

Impact of European Integration Process

Topic: Analyses of the European Union

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The process of European integration has definitely had the biggest impact on Europeans economics in the second half of the 20th century. Since economic integration has become relevant topic, it is more than desirable to understand its consequences. In the paper, we are focusing on the enlargement of the European Union which took place in 2004 and examine the impact on the value added in chosen member countries of the European Union. We utilize World Input-output tables to decompose value added change to various determinants (changes in technology, changes in the volume and structure of final demand, changes in value added coefficient) and determine which factors have had the biggest share on value added changes. Changes are studied in EU 15 (former members) and also EU 10 (joined to the EU in 2004) countries during the time period 2000-2009.