

BOOK REVIEW

Marek Dabrowski, Maryla Maliszewska (editors), EU Eastern neighborhood: economic potential and future development
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Each enlargement of the EU was a step forward to Central and Eastern Europe, so that the enlargements in 2004 and 2007 led to significant changes in the geopolitical context and to an increased role of the EU at a regional level and worldwide. At the same time the new realities have changed the research focus from the process of EU integration of Central and Eastern European Countries (CEE) to the relationship between EU and its Eastern neighbors.

The book *EU Eastern Neighborhood. Economic Potential and Future Development* is a collective work, resulting from the joint efforts of a group of researchers under the research project on “EU Eastern Neighborhood: Economic Potential and Future Development (ENEPO)”, funded by the EU Sixth Framework Program.

As stated by the two editors in the *Preface*, the paper follows the research objectives of the above mentioned research project. With a clearly stated intention to fill an existing gap in the literature coming from the fact that few studies “have investigated the adoption of European economic, legal and political institutions by CIS countries, the appropriateness of these institutions to CIS development needs, and their potential to speed up the transition and modernization process in this region” (p. vi), the present book provides useful insights into several pressing and challenging issues related to the economic, social and institutional development of CIS and the relations between this region and the EU.

The twelve individual chapters display a well-structured, logic and coherent content, analyzing different aspects of the European Union's relations with its Eastern neighbors. The topics they cover range from general aspects regarding the economic, social and institutional disparities between CIS and EU

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countries to more specific issues such as foreign investment, migration, institutional reforms towards convergence and harmonization, technical assistance for development, the European Neighborhood Policy and domestic economic reforms in CIS region.

The first chapter in the book, authored by Irina Sinitsina, addresses the issue of *The development gap between the CIS and EU* from a plural standpoint: economic, human development, openness of trade, environmental and institutional. Using several statistical indicators, specific to each analyzed dimension, the author concludes that between the two regions there are substantial gaps that “could potentially hinder social and economic cooperation between the EU and CIS and slow down the removal of the remaining dividing lines in Europe” (p. 19) and, furthermore, she elaborates on this aspects.

Chapter two provides a geographical economics perspective on the European economic integration. Arne Melchior starts her argument with a challenging question: “Does European economic integration create more inequality between domestic regions, or is the opposite true?” (p. 23) and concludes with several policy recommendations aiming at decreasing regional inequalities.

Maryla Maliszewska, Iryna Orlova and Svitlana Taran estimate, in Chapter 3, the impact of the removal of non-tariff barriers between the EU and five CIS partners and reached the conclusion that deeper integration brings significant welfare gains to CIS.

In Chapter 4, Wojciech Paczynski and Vladimir Papava bring forward the delicate issues of the energy sector and natural gas in the relations between EU and former Soviet Union countries and make several policy recommendations in this direction.

Chapter 5, authored by Adina Kudina and Malgorzata Jakubiak, presents empirical evidence drawn from a survey of 120 firms for the reasons and obstacles to foreign direct investment in four CIS countries.

Using a multi-region CGE-OLG model INGENUE2, Vladimir Borgy and Xavier Chojnicki assess, in Chapter 6, the consequences of migration in Europe and neighbourhood countries in the context of global aging.

Chapter 7 is also dedicated to the subject of migration. Matthias Luecke approaches the issue of *Income and distribution effects of migration and remittances* in four CIS countries.

The authors of the next chapter, Inna Melnykovska and Rainer Schweickert, take an institutional approach and analyze the external determinants of institutional change in transition economies.

Anna Kolesnichenko elaborates on the same topic of institutional change and in Chapter 9 she discusses the concept of institutional harmonization, as a major part of European integration and a “catalyst for the modernization process” (p.155).

In Chapter 10, Roman Mogilevsky and Aziz Atamanov focus on technical cooperation and technical assistance between the EU and CIS countries and their positive role in the transformation of CIS.

Chapter 11 is focused on European Neighborhood Policy. Wojciech Paczynski argues its potential role in “anchoring economic reforms in CIS countries” (p. 173).

As stated by its author, Marek Dabrowski, the last chapter of the book serves “as a partial summary of the previous 11 chapters” (p. 185). It provides an overview on the matter of *Economic relations between the EU and CIS*, synthesizing the issues discussed in and the conclusions of the entire volume.

Although focused on specific issues related to European integration and Eastern neighbourhood, the aspects discussed in this book are also relevant to topics in institutional economics, international relations, development economics and macroeconomics.

The above mentioned points and many others presented in this book, which have not been mentioned here, are, in our opinion, powerful arguments for the fact that this book is worth reading not only by professionals but also by anyone interested in this subject.