

Session 3:

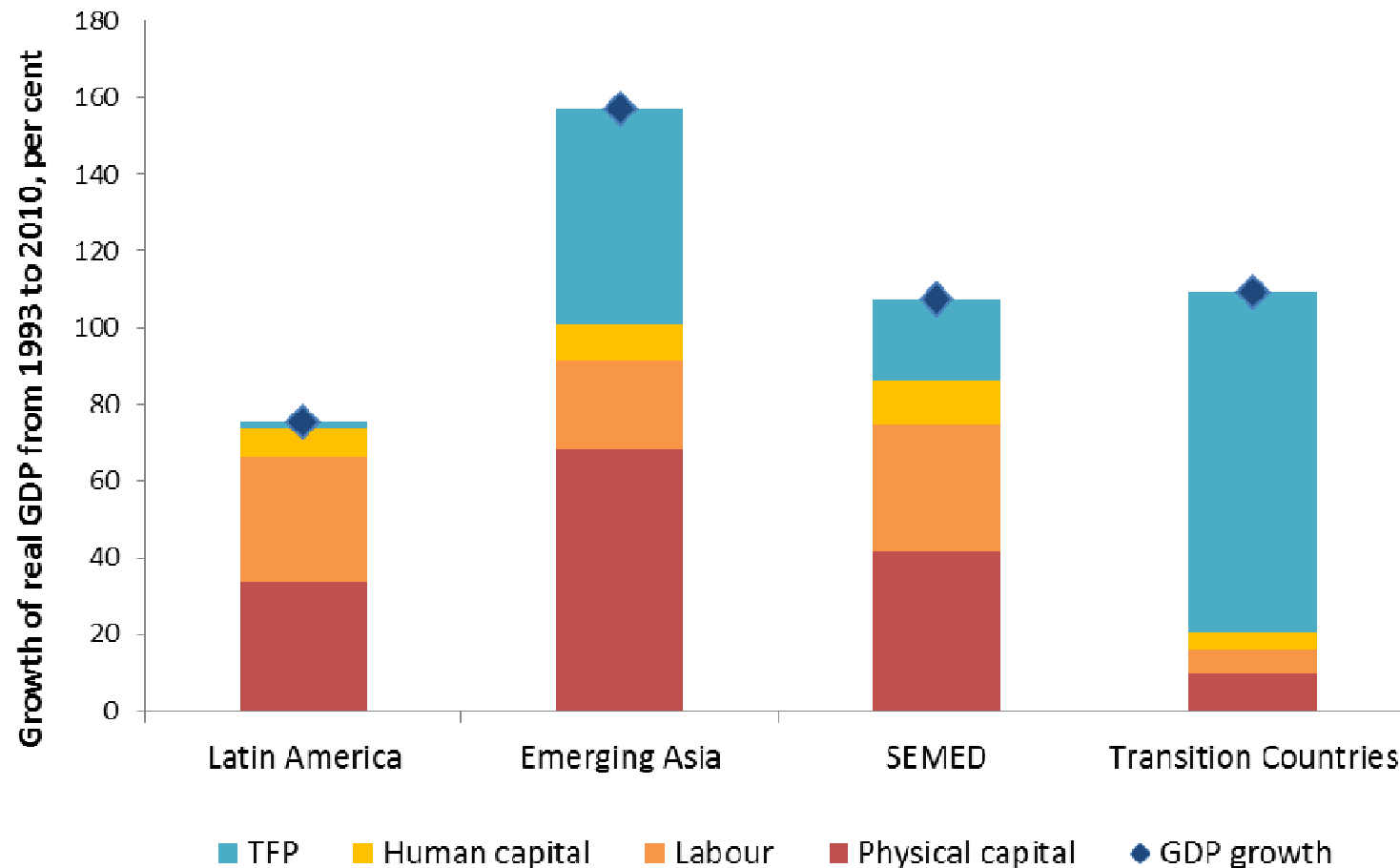
Consequences for Europe's Periphery and the European Neighbourhood

