

7. SOCIAL SECURITY, EMPLOYMENT, INCOME AND WEALTH

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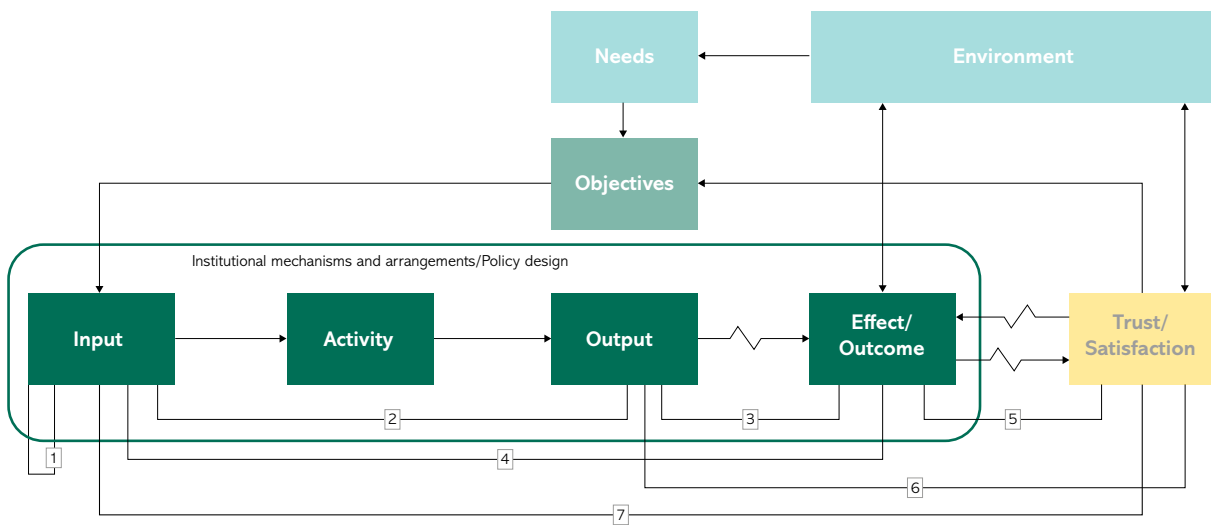
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7.1. INTRODUCTION

This chapter is an update of the previous study published in 2023¹. It presents the latest available values of the indicators used in that study (Tables 1-28) and analyses the policies used by the most successful countries. Thus, the more extensive explanations and analysis given in the previous study will not be repeated, but the focus will be on the changes that happened in the different areas after 2020-21 (the last years for which data were available at the time). The new data will cover the deep economic and social crisis in the wake of the pandemic and the lockdowns. The subsequent new shock of the war in Ukraine and the sanctions it triggered cannot be covered completely, as data availability is limited after 2023.

To roughly summarise the approach for the readers who are not familiar with the previous, 2023 study, an overview is presented. Again, the framework that has been used by the first study will be used (NISR/SCP; Putman et al. 2015).



This implies that the starting point is inputs (government policies) followed by the output, outcome and the trust/satisfaction of the population. Following this structure, the specific inputs, outputs and outcomes relevant in the four areas of social security, employment, income and wealth are considered. These four areas are clustered into two, the first dealing with employment, income and wealth, the second with social security itself. On the next page is an overview of the concepts and possible indicators.

¹ https://www.eipa.eu/wp-content/uploads/2024/02/M-20230327-EIPA-Benchmarking-Study-2023-Master_v4.pdf

Economic policy	Direct provision
Inputs	
Fiscal and monetary policy	Social spending
Tax policy	Social policies
Labour market policy	
Indicators	
Government deficit (% of GDP)	Social spending (% of GDP), to finance income replacement in periods of:
Interest rate	• old age
Top income tax rate	• unemployment
VAT as % of total tax	• poverty
Minimum wage	• disability
Employment protection legislation (ELP) Score (OECD)	• sickness
	Other benefits (for children or housing)
Outputs	
Economic growth and its distribution	Social transfers received
Indicators	
Growth rate of GDP, which can be separated in:	Income replacement (in % of average or previous income) in periods of:
• Growth rate of productivity (GDP/h)	• old age
• Growth rate of hours worked	• unemployment
Market income distribution (Gini)	• poverty
Disposable income distribution (Gini)	• disability
Redistribution (Gini market income – Gini disposable income)	• sickness
Wage share	• Other transfers (child benefit, housing benefit) (in % of average income)
Wealth distribution	
Outcomes	
Employment	Protection against social risks such as poverty, old age, sickness, unemployment, disability
Income and wealth, and their distribution	
Indicators	
Unemployment rate (indicating job security)	Poverty rate
Employment rate	Percent of population receiving transfers
Trust/Satisfaction	
Trust in government, happiness, life expectancy	
Indicators	
Trust (level and change)	
Satisfaction with life/happiness (level and change)	
Life expectancy (level and change)	

*GDP = gross domestic product

The 28 indicators mentioned above are presented twice in this chapter. Within the text, there are condensed tables covering selected years visualising (using colours, bars and arrows) rankings among countries. The country averages given in one of the two last columns refer to all years (mostly 2007-2022) and not to the selected years shown in the condensed tables. Where applicable² the complete tables with the full dataset for all available years can be found in the annex, allowing readers to look more closely at the development in specific countries. Data sources include, among others, World Development Indicators (WDI) – from the World Bank), the International Monetary Fund, the International Labour Organisation, and most importantly, the OECD and Eurostat. Unfortunately, OECD data do not cover five EU Member States (Bulgaria, Croatia, Cyprus, Malta and Romania) while Eurostat usually does not include data for countries that are not members of the EU.

In the third section, the policies of the most successful countries in the sample of 35 will be analysed. As the indicator for success, the unemployment rate in the area of employment, income and wealth, and the poverty rate in the area of social security, is used. Success means either continuous low levels of unemployment and poverty, or strong improvements (a decline in the respective rates). Having identified the most promising countries, possible causes of their success will be explored, focusing on public sector policies and institutions while keeping in mind other relevant factors such as external developments or structural changes in the economy and society not caused by public policies.

² In some cases, all available data are already presented in the text. These tables are not included in the annex.

7.2. EMPLOYMENT, INCOME AND WEALTH

This chapter tries to evaluate the impact of government policies on the crucial economic features – employment, income and wealth – which largely determine the welfare of the population.

7.2.1. Inputs: fiscal, monetary, tax and labour market policies

The most important policies to influence employment and growth are the budget deficit and the interest rate. As Tables 1 and 2 show, governments and central banks of most countries reacted to the financial crisis in 2008-09 with expansionary fiscal and monetary policies. After 2011, possibly driven by concerns about rising debt, many governments reduced their deficits, lowering the average borrowing requirement to 0.1% in 2018. The pandemic forced many governments to increase deficit spending as revenues declined, and affected industries such as tourism and travel needed support (Dauderstädt, 2021). Average deficits increased from just 0.1% of GDP in 2018, which indicates an almost balanced budget, to -6.7% in 2020. It is hardly surprising that typical tourist destinations such as Spain, Greece and Italy have run high deficits but more surprising are the high values for the UK and the USA.

The deficit decreased in the following two years but in 2023, the economic repercussions of the war in Ukraine led again to higher deficits as governments spent more on defence, and support for households and enterprises were hit by higher energy prices.

Table 1: General government net lending or borrowing (percentage of GDP)

Region	Country	2007	2010	2018	2020	2021	2022	2023	Change 2007 - 2023	Average 2007 - 2023
Western Europe	Austria	-1,4	-4,4	0,2	-8	-5,8	-3,3	-2,6	-8,2	-2,9
Western Europe	Belgium	0,1	-4,1	-0,9	-9	-5,4	-3,6	-4,4	-8,1	-3,5
Western Europe	France	-3	-7,2	-2,3	-8,9	-6,6	-4,7	-5,5	-6,6	-4,9
Western Europe	Germany	0,2	-4,4	1,9	-4,4	-3,2	-2,1	-2,6	-6,3	-1,1
Western Europe	Ireland	0,3	-32,1	0,1	-4,9	-1,5	1,6	1,5	-5	-5,3
Western Europe	Luxembourg	4,4	-0,3	3	-3,4	0,5	-0,4	-1,3	-6,4	0,6
Western Europe	Netherlands	-0,3	-5,3	1,5	-3,6	-2,2	-0,1	-0,4	-5,1	-1,8
Western Europe	Switzerland	1,6	0,4	1,3	-3	-0,3	1,2	0,2	-4,3	0,2
Western Europe	United Kingdom	-2,7	-9,3	-2,3	-13,1	-7,9	-4,7	-6	-10,9	-6,1
Northern Europe	Denmark	5,3	-2,5	0,8	0,4	4,1	3,4	3,3	-0,4	0,7
Northern Europe	Finland	5,1	-2,5	-0,9	-5,6	-2,9	-0,5	-2,7	-4,7	-1,5
Northern Europe	Iceland	5,6	-6,7	1	-8,9	-8,5	-4	-2	-9,9	-2,8
Northern Europe	Norway	17	10,9	7,8	-2,6	10,3	25,4	16,4	-10,4	9,6
Northern Europe	Sweden	3,3	-0,1	0,8	-2,8	0	1,1	-0,6	-3,6	-0,1
Southern Europe	Cyprus	3,2	-4,7	-3,6	-5,7	-1,8	2,7	3,1	-2,1	-1,7
Southern Europe	Greece	-6,7	-11,4	0,8	-10,6	-7,5	-2,5	-0,9	-11,3	-5,7
Southern Europe	Italy	-1,3	-4,2	-2,2	-9,4	-8,9	-8,1	-7,2	-7,1	-4,3
Southern Europe	Malta	-2,1	-2,2	1,9	-8,7	-7	-5,3	-4,6	-10,6	-2,8
Southern Europe	Portugal	-2,9	-11,4	-0,3	-5,8	-2,9	-0,3	1,2	-5,5	-4,3
Southern Europe	Spain	1,9	-9,5	-2,6	-10	-6,7	-4,6	-3,5	-7,4	-6
Central and Eastern Europe	Bulgaria	3,1	-3,8	0,1	-2,9	-2,8	-0,8	-3,1	-3,1	-1,1
Central and Eastern Europe	Croatia	-2,3	-6,5	0,3	-7,2	-2,5	0,1	-0,8	-7,5	-3,5
Central and Eastern Europe	Czech Republic	-0,6	-4,1	0,9	-5,6	-5	-3,1	-3,8	-6,5	-2,4
Central and Eastern Europe	Estonia	2,6	-0,5	-1,1	-5,3	-2,4	-1	-3,5	-4,2	-1,4
Central and Eastern Europe	Hungary	-5,1	-4,4	-2,1	-7,6	-7,2	-6,2	-6,7	-5,5	-4,1
Central and Eastern Europe	Latvia	0,6	-6,4	-0,7	-3,7	-5,5	-3,7	-3,5	-3	-2,5
Central and Eastern Europe	Lithuania	-1	-6,9	0,6	-7,2	-1	-0,7	-0,8	-7,8	-2,9
Central and Eastern Europe	Poland	-1,9	-7,5	-0,3	-6,9	-1,8	-3,4	-5,1	-6,7	-3,8
Central and Eastern Europe	Romania	-3	-6,2	-2,7	-9,6	-6,7	-5,8	-5,6	-6,8	-4,4
Central and Eastern Europe	Slovak Republic	-2,1	-7,5	-1	-5,4	-5,2	-1,6	-4,8	-4,3	-3,6
Central and Eastern Europe	Slovenia	-0,1	-5,6	0,9	-7,7	-4,6	-3	-2,6	-8,6	-3,8
Oceania	Australia	1,5	-5,1	-1,3	-8,7	-6,4	-2,2	-0,9	-7,5	-3,2
Northern America	Canada	1,8	-4,7	0,4	-10,9	-2,9	0,1	-0,6	-11,3	-2,2
Oceania	New Zealand	3,6	-5,5	1,3	-4,3	-3,2	-3,5	-3,3	-5,6	-1,4
Northern America	United States	-2,9	-11	-5,3	-13,9	-11	-3,9	-7,1	-8,6	-7,1
	Average	0,6	-5,6	-0,1	-6,7	-3,8	-1,4	-2	-6,6	-2,6

Source: IMF World Economic Outlook and author's calculation

Legend: Colours – green shows the highest, red the lowest values

These expansionary fiscal measures were supported by a drastic reduction of interest rates, which declined from – on average – 6.4% in 2007 to 2.8% in 2010 [Tab. 2, last row]. The improvement of the fiscal situation after the crisis was made easier by the continuous low level of interest rates, which reduced the debt service burden of governments. On average, central policy rates remained well below 1% between 2015 and 2021. Only the return of inflation in 2022 led to a more contractionary monetary policy with interest rates that increased, on average, by 6 percentage points between 2021 and 2023 (see last column in Table 2). In 2024, central banks started to ease monetary policy again as the inflation subsided and recessions loomed.

Table 2: Central bank policy rates (%; at September each year)

Region	Country	2007	2010	2016	2021	2023	2024	2021 - 2023
Euro area		4	1	0	0	4,5	3,5	4,5
Western Europe	Switzerland	2,75	0,375	-0,75	-0,75	1,75	1	2,5
Western Europe	United Kingdom	5,75	0,5	0,25	0,1	5,25	5	5,15
Northern Europe	Denmark	4,25	0,5	-0,65	-0,5	3,6	3,1	4,1
Northern Europe	Iceland	13,3	5,375	5,25	1,25	9,25	9,25	8
Northern Europe	Norway	5	2	0,5	0,25	4,25	4,5	4
Northern Europe	Sweden	3,75	0,75	-0,5	0	4	3,5	4
Central and Eastern Europe	Croatia	11,21	0,87	0,52				0
Central and Eastern Europe	Czechia	3,25	0,75	0,05	0,75	7	4,25	6,25
Central and Eastern Europe	Hungary	7,5	5,25	0,9	1,65	13	6,5	11,35
Central and Eastern Europe	Poland	4,75	3,5	1,5	0,1	6	5,75	5,9
Central and Eastern Europe	Romania	7	6,25	1,75	1,25	7	6,5	5,75
Oceania	Australia	6,5	4,5	1,5	0,1	4,1	4,35	4
Northern America	Canada	4,5	1	0,5	0,25	5	4,25	4,75
Oceania	New Zealand	8,25	3	2	0,25	5,5	5,25	5,25
Northern America	United States	4,75	0,125	0,375	0,125	5,375	4,875	5,25
	Average	6,41	2,81	1,01	0,56	6,62	5,22	6,06

Source: The Bank for International Settlements and author's calculation

Legend: Colours – green shows the highest, red the lowest values

Governments influence the distribution of income and wealth directly through transfer payments (social spending), which is dealt with in the next section, and through tax policies and labour market regulation. Taxes affect disposable income through their structure and rates. Taxes on goods and services (value added or sales taxes) are regressive as they hit poorer households more than richer ones. Taxes on income and wealth are usually progressive, apart from some countries that have flat rates (e.g. Hungary). The share of these two most important taxes varies between countries as Tables 3 and 4 show. The tables also show that the tax shares did not change much during the reported period (2007-2022). Standard deviation (last column, Tables 3 and 4) over the period remains below two percentage points for most countries. Exceptions were France that lowered the share of taxes on goods and services by 14 percentage points [Tab. 3] and Ireland that increased the share of income taxes by 18 percentage points while Spain lowered it by 12 percentage points [Tab 4].

Table 3: Taxes on goods and services (percentage of total tax revenue)

Region	Country	2007	2015	2022	2007 - 2022		
					Change	Average	Standard deviation
Western Europe	Austria	36,3	36,3	36,1	↔	37	0,7
Western Europe	Belgium	37,1	37,1	37	↔	37,6	1,5
Western Europe	France	44,3	43,2	30,3	↓	41	4,5
Western Europe	Germany	52,9	51,3	46,8	↓	50,4	2,9
Western Europe	Ireland	37,8	31,1	30,1	↓	32,9	2,4
Western Europe	Luxembourg	44,8	37,2	37,5	↓	40,1	2,8
Western Europe	Netherlands	42,3	40,3	37,7	↓	40,7	1,1
Western Europe	Switzerland	53,9	49,3	47	↓	49,5	2,8
Western Europe	United Kingdom	32,2	35,6	32,2	↔	33,4	2,1
Northern Europe	Denmark	39	36,1	34	↓	35,9	1,8
Northern Europe	Finland	54,5	60,4	57,6	↔	59,7	2,6
Northern Europe	Iceland	38,9	34,3	35,4	↓	33,9	3,7
Northern Europe	Norway	24,2	25,9	15,1	↓	24,1	3
Northern Europe	Sweden	39,4	42,2	41,5	↔	42,1	1
Southern Europe	Cyprus	42,5	44,5	42,7	↔	44,3	1,5
Southern Europe	Greece	41,7	41,4	48,6	↓	43	2,4
Southern Europe	Italy	33,5	35,2	33,9	↔	34,5	1,3
Southern Europe	Malta	37,6	33,1	31,9	↓	34,2	2,2
Southern Europe	Portugal	39,2	37,9	40,3	↔	38,7	1,8
Southern Europe	Spain	37,8	46,3	40,9	↔	43,3	3,5
Central and Eastern Europe	Bulgaria	54,6	54,7	47,3	↓	56,1	2,8
Central and Eastern Europe	Croatia	61	65,1	60,9	↔	64,5	2,3
Central and Eastern Europe	Czech Republic	30,9	34,6	29,8	↓	33	1,9
Central and Eastern Europe	Estonia	41,5	41,4	39,4	↓	40,8	1,6
Central and Eastern Europe	Hungary	49,1	47,5	48,2	↓	48,3	2
Central and Eastern Europe	Latvia	60,8	60,4	65,7	↔	59,9	3,7
Central and Eastern Europe	Lithuania	45	48,5	43,9	↓	47,6	2,8
Central and Eastern Europe	Poland	56,1	55,2	54,5	↓	56,2	1,1
Central and Eastern Europe	Romania	45,6	49,5	44,1	↓	48,1	3,2
Central and Eastern Europe	Slovak Republic	50	41	46,6	↓	46,4	2,3
Central and Eastern Europe	Slovenia	48,2	51,8	49,9	↔	51,9	1,9
Oceania	Australia	23,2	21,3	17,8	↓	21,7	1,9
Northern America	Canada	18	17,1	17,7	↓	17,3	0,6
Oceania	New Zealand	..	..	..	↔
Northern America	United States	3,8	4,5	2,7	↔	4,2	0,6
	Average	41,1	40,9	39	↓	40,9	2,2

Source: WDI and author's calculation; * US values are underestimating the true share because they probably exclude sales taxes that are levied by the states.

Legend: Colours – green shows the highest, red the lowest values for columns 1–3, 5; column 6 (standard deviation) red shows the highest (most volatile), green the lowest. Arrows (column 4) indicate change between 2007 and 2022: horizontal ↔: little change (<0.5); declining ↓: change between –0.5 and –9.9; rising ↗: change between 0.5 and 9.9; vertical ↓: maximum change (>10).

