

## STATE OF THE UNION: FINDINGS OF THE EUROPEAN CATCH-UP INDEX

***The new European Catch-Up Index redefines the current notions about the state of the EU, Europe and the economic crisis by analyzing the performance of 35 countries in Economy, Democracy, Governance and Quality of Life***

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SOFIA, 7 JANUARY 2012 – The economic and financial crisis of Europe, as serious as it is, is not the ultimate or even the defining threat to the European project – it is only one of its faces, according to a new report by the Open Society Institute – Sofia.

The report is based on the newly released Catch-Up Index that measures the performance of 35 countries – the EU member states, the candidate and potential candidate countries across four categories: Economy, Quality of Life, Democracy and Governance. Each category is measured by 47 indicators using standardized scores from 0 to 100 (lowest to highest), allowing for further observations and analysis to be made.

The cracks within Europe are much more diverse and run deeper than the economic crisis suggests. Europe is very much divided along different levels of democracy and good governance, quality of life and economic performance. These divergences separate the European countries into six distinct clusters of states with similar characteristics. The placement of a European country in a cluster may be fundamentally more important than their membership of “political groups” such as the Eurozone.

*“The North–South division is gradually replacing the East–West rift and is signaling that the post-Cold War legacy is all but superseded by new factors. There is a new reality in Europe, but at the same time there are older historic-cultural patterns – that can be traced back as far as the age of empires – that are visible on the new map of the continent drawn from the index findings”,* said lead researcher Marin Lessenski.

The current debt crisis in Europe, according to the findings of the report, should not be perceived in economic and financial terms only. The debt ceiling of 60% of GDP, stated in the Maastricht criteria, cannot be a universal measure and the safe debt level ceilings seem to be country specific, defined by the particular debt to governance ratio of a country. Countries with poorer governance performance may be more exposed to the crisis danger zone even when they have considerably lower debt levels than the Maastricht defined limit.

The assumption that integration will automatically bring about convergence in Europe did not materialize in reality and the report recommends that Europe should pursue convergence policies that deal with the divergence between the countries and not impose centralized “one size fits all” policies, which might bring about further fragmentation.

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The report **“State of the Union: A Big Bang Theory of Europe”** is available for download at [www.eupi.eu](http://www.eupi.eu) and [www.TheCatchUpIndex.eu](http://www.TheCatchUpIndex.eu). The special online platform at [www.TheCatchUpIndex.eu](http://www.TheCatchUpIndex.eu) allows users to view and work interactively with the data of the index.

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*The Catch-Up Index is a product of the European Policies Initiative (EuPI; [www.eupi.eu](http://www.eupi.eu)) of the Open Society Institute – Sofia ([www.osi.bg](http://www.osi.bg)), an independent think tank and advocacy organization, based in Sofia, Bulgaria.*