

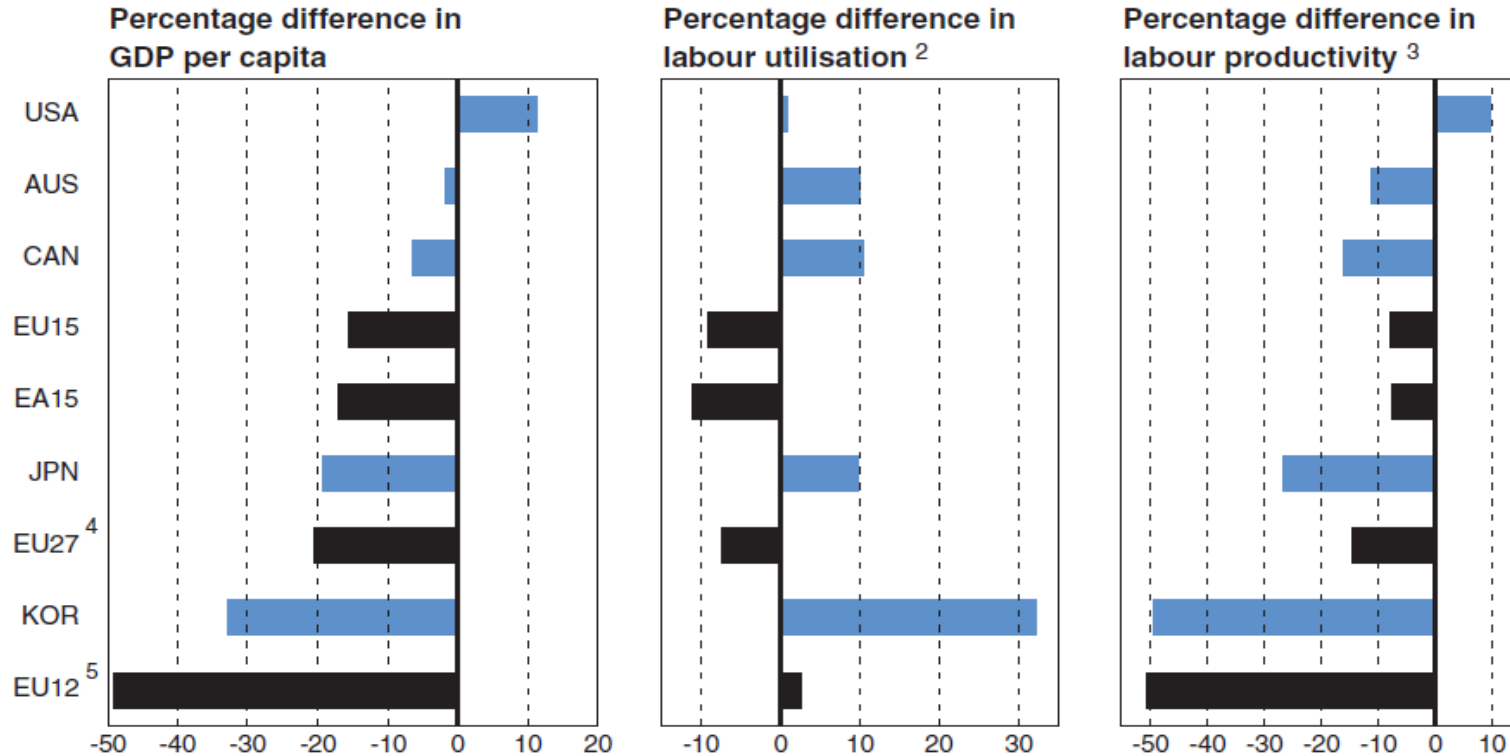
**Centre d'analyse stratégique  
24 September, 2012, Paris**

