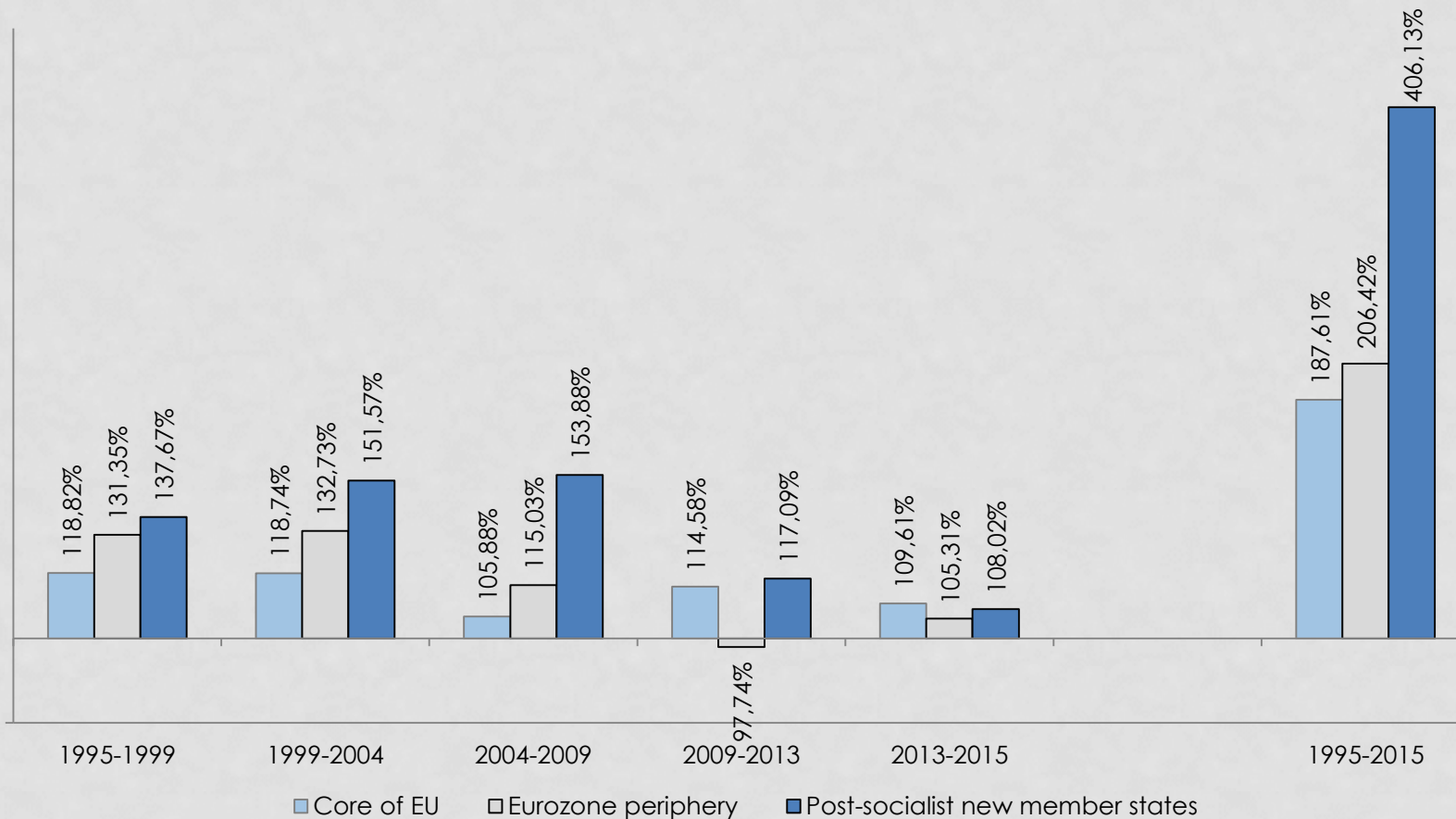


Anita Pelle (University of Szeged, Hungary):  
POST-CRISIS INTRA-EU DIFFERENCES  
AND THEIR CONSEQUENCES

