

Dinu, Vasile

Article

The constraints to the economic development in the former socialist EU countries from the Central and Eastern Europe

Amfiteatru Economic Journal

Provided in Cooperation with:

The Bucharest University of Economic Studies

Suggested Citation: Dinu, Vasile (2016) : The constraints to the economic development in the former socialist EU countries from the Central and Eastern Europe, Amfiteatru Economic Journal, ISSN 2247-9104, The Bucharest University of Economic Studies, Bucharest, Vol. 18, Iss. 43, pp. 499-501

This Version is available at:

<https://hdl.handle.net/10419/169016>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<http://creativecommons.org/licenses/by/4.0/>

The constraints to the economic development in the former socialist EU countries from the Central and Eastern Europe

Please quote this article like this:

Dinu, V., 2016. The constraints to the economic development in the former socialist EU countries from the Central and Eastern Europe. *Amfiteatru Economic*, 18(43), pp. 499-501

In the last 25 years, most Central and Eastern European states have become detached from the centralized economy system thus demonstrating the reliability of the market economy.

The unequivocal effect of the free market, with ups and downs, forces researchers to undertake increasingly complex economic analysis and further the profile of the new economy. With the accession of a number of countries from this region to the European Union there were some constraints and limitations in adopting the European acquis, whose knowledge and solution involves the use of specific policies and tools. We consider the problems related to the resolution of economic, social and technological discrepancies and gaps, of mitigating the negative impact of unfavourable demographic trends, of elucidating the role of the state amid the erosion of its duties due to the process of integration and globalization, of increasing pressure interdependencies interstate and others.

However, the literature lacks a comprehensive analysis of specific countries' economies from Central and Eastern Europe, which capture the radical transformations that took place after the collapse of communism. Such studies are needed not only for information and scientific dialogue, but also for the development and recovery of forecasts and projections of certain future development practice models. Secondly, research in this area should highlight the particularities of their economies, their structural diversity and unique principles that govern the integrated system of the European Union, which attempts to avoid imposing standard formula for the development, which are clearly unsustainable. Also, the new quantitative and qualitative approaches of the economic structures evolution need to be elaborated, on different time horizons, including phenomena and processes representative of the geographic areas of Europe. In this context knowing the strengths and weaknesses of opening their economies to the outside becomes a useful tool, together with the opportunities offered by the European Union and cyclical development risks, accompanied by possible remedies in crisis situations.

As a consequence, the articles published in this issue emphasize studies regarding the consequences of the constraints reflected in the structural characteristics of the economies of the states in Central and Eastern Europe, subject to the process of integration in the European Union, as it follows:

The first paper, entitled “Disparities, discrepancies and specific concentration – diversification trends in the group of Central and East European ex-socialist countries”, analyses the 11 former socialist economies of CEEC in the context of their accession and real convergence to the EU average level (EU-28 and even to EU-15). The authors analyse this characteristic area, during the last fifteen years, based on applied statistical concepts of disparity and gap or discrepancy, finally detailing an original investigational method focused on matrices and econometric models using associations, correlations and

concentration-diversification coefficients. The article discusses in parallel some trends that have already been presented in the international literature, outlining the paradoxes and specifics of CEEC economies.

The article “*Lifelong learning and employability in the Danube region countries: influences and correlations*” brings to foreground learning throughout life, especially after the financial crisis that affected employment in the European Union, referring to creating the conditions in which participants can acquire skills and knowledge required for the present and future professional activity. The authors of the research identify influences and correlations between employability and lifelong learning in the European Union countries in the Danube region and especially in the former communist countries of this region.

Environmental Kuznets Curve (EKC) introduces a reversed U-shape relationship between the environment’s pollution and the economic development. The reversed U-shape curve is considered to be a complete model for the developed economies. The article “*Testing Environmental Kuznets Curve in the selected transition economies with panel smooth transition regression analysis*” is a study which tests EKC for the development of the transition economies within the European Union. As a consequence, the results bring a significant contribution to the specialised literature. Within the paper, the relationship between the CO₂ emissions, gross domestic product and the urban population is investigated in the transition economies (Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia).

Various earlier studies have indicated differentiated results regarding the impact of external debt on economic growth in different countries. In this regard, the paper “*The effect of external debt on real economic sector in selected CESEE countries*” investigating the impact of external debt on the real economic sector in selected countries in Central, Eastern and South-Eastern Europe in the 2000-2014 period. The research conducted in this paper contributes to improving literature, by covering non-linear dynamic relationship and determines whether external debt affects the real sector of selected CESEE countries. Empirical findings send a warning about the need to maintain external debt under control.

The article “*Inequality, economic growth and trade openness: a case study for Central and Eastern European countries (ECE)*” examines the phenomenon of income inequality in 10 countries in Central and Eastern Europe (CEE) highlighting two aspects, namely (1) the link between economic growth and income inequality and (2) the effects of trade opening and other key factors on income inequality, such as foreign direct investment, market capitalization and educational level of the workforce over the 2000-2014 period.

Romania’s economic growth is a goal that can be achieved only within compliance of all economic sectors in relation to Europe 2020. As set out in the Convergence Programme 2014-2020 this goal requires a series of steps that Romania must follow rigorously in order to ensure a real convergence process in the developed countries of the European Union Eurozone. The paper “*The convergent evolution Romania’s Gross Domestic Product in relation to the average macro-economic result environment of the European Union countries*” shows the development of economy synthesized in the outcome of its major result, respectively in the dynamics of Gross Domestic Product (GDP)/capita and Agricultural Gross Domestic product (GDP)/capita. It also compares it with the average EU-28 and the Euro Zone.

The article “*The effects of gaps and disparities on economic growth. A study of 10 former socialist countries from Central and Eastern Europe, members of the EU*”, evaluates

empirically the potential effects of macroeconomic factors of economic growth and determines the impact of income inequality on economic growth in the long term in ten former socialist countries in Central and Eastern Europe which are members of the European Union during the period 2006-2014 using the Generalized Method of Moments research system (GMM).

The magnitude of changes in this part of Europe leads to the need to treat their effects in terms of costs and benefits of European integration. Stimulating the process of reducing disparities between the Member States without neglecting the issue of competition is given an essential role. Increasing the power of multinational corporations in these countries causes frequent restructuring, which requires adequate solutions, specific to these countries, which are subordinate to the principle of sustainable development.

**Editor in Chief,
Vasile Dinu**