**Europe in the global economy**

**Paul van den Noord  
Counsellor to the Chief Economist**

# Sources of real income differences

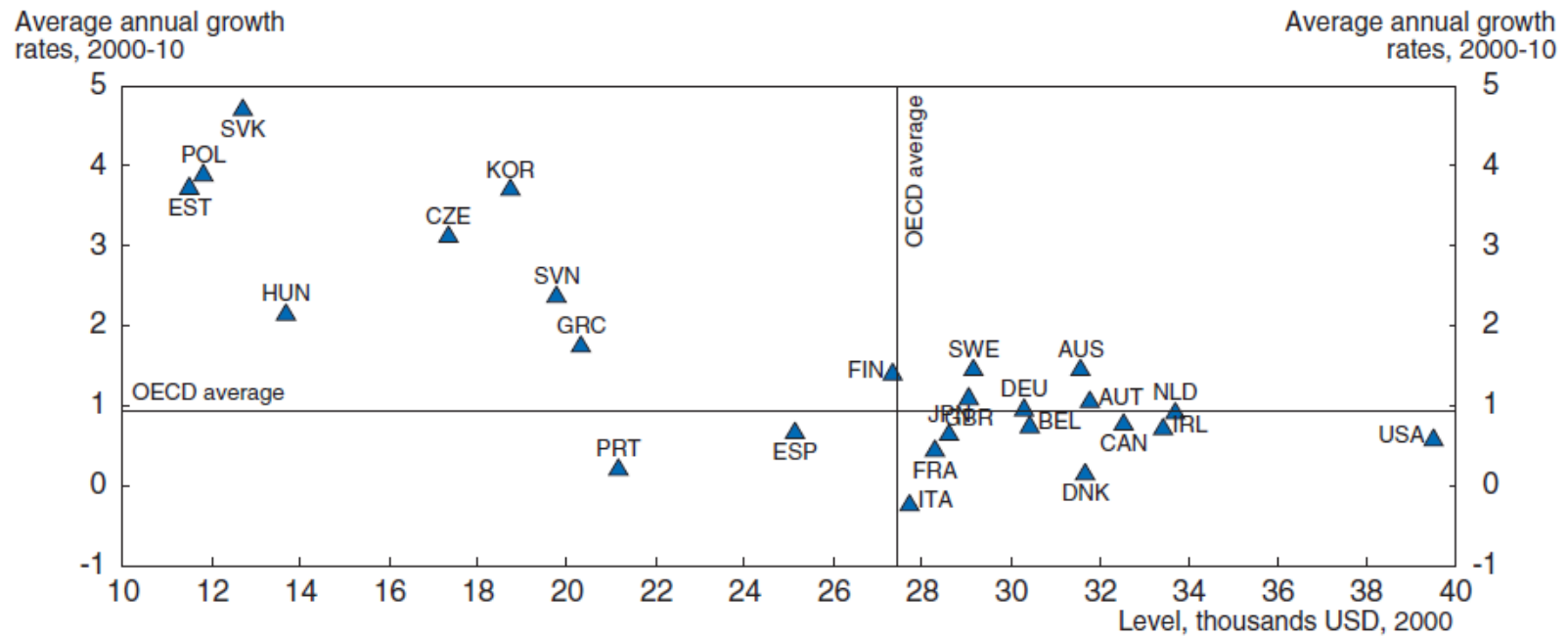
Relative to benchmark,<sup>1</sup> 2010 data



1. Benchmark is the simple average of the highest 17 OECD countries in terms of PPP-based GDP per capita. The population of Luxembourg is augmented by cross-border workers and Norway GDP refers to the mainland.
2. Labour utilisation is measured as total number of hours worked per capita.
3. Labour productivity is measured as GDP per hour worked.
4. EU27 refers to the 21 countries that are OECD members.
5. EU12 refers to the 6 countries that are OECD members.

Source: OECD (2011), *Productivity Database*.