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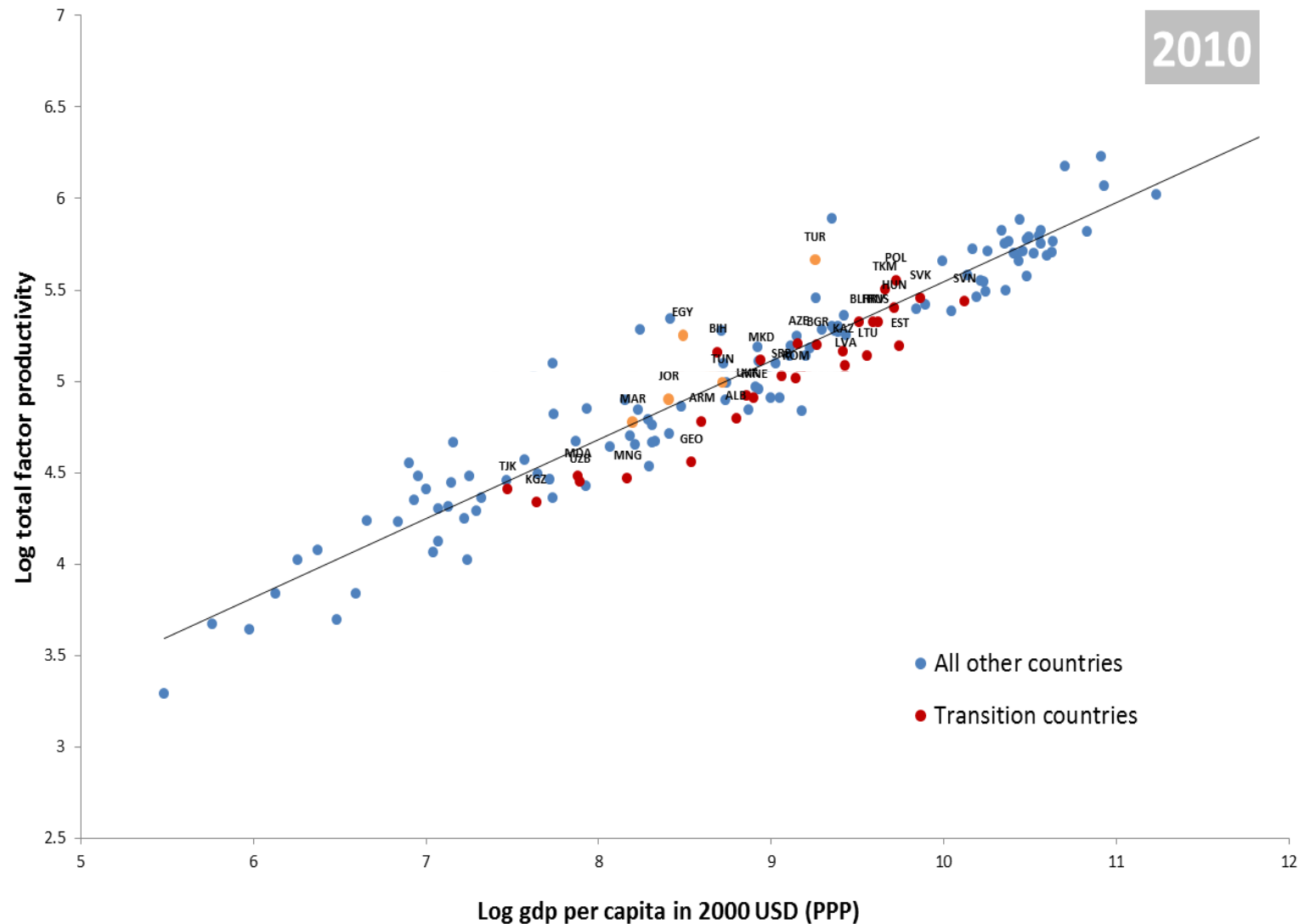
1 November 2013

Not really a powerpoint,
just some pictures!