AISSEC 2018, 4-5 OCTOBER 2018, TORINO

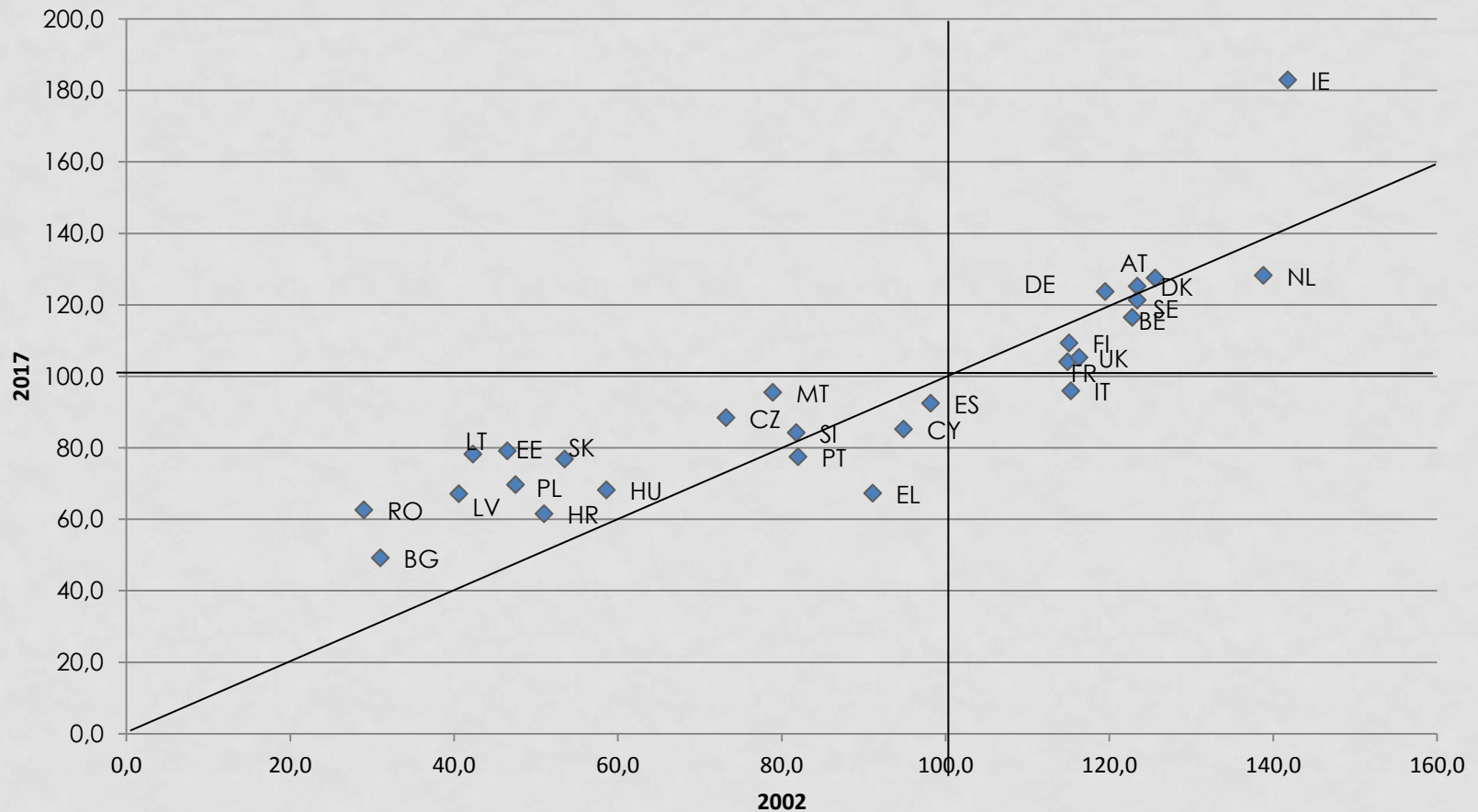
# EU PRE- AND POST-CRISIS

- Overall trend: the EU is losing relevance in the global economy (due mainly to external factors)
- The whole EU was hit hard by the crisis – but the continuation varies greatly across (groups of) member states
- Some geographical patterns are identifiable
  - Return to growth path
  - Availability of the factors of production
  - Nature of competitiveness: structural vs. cost-competitiveness
- Germany: restoration of competitiveness in early 2000s especially through labour market measures -> much more resilience during crisis, quicker recovery (employment rate was increasing all throughout the crisis years)
- Southern Eurozone: massive inflow of investments, rise of NULC pre-crisis -> adjustment needed post-crisis
  - Italy did not receive international financial assistance -> less pressure to undertake reforms



