sciendo

The Perspectives of the Three Seas Initiative in Overcoming the Economic Disparities in Europe

Andreea-Raisa ȚĂRÎNĂ
Bucharest University of Economic Studies, Bucharest, Romania
tarinaandreea13@stud.ase.ro

Abstract. *The Three Seas Initiative has the potential to change the economic model and dynamics in European geopolitics. Aiming at infrastructure development, energy, and digital connectivity, the initiative aims to address some of the main challenges facing Central and Eastern Europe, while also contributing to the broader goals of integration and resilience in the European Union. The ability to secure project funding and maintain political cohesion between members by aligning with European Union and transatlantic priorities will be fundamental in determining its impact on Europe's future. If it addresses these challenges effectively, the Three Seas Initiative could become a significant force in promoting a more cohesive, secure, and interconnected Europe. This paper explores the role of the Three Seas Initiative in overcoming these disparities by focusing on key areas such as infrastructure development, energy security, and digital connectivity. Through a comprehensive analysis of the initiative's goals and projects, the research examines how the Three Seas Initiative seeks to enhance regional cooperation, stimulate economic growth, and improve the competitiveness of the Central and Eastern European countries within the European Union.*

Keywords: development, Central and Eastern Europe, reshape Europe, interconnected Europe, regional cooperation as game changer, future, Three Seas Initiative.

Introduction

The main objective of this article is to highlight the role of the Three Seas Initiative (3SI) in overcoming the economic disparities in Europe by analyzing the economic evolution of the member states in the period 2015-2023.

The most significant economic disparity between Central and Eastern European (CEE) countries and Western Europe is infrastructure development. The improvement of the infrastructure helps the region to become more attractive for Foreign Direct Investments (FDI), stimulates the diversification of economies, and offers the possibility of creating new jobs, which will increase the standard of living over time.

Article results offer a detailed picture of the improvement of economic dynamics in the analysed period (2015-2023). By analyzing both the opportunities and challenges associated with the Three Seas Initiative, this paper provides insights into its potential to contribute to the long-term economic cohesion and stability of Europe. The findings suggest that while the 3SI holds considerable promise in addressing economic disparities, its future success will depend on sustaining political commitment and effective project implementation.

Literature review

The Three Seas Initiative has its historical origins late in the 19th century, on the Intermarium proposal (J. Pilsudski), but it underwent significant transformation in terms of scope and goals (Jora et al., 2018). The Three Seas Initiative is a group of central and eastern European Union member states formed in 2015 on the initiative of Poland and Croatia. At present, the Three Seas Initiative is gathering 13 European Union member states: Austria, Slovakia, Czechia, Slovenia, Croatia, Poland, Estonia, Latvia, Lithuania, Hungary, Romania, Bulgaria, Greece. Greece has

DOI: 10.2478/picbe-2025-0039

become the 13th country to join the Three Seas Initiative in 2023, at the Bucharest Summit of The Three Seas where Moldova becomes a participating partner just like Ukraine (2022).

Figure 1. The Three Seas Initiative map

Source: https//business-review.eu/three-seas-initative-summit, published on 17/09/2019.

The 3SI represents a significant step in strengthening the geopolitical and strategic positioning of Central and Eastern Europe. By fostering closer collaboration between countries like Poland, Hungary, Romania, and the Baltic States, the initiative can help balance the influence of Western European powers like Germany and France and counteract external pressures, such as Russia's influence in the region.

The economic disparities between Western and Eastern Europe have been a longstanding issue within the EU. According to studies by (Petrakos, 2014)**,** the gap in GDP per capita between Eastern and Western Europe remains substantial, primarily due to historical factors such as the legacy of communist regimes, slower integration into global markets, and underdeveloped infrastructure. Despite the EU's regional development policies, which aim to reduce these disparities, the economic divide persists, particularly in sectors like transport and energy.

The 3SI is presented as a solution to these disparities. Stulík (2018) argues that the initiative could bridge the gap by improving infrastructure, fostering regional cooperation, and creating new investment opportunities for CEE countries. These efforts are seen as crucial for enhancing the competitiveness of CEE economies and integrating them further into the European and global markets. The initiative supports a more united voice for Central and Eastern Europe in EU decision-making, allowing these countries to push for their interests in shaping European policies.

Gorka (2018) said that the 3SI aims to strengthen cooperation not only at a political but also at a commercial level across the EU single market. Member countries have set themselves the target of diversification, particularly when it comes to gas supplies, in order to improve energy security in the region. Through energy diversification and infrastructure integration, the 3SI serves as a countermeasure to Russia's historical leverage over the region, especially in energy and trade.

For the United States, CEE is one of the areas of strategic competition with China. The superpowers want to attract the countries of the region to cooperation and thus shape the principles of globalization that favor their economic and political interests (Lewicki, 2020).

The United States has expressed strong support for the 3SI from the very beginning, seeing it as a tool for strengthening security and stability in CEE, as well as counteracting the influence

DOI: 10.2478/picbe-2025-0039, pp. 477-489, ISSN 2558-9652 |
Proceedings of the 19th International Conference on Business Excellence 2025

of Russia and China. Blaszczak (2025) says the initiative is seen as a strategic tool for promoting democracy and free market principles, as well as building stronger transatlantic ties.

