

- географическое размещение регионов, когда специфические сети дорог, размеры лесов и плодородной земли и др. образуют различные структуры экономической деятельности,
- специфика отраслей, особенно различия в доходности инвестирования,
- различия в уровне образования и культуры по регионам, а также в распространении наркомании и алкоголизма.

Авторами проекта предложены меры по повышению качества рынка труда, а также три альтернативных варианта комплексного мониторинга рынка труда.

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### THE CHANGES OF INTERNATIONAL COMPETITIVENESS OF EUROPEAN UNION IN THE CONTEXT OF ENLARGEMENT TO THE EAST\*

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#### Introduction

The European Union (UE) after the recent enlargement is formed of 27 states and covers the total area of 4398.6 thous. km<sup>2</sup>. This constitutes 3.2% of the total world's land surface (excluding Antarctica). This area has 489.9 mln inhabitants (as at the end of 2004 r.), that is 7.6% of the global population, and is the largest common market in the world. The area is characterized by a high living standard and its welfare system, though varying in different states, has been perceived as one of the best in the world.

EU belongs to the group of best developed international regions. However, lately there have appeared some concerns about its future; the question is if it will be able to stand the Asian and American competitiveness. Europeans are concerned about the symptoms of the worsening social and economic situation: a high unemployment rate, deteriorating welfare system, insufficient innovation level and others. There has been much debate recently after the less developed post-communist countries joined EU and after the rejection of the EU constitution by some 'old' member countries. The current debate is characterized by populist elements, exaggerated criticism and political manipulation. Therefore, there has emerged a strong need to carry out a matter-of-fact and complex analysis of the European integration effectiveness and make some economic criteria based comparisons.

It should be noted, however, that the term „international competitiveness” is somewhat ambiguous and may have different meanings. Under the majority of definitions international competitiveness is a long-term ability to maintain an economic growth and to resist the com-

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petitiveness of other rival economies<sup>1</sup>. The Polish subject literature is dominated by the following definition: „an economy remains competitive when it reaches a high dynamics of *per capita* income, of production resources development and has an increasing economic potential.”<sup>2</sup>

Basing on the above quoted definition, the article constitutes an attempt to make a statistical introductory analysis and presentation of some trends in the changes of development and competitiveness of EU countries. For this purpose the gross domestic product indices as well as other numerous indices of various organizations and international institutions have been applied.

### 1. Changes in macroeconomic indices

The Gross Domestic Product of all the 27 EU countries in 2004 amounted to 12.3 bln USD at purchasing power parity (PPP) and was slightly higher than in the US – 11.7 bln USD (see tab. 1). UE 27 generated 22.0% GDP PPP of the world's total (USA 20.8%). UE and USA are being followed by dynamically developing Asian economies of China, Japan and India. Already in the year 2004 these three countries together generated 14.8 bln USD of GDP PPP (26.5 % of the world's total). Germany has the strongest economy among the EU countries and is ranked as the fifth on the list of the strongest world's economies. Further three positions are occupied by the following EU countries: United Kingdom, France and Italy. The next is Brazil. The last of the first ten is the Russian economy.

Table 1 – Economic powers of nowadays world in 2004

Country	GDP PPP		Country	GDP PPP <i>per capita</i> thous.USD
	bln USD	%		
<b>World</b>	<b>55,970.3</b>	<b>100,0</b>	<b>World</b>	<b>8.8</b>
EU 27	12,322.8	22.0	EU 27	25.2
EU 15	10,984.1	19.6	EU 15	28.4
CIS	2,062.4	3.7	CIS	7.4
1. USA	11,651.1	20.8	1. Luxembourg	70.0
2. China	7,642.3	13.7	2. USA	39.7
3. Japan	3,737.3	6.7	3. Ireland	38.8
4. India	3,389.7	6.1	4. Norway	38.5
5. Germany	2,335.5	4.2	5. Island	33.1
6. United Kingdom	1,845.2	3.3	6. Switzerland	33.0
7. France	1,769.2	3.2	7. Austria	32.3
8. Italy	1,622.4	2.9	8. Danemark	31.9
9. Brazil	1,507.1	2.7	9. Netherlands	31.8
10. Russia	1,424.4	2.6	10. Canada	31.3

Source: Based on *Human Development Report*, UNDP, New York 2006.