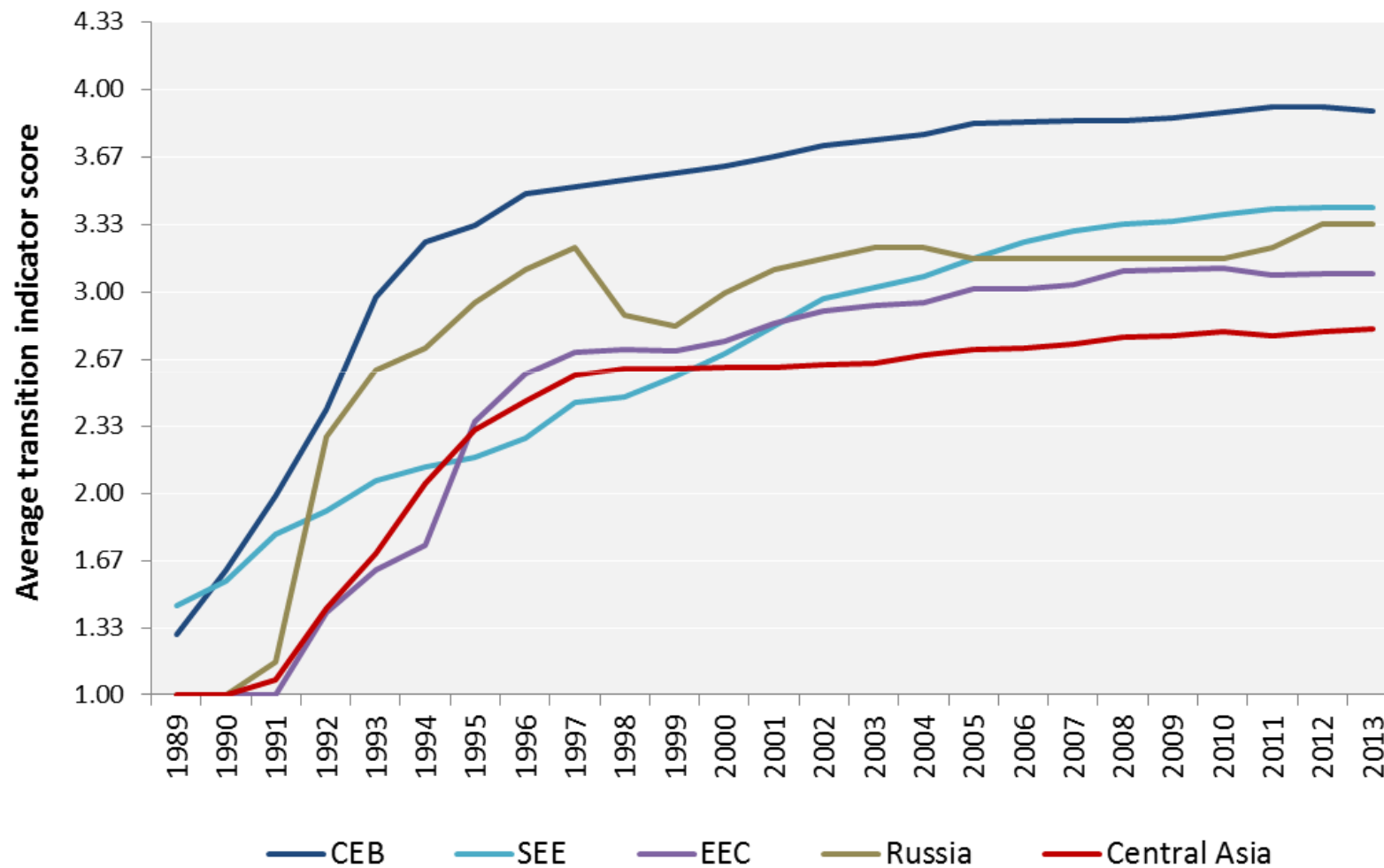
Convergence in the formerly communist Transition countries was mainly driven by total factor productivity (TFP) growth



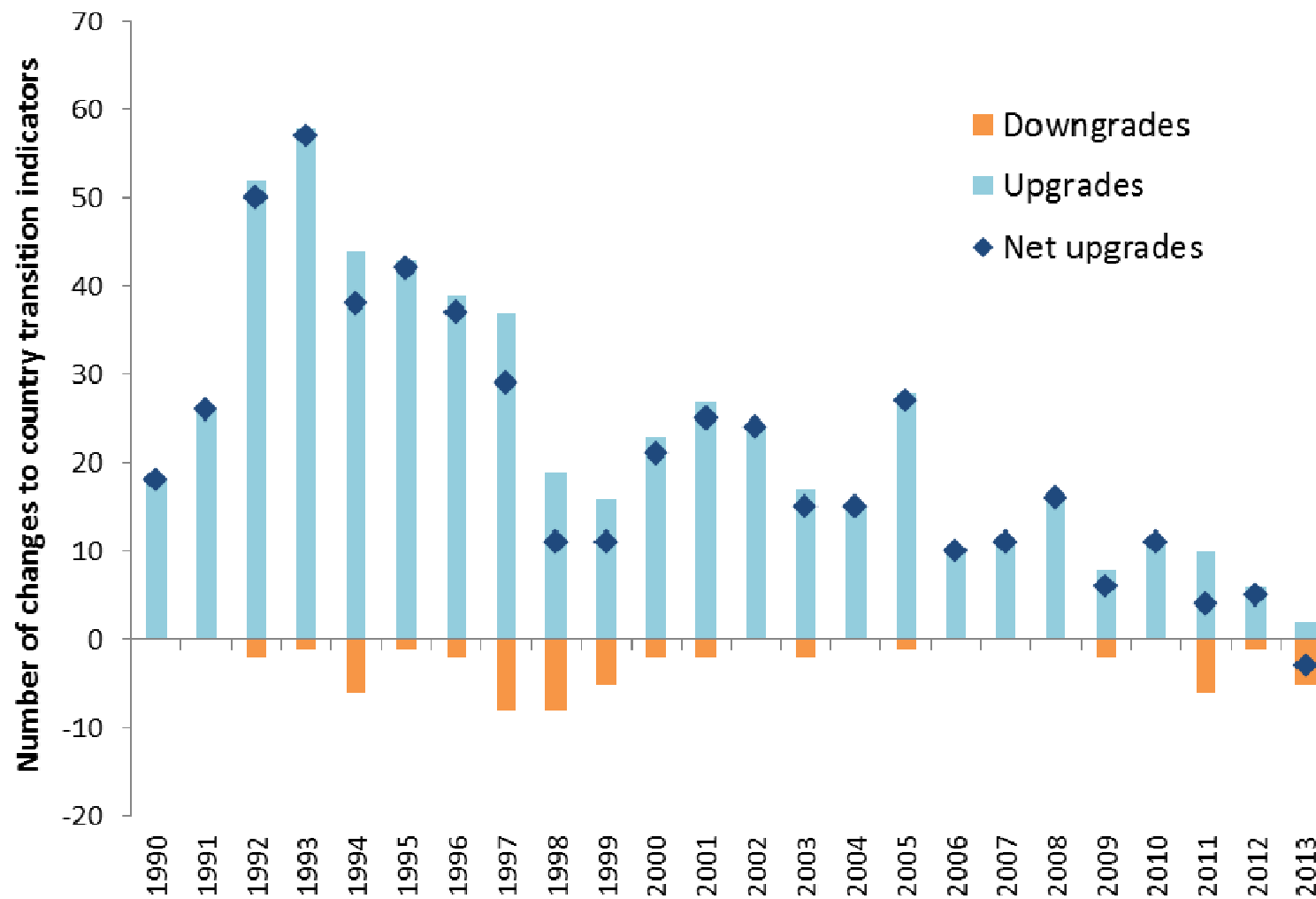