Table 4: Taxes on income, profits and capital gains (percentage of total tax revenue)

Region	Country	2007	2015	2022	2007 - 2022		
					Change	Average	Standard deviation
Western Europe	Austria	38,2	39,5	40,4	↗	38	1,3
Western Europe	Belgium	54,3	52,8	52,8	↘	52,1	1,8
Western Europe	France	30,8	32,6	39	↗	32,8	3,1
Western Europe	Germany	36,9	37,2	41,1	↗	37,5	2,9
Western Europe	Ireland	38,7	39	56,9	↗	42,2	7,3
Western Europe	Luxembourg	38,5	41,8	45,4	↗	42,1	2,4
Western Europe	Netherlands	39,8	41,3	47,9	↗	41,5	3,9
Western Europe	Switzerland	32,6	36,8	37,2	↗	36,4	2,8
Western Europe	United Kingdom	39,6	34,1	36,7	↘	35,6	2
Northern Europe	Denmark	42,2	45,5	45,6	↗	44,4	2,6
Northern Europe	Finland	33,5	24,2	28,1	↘	25,6	2,9
Northern Europe	Iceland	27,1	27,8	32,9	↗	27,2	3,9
Northern Europe	Norway	31,1	22,2	39,9	↗	27,9	5,6
Northern Europe	Sweden	19,7	17,7	18,1	↘	16,7	1,6
Southern Europe	Cyprus	34,8	29,9	34	↔	32,7	1,7
Southern Europe	Greece	26,7	23,3	23,3	↘	24,5	1,7
Southern Europe	Italy	52,1	48,1	47	↘	48,6	1,8
Southern Europe	Malta	31,1	32	37,7	↗	33,2	2,3
Southern Europe	Portugal	28	32	32,9	↗	30,1	1,9
Southern Europe	Spain	48,4	32,6	36,3	↘	35,1	5,1
Central and Eastern Europe	Bulgaria	21,4	19,4	21	↔	20,6	1,7
Central and Eastern Europe	Croatia	13,3	9	11,2	↘	10,1	2
Central and Eastern Europe	Czech Republic	21	17	17,5	↘	18	1,3
Central and Eastern Europe	Estonia	23,4	23,3	24,2	↗	22,5	1,6
Central and Eastern Europe	Hungary	29,3	20,2	20,9	↘	23,2	4,8
Central and Eastern Europe	Latvia	19,6	12,9	12,1	↘	12,9	3,8
Central and Eastern Europe	Lithuania	36,3	23,2	38,9	↗	28	7,1
Central and Eastern Europe	Poland	22,4	19	20,6	↘	20,1	1,3
Central and Eastern Europe	Romania	25	24,7	26	↗	24,6	1,8
Central and Eastern Europe	Slovak Republic	28,5	25,3	29,7	↗	27,5	2,6
Central and Eastern Europe	Slovenia	23,2	14,1	19,5	↘	17,1	3,1
Oceania	Australia	65,7	64,9	67,9	↗	64,8	1,4
Northern America	Canada	66	66,9	69,3	↗	67	1,5
Oceania	New Zealand	..	..	..
Northern America	United States	86,3	82,4	86,7	↔	82,1	3,3
	Average	35,4	32,7	36,4	↗	33,6	1,5

Source: WDI and author's calculation

Legend: Colours – green shows the highest, red the lowest values for columns 1–3, 5; column 6 (standard deviation) red highest (most volatile), green lowest. Arrows (column 4) indicate change between 2007 and 2022: horizontal: little change (<1); declining ↘: change between –1 and –9.9; rising ↗: change between 1 and 9.9; vertical ↕ maximum change (>10); vertical ↕: maximum change (<–10).

Top income tax rates vary between 15% and over 50% [Tab 5], and these rates are applied to incomes above a certain threshold. The thresholds vary substantially, too. The highest, measured by a multiple of average wage, is applied in Austria (21.7), followed by France, Portugal and Spain (all above 10). The lowest thresholds (below 1) are in force in Hungary (0) and Estonia (0.3), but the rates are very low there (15% and 20%). Between 2007 and 2023, on average for all countries, top rates hardly changed while thresholds were doubled (already in 2014), thus lessening the burden to poorer households. Notable exceptions are Austria, which increased its top rate by 11.3 percentage points, Portugal by 11 and Iceland by 10.5.

Table 5: Top statutory personal income tax rate and thresholds (in multiple of average wage and USD converted at purchasing power parity) for selected years

Region	Country	2007		2014		2023		2007-2023	2007-2023
		Top rate	Thres-hold*	Top rate	Thres-hold*	Top rate	Thres-hold*	Top rate change	Thres-hold change
Western Europe	Austria	43,71	1,92	50	13,88	55	19,2	↑	↑
Western Europe	Belgium	53,7	1,04	53,75	1,59	52,88	1	→	→
Western Europe	France	45,78	2,81	54,5	15,05	55,37	13,6	↑	↑
Western Europe	Germany	47,48	6,34	47,48	5,66	47,48	4,8	→	↓
Western Europe	Ireland	43,5	2,44	48	0,76	48	1,2	↔	↓
Western Europe	Luxembourg	38,95	0,9	43,6	2,98	45,78	3	↔	↔
Western Europe	Netherlands	52	1,28	52	1,24	49,5	1,3	↓	→
Western Europe	Switzerland	42,06	3,16	41,67	3,46	41,5	2,9	→	→
Western Europe	United Kingdom	40	1,2	45	4,27	45	2,6	↔	↔
Northern Europe	Denmark	59	1,03	55,56	1,23	55,9	1,3	↓	→
Northern Europe	Finland	50,45	1,83	51,49	2,53	51,4	1,8	→	→
Northern Europe	Iceland	35,72	0	46,24	1,37	46,25	1,3	↑	↔
Northern Europe	Norway	40	1,54	39	1,59	39,5	2,1	↓	→
Northern Europe	Sweden	56,55	1,45	56,86	1,51	52,27	1,2	↓	→
Southern Europe	Cyprus					35			
Southern Europe	Greece	40	3,73	46	5,27	44	2	↔	↓
Southern Europe	Italy	44,9	3,23	47,84	9,89	47,23	1,7	↔	↓
Southern Europe	Malta					35			
Southern Europe	Portugal	42	4,43	56,5	16,22	53	11,8	↑	↔
Southern Europe	Spain	43	2,6	52	11,66	45	10,1	↔	↔
Central and Eastern Europe	Bulgaria					10+18			
Central and Eastern Europe	Croatia					35,4			
Central and Eastern Europe	Czech Republic	32	1,51	15	0	23	3,8	↓	↔
Central and Eastern Europe	Estonia	22	0,17	21	0,14	20	0,4	↓	→
Central and Eastern Europe	Hungary	36	0,79	16	0	15	0	↓	→
Central and Eastern Europe	Latvia	25	0,15	24	0,11	31	4,2	↔	↔
Central and Eastern Europe	Lithuania	27	0,18	15	0,24	32	4,3	↔	↔
Central and Eastern Europe	Poland	40	3,12	32	2,26	32	1,7	↓	↓
Central and Eastern Europe	Romania					10			
Central and Eastern Europe	Slovak Republic	19	0,44	25	3,77	25	2,8	↔	↔
Central and Eastern Europe	Slovenia	41	1,44	50	5,31	50	3,8	↑	↔
Oceania	Australia	46,5	2,63	46,5	2,27	47	1,8	→	→
Northern America	Canada	46,41	2,22	49,53	3,42	53,53	2,7	↔	→
Oceania	New Zealand	39	1,39	33	1,27	39	2,4	→	↔
Northern America	United States	41,4	8,44	46,25	8,22	43,5	8,8	↔	→
	Average	41,14	2,11	42,03	4,24	41,4	3,98		

Note: * thresholds as multiple of average wage; thresholds refer to 2021.

Legend: Colours – green shows the highest, red the lowest values

Changes: ↑: > 9; ↗: < 9 and > 1; ↘: < 1 and > -1; ↓: < -1 and > -9; ↙: < -9.

Source: OECD; for non-OECD countries

(Bulgaria: <https://taxsummaries.pwc.com/bulgaria/individual/taxes-on-personal-income>,

Croatia: <https://www.porezna-uprava.hr/en/Pages/Taxes/Income-tax.aspx>,

Cyprus: <https://taxsummaries.pwc.com/cyprus/individual/taxes-on-personal-income>,

Malta: <https://cfr.gov.mt/en/inlandrevenue/personaltax/Pages/Tax-Rates.aspx>,

Romania: [Tax | ARICE - Invest Romania \(gov.ro\)](https://www.arice.gov.ro) (no data for threshold)).

Another possible way for governments to influence employment and income is labour market policy. The average levels of minimum wages, measured in percentage of the median wage, vary from over 60% in France, Portugal,

Slovenia and New Zealand to about 30% in the USA, with the average of all countries over the whole period being approximately 48% [Tab. 6]. The EU's minimum wage directive (EU 2022-2041) does not oblige countries to adopt a specific minimum wage, but Article 5.4 declares that "Member States shall use indicative reference values to guide their assessment of adequacy of statutory minimum wages. To that end, they may use indicative reference values commonly used at international level such as 60% of the gross median wage and 50% of the gross average wage, and/or indicative reference values used at national level". As Table 6 shows, only France and in some years, Portugal and Slovenia, follow that recommendation (plus New Zealand, which is not a Member State of the EU). Changes reflect changes in the minimum wage as well as changes in median wage as rises of the median wage lead to lower minimum wages measured as a percentage of the median wage.

Table 6: Minimum wages (as a percentage of median wage)

Region	Country	2007	2010	2015	2021	2022	2023	Average 2007 - 2023	Change 2007 - 2023
Western Europe	Austria								
Western Europe	Belgium	47,9	48,26	45,33	41,04	46,13	48,73	46,22	↗
Western Europe	France	63,31	62,11	62,34	60,97	60,89	62,22	62,12	↘
Western Europe	Germany			48,17	44,75	48,1	51,7	47,54	
Western Europe	Ireland	42,73	45,34	39,23	47,18	46,66	48,32	44,41	↗
Western Europe	Luxembourg	54,16	55,41	54,48	54,85	54,39	56,74	54,79	↗
Western Europe	Netherlands	48,73	47,33	46,62	46,41	46,34	49,14	47,35	↗
Western Europe	Switzerland								
Western Europe	United Kingdom	46,64	46,14	48,69	56,97	57,93	59,61	51,24	↗
Northern Europe	Denmark								
Northern Europe	Finland								
Northern Europe	Iceland								
Northern Europe	Norway								
Northern Europe	Sweden								
Southern Europe	Cyprus								
Southern Europe	Greece	44,5	46,54	42,32	48,97	48,61	49,53	45,98	↗
Southern Europe	Italy								
Southern Europe	Malta		47,4	48	51	46,9	43,8	46,84	↘
Southern Europe	Portugal	47,69	52,78	56,37	65,77	67,41	68,16	57,59	↗
Southern Europe	Spain	39,22	37,74	37,07	48,46	48,79	52,2	41,91	↗
Central and Eastern Europe	Bulgaria				53,74	51,64	49,56	54,49	
Central and Eastern Europe	Croatia		45,39		46,07	46,62	45	45,64	
Central and Eastern Europe	Czech Republic	40,75	37,68	38,78	43,22	43,29	43,78	40,06	↗
Central and Eastern Europe	Estonia	35,78	40,41	41,35	42,6	42,96	42,52	40,92	↗
Central and Eastern Europe	Hungary	46,74	47,42	52,5	45,53	47,73	48,16	49,6	↗
Central and Eastern Europe	Latvia	36,63	48,97	51,83	43,99	38,94	42,31	45,72	↗
Central and Eastern Europe	Lithuania	39,36	49,83	51,84	46,69	46,41	47,29	48,54	↗
Central and Eastern Europe	Poland	39,61	45,31	51,28	53,82	52,79	54,71	49,67	↗
Central and Eastern Europe	Romania	38,08	42,65	54,91	54,9	54,7	56,2	50,75	↗
Central and Eastern Europe	Slovak Republic	44,31	45,69	47,3	52,41	50,76	50,76	47,47	↗
Central and Eastern Europe	Slovenia	49,52	58,99	59,8	60,41	61,69	62,95	58,32	↗
Oceania	Australia	54,47	54,28	53,3	51,54	53,6	55,18	53,55	↗
Northern America	Canada	39,64	42,83	44,43	48,93	49,06	49,61	45,58	↗
Oceania	New Zealand	57,35	58,8	60,06	67,61	67,42	66,54	61,45	↗
Northern America	United States	31,42	38,81	35,84	29,06	27,38	25,96	33,66	↘
	Average	42,59	46,93	49,48	49,06	48,81	49,35	48,9	↗

Legend: Colours – green shows the highest, red the lowest values

Changes: ↗: > 10; ↘: < 9 and > 1; ↖: < 1 and > -1; ↙: < -1 and > -10.

Source: OECD and Eurostat for Malta and author's calculation; Scandinavian countries do not have statutory minimum wages. There are no data for Austria, Cyprus and Ireland. Changes and averages refer to available years between 2007 and 2023.

Minimum wages, as a percentage of the average median wage [Tab. 6] increased in many countries, on average for all countries by 7.1 percentage points. The highest rises (from 2007-2021) were found in Portugal (+20.5), Romania (+18.1), Poland (+15.1), Slovenia (+13.4) and the UK (both +13). The minimum wage (relative to the median wage) declined in only two countries: France (-1.1) and the USA (-5.5). A rise or decline of the minimum wage as a percentage of the median wage does not necessarily imply an absolute rise or decline of the minimum wage. It may totally or partially be caused by respective inverse changes of the median wage. Thus, it is very likely that the decline in the two countries mentioned reflects a rise in the median wage that is not accompanied by an equal rise of the minimum wage.

The OECD evaluates labour market policies by calculating an index of employment protection legislation (EPL).

Table 7: Strictness of EPL

Region	Country	2007	2013	2019	Average 2007 - 2019	Change 2007 - 2019
Western Europe	Austria	2,56	2,56	2,56	2,56	+
Western Europe	Belgium	2,6	2,6	2,87	2,73	↑
Western Europe	France	2,83	2,68	2,72	2,7	↓
Western Europe	Germany	2,89	2,89	2,89	2,89	+
Western Europe	Ireland	1,79	1,88	1,88	1,84	↔
Western Europe	Luxembourg	..	2,63	2,63	2,63	+
Western Europe	Netherlands	3,22	3,22	3,49	3,26	↑
Western Europe	Switzerland	2,06	2,06	2,06	2,06	+
Western Europe	United Kingdom	1,76	1,64	1,57	1,66	↓
Northern Europe	Denmark	1,87	1,92	1,92	1,9	+
Northern Europe	Finland	2,02	1,95	1,89	1,94	↓
Northern Europe	Iceland	..	1,94	1,94	1,94	+
Northern Europe	Norway	2,38	2,38	2,38	2,38	+
Northern Europe	Sweden	2,6	2,6	2,6	2,6	+
Southern Europe	Cyprus					
Southern Europe	Greece	3,06	2,57	2,57	2,73	↓
Southern Europe	Italy	3,33	3,17	2,68	3,1	↓
Southern Europe	Malta					
Southern Europe	Portugal	3,98	2,96	2,78	3,16	↓
Southern Europe	Spain	2,65	2,26	2,32	2,43	↓
Central and Eastern Europe	Bulgaria					
Central and Eastern Europe	Croatia	..	..	..	2,42	+
Central and Eastern Europe	Czech Republic	3,02	2,93	2,93	2,97	+
Central and Eastern Europe	Estonia	..	2,11	2,11	2,17	↓
Central and Eastern Europe	Hungary	2,4	2,17	2,17	2,27	↓
Central and Eastern Europe	Latvia	..	3,23	3,23	3,23	+
Central and Eastern Europe	Lithuania	..	..	2,34	2,58	↓
Central and Eastern Europe	Poland	2,48	2,48	2,48	2,48	+
Central and Eastern Europe	Romania					
Central and Eastern Europe	Slovak Republic	3,13	2,76	2,76	2,89	↓
Central and Eastern Europe	Slovenia	..	2,9	2,52	2,72	↓
Oceania	Australia	1,65	2,01	2,01	1,93	↑
Northern America	Canada	1,31	1,31	1,31	1,31	+
Oceania	New Zealand	1,29	1,17	1,17	1,22	↓
Northern America	United States	0,67	0,67	0,67	0,67	+
	Average	2,4	2,33	2,32	2,36	↓

Legend: Colours – green shows the highest, red the lowest values

Changes: ↑: >0.25; ↔: < 0.25 and > 0; ↓: 0; ↕: < 0 and > -0.25.

Source: OECD and author's calculation

As Table 7 shows, EPL scores vary among countries, for different reasons. The lowest scores are to be found in liberal, mostly Anglo-Saxon economies and perhaps surprisingly, in some Scandinavian countries. There, a high degree of social security for the unemployed accompanies and permits low levels of EPL (the well-known “flexicurity”). Changes vary, too. EPL became slightly less strict between 2007 and 2019, although not by much (−0.08 on average for all countries). In Portugal, protection decreased the most (−1.2), followed by Italy (−0.65) and Greece (−0.49), probably because of pressure by the creditors (Troika).

7.2.2. Output: economic growth and its distribution

How did the economies of the 35 countries develop after 2007? Regarding economic growth, there were two deep recessions, one in 2009 caused by the financial market crisis, and one in 2020 due to the pandemic and the lockdowns (visible in the orange and red colours in Table 8). GDP per capita³ fell, measured by the unweighted average of all 35 countries, by 5.2% in 2009 and by 4.6% in 2020. But this recession turned out to be V-shaped. In the two following years growth rates were much higher, adding up to about 10% on average for all countries. However, in 2023, the shocks of the Ukraine war and the accompanying sanctions led to a new recession, albeit much weaker than the one caused by the pandemic.

There are substantial differences between countries. In 2009, only Poland avoided a recession; in 2020, the exception was Ireland. Over the whole period, the worst performing country was Greece, hit by the so-called Euro crisis and the pandemic, which led to a massive decline in tourism. The best performers were Ireland, Malta and the countries of Central and Eastern Europe (CEE).

Table 8: Annual GDP per capita growth (%)

Region	Country	2007	2009	2015	2020	2021	2022	2023	Average 2007 - 2023
Western Europe	Austria	3,39	-4,02	-0,11	-7,02	3,78	3,81	-1,81	0,49
Western Europe	Belgium	2,92	-2,81	1,45	-5,71	6,49	2,14	0,19	0,76
Western Europe	France	1,8	-3,37	0,75	-7,79	6,13	2,14	0,41	0,54
Western Europe	Germany	3,11	-5,45	0,62	-3,91	3,12	1,07	-1,11	0,95
Western Europe	Ireland	2,31	-6,05	23,3	5,53	14,03	7,43	-5,69	3,78
Western Europe	Luxembourg	6,44	-5,01	-0,12	-2,55	5,55	-0,64	-3,39	0,06
Western Europe	Netherlands	3,55	-4,16	1,51	-4,42	5,64	3,34	-0,88	0,85
Western Europe	Switzerland	2,99	-3,51	0,49	-2,85	4,59	1,74	-0,13	0,79
Western Europe	United Kingdom	1,82	-5,33	1,41	-10,69	8,76	3,17	-0,71	0,5
Northern Europe	Denmark	0,46	-5,41	1,62	-2,71	6,38	1,93	1,14	0,78
Northern Europe	Finland	4,85	-8,51	0,21	-2,5	2,63	1,06	-1,53	0,29
Northern Europe	Iceland	5,75	-7,98	3,35	-8,44	3,44	6,18	1	0,91
Northern Europe	Norway	1,85	-3,17	0,85	-1,86	3,35	2,08	-0,62	0,33
Northern Europe	Sweden	2,68	-5,15	3,39	-2,87	5,51	1,97	-0,67	0,91
Southern Europe	Cyprus	2,88	-4,61	4,01	-4,53	8,89	3,64	0,69	1
Southern Europe	Greece	3,01	-4,55	0,46	-9,12	9,71	7	2,66	-0,54
Southern Europe	Italy	0,98	-5,71	0,88	-8,53	8,87	4,33	1,23	0,07
Southern Europe	Malta	4,41	-1,88	7,02	-10,17	11,82	5,52	1,39	3,22
Southern Europe	Portugal	2,31	-3,21	2,21	-8,4	5,08	6,34	1,14	0,87
Southern Europe	Spain	1,7	-4,61	3,92	-11,6	6,29	4,97	1,24	0,36
Central and Eastern Europe	Bulgaria	7,44	-2,72	4,06	-3,39	8,54	10,56	2,4	3,36
Central and Eastern Europe	Croatia	5,1	-7,12	3,4	-8,12	17,96	7,68	3,13	2,25
Central and Eastern Europe	Czech Republic	4,96	-5,2	5,18	-5,73	5,45	0,76	-2,16	1,33
Central and Eastern Europe	Estonia	8,07	-14,46	1,79	-1,16	7,14	-1,78	-4,24	1,49
Central and Eastern Europe	Hungary	0,43	-6,45	3,95	-4,28	7,51	5,31	-0,36	2
Central and Eastern Europe	Latvia	10,84	-12,83	4,74	-2,83	7,64	3,23	-0,41	2,24
Central and Eastern Europe	Lithuania	12,44	-13,89	2,99	-0,05	6,06	1,33	-1,73	3,35
Central and Eastern Europe	Poland	7,12	2,76	4,45	-1,85	7,37	8,29	0,53	3,88
Central and Eastern Europe	Romania	8,83	-4,73	3,65	-3,15	6,5	4,52	2,1	3,61
Central and Eastern Europe	Slovak Republic	10,8	-5,58	5,07	-3,41	4,99	2,16	1,69	2,68
Central and Eastern Europe	Slovenia	6,38	-8,38	2,13	-4,88	7,94	2,27	1,16	1,47
Oceania	Australia	1,9	-0,19	0,74	-1,56	1,97	2,95	0,6	1,03
Northern America	Canada	1,06	-4,02	-0,11	-6,06	4,71	1,96	-1,85	0,4
Oceania	New Zealand	2,09	-1,05	1,64	-2,6	4,11	2,66	-1,41	0,94
Northern America	United States	1,04	-3,43	2,19	-3,16	5,63	1,56	2,04	1,16
	Average	4,22	-5,19	2,95	-4,64	6,67	3,5	-0,11	1,38

Legend: Colours – green shows the highest, red the lowest values

Source: WDI and author's calculation

³ GDP/cap is used rather than GDP to control for changing population.