The relatively sustained economic growth in recent activity in Central and Eastern Europe makes it increasingly attractive for foreign investment. 3SI gains importance in the post-Covid-19 context and, especially in Ukraine's war. The United States and the United Kingdom see this initiative as an investment outpost intended to facilitate their participation in the post-conflict reconstruction. A way of indirectly recovering the expenses incurred by its support, with non-reimbursable funds, during the conflict (Jora et al., 2024).

The initiative holds significant potential for shaping the future of Europe, given its strategic positioning, geopolitical significance, and alignment with broader European Union (EU) goals.

Methodology

Researching the role of the Three Seas Initiative in overcoming economic disparities in Europe requires a comprehensive methodology that combines both qualitative and quantitative approaches. The research focuses on understanding the initiative's objectives and its impact on economic convergence between Central and Eastern Europe and Western Europe.

The study will follow a descriptive and analytical approach. Descriptive aspects will cover the background and structure of the Three Seas Initiative, while analytical aspects will focus on evaluating its effectiveness in reducing economic disparities in Europe.

- Review studies that address the economic history of Central and Eastern Europe and previous efforts for economic convergence within Western Europe;
- Compare European papers and statistical reports from Eurostat to assess regional economic indicators;
- Analyze existing literature on the Three Seas Initiative, European integration policies, and regional disparities from academic journals, books, policy reports, and publications.

Stimulating economic convergence with the European Union

The Three Seas Initiative plays a crucial role in the broader European Union objectives of economic convergence (Jora et al., 2025). The process of reducing economic disparities between wealthier and less developed regions in Europe and balancing economic growth. 3SI focus on infrastructure and digital projects will contribute to reducing the economic development gap between CEE and Western Europe.

By developing new economic opportunities and implicitly increasing productivity and improving living standards, 3SI contributes to ensuring that the benefits of membership in the European Union are distributed evenly and avoids tensions between states by reducing economic disparities at the level of the European Union.

Analysing economic disparities between CEE countries and Western European countries

For analysing the role of 3SI in overcoming economic disparities in Europe, I chose to use a statistical database, which will help me quantitatively assess the role of the Three Seas Initiative, and make projections for its future impact.

Objective and hypothesis

Objective: Analyse the role of 3SI in reducing economic disparities in Europe and predict its potential future impact on economic growth.

Hypothesis: The 3SI has positively influenced economic development, reducing disparities between the Central an Eastern Europe and Western Europe. Its continued expansion could further enhance economic convergence.

Key variables

Dependent variable

- Economic growth: GDP growth rates of the countries in the CEE region
- Standard of living: AIC per capita of the CEE region

Independent variable

Pre-existing economic disparities: Initial disparities between the Central and Eastern Europe and Western Europe, in GDP per capita, AIC per capita, and unemployment rates.

Data collection

- Time period: 2015-2023
- Data sources: Eurostat and Statistics

Data types

- Statistical data: To compare the economic performance of countries within the 3SI region versus West European countries with EU average.

The next analysis show the purchasing power parities and related economic indicators, gross domestic product (GDP) per capita and actual individual consumtion (AIC) per capita during the period 2015-2023. The dispersion of GDP per capita in the 3SI states and Western European states is expressed in percentages compared to the European Union average.

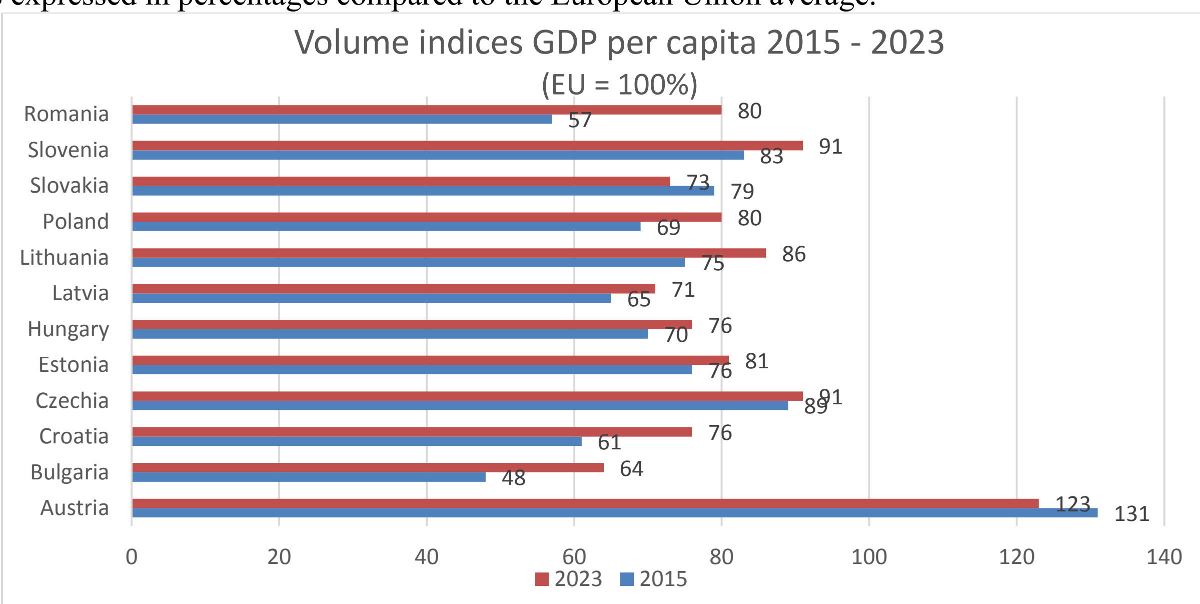

Figure 2. Volume indices Gross domestic product (GDP) per capita in the 3SI country

Source: adapted from Eurostat (2024), Statistic Explained, Gross domestic product per capita 2013–2023.

