THE DEVELOPMENT IN TRANSITION ECONOMIES IN EUROPEAN UNION PARTICIPATION PROCESS

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Transition economies are called in Literature as countries adopted capitalist economic system instead of communist system. Transition Economies which placed Central and Eastern Europe passed this transformation in the process of European Union participation. At the present day, the concept of development is not only considered in change of revenue but also in change of qualitative factors for human. It is called as human development in literature. European Union participation process was an important catalyst for transition economies in development of qualitative and quantitative. The transition economies found opportunities in this process to increase their macro economic indicators and the indicators of humanely life standards.

Keywords: Development, human development, transition economies

INTRODUCTION

The phenomenon of globalization promotes the competitive among the countries. One of the basic conditions of being exist is adaptation ability for competition in an entire world scaled economic system. The countries must have the sustainable competitive structure like companies. .The countries which want to take place in competitive international area, desire to position themselves in international integration. Nowadays, one of the most important integration forms is European Union.

The countries which transforming from communist economic system in to capitalistic economic system also called as transition economies, to take place in a competitive and global world they aimed to join European Union. One of the results of joining EU will be to reach abundant resources provided by EU, the other is to discipline and develop their economies.

This article aims to describe, what are the effects and additions of European Union participation process on development of Transition Economies by telling the milestones of transition process. Human development reports published by United Nations Development Programme (UNDP) are used to reach the aim of this article.

TRANSITION ECONOMIES

Since the fall of Berlin wall in the fall of 1989, a sizable group of economists has been studying the process of transition from socialism to capitalism in former socialist economies. The field is called transition economics or sometimes transformation economics (Roland, 2000: 1).

The transforming through the market economy is often called transition process. This transition is naturally multidimensional. It is a transition from “Central Planing Economy” to “Market Economy” in terms of economic transformation. The concept of transition from “Central Planing Economy” to “Market Economy” basically encloses; liberalization of economic activities, prices and market transactions, redistribution of sources to use them most efficiently, improvement of market oriented instruments for macro economic stability, to provide economic efficiency and effective corporation management by the agency of privatization, to provide economic efficiency by applying rigid budget discipline, property rights, rule of law and, to compose an institutional and juristic framework contains transparent regulation for market entrance (Ganmet, 2006: 19).

Transition economy countries applied similar economic system because they were basically representative of socialist economic system. The structure creating socialist economic system was current all this countries. So the countries were similar in terms of economic order. In contravention of this similarity there were some differences in economic system applied in the countries (Musayev, 2007: 105).

What happens on the “return journey” from socialism to capitalism? Removing the barriers to capitalism includes providing constitutional safeguards for private property, officially encouraging free enterprise, promoting privatization, legalizing advocacy of pro-capitalist ideologies, and so on. Capitalism does not need to he imposed on society; there is no need for a genetic program artificially implanted by a political party. If nothing else had happened but, removal of the barriers. Capitalism would still start to develop sooner or later. Although the process would obviously have been much slower (Kornai, 2000: 31-32).

EUROPEAN UNION AND TRANSITION ECONOMIES

The meaning of economic integration for countries is to maximize international cooperation as possible. So the Transition Economies which applied compatible politics with Soviets Union experienced an adaptation problem after finishing the cooperation with Soviets Union. They aimed to join a new form of cooperation by determining to reduce first than solve the adaptation problem. The new constitution was European Union where they take place. To join EU was considered by the countries as an important instrument to promote their development.

The EU supported the newly independent Central and Eastern European Countries (CEEC) countries on their transition from planned economic system and communist regime to free market economy and pluralistic democracy by the end of cold war. First important decisions on CEEC were made in Rome Summit on 14-15 December in 1990. Council of the European Union put into force a financial aid programme about CEEC in this summit. CEEC demanded beyond financial aid and facilitated trade possibilities. CEEC expressed that to choice a third way except EU might create instability in the region and so EU had better to build a tighter cooperation with these countries. The relation between CEEC and EU entered a new phase in Copenhagen Summit held by the chairmanship of Denmark on 21-22 June in 1993. At this summit it is emphasized by top level that the Central and Eastern European Countries may be candidate to join EU and if a CEEC wants to join EU should create necessary economic and politic conditions. By the way a CEEC can become a member of EU. It was first time expressed by top level that a CEEC can be a candidate and some criteria determined to be a member by EU (http://ikv.org.tr).

The relations between CEEC and EU are listed in the Table 1.

