ARE WE FAR FROM EUROPE – DIVERGENCE OR CONVERGENCE?

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1. Introduction

It is an old and profoundly justified wish of Hungarian society to catch up with European living standards and to make up the arrears that history created.[1] That is essentially what the 2018 Eurobarometer survey also expresses: 61 per cent of respondents – i.e. a rate higher than the 56 per cent EU average – feel attached to the EU and 20 per cent feel *strongly* attached (the corresponding EU average is 14 per cent, and in Portugal the figure is a mere 7 per cent) (EC, 2018). Hungary's detachment from and/or convergence with the EU has become a favourite subject for politicians and journalists over recent years.

Economic literature on growth recognizes two approaches to convergence. One is σ-convergence, meaning a narrowing of the spread in the levels of economic development of countries (see Dalgaard and Vastrup, 2001; Mille and Upadhyay, 2002; Lucke, 2008; Monfort, 2008; Pfaffermayr, 2009). The other is *β*-convergence, whereby less-developed countries approach the level of more-developed ones thanks to their faster growth (see Barro and Sala-i-Martin, 1992; Mankiw et al., 1992; Michelacci and Zaffaroni, 1998). In this chapter, we investigate the question in accordance with this second approach, but we will cover it in more than just economic terms. We embark on an analysis of long-term tendencies. Our main question is: have we come any closer to the European economy and European living standards since the regime change, or do the data justify the detachment theories?

Gábor Oblath's 2014 article (Oblath, 2014) reviews economic performance – measured by GDP – from the point of view of convergence. Our paper may be viewed in many ways as a kind of extended supplementary note which, at certain points, adds further nuances to the conclusions drawn from GDP trends.

[1] Our paper is based on two articles, Szivós (2014) and Tamás Kolosi and Péter Szivós, 'Is Europe far away?', which appeared in the Hungarian edition of the 2018 *Social Report*.

GDP – or more accurately, per capita GDP – is often used for international comparison of living standards, and the GDP growth rate has become synonymous with development. However, over the past decade a massive body of literature has built up that discusses the details of the errors and deficiencies of this abstract statistical construct (Stiglitz et al., 2009; Skidelsky and Skidelsky, 2012; Coyle, 2014). For example, the study with the greatest impact – by Stiglitz et al. – objected to several elements of the GDP concept: for example, its insensitivity to impacts of income distribution (i.e. GDP may grow, while the situation of the majority of the population deteriorates) and the fact that environmental load is not even part of the concept. Two critical elements still deserve mention, and we take both into account in our analysis. First of all, GDP measures market production in the country, and so the emphasis is on the supply side of the economy; at the same time, income and consumption are better indicators of the welfare of households. The other critical element in the report by Stiglitz and colleagues is that GDP relates to the entirety of the economy, i.e. it measures economic activity in each sector (non-financial companies, financial companies, public finance, households and non-profit organizations). When the objective is to evaluate living standards and welfare, we need to focus on the income of households and on how it is utilized. Our aim is to take these elements into account in a manner appropriate for a Social Report – that is, in the case at hand we concentrate on the household sector, though we also evaluate some welfare elements external to the economy.

Of course, we also came up against the basic problem of long-term statistical analyses, the lack of comparable data and the difficulties of comparing data. A further problem, however, is how to determine what it is that we actually want to catch up *with*. This is because EU enlargement clearly has not only failed to raise EU average growth, but – with membership being granted to less-developed countries – has actually led to a *decline* in growth. Therefore, Hungarian statistics are rarely set alongside EU averages in an effort to address this problem. But here, we do draw comparisons using the average of the 15 most-developed 'old' Member States (EU-15). We have also selected four reference countries: Austria, a leading country that is closest to us geographically and historically; Portugal, the least-developed country in Western Europe; Poland, a developed country from among the former socialist countries, which is considered a historical reference country; and finally, less-developed Romania. So what we investigate is how Hungary has moved on the Austria–Portugal–Poland–Romania axis over the past 25–30 years.

