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With the collaboration  
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**THE (NON)**  
**COMPETITIVENESS OF THE**  
**EUROPEAN UNION**  
**FACTS, CAUSES AND**  
**SOLUTIONS**



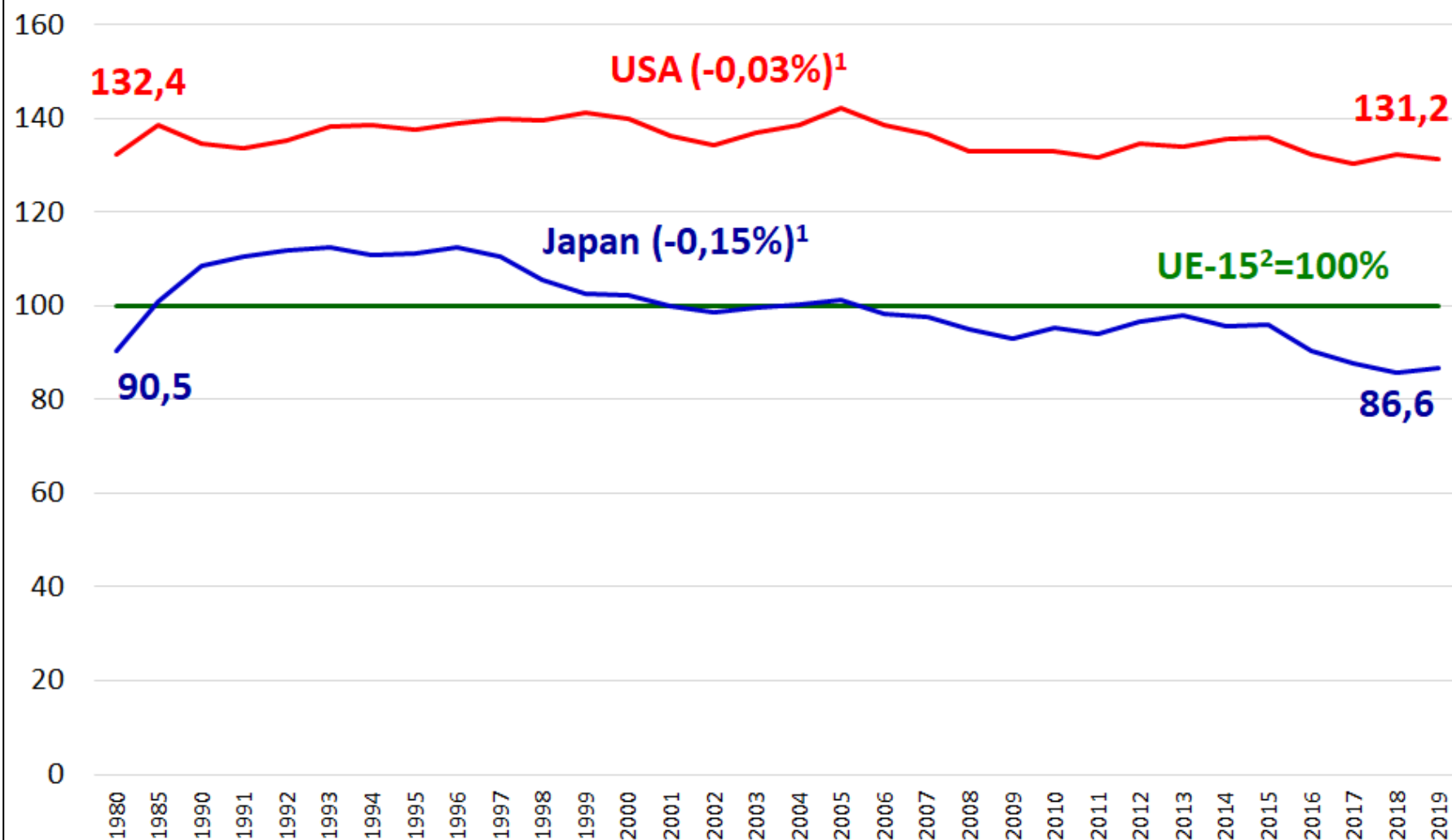