Following the data analysis presented in Figure 2., we observe an upward trend of GDP in 2023 compared to 2015 in 11 member states of the 3SI, the exception being Austria, where there is a downward trend in 2023 compared to the reference year 2015.

Austria faced a period of high inflation, declining real wages and a slump in investment that led GDP to drop by 1% in 2023. This can be mainly attributed to the indexation of important expenditure positions (public salaries, pensions, social benefits) to inflation, and to additional spending under the national framework. The economy continues to be mired in a recession. Economic weakness has hit all sectors, an private consumption has not recovered yet.

Austria, as one of the more economically advanced countries in Central Europe, saw the Three Seas Initiative as a way to expand its economic influence in the region. The 3SI focuses on strengthening infrastructure (especially in energy, transport, and digital sectors) among countries from the Baltic, Adriatic, and Black Seas. Austria recognized the potential for increased trade, investment, and business partnerships with the countries involved.

In all other 3SI member states, a significant increase of GDP per capita was observed troughout the analysed period (2015-2023).

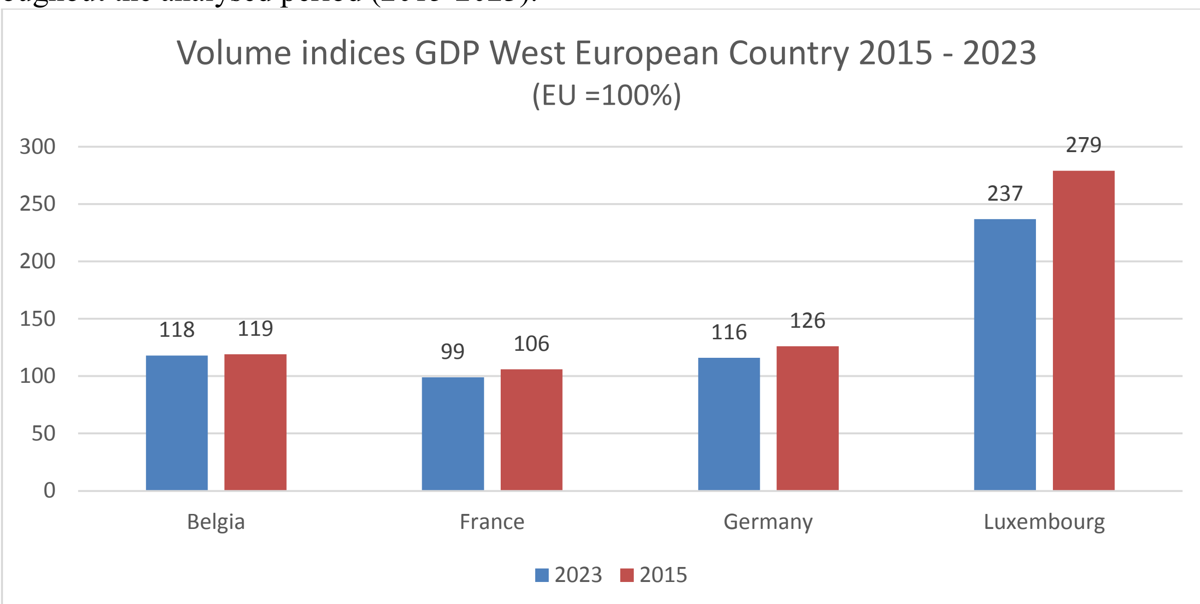

Figure 3. Volume indices Gross domestic product per capita in West European countries

Source: adapted from Eurostat (2024), Statistic Explained, Gross domestic product per capita 2013-2023.

In 2023, Luxembourg recorded the highest levels of GDP per capita in the EU, at 137% above the EU average. This is partly explained by the fact that a large number of foreign residents are employed in the country and thus contribute to its GDP, while they are not part of Luxembourg's resident population. However, following the data analysis presented in Figure 3, we observe a downward trend of GDP in 2023 compared to 2015 in Western European states.

