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**Article**

## European Integration through Economic Convergence

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# European Integration through Economic Convergence

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The thematic topicality of the main issues of European integration through convergence, in the context subsequent to financial-inspired global recession, is relevant through both the ever more extended international impact of the inertiality of a number of integration processes, and the specific developments of convergence in the Eurozone or the European Monetary Union (EMU). The regionally structured system of the European economy, approached aggregatively from the micro-economic to the macro-economic level, like the physical system or molecularly investigated system, from economic transactions, as a major milestone, to the complexity of the transactions tissue or flows, or activities, similar to biological systems, is permanently faced with various specific disturbing factors. The European Union (EU) has historically evolved in an alternative manner, sometimes *divergently* or towards differentiation through separation, and sometimes *convergently* or coherently towards unity, fusion, integrity, evincing divergence or convergence trends, with the latter eventually becoming prevalent in the contemporary world.

*Convergence*, defined as a dynamic and systemic integrative phenomenon, assumes the functional hypothesis of coming together region-wise in order to achieve common economic and social targets, which is a characteristic feature of the accelerated integration into the EU of the economies in Europe, but distinctly, in relation to *emergence*. Convergence is continuously resized in conceptual terms, in parallel to the multiplication of the realities of integration, which concretely identifies it with: a) the state of structural and circumstantial, either partial or total, similarity, which an open economy, approached as a complex system, should reach within a specific period of time; b) the process bringing together the components of the concept of similarity and complementary elements configuring a broad notion of harmonization; c) prediction, which presupposes reaching a temporal target, towards which an economic phenomenon converges; d) the dominant instrumental concept of econometrics/financial econometrics and statistics of economic and financial confrontation; e) the concrete phenomenon of manifestation of social and economic integration.

Through the diversity of their factors, models and results, the European experience has permanently amplified the meanings of integration through economic convergence, and the recent decades have given convergence wider strategic valences, always closer to the ideal of completeness and similarity, as part of an approach specific to the cardinal or four-dimensional geographic orientation, by means of simultaneously dealing with the four typologies defining the processes of integration through convergence: a) *nominal*, or strictly monetary convergence, targeting economic stability and the transition to the single European currency; b) *real* convergence, which aims to diminish disparities (felt especially in income and productivity); c) *institutional* convergence, or ensuring the compatibility of the institutions; d) *structural* or *complete* convergence. At the same time, novel, original solutions coexist and develop in the modern economics literature, aiming at financial econometric and econometric modelling of integration through type ***α*** convergence

(emphasizing the similarity of the economic structure), type  $\beta$  convergence (subject to the initial state), type  $\sigma$  (similarity of GDP/capita), type  $\gamma$  (synchronization of business cycles) or type  $\delta$  convergence (similarity of convergence factors), offering alternatives of intense investigation and thorough scientific knowledge of future inferentiation of creative integration of EU's approach towards globalization. In the content of the articles in issue no. 42 of the journal *Amfiteatru Economic*, readers can find original models that have started from innovative hypotheses and various explanatory variables. Every proposal for econometric modelling is focused on the exogeneity of expenses compared to the endogeneity of convergence (*Convergence in government spending components in EU15: a spatial econometric perspective* or *Banking integration in European context*), stressing the synchronicity and simultaneity in the convergence process (*Exploring CESEE-EMU synchronisation patterns*) or the impact of a set of policies in the context of integration (*Impact of sustainable environmental expenditures policy on air pollution reduction, during European integration framework*), or focusing on some particular cases of national economies (*Financial integration into EU: the Romanian case*), or groups of countries with specific converging developments (*Real convergence, steps from adherence to integration. Countries from Central and Eastern Europe*).

Without being overly modelling, yet significant enough through the factor diversity in their investigation and challenging treatment, their creativity and originality in associating a number of variables, the other articles open interesting universes in terms of approaching integration through the convergence of productive employment (*Productive employment in Romania: a major challenge to the integration into the European Union*) or permit or allow confrontations focused on modernizing education (*Modernisation of higher education in the context of European integration – a comparative analysis*), or or originally investigate some types of convergence on certain activities with a clear integrative impact (*European Union and Romanian tourism –  $\beta$  and  $\sigma$  convergence in the economic development regions of Romania*).

The emergence and development of the EU based on the pillars of regional communities, common security policies and judicial cooperation, was complemented by the construction of the European Parliament, based on the concept of European citizenship, and enjoyed a complete outline after 1999, once with the appearance of the euro, giving a specific financial-economic content to the most creative and original economic and monetary union in economic history, within which extension is achieved by accession and development by integration, focusing on perpetually assessing the degree of economic convergence of the states that compose it. As one can notice in the articles in this issue of the journal, economic integration through convergence offers, through its models, strategic solutions to optimize the expansion process for the EU member states, and through innovative associations – the selection of new important explanatory variables in the processes of modelling and forecasting. It is also integration through the convergence that achieves, through statistical confrontation, rankings of the economies relative to the speed and intensity of convergence, and, not least, through methods of simultaneous analysis or synchronism, it contributes to policymaking and exemplifying of best practices that can enhance both the degree of convergence, and the favourable impact of the integration of the economies in the Community.

**Gheorghe Săvoiu,  
Editor**