

## Intro - Regional Characteristics

The CENTROPE area stands for a distinct multinational economic area located at the intersections of Austria, the Czech Republic, Hungary and also Slovakia. All 4 nations have a long usual background of Austro-Hungarian Monarchy. However, their development after World War II was considerably different.

Nowadays, even with the truth that all CENTROPE countries are members of the European Union, we can still discover as well as observe considerable disparities in their economic frameworks and also performance.

**The financial differences mostly result from the past historic, political as well as economic development of the nations.**

Whereas Austria is economically created country based commonly on an operating market economy as well as ideas of economic freedom and also visibility, the Czech Republic, Hungary and also Slovakia as previous centrally intended economic situations are still assembling to the economic degree (e.g. gauged by GDP per capita) of the western EU participant countries.

**CENTROPE essentially contains eight areas.**

The Austrian part is made up of the capital of Vienna with the highest GDP per capita in CENTROPE, Lower Austria and Burgenland. South Moravia is the only NUTS 3 degree region of the Czech component.

- The Hungarian component includes the areas of Győr-Ménfőcsanak-Sopron and also Vas. The Slovak CENTROPE region is made up of Bratislava and also Trnava.
- According to this meaning, the CENTROPE is a region that covers 44.500 km<sup>2</sup> and has around 6.6 mio. Residents.
- The demographic distinctions in between these sub-regions within the CENTROPE currently indicate an instead different socio-economic framework.

Particularly in regards to population density an evident distinction of the city centres of this region such as Vienna and Bratislava as well as even more rural-peripheral areas (such as Burgenland) emerges, while relative to the age structure national distinctions control local ones.

*The Slovak CENTROPE has an above ordinary share of population aged 15-64 years (i.e. of the energetic aged) at the expenditure of both low shares of young people (up to 15 year olds) and the older (64 as well as older).*

The Austrian CENTROPE by contrast is defined by reduced shares of active aged as well as high shares of the senior, while the Hungarian as well as Czech CENTROPE areas are located somewhere in between. 12 The CENTROPE consists of two funding cities as well as number of more major cities (such as Brno as well as Győr).

**It is a distinct economic area where the impacts of cross-border policies along with natural convergence processes can be observed.**

Considering the existing industrial hubs around the primary cities, the a great deal of universities, study establishments and also the accessibility of the regions because of global airports, train hallways as well as the area's geographical area in the usual European market, CENTROPE gives a capacity for long term economic development as well as success.

### Table 1: Populace as well as Population structure of the CENTROPE 2008 Area Population Share aged 15 or less

Resource: Eurostat. Macroeconomic circumstance in the CENTROPE nations The national economies of the CENTROPE nations were strongly affected by the worldwide economic crisis. Prior to the dilemma CENTROPE was - in terms of GDP - one of the fastest growing areas within the EU, though the individual efficiency of nations often tended to vary considerably. While Slovakia and also the Czech Republic had extremely high development of GDP reaching 7.7

% and 5.9% (determined as the average growth in consistent rates in 2004- 2007), Austria's efficiency (3.1%) was weaker if contrasted to the CENTROPE standard (5.0%). Nevertheless, when contrasted to the a lot more industrialized EU participant nations and the EU-27 average of 2.7% Austria executed rather well. Hungary endured in the pre-crisis period from a restrictive monetary policy as well as growth prices amounting 3.

**3% were lower than in Slovakia and also the Czech Republic, yet however higher than in Austria.**

Over a much longer 13 time horizon the ordinary development efficiency in the CENTROPE had a tendency to improve from 2004 onwards, with the exception of Hungary. Thus, development rates in the period of 2004- 2007, i.e. with the EU accession of 10 new member states, were higher than in the years before, not only in the Czech Republic and also Slovakia, but also in Austria-- and also in the EU-27 generally, though there the increase in growth was lower than in the CENTROPE.

FDI inflows, structural modifications in the work market and also EU-- accession aspects (including web EU transfers) came from the major driving forces of development. Given that completion of 2008 the economic advancement of the CENTROPE countries was greatly impacted by the economic and also economic crisis.

- In general GDP decreased by more than in various other EU countries, provided the relatively solid reliance of the CENTROPE on international trade and also production market.
- At the same time this reliance is likewise the source of a relatively strong healing, as worldwide trade expanded highly in the 2nd quarter of 2010.

The impacts of this on the CENTROPE countries were, nevertheless, even more of an indirect nature, as Germany benefitted to begin with and also various other nations, like the CENTROPE nations profited in the second area through German spillovers.

Certainly this can be thought about a positive aspect of the assimilation of the CENTROPE right into the EU, but it likewise elevates the concern, whether the CENTROPE wants to be essentially based on the advancements as well as economic policy in one country.