Seen from the supply side, GDP growth can be accounted by the growth of hours worked (Table 9) and hourly productivity (GDP/h; Table 10). The following equation shows the major components:
$$\text{GDP/cap} = \text{GDP/h} \times \text{hours worked/employed person} \times \text{employment/workforce} \times \text{workforce/active population} \times \text{active population/total population}$$
, with the factor employment/workforce equal to $1 - \text{unemployment rate}$, and the active population being the age group 15-65.

The last four factors together give the total number of hours worked in an economy as a result of the number of hours worked per employee, unemployment rate, the labour market participation and the demographic structure.

Productivity growth could also be considered as the core (and main cause) of GDP growth, which can be translated into higher output (GDP) or fewer working hours. Historically, productivity increased much faster than in recent decades and has been partially used to reduce working time, at least in most richer countries. In the period under consideration here (2008-2021) the growth of the total number of hours worked reflected GDP growth to some extent, to some extent demographic change, or to changing labour market participation. Seen as demand, GDP growth (when stronger than productivity growth) leads to higher labour input (more employment).

In 2009 and 2020, the drop of hours worked in many countries was caused by the respective crises [Tab. 9]. In Greece and Spain, the longer-lasting decline resulted from the Euro crisis (as mentioned previously). In some other countries in the Baltics and Eastern Europe, the decline was probably driven by emigration. Generally, without structural changes in the labour force participation and working time regime, population growth drives the growth of the total number hours worked in an economy. In 2019, the total number of hours worked for all countries was 5% higher than in 2007. This gain disappeared during the crisis. But already in 2022, that loss was compensated in most countries. Seen from the supply side, more hours worked produce a higher output (GDP). The latter view informs policies that want to promote growth by increasing labour input through, for instance, higher labour market participation of women or later retirement.

Table 9: Growth of hours worked in the total economy (%)

Region	Country	2009	2017	2020	2021	2022	2023	Average 2007 - 2023	Average 2007 - 2023
Western Europe	Austria	1,0%	1,5%	-1,6%	0,3%	2,6%	2,9%	1,4%	24,8%
Western Europe	Belgium	-3,1%	1,0%	-8,7%	4,7%	2,5%	0,9%	0,3%	5,0%
Western Europe	France	-1,4%	1,8%	-8,3%	7,9%	4,4%	1,2%	0,9%	15,3%
Western Europe	Germany	-4,5%	1,8%	-4,7%	1,1%	-0,5%	1,0%	-0,5%	-8,7%
Western Europe	Ireland	-3,2%	1,4%	-12,0%	10,7%	4,6%	3,5%	1,1%	17,2%
Western Europe	Luxembourg	-0,8%	1,8%	-1,4%	1,3%	2,4%	2,2%	-0,1%	-1,5%
Western Europe	Netherlands	-1,1%	4,3%	-6,3%	7,8%	4,1%	1,7%	1,2%	19,6%
Western Europe	Switzerland	-2,4%	1,7%	-7,7%	3,1%	4,6%	0,3%	0,5%	7,0%
Western Europe	United Kingdom	-4,0%	0,9%	-3,0%	6,1%	4,1%	0,5%	0,4%	6,3%
Northern Europe	Denmark	-16,4%	2,8%	-6,0%	8,1%	4,8%	1,6%	0,0%	-1,9%
Northern Europe	Finland	-3,8%	0,7%	-2,4%	2,0%	2,6%	-0,5%	0,2%	2,9%
Northern Europe	Iceland	-1,9%	0,2%	-7,8%	8,3%	4,5%	1,0%	0,6%	9,9%
Northern Europe	Norway	-2,8%	0,9%	-4,9%	2,6%	1,3%	0,4%	0,3%	5,3%
Northern Europe	Sweden	-1,7%	-0,3%	-11,8%	8,4%	3,9%	1,7%	-0,2%	-4,1%
Southern Europe	Cyprus	-3,7%	1,2%	-5,0%	3,1%	2,1%	-1,1%	0,6%	9,0%
Southern Europe	Greece	-13,2%	3,4%	-5,8%	1,1%	7,1%	4,1%	0,7%	10,2%
Southern Europe	Italy	-11,0%	4,2%	-9,7%	6,6%	8,6%	3,8%	0,9%	13,2%
Southern Europe	Malta	-3,4%	1,0%	-11,7%	10,2%	4,2%	2,3%	0,0%	-1,6%
Southern Europe	Portugal	-16,5%	-0,9%	-5,6%	-1,1%	4,9%	-0,3%	-1,7%	-25,0%
Southern Europe	Spain	-11,0%	-2,9%	-5,7%	2,8%	5,3%	2,5%	0,0%	-2,0%
Central and Eastern Europe	Bulgaria	-3,0%	2,8%	-4,0%	7,2%	2,8%	2,5%	2,3%	42,3%
Central and Eastern Europe	Croatia	0,3%	4,3%	-5,0%	3,0%	3,9%	4,2%	3,1%	62,3%
Central and Eastern Europe	Czech Republic	-1,4%	2,4%	-4,0%	3,3%	3,9%	1,1%	0,9%	15,3%
Central and Eastern Europe	Estonia	-2,8%	4,7%	-0,8%	0,6%	3,6%	3,0%	1,7%	30,4%
Central and Eastern Europe	Hungary	-1,9%	0,4%	-2,2%	2,3%	3,9%	0,8%	1,0%	17,7%
Central and Eastern Europe	Latvia	-0,4%	0,2%	-0,8%	6,0%	3,1%	-0,5%	0,7%	12,2%
Central and Eastern Europe	Lithuania	-2,7%	2,7%	-8,6%	2,6%	3,7%	1,2%	-0,2%	-4,3%
Central and Eastern Europe	Poland	-4,7%	1,1%	-4,6%	4,6%	0,3%	-0,9%	-0,7%	-11,4%
Central and Eastern Europe	Romania	-2,7%	0,7%	-8,8%	0,0%	3,6%	1,0%	0,1%	1,2%
Central and Eastern Europe	Slovak Republic	-1,3%	1,0%	-5,0%	5,3%	4,0%	1,6%	0,6%	9,6%
Central and Eastern Europe	Slovenia	-6,0%	2,1%	-11,0%	7,2%	3,9%	1,9%	-0,2%	-4,3%
Oceania	Australia	-3,0%	1,7%	-3,2%	2,6%	2,3%	1,2%	0,9%	15,8%
Northern America	Canada	-0,1%	-0,2%	-3,7%	2,8%	1,3%	2,3%	0,7%	11,7%
Oceania	New Zealand	-2,9%	1,1%	-10,5%	6,8%	4,0%	0,1%	0,7%	11,3%
Northern America	United States	-5,8%	1,2%	-6,8%	4,6%	3,2%	1,5%	0,6%	9,0%
	Average	-4,1%	1,5%	-6,0%	4,4%	3,6%	1,4%	0,5%	

Legend: Colours – green shows the highest, red the lowest values

Source: Eurostat + OECD and author's calculation

The second driver of growth is labour productivity. Generally, as can be seen in Table 10, crises (2009, 2020 and 2023) harmed productivity growth in many countries as production and value added declined faster than labour input.⁴ Here, some countries (e.g. most of CEE) showed above average productivity growth.

Table 10: Growth of productivity (GDP/h) – %

Region	Country	2007	2009	2015	2020	2021	2022	2023	Average 2007 - 2023
Western Europe	Austria	2,6	-0,7	1,4	2,3	-0,5	2,3	-1,7	0,7
Western Europe	Belgium	1,8	-0,6	1,5	3,2	-0,9	-1,3	9,5	1,0
Western Europe	France	-0,4	-1,0	0,8	0,2	-1,4	-1,4	0,2	0,3
Western Europe	Germany	1,2	-3,0	0,5	1,2	0,6	0,5	-0,6	0,7
Western Europe	Ireland	2,6	6,6	20,9	18,2	8,3	-0,2	-7,1	4,0
Western Europe	Luxembourg	2,6	-0,2	-0,8	3,2	0,0	-1,3	-2,8	-0,3
Western Europe	Netherlands	0,8	-2,2	1,1	0,0	2,4	0,7	-1,5	0,4
Western Europe	Switzerland	1,9	-2,2	-0,7	1,7	2,6	1,2		1,2
Western Europe	United Kingdom	1,5	-2,5	1,6	1,9	-0,7	0,7	-0,4	0,4
Northern Europe	Denmark	0,3	-1,0	1,1	1,7	1,3	-2,1	1,5	0,9
Northern Europe	Finland	3,3	-4,5	0,8	0,1	0,8	-1,2	-1,0	0,3
Northern Europe	Iceland	6,0	6,4	1,7	-1,3	4,1	1,6	0,3	1,5
Northern Europe	Norway	-1,8	-0,1	1,3	0,9	1,6	-0,9	-0,3	0,1
Northern Europe	Sweden	0,1	-1,3	2,8	1,1	3,1	-1,5	-1,1	0,5
Southern Europe	Cyprus	-0,2	1,8	1,0	2,7	2,1	1,0		0,9
Southern Europe	Greece	2,6	-2,6	3,6	3,1	0,0	1,2	0,4	-0,8
Southern Europe	Italy	-0,1	-2,0	0,1	3,1	-1,7	-0,2	-1,4	0,1
Southern Europe	Malta	1,7	7,2	-4,2	10,0	-1,1	1,3		2,2
Southern Europe	Portugal	1,6	-0,4	0,0	1,1	1,3	6,1	1,6	1,2
Southern Europe	Spain	1,1	2,4	0,8	-0,2	-0,8	1,8	0,6	0,9
Central and Eastern Europe	Bulgaria	3,3	1,2	3,0	0,8	6,5	4,4	0,8	2,7
Central and Eastern Europe	Croatia	1,8	-6,5	4,8	-7,2	11,6	4,5	1,2	1,4
Central and Eastern Europe	Czech Republic	4,2	-2,5	4,8	3,3	0,1	-1,5	-0,8	1,3
Central and Eastern Europe	Estonia	7,5	2,1	-0,5	5,3	-0,8	-5,0	-4,5	1,6
Central and Eastern Europe	Hungary	2,3	-2,9	1,8	1,2	3,9	2,4	-0,4	1,3
Central and Eastern Europe	Latvia	8,0	2,7	4,4	2,2	7,9	3,3	0,0	3,1
Central and Eastern Europe	Lithuania	7,1	-4,4	-0,8	6,0	3,4	-2,7	-2,8	2,4
Central and Eastern Europe	Poland	2,6	3,2	2,4	-1,2	0,9	2,4	0,7	2,7
Central and Eastern Europe	Romania	5,5	-0,9	4,9	1,0	1,1	3,8	3,1	3,6
Central and Eastern Europe	Slovak Republic	8,0	-2,9	3,8	6,3	4,7	-1,9	0,2	2,5
Central and Eastern Europe	Slovenia	4,3	-6,3	0,6	0,8	2,8	-1,4	0,0	1,1
Oceania	Australia	1,1	-0,8	2,5	1,9	1,6	-4,1	-3,0	0,7
Northern America	Canada	0,0	0,3	-0,2	7,9	-4,9	-0,8	-1,7	0,6
Oceania	New Zealand	3,9	5,3	2,3	1,8	2,7	-0,9	-2,7	0,7
Northern America	United States	1,4	3,2	0,9	4,6	1,4	-1,6	3,1	1,3
	Average	2,6	-0,3	2,0	2,5	1,8	0,3	-0,3	1,2

Legend: Colours – green shows the highest, red the lowest values

Source: OECD + Eurostat and author's calculation

⁴ The same process increases the wage share during sharp recessions as profits collapse and wages continue to be paid until later, when employers start firing workers they can no longer afford.

On average, the distribution of income did not dramatically change during the period under consideration (2007-2021). The income considered here is disposable income that results after accounting for taxes paid and social benefits received⁵. In many countries, inequality declined somewhat in the wake of the financial crisis but increased again later. On average for all countries, the Gini reached its maximum in 2013 and declined afterwards. In the pandemic, income support schemes often lowered inequality. Over the whole period, a notable decline of income inequality occurred in some countries such as Croatia, Poland, Latvia and Romania. The strongest rises of inequality could be observed in Bulgaria, Italy, Lithuania, Luxembourg, Malta and Sweden [Tab. 11].

Table 11: Gini index

Region	Country	2007	2013	2019	2020	2021	Average 2007 - 2021	Change 2007 - 2021
Western Europe	Austria	30,6	30,8	30,2	29,8	30,7	30,5	↔
Western Europe	Belgium	29,2	27,7	27,2	26	26,6	27,7	↘
Western Europe	France	32,4	32,5	31,2	30,7	31,5	32,3	↔
Western Europe	Germany	31,2	31,5	31,8	32,4	32,4	31,3	↗
Western Europe	Ireland	31,9	33,5	30,8	29,2	30,1	31,7	↘
Western Europe	Luxembourg	31,1	32	34,2	33,4	32,7	32,7	↗
Western Europe	Netherlands	29,6	28,1	29,2	26	25,7	28	↘
Western Europe	Switzerland	34,3	32,5	34	33,7	33,7	33	↔
Western Europe	United Kingdom	34,4	32,7	32,8	32,6	32,4	33,4	↘
Northern Europe	Denmark	26,2	28,5	27,7	27,5	28,3	27,6	↗
Northern Europe	Finland	28,3	27,2	27,7	27,1	27,7	27,4	↔
Northern Europe	Iceland	29,5	25,4	26,1	26,1	26,1	27,2	↓
Northern Europe	Norway	27,1	26,4	27,7	27,7	27,7	26,9	↔
Northern Europe	Sweden	27,1	28,8	29,3	28,9	29,8	28,5	↗
Southern Europe	Cyprus	31,1	37	31,2	31,7	31,3	32,7	↔
Southern Europe	Greece	34	36,1	33,1	33,6	32,9	34,4	↘
Southern Europe	Italy	32,9	34,9	34,6	35,2	34,8	34,8	↗
Southern Europe	Malta	29,2	28,8	31	31,4	31,4	29,6	↗
Southern Europe	Portugal	36,8	36,2	32,8	34,7	34,6	35,2	↘
Southern Europe	Spain	34,1	36,2	34,3	34,9	33,9	35,1	↔
Central and Eastern Europe	Bulgaria	36,1	36,6	40,3	40,5	39	37,6	↗
Central and Eastern Europe	Croatia	32,6	32	28,9	29,5	28,9	31	↓
Central and Eastern Europe	Czech Republic	26	26,5	25,3	26,2	26,2	25,9	↔
Central and Eastern Europe	Estonia	31,2	35,1	30,8	30,7	31,8	32	↔
Central and Eastern Europe	Hungary	27,9	31,5	30	29,7	29,2	29,6	↗
Central and Eastern Europe	Latvia	37,5	35,5	34,5	35,7	34,3	35,4	↓
Central and Eastern Europe	Lithuania	34,8	35,3	35,3	36	36,7	35,9	↗
Central and Eastern Europe	Poland	34	33,1	28,8	28,5	28,5	31,7	↓
Central and Eastern Europe	Romania	37,5	36,9	34,8	34,6	33,9	35,7	↘
Central and Eastern Europe	Slovak Republic	24,7	28,1	23,2	24,2	24,1	25,6	↔
Central and Eastern Europe	Slovenia	24,4	26,2	24,4	24	24,3	24,8	↔
Oceania	Australia	35,4	34,4	34,3	..	..	34,5	↘
Northern America	Canada	33,8	33,8	31,7	31,7	31,7	33,1	↘
Oceania	New Zealand	..	..	..	..	..	..	..
Northern America	United States	40,8	40,6	41,5	39,7	39,7	40,8	↘
	Average	31,7	32,1	31,2	31	31	31,6	↔

Note: * the given value does not refer to the year of the column heading but to the year closest to it with available data.

** Change between 2007 and 2021 except for countries where other years, again closest to it with available data, had to be used.

Legend: Colours – green shows the lowest, red the highest values

Changes: ⬆: > 3; ⬇: < 3 and > 1; ⬅: > -1 and < 1; ⬄: < -3 and > -1; ⬇: > -3.

Source: World DI and author's calculation

⁵ Table 26 below presents the Gini index of the distribution of market income, i.e. before taxes and benefits.

Income distribution can be considered between households or individuals (usually measured by the Gini or other indicators) or between capital and labour or profits and wages, usually called the functional distribution of income. The latter is measured by the wage share that indicates the percentage of value added going to the workers. As Table 12 shows, the wage share varies from country to country between, on average between 2010 and 2023, 70% in Switzerland and 30% in Ireland, whose GDP is heavily distorted by the huge share of artificially boosted profits as multinational enterprises relocate their profits to this low-tax location. For all countries the average has been 55%. The level is relatively low in most CEE countries but also in the richest European countries (Ireland, Luxembourg and Norway). In these countries, foreign investors or, in the case of Norway, a domestic sovereign wealth fund, appropriate a larger share of GDP.

Looking at the development over the period under consideration, the average for all countries changed only slightly (a drop of 1.3 percentage points). But that stability masks a much bigger swing during the pandemic when the wage share increased by almost 2 percentage points as profits collapsed but wages remained relatively stable. This crisis-driven surge collapsed in the following years and the wage share fell below its pre-crisis levels, possibly due to inflation.

But some countries experienced bigger changes: in Slovakia, Bulgaria and the Baltic countries, the wage share increased by more than 7 percentage points while in Ireland it decreased by 21 points; in Australia, Spain and Portugal it decreased by more than 5. The seemingly dramatic decline in Ireland is also caused by the strange composition of GDP with large parts of value added resulting from the artificial and deliberate transfers of profits to firms benefitting from low taxes in Ireland (see above).

Table 12: Wage share (percentage of GDP)

Region	Country	2010	2015	2019	2020	2021	2022	2023	Average 2007 - 2023	Change 2007 - 2023
Western Europe	Austria	58,5	58,9	59,2	59,6	59,6	59,9	60,9	59,3	↕
Western Europe	Belgium	65,2	63,9	61,9	63,2	61,1	63,3	63,8	63,7	↕
Western Europe	France	63,3	62,1	59,3	61,1	59,8	61,1	60,5	61,4	↕
Western Europe	Germany	61,7	62,2	63,2	62,5	61,2	60,3	60,1	61,8	↕
Western Europe	Ireland	52,7	36,8	34,6	32,8	30,6	29,7	31,6	39,6	↓
Western Europe	Luxembourg	54,8	54,8	55,8	56,4	54,8	54,9	55,6	54,8	↕
Western Europe	Netherlands	65,4	63,1	61,5	63,9	62,5	61,8	61,5	63,4	↕
Western Europe	Switzerland	66,3	68,6	68,8	69,1	70,5	70,4	70,4	68,6	↕
Western Europe	United Kingdom	59,3	56,4	57,4	60,3	59	58,1	58,1	57,8	↕
Northern Europe	Denmark	59,9	58,6	56,2	58,2	58	55,5	58,2	58,2	↕
Northern Europe	Finland	59,5	57,6	54,6	53,8	55,5	54,7	55,1	56,2	↕
Northern Europe	Iceland	57,4	61,4	61,3	62,4	62	61,4	62,3	61,5	↕
Northern Europe	Norway	49,1	52	52,9	53,8	46,5	37,7	45,4	49	↕
Northern Europe	Sweden	53,7	55,4	54,7	55,1	53,7	52,3	52,4	54,8	↕
Southern Europe	Cyprus	57,1	49,6	49,7	52	48,5	46,5	46,8	51,1	↓
Southern Europe	Greece	58,1	53,1	55,9	59,7	57	55,9	55,6	56,5	↕
Southern Europe	Italy	59,2	58	61,8	56,9	58	56,7	55,9	58,6	↕
Southern Europe	Malta	48,6	47,4	50,9	54,2	51,5	50,8	51,2	50,3	↕
Southern Europe	Portugal	62,2	54,5	55	59	57,8	56,3	56,7	57,2	↓
Southern Europe	Spain	64	59,4	57,3	62,5	59,1	57,3	57,3	59,3	↓
Central and Eastern Europe	Bulgaria	44,3	50,7	51,7	53,1	51,3	50,3	50	49,7	↑
Central and Eastern Europe	Croatia	61	58,3	57,8	61,5	56,4	55,8	56,8	57,8	↕
Central and Eastern Europe	Czech Republic	54,2	51,7	56,4	57,6	56,3	54,5	54,2	54,6	↕
Central and Eastern Europe	Estonia	52	56,5	58,3	59,7	56,4	55,8	58,1	55,3	↑
Central and Eastern Europe	Hungary	51,2	48,4	48,9	48,9	47,1	44,7	44,9	49	↕
Central and Eastern Europe	Latvia	49,3	51,7	57	59,1	57,3	56,1	60	52,9	↑
Central and Eastern Europe	Lithuania	45,8	47,7	52,7	54,4	52,5	51,7	54,3	48,8	↑
Central and Eastern Europe	Poland	48	46,6	49,3	50,2	47,3	46,4	46,7	47,7	↕
Central and Eastern Europe	Romania	44	40,3	43,9	47,2	41,4	39,4	40	42	↕
Central and Eastern Europe	Slovak Republic	46,2	48,5	53,4	53,6	53,3	53,9	53,3	50,2	↑
Central and Eastern Europe	Slovenia	61,2	58,5	58	61,3	59,8	57	58,2	59	↕
Oceania	Australia	61,4	62,1	59,6	55,7	53	53,9	53,7	58,6	↕
Northern America	Canada	61,2	62,3	60,8	62,2	59,5	58,3	60,2	60,6	↕
Oceania	New Zealand	51,2	49,5	52,1	54,1	54	52,6	53,3	51,6	↕
Northern America	United States	58,8	58,6	58,2	60	58,8	58,4	57,7	58,5	↕
	Average	56,2	55	55,7	57	55,2	54,1	54,9	55,4	

Legend: Colours – green shows the highest, red the lowest values

Changes: ⬆️: > 5; ⬆️: < 5 and > 1; ⬆️: > -1 and < 1; ⬆️: < -5 and > -1; ⬆️: > -5.