2. Economic development

We compare GDP change to the average for the EU-15 Member States. After the regime change, we stood at 44.7 per cent of those countries' GDP values; by 2016 we had reached 62.7 per cent – thus the converging tendency is clear. However, the picture is by no means as rosy if we observe the pace of growth of the other two former socialist countries.

Table 1 *The ratio of per capita GDP of the four countries under review and Hungary to the average of the EU-15 (at comparative prices)*

Year	Austria	Portugal	Hungary	Poland	Romania
1991	111.9	67.8	44.7	32.3	25.9
1998	112.4	70.4	43.9	40.3	23.5
2008	112.8	72.7	56.4	50.0	44.5
2016	117.6	71.2	62.7	64.0	54.6

Source: AMECO database (3 April 2018).

During the past 25 years, the relative position of the two Western European countries has improved by about 5 percentage points, while the GDP of the other two former socialist countries under review has doubled relative to the EU-15, with Poland outperforming Hungary and Romania approaching it. It is noteworthy that in the initial period of regime change (between 1991 and 1998), despite the enormous transformation process (when Hungary was beyond doubt the best-in-class of the regime-changing countries) only Poland's relative position improved, while that of Hungary and Romania worsened. (The very favourable Polish statistics presumably correlate with the re-scheduling of previous debts, while in Hungary the Németh and Antall governments missed a great historical opportunity.) In the period between 1998 and 2008, Hungary improved its relative position by 12.5 percentage points, Romania by 21, Poland by only 9.7 and Portugal by 2.3. Poland – and to some extent Austria – were the most successful at pulling through the 2008 crisis, and in the years that followed up until 2016 Poland outperformed Hungary. Similar tendencies become apparent if we look at gross national income data (GNI)[2] (*Table 2*).

[2] The definition of gross national income (GNI) is based on GDP. Deducting the gross earnings paid to foreign residents for work, property income, net production and import tax paid to such owners from GDP gives us GNI. The items that increase GDP when calculating GNI are associated with domestic residents: the work-related gross income they receive from abroad, property income, net production and import tax paid to them from abroad all raise the value of GNI.

Table 2 *Per capita gross national income (GNI) at purchasing power standard (PPS)*[*]

Year	Austria	Portugal	Hungary	Poland	Romania
1990	19 460	11 760	8 560	5 590	5 240
1993	21 670	13 270	8 280	6 170	4 650
1998	25 260	15 720	9 320	8 770	3 550
2008	41 360	25 590	19 330	17 990	15 880
2015	49 160	29 010	25 220	25 870	21 610
2015/1990	2.5	2.5	3.0	4.6	4.1

[*]Data for the calculation are expressed in PPS (i.e. purchasing power standard), which is a common currency that eliminates differences in the price levels of the countries involved.
Source: World Bank WDI database (3 April 2018).

Over the 25 years, Portugal did not come any closer to Austria; Poland achieved the most significant convergence, followed by Romania and Hungary. That means we performed better than Portugal, but our convergence (primarily due to the post-regime-change crisis and the 2008 economic crisis) lags far behind that of Poland.

Differences are even more telling if one focuses on the government administrations following regime change (*Table 3*). Although the aggregation based on Hungarian administrations does not relate to a comparison of the development of the individual countries, our fundamental objective here is to investigate the Hungarian convergence process.

Table 3 *Changes of per capita GNI calculated at purchasing power standard during the individual Hungarian administrations (beginning of the administration = 100 per cent)*

Country	1990–1994 Antall	1994–1998 Horn	1998–2002 Orbán[1st]	2002–2006 Medgyessy	2006–2010 Gyurcsány	2010–2014 Orbán [2nd]	2014–2016 Orbán[3rd]
Austria	116	117	117	121	113	115	104
Portugal	116	122	121	119	111	107	106
Hungary	102	113	140	125	118	119	104
Poland	122	137	126	126	137	122	106
Romania	94	111	129	159	150	121	109

Source: own calculation based on the World Bank WDI database.

