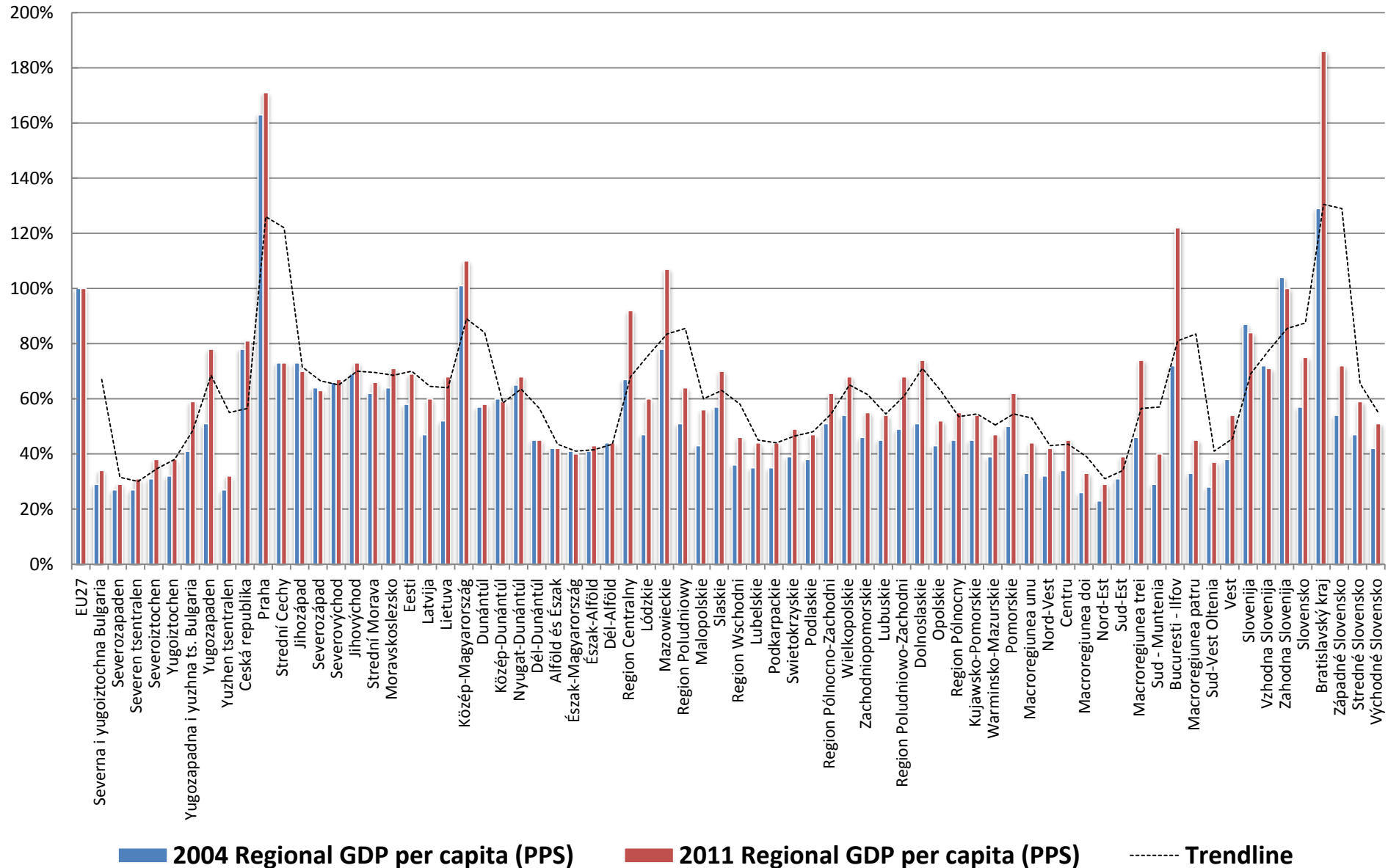
Source: Eurostat

## 8. People at risk of poverty (% of population)

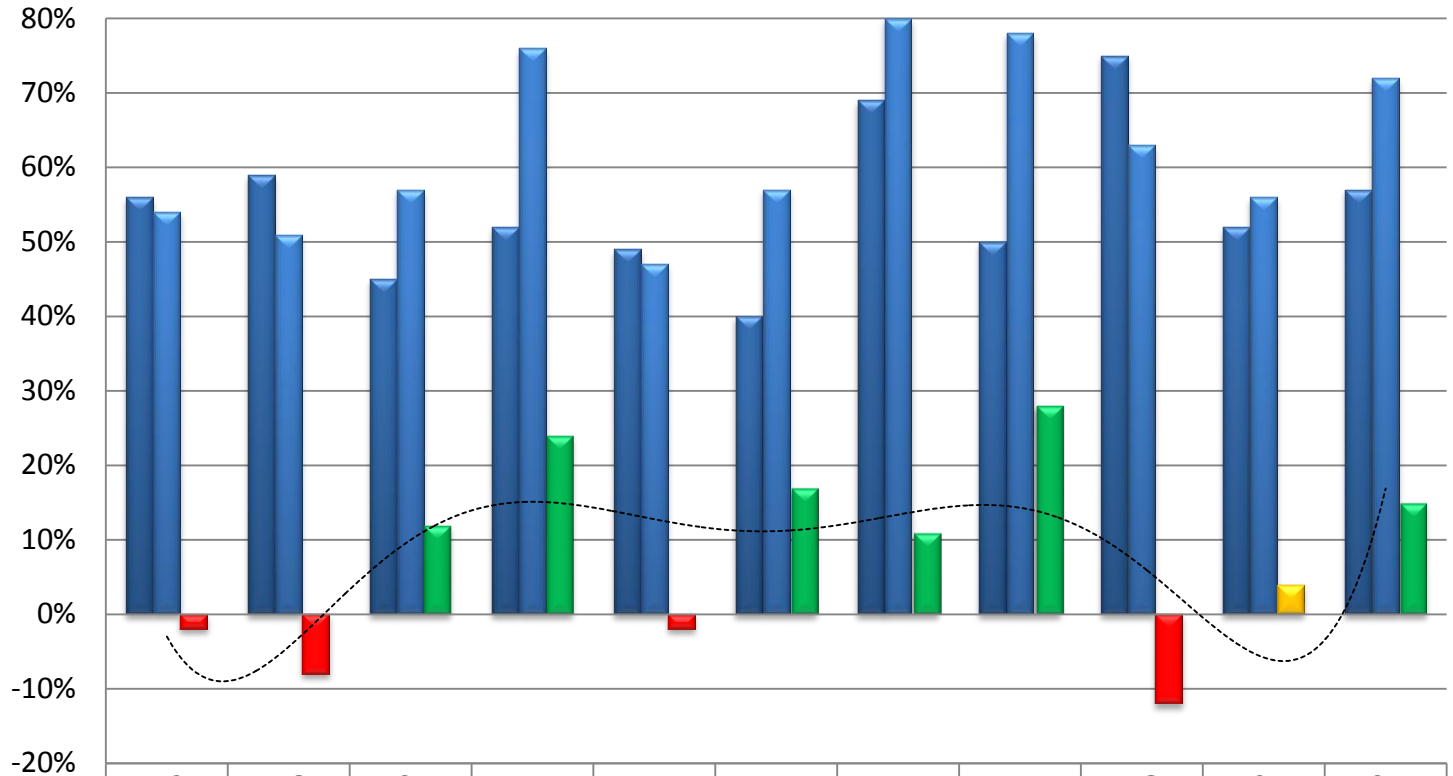


Source: Eurostat

# 9. Regional convergence (GDP per capita, PPS)



# 10. Support for EU membership



	EU27	BG	CZ	EE	HU	LV	LT	PL	RO	SI	SK
2005 pro-membership	56%	59%	45%	52%	49%	40%	69%	50%	75%	52%	57%
2013 pro-membership	54%	51%	57%	76%	47%	57%	80%	78%	63%	56%	72%
Change	-2%	-8%	12%	24%	-2%	17%	11%	28%	-12%	4%	15%