**VS**

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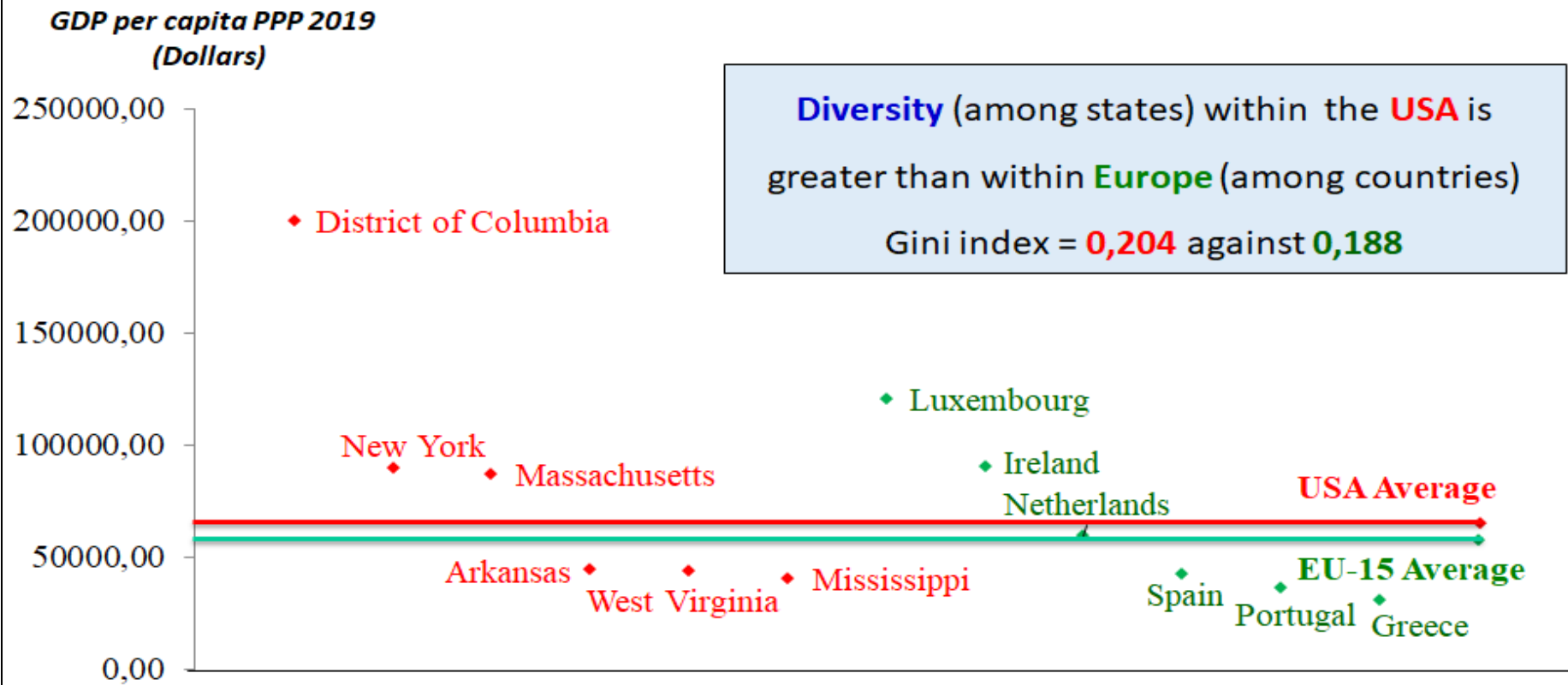
**Figure 1: Evolution of GDP (PPP) per capita between 1980-2019, EU 15 = 100%**



**Notes:** (1) Compound annual growth rate. (2) EU-15 GDP per capita is computed dividing the total GDP of EU-15 countries by the total resident population of EU-15 countries