By mid 2000s, TFP levels in transition countries had caught up with market economies at comparable levels of development



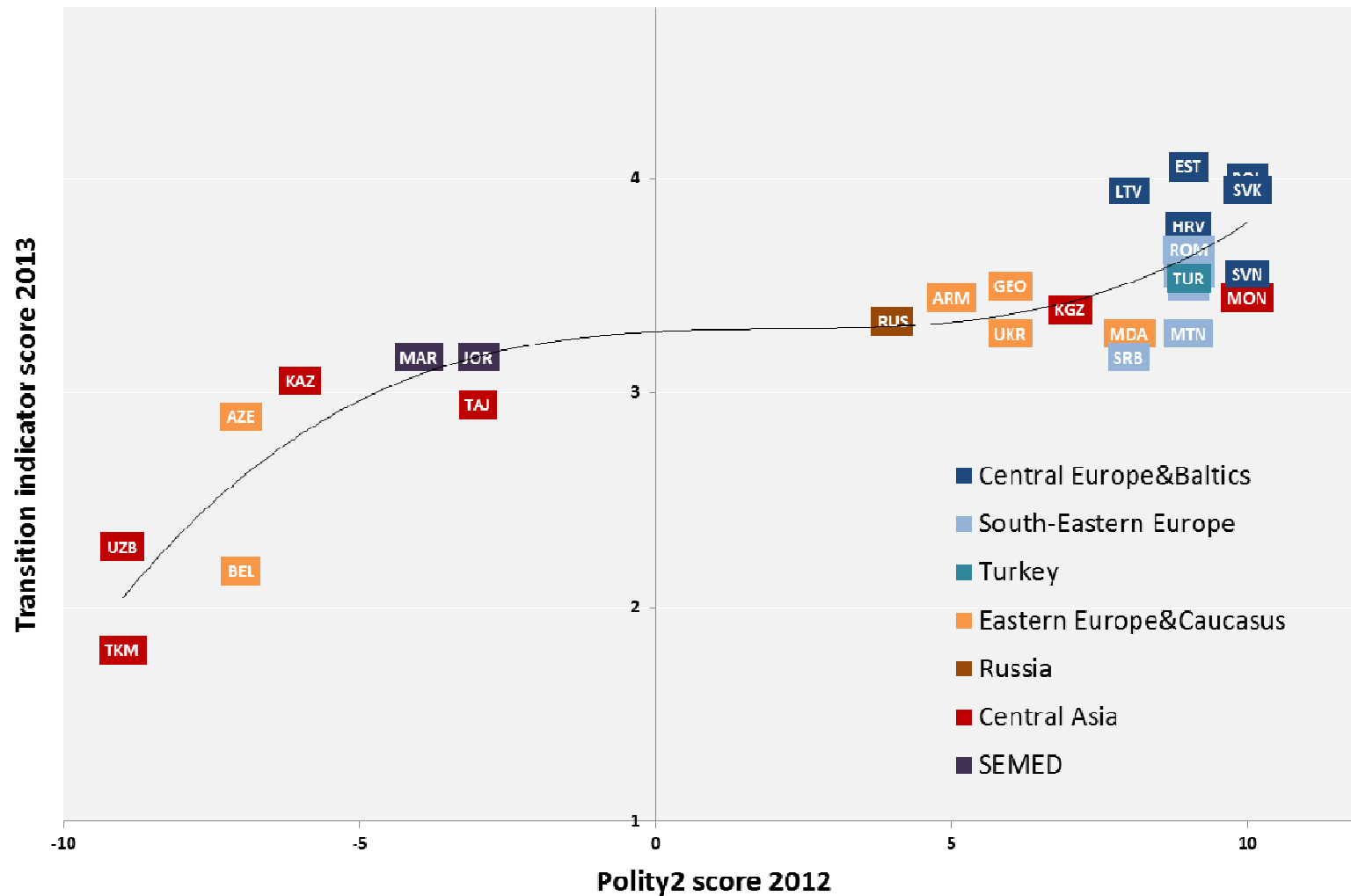