The analysis of GDP PPP *per capita* indices gives a less optimistic picture. At this respect EU has much weaker results than USA, EFTA countries (Norway, Island, Switzerland) and Canada. The analysis of GDP PPP *per capita* carried out for the years 1995 – 2005 indicates some interesting regularities (see tab.2). A characteristic thing in it is a downward trend of the economic growth rate which in the first half of the period was much higher than after the year 2000. The decreasing economic growth rate of the largest EU economies (excluding Great Britain) is perceived to be a severe problem for the whole EU. In 1995 Germany reached 106.8% of the average for UE 15, in 2005 it reached only 101.6%, what made this country according to GDP PPP *per capita* be moved from 4. to 10. position in 2005. In the

<sup>1</sup> See: J. Mlsala, *Miemiiki konkurencyjności gospodarki; aspekty teoretyczne i wnioski dla Polski*, Zeszyty Naukowe, No. 12, SGH, Warszawa 2002, pp. 8-11.

<sup>2</sup> J. Bossak, *Międzynarodowa konkurencyjność gospodarki, kraju i przedsiębiorstwa. Zagadnienia teoretyczne i metodologiczne*, in: J. Bossak, W. Bieńkowski (eds.), *Konkurencyjność gospodarki polskiej w dobie integracji z Unią Europejską i globalizacji*, SGH, Warszawa 2001, p. 46.

following years Eurostat forecasts that this trend will not change. A similar trend can be noticed in Italy and France. A spectacular success was achieved by the Irish economy, but its dynamics of economic growth in the recent years was also noted lower. Positive economic results were also achieved by the British economy, if compared with EU 15, especially Italy, France and Germany.

A symptomatic phenomenon is the fact that the lowering economic growth indices concern the Euro zone countries. The economic situation of the zone is relatively getting worse, if compared with the whole EU 15, and especially with the ones that did not accept the Euro (Denmark, Sweden and United Kingdom).

In „Euro land“ GDP PPP *per capita* (in current prices) increased by 40.0% in the period 1995 – 2005, than the whole EU 15 achieved 43.7%, and United Kingdom as much as 55.9.

Table 2 - GDP in EU countries, Japan and USA, at purchasing power parity, per inhabitant, at market prices

Country	1995		2000		2005		
	thous. EUR	EU 15 =100	thous. EUR	EU 15 =100	thous. EUR	EU 15 =100	EU 27 =100
<b>EU 27</b>	.	.	.	.	<b>22.6</b>	<b>89.0</b>	<b>100.0</b>
<b>EU 15</b>	<b>17.7</b>	<b>100.0</b>	<b>22.0</b>	<b>100.0</b>	<b>25.4</b>	<b>100.0</b>	<b>112.4</b>
Austria (AT)	20.2	114.5	25.2	114.5	28.9	113.8	127.9
Belgium(BE)	19.2	108.5	23.4	106.3	27.7	109.1	122.6
Denmark (DK)	19.9	112.8	25.3	115.0	28.6	112.6	126.6
Finland (FI)	16.9	95.5	22.9	104.1	25.9	102.0	114.6
France (FR)	18.4	104.1	22.8	103.6	25.4	100.0	112.4
Germany (DE)	19.1	106.8	22.5	102.3	25.8	101.6	114.2
Greece (GR)	11.5	65.2	14.6	66.4	19.7	77.6	87.2
Ireland (IE)	15.9	89.0	25.3	115.0	32.6	128.4	144.3
Italy (IT)	18.4	104.2	22.7	103.2	23.6	92.9	104.4
Luxembourg (LU)	28.5	161.4	44.6	202.7	58.9	231.9	260.6
Netherlands (NL)	19.2	107.6	24.9	113.2	29.5	116.1	130.5
Portugal (PT)	11.7	65.4	16.1	73.2	16.8	66.1	74.3
Spain (ES)	14.0	78.3	18.5	84.1	23.0	90.6	101.8
Sweden (SE)	18.9	106.8	23.9	108.6	26.9	105.9	119.3
United Kingdom (UK)	17.7	99.0	22.5	102.3	27.6	108.7	122.1
<b>EU 10</b>	.	.	<b>8.6</b>	<b>39.1</b>	<b>11.7</b>	<b>46.1</b>	<b>51.8</b>
Bulgaria (BG)	.	.	5.3	24.1	7.9	31.1	35.0
Czech Rep. (CZ)	.	.	13.0	59.1	17.3	68.1	76.6
Estonia (EE)	5.5	31.2	8.5	38.6	14.0	55.1	62.0
Hungary (HU)	7.9	44.9	10.8	49.1	14.7	57.9	65.0
Latvia (LV)	4.6	26.2	7.1	32.3	11.4	44.9	50.4
Lithuania (LT)	5.6	31.9	7.6	34.6	12.2	48.0	54.0
Poland (PL)	6.8	38.5	9.4	42.7	11.7	46.1	51.8
Romania (RO)	.	.	5.0	22.7	8.0	31.5	35.4
Slovakia (SK)	7.1	40.3	9.5	43.2	13.4	52.8	59.3
Slovenia (SI)	11.0	61.9	14.6	66.4	19.2	75.6	85.0
Cyprus (CY)	13.3	75.3	16.5	75.0	20.9	82.3	92.5
Malta (MT)	.	.	15.7	71.4	16.8	66.1	74.3
Japan	20.9	118.4	22.5	102.3	25.8	101.6	114.2
USA	25.7	145.4	30.6	139.1	35.2	138.6	155.8