Even the income and consumption of households roughly match the dynamics of GDP and GNI. Taking the average income of the EU-15 as 100, disposable income calculated at purchasing power parity in the period 1993–2017 grew

from 113 to 118 in Austria, from 45 to 61 in Hungary, from 34 to 63 in Poland, and from 25 to 56 in Romania, while in Portugal it stagnated at 73 (*Table 4*).

Table 4 *Per capita disposable income calculated at purchasing power parity (EU-15 = 100)*

Year	Austria	Portugal	Hungary	Poland	Romania
1993	112.9	73.0	44.7	34.4	25.0
1999	110.1	73.8	42.5	41.9	23.2
2005	111.8	72.6	51.6	43.9	31.9
2011	117.2	70.2	57.4	58.2	48.3
2017	118.3	72.6	61.3	63.3	56.4

Source: AMECO database (3 April 2018).

During the past almost 25 years, Hungary's income situation has come closer to Austria's, and it is only 11 percentage points behind the Portuguese value. Convergence was particularly significant in the period 1999–2005. At the same time, both the regime-change-related losses and the 2008 crisis had a smaller impact on Poland, and so not only did the Poles recoup their 11 percentage points arrears to Hungary at the time of the regime change, but they even managed to overtake us with regard to that indicator. Romania's convergence was especially intensive from the latter half of the first decade of the new millennium. The World Bank has built a collection of international indicators – both comparative and long-term – under the *World Development Indicator* (WDI) project (https://data.worldbank.org/). Those that may be viewed also as development indicators concerning the economy, consumption, education, health and employment reflect very similar trends. In the 1990s and the 2000s, Portugal slowly approached Austria; but in the past 8–10 years, once the country had reached 60 per cent of the Austrian figure, stagnation set in. Hungary is catching up slowly with both Austria and Portugal; meanwhile Romania is catching up with Hungary; and since the 2008 crisis, Poland has been gradually leaving us behind. That fact is well reflected in the per capita final consumption of households (*Table 5*).

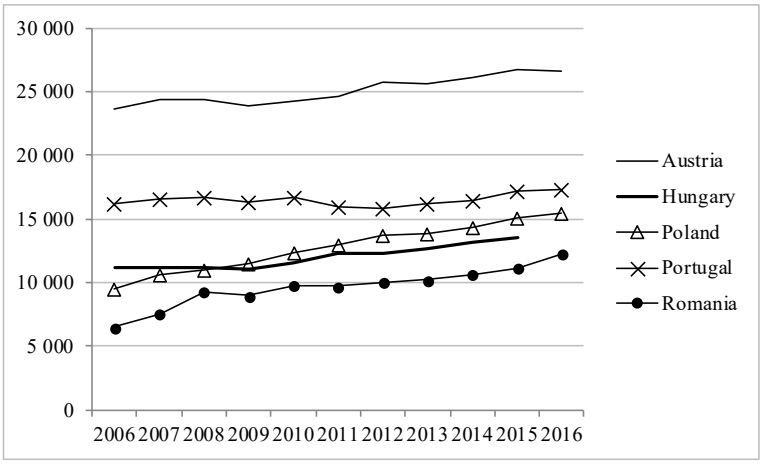
Table 5 *Per capita final consumption of households (calculated in USD in 2000)*

Year	Austria	Portugal	Hungary	Poland	Romania
1990	19 282	10 204	4 897	3 275	2 224
1998	21 676	12 606	5 107	4 891	2 434
2008	24 776	14 843	7 482	7 272	5 719
2016	24 663	14 657	7 634	8 875	6 624

Source: World Bank WDI database (27 March 2018).

Moving over to the Eurostat database, our first indicator is 'real adjusted gross disposable income of households per capita'. Disposable income as a concept is closer to income as interpreted the usual way in the economy, rather than national income or GDP. In the case of households, that is adjusted by in-kind income from the government (the two major sources being the healthcare and education services); in order to achieve a more accurate comparison in time and across countries, it is calculated at purchasing power parity; and finally, the size of the population also appears in the denominator.