**Source:** Statistical Annex of European Economy – Autumn 2020, European Commission

**Figure 3: GDP per capita PPP 2019**



		GDP per capita (dollars)	In % USA Average
USA (average)		65056	100%
3 states with the highest GDP per capita	District of Columbia	200277	308%
	New York	90043	138%
	Massachusetts	86942	134%
3 states with the highest GDP per capita	Arkansas	44808	69%
	West Virginia	43806	67%
	Mississippi	40464	62%

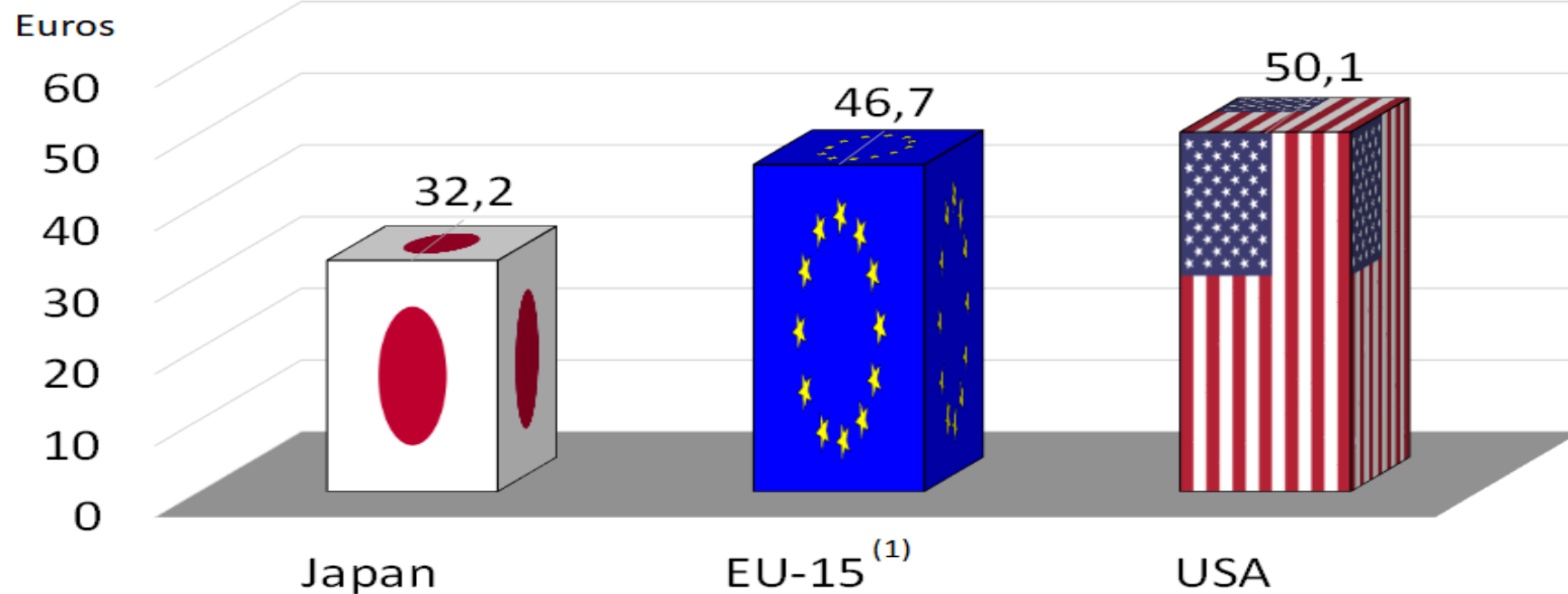
**Sources:** IMF, 2021, Eurostat; US Bureau of Economic Analysis, 2021.