Source: Eurostat, Bureau of Economic Analysis, [<http://app.eurostat.ec.europa.eu>], 8.05.2007, own calculations.

New EU member countries, if compared with EU 15, are characterized by a substantially lower economic development level, however, they have a higher developmental process dynamics. The countries of the post-communist Central and Eastern Europe have managed to lessen the economic distance between them and the 'old' Union and some of the countries have progressed considerably in that respect. The outstanding achievements have been made by the Baltic countries: in 1995 – 2005 GDP PPP per inhabitant (in current prices) increased in Estonia by 154.6%, in Latvia by 147.8% and in Lithuania by 117.9%. That is why these countries lowered its distance to EU average. Estonia, which in 1995 noted just 31.2% of EU 15 average, in 2005 noted 55.1%. Similar trend was noted in Latvia (change from 26.2% to 44.9%) and Lithuania (from 31.95 to 48.0%).

It is worth analyzing the changes in the relations between EU and its largest competitors on the world markets: the United States and Japan. The former keeps ahead of EU but the distance is getting smaller. In 1995 the US generated GDP PPP *per capita* that was 1.5 times higher than in EU 15 but in 2005 the index is going to decrease to the level of 138.6%. Taking into account the fact that the working time in the US is longer than in EU, the actual distance is even smaller. The economic advantage of Japan over EU, so clearly seen in 1995, appears to be the history right now.

## **2. Competitiveness of EU according to global ratings**

### **2.1 international competitiveness according to Human Development Indicators**

*Human Development Indicators* are calculated annually for most countries and are published by UNDP in a yearly *Human Development Report*. These are synthetic indicators and are worked out as a result of the aggregation of some features – the indicators representing three underlying rates: economic growth, average life expectancy, availability of elementary, secondary and tertiary education. Therefore, the HDI indicators connect economic and social development and allow a comprehensive evaluation of competitiveness through a prism of a widely understood life quality. On the basis of these indicators the population of the researched countries can be divided into three groups: of a high, medium and low social potential development level. In the 2006 report out of the 177 analyzed countries 63 were categorized as the first group, 83 as the second and 31 as the third.

According to the data for the year 2004 (see tab. 3) all the UE 27 countries were included into the group of the high social potential development. Ireland had the best ranking out of the 27 (the 4<sup>th</sup> position in the world) and Romania occupied the lowest position (50<sup>th</sup> in the world). The countries of 'old' EU were ranked higher than the new member countries. Among the latter group Slovenia noted the highest social potential development and it was ranked directly after Portugal and before Cyprus.

The long-term analysis of the UNDP rankings (the time period starting as long ago as in 1975) enables to state that the highest life quality can be found in the Scandinavian countries and in the Netherlands. These countries are also attractive on a world scale. The country that has climbed up the ranking most is Ireland. Germany has gone down considerably and South European countries (Italy, Spain, Greece, and Portugal) have occupied almost the same positions. Among the countries of Eastern and Central Europe, Poland and Hungary advanced most. Lithuania and Slovakia have somewhat fallen down in the ranking.