Figure 1 *Real adjusted gross disposable income of households per capita, 2006–16 (purchasing power parity, EUR)*



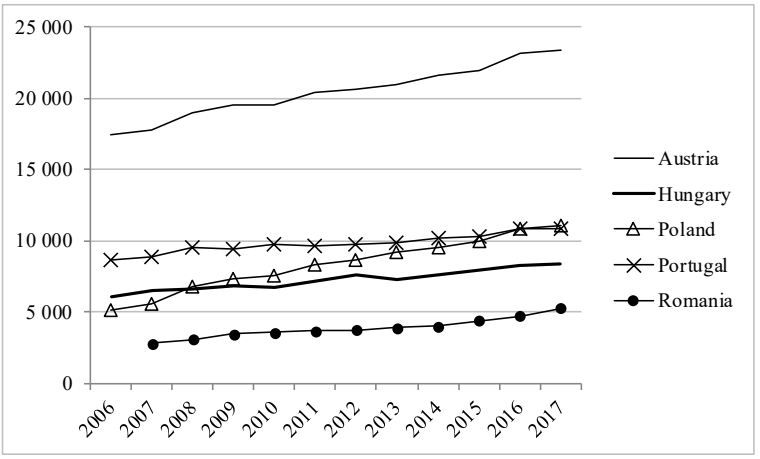
Source: Eurostat, http://epp.eurostat.ec.europa.eu/tgm/Table.do?tab=Table&init=1&plugin= 1&language=en&pcode=tec00113 (3 September 2018).

Since with this indicator, the average of the EU-15 (i.e. the 'old' Member States) is not available, we can draw no comparison. What we do instead is select a traditional reference country, namely Austria. In 2006, the income level of Hungarian households, as defined above, was 47 per cent of the corresponding Austrian value; and in 2015 it was 51 per cent, meaning that our relative position improved by 4 percentage points. However, *Figure 1* shows that during the same period Polish values rose higher than Hungarian ones around 2008–09, and even Romania's income level rose faster than Hungary's. Between 2006 and 2015, the Hungarian income level rose by EUR

2,350, the Polish by EUR 5,600, the Romanian by EUR 4,650, and the Austrian by EUR 3,100; only Portugal's growth remained (significantly) below the Hungarian (EUR 1,030).

'Household income' is one of the most important indicators of our article. We therefore also present another element of the database: the one based on the household survey *EU-SILC (Statistics on Income and Living Conditions).* A priority element of the EU's welfare indicators is a series of indicators related to poverty, and one of these is the value of the poverty line measured at purchasing power parity. Given that the threshold value equals 60 per cent of median income, it is easy to reverse-calculate the median itself, and *Figure 2* shows its evolution

Figure 2 *The median of the disposable equivalent income, 2006–17 (EUR)*



Source: EU-SILC, http://epp.eurostat.ec.europa.eu/tgm/Table.do?tab=Table&init= 1&plugin=1&language=en&pcode=tessi014 (3 September 2018).

It is important to note that a direct comparison of the values presented in *Figures 1* and *2* should not be attempted, as there are several methodological differences to be taken into account:

• There is a difference between data sources, macro-statistics and the household survey. That is itself a considerable difference, as comparison of the Eurostat micro-macro comparison (Leythienne and Mattonetti, 2012) shows that the level of gross disposable income in the EU-SILC survey is on average four-fifths of the value of the national account. There is significant

spread among the countries, but the four countries in *Figure 2* are close to each other from the point of view of that ratio (78–69 per cent).

• There is a different concept of income: in the household survey – due to the nature of the exercise – there are no questions, and similarly no input concerning in-kind income.

• Also the indicator is different: the EU-SILC publication uses the median rather than the average.