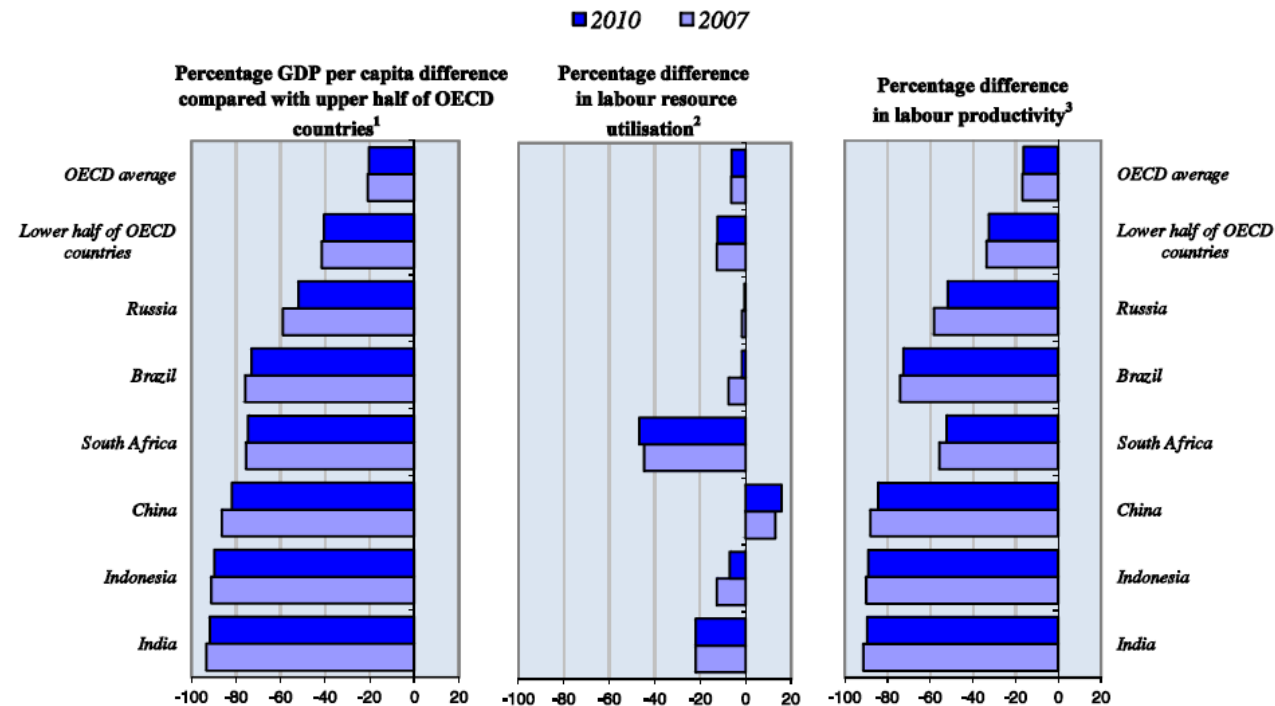
# Convergence in GDP per capita<sup>1</sup>



1. At constant prices and constant 2005 PPPs.

Source: OECD, National Accounts Database.