**Figure 5: EU-15 compared to USA**

**Worse in**

Activity rate	Productivity per hour	Number of hours worked	Productivity per employee	Employment rate
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**GDP (PPS) per hour, in euros – 2019**

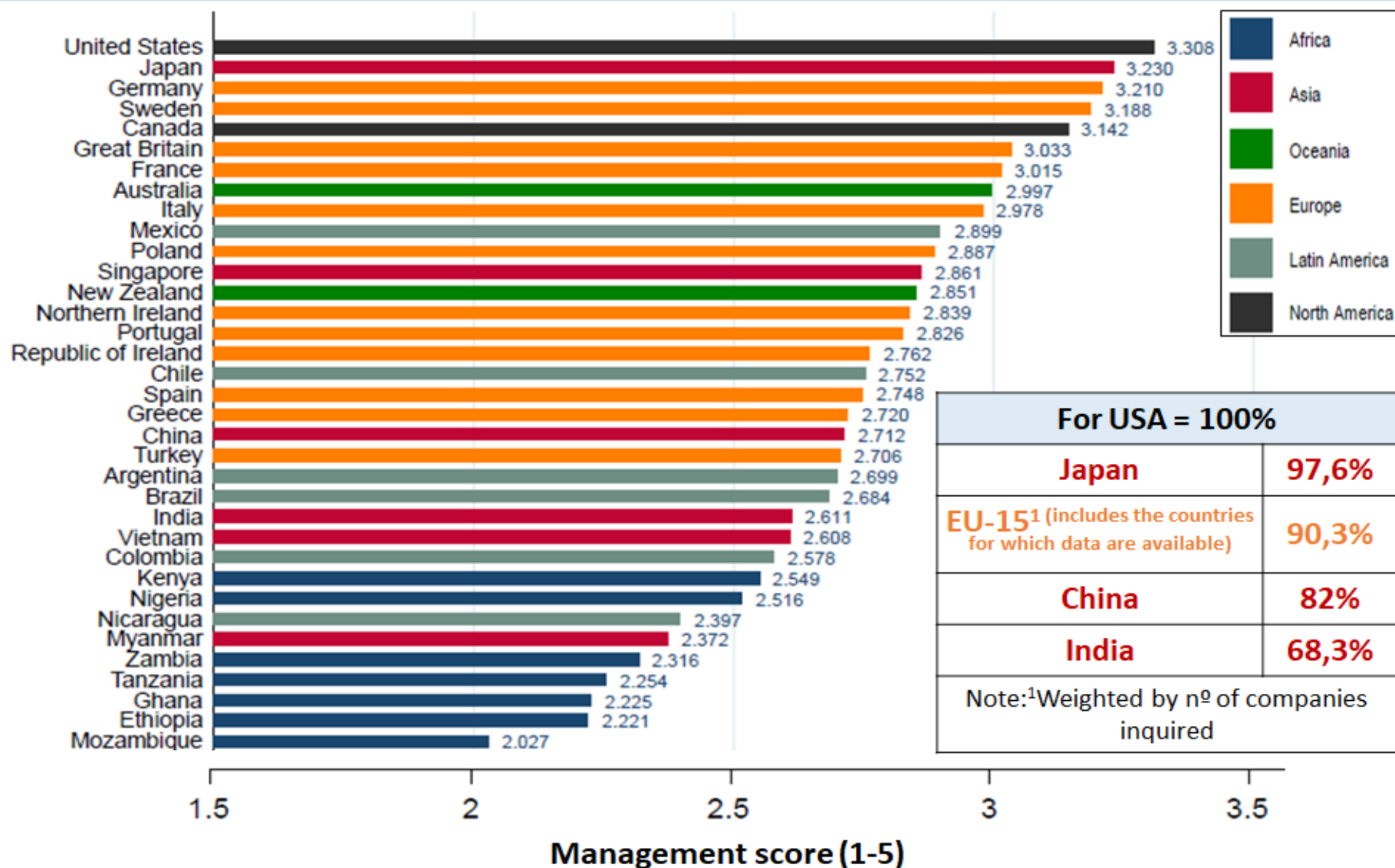


Source: AMECO, December 2021, European Commission

Note: (1) EU-15 GDP per hour is computed dividing the total GDP per employee of EU-15 countries by the number of hours worked by employee in EU-15 countries. According to European Commission calculations, the total employed population includes the residents as well as non-residents who work for resident producer units.