Country	The Date Beginning of Deliberation	The Date of Full Membership
Czech Republic	December 1997	1 May 2004
Estonia	December 1997	1 May 2004
Hungary	December 1997	1 May 2004
Poland	December 1997	1 May 2004
Slovenia	December 1997	1 May 2004
Latvia	December 1999	1 May 2004
Lithuania	December 1999	1 May 2004
Slovakia	December 1999	1 May 2004
Romania	February 2000	1 January 2007
Bulgaria	February 2000	1 January 2007
Croatia	3 October 2005 (Re-start)	-
Macedonia	17 Aralık 2007 (Membership)	-

Table 1: The chronology of the relation between Transition Economies and European Union

As seen on Table 1 Transition Economies first made their application to became a member of EU in 1997. The full membership became a reality for eight countries listed on the table about seven year later from first application. Romania and Bulgaria become full membership recent. Croatia had some problems to become a member because of their special problems. Relations between Croatia and EU first were frozen but, deliberation process was restarted on 3 October in 2005. Also Macedonia started the membership process to become full membership on 17 December in 2007.

THE SOCIAL AND ECONOMIC CHARACTERISTICS OF TRANSITION ECONOMIES

The development of the factors belongs to Central and Eastern European located Countries are given following table below. So it will be easy to analyze the distance was covered by the countries entered to capitalistic economic system.

The population development of transition economies located in Europe and attempted to become member are shown in the Table 2.

	Czech Republic	Estonia	Hungary	Poland	Slovenia	Latvia	Lithuania	Slovakia	Romania	Bulgaria	Croatia
1989	10,3	na	10,4	38,0	na	na	na	5,3	23,2	9,0	na
1990	10,3	na	10,4	38,2	na	na	na	5,3	23,2	8,7	na
1991	10,3	na	10,3	38,3	2,0	na	na	5,3	23,2	8,6	4,5
1992	10,3	1,5	10,3	38,4	2,0	2,6	3,7	5,3	22,8	8,5	4,5
1993	10,3	1,5	10,3	38,5	2,0	2,6	3,7	5,3	22,8	8,5	4,6
1994	10,3	1,4	10,2	38,6	1,9	2,5	3,6	5,3	22,7	8,4	4,6
1995	10,3	1,4	10,2	38,6	2,0	2,5	3,6	5,4	22,7	8,4	4,7
1996	10,3	1,4	10,2	38,6	2,0	2,5	3,6	5,4	22,6	8,3	4,5
1997	10,3	1,4	10,2	38,7	2,0	2,5	3,6	5,4	22,5	8,3	4,6
1998	10,3	1,4	10,1	38,7	2,0	2,4	3,6	5,4	22,5	8,2	4,5
1999	10,3	1,4	10,1	38,7	2,0	2,4	3,5	5,4	22,5	8,2	4,6
2000	10,3	1,4	10,0	38,6	2,0	2,4	3,5	5,4	22,4	8,1	4,4
2001	10,2	1,4	10,2	38,6	2,0	2,4	3,5	5,4	22,4	7,9	4,4
2002	10,2	1,4	10,1	38,2	2,0	2,3	3,5	5,4	21,8	7,8	4,4
2003	10,2	1,4	10,1	38,2	2,0	2,3	3,5	5,4	21,7	7,8	4,4
2004	10,2	1,4	10,1	38,2	2,0	2,3	3,4	5,4	21,7	7,8	4,4
2005	10,3	1,3	10,1	38,2	2,0	2,3	3,4	5,4	21,7	7,7	4,4
2006	10,3	1,3	10,1	38,1	2,0	2,3	3,4	5,4	21,7	7,7	4,4

Table 2: Population (Million)

Source: http://transitionreport.co.uk

The most crowded country among the Transition Economy was Poland in period of 1989-2006. Romania, Chez Republic, and Hungry followed this country. The least crowded country among the group was Estonia with a 1,3 million persons in 2006. Because of the group have relatively low population it would be an important advantage for group to integrate EU. The last members Romania and Bulgaria were effected both their economic conditions and relatively high population. The transition economies became member in 1994 relatively have less population than the countries became member in 2007. So it was easier to integrate to EU for less crowded countries.

Macro economic indicators of transition economies in process of the entering capitalistic system are shown in Table 3.