## ACCUMULATED GROWTH IN GROUPS OF EU MEMBER STATES

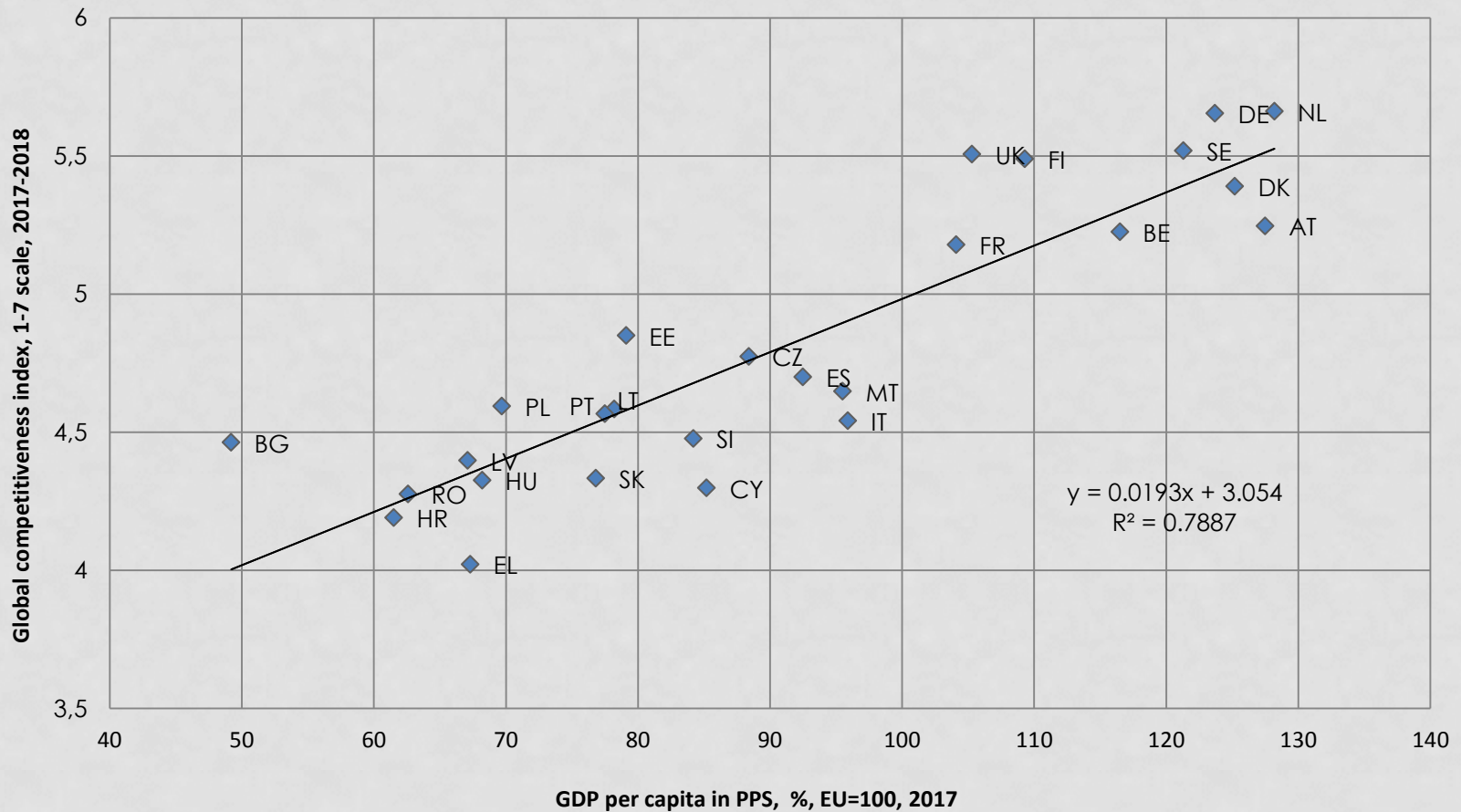
1995-2015



## EU MEMBER STATES' GDP PER CAPITA IN PPS\*

%, EU28=100, 2002, 2017

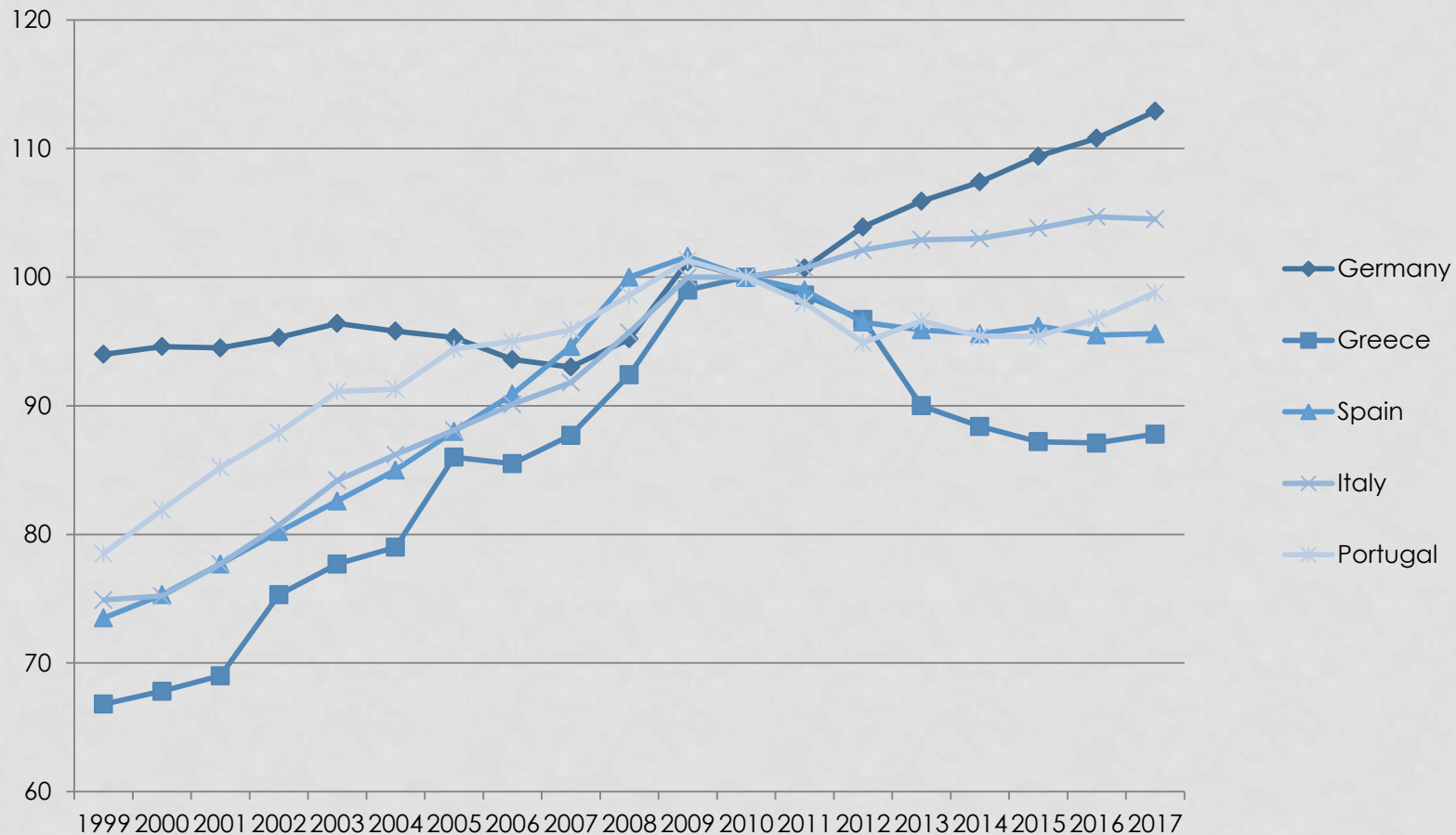
\*without Luxembourg [236,5%; 253%]



## THE RELATION BETWEEN ECONOMIC DEVELOPMENT AND COMPETITIVENESS OF EU MEMBER STATES\*

GDP PER CAPITA IN PPS (%, EU=100, 2017) AND GCI (1-7 SCALE, 2017-2018)