# Factors behind income variations: OECD and BRIICS countries

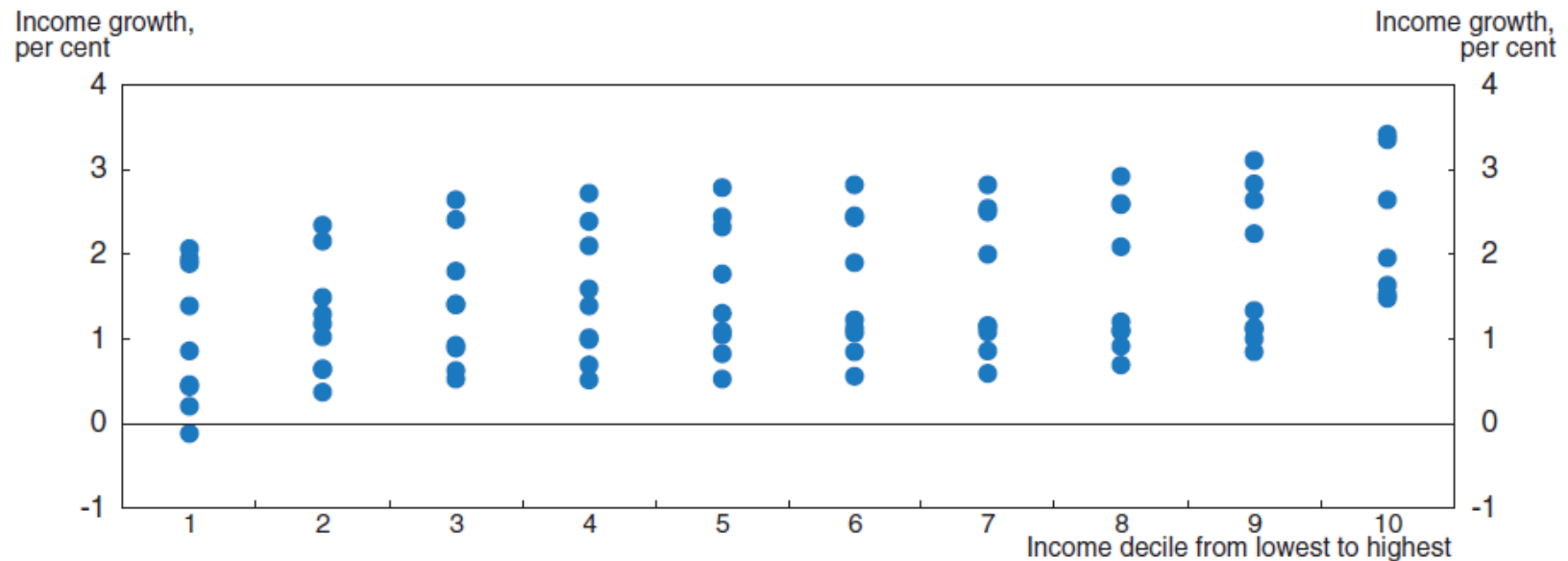


1. Compared to the average of the highest 17 OECD countries in terms of GDP per capita, based on 2010 purchasing power parities (PPPs). The OECD average is based on a simple average of the 34 member countries. The sum of the percentage gap in labour resource utilisation and labour productivity does not add up exactly to the GDP per capita gap since the decomposition is multiplicative.
2. Labour resource utilisation is measured as employment as a share of population.
3. Labour productivity is measured as GDP per employee.

Source: OECD National Accounts Statistics (Database); World Bank (2012), World Development Indicators (WDI) (Database); ILO (International Labour Organisation) (2012), Key Indicators of the Labour Market (KILM) (Database) for employment data on Brazil and Indonesia; Statistics South Africa for employment data on South Africa; India National Sample Survey (various years), annual population estimates from the Registrar General and OECD estimates for employment data on India; China Ministry of Human Resources and Social Security for employment data on China.

# Inequality and income growth<sup>1</sup>

Average annual change between mid-1980s and mid-2000s



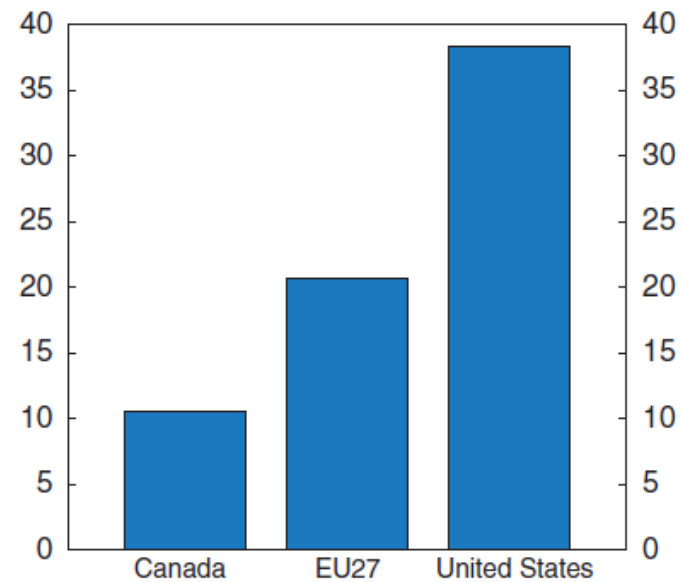
1. Dots correspond to observations for Denmark, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Sweden and the United Kingdom.

Source: OECD, *Income Distribution and Poverty Database*.