Country	**Years Under Communism**	**Foreign Dept in Pre-Transition Year, in Percent of GDP**	**Share of Agriculture**	**Natural Resource Endowment***
Bulgaria	43	50,6	11	0
Croatia	44	74,7	10	0
Czech Republic	43	12,2	7	0
Estonia	51	0	20	0
Hungary	41	64	14	0
Latvia	51	0	19	0

Lithuania	51	0,2	27	0
Macedonia	44	0	12	0
Poland	42	63,4	13	1
Romania	43	2,9	14	1
Slovakia	43	6,8	7	0
Slovenia	44	0	5	0

Table 3: Macroeconomic Indicators in Transition Economies- Initial Conditions

Source: Fischer and Sahay, 2000: 36.

1 Calculated by dividing PPP adjusted GDP by Total Production.

* Natural Resource Endowment accoring to DDGT; O: Poor, 1: Moderate, 2: Rich.

According the data in Table 3, Estonia, Latvia and Lithuania lived longer period than other countries under communist economic system. Hungary was the country who applied socialistic system at least. Croatia had the highest foreign debt-GDP ratio. Hungary and Poland followed Croatia. Lithuania is most agricultural developed country among the transition economies. The other countries where agriculture is important are Estonia, Latvia, Hungary and Romania. Slovenia is the least agricultural characterized country. Transition economies are described as countries where natural resources are weak. Poland and Romania have the richest natural resources among the countries become member to EU.

In order to compare countries it is also used the basic indicators such as GDP per capita. GDP per capita belongs to transition economies are given in Table 4.

	Czech Republic	**Estonia**	**Hungary**	**Poland**	**Slovenia**	**Latvia**	**Lithuania**	**Slovakia**	**Romania**	**Bulgaria**	**Croatia**
1989	na	na	3.041,5	2.147,4	na	na	na	3.351,4	2.319,1	5.238,1	na
1990	3.376,0	na	3.448,6	1.630,7	na	na	na	2.914,1	1.648,1	2.391,3	na
1991	2.480,7	na	3.230,7	2.037,4	6.339,9	na	na	2.051,4	1.244,4	887,5	3.691,5
1992	2.891,8	713,9	3.612,9	2.196,8	6.280,1	na	520,1	2.213,3	859,1	1.014,1	2.126,1
1993	3.385,8	1.167,5	3.751,6	2.233,6	6.370,1	939,6	726,7	2.510,6	1.158,5	1.280,7	2.202,3
1994	3.977,2	1.669,2	4.052,1	2.399,2	7.592,3	1.597,1	1.166,4	2.893,2	1.323,0	1.152,1	3.163,2
1995	5.362,4	2.635,3	4.359,5	3.603,3	10.193,8	1.953,2	1.768,1	3.615,7	1.564,3	1.563,1	4.029,0
1996	6.016,3	3.303,5	4.424,6	4.055,2	7.385,9	2.290,1	2.249,9	3.872,1	1.562,9	1.187,0	4.421,9
1997	5.545,1	3.546,1	4.494,9	4.065,4	7.502,4	2.542,7	2.763,5	3.935,0	1.565,1	1.257,2	4.398,2
1998	6.008,5	3.979,7	4.641,0	4.446,6	8.249,8	2.780,2	3.114,6	4.112,2	1.871,7	1.547,9	4.805,2
1999	5.832,9	4.040,1	4.757,4	4.345,3	8.765,3	3.039,0	3.065,5	3.780,1	1.584,8	1.582,0	4.371,1
2000	5.520,5	4.099,1	4.775,2	4.431,9	8.433,8	3.295,4	3.260,2	3.771,2	1.651,6	1.546,1	4.205,6
2001	6.059,1	4.528,4	5.238,0	4.930,6	9.227,7	3.518,9	3.478,4	3.910,4	1.793,1	1.723,3	4.742,5
2002	7.377,6	5.368,7	6.577,6	5.185,4	10.745,4	3.971,1	4.067,9	4.558,6	2.102,5	1.988,4	6.083,6
2003	8.947,0	7.071,6	8.344,3	5.676,8	14.021,3	4.799,0	5.360,0	6.130,5	2.738,0	2.561,8	6.666,3
2004	10.726,0	8.619,4	10.116,8	6.625,2	16.650,4	5.935,1	6.518,1	7.810,6	3.484,5	3.175,8	7.943,3
2005	12.216,9	10.386,0	10.948,9	7.968,0	17.951,1	6.953,0	7.602,8	8.817,0	4.548,7	3.522,7	8.675,4
2006	13.896,1	12.209,1	11.127,8	8.939,9	19.218,5	8.760,5	8.770,8	10.250,8	5.616,8	4.088,7	9.582,0

