



Socio-economic convergence (?) in the enlarged European Union

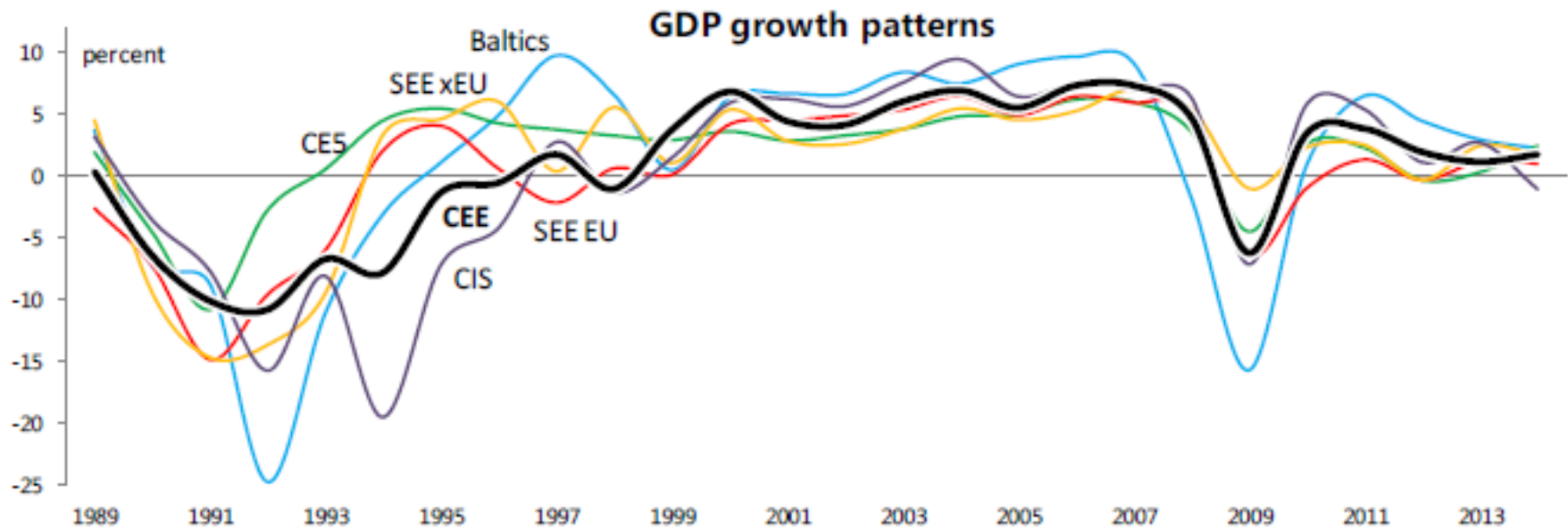
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EU Commissioner for Employment, Social Affairs and Inclusion

**NBP-IMF conference on "Building Market Economies in Europe:
Lessons and Challenges after 25 Years of Transition"**

Warsaw, 24 October 2014

Dynamic CEE growth since late 1990s: compensation for major income loss in early 1990s

