

## EU's Modern Integration Efforts: Effects for Development Policies of the Baltic States and Latvia

*Eugene Eteris*

*Rīga Stradiņš University, Faculty of European Studies,  
Department of Regional Economy and Business, Latvia*

**Introduction.** The Baltic States have been most active EU members: all three states are presently “full members” in the 19-eurozone and are among the EU countries with the highest GDP growth. The EU's effect on the Baltic States' development (and Latvia, in particular) has been through political, economic guidance and financial assistance: Latvia, e.g. has received, during the years in the EU, over € 7 billion in direct and “structural” help. However, the new Commission's integration strategy provides for new developmental paths through several “unions”: EMU, energy, capital markets, banking, digital union, etc.

**Aim, Material and Methods.** The aim of the study was to explain the main EU “unions” strategies with their effect for the Baltic/Latvian economic development planning. EU convergence policy embraces competitive social market economy structures in the Baltic States, which are supposed to unite free entrepreneurial initiative with social progress. Such economy guidelines for the Baltics would protect diversity, create stability and competitiveness. The paper is based on analysis of the EU documents and Commission's publications; research method reflects a comparative analysis of the EU sectoral policies and that of the Baltics.

**Results.** The research is to show the ways the EU's new integration model based on “unions methods” is applied in the Baltic States' development strategies and plans. The incurred changes in the Baltic/Latvian economic and social policies (e.g. through the European Semester) provide for additional challenges in the Baltic States' political agenda. Achieving European economic convergence requires additional and most urgent measures from the member states. Such convergence is both about uniformity (EU's economic policy must be adjusted to the specifics of each member state, their economic structure and economic cycles) and about creating in every member state economic structures that are resilient and can be adjusted to changes. They should allow businesses to grow and people to seize opportunities – sometimes against the resistance of special interest groups.

**Conclusions.** Modern EU “reform-pack” aimed at deepening European integration is to have a long-lasting effect on the Baltic States' socioeconomic policies. National legislative, executive and judicial “powers” have to adapt to the “unions” requirements in energy policy, approaches to monetary/capital structures, support for SMEs, innovative initiatives and digital agenda. In short, the EU's modern integration efforts will have a lasting effect for Baltic States and Latvia's social and economic development policies.