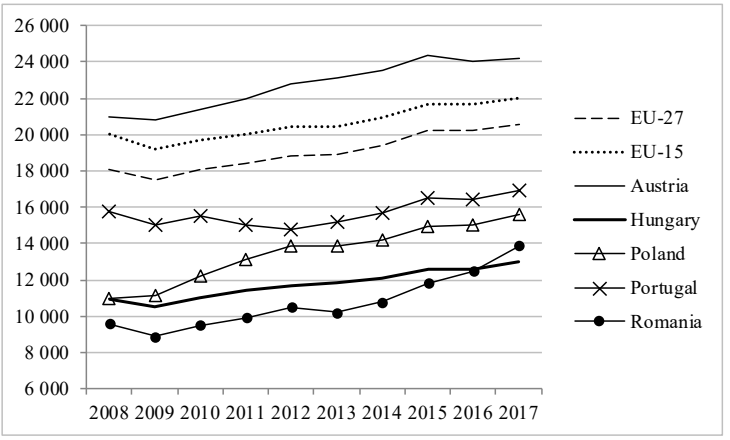
• The unit of analysis is also different: in the database using the household survey a consumption unit scale was applied, and not per capita values.

For all those differences, it is still interesting to review that figure, since – albeit with some delay – it reflects the trends of *Figure 1.* The Austrian advantage in levels is clear, as is the fact that the intensity of Polish growth helped Poland catch up with the Portuguese level by 2017. Hungarian growth is almost identical to Portuguese growth, with these two countries occupying the last two places among the five countries under review.

In what follows, we use the macro-statistical concept of AIC ('actual individual consumption'), which is the total of goods and services consumed, and which contains the services provided to households by the government and non-profit institutions (see above: health and education). That is the indicator usually applied in international comparisons, as it is more accurate than GDP in measuring welfare (although one should note that they are closely correlated, as the AIC is the largest expenditure component of GDP).

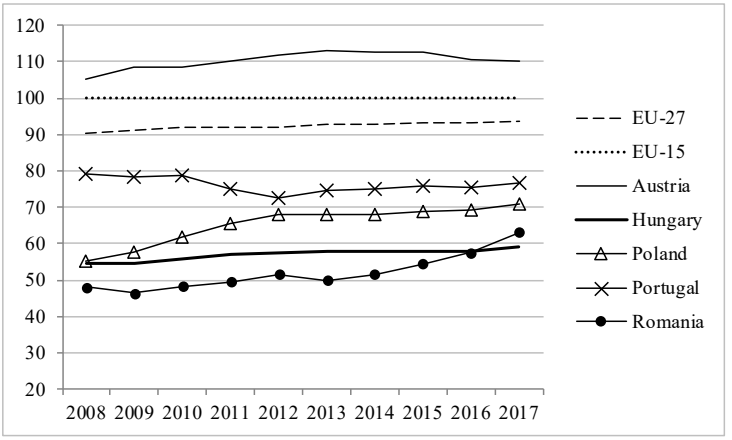
Figure 3 allows for the conclusion that trends of income and consumption evolve nearly identically. Over the 10 years represented, the Polish and Romanian consumption levels rose significantly (by EUR 4,600 and EUR 4,300, respectively); meanwhile Hungary, a former leader in the region, only managed to raise households' level of consumption by EUR 2,100. As it happens, this almost fully matches the average growth of the EU-15, but is lower than, for example, the EUR 3,200 growth achieved by Austria. These differences in growth did not leave the relative positions unaffected; this is presented in *Figure 4* using 'old' Member States for reference.

Figure 3 *Level of households' actual individual consumption* in the countries under review, and in EU-15 and EU-27 countries, 2008–2017 (EUR)*



Note: *measured at purchasing power parity.
Source: Eurostat, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en, settings: 'AIC' and 'real expenditure per capita (in PPS_EU-27)' (3 September 2018).

Figure 4 *Households' actual individual consumption* in the countries under review, and in the EU-27, compared to EU-15 average, 2008–17 (EU-15=100)*

