

Impact of European integration on employment and value added creation

Topic: 711X Employment Analysis (1)

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Trade without taxes and quotas and free mobility of production factors resulted in very tight economic relations between member countries of the EU in the beginning of 21st 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 which driving forces were behind the changes in employment and value added creation in chosen member countries of the European Union over the years 1995-2009. Changes are studied in chosen EU 15 (former members) and also in EU 10 (joined to the EU in 2004) countries. We utilize World Input-output tables to decompose value added and total hours worked by person engaged changes into various determinants (changes in technology, changes in the amount and structure of final demand, changes in sectoral value added and hours worked coefficient) and determine which factors were most important driving forces in value added and hour worked changes before and after the enlargement of the EU in 2004.