Chapter 2
Why a Benchmarking with EEE Countries?

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ABSTRACT
This is a chapter that introduces the major arguments for selecting EEE countries for comparisons with Arab economies. The focus is placed on the neighborhood, with the European Union and the similarities related to the transition processes experienced by EEE countries while moving from centralized and administrated to open and market-driven economies. The series of international collaborative frameworks developed with the EU, with Arab countries, and within the Mediterranean region are also among the reasons behind selecting the comparisons between Arab and EEE economies.

INTRODUCTION
During the last and a half year, after the start of the Arab Spring in January 2011, it has become evident that the transformation process occurring in several countries across the MENA region will require a redefinition of relationships with actors from the whole range of the political spectrum. The popular and mostly secular call for greater political and economic freedom and representation and the end of corrupt and authoritarian regimes in Tunisia and Egypt rapidly spread to other countries in the region. The protests and demands for reforms have led to varying degrees of political change. Tunisia and Egypt have seen organized democratic elections, while some other governments—particularly the monarchies of Morocco and Jordan—have undertaken a gradual process of political reform.

The Arab Spring could be compared to the Autumn of Nations in 1989. The collapse of communism in 1989 was followed by a very interesting and important period from economical and political point of view. The events began in

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Poland, the largest country in the region, and they continued in Hungary, East Germany, Bulgaria, Czechoslovakia and Romania. The Soviet Union was dissolved by the end of 1991, resulting in 14 countries: Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Tajikistan, Turkmenistan, Ukraine and Uzbekistan. In Albania the communism was abandoned in 1990. Yugoslavia, one of the most developed countries in Eastern region before the fall of the Iron Curtain, abandoned the communism in 1992 and split into six states (Slovenia, Croatia, Macedonia, Bosnia Herzegovina, Serbia and Montenegro) after strong nationalist movements. In 1992, Czechoslovakia split into Czech Republic and Slovakia.

Therefore, from 1989–1992, in Central and East European Region important changes happened in borders, governance regimes and economic relations. The countries shifted from centrally planned economies to market economies. Central and East European Region includes nowadays the following countries: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovenia, Slovakia, Albania, Croatia, Kosovo, Macedonia, Montenegro, Bosnia-Herzegovina, Serbia.

The current wave of political change in MENA countries provides a unique window of opportunity to introduce the transparent and accountable policies and institutions that will lead to increased competitiveness and better living standards. The central argument throughout this chapter is that there are some similarities between Arab Spring and the collapse of communism in 1989 in EEE countries.

This chapter provides an overview of the main lessons to be learned for the MENA countries from EEE countries. The analysis will start by a literature review of the most important findings on this topic. Next, the chapter will continue with some empirical and descriptive analysis about the similarities between the two groups of countries by using governance indicators, globalization and ICT indicators, educational indicators, local development indicators etc. Finally, it will point out some reasons for benchmarking MENA countries with EEE countries.

PREVIOUS CONTRIBUTIONS

The Middle East and North Africa (MENA), and the countries of Central and Eastern Europe (EEE) stand out, compared to other developing countries, by the limited number of people affected by poverty. They appear, however, to have very different levels of human development indicators (HDI) and the conditions of exercise of fundamental freedoms in the political, economic and social development, the EEE are in a situation systematically more advantageous than the MENA countries (Labaronne & Ben Abdelkader, 2006).

Tovias (2001) and also in Tovias (2005) some indexes of similarity are calculated for EU industrial imports, by using only EU industrial import data disaggregated at the two-level digit of the Harmonized System (categories 25-99) from different origins. The degree of similarity between the five most advanced EEE countries are 37.6 for Turkey, 31.3 for Tunisia, 28.5 for Morocco, 26.9 for Lebanon, 23.2 for Jordan, 22.0 for Egypt, 9.5 for Algeria, 11.6 for Syria and 8.2 for Libya. Most like Cyprus’s industrial exports to the EU are those from Turkey (53.3), Morocco (51.8), Tunisia (51.1) followed by Lebanon, Israel and then Jordan, Egypt, Syria, Algeria and Libya. When category HS27 (Mineral fuels, Oils, Waxes & Bituminous sub) is excluded, it appears that Cyprus (59.5 percent), Bulgaria (50.4 percent) and Romania (49.1 percent) are the most similar to MENA. They are in better position than Estonia and Lithuania. However, Latvia is the least similar.

Handoussa and Reiffers (2001) identified some similarities between EEE and Mediterranean Partner Countries in their economic transition
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