# Inter-state trade in manufactured goods

Per cent of GDP, 2010 or latest available data

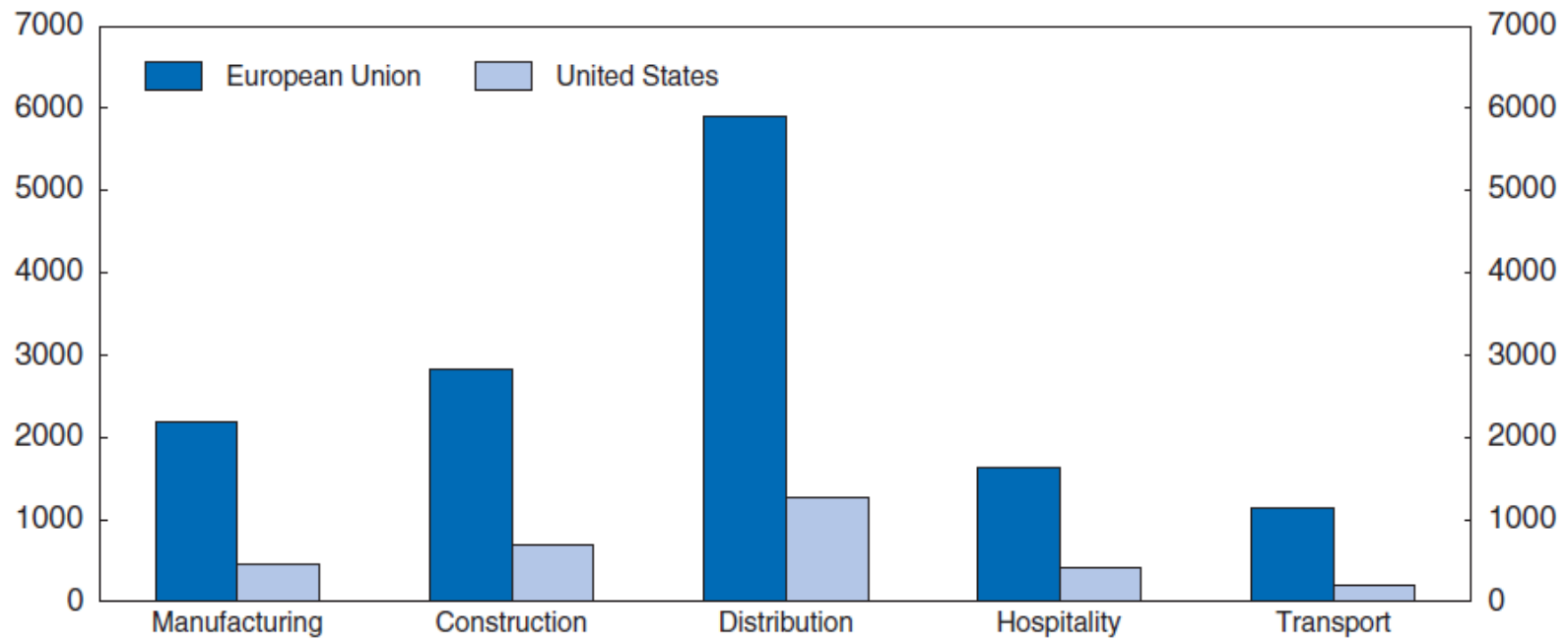
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Source: Eurostat; US Bureau of Transportation Statistics, *Commodity Flow Survey 2007*; Statistics Canada, *Interprovincial Trade Flows*.