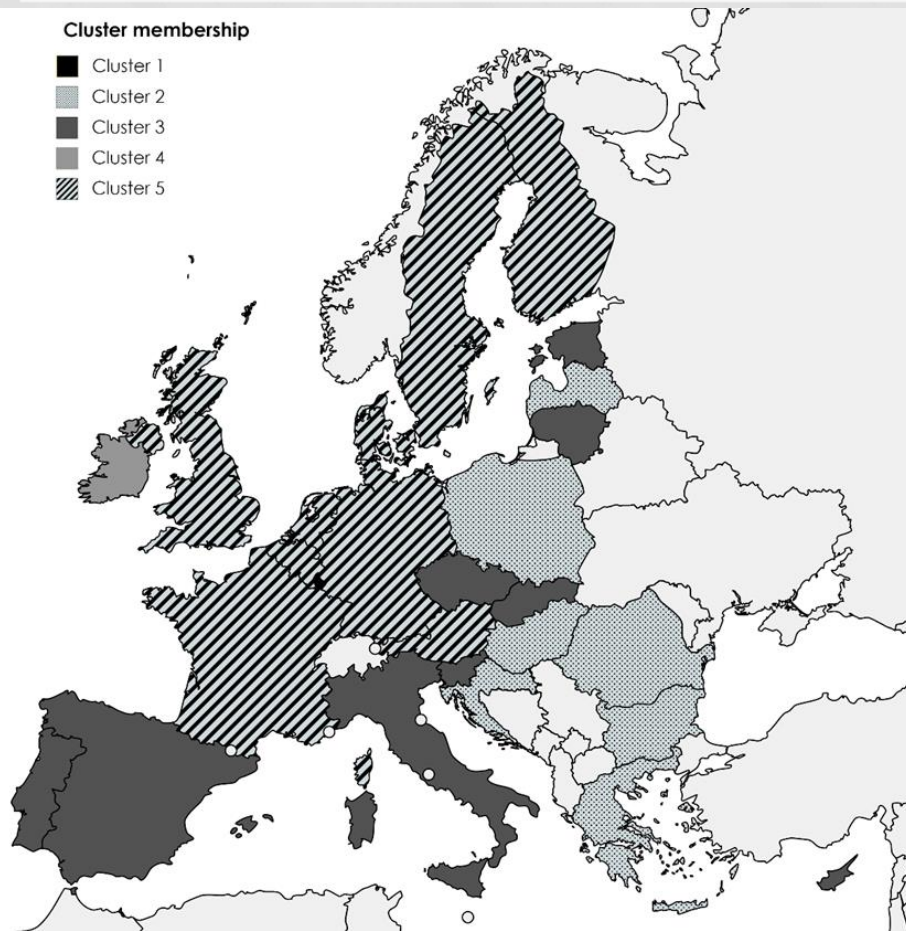
\*without Ireland and Luxembourg



## NOMINAL UNIT LABOUR COST IN SELECTED EUROZONE COUNTRIES

%, 2010=100, 1999-2017

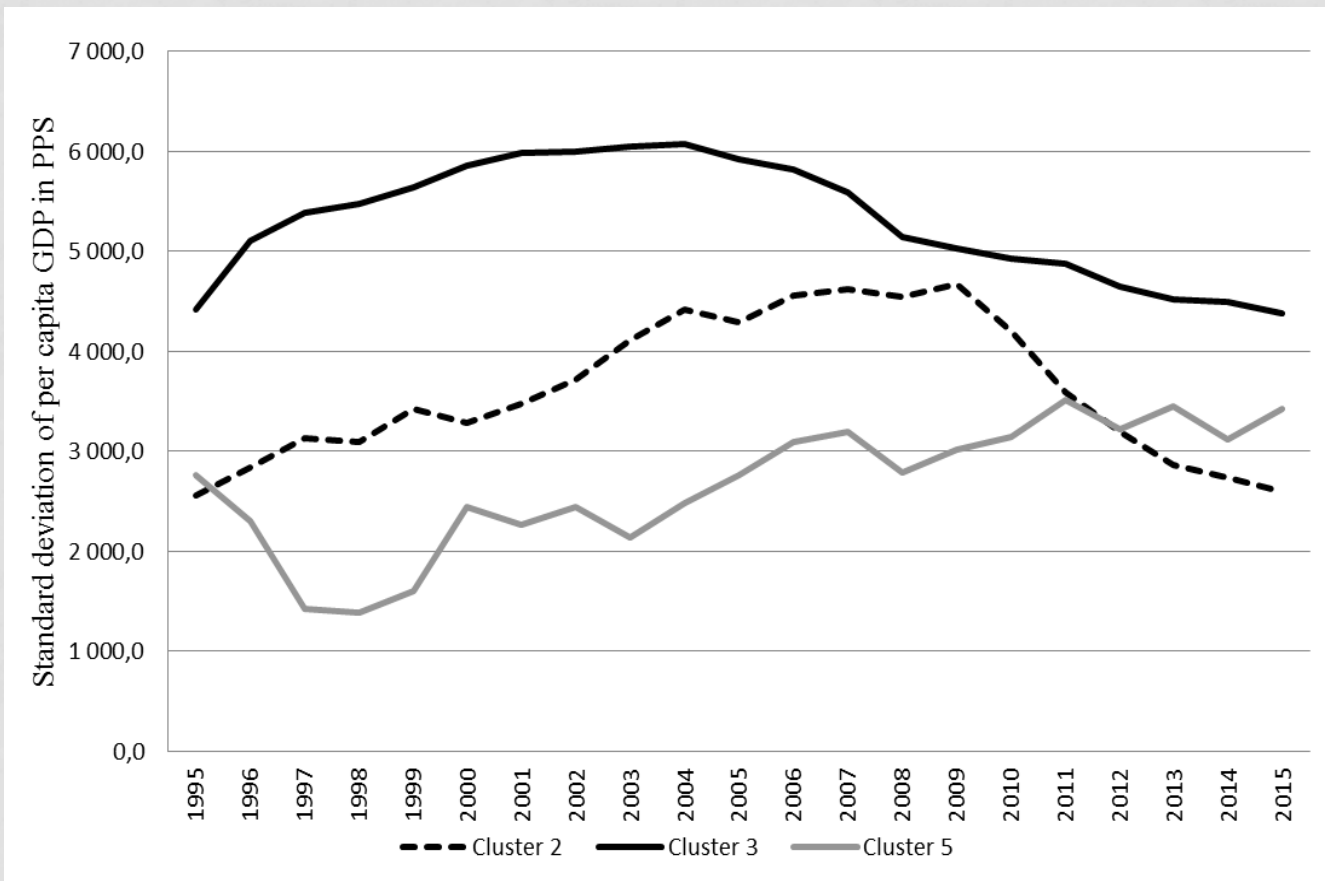
# CLUSTERING OF EU MEMBER STATES



Cluster number	Cluster member countries		GDP per capita	Final consumption expenditure	Government expenditure	GVA
Cluster 1	Luxembourg	Mean	77,800.00	36,100.00	12,900.00	71,298.57
		Standard deviation	n.a.	n.a.	n.a.	n.a.
Cluster 2	Bulgaria, Croatia, Greece, Hungary, Latvia, Poland, Romania	Mean	17,785.71	13,928.57	3,242.86	15,449.88
		Standard deviation	2,310.43	2,213.38	723.09	2,153.96
Cluster 3	Cyprus, Czech Republic, Estonia, Italy, Lithuania, Malta, Portugal, Slovakia, Slovenia, Spain	Mean	24,080.00	18,260.00	4,480.00	21,356.49
		Standard deviation	2,240.44	2,002.33	541.19	2,177.11
Cluster 4	Ireland	Mean	51100.00	23900.00	6400.00	47,459.91
		Standard deviation	n.a.	n.a.	n.a.	n.a.
Cluster 5	Austria, Belgium, Denmark, Finland, France, Germany, Netherlands, Sweden, UK	Mean	33,400.00	25,800.00	7,955.56	30,618.06
		Standard deviation	2,599.52	812.40	1,213.58	2,465.97