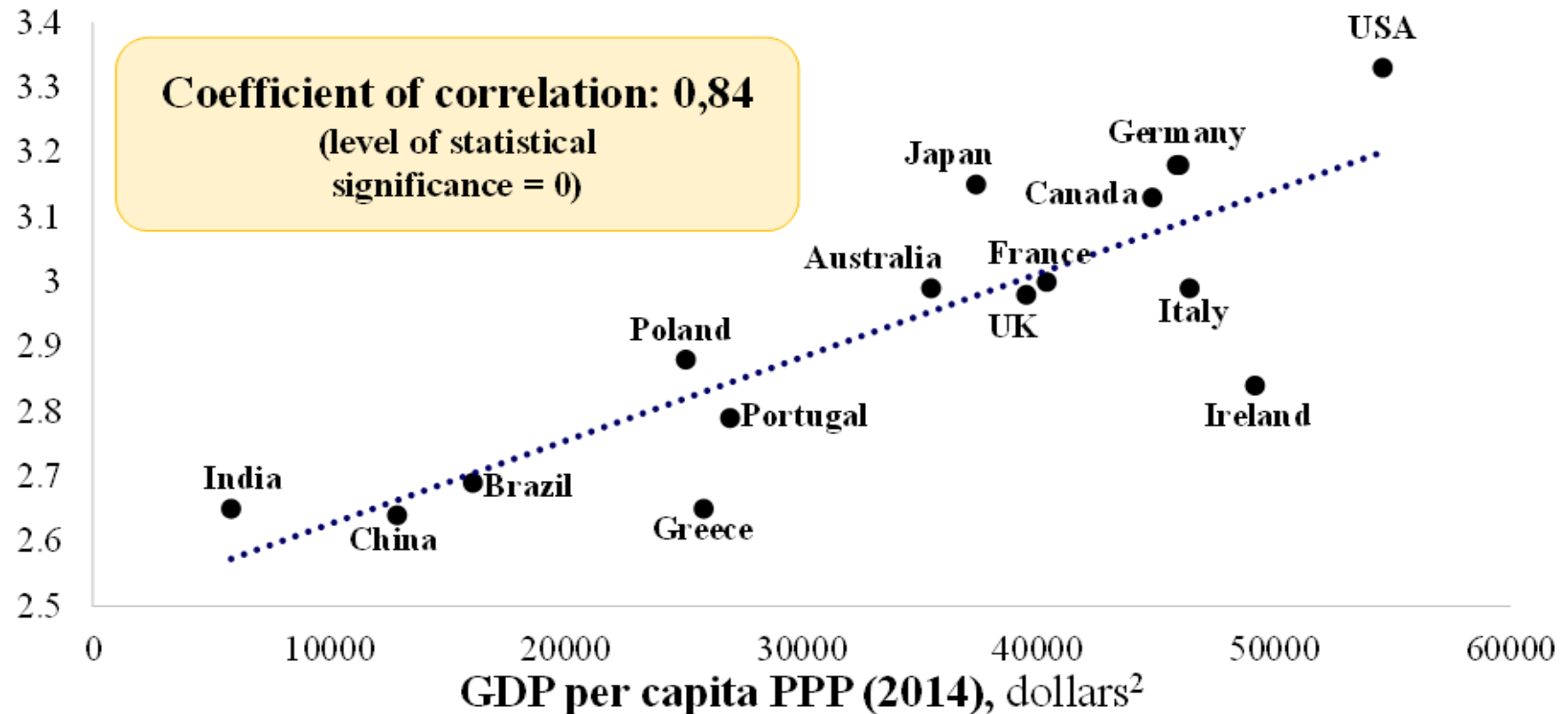
%	relative to	USA
from		
	EU 15	93,2
	Japan	64,3

**Figure 13: Overall management practices score (1 = worst practices, 5 = best practices) in selected economies**



## The richest countries have the best management

### Overall management scores<sup>1</sup> (1-5)



Sources: <sup>1</sup>Bloom, Nicholas; Van Reenen, John (2010), "Why Do Management Practices Differ across Firms and Countries?", *The Journal of Economic Perspectives*, Volume 24, Number 1, pp. 203-224 (Note: 15 countries analyzed). Scores range from 1 (worst practices) to 5 (best practices).