Source: Eurobarometer 62 & 79.5

# 11. Punching above their weight

- 1) ESTONIA** has become a stable democracy with an enviable anti-corruption effort on par with Austria. It has recorded a cumulative growth rate of 15%, lifting Estonian living standards to nearly three-quarters of the EU average. Its public debt, at 10%, is the lowest; its employment rate, at 72%, the highest in the region. While Estonia has managed to reduce income inequality, nearly a quarter of the population remains at risk of poverty. Due to its small size, there are no real regional disparities. Estonia adopted the euro in 2011, and three-quarters of its population approve of the country's EU membership.
- 2) SLOVAKIA** has become a stable democracy, but has not improved its anti-corruption record since accession. Its income level is now three-quarters of the EU average; its economy has grown by a third since 2004. Its public debt, at 52%, remains manageable. Employment, at 65%, remains below the EU average. Income inequality has fallen, and one-fifth of the population remains at risk of poverty. At 186% of the EU average, Bratislava has become one of the richest EU regions. Yet, significant regional disparities remain. Slovakia adopted the euro in 2009, and 7 out of 10 Slovaks back their country's EU membership.
- 3) THE CZECH REPUBLIC** has become a stable democracy and marginally improved its anti-corruption record since accession. Its income level remains about four-fifths of the EU average; its economy grew by 14% over the past decade. Its public debt remains manageable at 46%. More than 72% of Czechs are in active employment, well above the EU average. Only 15% of the population remains at risk of poverty, and income inequality has dropped since 2004. At 170% of the EU average, Prague remains one of the richest EU regions. Nearly 6 out of 10 Czechs believe that EU membership has been a good thing.
- 4) LITHUANIA** has become a stable democracy and marginally improved its anti-corruption record since accession. Its economic record has been stellar: income levels have risen by 20% to three-quarters of the EU average; its economy grew by a fifth over the past decade. Its public debt remains manageable at 40%. Its employment rate, at 68%, matches the EU average. Income inequality has fallen, but nearly a third of the population remains at risk of poverty. Regional disparities remain moderate, and 8 out of 10 Latvians approve of their country's EU membership. The country plans to introduce the euro in 2015.
- 5) POLAND** has become a stable democracy and greatly improved its anti-corruption record since 2004. Its income level has risen from a half to two-thirds of the EU average; its economy grew by 36% over the past decade. Its public debt has risen to 55%. Its employment rate, at 65%, remains below the EU average. Income inequality has dropped substantially; economic growth has lifted nearly 8% of Poles out of poverty. At 107% of the EU average, the Warsaw region remains the richest in Poland, while other regions have also converged towards the rest of the EU. Nearly 8 of 10 Poles support their country's EU membership.

## 12. Punching below their weight

- 6) **LATVIA** has become less free, but marginally improved its anti-corruption record since accession. Its living standard is nearly two-thirds of the EU average; its growth rate measured 11% over the past decade. Its public debt remains manageable at 40%. Its employment rate, at 68%, matches the EU average. Income inequality has fallen, yet more than a third of the population remains at risk of poverty. Regional disparities remain moderate, and nearly 6 out of 10 Latvians approve of their country's EU membership. The country introduced the euro in 2014.
- 7) **SLOVENIA** remains a stable democracy, with an admirable anti-corruption record. Its income level has dropped from 87% to 84% of the EU average since accession. Its cumulative growth rate has been a meagre 6% over the past decade; its debt doubled to 54%. Its employment rate matches the EU average. Income inequality remains the lowest in the region, although nearly a fifth of the population remains at risk of poverty. Income levels on the Adriatic coast match the EU average, and regional variation remains low. Slovenia introduced the euro in 2007. Pro-European sentiment has increased marginally to 56%.
- 8) **HUNGARY** remains free, but has failed to improve its democratic institutions since accession. Its anti-corruption record has deteriorated over the past decade. It has marginally improved living standards to over two-thirds of the EU average, but its economy has stood still since accession. Its public debt has ballooned to 80% of GDP. Its employment rate remains the lowest in the region at 62%. Income inequality has fallen, but a third of the population remains at risk of poverty. Central Hungary (near Budapest) remains richer than the EU average, but large disparities persist. Pro-European sentiment has fallen below 50%.
- 9) **ROMANIA** has not improved its democratic institutions, but strengthened its anti-corruption record since accession. Its income level has risen from a third to half the EU average. Its economy has grown by a fifth; its public debt doubled to nearly 40%. Its employment rate, at 64%, remains below the EU average. Income inequality has increased since accession, and 42% of the population remains at risk of poverty. Income levels near Bucharest have grown the fastest since accession, from 72% to 122% of the EU average. Other regions remain much poorer. Pro-European sentiment has dropped from 75% to 63%.
- 10) **BULGARIA** has become less free and more corrupt since EU accession, but income levels have risen to about half the EU average. It recorded a growth rate of 18% over the past decade. It has reduced its public debt to less than 20% of GDP. A steady increase in employment lifted 11% of its population out of poverty, but the country has also registered a steep rise in income inequality. Bulgaria's regions remain some of the poorest in the EU, with the exception of the southwest (near Sofia), at 80% of the EU average. Bulgarians' appreciation of EU membership has fallen from roughly 60% to 51% since accession.