Reforms in the transition region have stagnated since mid-2000s



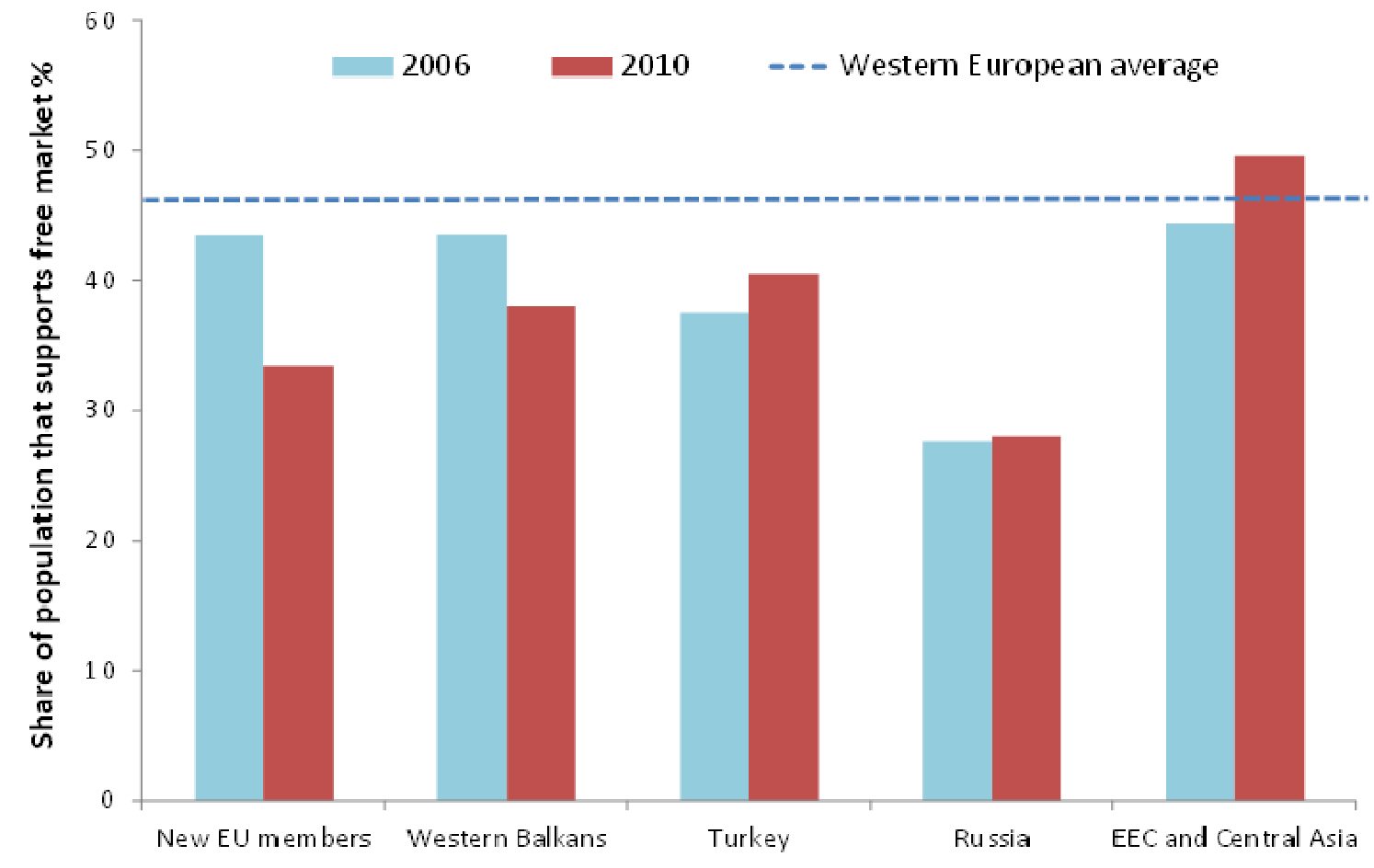
In 2013, downgrades of country-level transition indicators will outnumber upgrades for the first time