Source: International Labour Organization (ILO) and author's calculation

The distribution of wealth showed a pattern similar to the income distribution, without dramatic changes.

Table 13: Wealth distribution (share of top ten, %)

Region	Country	2007 (in %)	2014 (in %)	2022 (in %)	Change 2007 - 2022
Western Europe	Austria	61,30	60,40	61,60	↔
Western Europe	Belgium	52,90	50,90	52,40	↔
Western Europe	France	56,60	58,50	57,70	↔
Western Europe	Germany	60,10	58,70	57,60	↘
Western Europe	Ireland	70,00	72,20	66,20	↘
Western Europe	Luxembourg	61,80	64,80	58,60	↘
Western Europe	Netherlands	49,70	53,60	45,00	↘
Western Europe	Switzerland	59,40	61,60	62,80	↔
Western Europe	United Kingdom	54,40	57,80	57,00	↔
Northern Europe	Denmark	51,10	50,50	50,60	↔
Northern Europe	Finland	55,90	54,80	55,60	↔
Northern Europe	Iceland	59,60	55,70	56,70	↘
Northern Europe	Norway	51,40	48,40	52,20	↔
Northern Europe	Sweden	60,00	59,20	58,90	↘
Southern Europe	Cyprus	54,60	56,60	65,90	↑
Southern Europe	Greece	49,40	59,40	60,40	↑
Southern Europe	Italy	55,00	58,50	56,20	↔
Southern Europe	Malta	44,20	46,60	54,00	↑
Southern Europe	Portugal	59,00	59,40	60,10	↔
Southern Europe	Spain	56,00	58,30	56,60	↔
Central and Eastern Europe	Bulgaria	56,30	57,10	59,10	↔
Central and Eastern Europe	Croatia	56,70	56,30	59,80	↔
Central and Eastern Europe	Czech Republic	56,20	57,30	58,50	↔
Central and Eastern Europe	Estonia	66,70	66,70	67,70	↔
Central and Eastern Europe	Hungary	60,20	59,60	67,10	↑
Central and Eastern Europe	Latvia	65,60	65,30	60,70	↘
Central and Eastern Europe	Lithuania	57,00	58,20	62,30	↑
Central and Eastern Europe	Poland	61,50	61,60	61,80	↔
Central and Eastern Europe	Romania	59,20	58,20	57,70	↘
Central and Eastern Europe	Slovak Republic	42,10	47,40	49,50	↑
Central and Eastern Europe	Slovenia	48,10	56,70	57,20	↑
Oceania	Australia	55,90	56,60	57,00	↔
Northern America	Canada	58,50	58,30	58,40	↔
Oceania	New Zealand	55,80	56,50	56,60	↔
Northern America	United States	68,40	72,90	70,70	↔
	Average	56,90	58,10	58,60	↔

Legend: Colours – green shows the lowest, red the highest values

Changes: ↑: > 5; ↔: < 5 and > 1; ↗: > -1 and < 1; ↘: < -5 and > -1; ↓: > -5.

Source: World Inequality Database (WID) and author's calculation

On average for all countries, the financial crisis reduced the share of the richest 10% slightly in many countries, but the subsequent period of low interest rates led to a continuous rise of wealth inequality by about two percentage points. The rise of interest rates after 2022 has halted that rise, but a new decline did not yet register as data for later years were not yet available.

7.2.3. Outcome: employment, income and wealth

In this subsection, there is a closer look at those features of the economy that are relevant for the well-being of the population; notably employment, income and wealth. As already mentioned above, labour is a source of income (and often of other types of satisfaction) but also a burden that many people want to minimise. Thus, the real source of overall welfare is productivity growth [Tab. 8], which allows for higher output (and indirectly income and consumption) using the same or a lower amount of labour. The choice between higher output and more leisure time (or time spent on other activities such as care or voluntary work) is one primarily taken by individuals but also by societies in so far as they regulate working time, minimum vacations and retirement age.

Nonetheless, unemployment and a lack of job opportunities is a problem for the individuals affected and the economy and society as a whole. While unemployment insurance reduces the negative effects of losing a job to some extent, the optimal situation is a labour market that provides jobs for all people who want to work and earn an income this way. Thus, unemployment rates indicate a poor performance of the economy and, possibly, of the public policies that are supposed to avoid or reduce it.

Table 14 shows the unemployment rates for the countries and years under consideration here. As to be expected from the analysis in the previous subsection, unemployment increased sharply in 2009 and, to a lesser extent, in 2020. While almost all countries suffered from the two shocks of the financial crisis and the pandemic, there were substantial differences in the level of unemployment if the average over the whole period under consideration is taken. Again, Greece and Spain are the most affected countries with rates above 17%; the best performers are Norway, the Czech Republic and Switzerland.

In the pandemic, unemployment did not increase as strongly as in the financial crisis (10.1% vs 6.6%). This positive development was probably due the adoption of furlough policies by many countries (Dauderstädt, 2021a) that had learned the German lesson of 2009-2010. However, unemployment went up by one percentage point in 2020. Generally, most countries could quickly reduce those levels of unemployment afterwards (on average by 1.3 percentage points) to a level even lower than before the pandemic. The most successful countries in this regard were the USA, Canada, Greece and Spain, with the latter two starting from the highest levels of all countries in 2020 (above 15%).

Table 14: Unemployment rate (%)

Region	Country	2007	2013	2019	2020	2021	2022	2023	Average	Change 2007 - 2023	Change 2020 - 2023
Western Europe	Austria	4,9	5,4	4,6	5,2	6,5	5	5,2	5,2	↕	↕
Western Europe	Belgium	7,5	8,4	5,4	5,6	6,3	5,6	5,5	7,1	↕	↕
Western Europe	France	8	9,9	8,4	8	7,9	7,3	7,3	8,9	↕	↕
Western Europe	Germany	8,7	5,2	3,1	3,9	3,6	3,1	3	5	↕	↕
Western Europe	Ireland	5	13,7	5	5,6	6,2	4,5	4,3	8,9	↕	↕
Western Europe	Luxembourg	4,1	5,8	5,6	6,8	5,2	4,6	5,2	5,4	↕	↕
Western Europe	Netherlands	4,2	7,2	3,4	3,8	4,2	3,5	3,6	4,9	↕	↕
Western Europe	Switzerland	3,6	4,7	4,4	4,8	5,1	4,3	4,1	4,5	↕	↕
Western Europe	United Kingdom	5,3	7,5	3,7	4,5	4,8	3,7	4,1	5,6	↕	↕
Northern Europe	Denmark	3,8	7,4	5	5,6	5	4,4	5,1	5,9	↕	↕
Northern Europe	Finland	6,9	8,2	6,7	7,8	7,6	6,7	7,2	7,8	↕	↕
Northern Europe	Iceland	2,3	5,4	3,5	5,5	6	3,8	3,6	4,6	↕	↕
Northern Europe	Norway	2,5	3,4	3,7	4,4	4,4	3,2	3,6	3,6	↕	↕
Northern Europe	Sweden	6,2	8,1	6,8	8,3	8,7	7,4	7,6	7,5	↕	↕
Southern Europe	Cyprus	3,9	16,1	7,2	7,8	7,5	6,8	6	9,1	↕	↕
Southern Europe	Greece	8,4	27,7	17	15,9	14,7	12,4	11	17,4	↕	↕
Southern Europe	Italy	6,1	12,1	10	9,2	9,5	8,1	7,6	9,6	↕	↕
Southern Europe	Malta	6,5	6,1	3,6	4,4	3,4	2,9	3,1	5	↕	↕
Southern Europe	Portugal	8	16,2	6,5	6,8	6,6	6	6,5	9,7	↕	↕
Southern Europe	Spain	8,2	26,1	14,1	15,5	14,8	12,9	12,1	17,5	↕	↕
Central and Eastern Europe	Bulgaria	6,9	12,9	4,2	5,1	5,3	4,3	4,3	7,6	↕	↕
Central and Eastern Europe	Croatia	9,9	17,3	6,6	7,5	7,6	7	6,1	11	↕	↕
Central and Eastern Europe	Czech Republic	5,3	7	2	2,6	2,8	2,2	2,6	4,5	↕	↕
Central and Eastern Europe	Estonia	4,6	8,6	4,5	7	6,2	5,6	6,3	7,8	↕	↕
Central and Eastern Europe	Hungary	7,4	10,2	3,4	4,3	4	3,6	4,1	6,8	↕	↕
Central and Eastern Europe	Latvia	6,1	11,9	6,3	8,1	7,5	6,8	6,5	10,3	↕	↕
Central and Eastern Europe	Lithuania	4,3	11,8	6,3	8,5	7,1	6	7	9,3	↕	↕
Central and Eastern Europe	Poland	9,6	10,3	3,3	3,2	3,4	2,9	2,9	6,6	↕	↕
Central and Eastern Europe	Romania	6,4	7,1	3,9	5	5,6	5,6	5,6	6	↕	↕
Central and Eastern Europe	Slovak Republic	11,2	14,2	5,8	6,7	6,9	6,1	5,8	9,9	↕	↕
Central and Eastern Europe	Slovenia	4,8	10,1	4,4	5	4,7	4	3,6	6,4	↕	↕
Oceania	Australia	4,4	5,7	5,2	6,5	5,1	3,7	3,7	5,2	↕	↕
Northern America	Canada	6,2	7,1	5,7	9,7	7,5	5,3	5,4	6,9	↕	↕
Oceania	New Zealand	3,7	5,8	4,1	4,6	3,8	3,3	3,7	5	↕	↕
Northern America	United States	4,6	7,4	3,7	8,1	5,3	3,7	3,6	6	↕	↕
	Average	6	10,1	5,6	6,6	6,3	5,3	5,3	7,5	↕	↕

Legend: Colours – green shows the lowest, red the highest values

Changes: ↕: > 5; ↕: < 5 and > 1; ↕: > -1 and < 1; ↕: > -1.

Source: WDI and author's calculation

As explained above, paid work is not only a privilege but also a burden. People want to have and need time to be able to continue working and for other purposes, including care work. Time use analysis shows that paid work takes up a similar amount of time as unpaid work and leisure, with the bulk of time used for personal care (including activities such as sleep and eating). There are large differences between men and women, who do much more unpaid than paid work. Historically, the number of hours worked per employee has declined due to higher productivity. During the period between 2007 and 2023 a slow decline (on average for all countries) could be observed (see the last column in Table 15). The pandemic caused a stronger drop of, on average, by 87 hours, that is likely to be reversed later. Numbers substantially differ from country to country. In poorer countries (with lower productivity) employees tend to work more hours per year. In the sample, the average number for the whole period is highest in Malta and Greece with over 1900 hours and lowest in mostly rich countries such as Netherlands, Norway, Denmark and Germany with values below or just slightly higher than 1,400. These low values mostly reflect a larger share of

part-time workers. That share is extremely high in the Netherlands (more than 60% according to World Bank data) although the number of hours worked is not much lower than in most Scandinavian countries or Germany, where the share of part-time work employment is between 40% and 50%.

Table 15: Number of hours worked per employee and year

Region	Country	2007	2014	2020	2021	2022	2023	Change 2007 - 2023	Average 2007 - 2023
Western Europe	Austria	1606	1510	1400	1437	1435	1435	-171	1509
Western Europe	Belgium	1594	1582	1446	1530	1535		-59	1566
Western Europe	France	1537	1518	1400	1475	1501	1500	-37	1514
Western Europe	Germany	1454	1400	1316	1348	1347	1343	-112	1392
Western Europe	Ireland	1745	1689	1620	1627	1657	1633	-112	1683
Western Europe	Luxembourg	1581	1512	1408	1467	1459	1462	-119	1505
Western Europe	Netherlands	1429	1434	1404	1412	1415	1413	-16	1429
Western Europe	Switzerland	1669	1564	1499	1531	1529		-140	1581
Western Europe	United Kingdom	1541	1542	1364	1498	1531	1524	-17	1518
Northern Europe	Denmark	1433	1414	1341	1390	1394	1380	-53	1405
Northern Europe	Finland	1605	1559	1530	1528	1514	1499	-106	1556
Northern Europe	Iceland	1554	1513	1464	1459	1459	1448	-106	1511
Northern Europe	Norway	1438	1424	1410	1426	1425	1418	-20	1426
Northern Europe	Sweden	1461	1464	1426	1447	1440	1437	-24	1461
Southern Europe	Cyprus	1862	1815	1728	1789	1810		-52	1824
Southern Europe	Greece	2001	1949	1732	1854	1886	1897	-104	1933
Southern Europe	Italy	1818	1716	1543	1686	1726	1734	-84	1729
Southern Europe	Malta	2171	1945	1910	1914	1876	1835	-336	2013
Southern Europe	Portugal	1755	1725	1611	1649	1635	1631	-124	1710
Southern Europe	Spain	1701	1691	1558	1633	1652	1632	-69	1680
Central and Eastern Europe	Bulgaria	1655	1644	1605	1619	1617	1618	-37	1641
Central and Eastern Europe	Croatia	1930	1891	1834	1835	1837	1837	-93	1875
Central and Eastern Europe	Czech Republic	1775	1774	1677	1722	1774	1766	-9	1769
Central and Eastern Europe	Estonia	1903	1771	1637	1767	1770	1742	-161	1770
Central and Eastern Europe	Hungary	1788	1749	1653	1682	1691	1679	-109	1735
Central and Eastern Europe	Latvia	1794	1695	1577	1601	1553	1548	-246	1663
Central and Eastern Europe	Lithuania	1707	1650	1595	1620	1624	1641	-66	1664
Central and Eastern Europe	Poland	1855	1822	1769	1828	1815	1803	-52	1818
Central and Eastern Europe	Romania	1840	1793	1756	1824	1827	1826	-14	1811
Central and Eastern Europe	Slovak Republic	1791	1760	1572	1583	1622	1631	-160	1723
Central and Eastern Europe	Slovenia	1655	1682	1532	1593	1610	1616	-39	1638
Oceania	Australia	1709	1672	1613	1622	1628	1651	-58	1663
Northern America	Canada	1745	1709	1653	1685	1686		-59	1705
Oceania	New Zealand	1774	1758	1739	1730	1748	1751	-23	1753
Northern America	United States	1842	1829	1789	1813	1804	1799	-43	1818
	Average	1706	1662	1575	1618	1624	1617	-87	1657

Note: * figures refer to 2007-2022.

Legend: Colours – green shows the lowest, red the highest values

Source OECD author's calculation

Lower unemployment and more hours worked increase both GDP and thus income. Income is measured according to different concepts. Gross national income (GNI) differs from GDP as it includes income of citizens living and working abroad while it excludes value added in the country but earned by foreigners (often foreign investors). Other concepts are net national income, which subtracts depreciation from GNI, and disposable income which subtracts taxes and social security contributions and adds transfers received. Levels and growth rates of GDP and GNI are very similar for most countries.

Table 16: Growth of GNI (%)

Region	Country	2007	2009	2017	2020	2021	2022	Average 2007 - 2022
Western Europe	Austria	2,8	-4,2	0,0	-5,4	3,9	-0,1	0,3
Western Europe	Belgium	3,0	-1,4	0,8	-5,2	5,4	-0,9	0,5
Western Europe	France	2,1	-2,5	1,7	-8,7	7,5	0,3	0,5
Western Europe	Germany	3,0	-2,9	1,8	-4,1	3,0	-1,1	1,1
Western Europe	Ireland	0,3	-8,6	4,8	2,4	9,6	3,2	3,2
Western Europe	Luxembourg	12,4	-22,2	6,8	1,9	5,5	-3,6	0,3
Western Europe	Netherlands	2,9	-3,1	3,6	-5,6	10,8	-0,3	0,8
Western Europe	Switzerland	-3,8	5,5	-1,3	-4,7	7,8	2,6	0,2
Western Europe	United Kingdom	1,2	-4,0	2,8	-12,2	..	..	-0,1
Northern Europe	Denmark	-0,5	-5,8	2,0	-0,8	7,8	3,2	1,3
Northern Europe	Finland	3,9	-7,4	2,3	-0,8	2,5	-0,5	0,3
Northern Europe	Iceland	..	..	..	..	..	..	..
Northern Europe	Norway	0,6	-9,7	2,7	-6,6	15,8	25,0	2,2
Northern Europe	Sweden	3,7	-5,8	2,0	-2,1	6,4	1,6	1,1
Southern Europe	Cyprus	1,9	-3,3	5,8	-6,1	6,7	5,1	0,9
Southern Europe	Greece	2,5	-3,6	0,9	-8,4	8,0	5,3	-0,8
Southern Europe	Italy	1,0	-3,6	1,7	-7,3	7,5	0,7	-0,1
Southern Europe	Malta	3,4	-5,4	7,5	-11,4	12,1	5,7	2,9
Southern Europe	Portugal	2,5	-1,2	3,5	-6,8	5,1	3,8	1,0
Southern Europe	Spain	1,4	-2,7	2,4	-11,0	6,6	2,1	0,2
Central and Eastern Europe	Bulgaria	2,3	-1,3	4,4	-4,1	7,9	11,4	3,3
Central and Eastern Europe	Croatia	5,4	-7,5	6,1	-6,0	15,7	7,9	2,4
Central and Eastern Europe	Czech Republic	5,4	-5,0	5,1	-3,9	6,4	-2,5	1,5
Central and Eastern Europe	Estonia	8,6	-11,4	5,3	-0,7	8,7	-2,1	2,8
Central and Eastern Europe	Hungary	-0,7	-3,7	2,5	-2,5	4,0	0,5	1,9
Central and Eastern Europe	Latvia	14,3	-5,6	4,4	-0,3	4,5	4,2	2,9
Central and Eastern Europe	Lithuania	11,2	-11,0	5,7	1,3	0,6	-5,2	3,0
Central and Eastern Europe	Poland	6,2	1,7	4,7	-1,5	6,6	9,1	4,0
Central and Eastern Europe	Romania	8,7	-3,7	8,7	-3,3	5,9	3,3	3,7
Central and Eastern Europe	Slovak Republic	9,8	-5,2	3,1	-2,3	2,0	-0,6	1,9
Central and Eastern Europe	Slovenia	5,9	-5,6	5,1	-3,6	5,5	-1,0	1,2
Oceania	Australia	2,7	1,9	3,1	0,0	5,5	2,6	1,7
Northern America	Canada	2,1	-7,2	3,0	-6,6	8,6	3,0	0,8
Oceania	New Zealand	4,9	2,6	2,7	-1,5	3,0	0,8	1,8
Northern America	United States	-0,2	-2,4	2,0	-3,5	6,0	1,9	1,2
	Average	3,9	-4,6	3,5	-4,2	6,7	2,6	1,5

Legend: Colours – green show the highest, red the lowest values

Source: WDI and author's calculation

As in Table 8, presenting GDP growth, Table 16 clearly indicates two major recessions when GNI dropped dramatically: by 4.6% in the financial crisis in 2009, and by 4.2% during the pandemic from 2020. After that second shock, recovery has been much faster. On average, GNI surged by 6.7% in 2021. Generally, for the whole period under investigation (2007-2022), growth has been strongest in many CEE countries and in Ireland whose GNI growth, however, has been weaker than its growth of GDP, as could be expected. Australia, New Zealand, Malta and Norway showed above average growth, too. Norway benefitted from the energy crisis after the Russian invasion and the subsequent sanctions, and achieved a stellar growth rate of 25% in 2022.

High income levels are closely correlated with high levels of wealth. On average for all countries, wealth per adult has grown by 40% since 2007 while income only increased by 18.6%. The growth of wealth suffered similar setbacks as the growth of GDP or GNI. After 2008 the average wealth declined and, in 2020, wealth growth was much weaker than in the years before. But both shocks were compensated by later growth. The best performing countries over the whole period were mostly rich ones such as Norway, Sweden, Germany, but also Poland, a surprising top performer, while among the worst performers the countries of the Eurozone's southern periphery are found again: Greece, Italy and Spain.