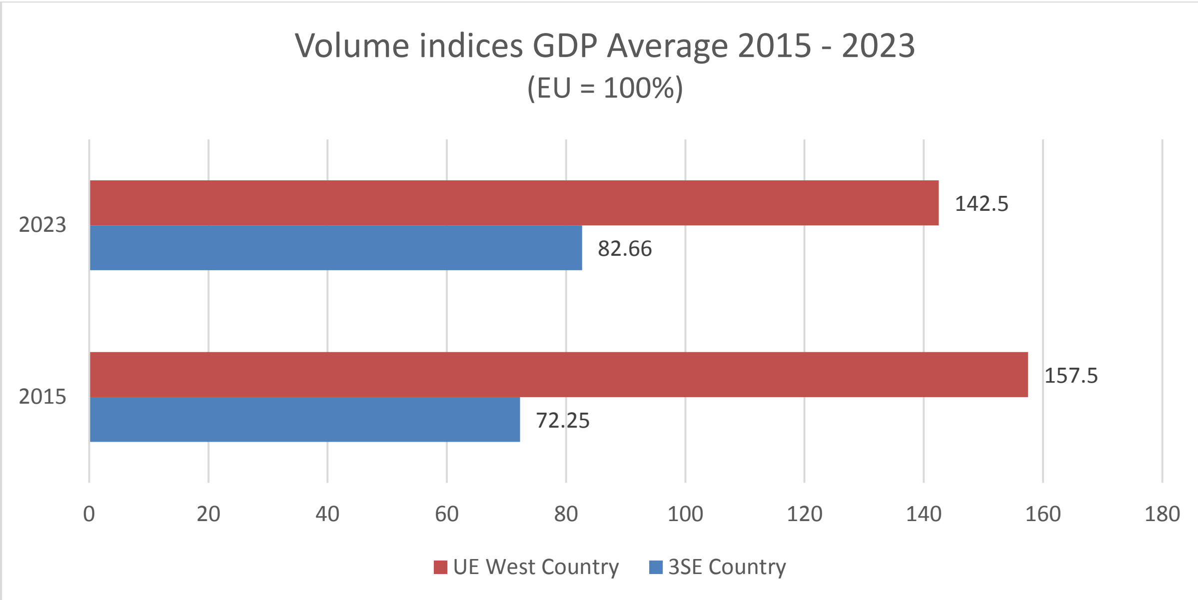

Figure 4. Volume indices Gross domestic product per capita average in 3SI vs. Western Europe

Source: author's own elaboration following the procssing data from Eurostat (2024), Statistic Explained, Gross domestic product per capita 2013-2023.

According to the data presented in Figure 4, we observe an increase in GDP in Central and Eastern Europe compared to Western European states in the analyzed interval 2015-2023, countries volume indices of GDP per capita for the period 2015 -2023, Belgium and Germany were the EU's countries with GDP per capita above the EU average. France, Slovenia, and Czechia had a level of GDP per capita of less than 10% below the EU average. Lithuania and Estonia had a GDP per capita between 10% and 20% below the EU average.The GDP per capita of Romania, Poland, Hungary, Croatia, Slovakia, and Latvia was less than 30% below the average. Bulgaria had a GDP per capita of less than 40% below the average. (Eurostat 2024)

While GDP is mainly an indicator of the level of economic activity, the volume of the Alternative indicator of consumtion (AIC) per capita is an alternative indicator better adapted to describe the material welfare of households. AIC are more homgeneous than GDP but there are still substantial differences across the EU countries.

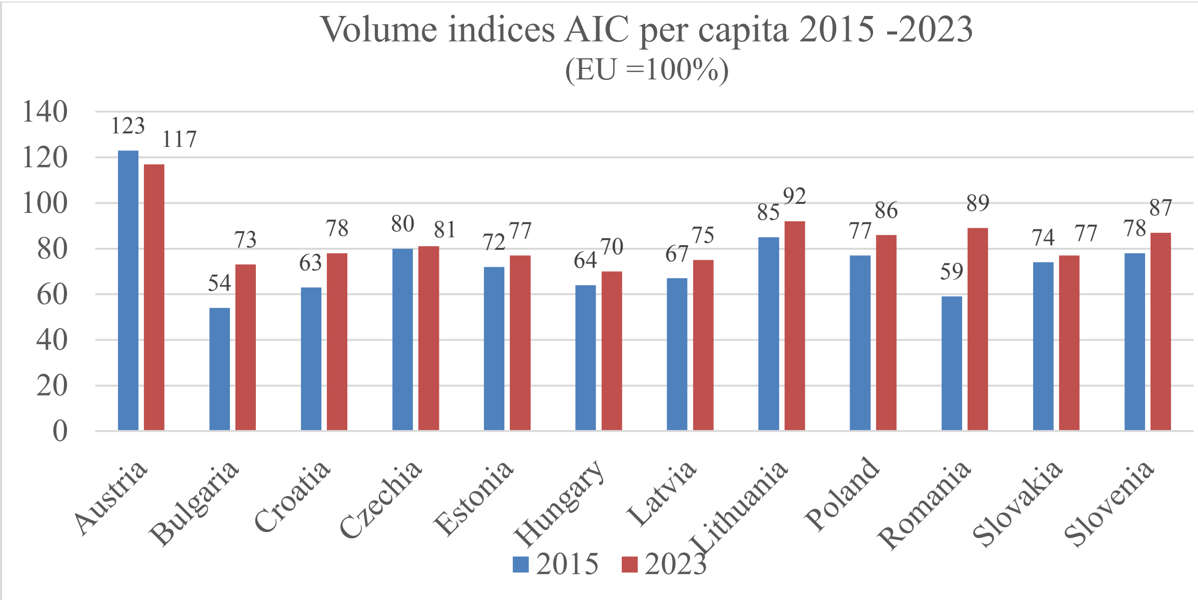

Figure 5.Volume indices of Actual individual consumption per capita in 3SI countries
Source: adapted from Eurostat (2024), Statistics Explained, Actual individual consumption per capita 2013-2023.