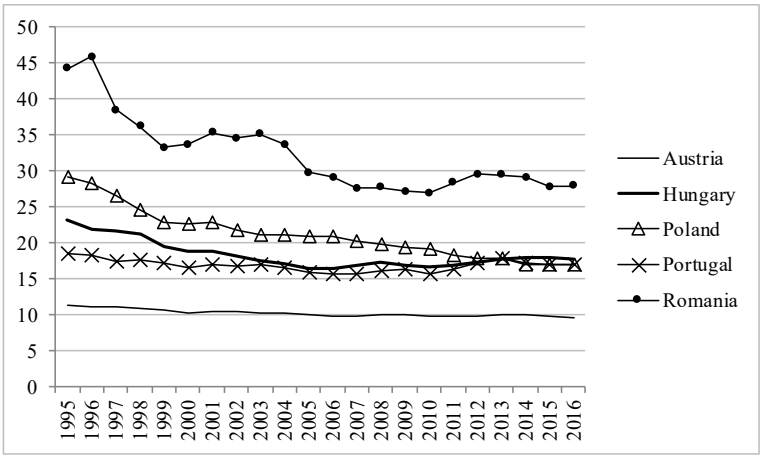


Note: * measured at purchasing power parity (3 September 2018).
Source: Eurostat, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=prc_ppp_ind&lang=en settings: 'AIC' and 'volume indices of real expenditure per capita in PPS (EU-27=100)'.

Of the countries under review, Austria was in the lead during the entire period 2008–17, and it even managed to increase its advantage. Polish and Romanian development (and thus relative convergence) shows an impressive pace, and the indicators of both countries for 2017 were closer to the EU-15 value than were those of Hungary. Portugal's loss of relative position of 2 percentage points is still a noteworthy moment.

We may investigate the Hungarian performance from an additional point of view. The so-called Engel's law is widely known: with an increase in income, people spend less on food and more on manufactured goods and services. The ratio of food consumption within the entire consumption is closely related to the socio-economic situation of the given household. That correlation was originally established on the basis of cross-section data within individual countries back in the middle of the nineteenth century, but later it was given general application, and it was shown that this regularity also holds for comparisons between countries. To control our investigations so far, we now check what that welfare and development indicator shows.

Figure 5 *Ratio of food consumption within aggregate consumption, 1995–2016 (per cent)*



Source: Eurostat, https://ec.europa.eu/eurostat/tgm/Table.do?tab=Table&init=1&language=en&pcode=tec00134&plugin=1 (3 September 2018).

So that indicator uses macro-statistical information to compare the consumption of food and non-alcoholic beverages against households' total expenditure. That is called main group 1 of the *Classification of Individual Consumption by Purpose (COICOP).*

In accordance with *Figure 5,* the spread of countries from that point of view was greater in the mid-1990s than it is today. We may again use the Austrian statistics as a benchmark: the ratio of food in 1995 was 11.3 per cent and in 2016 – 9.7 per cent. We see the most dynamic movement in Romania, where the ratio declined from 44 per cent to 28 per cent. There was a significant decrease in Poland, too (from 29 per cent to 17 per cent). Today the Polish, Hungarian and Portuguese values are practically identical. At the same time that indicator does not meaningfully re-shuffle the countries, but it does confirm what was described above in terms of directions and rates of development.

3. Living conditions

We see essentially a similar sequence of countries when we investigate the indicators of the living conditions of the population. Analysis of long-term dynamics is even more difficult; but here, ever since the introduction of EU-SILC, we have had statistics on income and living conditions that lend themselves to easy matching in cross-sectional comparison of development (*Table 6*).

Table 6 *Some living condition indicators in the countries under review, 2013*

Indicator	Austria	Portugal	Hungary	Poland	Romania
Poverty risk as a % of the population	18.3	23.4	28.2	26.6	37.4
Ratio of deprived households	4.5	10.1	19.1	9.4	22.3
Housing deprivation as a % of households	4.2	4.4	15.1	10.4	18.9
Number of vehicles per 1,000 persons	609	567	377	628	308

Source: EU-SILC, 2015–16.

Poland has caught up with Portugal in respect of some indicators (and as regards the number of cars, it even exceeds the value for Austria), and it is noteworthy that Romania's shortfall in terms of the population's living conditions seems bigger than its arrears in respect of economic development. Meanwhile Hungary shows an essentially similar picture as for its economic indicators. Uneven distribution of income depends not only on economic development.

The greatest inequality of income among the countries under review (Gini indicator of net disposable income) is seen in Portugal (0.35), followed by Romania (0.34), Poland (0.31) and Hungary (0.30), and income unevenness is lowest in Austria (0.28).