Table 17: Growth of net wealth per adult (%)

Region	Country	2008	2009	2015	2020	2021	2022	Change 2008 - 2022
Western Europe	Austria	1,1%	-1,8%	1,6%	0,2%	6,0%	4,0%	30,4%
Western Europe	Belgium	0,6%	-1,8%	2,0%	-1,5%	4,1%	1,3%	16,0%
Western Europe	France	-4,1%	-4,8%	-1,6%	3,7%	5,8%	2,5%	14,9%
Western Europe	Germany	2,7%	-0,5%	6,3%	3,7%	6,4%	4,2%	89,3%
Western Europe	Ireland	-1,9%	-7,8%	-1,5%	-9,9%	16,3%	6,1%	2,0%
Western Europe	Luxembourg	-9,9%	-1,5%	10,7%	-2,5%	4,8%	0,8%	66,0%
Western Europe	Netherlands	4,4%	0,7%	2,4%	5,4%	14,6%	-3,5%	42,3%
Western Europe	Switzerland	0,3%	-1,8%	4,8%	5,2%	4,8%	2,2%	56,6%
Western Europe	United Kingdom	-10,6%	-13,8%	4,3%	10,2%	8,8%	-2,2%	24,3%
Northern Europe	Denmark	-4,5%	-6,6%	8,3%	3,1%	14,1%	-3,3%	42,1%
Northern Europe	Finland	-2,3%	-2,6%	0,5%	2,0%	4,2%	-0,2%	16,5%
Northern Europe	Iceland	-23,2%	-17,9%	8,0%	-7,5%	0,8%	7,0%	3,1%
Northern Europe	Norway	0,9%	2,7%	14,7%	9,5%	-6,2%	-9,5%	84,6%
Northern Europe	Sweden	0,0%	1,9%	7,9%	6,3%	9,3%	-0,5%	98,3%
Southern Europe	Cyprus	1,1%	-5,1%	-11,6%	2,4%	7,1%	8,6%	10,6%
Southern Europe	Greece	-8,7%	-14,2%	-5,5%	-7,6%	23,5%	24,5%	-16,4%
Southern Europe	Italy	-1,8%	-2,2%	-2,3%	-0,9%	2,2%	1,6%	-15,3%
Southern Europe	Malta	7,7%	-8,9%	5,7%	-4,8%	12,7%	8,3%	39,2%
Southern Europe	Portugal	-0,1%	-2,9%	2,1%	-3,5%	1,4%	8,4%	11,3%
Southern Europe	Spain	-0,9%	-8,9%	2,5%	-2,8%	0,5%	1,0%	-16,1%
Central and Eastern Europe	Bulgaria	10,8%	3,2%	1,0%	0,2%	10,5%	9,8%	75,1%
Central and Eastern Europe	Croatia	1,6%	-7,1%	6,3%	-0,7%	19,0%	14,2%	76,0%
Central and Eastern Europe	Czech Republic	4,5%	-2,0%	2,9%	3,1%	0,8%	2,2%	33,1%
Central and Eastern Europe	Estonia	0,4%	-8,9%	3,7%	2,0%	8,9%	-0,9%	60,5%
Central and Eastern Europe	Hungary	1,9%	-3,8%	7,9%	0,3%	7,8%	4,4%	73,3%
Central and Eastern Europe	Latvia	1,5%	-5,3%	5,7%	2,0%	8,3%	5,9%	52,4%
Central and Eastern Europe	Lithuania	3,4%	-7,2%	4,2%	6,0%	11,1%	5,4%	70,8%
Central and Eastern Europe	Poland	4,6%	-0,8%	6,1%	2,3%	12,2%	6,2%	106,5%
Central and Eastern Europe	Romania	5,6%	-6,3%	5,2%	-0,5%	7,5%	3,8%	56,3%
Central and Eastern Europe	Slovak Republic	13,6%	2,2%	2,8%	2,2%	4,6%	1,6%	53,5%
Central and Eastern Europe	Slovenia	1,2%	-6,0%	-1,7%	-0,3%	7,1%	-4,7%	2,3%
Oceania	Australia	-2,5%	-7,9%	6,4%	1,6%	11,2%	1,3%	27,3%
Northern America	Canada	-3,8%	3,3%	7,1%	7,9%	6,8%	-3,1%	72,8%
Oceania	New Zealand	-3,9%	-1,8%	7,5%	6,7%	2,8%	1,4%	37,9%
Northern America	United States	-9,1%	-7,4%	6,1%	-3,5%	7,8%	-0,1%	7,2%
	Average	-0,6%	-4,4%	3,7%	1,1%	7,6%	3,1%	40,1%

Legend: Colours – green shows the highest, red the lowest values

Source WID and author's calculation

How did public policies influence these developments? The obvious candidate is monetary policy. As explained above, low interest rates, as they prevailed between 2012 and 2022, caused a rise of asset prices which explains the higher growth of wealth in comparison to GNI. Regarding fiscal and tax policies, an assessment becomes more difficult. Expansionary fiscal policies were usually adopted during crises or recessions when income and wealth were declining. Thus, simple correlations often suggest that they are harmful rather than helpful, but a less expansionary policy probably would have deepened the recessions. In most countries, neither tax policies (share of taxes on income and on goods and services; Tables 3 and 4) nor inequality changed much during the period under consideration.

7.2.4. Life expectancy, trust and satisfaction

As important as the economic features considered in the previous subsections are, they are only partially responsible for the well-being and happiness of people. Thus, three ultimate goals of public policy are considered – life expectancy, happiness or satisfaction and trust in government. In the previous study of 2023, outputs and outcomes were correlated with these three target indicators; in this study, just the latest available data is presented. The correlation exercise will be replaced by an in-depth analysis of the policies of the most successful countries.

Arguably, the most important indicator for the quality of human life is its duration (life expectancy)⁶. As Table 18 shows, between 2007 and 2022, life expectancy increased in all countries except the USA by, on average, two years. The highest increase by more than four years could be observed in the Baltic countries, albeit from a relatively low level (under 73 years in 2007); but Bulgaria and Romania, two countries with similarly low values in 2007, improved much less.

⁶ The issue of health adjusted life years is neglected for the time being. Longer lives mean longer times with disease or disability (<https://ourworldindata.org/grapher/years-lived-with-disability-vs-gdp-per-capita>)

Table 18: Life expectancy (in years)

Region	Country	2007	2014	2020	2021	2022	Change 2007 - 2022	Average 2007 - 2022
Western Europe	Austria	80,2	81,5	81,2	81,2	81,1	0,9	81,1
Western Europe	Belgium	79,8	81,3	80,7	81,8	81,7	1,9	80,9
Western Europe	France	81,1	82,7	82,2	82,3	82,2	1,1	82,1
Western Europe	Germany	79,5	81,1	81	80,8	80,7	1,2	80,6
Western Europe	Ireland	79,6	81,3	82,6	82,4	83,1	3,4	81,4
Western Europe	Luxembourg	79,4	82,2	82,1	82,6	83	3,7	81,7
Western Europe	Netherlands	80,1	81,7	81,4	81,3	81,7	1,6	81,3
Western Europe	Switzerland	81,7	83,2	83	83,8	83,5	1,7	83
Western Europe	United Kingdom	79,4	81,3	80,4	80,7	82,1	2,6	80,8
Northern Europe	Denmark	78,2	80,7	81,6	81,4	81,3	3,1	80,3
Northern Europe	Finland	79,3	81,2	81,9	81,9	81,2	1,9	80,9
Northern Europe	Iceland	81,5	82,9	83,1	83,2	82,2	0,7	82,4
Northern Europe	Norway	80,4	82,1	83,2	83,2	82,6	2,2	82
Northern Europe	Sweden	80,9	82,3	82,4	83,1	83,1	2,2	82,1
Southern Europe	Cyprus	78,8	80,8	81,4	81,2	81,9	3,1	80,5
Southern Europe	Greece	79,4	81,4	81,3	80,1	80,6	1,2	80,8
Southern Europe	Italy	81,4	83,1	82,2	82,6	82,9	1,5	82,5
Southern Europe	Malta	79,8	82	82,3	82,5	82,7	2,9	81,6
Southern Europe	Portugal	78,3	81,1	81	81,4	81,6	3,3	80,5
Southern Europe	Spain	80,9	83,2	82,3	83,2	83,1	2,2	82,6
Central and Eastern Europe	Bulgaria	72,7	74,5	73,7	71,5	74,4	1,7	74
Central and Eastern Europe	Croatia	75,7	77,5	77,7	76,4	77,6	1,9	77,1
Central and Eastern Europe	Czech Republic	76,7	78,8	78,2	77,2	79	2,3	78,2
Central and Eastern Europe	Estonia	72,8	77	78,6	76,9	77,9	5,1	76,7
Central and Eastern Europe	Hungary	73,2	75,8	75,6	74,2	76	2,9	75,1
Central and Eastern Europe	Latvia	71	74,1	75,2	73	74,6	3,6	73,9
Central and Eastern Europe	Lithuania	70,9	74,5	75	74	75,8	4,9	74,1
Central and Eastern Europe	Poland	75,2	77,6	76,5	75,5	77,3	2,1	76,8
Central and Eastern Europe	Romania	72,6	74,9	74,3	72,8	75,3	2,7	74,3
Central and Eastern Europe	Slovak Republic	74,2	76,8	76,9	74,6	77,1	2,9	76,2
Central and Eastern Europe	Slovenia	78,6	81,1	80,5	80,7	81,3	2,7	80,3
Oceania	Australia	81,3	82,3	83,2	83,3	83,2	1,9	82,3
Northern America	Canada	80,5	81,8	81,7	81,6	81,3	0,8	81,5
Oceania	New Zealand	80,2	81,5	82,3	82,2	82,8	2,6	81,5
Northern America	United States	78	78,8	77	76,3	77,4	-0,6	78,2
	Average	78,1	80,1	80,1	79,7	80,4	2,3	79,7

Legend: Colours – green shows the highest, red the lowest values

Source: WDI and author's calculation

A less objective but nonetheless relevant feature is the subjective evaluation of the quality of life by the citizens. Life satisfaction can be measured on a scale from 0 to 10, with 10 indicating fullest satisfaction. In 2023, the values in the countries of the sample range from 5.5 (Bulgaria) to 7.6 (Denmark). As the colours in Table 19 clearly show, the countries of Europe's southern and eastern periphery were the least happy ones. However, the largest rises of life satisfaction (above one point) between 2012 and 2023 occurred in CEE countries such as Bulgaria, Romania and the three Baltic countries. The largest declining values, though on a smaller scale (less than 0.6), could be observed in Canada, USA, Ireland and Spain.

Table 19: Life satisfaction/happiness (selected years 2012, 2017, 2023)

Region	Country	2012	2017	2023	Average 2012 - 2023	Change 2012 - 2023
Western Europe	Austria	7,23	7,01	7,1	7,11	📉
Western Europe	Belgium	7,11	6,89	6,86	6,95	📉
Western Europe	France	6,75	6,44	6,66	6,62	📈
Western Europe	Germany	6,57	6,95	6,89	6,8	📈
Western Europe	Ireland	7,28	6,98	6,91	7,06	📉
Western Europe	Luxembourg	7,05	6,86	7,23	7,05	📈
Western Europe	Netherlands	7,51	7,38	7,4	7,43	📉
Western Europe	Switzerland	7,5	7,49	7,24	7,41	📉
Western Europe	United Kingdom	6,94	6,71	6,8	6,82	📉
Northern Europe	Denmark	7,86	7,52	7,59	7,65	📉
Northern Europe	Finland	7,58	7,47	7,8	7,62	📈
Northern Europe	Iceland	6,89	7,5	7,53	7,31	📈
Northern Europe	Norway	7,52	7,54	7,32	7,46	📉
Northern Europe	Sweden	7,38	7,28	7,4	7,35	📈
Southern Europe	Cyprus	6,42	5,62	6,13	6,06	📉
Southern Europe	Greece	6,13	5,23	5,93	5,76	📉
Southern Europe	Italy	6,58	5,96	6,4	6,32	📉
Southern Europe	Malta	5,96	6,53	6,3	6,26	📈
Southern Europe	Portugal	5,33	5,2	5,97	5,5	📈
Southern Europe	Spain	6,76	6,4	6,44	6,53	📉
Central and Eastern Europe	Bulgaria	3,89	4,71	5,47	4,69	📈
Central and Eastern Europe	Croatia	5,62	5,29	6,13	5,68	📈
Central and Eastern Europe	Czech Republic	6,36	6,61	6,85	6,6	📈
Central and Eastern Europe	Estonia	5,33	5,61	6,46	5,8	📈
Central and Eastern Europe	Hungary	4,94	5,32	6,04	5,44	📈
Central and Eastern Europe	Latvia	4,76	5,85	6,21	5,61	📈
Central and Eastern Europe	Lithuania	5,59	5,9	6,76	6,08	📈
Central and Eastern Europe	Poland	5,8	5,97	6,26	6,01	📈
Central and Eastern Europe	Romania	5,18	5,82	6,59	5,86	📈
Central and Eastern Europe	Slovak Republic	5,66	6,1	6,47	6,07	📈
Central and Eastern Europe	Slovenia	5,92	5,76	6,65	6,11	📈
Oceania	Australia	7,34	7,28	7,09	7,24	📉
Northern America	Canada	7,5	7,32	6,96	7,26	📉
Oceania	New Zealand	7,37	7,31	7,12	7,27	📉
Northern America	United States	7,27	6,99	6,89	7,05	📉
	Average	6,48	6,48	6,74	6,57	📈

Legend: Colours – green shows the highest, red the lowest values

Changes: 📈: > 1; 📉: < 1 and > 0.1; 📊: > -0.1 and < 0.1; 📉: > -0.1.

Source: World Happiness Report and author's calculation

Finally, the development of trust in government which is a major outcome of government action is considered. Trust in government might be linked to life satisfaction discussed above, as people with higher life satisfaction tend to participate more actively in politics (Flavin and Keane, 2011). Trust levels vary strongly among countries [Tab. 20]⁷, with the average over the whole period ranging from 80.8% for Switzerland and 73.7% for Luxembourg, to 24.3% for Latvia and 24.5% for Greece. The change between 2006 and 2021 varies substantially, too. The USA and the UK experienced the strongest declines (by 15 and 10 percentage points, respectively) while trust in government has grown in Iceland by almost 40 percentage points and in Germany by 28.3. Generally, trust in government declined in many countries during the financial crisis and experienced a strong rise in 2020 when people felt protected by their governments during the pandemic.

Table 20: Trust in government

Region	Country	2006	2013	2020	2021	2022	2023	Average 2006 - 2023	Change 2006 - 2023
Western Europe	Austria	54,7	42,8	62,7	62,7	47,1	47,1	47,7	↘
Western Europe	Belgium	64,5	48,8	39,3	39,3	54,1	54,1	47,1	↓
Western Europe	France	37,3	43,3	43,1	43,1	44,1	44,1	40,6	↗
Western Europe	Germany	35,4	51,9	63,7	63,7	59,6	59,6	55,6	↑
Western Europe	Ireland	66,8	40,6	61,3	61,3	62,9	62,9	52,2	↘
Western Europe	Luxembourg		79,5			80,8	80,8	77,6	↘
Western Europe	Netherlands	57,7	60,9	68,6	68,6	47,2	47,2	60,5	↓
Western Europe	Switzerland	69,1		84,7	84,7	82,4	82,4	80,9	↑
Western Europe	United Kingdom	44,4	43,4	37,6	37,6	33,9	33,9	41,3	↓
Northern Europe	Denmark	65,9	48,4	69	69	59,9	59,9	58,9	↘
Northern Europe	Finland	80,7	54,8	77,4	77,4	75,8	75,8	62,2	↘
Northern Europe	Iceland		40,8	64,2	64,2	48,6	48,6	46,1	↑
Northern Europe	Norway	72,8		80,5	80,5	61,2	61,2	67,8	↓
Northern Europe	Sweden	53,7	64,6	65,5	65,5	58,5	58,5	58,8	↗
Southern Europe	Cyprus								
Southern Europe	Greece	46,8	15,7	40,3	40,3	32,2	32,2	28,5	↓
Southern Europe	Italy	30,7	24,3	36,8	36,8	42,6	42,6	31,6	↑
Southern Europe	Malta								
Southern Europe	Portugal	56,7	23,1	62,1	62,1	51,8	51,8	40	↘
Southern Europe	Spain	56,5	29	38	38	38,8	38,8	36,1	↓
Central and Eastern Europe	Bulgaria								
Central and Eastern Europe	Croatia								
Central and Eastern Europe	Czech Republic	31,2	22,1	32,5	32,5	37,4	37,4	35,6	↗
Central and Eastern Europe	Estonia	50,6	34,9	55,8	55,8	53,3	53,3	44	↗
Central and Eastern Europe	Hungary	32,7	32,6	45,1	45,1	41	41	37,2	↗
Central and Eastern Europe	Latvia	31,9	19,4	32,7	32,7	31,8	31,8	26,5	↔
Central and Eastern Europe	Lithuania	26	25,4	47,3	47,3	41,1	41,1	32,3	↑
Central and Eastern Europe	Poland	14,7	26,9	27,8	27,8	38,3	38,3	34,7	↑
Central and Eastern Europe	Romania								
Central and Eastern Europe	Slovak Republic	17,5	35,1	26,8	26,8	22	22	31,6	↗
Central and Eastern Europe	Slovenia	52,1	20,1	40,1	40,1	46,1	46,1	30,5	↘
Oceania	Australia	55,1	48,3	48,5	48,5	51,9	51,9	51,1	↘
Northern America	Canada	55	54	60,8	60,8	51,1	51,1	57,8	↘
Oceania	New Zealand	61,9	62,2	64,1	64,1	52,1	52,1	61,7	↘
Northern America	United States	48,1	34,4	43,7	43,7	30,9	30,9	37,6	↓
	Average	48,9	40,3	52,4	52,4	49,3	49,3	47,1	

Legend: Colours – green shows the highest, red the lowest values

Changes: ↑: >10; ↗: < 10 and > 0.1; ↓: > -0.1 and < 0.1; ↘: > -0.1 and > -10. ↓: < -10.

Source: OECD <https://data.oecd.org/gga/trust-in-government.htm> and author's calculation

⁷ There are no data available on the five EU countries that are not members of OECD (Bulgaria, Croatia, Cyprus, Malta and Romania).

7.3. SOCIAL SECURITY

Social Security will be understood here as the protection from risks such as old age, sickness, disability and unemployment that prevent people from earning an adequate market income. Such protection can be provided by the state, public institutions such as social insurance, private institutions such as private insurance companies whose use might be mandated by law or completely private means such as savings. It can also be in the form of housing ownership or life insurance. In this study, the focus will be on government activities providing social security.

7.3.1. Inputs: government social spending and policies

The level and structure of social protection substantially varies from country to country. In some countries, risks are covered by the state, while the same risks in other countries are left to the private sector. Thus, social spending can be defined and delimited in various ways. Table 21 presents the total public expenditure for social protection as a percentage of GDP. Social spending includes benefits and expenditure for old age, survivors, incapacity related, family, active labour market programmes, unemployment and housing as far as they are provided from public sources. They include cash benefits and benefits in kind; mandatory and voluntary private spending are not included in Table 21. Mandatory and voluntary private spending play an important role in the Netherlands, Switzerland and the USA where they amount to more than 10% of GDP [Tab. 21 mpv, (Annex)].

In this definition, on average between 2009 and 2022, social spending makes up between low values of about 15% for Romania and high values of over 30% in France or Denmark with the average over all countries being 21.6%. Generally, expenditures as a share of GDP increased during the financial crisis (2009), declined afterwards and jumped significantly during the pandemic in 2020 by about three percentage points (average of all 35 countries). These two rises in the share are caused by a combination of rising nominal social expenditures (by, on average, more than 10%) and the shrinking GDP in the denominator. After the pandemic, in 2022, the reverse trend is visible: the share of social spending fell back again by more than two percentage points, on average for all countries. The decline in Ireland is overwhelmingly due to the rise of GDP [Tab. 6] as the share of social spending in total government spending increased over the same period [Tab. 22].