Table 4: GDP per Capita (Dollar)

Source: http://www.ebrd.com

Transition Economies had relatively lower GDP per capita levels in the period 1989-1991 which is considered as transition from socialist system to capitalist system. Total GDP is also important as fair revenue distribution for all citizens. Besides the fair revenue distribution the lower the GDP per capita rates are big problems for them. Transition Economies started to increase their GDP per capita rates since they start deliberation with EU in 1997. Most of the Transition Countries continued to increase their revenue since they became full member in 2004. GDP per capita rates in Transition Countries had increasing trend in 1989-2006 periods. As seen on Table 4 Slovenia has the highest GDP per capita rate. The following countries are, Chez Republic, Estonia, Hungary and Slovakia in order. Newly member countries to EU Romania and Bulgaria have the lowest GDP per capita rates among the Transition Countries.

HUMAN DEVELOPMENT IN TRANSITION ECONOMIES IN EUROPEAN UNION PATICIPATION PROCESS

The GDP per capita is quantitative international comparison instrument in the literature of economic growth. But taking into consideration the life quality of people the general comparison instrument is human development index. Nowadays, as the development index, the concept and the index of the human development and the qualitative dimension of the development are being placed on the agenda of the societies.

The literature on growth regressions for transition economies seeks to explain growth by miscellaneous variables that reflect e.g. economic reforms, initial conditions or economic shocks. A diverse range of variables reflecting factors of interest has been employed for right-hand side variables, while variables accounting for accumulation of human and physical capital are typically omitted. This approach owes its intellectual debt to the “new growth” literature of the 1990s (Staehr, 2003, s:8).

Human development is defined as process to increase the people’s options. These options can be variable and endless but, three basic options sticking out; long and healthy life, right to information and, to get the satisfying financial sources. Political freedom, guarantied human rights, and self-respectability are among the other options except counted above. According to this apprehension revenue is an important indicator for human development but, it is not enough (Demir, 2006:3).

In this context human development is a “process to multiply people’s options process” and it’s the main principal of human development concept. As it was told above these options are endless and can accurate by changing. People’s options has a wide scale from economic-politic, cultural to self-respective, to be productive, creative and to handle human rights. The ideal measure of humanly development must cover many options beside (Günsoy, 2005: 37).

Human Development Index (HDI) also uses traditional revenue weighted measurements as embodying human development concept numerically. The development levels of countries are defined on benefits which produce for people. In this context, according the basic postulate of United Nations and United Nations Development Programme (UNDP) it is not possible to create quality human life and development only by economic inputs. Accession to personal, social, economic and political development possibilities are introduced as precondition for development of countries and peoples. The conditions of the individuals who have long and healthy life and taking place in social life where they live is passing through to get affordable revenue beside knowledge and health. In other words, the development of individual can not be possible only by economic growth. The main question is the national welfare whether creates development possibilities for individuals or not (Aldemir, 2003:21).

Human Development Index (HDI) build up by existence or absence of healthy life, education and revenue possibilities for human makes clear the differences among countries in global scale and makes visible inter regional differences in national scale (DPT, 2001:223).

In the Human Development Report published by United Nations Development Programme (UNDP) in 1997 the human poverty concept is based on the opinion of available funds for human development an humanly life beside to own some social, economic and cultural possibilities to supply basic requirements (Capabilities Approach). Therefore human poverty concept takes in to consideration required financial welfare more than minimum requirements (Aktan and Vural, 2002: 7).

According the latest published Human Development Report 2007/2008 by UNDP GDP per capitas for the year of 2005 is accounted by purchasing power parity (PPP) are shown in table 5.

The place in ranking	Countries
31	Slovenia
34	Czech Republic
38	Hungary
41	Slovakia
44	Estonia
46	Lithuania
48	Poland
49	Latvia
51	Croatia
63	Romania
64	Bulgaria

Table 5: GDP Per Capita in Transition Economies –in 2005 (PPP US$)

Source: UNDP, Human Development Report 2007-2008.

According the Table 5's data Slovenia is in the 31st rank in world with its biggest GDP per capita ratio among the Transition Economies. Chez Republic in 34t and Hungary is in 38th rank. Romania and Bulgaria the recent members of EU are sharing the last places in ranking of 63rd and 64th in order.