# Number of enterprises by sector

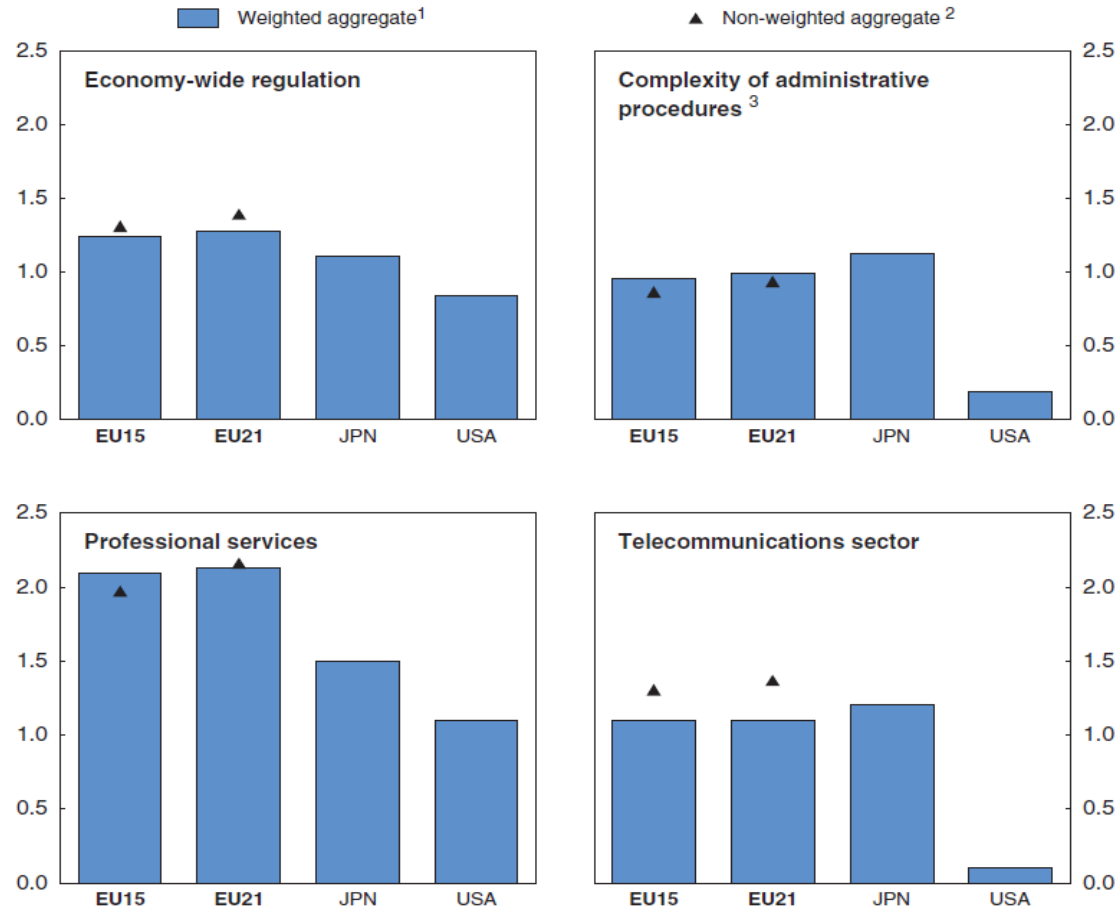
## Thousands, 2006



Source: OECD, *Structural Business Statistics Database*.