Table 3 - Tendencies of human development in EU countries according to UNDP Human Development Indicators (HDI)

1980			1990			2000			2004		
Country	Position in		Country	Position in		Country	Position in		Country	Position in	
	EU 15	in the world		EU 27	in the world		EU 27	in the world		EU 27	in the world
			NL	1	6	SE	1	2	IE	1	4
			FI	2	8	BE	2	4	SE	2	5
			FR	3	9	NL	3	8	NL	3	10
			BE	4	11	FI	4	10	FI	4	11
			SE	5	12	AT	5	12	LU	5	12
			DK	6	13	FR	6	13	BE	6	13
NL	1	7	AT	7	14	IE	7	14	AT	7	14
DK	2	8	ES	8	15	LU	8	15	DK	8	15
SE	3	9	IT	9	16	DK	9	16	FR	9	16
FR	4	10	UK	10	17	UK	10	17	IT	10	17
BE	5	11	LU	11	18	ES	11	1	UK	11	18
FI	6	13	DE	12	19	DE	12	20	ES	12	19
AT	7	14	GR	13	21	IT	13	21	DE	13	21
DE	8	15	IE	14	22	PT	14	24	GR	14	24
ES	9	16	PT	15	23	GR	15	26	SI	15	27
IT	10	17	CY	16	24	CY	16	28	PT	16	28
UK	11	18	SI	17	.	SI	17	29	CY	17	29
LU	12	20	CZ	18	.	MT	18	30	CZ	18	30
GR	13	21	MT	19	.	CZ	19	33	MT	19	32
IE	14	23	LT	20	.	HU	20	35	HU	20	35
PT	15	25	SK	21	.	SK	21	36	PL	21	37
			EE	22	.	PL	22	37	EE	22	40
			HU	23	.	EE	23	42	LT	23	41
			PL	24	.	LT	24	49	SK	24	42
			LV	25	.	LV	25	53	LV	25	45
			BG	26	.	BG	26	62	BG	26	54
			RP	27	.	RO	27	63	RO	27	60

Source: Based on Human Development Report, UNDP, New York-Oxford 2000, New York 2002, 2006.

## 2.2 International competitiveness according to the *World Competitiveness Yearbook*

The most representative analyses of international competitiveness are research results of the Institute for Management Development (IMD) in Lausanne (Switzerland) that have been published annually since 1998 in *World Competitiveness Yearbook*. In 1998 the research covered 46 countries, in 2007 - 55 countries (30 OECD member countries and 25 newly industrialized, so-called emerging markets). For each of them various indicators and information, contained in 314 features-indicators, were gathered. Further, these were categorized into four groups:

- Economic growth and development indicators (GDP level and rate, foreign trade turnover, foreign and domestic investment, prices, etc.);
- Public administration efficiency indicators (public finance, fiscal policy, monetary policy, legal regulations, education);
- Economic efficiency indicators (work efficiency, economy sectors efficiency, labour market, banking sector efficiency, management quality, influence of globalization on economic activity efficiency);
- Infrastructure (basic technological infrastructure, technological and scientific infrastructure, health care, environment protection, system of principal social values).

The IMD synthetic competitiveness rankings for the years 1998-2007 are presented in table 4. As it can be seen in the table, the most competitive was the US. The competitiveness of EU countries varied depending on the year. In 2007 the following belonged to the group of

the highest competitiveness: Luxembourg and Denmark (positions 4<sup>th</sup>, 5<sup>th</sup>), the Netherlands (8<sup>th</sup>) and Sweden (9<sup>th</sup>). Only nine of the post-communist countries – new members of EU were covered by the IMD rankings: Estonia (22<sup>nd</sup> position in 2007 and in 2002 it reached even 21<sup>st</sup> position), Lithuania (in 2007 – 31<sup>st</sup>), The Czech Republic (in 2007 – 32<sup>nd</sup>, in 1998 – 37<sup>th</sup>), Slovakia (in 2007 – 34<sup>th</sup>, in 2002 – 37<sup>th</sup>), Hungary (in 2007 – 35<sup>th</sup>, in 2002 and 1998 – 28<sup>th</sup>), Slovenia (in 2007 – 40<sup>th</sup>, in 2002 – 38<sup>th</sup>), Bulgaria (in 2007 – 41<sup>st</sup>), Romania (in 2007 – 44<sup>th</sup>) and Poland (in 2007 – 52<sup>th</sup> and in 1998 – 44<sup>th</sup>).