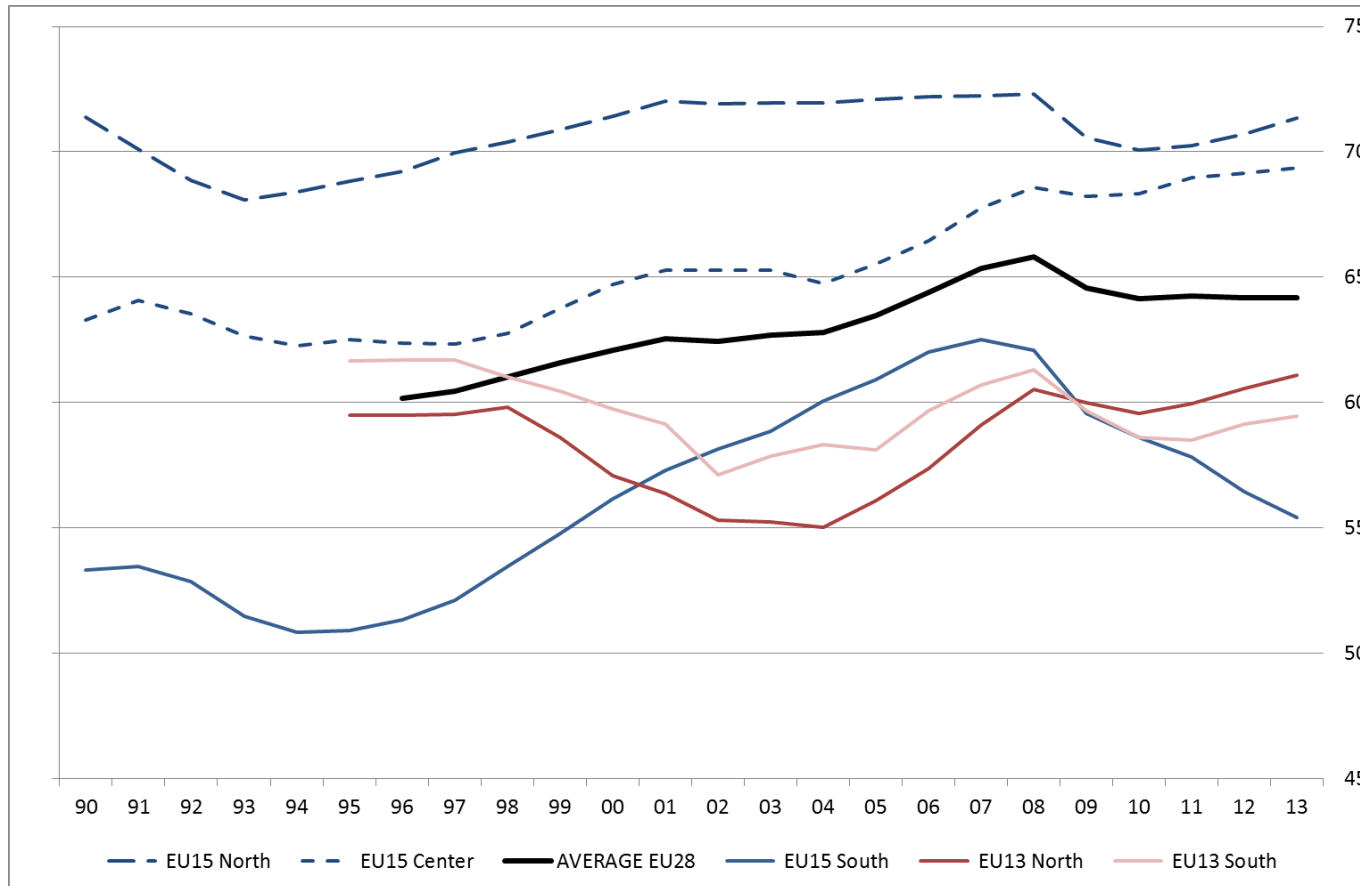


Source: WEO; various sources for some countries in early years.

Note: See country codes box for composition of regional averages. CEE average weighted by GDP, others unweighted.