# Product market regulation

Index scale of 0-6 from least to most restrictive, 2008



1. The aggregates EU15/EU21 were calculated using 2008 GDP weights.

2. The aggregates EU15/EU21 were calculated as simple average.

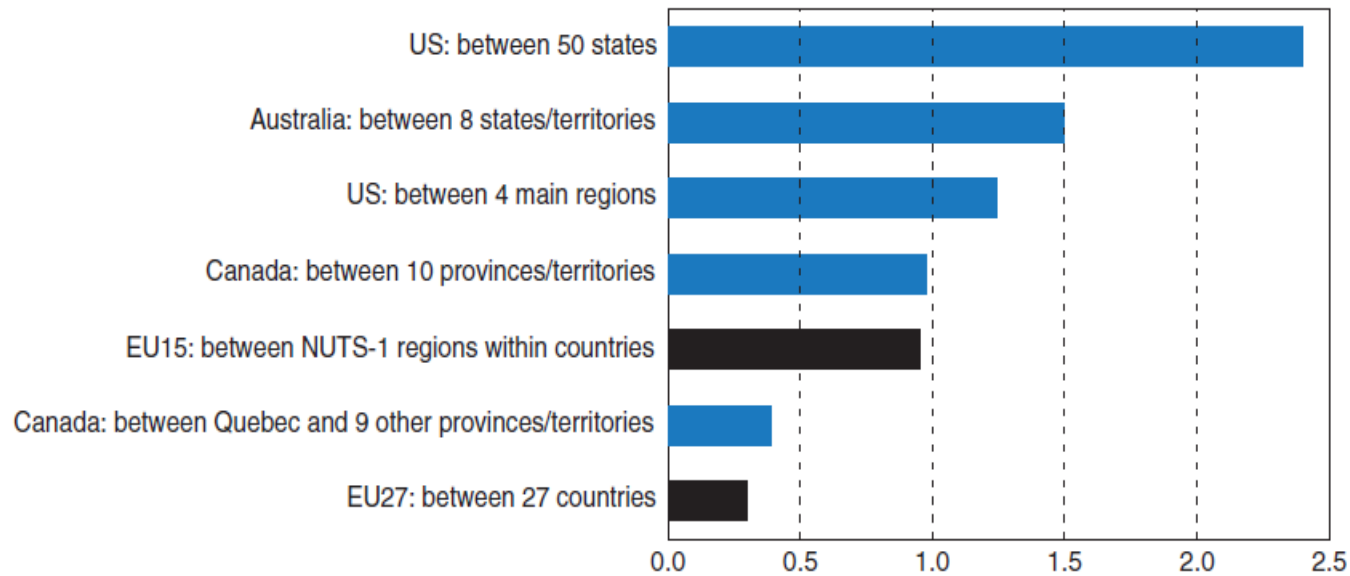
3. Covers complexity of government communication of rules and procedures, as well as of licences and permit systems.

Source: OECD, Product Market Regulation Database and OECD Economic Outlook Database.



# Annual cross-border mobility<sup>1</sup>

Per cent of total population, 2010<sup>2</sup>



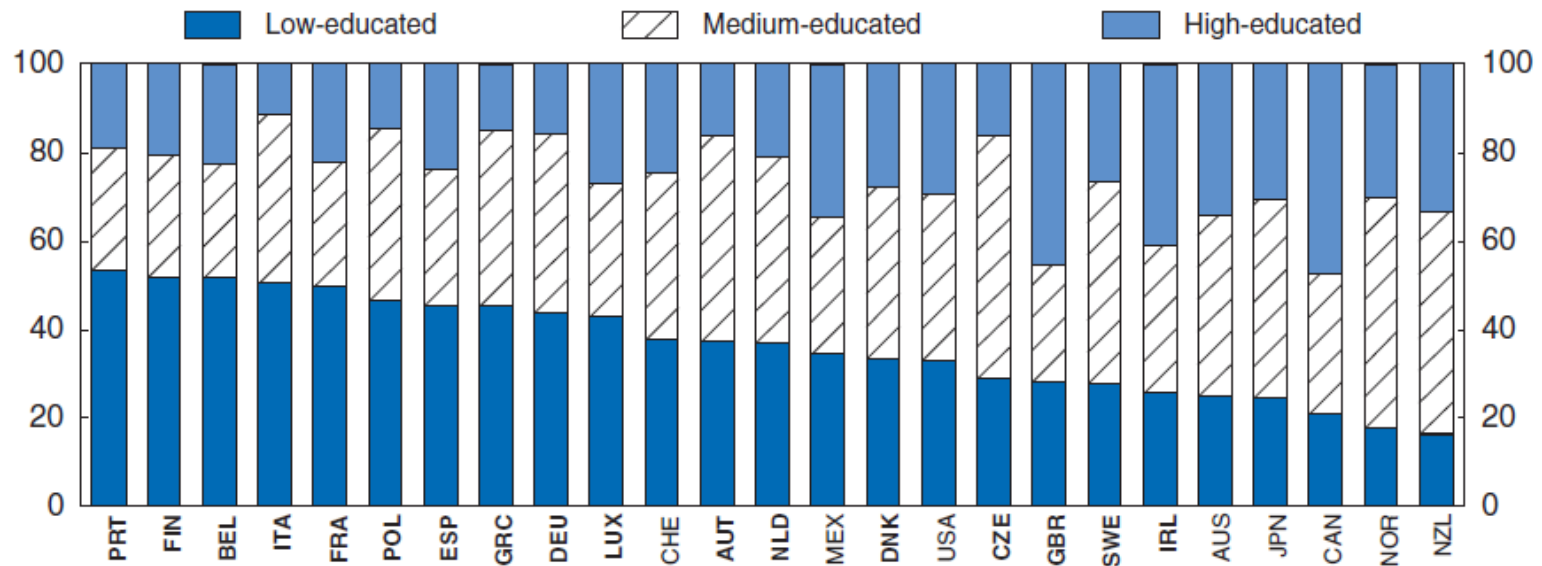
1. Population mobility for Australia, Canada and the United States and labour mobility for the EU.