Table 21: Social spending as a percentage of GDP

Region	Country	2007	2014	2020	2021	2022	Change 2007 - 2022	Average 2007 - 2022
Western Europe	Austria	25,5	28,3	31,1	31,1	29,4	↗	28,1
Western Europe	Belgium	24,3	28,4	32,3	29,7	29	↗	28,2
Western Europe	France	28,2	32	34,9	32,7	31,6	↗	31,3
Western Europe	Germany	24,2	24,8	27,9	27,6	26,7	↗	25,6
Western Europe	Ireland	16,7	20,1	15,7	14,2	12,8	↘	17,9
Western Europe	Luxembourg	19,9	20,8	23,9	21,6	21,9	↗	21,2
Western Europe	Netherlands	15,7	17,9	18,9	18,7	17,6	↗	17,3
Western Europe	Switzerland	14,4	15,6	19,3	18	17	↗	16
Western Europe	United Kingdom	19,6	21,7	22,5	22,1		↗	21,5
Northern Europe	Denmark	25,9	30	29,3	28,3	26,2	↘	28,8
Northern Europe	Finland	22,9	30,2	31	30,3	29	↗	28,5
Northern Europe	Iceland	15,8	17,5	23	22,3	20,8	↗	18,3
Northern Europe	Norway	19,6	22,8	28,2	24,4	20,7	↑	23,1
Northern Europe	Sweden	25,3	26,6	25,9	24,9	23,7	↘	25,8
Southern Europe	Cyprus		20,1	24,1	21,6	19,8	↗	20
Southern Europe	Greece	20,1	25,5	27,9	26,1	24,1	↗	25
Southern Europe	Italy	24	28,1	32,6	30,7	30,1	↑	27,8
Southern Europe	Malta		17,8	19,8	16,5	14,2	↘	17,1
Southern Europe	Portugal	21,3	25	25,1	24,8	24,6	↗	23,7
Southern Europe	Spain	20,9	25,4	31,2	29,5	28,1	↗	25,4
Central and Eastern Europe	Bulgaria		18,4	18,7	18,8	18,6	↗	17,4
Central and Eastern Europe	Croatia		21,5	24,1	22,4	20,9	↗	21,5
Central and Eastern Europe	Czech Republic	17,4	20,1	22,6	22,5	22	↗	19,8
Central and Eastern Europe	Estonia	12,4	16	19,8	18,4	17,2	↘	17
Central and Eastern Europe	Hungary	22,4	21,3	18,5	18,1	17,2	↘	20,6
Central and Eastern Europe	Latvia	11	15,4	18,5	19,8	19,7	↗	16,4
Central and Eastern Europe	Lithuania	14,8	15,5	21,1	18,7	19,8	↘	17,3
Central and Eastern Europe	Poland	19,5	20,3	23,2	22,6	22,7	↗	20,9
Central and Eastern Europe	Romania		14,7	17,7	16,6	16,5	↗	15,6
Central and Eastern Europe	Slovak Republic	14,9	17,7	19,8	19,6	19,1	↗	17,5
Central and Eastern Europe	Slovenia	19,8	23,1	24,5	23,7	22,8	↗	22,5
Oceania	Australia	15,9	17,8	..			↗	17,4
Northern America	Canada	16,3	16,9	24,9			↑	18
Oceania	New Zealand	20,7	21,1	22	20,8		↘	21,5
Northern America	United States	15,7	18,4	23,9	22,7		↗	18,8
	Average	19,5	21,6	24,2	23	22,1	↗	21,6

Note: *for some countries (New Zealand, UK, USA), figures refer to 2020, for Australia 2019, Canada 2020.

Legend: Colours – green shows the highest, red the lowest values

Changes: ↑: > 5; ↗: < 5 and > 1; ↘: > -1 and < 1; ↓: > -1.

Source: OECD (https://stats.oecd.org/Index.aspx?DataSetCode=SOEX_AGG) + Eurostat (for Bulgaria, Croatia, Cyprus, Malta, Romania, this is only 2009-2020. The Eurostat values are systematically higher – by about 2% – than the OECD values as they include administrative costs) and author's calculation.

Looking at the share of social spending as percentage of total government spending, a similar picture emerges [Tab. 22], although with certain differences. As total public spending runs at an average level of about 40% of GDP in the selected countries, albeit with large differences, an average share of 35% of all government spending (see the last row in Table 22) leads to a share of GDP of about 14% which is clearly lower than the shares shown in Table 21.

On average for all countries, there is a rise of this share during the recession in the wake of the financial crisis after 2009. Starting in 2017, the share is declining again. Surprisingly, in 2020, the pandemic has substantially increased the share but in two countries – the USA (by 5.6 percentage points) and Canada (by 4.9). This might be due to a general increase of public spending, in particular on health services, during the pandemic.

Table 22: Social spending as percentage of total government spending

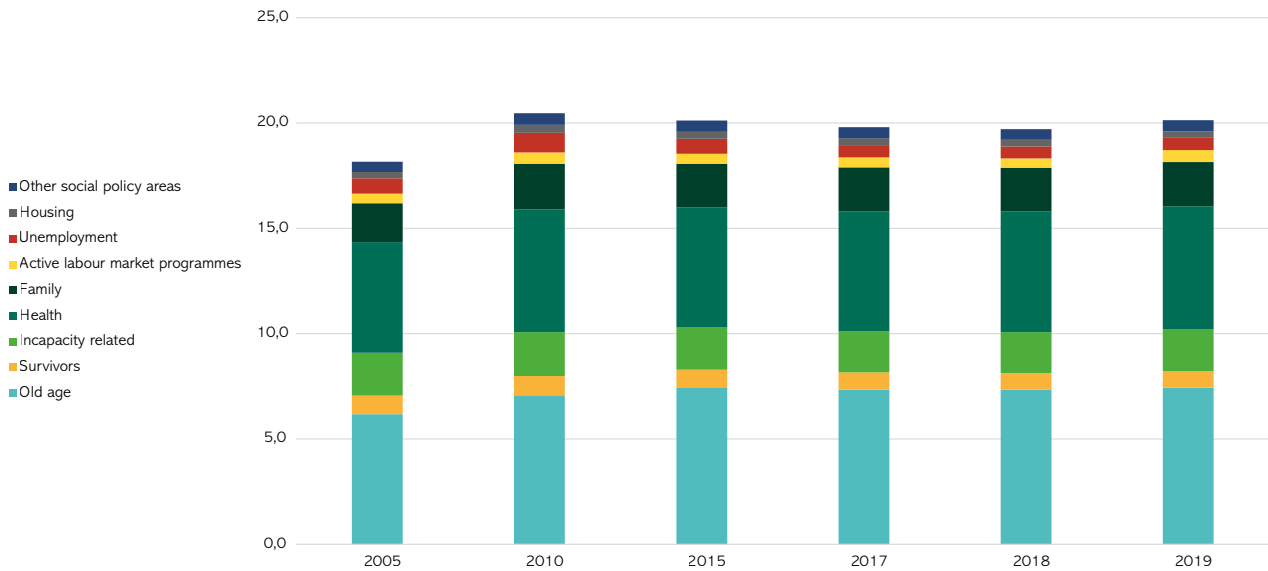
Region	Country	2007	2014	2020	Average 2007 - 2020
Western Europe	Austria	39,46	40,96	40,14	40,77
Western Europe	Belgium	34,62	35,54	38,4	35,85
Western Europe	France	41,23	42,83	44,23	42,46
Western Europe	Germany	43,59	42,5	42,96	42,95
Western Europe	Ireland	35,92	36,15	37,41	35,49
Western Europe	Luxembourg	40,31	43,16	43,86	42,19
Western Europe	Netherlands	34,07	37,17	36,13	36,44
Western Europe	Switzerland	39,31	39,6	43,36	39,5
Western Europe	United Kingdom	34,78	37,43	31,94	35,99
Northern Europe	Denmark	43,28	43,46	41,86	43,27
Northern Europe	Finland	40,98	44,05	44,64	43,47
Northern Europe	Iceland	18,05	21,37	27,32	21,84
Northern Europe	Norway	37,03	39,36	38,12	38,87
Northern Europe	Sweden	40,6	40,51	37,77	40,04
Southern Europe	Cyprus	26,58	28,1	30,19	30,26
Southern Europe	Greece	33,41	40,18	37,73	37,45
Southern Europe	Italy	37,2	41,53	44,11	40,9
Southern Europe	Malta	32,55	31,54	26,18	31,17
Southern Europe	Portugal	33,69	36,77	38,19	37,03
Southern Europe	Spain	33,23	39,76	42,72	38,73
Central and Eastern Europe	Bulgaria	26,84	30,84	31,42	32,96
Central and Eastern Europe	Croatia	29,48	31,38	28,75	30,6
Central and Eastern Europe	Czech Republic	29,9	31,48	30,5	30,93
Central and Eastern Europe	Estonia	26,76	30,45	32,78	31,5
Central and Eastern Europe	Hungary	34,5	30,58	26,39	31,71
Central and Eastern Europe	Latvia	22,91	29,41	31,3	29,35
Central and Eastern Europe	Lithuania	32,63	36,19	37,99	36,25
Central and Eastern Europe	Poland	36,36	37,56	37,31	37,39
Central and Eastern Europe	Romania	26,78	32,23	32,72	32,37
Central and Eastern Europe	Slovak Republic	35,63	34,6	35,7	35,09
Central and Eastern Europe	Slovenia	37,37	36,88	36,44	37,41
Oceania	Australia	28,12	27,52	26,1	27,32
Northern America	Canada	28,16	29,15	34,79	29,64
Oceania	New Zealand		30,32	26,77	30,54
Northern America	United States	17,93	20,38	25,45	20,41
	Average	33,49	35,17	35,48	35,11

Legend: Colours – green shows the highest values, red the lowest

Source: https://datafinder.qog.gu.se/variable/gfs_sp and author's calculation

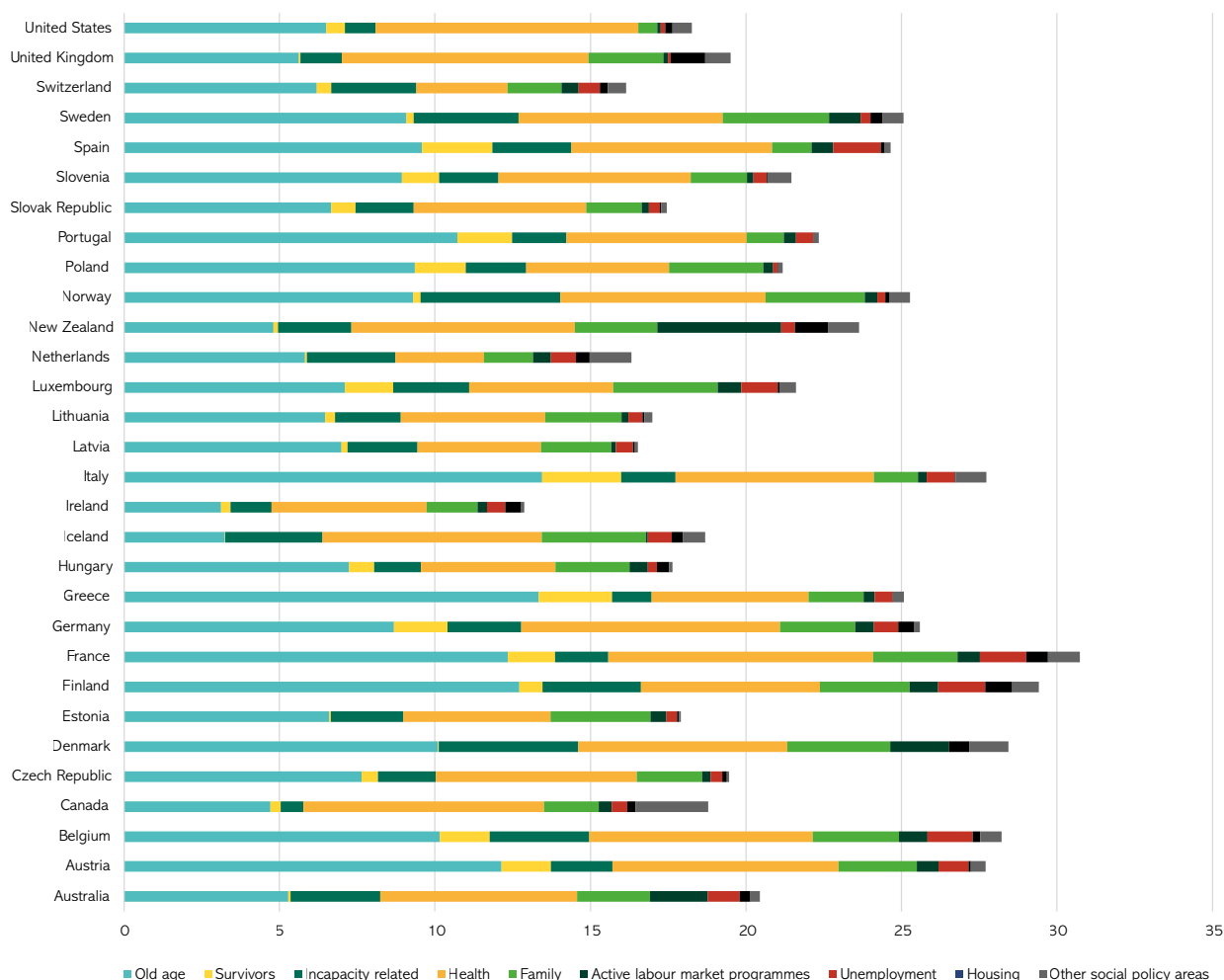
The composition of social spending did not change much after 2005. Spending on old age and survivors made up the bulk of social spending (around 40%) and its share increased by two percentage points, with health being the second most important branch with about 29%, a share that hardly changed. Incapacity and unemployment-related spending declined by 1.5 and 1.2 percentage points respectively, this being the relatively largest reductions of shares in total social spending, probably due to declining levels of unemployment since 2013 [Tab. 14].

Table 23: Changing structure of social spending (percentage of GDP)



Source: OECD

Figure 1: Social spending by type (in percent of GDP) in 2019



Source: OECD

The composition of social expenditure (in 2019) varies from country to country [Fig. 1], but, as a rule, it is similar to the OECD average (Table 23). Spending on old age (40.9% of all social spending in the OECD) and, to a somewhat lesser extent, health (29.1%) are the two biggest items. Greece spends the highest share (62.6%) on old age and survivors. Other countries with shares above 50% are Italy (57%), Portugal (55.9%) and Poland (51.2%). Iceland has the smallest share (17.9%) followed by New Zealand, Australia, Canada and Ireland (all less than 27%). Regarding health, the relatively biggest spenders are the USA, Canada and the UK (all above 40%) while Finland, the Netherlands and Switzerland spend less than 20%. In the other branches of social spending, there are also peculiarities and national or regional specific patterns; spending on families, which in the OECD average makes up over 10% of total spending, is much lower in the southern periphery of the EU with values of less than 6% in Spain, Italy and Portugal, and 7% in Greece. Spending on unemployment benefits (1.7% in the OECD average) is relatively high in Spain (6.2%), followed by Luxembourg, Finland, Austria and Australia with shares above 5%. The UK and the USA are the most frugal in this respect, spending less than 1%. Australia and New Zealand spend more than 9% on active labour market programmes while the OECD average is 2.8%.

7.3.2. Output: transfers received by beneficiaries

The amounts of transfers received from public social expenditure correspond to the amounts spent (minus administrative costs; see Table 28), basically equalising input and output; thus, the focus will be on other indicators such as replacement rates and coverage.

Table 24 provides an overview about the replacement levels that show which percentage of the former income pensioners can expect to receive. The pensions presented here include all mandatory pension schemes for private-sector workers, regardless of whether they are public or private. The pensions depend on the former income and

relatively decline the more the higher-than-average former earnings are. The size of the decline is an indicator of the progressive character of the respective pension system. The most progressive countries (see first data column in Table 24) are Denmark, Czech Republic, Ireland and New Zealand; the least progressive are – surprisingly – Sweden and Cyprus, where high earners have higher replacement rates than poorer people and the two countries that have flat replacement rates over all income groups: Finland and Romania. Women are treated worse than men in Hungary, Australia, Poland and Romania.

Table 24: Pension entitlements; gross pension replacement rate (different income levels; multiples of mean earnings) – %

Region	Country	Progress		Men			Women	
		0.5-2	0.5 of ME	1 of ME	2 of ME	0.5 of ME	1 of ME	2 of ME
Western Europe	Austria	18,3	74,1	74,1	55,9	74,1	74,1	55,9
Western Europe	Belgium	36,3	67,7	43,5	31,4	67,7	43,5	31,4
Western Europe	France	8,4	57,7	57,6	49,4	57,7	57,6	49,4
Western Europe	Germany	14,1	47,8	43,9	33,7	47,8	43,9	33,7
Western Europe	Ireland	39,3	52,4	26,2	13,1	52,4	26,2	13,1
Western Europe	Luxembourg	17,9	86,7	74,8	68,8	86,7	74,8	68,8
Western Europe	Netherlands	18,9	87,3	74,7	68,4	87,3	74,7	68,4
Western Europe	Switzerland	31,9	52,2	39,9	20,3	52,2	39,9	20,3
Western Europe	United Kingdom	33,5	61,8	41,9	28,3	61,8	41,9	28,3
Northern Europe	Denmark	63,5	116,6	73,1	53,1	116,6	73,1	53,1
Northern Europe	Finland	0	58,4	58,4	58,4	58,4	58,4	58,4
Northern Europe	Iceland	22,5	65,6	43,1	43,1	65,6	43,1	43,1
Northern Europe	Norway	32,1	60,3	44,5	28,2	60,3	44,5	28,2
Northern Europe	Sweden	-14,1	62,3	62,3	76,4	62,3	62,3	76,4
Southern Europe	Cyprus	-11,5	56,7	64,3	68,2	56,7	64,3	68,2
Southern Europe	Greece	20,1	94,2	80,8	74,1	94,2	80,8	74,1
Southern Europe	Italy	0	76,1	76,1	76,1	76,1	76,1	76,1
Southern Europe	Malta	7	60,3	58,2	53,3	60,3	58,2	53,3
Southern Europe	Portugal	4,5	75,7	73,9	71,3	75,7	73,9	71,3
Southern Europe	Spain	30,9	80,4	80,4	49,6	80,4	80,4	49,6
Central and Eastern Europe	Bulgaria	14,2	59,1	58,3	44,9	59,1	58,3	44,9
Central and Eastern Europe	Croatia	19,9	62,9	43	43	62,9	43	43
Central and Eastern Europe	Czech Republic	46	78,1	47,4	32,1	78,1	47,4	32,1
Central and Eastern Europe	Estonia	30,8	48,6	28,1	17,8	48,6	28,1	17,8
Central and Eastern Europe	Hungary	3,6	54,9	52,4	51,2	51,5	49	47,8
Central and Eastern Europe	Latvia	15,3	55	39,8	39,8	55	39,8	39,8
Central and Eastern Europe	Lithuania	16	28,9	18,2	12,9	28,9	18,2	12,9
Central and Eastern Europe	Poland	1,6	30,3	29,3	28,7	29,8	22,9	22,3
Central and Eastern Europe	Romania	0	43,5	43,5	43,5	41	41	41
Central and Eastern Europe	Slovak Republic	17,6	65,9	54,9	48,3	65,9	54,9	48,3
Central and Eastern Europe	Slovenia	20,8	62,1	42,1	41,3	62,1	42,1	41,3
Oceania	Australia	38,5	64,5	26	26	62,3	23,8	23,8
Northern America	Canada	27,6	46	36,8	18,4	46	36,8	18,4
Oceania	New Zealand	43,1	62,9	39,7	19,8	62,9	39,7	19,8
Northern America	United States	21,7	49,4	39,1	27,8	49,4	39,1	27,8
	Average		63	51,2	43,3	62,8	50,7	42,9

Legend: Colours – green shows the highest, red the lowest values

Source: OECD, 2023f

Table 25 gives an overview over the level of protection against various risks. On average for all countries, the levels are relatively high (about 90%) except for the unemployed where the average value reaches only 60% and to a lesser extent, for the poor, the vulnerable and people suffering from work injury. Nonetheless, some countries score much worse (see last column in Table 25 that gives the average for all risks with data), particularly Cyprus. The top performers are Germany, France and Austria. Generally, people in the two European peripheries in the south and east are less protected than those in the west and north. However, the protection levels shown in Table 25 represent just the percentage of people covered and not the level of protection. Thus, for instance, a 100% coverage might be accompanied by a low level of actual benefits. Some values given by ILO are surprising. The coverage of unemployed varies enormously between countries that have rather similar welfare state arrangements (Germany 100 vs Netherlands 56.7 or Finland 100 vs Sweden 59.6). In some countries with high levels of self-employment such as Greece, Romania or Poland the low level of protection given in Table 25 might result from that structural condition as self-employed people mostly lack unemployment insurance.