Life expectancy at birth (LEB) is used an important indicator to measure human development. Life expectancy at birth for Transition Economies is seen on table 6.

Ranking place	Countries	LEB (year)
1	Japan	82.3
34	Slovenia	77.4
39	Czech Republic	75.9
44	Croatia	75.3
46	Poland	75.2
53	Slovakia	74.2
63	Hungary	72.9
66	Bulgaria	72.7
69	Lithuania	72.5
75	Latvia	72.0
76	Romania	71.9
88	Estonia	71.2
177	Zambia	40.5

Table 6: Life Expectancy at Birth in Transition Economies (Years)

Source: UNDP, Human Development Report 2007/2008.

As seen on Table 6 Japan has the highest life expectancy at birth (LEB) with its 82,3 year in the world. Slovenia both has the highest GDP per capita rate and life expectancy at birth (77,4 year) among the Transition Economies. Transition Economies have close life expectancy at birth digits. But Slovenia where the life expectancy at birth is highest among transition economies is in 31st rank in worldwide scale. On the other hand Estonia where the life expectancy at birth is lowest among transition economies is in 88th rank in worldwide scale. Zambia is the country where the life expectancy at birth is lowest in the world with its 40,5 year and 177th rank .

The impacts of European Union membership process on development of Transition Economies are arranged to be seen clear in Table 7.

Countries	**Life Expectancy At Birth** (Years)	
	1970-75	**2000-05**
Czech Republic	70.1	75.4
Estonia	70.5	70.9
Hungary	69.3	72.4
Poland	70.5	74.6
Slovenia	69.8	76.8
Latvia	70.1	71.3
Lithuania	71.3	72.1
Slovakia	70.0	73.8
Romania	69.2	71.3
Bulgaria	71.0	72.4
Croatia	69.6	74.9
Macedonia	67.5	73.4

Table 7: The Changes of Life Expectancy at Birth in Transition Economies in pre and post period of transition.

Source: UNDP, Human Development Report's.

As seen on Table 7 life expectancy at birth (LEB) digits are lower for Transition Economies in 1970-75 periods than 2000-2005 periods. Lithuania had the highest life expectancy at birth (LEB) digits in 1970-75 periods. All countries increased their life expectancy at birth (LEB) digits especially by additions EU funds in the periods 2000-2005. Slovenia reached the highest life expectancy at birth (LEB) digits in the post transition periods.

Table 8 is prepared to show adult literacy rate in Transition Economies which is used as another indicator of human development.

Ranking (in wold)	**Countries**	Adult Literacy Rate (%)
1	Georgia	100
3	Estonia	99.8
4	Latvia	99.7
5	Slovenia	99.7
6	Lithuania	99.6
22	Bulgaria	98.2
23	Croatia	98.1
26	Romania	97.3
139	Burnika Faso	23.6

Table 8: Adult Literacy Rate in Transition Economies and Ranking (% Ages 15 and Older)

Source: UNDP, Human Development Report 2007/2008.

Georgia has the highest rate of adult literacy rate in the world. Education and teaching has big importance in communist system naturally. According to this reality Transition Economies were the countries where education and teaching is important in the past and current. It is easily seen on table 8. Estonia and Latvia are in 3rd and 4th rank in adult literacy rate in order. Romania is in 26th rank with its 97,3 rate in worldwide. The worse rate in the world belongs to Burkina Faso.

In order to show the impacts of EU membership process on Transition Economies' adult literacy rate in 1985-1994 and 1995-2005 periods are given in Table 9.

Countries	1985-1994	1995-2005
Czech Republic	-	-
Estonia	99.7	99.8
Hungary	-	-
Poland	-	-
Slovenia	99.5	99.7
Latvia	99.5	99.7
Lithuania	98.4	99.6
Slovakia	-	-
Romania	96.7	97.3
Bulgaria	-	98.2
Croatia	96.7	98.1

Table 9: Adult literacy rate in Transition Economies (% aged 15 and older)

Source: UNDP, Human Development Report 2007/2008.

As explained above the importance of education and teaching given by communist system is seen on the rates of adult literacy. Also EU membership process continued to develop adult literacy rates in Transition Economies. All rates increased in post transition periods according the pre transition periods.

The other basic indicator published in Human Development Report the development of schooling ratios are shown in Table 10.