All data from 2015

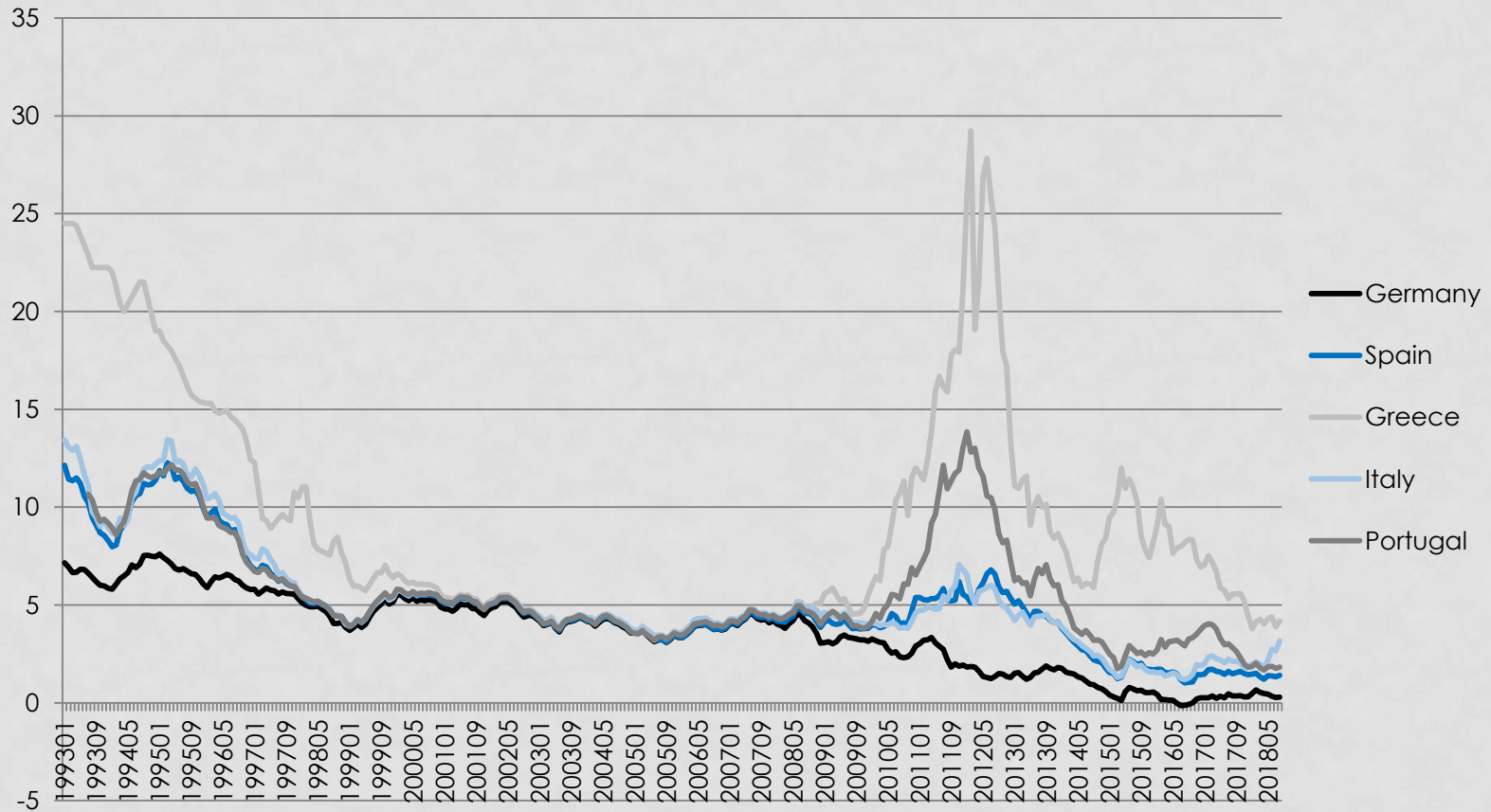
Pelle, A. – London, A. – Kuruczleki, É. (2018): The European Union: a dynamic complex system of clubs comprised by countries performing a variety of capitalism