Table 25: Levels of protection against different risks (percentage of individuals covered)

Region	Country	Disability	Child/ family	Pensions	One protect	Unemploy- ment	Poor	Vulnerable	Work injury	Maternity	Score
Western Europe	Austria	100	100	100	100	99	100	100	100	89,9	98,8
Western Europe	Belgium	100	100	100	100	100	100	100	79	64,8	93,8
Western Europe	France	100	100	100	100	100	100	100	90,2	100	98,9
Western Europe	Germany	100	100	100	99,4	100	100	100	100	91,1	98,9
Western Europe	Ireland	100	100	95,8	81,9	100	100	100	82,8	67,8	92
Western Europe	Luxembourg	100	100	100	99,9	57,4	73,1	100	100	100	92,3
Western Europe	Netherlands	100	100	100	86,7	56,7	100	100	100	100	93,7
Western Europe	Switzerland	92,7	100	99,3	100	55,4	100	100	80,1	100	91,9
Western Europe	United Kingdom	100	100	100	100	94,1	100	100	81,5	100	97,3
Northern Europe	Denmark	100	100	100	78,9	95,6	100	100	87,7	100	95,8
Northern Europe	Finland	100	100	100	97	100	100	100	80,4	100	97,5
Northern Europe	Iceland	100	74,7	82,4	89				94	100	90
Northern Europe	Norway	100	100	100	100	43,3	100	96,6	96,3	100	92,9
Northern Europe	Sweden	100	100	100	78,1	59,6	100	100	88,6	100	91,8
Southern Europe	Cyprus	18,6	100	92,7	98,8	21,6		74,5	77,7	82,3	70,8
Southern Europe	Greece	100	48,9	99,2	100	22,3	49,5	41,6	76,4	100	70,9
Southern Europe	Italy	100	100	100	100	51,5	71,8	53,8	100	100	86,3
Southern Europe	Malta	64,1	66,7	82,9	100	61,6	77,8	48,7	99,5	71	74,7
Southern Europe	Portugal	100	91,5	96,7	84,2	62,3	89,1	100	100	100	91,5
Southern Europe	Spain	100	55,3	88,9	97	57,2	100	38,9	81,9	100	79,9
Central and Eastern Europe	Bulgaria	100	61	93	82,8	39,4	32,7	37,7	85,1	100	70,2
Central and Eastern Europe	Croatia	100	45,7	93,2	81,4	19,3	6,8	35,9	89,5	100	63,5
Central and Eastern Europe	Czech Republic	100	41,6	100	85,8	56,6	66,3	22,4	65,8	100	70,9
Central and Eastern Europe	Estonia	100	100	100	100	44	100	100	79,5	100	91,5
Central and Eastern Europe	Hungary	100	100	99	84,6	21,4	100	69,6	96	100	85,6
Central and Eastern Europe	Latvia	100	100	100	88,8	46,1	100	100	82,1	100	90,8
Central and Eastern Europe	Lithuania	100	100	100	99,4	88,2	40,5	100	90,7	92,7	90,2
Central and Eastern Europe	Poland	100	100	82,9	99,3	31,2	100	53,5	85,5	95,5	83,1
Central and Eastern Europe	Romania	100	100	98,9	100	9,9	100	51,7	67,2	41	74,3
Central and Eastern Europe	Slovak Republic	100	100	100	79,8	19,8	100	77,2	75,2	100	83,6
Central and Eastern Europe	Slovenia	100	100	100	93,1	39,1	100	88,4	93,2	100	90,4
Oceania	Australia	100	100	74,4	94	100	69,6	93,6	79,9	93	89,4
Northern America	Canada	69,4	100	100	95,6	47,4	100	100	83,6	96,9	88,1
Oceania	New Zealand	98,9	79,9	100	100	100	86,7	100	100	100	96,2
Northern America	United States	100	82,4	100	93,6	50,5	64,5	87,6	87,2		83,2
	Average	95,5	89,9	96,6	93,4	60,3	85,7	81,5	87,3	93,7	87,1

Note: Most data is from 2022 or the latest year available (there is a huge variety; a detailed indication would make the table unreadable).

Legend: Colours – green shows the highest, red the lowest values

Source: ILO and author's calculation

7.3.3. Outcome: poverty, levels of protection

In the end, social policies including tax policies and labour market regulation should prevent poverty and correct unfavourable market outcomes. How far this correction goes can be assessed by comparing the income distribution before and after taxes and transfers. The respective indicators are the Gini index of market income (Table 26) and the Gini index of disposable income (Table 11). On average for all countries, the Gini of market income did not change much between 2007 and 2021. Notable changes occurred in some countries with the biggest rises in Bulgaria, Finland, Lithuania, Spain and Switzerland and notably declining values in Estonia, Hungary, Poland and Romania (see the first column in Table 26).

Table 26: Distribution of market income (Gini coefficient)

Region	Country	Change 2007 - 2021	2007	2013	2019	2020	2021	Average 2007 - 2021
Western Europe	Austria	+	0,49	0,5	0,49	0,49	0,49	0,49
Western Europe	Belgium	+			0,49	0,49	0,48	0,49
Western Europe	France	+				0,52	0,53	0,52
Western Europe	Germany	+		0,51	0,5	0,5		0,5
Western Europe	Ireland	+	0,51	0,57	0,5	0,51	0,51	0,54
Western Europe	Luxembourg	+			0,49	0,44	0,44	0,47
Western Europe	Netherlands	+		0,44	0,46	0,45	0,45	0,45
Western Europe	Switzerland	+	0,37	0,39	0,4	0,41		0,38
Western Europe	United Kingdom	+	0,52	0,53	0,51	0,51	0,51	0,52
Northern Europe	Denmark	+		0,44	0,45			0,44
Northern Europe	Finland	+	0,48	0,5	0,51	0,52	0,52	0,5
Northern Europe	Iceland	+	0,38	0,38				0,39
Northern Europe	Norway	+		0,41	0,43	0,44	0,46	0,42
Northern Europe	Sweden	+		0,42	0,43	0,43	0,44	0,43
Southern Europe	Cyprus							
Southern Europe	Greece	+	0,5	0,55	0,52	0,51	0,5	0,53
Southern Europe	Italy	+	0,49	0,51	0,51	0,53	0,53	0,51
Southern Europe	Malta							
Southern Europe	Portugal	+	0,52	0,55	0,51	0,52	0,51	0,52
Southern Europe	Spain	+	0,45	0,52	0,49	0,52	0,5	0,5
Central and Eastern Europe	Bulgaria	+	0,49	0,49	0,52	0,52	0,51	0,49
Central and Eastern Europe	Croatia	+		0,48	0,45	0,46	0,46	0,48
Central and Eastern Europe	Czech Republic	+	0,45	0,46	0,43	0,45	0,44	0,45
Central and Eastern Europe	Estonia	+		0,51	0,47	0,47	0,47	0,47
Central and Eastern Europe	Hungary	+	0,51	0,52	0,46	0,44	0,44	0,49
Central and Eastern Europe	Latvia	+	0,47	0,5	0,47	0,48	0,47	0,49
Central and Eastern Europe	Lithuania	+	0,47	0,51	0,5	0,5	0,51	0,51
Central and Eastern Europe	Poland	+	0,48	0,46	0,44	0,43	0,43	0,46
Central and Eastern Europe	Romania	+	0,54	0,54	0,51	0,51	0,49	0,52
Central and Eastern Europe	Slovak Republic	+	0,42	0,43	0,38	0,4	0,38	0,4
Central and Eastern Europe	Slovenia	+	0,42	0,46	0,44	0,44	0,44	0,45
Oceania	Australia	+				0,44		0,46
Northern America	Canada	+	0,43	0,43	0,42	0,44	0,44	0,43
Oceania	New Zealand	+			0,45	0,45		0,45
Northern America	United States	+		0,51	0,51	0,52	0,52	0,51
	Average	+	0,47	0,48	0,47	0,48	0,48	0,48

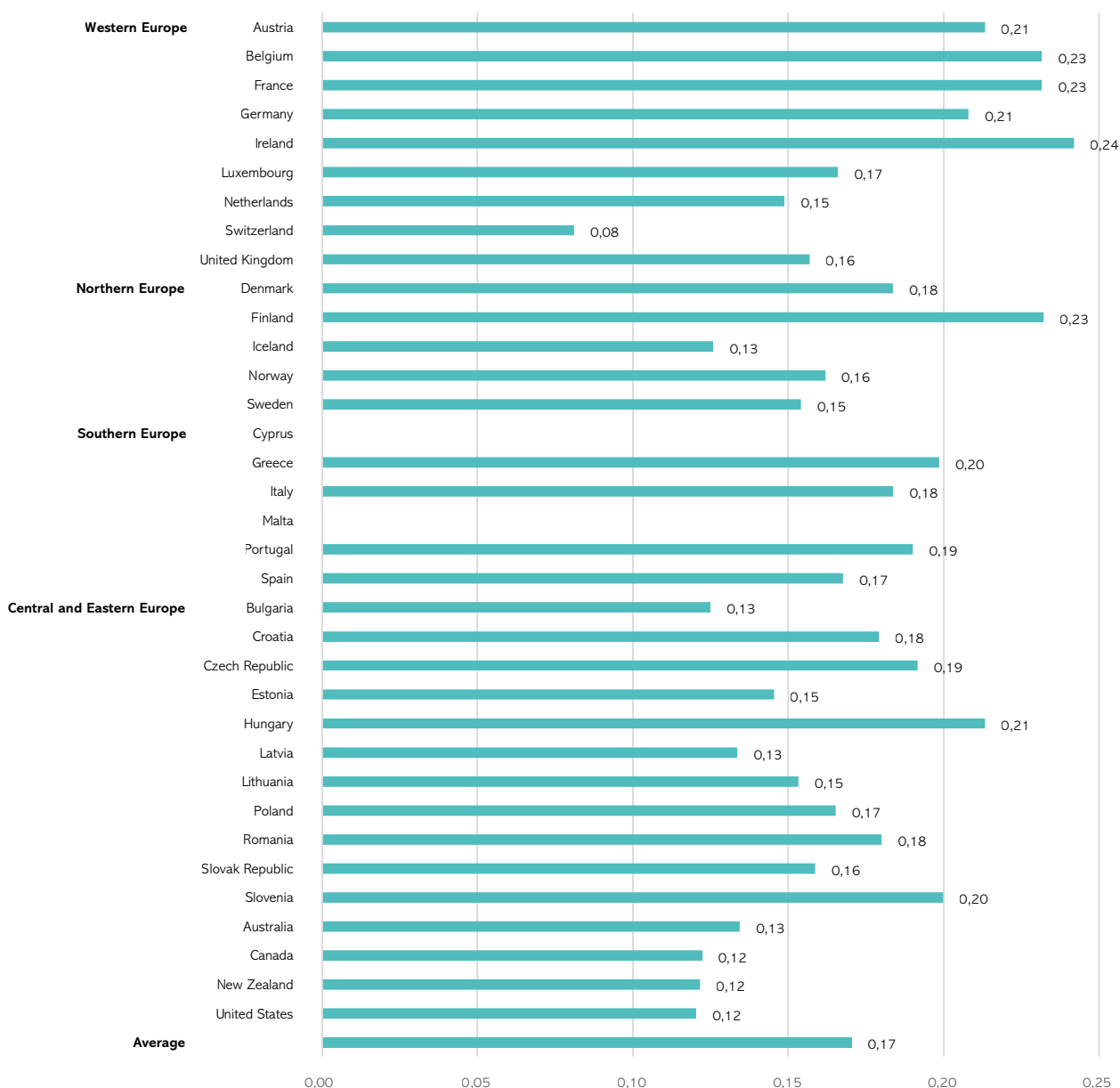
Legend: Colours – green shows the lowest, red the highest values

Change: ↑ ≥ 0.03, ↗ < 0.03, ↔ no change, ↘ < 0.03, ↓ ≥ 0.03.

Source: OECD and author's calculation

Given the relative stability of the income distribution of both disposable and market income over the period considered (and due to the lack of data for several years in many countries), the average (2007-2021, as far as available) the Gini of market and disposable income is compared. The difference indicates how strongly government policies redistributed income through tax, social and regulatory policies. As Figure 2 shows, Switzerland redistributes little while Ireland reduces the Gini of market income by 0.24 (almost halving the market Gini value). Other countries that are redistributing relatively strongly (more than 0.2) include Belgium, Finland, Hungary, France, Austria and Germany.

Figure 2: Redistribution effort (difference of Gini coefficients of market and disposable income on average between 2007 and 2021)



Source: OECD and author's calculations

Reducing poverty is one of the most important goals of economic and social policy and lies within the main subject of this chapter, namely social security. Poverty rates [Tab. 27] vary substantially between countries at an average rate of around 16%. They are lowest (below 10%) in the Czech Republic and Iceland. The worst performers are the USA, New Zealand, Bulgaria, Latvia and Romania with rates above 22%.

Looking at the changes over time, the record (on average for all countries), is mixed as the rate increases until 2017 and decreases slowly afterwards (see last row in Table 27). Two short periods of declining poverty occurred in 2010 and after 2018, especially after 2022, during the two crises when governments responded with compensatory policies. Between 2007 and 2023, poverty increased strongly in Luxembourg, Sweden and Hungary (by more than 5 percentage points). The strongest reductions were achieved in Ireland (-5.2), Poland and Romania. During the pandemic, Belgium performed best as it reduced the poverty rate by more than 4 percentage points. The worst performing countries were France and the Slovak Republic with rates rising by more than two percentage points.

Table 27: Poverty rate (income less than 60% of median disposable income) – %

Region	Country	2007	2014	2021	2022	2023	Average	Change 2007 - 2023	Change 2018 - 2023
Western Europe	Austria	12	14,1	14,7	14,8	14,9	14,2	2,9	0,6
Western Europe	Belgium	15,2	15,5	12,7	13,2	12,3	14,7	-2,9	-4,1
Western Europe	France	13,1	13,3	14,3	15,6	15,4	13,8	2,3	2
Western Europe	Germany	15,2	16,7	16	14,8	14,4	15,7	-0,8	-1,6
Western Europe	Ireland	17,2	16,8	12,8	13,4	12	15	-5,2	-2,9
Western Europe	Luxembourg	13,5	16,4	18,1	17,3	18,8	15,9	5,3	2,1
Western Europe	Netherlands	10,2	11,6	14,4	14,5	13	12	2,8	-0,3
Western Europe	Switzerland	15	13,8	14,7	15,8	16,5	15,3	1,5	1,9
Western Europe	United Kingdom	18,6	16,8	:	:	:	17,1	0	
Northern Europe	Denmark	11,7	12,1	12,3	12,4	11,8	12,3	0,1	-0,9
Northern Europe	Finland	13	12,8	10,8	12,7	12,2	12,5	-0,8	0,2
Northern Europe	Iceland	10,1	7,9	:	:	:	9,3	-0,8	
Northern Europe	Norway	11,9	10,9	12,6	12,2	11,5	11,7	-0,4	-1,4
Northern Europe	Sweden	10,5	15,6	15,7	16	16,1	15,4	5,6	-0,3
Southern Europe	Cyprus	15,5	14,4	13,8	13,9	13,9	15,1	-1,6	-1,5
Southern Europe	Greece	20,3	22,1	19,6	18,8	18,9	20,2	-1,4	0,4
Southern Europe	Italy	19,5	19,4	20,1	20,1	18,9	19,6	-0,6	-1,4
Southern Europe	Malta	15,1	15,8	16,9	16,7	16,6	16,1	1,5	-0,2
Southern Europe	Portugal	18,1	19,5	18,4	16,4	17	18	-1,1	-0,3
Southern Europe	Spain	19,7	22,2	21,7	20,4	20,2	20,9	0,5	-1,3
Central and Eastern Europe	Bulgaria	22	21,8	22,1	22,9	20,6	22	-1,4	-1,4
Central and Eastern Europe	Croatia	:	19,4	19,2	18	19,3	19,5	-1,3	0
Central and Eastern Europe	Czech Republic	9,6	9,7	8,6	10,2	9,8	9,4	0,2	0,2
Central and Eastern Europe	Estonia	19,4	21,8	20,6	22,8	22,5	20,3	3,1	0,6
Central and Eastern Europe	Hungary	12,3	15	12,6	12,1	13,1	13,3	0,8	0,3
Central and Eastern Europe	Latvia	21,2	21,2	23,4	22,5	22,5	22,1	1,3	-0,8
Central and Eastern Europe	Lithuania	19,1	19,1	20	20,9	20,6	20,7	1,5	-2,3
Central and Eastern Europe	Poland	17,3	17	14,8	13,7	14	16,2	-3,3	-0,8
Central and Eastern Europe	Romania	24,6	25,1	22,5	21,2	21,1	23,2	-3,5	-2,4
Central and Eastern Europe	Slovak Republic	10,6	12,6	12,3	13,7	14,3	12,3	3,7	2,1
Central and Eastern Europe	Slovenia	11,5	14,5	11,7	12,1	12,7	12,9	1,2	-0,6
Oceania	Australia		20,5				20,4		
Northern America	Canada	19,5	19,3	17,1			19,3	-2,4	-1,4
Oceania	New Zealand	21,9	22,6				22	-1,2	-0,5
Northern America	United States		24,2	22,7	24,6		24,2	0,4	-0,2
	Average	15,8	16,9	16,4	16,5	16	16,6	0,2	-0,5

Legend: Colours – green shows the lowest, red the highest values

Source: OECD, except Cyprus and Malta (Eurostat)

How efficiently did the countries implement social policy? To answer that question, the administrative costs are compared with the total expenditure; Table 28 gives an overview. The share of administrative costs is, on average, below 3% and has declined since 2007. The least efficient countries (considering the whole period) are the Netherlands and Switzerland, whose high share might reflect low levels of total social spending [Tab. 21] rather than high administrative costs; the most efficient ones are Iceland and the UK. Most countries improved their performance, above all the Netherlands, Greece and Finland. In several others, the share of administrative costs increased, notably in Switzerland.

Table 28: Share of administrative costs in social spending (%)

Region	Country	2013	2020	2021	2022	Average 2013 - 2022	Change 2013 - 2022
Western Europe	Austria	2,00%	1,70%	1,60%	1,70%	1,80%	⬇️
Western Europe	Belgium	3,00%	3,50%	3,60%	3,60%	3,40%	⬆️
Western Europe	France	4,10%	4,20%	3,40%	3,20%	3,80%	⬇️
Western Europe	Germany	3,90%	3,70%	3,60%	3,70%	3,70%	⬇️
Western Europe	Ireland	3,80%	3,80%	3,40%	3,60%	3,90%	⬆️
Western Europe	Luxembourg	1,50%	1,30%	1,30%	1,20%	1,40%	⬇️
Western Europe	Netherlands	6,40%	5,00%	4,70%	5,20%	5,50%	⬇️
Western Europe	Switzerland	5,20%	5,40%	6,00%	6,90%	5,80%	⬆️
Western Europe	United Kingdom	1,10%				0,80%	⬇️
Northern Europe	Denmark	4,30%	4,10%	4,10%	4,30%	4,20%	⬆️
Northern Europe	Finland	2,60%	1,60%	1,70%	1,60%	1,80%	⬇️
Northern Europe	Iceland	0,90%	0,70%	0,90%	1,20%	0,80%	⬆️
Northern Europe	Norway	2,00%	1,70%	1,70%	1,60%	1,80%	⬇️
Northern Europe	Sweden	1,90%	1,90%	1,70%	1,80%	1,90%	⬆️
Southern Europe	Cyprus	1,10%	1,00%	0,90%	0,90%	1,10%	⬇️
Southern Europe	Greece	2,10%	0,90%	0,80%	0,90%	1,10%	⬇️
Southern Europe	Italy	2,30%	1,90%	2,00%	2,00%	2,10%	⬇️
Southern Europe	Malta	1,00%	0,80%	0,90%	0,90%	1,00%	⬆️
Southern Europe	Portugal	1,50%	1,50%	1,50%	1,50%	1,50%	⬆️
Southern Europe	Spain	1,90%	1,50%	1,60%	1,80%	1,70%	⬆️
Central and Eastern Europe	Bulgaria	2,00%	2,20%	2,20%	2,20%	2,10%	⬆️
Central and Eastern Europe	Croatia	1,90%	1,60%	1,50%	1,50%	1,60%	⬇️
Central and Eastern Europe	Czech Republic	2,90%	2,80%	2,90%	2,90%	2,90%	⬆️
Central and Eastern Europe	Estonia	1,20%	1,70%	1,90%	2,00%	1,50%	⬆️
Central and Eastern Europe	Hungary	1,20%	1,90%	1,90%	1,90%	1,60%	⬆️
Central and Eastern Europe	Latvia	1,70%	1,40%	1,30%	1,40%	1,40%	⬇️
Central and Eastern Europe	Lithuania	2,80%	2,10%	2,30%	2,10%	2,50%	⬇️
Central and Eastern Europe	Poland	2,20%	1,70%	1,60%	1,70%	2,00%	⬇️
Central and Eastern Europe	Romania	2,10%	4,20%	1,90%	1,60%	2,10%	⬇️
Central and Eastern Europe	Slovak Republic	2,60%	2,30%	1,90%	1,90%	2,40%	⬇️
Central and Eastern Europe	Slovenia	1,50%	1,20%	1,20%	1,20%	1,40%	⬇️
Oceania	Australia						
Northern America	Canada						
Oceania	New Zealand						
Northern America	United States						
	Average	2,40%	2,30%	2,20%	2,30%	2,30%	⬇️

Legend: Colours – green shows the lowest, red the highest values.