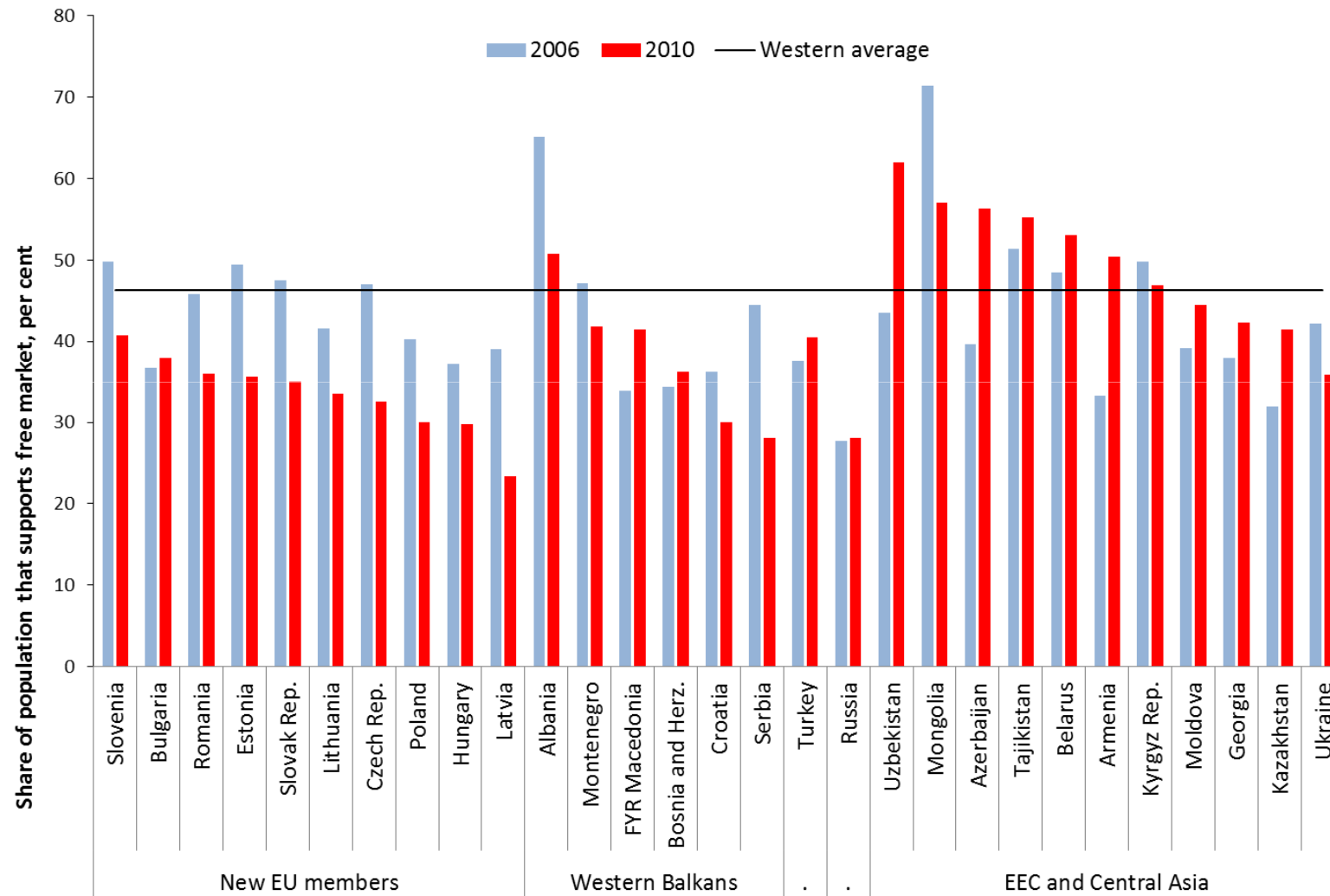
Democracy and reform are highly correlated, but even among democracies, there is a considerable variation in reform outcomes