4. Further indicators

We have likewise attempted to investigate the arrears/convergence of the 'regime-changing' countries by means of some further indicators. In terms of life expectancy at birth, prior to the regime change Poland was four years behind Austria, and the other two socialist countries were five years behind. That difference remains essentially unchanged nearly three decades on (*Table 7*).

Table 7 *Life expectancy at birth (years)*

Country	1987	1997	2007	2016
Austria	74.8	77.3	80.2	80.9
Portugal	73.7	75.4	78.3	81.1
Hungary	69.7	70.7	73.2	75.6
Poland	70.9	72.7	75.2	77.5
Romania	69.2	69.0	72.6	75.0

Source: World Bank, Open Data (https://data.worldbank.org, 12 June 2018).

One may see a similar tendency based on the World Bank's WDI indicators when comparing the number of doctors per 1,000 persons. The lag has not changed, the only difference being that the Hungarian value is consistently somewhat higher than the Polish. We have an identical situation as regards health expenditure. Thus, for demographic and health statistics there is no convergence; the only noteworthy fact is that Portugal is approaching Austria in that respect.

An interesting exception is environmental load. It seems that energy use has declined markedly in Hungary – and even more so in Poland and Romania – compared to the two Western European countries (*Table 8*), due primarily to the structural changes in the economy (as a result of sectoral rearrangement and industrial modernization). The situation of employment is more encouraging. The employment rate has dropped and inactivity, including unemployment, has grown significantly in all three 'regime-changing' countries. In the 2010s, however, we achieved Western European ratios. Simultaneously, the structure of employment has also been modernized. In terms of the ratio employed in services, Hungary is now close to Western European countries, and

even the lag of the two other Eastern European countries has shrunk (*Table 9*).

Table 8 *Energy use per USD 1,000 of GDP (value equivalent to oil kilogram)*

Country	1990	1997	2007	2015
Austria	103.6	100.9	91.9	86.3
Portugal	83.4	88.9	87.1	80.3
Hungary	175.3*	159.9	113.9	98.0
Poland	263.3	207.5	129.2	98.4
Romania	233.7	189.8	110.2	80.9**

Note: purchasing power parity, exchange rate of 2005.
*1991 data.
**2014 data.
Source: World Bank WDI database (27 March 2018).

Table 9 *Ratio of those employed in services (%)*

Country	1987	1997	2007	2015
Austria	53.36	63.47	67.15	69.70
Portugal	43.87	55.69	57.92	68.12
Hungary	39.34	58.96	62.90	64.67
Poland	34.70	46.24*	54.52	57.75
Romania	26.63	28.83	39.06	45.96

*1996 data.
Source: World Bank WDI database (27 March 2018).

Again, as above, the fact that the adoption of modern technologies has accelerated points to convergence. The ratio of internet users was higher in Hungary than in Portugal, Poland or Romania even back when Hungary joined the EU. And over the past 10 years the figure has grown from 71 per cent to 88 per cent in Austria, and from 58 per cent to 77 per cent in Hungary. In 2017, we still outstripped the Poles by 1 percentage point, the Portuguese by 3 and the Romanians by 13.

The number of people with a higher education attainment is a good indicator of a country's economic development. The tertiary education enrolment rate shows the ratio of people in a given age group starting out in tertiary education (*Table 10*). 'Regime-changing' countries were dynamic in their convergence process from that point of view during the first 15 or 20 years; but over the past decade that has turned into stagnation in Poland, a gentle decline in Romania and a sharp fall in Hungary. That shows not only that convergence remains unachieved, but also that education policy focusing on meeting daily labour demand powerfully limits future convergence potential.