Ranking	Countries	Schooling ratio (%)
1	Australia	113.0
16	Slovenia	94.3
21	Estonia	92.4
23	Lithuania	91.4
25	Latvia	90.2
29	Hungary	89.3
38	Poland	87.2
42	Czech Republic	82.9
53	Bulgaria	81.5
59	Slovakia	78.3
70	Romania	76.8
87	Croatia	73.5
172	Niger	22.7

Table 10: Combined Primary, Secondary and Tertiary Gross Enrolment Ratio and Ranking

Source: Prepared by using UNDP reports.

Australia has the highest schooling ratio in the world. The highest ratio belongs to Slovenia among the Transition Countries. Estonia and Lithuania fallow this country. The lowest schooling ratios belong to Romania and Croatia. Niger is the country where schooling ratio is the lowest in the world.

Human development index explains the development as life expectancy depending on the concepts of revenue of individuals, education given by schools and health service which people easily reach. The HDI ratios and ranking for 2005 are given in Table 11 and the trends of HDI are shown in Table 12.

Countries	HDI	Ranking
Iceland	0.968	1
Slovenia	0.917	27
Czech Republic	0.891	32
Hungary	0.874	36
Poland	0.870	37
Slovakia	0.863	42
Lithuania	0.862	43
Estonia	0.860	44
Latvia	0.855	45
Croatia	0.850	47
Bulgaria	0.824	53
Romania	0.813	60
Sierra Leone	0.336	177

Table 11: Human Development Index Ratio and Ranking in Transition Economies (2005)

Source: UNDP Annual Reports.

The most developed country is Iceland for 2005 in the world according the Table 11. The HDI ratio for Iceland is 0,968. When it is considered the maximum HDI rate is 1 it is easily can tell the humanly living conditions in this country is quite developed. The highest HDI ratio belongs to Slovenia among the Transition Countries. Chez Republic, Hungary and Poland are following this country. Romania has the last rank among Transition Economies ant it is in the 60th rank in the world. Sierra Leone is the last country in the world with its 177th rank.

Countries	1975	1980	1985	1990	1995	2000	2005
Czech Republic	..	..	..	0.845	0.854	0.866	0.891
Estonia	..	0.811	0.820	0.813	0.792	0.829	0.860
Hungary	0.786	0.801	0.813	0.813	0.817	0.845	0.874
Poland	..	..	..	0.806	0.822	0.852	0.870
Slovenia	..	..	..	0.851	0.857	0.891	0.917
Latvia	..	0.797	0.810	0.804	0.771	0.817	0.855
Lithuania	..	..	..	0.827	0.791	0.831	0.862
Slovakia	..	..	..	..	..	..	0.863
Romania	..	0.786	0.792	0.777	0.772	0.780	0.813
Bulgaria	..	0.771	0.792	0.794	0.785	0.800	0.824
Croatia	..	..	..	0.812	0.805	0.828	0.850

Table 12. Human development index trends in Transition Economies

Source: UNDP, Human Development Reports.

The impact of EU membership process on Transition Economies is seen clearly in Table 12. As seen above Transition Economies have lower index value before transition and higher index value after transition. According the Table 12 all countries in the group growing faster their HDI index values especially after 1995.

CONCLUSION

Transition Economies have promising macro economic indicators after transit from communist system to capitalist system. But, in order to give their people higher standards of life Transition Economies determined EU as a point of destination.

There were three periods for Transition Economies in the journey to EU. The first period was before application for membership second was the deliberation process with EU and, the last one is full membership process.

The first period was in sync with the beginning of transition period. The economies struggled to solve inflation and unemployment problems in this period. To become member of EU was mean for them to share wealth. In contrast it must not mean for EU members to share indigence. To this end countries struggled to better their economic performances.

It was easier for governments of Transition Economies to cope with economic difficulties by using EU funds in deliberation process. Furthermore the problems of inflation and unemployment could be solved relatively and new employment possibilities created more production and economic growth.

It is not possible to measure development only by growth of gross domestic product. The rise of gross domestic product is necessity but, not enough. In addition the quality of education and health services given citizens should be improved.

The education legacy inherited from communist system made Transitions Economies' obligations easier. Some precautions were taken to improve standards of health sector and life expectancy at birth digits increased.

When the process of European Union membership is evaluated totally it can easily define as a process that Transition Economies managed properly. In the end the countries became members of EU as desired and by supplying more quality and quantity services to their citizens they reached higher human development ranks in the world.

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