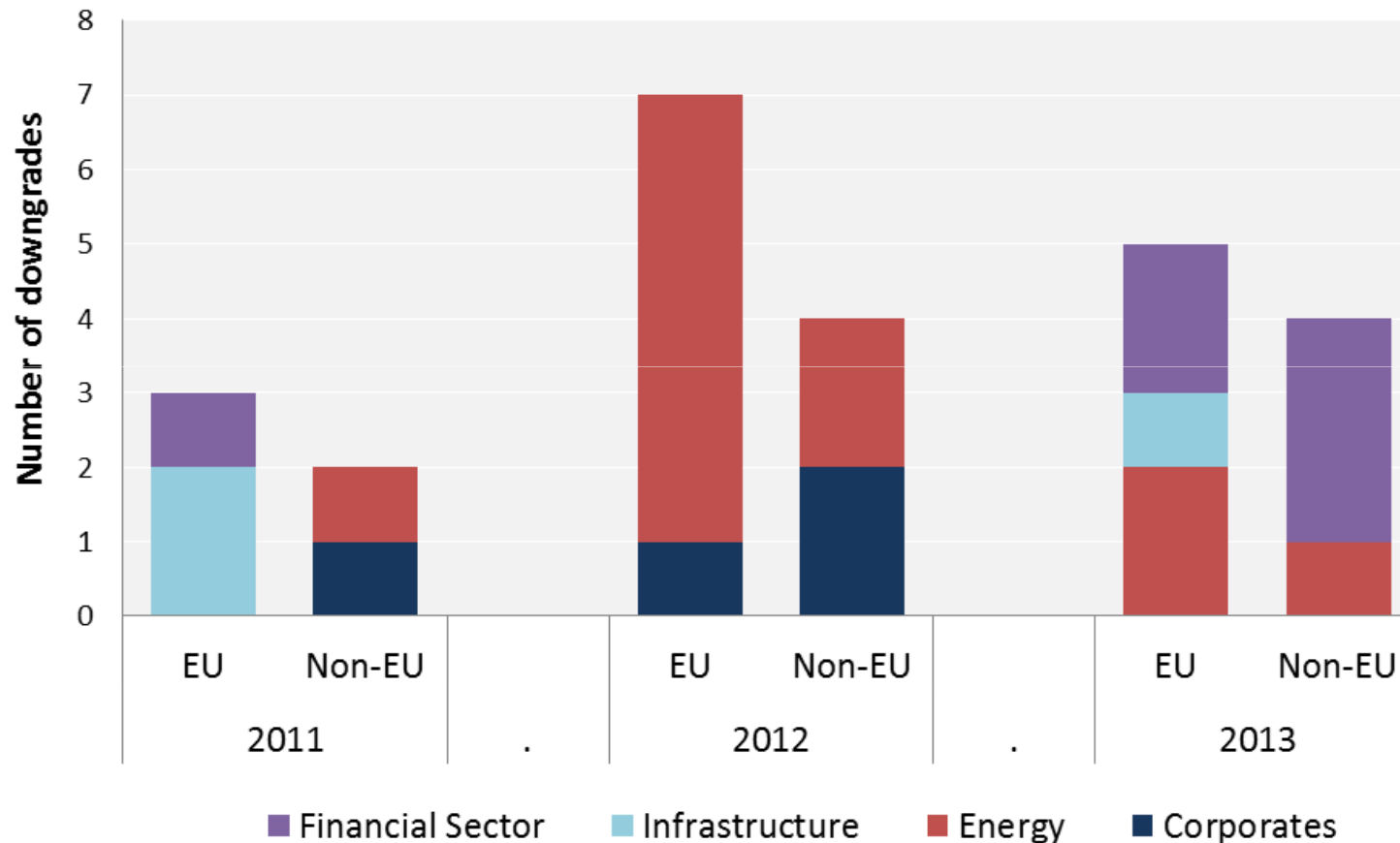
It is precisely in these democracies, where attitudes have shifted most against the market after the crisis



Attitudes towards the market, 2010 vs. 2006, by country



Post-crisis sector-level transition indicator downgrades in transition economies have been concentrated in the EU countries



On present policies, convergence will (mostly) not happen