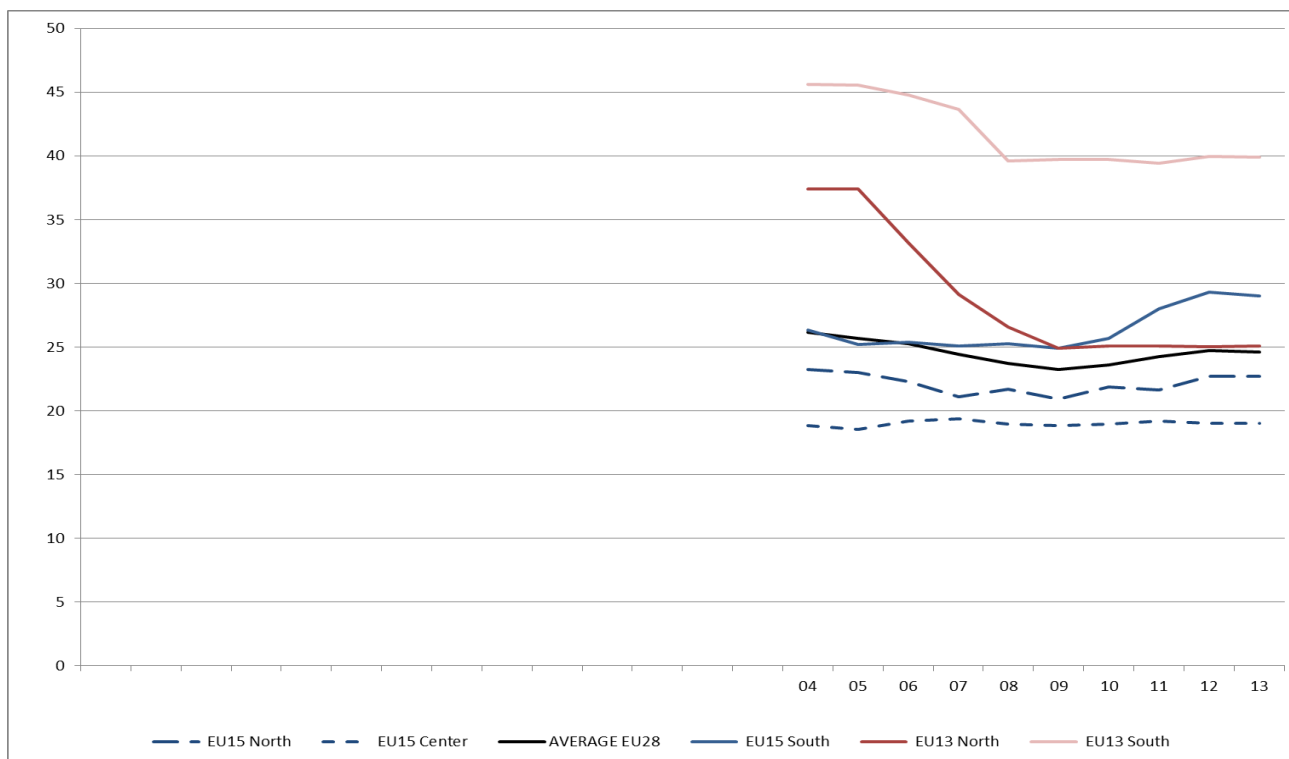
Source: IMF, "25 Years of Transition: Post-Communist Europe and the IMF", October 2014

EU13 employment still well below EU28 average (employment rates across the EU, 1995–2013)



Reading note : EU-15 Centre (BE, LU, NL, DE, FI, FR, AT), EU-15 North (DK, SE, UK), EU-15 South and periphery (EL, IE, PT, ES, IT), EU-13 Centre and North (CZ, HU, PL, SI and SK), EU-13 South and periphery (BG, CY, EE, LV, LT, MT, HR, RO). *Source:* Eurostat, calculations DG EMPL.
Note: GDP in real terms (in euros) — some missing values were kept constant : HR (1995-01), BG, MT (1995-99), CY (1995-98), LT, LV, SK (1995-97), CZ, EE, PL, RO (1995-96), HU, SI (1995), AT, FI, SE (1990-94).

Poverty remains very high in some CEE countries, despite unemployment rates now being close to EU28 average (at-risk-of-poverty or exclusion rate, 1995–2013)



Reading note : EU-15 Centre (BE, LU, NL, DE, FI, FR, AT), EU-15 North (DK, SE, UK), EU-15 South and periphery (EL, IE, PT, ES, IT), EU-13 Centre and North (CZ, HU, PL, SI and SK), EU-13 South and periphery (BG, CY, EE, LV, LT, MT, HR, RO). *Source:* Eurostat, calculations DG EMPL.
Note: GDP in real terms (in euros) – some missing values were kept constant : HR (2004-09), RO (2004-06), BG (2004-05), CZ, DE, CY, LV, LT, HU, MT, NL, PL, SI, SK, UK (2004).