Following the data analysis presented in Figure 5., we observe an upward trend of AIC 2023 compared to 2015 in 11 member states of the 3SI, the exception being Austria, where there is a downward trend in 2023 compared to the reference year 2015. Romania had an impressive increase in AIC per capita during the analysed period (30% increase).

Hungary is the country with the lowest AIC per capita in 2023 among the 3SI member states, while in 2015 the actual individual consumption per capita in Hungary, was above Croatia, Romania and Bulgaria.

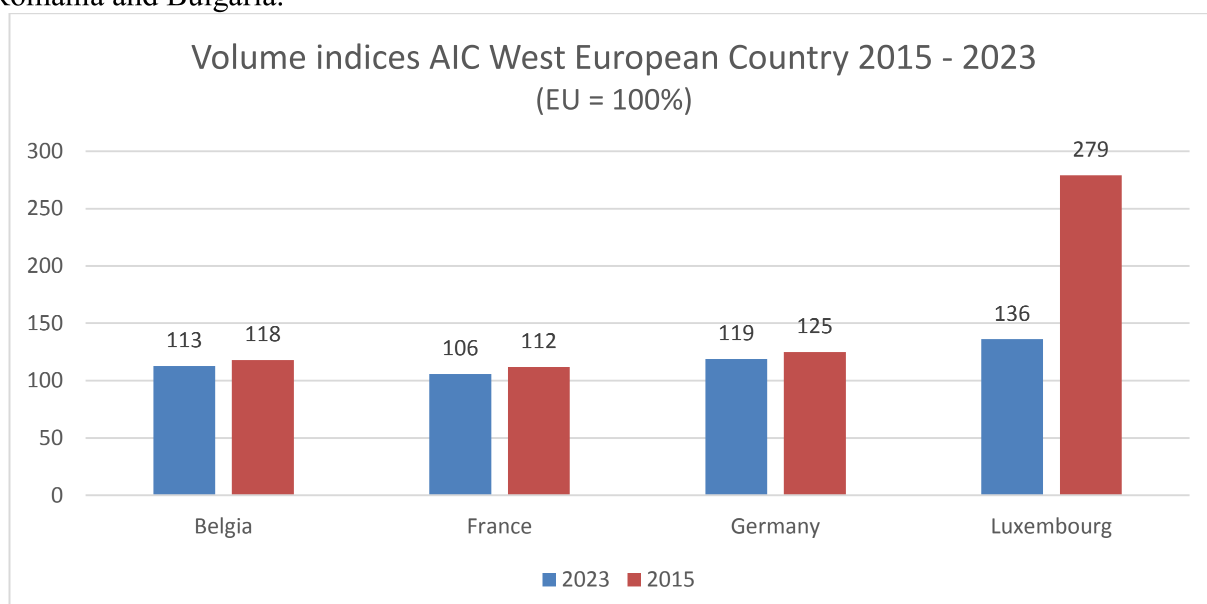

Figure 6. Volume indices Actual individual consumption per capita in Western European countries
Source: adapted from Eurostat (2024), Statistic Explained, Actual individual consumption per capita 2013–2023.

Following the data analysis presented in Figure 6., we observe a downward trend of AIC in 2023 compared to 2015 in Western European states.

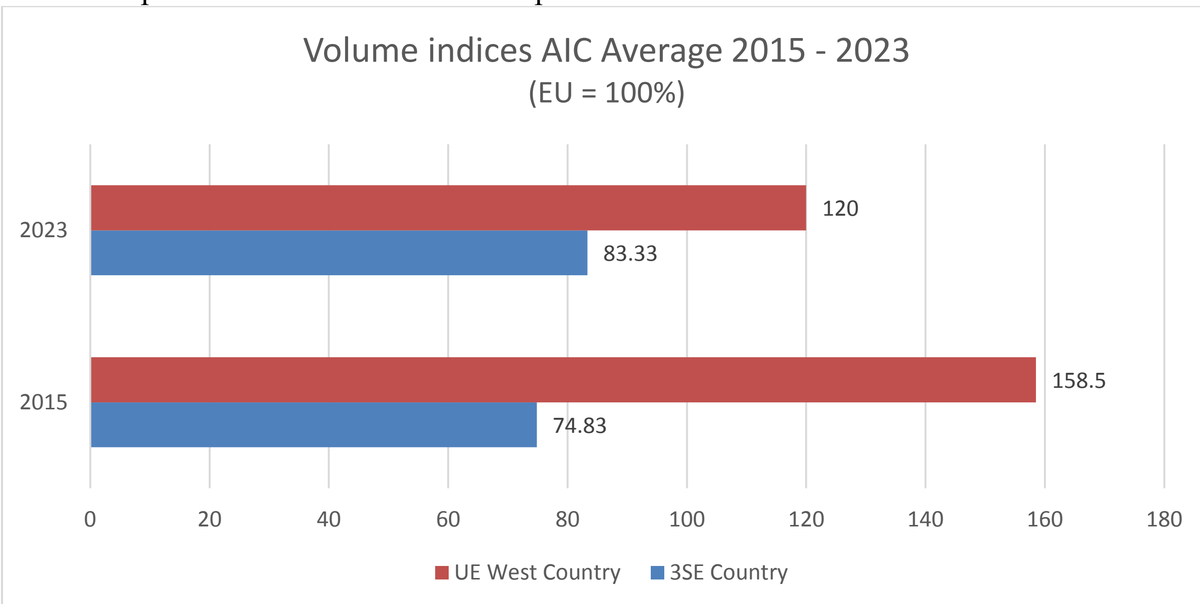

Figure 7. Volume indices Actual individual consumption per capita average in 3SI countries vs. Western Europe