2. Or latest year available.

Source: ABS, Cat. No. 3412.0; Eurostat, *Population Statistics*; Statistics Canada; US Census Bureau, *American Community Survey*.

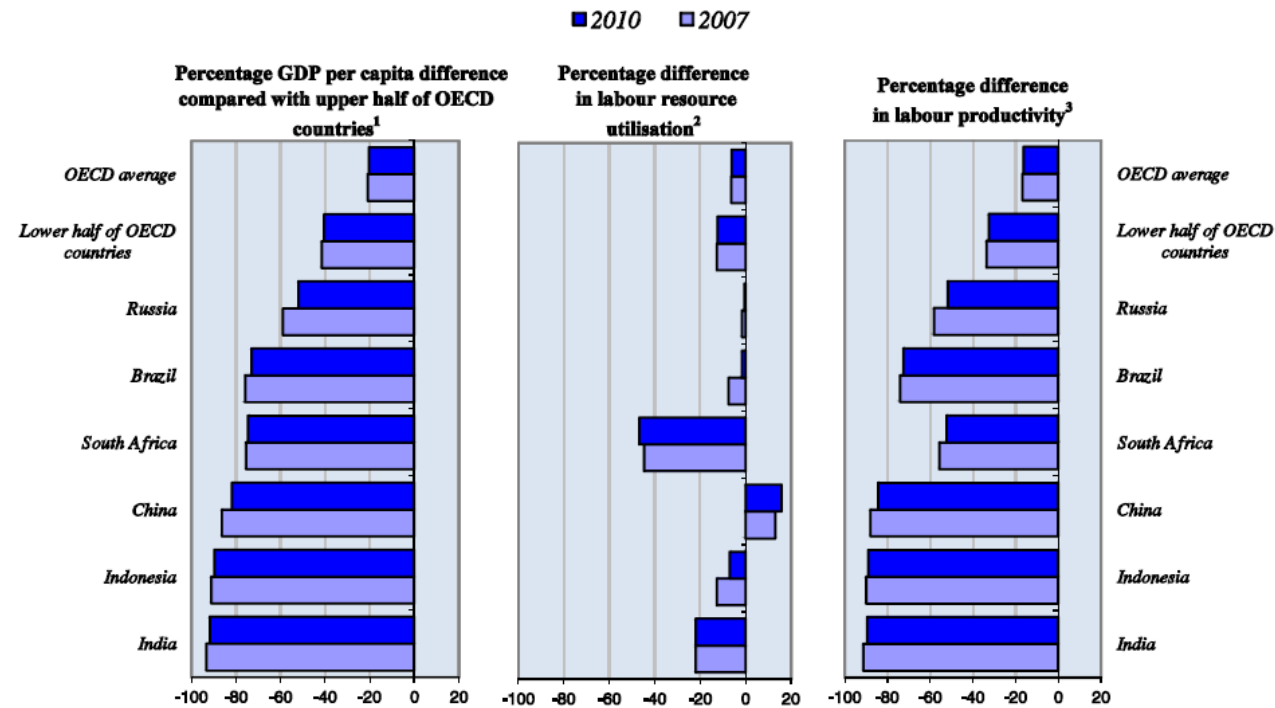
# Immigrants by level of education

Share in the total born of foreign-born, 2005/06



Source: Widmaier, S. and J.-C. Dumont (2011), "Are Recent Immigrants Different? A New Profile of Immigrants in the OECD based on DIOC 2005/06", *OECD Social, Employment and Migration Working Papers*, No. 126, OECD Publishing, Paris.

# Factors behind income variations: OECD and BRIICS countries



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