

# Evidence from research | EU enlargement as driver of economic growth, innovation and global influence

## 1 Convergence Effects of EU Enlargement (1990-2023)

2004 enlargement increased GDP per capita of new Members by avg. 30% (IMF WP, 2025).

### Main drivers of convergence



**Trade and Investment**, via higher exports, FDI and integration of supply chains.



**Quality of Institutions**, by improving governance quality.



**Structural Funds**, ensuring regional cohesion while allowing for specialization.

## 2 EU Funding and Regional Development

### Empirical Evidence

- Higher GDP and lower regional disparities, at the EU level and within countries (Crucitti et al., 2024)
- Positive GVA, investment, turnover and exports (Bachtrögler et al., 2020; Cabral et al., 2023).
- Mixed results for labor and TFP (Gabriel et al., 2022; Becker et al., 2010).

### Heterogeneous Effects

- Initial conditions (IMF 2025, Becker et al., 2013, Percoco, 2017), industrial specialisation and institutional quality (Rodríguez-Pose and Garcilazo, 2015)

## 3 Spillovers Effects of EU Funding

### Spatial spillovers distribute benefits across the EU:

(Crucitti et al., 2023; Monfort et al., 2021)

- Higher benefits for recipients, but net contributors also benefit via efficiencies in production network and economies of scale.
- ca. 15% of EU GDP gains from Cohesion Policy come from cross-country spillovers.
- Strongest where trade links are tight.

# Preparing for enlargement | renewing enlargement benefits while addressing territorial diversity

1

## Potential Macro Scenarios

A

No further enlargement: high gap in GDP per capita between country groups and low convergence.

B

Enlargement with modest convergence: EU GDP up to 8% higher by 2035, with lower gaps between countries (20%-50%).

C

Enlargement with ambitious convergence: significantly higher GDP and gaps narrowed (15%-40%).

2

## Territorial challenges

- Migration
- Climate change & Energy transition
- Defence
- Housing affordability
- Changing demographics



Enlargement needs to account for existing territorial disparities

## How should the EU prepare for enlargement?

### Pre-enlargement policy reviews:

Adapting the EU's institutions, budget and governance to keep the Union both effective and cohesive.

### Empowering local authorities:

Local autonomy backed by high-quality governance and strong coordination between regions.

### Role of research:

Continuous research on how trade integration, governance and policy design affect regional development.



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