Source: author's own elaboration following the procssing data from Eurostat (2024), Statistic Explained, Actual individual consumption per capita 2013–2023.

In the case of the volume index of GDP per capita, the ranking of countries in terms of the volume index of AIC per capita shows relative stability between 2015 – 2023. Luxembourg had the highest volume index among the EU coutries over the whole period, while Hungary and Bulgaria alternated for the lowest. According to the data presented in Figure 7., we observe an increase of AIC in Central and Eastern Europe compared to Western European states in the analysed interval 2015–2023.

Attracting investment helps boost economic growth

The 3SI aims to make Central Eastern European countries more attractive to foreign investment by improving infrastructure and security. Interconnectivity and energy security develop a more sustainable environment in which businesses can operate, attracting investments in logistics and production services. With an emphasis on development, 3SI supports member states to diversify their economies beyond traditional industries such as agriculture and heavy manufacturing. This diversification is the key to long-term sustainability and economic growth.

DOI: 10.2478/picbe-2025-0039, pp. 477-489, ISSN 2558-9652 |
Proceedings of the 19th International Conference on Business Excellence 2025

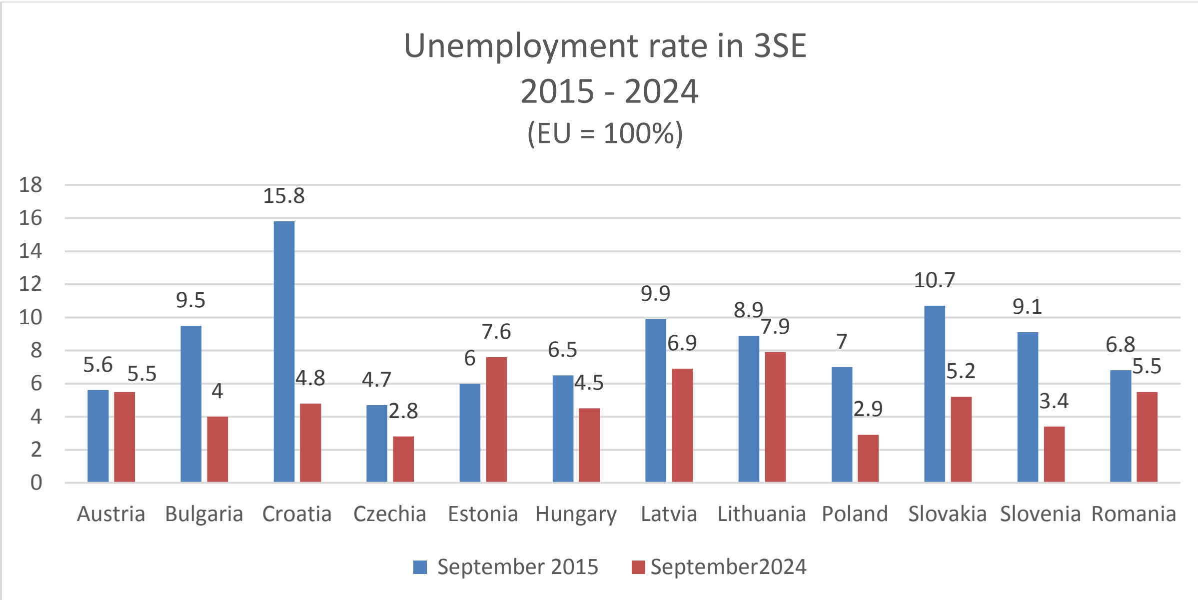

Figure 8. The unemployment rate in 3SI countries

Source: adapted from Statista (September 2024), Unemployment rate in the European Union and Europe.

Following the data analysis presented in Figure 8., we will notice that the unemployment rate in the 3SI member states is substantially reduced in 2023 compared to 2015, the exception being Estonia, where there is an increase in the unemployment rate in 2024 compared to the reference year 2015. The research results reveal an increasing trend of living standards in the Three Seas Initiative's countries. We can also observe the significant contribution of 3SI in reducing economic disparities in Europe.

The results of this analysis show a positive and statistically significant relationship between 3SI investment and economic growth, the hypothesis that 3SI contributes to reducing disparities can be confirmed.

Results and discussions

Research questions

- What are the key objectives of the Three Seas Initiative in promoting economic development in Central and Eastern Europe?
- What are the challenges faced by the Three Seas Initiative?
- What is the future of the Three Seas Initiative and its impact on Europe?