Still a major income gap between EU13 & EU15

Difference in GDPpc between EU28 average and two groups of EU13 Member States (1995–2013), expressed as % of the EU28 GDPpc, in real euros (not PPS)

EU-13 Centre and North



EU-13 South and periphery

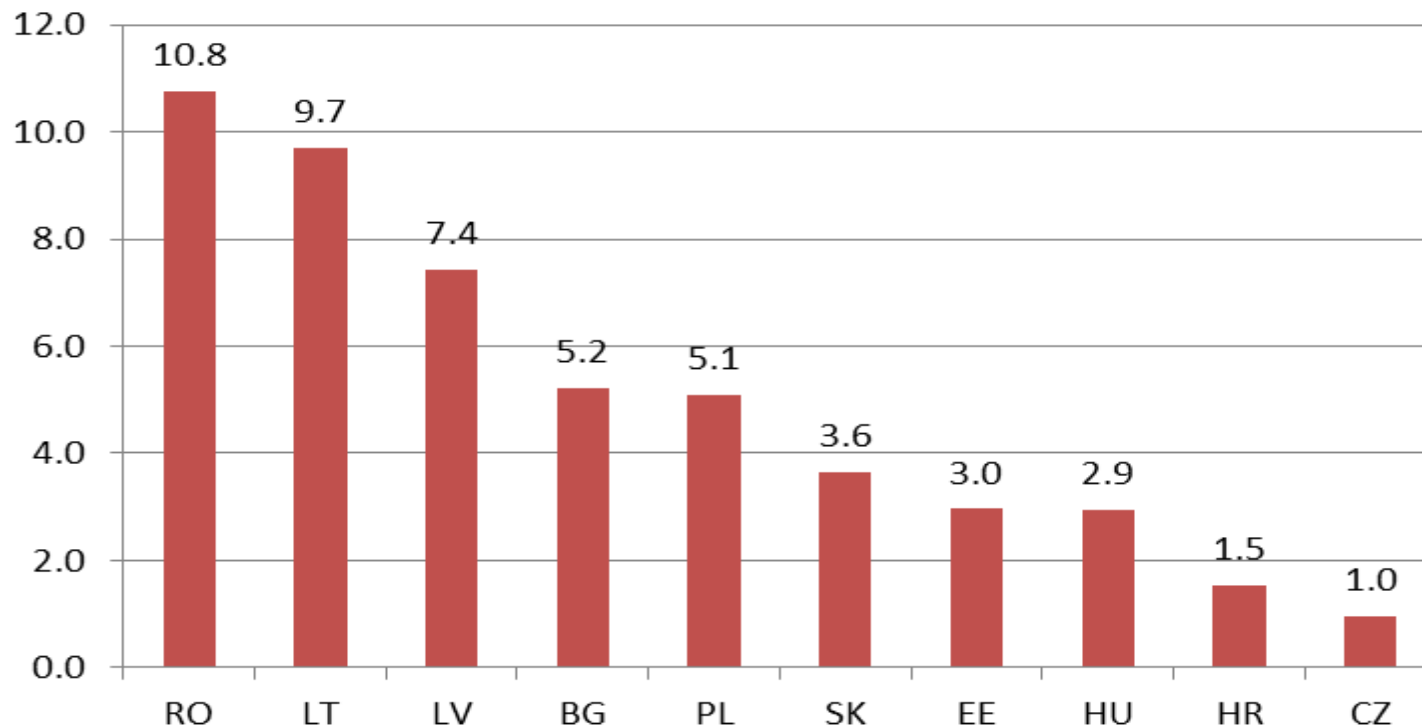


Reading note : EU-13 Centre and North (CZ, HU, PL, SI and SK), EU-13 South and periphery (BG, CY, EE, LV, LT, MT, HR, RO).

Source: Eurostat, calculations DG EMPL. Note: calculations based on GDP in real terms, in euros. Note — some missing values in the beginning of the period were kept constant for the calculation of averages: BG, EE, HR, CY, MT (1995-99), LV (1995-98), LT, SK (1995-97), PL, RO (1995-96), HU, SI (1995).