<sup>2</sup> IMF, October 2017. Note: Data only available for these countries and the latest data available.



Figure 17

Index of Economic Freedom, 2019

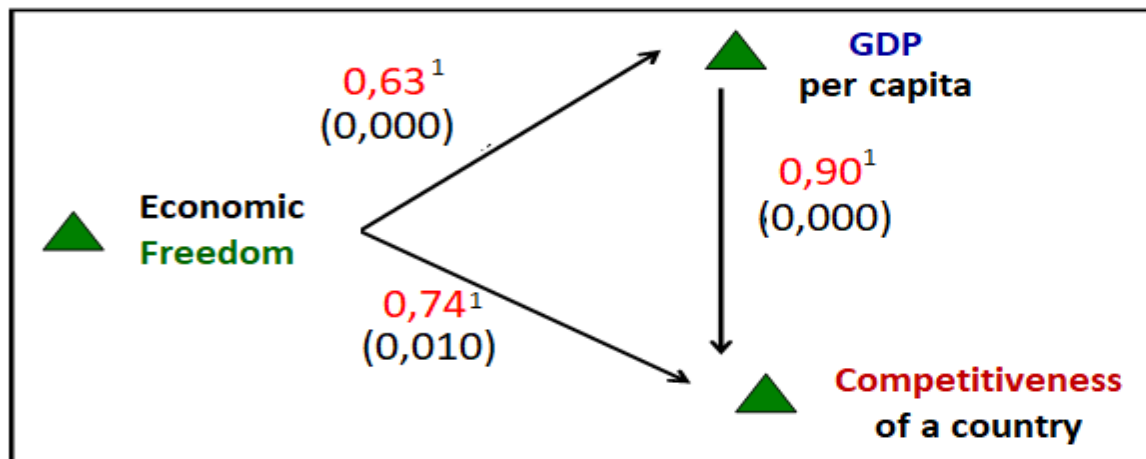
Country	Rank	Country	Rank
Hong Kong	1	Finland	20
Singapore	2	Lithuania	21
New Zealand	3	Germany	24
Ireland	6	Japan	30
United Kingdom	7	Austria	31
<b>USA</b>	<b>12</b>	Belgium	48
Netherlands	13	Spain	57
Denmark	14	Portugal	62
Estonia	15	France	71
Luxembourg	17	Italy	80
Sweden	19	Greece	106



Almost all European countries are below USA in economic freedom

(Population weighted) Average EU-15 = 44

Source: Heritage Foundation, 2019



<sup>1</sup> Correlation coefficient (Spearman).

Values in brackets correspond to the statistical significance level.

The correlations (Spearman) refer to the first 55 countries from the index of economic freedom.

Sources: International Monetary Fund, World Economic Outlook, April 2019 (GDP per capita); Heritage Foundation, 2019 and IMD, 2019.



Why is the European **GDP per capita**  
only **3/4** of the USA's?

And the **productivity per hour** **7%** below?

And the **productivity per person** **22%** below?

And the **rate of unemployment** almost the  
**double** of the USA's?

**“Inspiring  
and eye-opening.  
Outstanding”.**

Marc Wagener  
(Director, Idea  
Foundation/Chamber of  
Commerce Luxembourg)

**“Engaging, erudite, witty and  
to the point. It brings abstract  
concepts of business and the  
economy to life”.**

Fredrik Erixon  
(President of the European Centre for  
International Political Economy in Brussels)

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