## WITHIN-CLUB CONVERGENCE FOR CLUSTERS 2, 3 & 5, 1995-2015

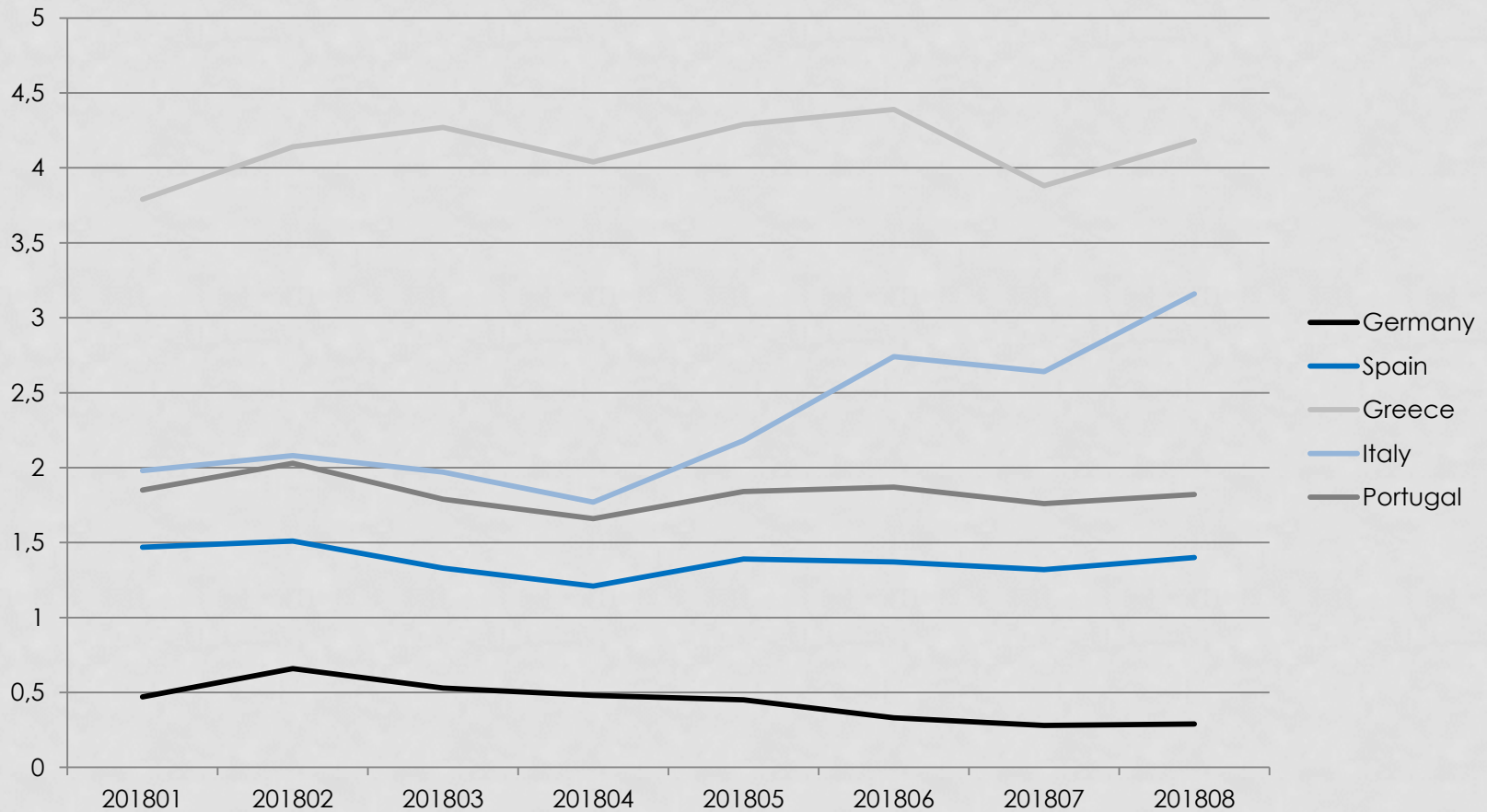
STANDARD DEVIATION OF PER CAPITA GDP IN PPS





## LONG-TERM INTEREST RATES OF GOVERNMENT BONDS IN SELECTED EUROZONE COUNTRIES

JAN 1993 – AUG 2018, %



## LONG-TERM INTEREST RATES OF GOVERNMENT BONDS IN SELECTED EUROZONE COUNTRIES

JAN 2018 – AUG 2018

# GROWTH MODELS OF THE PERIPHERY

- Southern Eurozone:
  - boom in first 10 years of the euro
  - productivity growth but NULC growing fast as well
  - ECB policies since 2012 support growth – but cannot replace structural reforms
  - persistent weaknesses: insufficient levels of adaptivity and (re)production of inputs to the economy, especially those determining capacity to add high value
- Eastern new member states:
  - built on FDI inflow preceding and accompanying EU accession
  - exploiting relatively low wage of relatively well skilled labour
  - most lately: shortage of (appropriate) labour force
- Overall, growth models in the peripheries of the EU and the Eurozone might well have reached their limitations while the core is performing quite good economic health
- So, where to go from here?

THANK YOU FOR YOUR  
ATTENTION

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