Key objectives of the Three Seas Initiative in promoting economic development

- Infrastructure and development

By improving road, rail, and port infrastructure, the 3SI aims to reduce transportation costs, enhance the efficiency trade, of supply chains, and facilitate the movement of goods and people within the region. This increased connectivity helps to boost trade and investment, facilitating CEE countries integration more easily into the global markets.

- Strengthening energy security and diversification

One of the most important objectives of 3SI is the diversification of energy supply for CEE states, many of which have historically been dependent on Russian gas. The initiative supports the development of LNG terminals (such as those in Poland and Croatia) and regional gas pipelines, such as the BRUA gas pipeline (which connects Bulgaria, Romania, Hungary, and Austria). These projects aim to provide alternative energy sources and create a more competitive regional energy market. The 3SI aims to build an integrated energy market connecting CEE countries, facilitating energy trade and reducing vulnerabilities to supply disruptions. These include investments in cross-border gas pipelines, electricity interconnections, and renewable energy projects that support a sustainable and more diverse transition. By improving access to more energy sources and supporting competition in the regional energy market, 3SI aims to reduce energy costs for businesses and households in CEE. Lower energy costs can make the region more attractive for investment, leading to economic growth.

- Promoting digital transformation

The 3SI aims to improve interconnectivity in these areas by supporting digital inclusion. By improving digital connectivity, 3SI aims to create an enabling environment for startups, technology companies, and digital services. This helps foster a competitive digital economy in the CEE region, promoting innovation in areas such as fintech, e-commerce, and digital manufacturing. Strengthening digital infrastructure and connectivity in CEE also supports the region's integration into the EU's Digital Single Market. This enables businesses and consumers in CEE countries to benefit from the same trade and digital services across Europe, enhancing overall economic competitiveness.

Challenges facing the Three Seas Initiative

The ambitious projects that the 3SI envisions require substantial investments. While the 3SI Investment Fund and contributions from member states and the United States are helpful, they may not be sufficient to meet high infrastructure needs. Securing additional EU funding and private sector investment will be crucial to ensuring the success of 3SI projects.

The 3SI brings together countries with diverse political systems, economic capacities, and national priorities. Ensuring effective coordination and alignment of goals can be challenging.

Changes in reforms and limited administrative capacities can hinder the implementation of cross-border projects. Although 3SI aligns with EU objectives, it needs to balance the interests of its members with the overall EU integration process to avoid the risk that some member countries see 3SI as a platform for promoting different regional agendas from the European Union agenda, which could create friction within the block.

The future of the 3SI and its impact on Europe

The 3SI could significantly deepen economic and infrastructural integration across Central and Eastern Europe, narrowing the development gap between the region and Western Europe. This would help ensure a more balanced and cohesive Europe, contributing to its long-term stability and prosperity. The 3SI’s focus on energy diversification and infrastructure could help Europe achieve greater strategic autonomy. By reducing dependency on external powers, particularly in the energy sector, the initiative aligns with the EU's broader push for greater self-reliance. This would enable Europe to navigate geopolitical challenges more independently.

DOI: 10.2478/picbe-2025-0039, pp. 477-489, ISSN 2558-9652 |
Proceedings of the 19th International Conference on Business Excellence 2025

The 3SI might also have implications for the EU's future enlargement policy. As the EU considers expanding to include countries in the Western Balkans and possibly Ukraine, the success of the 3SI in promoting regional connectivity and stability could serve as a model for integration efforts with these new members, fostering stronger connections between the EU's core and its peripheries.

As an initiative supported by the United States, the 3SI plays a role in reinforcing the transatlantic alliance, especially in the context of rising geopolitical competition with Russia and China. It serves as a platform for US-EU collaboration in areas like energy security, digital connectivity, and defense, helping to ensure a coordinated response to external challenges.

Conclusion

The 3SI is a strategic platform for reducing economic disparities between Central and Eastern Europe and their more developed counterparts in Western Europe. By focusing on economic development**,** digital transformation, and regional cooperation**,** the 3SI encourages the economic convergence of the Eastern Europe region with the rest of the EU's countries. This not only helps create a more balanced Europe but also enhances the region's resilience and competitiveness in the global economy.

In 2018, Marek Gorka, showed in his research paper „The Three Seas Initiative a Political Challenge for the Countries of Central and Eastern Europe" the importance of 3SI for European countries and his expectation that each state of 3SI, will put its own spin on discussion based on its national interests and foreign policy. If they are united, 3SI countries will be more successful in attracting funds to finance development projects.

The conclusions of this research paper are in agreement with the conclusions presented by M.Gorka, in the above-mentioned article published in 2018. Challenges like funding, financing and policy coordination reflect the potential of 3SI to transform the economic landscape of CEE into a meaningful one, that contributes to a more integrated, cohesive, and prosperous Europe.

Challenges and limitations

While the 3SI presents many opportunities, there are also challenges that could affect its future impact like political will and cooperation, funding and resources, and integration with the EU's broader goals.

- Political will and cooperation

Sustaining long-term political commitment among member states can be difficult, especially given the diverse political landscapes across the region.

- Funding and resources

Despite support from the European Union and the United States of America, funding for large-scale infrastructure projects could be a challenge. Ensuring that projects are completed on time and within budget will be critical for maintaining momentum.