Large labour outflows from some CEE countries (as % of labour force)

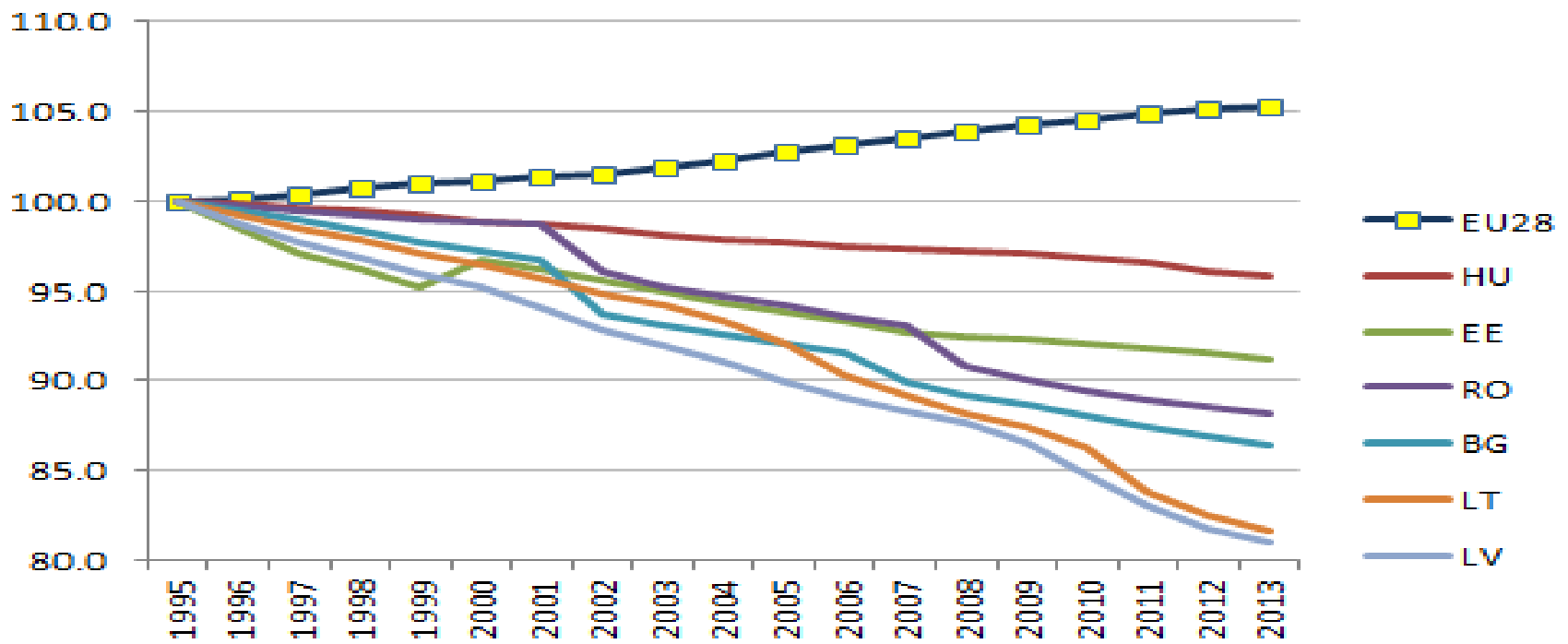
Recent (<10 years) mobile (economically active) EU citizens by nationality, as % of labour force of country of origin (2013)



Source: Eurostat EU LFS

Faster population decline in some EU13 countries (combined result of low fertility, low life expectancy & emigration)

