

ROMANIA'S REAL CONVERGENCE TO THE EUROPEAN UNION

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Abstract:

In the process of European integration, switching in 1999 to the third stage of Economic and Monetary Union, has intensified the need to coordinate economic and sectoral policies of the Member States. The process of coordination is necessary to harmonize national economic policy objectives in order to minimize the negative impact of economic policy measures taken by some member countries to other member countries and reduce the temptation for Member States to have behavior riders. Real Convergence is an essential goal of Romanian integration into the European Union. Attenuation of the development gaps maintained between Romania and the EU can not be achieved solely through the use of market forces. Economic transformations occurring globally and increased risk aversion contributed to a significant reduction of capital flows to Romania, increased pressures upon exchange rate.

Keywords: *Real convergence, nominal convergence, integration, European Union*

JEL codes: *F36, F33, O52*