# 13. Wielding (some) influence

## **Slovenian Council Presidency, January – June 2008**

- The Slovenian Presidency integrated the new Member States into the Schengen area, although the political deal had been reached under the preceding Portuguese Presidency. It put together a political agreement on Europol and mediated in the Western Balkans. It dealt with the fallout from Ireland's rejection of the Lisbon Treaty. It was seen as a competent Presidency.

## **Czech Council Presidency, January – June 2009**

- The Czech Presidency managed well the Russian-Ukrainian gas crisis by forging a common EU position vis-a-vis Russia. It also helped funnel some EUR 5 billion of humanitarian aid to Gaza, keeping Israel on board. As a non-eurozone Member State, it was unable to deal with the EU response to the financial crisis, leaving it to Germany. The fall of the Topolanek government in March 2009 left it in a weak position to chair meetings. It was seen as a weak Presidency.

## **Hungarian Council Presidency, January – June 2011**

- Its controversial media law created an inauspicious start for the Hungarian Presidency. It successfully managed the Council's adoption of the so-called "six pack" of legislation on macroeconomic surveillance and oversaw the adoption of the Euro-plus Pact, which it did not join. A planned Eastern Partnership summit, to be attended by President Obama, was deferred to the Polish Presidency. It adopted a Danube and Roma Strategy, but was seen as a fumbling Presidency.

## **Polish Council Presidency, July – December 2011**

- Poland continued where Hungary left off. The "six pack" legislation entered into force under the Polish Presidency, and Warsaw organised an Eastern Partnership summit, which, however, failed to break new ground with Ukraine or Belarus. As a non-eurozone member, Poland was unable to shape the debate on fiscal governance in the eurozone. Its Presidency was seen as competent in foreign policy, but without the clout to lead on eurozone matters.

## **Lithuanian Council Presidency, July – December 2013**

- The Lithuanian Presidency organised another Eastern Partnership summit that was due to sign an association agreement with Ukraine. (President Yanukovich's rejection of that deal led to riots in Kyiv.) Lithuania also led discussions on the banking union, although as a non-member of the eurozone, its influence remained limited. This was also seen as a weak Presidency.

# 14. Outlook in 2014

EP 2009	BG	CZ	EE	HU	LV	LT	PL	RO	SI	SK	Total	%	
EPP	7	2	1	14	4	4	28	14	4	6	84	150	77%
S&D	4	7	1	4	1	3	7	11	2	5	45		
ALDE	5	0	3	0	1	2	0	5	2	1	19		
Green/EFA	0	0	1	0	1	0	0	0	0	0	2		
ECR	0	9	0	1	1	1	12	0	0	0	24	44	23%
GUE/NGL	0	4	0	0	1	0	0	0	0	0	5		
EFD	1	0	0	0	0	2	4	0	0	1	8		
NI	1	0	0	3	0	0	0	3	0	0	7		
<b>Total</b>	<b>18</b>	<b>22</b>	<b>6</b>	<b>22</b>	<b>9</b>	<b>12</b>	<b>51</b>	<b>33</b>	<b>8</b>	<b>13</b>	<b>194</b>		

EP 2014 forecast	BG	CZ	EE	HU	LV	LT	PL	RO	SI	SK	Total	%	
EPP	6	4	1	9	2	2	19	12	5	5	65	136	72%
S&D	6	6	2	7	1	4	9	13	2	4	54		
ALDE	1	0	3	0	0	2	2	7	0	1	16		
Green/EFA	0	0	0	1	0	0	0	0	0	0	1		
ECR	0	1	0	0	1	0	21	0	0	2	25	52	28%
GUE/NGL	0	4	0	0	2	0	0	0	0	0	6		
EFD	0	0	0	0	0	3	0	0	0	1	4		
NI	4	6	0	4	2	0	0	0	1	0	17		
<b>Total</b>	<b>17</b>	<b>21</b>	<b>6</b>	<b>21</b>	<b>8</b>	<b>11</b>	<b>51</b>	<b>32</b>	<b>8</b>	<b>13</b>	<b>188</b>		

Source: Own calculations based on [www.pollwatch2014.eu](http://www.pollwatch2014.eu)



Thank you for your attention!