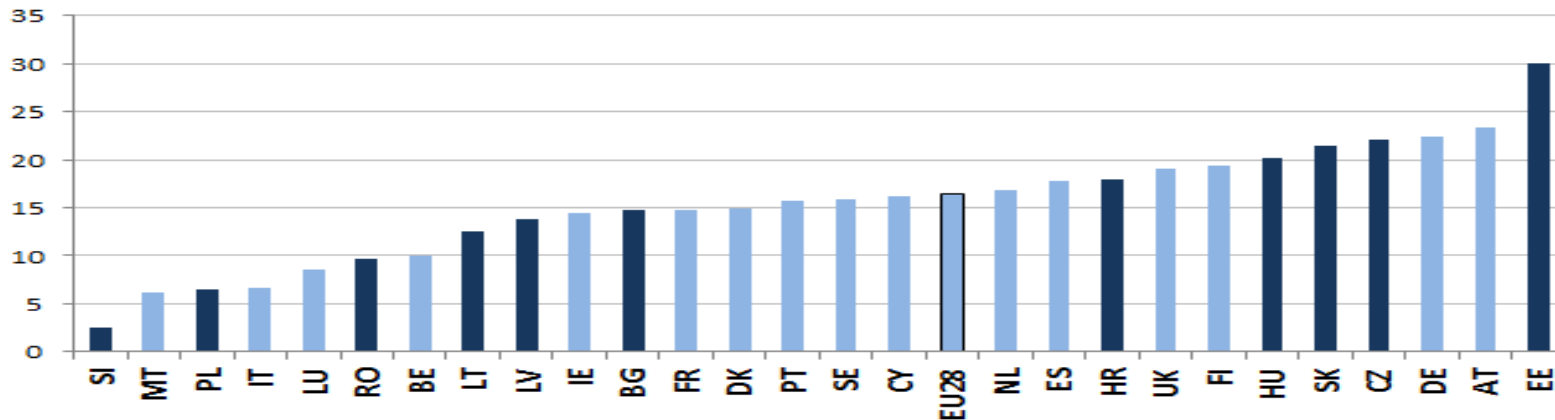
Total population, 1995=100



Source: Calculation based on Eurostat

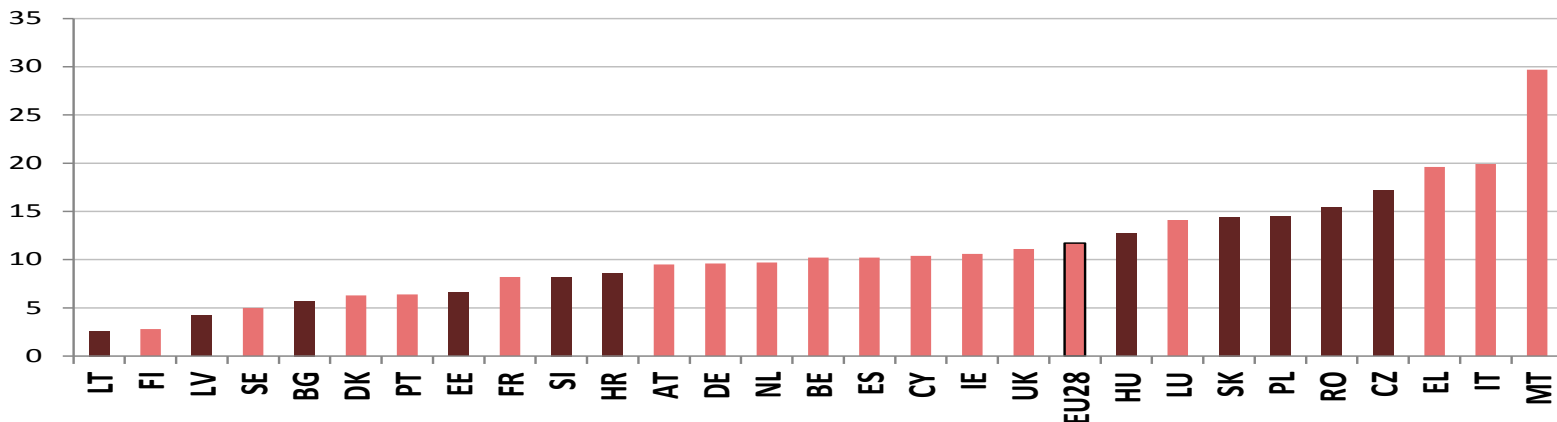
Gender gap in employment and pay levels

Gender pay gap (2012) as % of men's average hourly earnings (paid employees)



Source:
Eurostat,
SES

Gender employment gap (2013) (difference between empl. rates for men and women in percentage points)



Source:
Eurostat,
LFS

Low share of GDP for wages: 2nd decade of EU membership should be about human capital investment!

Adjusted wage share in manufacturing industry:

Compensation per employee as % of nominal gross value added per person employed