Table 10 *Tertiary education enrolment rate[*] (per cent)*

Country	1987	1997	2007	2016
Austria	27.8	49.6	63.1	83.5
Portugal	23.3[**]	43.5[***]	57.4	62.9[****]
Hungary	15.7	26.2	68.3	48.0
Poland	17.7	39.9	67.2	66.6
Romania	9.9	18.3	57.9	48.0

[*]The gross enrolment rate is the quotient of the number of those enrolled and the full membership of their age group. The age of those enrolled is not set, and the applicable population is the five years following the final year of secondary education.
[**]1991 data
[***]1998 data
[****]2015 data
Source: World Bank, Open Data (https://data.worldbank.org, (12 June 2018).

5. Summary

Our overall experience is that Austria is maintaining its historical advantage, and the other countries are converging only slowly. Austria's advantage over Hungary has shrunk little, and the various indicators suggest a lag of 20–25 years even today. Hungarian performance was considerably impeded by the economic stagnation following regime change (which in fact may even be regarded as one of the reasons for the regime change), and Hungarian indebtedness was compounded by the international financial crisis at the end of the 2000s. At the same time, our lag vis-à-vis Portugal has shrunk considerably. Granted, there is no way we could expect the dynamic convergence we achieved from the late 1990s until the crisis broke; but if the difference in the pace of development seen over the past 5–6 years continues, then it is likely that within 8–10 years we will have sunk to the pace of the least-developed Western European countries.

Unfortunately, in line with the above, our ranking among 'regime-changing' countries has also deteriorated. That is most obvious when Hungarian data are compared to Polish. The fact that the Poles achieved growth even during the periods of the two crises explains why Poland today is ahead of us on most of the indicators; not only is it approaching Europe more rapidly than Hungary in general terms, but – together with Slovakia and two of the Baltic states – it has come closer to (and in most respects has even outperformed) Slovenia and the Czech Republic – the region's two most-developed countries at the time of the regime change. Even Romania has shown greater dynamism than Hungary in recent years with regard to most of the indicators. However, its lag behind Hungary is greater than Hungary's lag vis-à-vis Portugal.

However, the question posed in the title – 'Are we far from Europe?' – cannot be answered properly without investigating the inequalities within the different countries. In our earlier studies (Kolosi and Fábián, 2016) we said that one third of the Hungarian population has living standards appropriate to Europe, while one third is permanently detached. This is reflected in the fact that while (according to 2013 statistics) only 3 per cent of Austrians live on less than 50 per cent of EU median income, the figure in Portugal is 32 per cent; in Poland it is 34 per cent; in Hungary – 51 per cent; and in Romania – 86 per cent. In the period 2007–13, that indicator deteriorated somewhat in Portugal and Austria; but in Hungary it improved by 6 percentage points; in Romania by 5; and in Poland by 23 percentage points. At the same time, it is a common phenomenon (which also holds true for Hungary) that in the period 2010–16 the relative position of the population with higher income improved. In accordance with Eurostat data, in 2010 the lower cut-off point of the Hungarian upper decile was approximately equivalent to the top value of the European bottom third (35th percentile); by 2016, it had risen to the 43rd percentile. It must be noted, however, that in Poland the corresponding value in 2010 was the 48th percentile, and in 2016 the 62nd percentile.

To conclude, we briefly refer to the fact that the question of European convergence is not independent of a few not so 'hard' indicators. First, international value research (though well known, interpretation of this exercise may be open to dispute) for example shows that Hungarians' thinking is closed aligned to their level of economic development, and that also changes slowly over time. Studying Hungary's place on the world map of values, Tamás Keller states that during the decade between waves 4 and 5 of the international comparative *World Values Survey* (WVS) our country became more secularized and more open, but is even today closer to the Eastern European than to the Central European model (Keller, 2010; 2014).

Secondly, the World Bank has developed its *Worldwide Governance Indicator* (WGI), on which Hungary scored 81 points back in 2007 (and Poland 61); then the Hungarian figure started to slide gradually until 2013 (67), by which time Poland's score had risen to 74. Taking the WGI indicators separately, in 2013 Austria and Portugal did better than us on each element; however, back in 2006 Portugal scored better than us on only two: freedom of opinion and corruption. A comparison with Poland yields a similar result; while Romanians perform worse than us on every indicator (http://info.worldbank.org/governance/wgi/#home).

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