Abstrakt

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Investigating economic convergence: application of the SURE model to Latin American and Central and Eastern European countries

This PhD thesis evaluates the economic convergence hypothesis utilizing the Seemingly Unrelated Regression Equations framework (SURE) based on Central and Eastern European (CEE) and Latin American (LA) countries.

The income convergence is defined as a catching up process between poorer and richer countries. The convergence magnitudes found through the literature review were subject to huge variability of the convergence parameters. Also, the leading methodology among other researchers for convergence testing involved the classical linear regression model. Those findings led to formulating the main hypothesis of this thesis saying that the convergence is a country specific phenomenon. The methodology for verifying this hypothesis involved the SURE model, which on the other hand can be treated as an extension of the General Linear Regression Model (GLRM). Although the convergence was present nearly among the whole sample, the findings showed substantial differences among the convergence parameters for both, the selected country groups, and the individual countries among a group, confirming the main hypothesis.

The thesis shades therefore new light on the calculation of the income convergence with the SURE methodology. It also may shift the most frequently asked research question about the overall existence of convergence towards one related to some individual convergence magnitudes on country basis.