**Table 4 - The World Competitiveness Scoreboard**

Country	Rankings			Country	Rankings		
	2007	2002	1998		2007	2002	1998
United States	1	1	1	Korea	29	27	36
Singapore	2	5	2	Spain	30	23	26
Hong Kong (SAR)	3	9	5	Lithuania	31	-	-
Luxembourg	4	3	3	Czech Rep.	32	29	37
Denmark	5	6	10	Thailand	33	34	41
Switzerland	6	7	9	Slovakia	34	37	-
Iceland	7	12	18	Hungary	35	28	28
Netherlands	8	4	4	Greece	36	36	33
Sweden	9	11	16	Jordan	37	-	-
Canada	10	8	8	Colombia	38	44	45
Austria	11	13	24	Portugal	39	33	29
Australia	12	14	12	Slovenia	40	38	-
Norway	13	17	11	Bulgaria	41	-	-
Ireland	14	10	7	Italy	42	32	31
China Mainland	15	31	21	Russia	43	43	43
Germany	16	15	15	Romania	44	-	-
Finland	17	2	6	Philippines	45	40	32
Taiwan	18	24	14	Ukraine	46	-	-
New Zealand	19	19	17	Mexico	47	41	34
United Kingdom	20	16	13	Turkey	48	46	39
Israel	21	25	25	Brazil	49	35	35
Estonia	22	21	-	South Africa	50	39	42
Malaysia	23	26	19	Argentina	51	49	30
Japan	24	30	20	Poland	52	45	44
Belgium	25	18	23	Croatia	53	-	-
Chile	26	20	27	Indonesia	54	47	40
India	27	42	38	Venezuela	55	48	46
France	28	22	42				

Source: Based on *World Competitiveness Yearbook*, IMD, Lausanne (Switzerland) 2002, 2007.

### Conclusions

EU countries belong to the group of most competitive economies of the contemporary world. However, in the recent years (approximately since the year 2000) their competitive power has weakened. The US is a much more competitive country but its advantage has also weakened lately. The analysis of the developmental trends proves that in the near future South and East Asian economies, especially China and India, will threaten the EU competitiveness.

The reasons limiting the EU countries competitiveness include:

- strategic directing of development to the social and economic coherence,
- high labour costs and a short working time,
- complex legal regulations, especially on the labour market,
- low technological and product innovation,
- high tax burden,
- costly agricultural policy.



The competitive position of EU countries is undergoing some changes that need to be continually monitored. A special attention needs to be paid to the competitiveness improvement in Ireland and Great Britain and its weakening in Italy and Germany.

New member countries systematically are improving their positions. Slovenia and The Czech Republic are the ones of the group that have a relatively highest competitiveness level. However, the Baltic countries have the fastest growing competitiveness.

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#### РЕГИОНАЛИЗМ В СТРУКТУРЕ ВРЕМЕНИ И ПРОСТРАНСТВА

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В современном обществе информации и сети, в особенности в структурах киберпространства и сетевого времени, чрезвычайное значение приобретает культурное измерение регионализма. Благо человека требует поиска равновесия между локальностью и глобальностью, доминирующей на сегодняшний день в киберпространстве. Наступление глобализации, ощутимое на протяжении последних десятилетий, должно дополняться деятельностью, отмечающей ценность локальности и региональности, их значения в жизни человека.

Современный регионализм это не только «прошлое и будущее», но также живая современность. Его понимание и применение в социальной жизни требует определенно-го соответствия требованиям, которые ставятся «здесь и сейчас». Живой регионализм это забота о прошлом, традициях, наследии, но с мыслью о существующем обществе. Эффективность деятельности в этой сфере означает вписывание культурного достояния прошлых поколений в существующую общественную ситуацию. В повседневном понимании ситуация отождествляется с условиями, часто независимыми от личности. В сущности ситуация являет, с одной стороны, реальность, в которой мы функционируем, а с другой, реальность, на которую влияем. Мир идей, ценности, а также поведения, возникших в традиции региональной, снова анализируется в новом контексте, который придает новое значение в современном обществе. Новая интерпретация исходит от соотношения ее черт с характерными чертами человека и общества. Одной из основных задач регионального движения, и то в любую эпоху, является разработка и приведение в движение механизма переложения достояния прошлого на язык современности. Ибо в ином случае имеем дело с мнениями, что подобного типа деятельность не имеет смысла или пользы, или приводит к отчуждению общностей и социальных групп от мира общих ценностей.