- Integration with the European Union's broader goals

Aligning the Three Seas Initiative with European Union wide strategies, such as the Green Deal and the Digital Agenda, will be essential for ensuring that it complements, rather than competes with, existing EU frameworks.

The future outlook of the Three Seas Initiative

The 3SI's success could result in a more integrated and resilient Europe, where the economic and infrastructural gap between Eastern and Western Europe continues to narrow. The initiative's impact will likely be seen in the following ways:

a). Economic cohesion

A more unified market with better infrastructure could lead to greater overall prosperity and stability within the European Union.

b). Strategic partnerships

The Three Seas Initiative has the potential to create stronger ties between the EU and the U.S. by fostering collaboration on critical issues such as energy security, technology, and infrastructure.

c). Influence on European Union's policy

As the Three Seas Initative grows, it may influence European Union policy on key issues like climate change, digital transformation, and regional security.

In conclusion, the future of the Three Seas Initiative holds a promising outlook, with the potential to significantly impact Europe's economic cohesion, energy security, and geopolitical strength. However, the initiative's success will depend on sustained cooperation, effective implementation of projects, and alignment with broader EU goals.

The Three Seas Initiative continues to play a significant role in enhancing infrastructure and regional cooperation among Central and Eastern European countries. As of April 2025, the 10th Three Seas Summit and Business Forum is scheduled to take place in Warsaw, Poland, on April 28–29. This summit marks a decade of collaboration among the 12 EU member states situated between the Baltic, Black, and Adriatic Seas: Austria, Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. The event aims to reflect on past achievements and set the direction for future development within the initiative.

References

Anghelescu, A., & Oneasca, I. (2023). *Anticipating the Three Seas Initiative* (Working Paper Series No. 46). European Institute of Romania.

Bartłomiej, E. (2020). *Three Seas Initiative and transatlantic relations: A geopolitical overview.*

Błaszczak, J. (2025). *The Three Seas Initiative in 2025: On the road to its anniversary.* Instytut Nowej Europy.

Business Review. (2025, October 18). Three Seas Initiative summit begins today in Bucharest seeking to enhance economic cooperation between 12 European countries. https://business-review.eu/news/three-seas-initiative-summit-begins-today-in-bucharest-seeking-to-enhance-economic-cooperation-between-12-european-countries.

European Commission. (2024). Economic forecast for Austria. https://economy-finance.ec.europa.eu/economic-surveillance-eu-economies/austria/economic-forecast-austria_en.

Eurostat. (2023). Actual individual consumption (AIC) per capita, 2013–2023. https://ec.europa.eu/eurostat/statistics/Actual_individual_consumption_(AIC)_per_capita.

Eurostat. (2023). Gross domestic product (GDP) per capita, 2013–2023. https://ec.europa.eu/eurostat/statistics/Gross_domestic_product_(GDP)_per_capita.

Górka, M. (2018). The Three Seas Initiative as a political challenge for the countries of Central and Eastern Europe. *Politics in Central Europe.*

Jora, O.-D., Iacob, M., & Crețan, G. C. (2018). The remake of geography: Geo-political and geo-economic reasons for shifting from E-W to N-S perspective in the Three Seas Initiative region. In *Proceedings of the International Conference on Research in Management & Economics* (pp. 57–76). Belgrade, Serbia. https://www.dpublication.com/wp-content/uploads/2018/12/IME-1-143.pdf.

Jora, O.-D., Neacșu, M. C., & Teclean, C. (2024). Rolul mecanismelor regionale de cooperare în contextul geopolitic actual: Oportunități și provocări pentru România. *Institutul European din România*, https://ier.gov.ro/wp-content/uploads/2024/01/Studiul-SPOS-nr.-3_Mecanisme-regionale-de-cooperare_final.pdf.

Jora, O.-D., Pană, M.-C., Iacob, M., Apăvăloaei, M.-A., Iatan, P. R., & Jebeli-Bakht-Ara, H. (2025). Why "all for one" might not last "once and for all"? The (un)dissimulated geopolitical and institutional competition in a technology-tensed European Union. *Amfiteatru Economic, 27*(68), 12–34. https://doi.org/10.24818/EA/2025/68/12.

Lewicki, G. (2020). China's Belt and Road meets the Three Seas Initiative: Chinese and US sticky power in the context of the COVID-19 pandemic and Poland's strategic interest. Polish Economic Institute.

Naumescu, V. (2019). *Great power politics in Central and Eastern Europe: 30 years since the end of the Cold War.* Humanitas.

Petrakos, G. (2014). Economic crisis in Greece: European and domestic market and policy failures. *Région et Développement, 39*, 2014.

Simon, L. (2021). *Geopolitical Europe: The struggle for power in the twenty-first century.*

Statista. (2024). Unemployment in Europe by country. https://www.statista.com/statistics/1115276/unemployment-in-europe-by-country/2024/.

Three Seas Summit. (2025). Three Seas Summit Warsaw 2025. https://3seas.eu/three-seas-summit-warsow-2025.

Zbińkowski, G. (2019). The Three Seas Initiative and its economic and geopolitical effect on the EU and Central and Eastern Europe. *Comparative Economic Research in Central and Eastern Europe.*