Changes: ⬆️: >1; ⬆️: < 1 and > 0.1; ⬆️: > -0.1 and < 0.1; ⬆️: > -0.1.

Source: Eurostat and author's calculations

However, a low share of administrative costs may not be the best indicator for efficiency. For instance, better targeting of benefits and means-testing require more administrative effort. The previous 2023 study analyses these aspects in more depth. It also compared the performance of all countries using different indicators and composite scores. The present study follows a different approach and analyses the policies of the most successful countries (see next chapter).

7.4. MAIN FINDINGS OF THE UPDATE

This update of the 28 indicators of the first study (Dauderstädt, 2024) added about two more years of data to the former version, thus fully covering the pandemic though but partially the next crisis triggered by the Ukraine war. The biggest general changes neglecting the sometimes significant differences between countries are summarised here.

Regarding the inputs (government policies) the biggest changes occurred in fiscal and monetary policy. Fiscal policy reacted with higher debt-financed spending to the deep recession caused by the pandemic in 2020 and, to a lesser degree, in 2021. Monetary policy kept interest rates low until 2022, when inflation exploded in the wake of the war (and huge government spending). Central banks reacted by rising interest rates rapidly by, on average, 5 percentage points between 2021 and 2023. Social spending strongly increased during the pandemic by about three percentage points of GDP in 2020 and declined slowly afterwards. Most other policies did not change much.

Regarding outputs and outcomes, the strongest effect of the pandemic has been the deep, but V-shaped recession in 2020. In 2023 a second, but weaker recession followed. Unemployment remained low until 2023. The distribution of income and wealth did not change substantially, with income inequality declining slightly and wealth inequality slightly rising. But poverty rates declined during the pandemic due to many income support programmes.

What about the three final goals? Life expectancy that had declined in 2021 recovered in 2022. Happiness increased in 2023. But trust in government that had increased strongly by three points in 2020 and 2021 fell again in 2022 thus returning to the lower pre-pandemic levels.

7.5. THE POLICIES OF SUCCESSFUL COUNTRIES

First, success must be defined so that successful countries can be identified, and their policies analysed. Success with respect to the three final goals or outcomes considered in this study – life expectancy, happiness/satisfaction and trust in government – should not be selected as indicators as these outcomes depend on too many inputs (government policies), which are not subject of this chapter such as health policy, education and security, let alone other non-policy factors.

Thus, the focus will be on the outputs that contribute strongly to these outcomes and that are more directly influenced by government policies. If the two main areas of this study – “Employment, income and wealth” and social security’ – are considered, the definition of success and its causes presents some challenges. The two areas will be dealt with separately.

In the first area, the natural candidate for success is the growth rate as growth is correlated with employment (higher employment increases GDP), which is another prime candidate for success. A less obvious candidate is productivity growth, which links GDP and employment. But its effects are ambiguous; on the one hand, GDP can grow while unemployment goes up if productivity increases faster than GDP (demand). On the other hand, high productivity growth offers the opportunity to decrease hours worked per person employed while maintaining or increasing output and thus welfare (as far as it depends on the consumption of goods and services). More generally, growth of GDP neglects negative external effects such as climate change. Achieving higher growth, though mostly desired, might be a dubious success with substantial long-term costs.

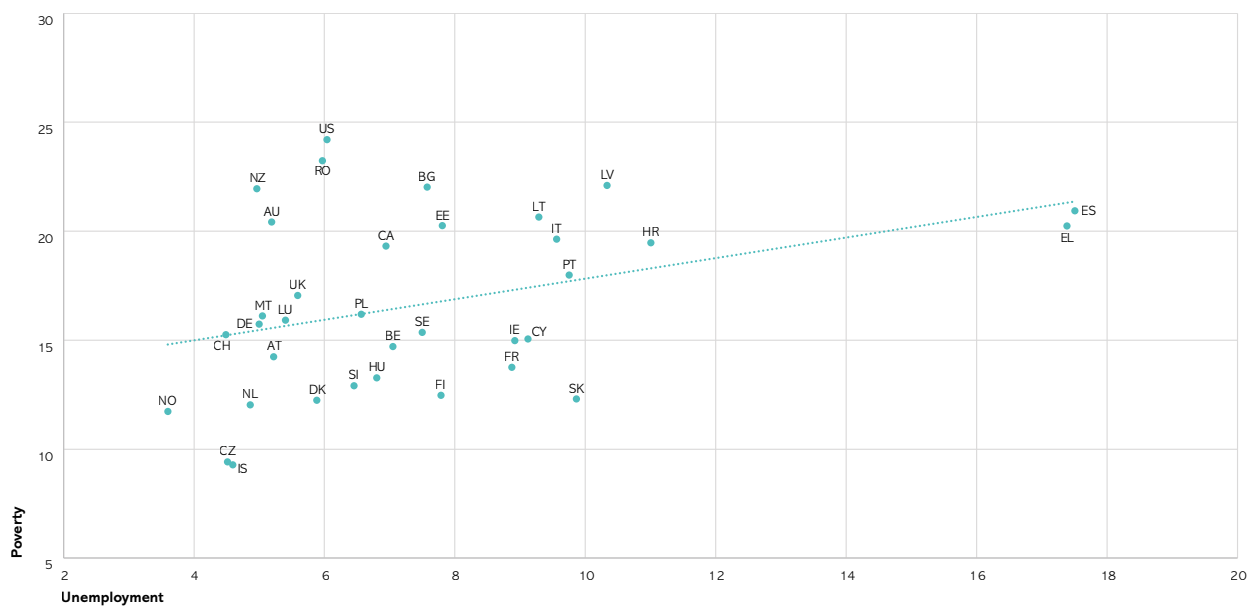
The curious case of Ireland: in the period under consideration in the 2023 study, Ireland was the best performing country regarding growth, which was caused by productivity growth while unemployment increased. But that productivity growth has been the result, as explained in that study, of predatory tax and dubious accounting policies. Other successful countries regarding growth have been the countries of CEE. The main driver again has been productivity growth with unemployment also not falling strongly. In their cases, productivity benefitted from the catch-up growth adopting technologies and management practices from richer market economies, to a large extent through direct investment from these countries.

Given these ambiguities, this study should focus on unemployment and its reduction as the key metric for success. Some policies affecting it might partially lie outside the scope of the study, for instance education, but mostly the relevant policy inputs are policies promoting growth and labour market policies. Having chosen unemployment (the rate as a percentage of the population ready to be employed) as the indicator to measure success, the precise metric must be chosen. Looking at Table 14, the two appropriate metrics (average and change over the period 2007-2023) deliver different results. Considering the average, Norway, the Czech Republic, Iceland and Switzerland are the top performers; regarding change, Germany, Slovakia and Poland are the most successful countries.

In the area of social security, the two obvious candidates to measure success are the reduction of inequality and poverty. The development of both indicators (Gini and poverty rate) is usually correlated but is not necessarily linked (inequality can decline while the poverty rate does not). The poverty rate, or rather its low level or decline, is a more appropriate indicator of successful social policy. More specific indicators such as coverage of specific risks by social protection policies suffer from weak comparability due to low data quality. Again, a specific metric needs to be chosen – either the level or change of poverty. Looking at Table 27, the two appropriate metrics (average and change over the period 2007-2023) deliver different results. Considering the average, Iceland, Czech Republic, Norway and the Netherlands are the top performers; regarding change, Ireland, Poland and Romania are the most successful countries.

Unemployment and poverty are correlated to some extent [Fig. 3]. As employment provides income it reduces poverty, but only when wages and working time are sufficiently high; the unemployed are likely to be poor if they do not receive a relatively generous unemployment benefit or social assistance. The best performing countries regarding the long-term average of both indicators are to be found in the left bottom of the scatter plot in Figure 3: Czech Republic, Norway, Iceland and the Netherlands.

Figure 3: Unemployment and Poverty (average 2007-2023)



Source: Tables 14 and 27

Both unemployment and poverty are to be seen in the context of the labour force participation rate, which acquires additional relevance in the context of ageing societies. Labour force shortages are likely to constrain further growth and welfare. High participation rates can lead to higher growth (more hours worked) and lower poverty, as more people earn wage income. The number of hours worked in an economy depends on four variables: number of hours worked per employed person (Table 15), unemployment rate (Table 14), labour force participation rate (Table 29) and the demography (share of people aged 15-64 in the total population), which is hard to influence by public policies. Table 29 gives an overview about labour force participation in the set of countries.

Table 29: Labour force participation rate (percentage of total population aged 15-65; modelled ILO estimate)

Region	Country	2007	2011	2021	2022	2023	Average 2007 - 2023	Change 2007 - 2023
Western Europe	Austria	59,8	60,4	61,2	61,5	61,7	60,8	1,9
Western Europe	Belgium	53,6	53,2	54,5	55,1	54,9	53,9	1,3
Western Europe	France	56	56	55,9	56,2	56,3	55,9	0,3
Western Europe	Germany	59,2	60,1	60,6	61,3	61,6	60,5	2,5
Western Europe	Ireland	66,6	62	63,3	64,8	65	63	-1,6
Western Europe	Luxembourg	55,9	57,6	61,9	61,6	62,4	59,4	6,6
Western Europe	Netherlands	64,5	64,5	64,9	65,4	66,1	64,8	1,5
Western Europe	Switzerland	67,6	67,5	67,4	66,6	66,4	67,7	-1,3
Western Europe	United Kingdom	62,5	62,3	62,2	62,2	62,3	62,6	-0,2
Northern Europe	Denmark	65,7	63,1	62,5	63,4	63,6	62,8	-2,1
Northern Europe	Finland	61,2	59,9	59,7	60,4	60,6	59,7	-0,6
Northern Europe	Iceland	77,2	74,2	73,4	74,3	74,4	75,5	-2,8
Northern Europe	Norway	66,4	65,2	66	65,6	65,2	65,2	-1,2
Northern Europe	Sweden	63,7	63,7	65,8	66,2	66,9	64,8	3,2
Southern Europe	Cyprus	64,4	63,8	63,8	65,1	65,3	63,5	0,9
Southern Europe	Greece	52,6	52,1	50,3	51,8	51,9	51,6	-0,7
Southern Europe	Italy	48,8	48,1	48,6	49,1	49,8	49	1
Southern Europe	Malta	49	50,6	62,7	63,9	65,3	56	16,3
Southern Europe	Portugal	62,2	60,5	57,8	58,6	59,2	59,6	-3
Southern Europe	Spain	58,3	59,3	57,4	57,5	57,6	58,3	-0,7
Central and Eastern Europe	Bulgaria	52,6	52,5	55,3	56,6	56,1	54,4	3,5
Central and Eastern Europe	Croatia	52,9	51,8	51,8	52,3	52,6	52	-0,3
Central and Eastern Europe	Czech Republic	58,8	58,3	59,8	59,9	60,1	59,4	1,3
Central and Eastern Europe	Estonia	60,3	61,2	63,2	65,1	65,8	62,3	5,4
Central and Eastern Europe	Hungary	50,5	50,6	59,3	60,4	61	54,4	10,5
Central and Eastern Europe	Latvia	60,3	58,5	60,2	61,1	61,4	60,4	1,2
Central and Eastern Europe	Lithuania	55,1	57,2	61,8	62,1	62,2	59,2	7,1
Central and Eastern Europe	Poland	54	56,2	58	58,6	58,9	56,7	4,9
Central and Eastern Europe	Romania	54,8	54,1	51,1	51,8	51,6	54,1	-3,1
Central and Eastern Europe	Slovak Republic	58,9	58,8	60,5	61,5	61,7	59,7	2,8
Central and Eastern Europe	Slovenia	59,7	58	58,5	58,9	58,5	58,3	-1,2
Oceania	Australia	65,2	65,4	65,9	66,1	66,4	65,4	1,2
Northern America	Canada	67,4	66,7	65,1	65	65,2	66	-2,3
Oceania	New Zealand	68,4	68,3	70,8	71,3	72,1	69,5	3,7
Northern America	United States	64,7	63	61,2	61,5	61,9	62,6	-2,9
	Average	60	59,6	60,6	61,2	61,5	60,3	1,5

Source: WDI

Legend: Colours – green shows the highest, red the lowest values

The highest participation rates are to be found in the Nordic, some Western European and other countries. The biggest improvements have been achieved in Central and Eastern Europe, Malta and Luxembourg.

Considering all these aspects, six countries were selected that offer different combinations of success regarding unemployment and poverty, while showing very different participation rates (see the last column in Table 30). These are the four top performers regarding average level as shown in Figure 3, and two top performers regarding change – Poland and Germany. Therefore, the six selected countries are the two Nordic countries Iceland and Norway, the two Western European countries Germany and the Netherlands, and the two Central European countries Czech Republic and Poland.

Table 30: Unemployment, poverty and labour force participation in selected countries

Country	Unemployment		Poverty		Participation
	Average*	Change*	Average*	Change*	Average*
<i>Average</i>					
35 countries	7.5%	-0.6%	16.6%	0.2	60.3%
Czech Republic	4.5%	-2.7%	9.4%	0.2	59.4%
Iceland	4.6%	+1.3%	9.3%	-0.8	75.5%
Norway	3.6%	+1.1%	11.7%	-0.4	65.2%
Netherlands	4.9%	-0.6%	12%	2.8	64.8%
Germany	5.0%	-5.6%	15.7%	-0.8	60.5%
Poland	6.6%	-6.7%	16.2%	-3.3	56.7%

Source: Tables 14, 27 and 29. * 2007–2022 (or latest year available)

For each country, the general economic and social conditions that affect the development of unemployment and poverty must be considered first, such as demography or external economic circumstances. Only after considering these factors, can the role of government policies and institutional arrangements be reliably identified. Thus, for each of the six countries, the general situation is analysed before specific policies that are likely to influence the development of unemployment and poverty are examined. The analysis will start by looking at the policies that were listed as inputs in the quantitative approach above (Tables 1-7 and 21-25) and continue to look at more specific policies and institutional arrangements.

Some general reflections regarding the two targets (unemployment and poverty – see also Figure 3) and the possible ways to influence them might be useful. Employment is a possible way to reduce poverty as a job pays wages. But wages can be very low causing the phenomenon known as “working poor”. Strong unions and labour market regulations such as minimum wages might prevent that outcome. Economists of the traditional neo-classic school see the labour market in the same way as other markets for goods and services. With the right price, the market clears and unemployment disappears. In this view, statutory minimum wages, for instance, prevent the market from functioning and cause unemployment; in a free labour market, all unemployment is supposed to be voluntary. Keynesian economists argue that it is overall demand that determines the rate of unemployment. Demand depends largely on wages that are spent on consumption. In this view, lowering wages might worsen a recession and cause unemployment. Beyond that general balance or imbalance of the labour market there is frictional or structural unemployment when supply and demand of labour cannot be matched by the price mechanism because of skill mismatches or regional concentrations.

A similar debate can be observed regarding poverty. For some economists, welfare benefits keep people from assuming responsibility for their fate. The debates about employment and poverty are linked as any income support or social protection system (such as pensions, unemployment insurance, and sickness and disability benefits) provides incentives not to work. Others stress the positive effects of stabilising incomes and thus demand, or enabling people to maintain or develop their productive capacities. The latter view argues in favour of a social investment welfare state (European Commission, Directorate-General for Employment, Social Affairs and Inclusion, 2023; Hemerijck, 2023). The correlation presented in Figure 3 shows that higher social protection indicated by low levels of poverty are not likely to lead to higher unemployment. Below, how the two systems of labour market and social policy interact in different countries will be explored.

7.5.1. Czech Republic

To analyse the labour market, the supply and demand side is considered (based on OECD, 2023a). On the supply side, the Czech labour market faces several constraints as the Czech population is growing very slowly and ageing. The participation rate is relatively low [Tab. 29; Tab. 30], especially for women after childbirth. Net immigration has been weak up to 2022, when there was a large influx of Ukrainian refugees. The quality of the labour force is high due a large share of people who completed at least upper secondary education (93% vs 76% OECD average; Bittorf, 2017) and good Programme for International Student Assessment (PISA) scores. The rate of temporary employment is much lower than the EU average (Pavlovaite, 2018). Due to old customs from communist times, many people are self-employed on a part-time basis. The number of officially licensed businesses increased from less than a million in 1992 to almost 3 million in 1999 (Vecerník, 2001).

On the demand side, the Czech economy benefits from a deep integration in the European and global economy (exports and imports are around 70% of GDP) and a relatively high share of manufacturing. Economic growth has been better than the average of the set of countries. In the two crises of 2009 (financial market crisis) and 2020 (pandemic), the economy suffered from deep recessions, but recovered quickly afterwards. In a small open economy, demand depends more on exports than in large, relatively closed economies (e.g. the USA) where domestic demand is more important. Thus wages, which form a large part of the domestic demand, must be carefully managed to maintain international competitiveness without harming the internal demand. After the fall of communism in 1989, the Czech Republic had reformed its industrial relations, setting up new trade unions and employers associations. The tripartite system of collective arrangements provided for moderate wages and stable employment. Low wages probably supported the price competitiveness of the Czech industry and thus stabilised export demand.

Which policies contributed the low unemployment rate in the Czech Republic? On the demand side, during both recessions, the state reacted with massive support measures and ran budget deficits of about 5% of GDP in 2009-10 and 2020-21 [Tab 1], thus preventing high unemployment. The Czech central bank supported these expansionary fiscal policies by lowering interest rates [Tab. 2]. A relatively low level of minimum wages [Tab. 6] might have contributed to the wage competitiveness. Employment protection is rather high [Tab. 7] and might have forced Czech employers to adapt to problems of weakening demand or rising costs by investing in productivity-enhancing measures rather than by firing workers.

Surprisingly, spending on active labour market policies is just about the OECD average and that on training is relatively low in the Czech Republic (OECD, 2023a, p. 103). However, AMLP spending had increased substantially in the early 2000s (from 14% of total spending on employment policies in 1997 to 37% in 2006; Vecerník 2007, p. 227) Measured in the percentage of GDP per capita, expenditure on training programmes for the unemployed is the second lowest in the OECD (only Mexico spends less). In the late 1990s, the Ministry of Labour and Social Affairs elaborated National Plans for Employment encompassing:

1. "support for the employability of human resources
(increasing skills and motivation for job searching instead of claiming welfare);
2. support for businesses and employers
(improved conditions for SMEs and revitalisation of several large firms, fair competition and attraction of investors);
3. flexibility of the labour market
(flexible organisation of work, motivation of employers to enhance skills of employees);
4. removing all discrimination
(by age and gender, creating conditions for affirmative action in favour of disfavoured categories)".
(Vecerník 2007, p. 227).

The Czech Republic maintains relatively low labour taxation compared to other European countries, which encourages hiring by employers. In 2023, the tax wedge for families was 23.5 compared to an OECD average of 25.7 (OECD, 2024a) while for single workers without children it is higher than the OECD average (OECD, 2023a p. 33). In particular, low wage earners (67% of average wage) with children face a very low tax wedge.

The Czech Republic not only has an outstanding record of low unemployment but also one of little poverty with the lowest poverty rate within the set of countries (except perhaps Iceland; see Table 27). Some of the more general features of the Czech economy are relevant to explain the low poverty rates, too. The legacy of an egalitarian socialist system, solid growth, a successful education system, a large share of self-employment and a consensual wage-setting system, all contribute to a more equal distribution of income, even before taxes and social benefits. The Gini of market income [Tab. 26] is lower than the average of all countries under investigation in this study, although not the lowest.

As the poverty rate is defined in relation to the disposable income, it mostly depends on the tax and social policies that transform the market income into disposable income. The Gini of the distribution of disposable income in the Czech Republic is also among the lowest in the set of countries with only the Slovak Republic and Slovenia showing better results [Tab. 11]. But the size of the redistribution [Fig. 2] is not outstanding. This corresponds to the fact that the Czech tax system is not very progressive (OECD, 2023a, p. 34). Social security contributions and taxes on goods and services make up the lion's share of government revenue (78%; OECD, 2024). Property taxes are very low (OECD, 2023a, p. 37).

As the tax system cannot explain the low poverty, there needs to be a closer at the social policy. The pension system has a strong impact on poverty; the old-age poverty rate is very low (OECD, 2023a, p. 39). While most pension systems have a strong relationship between contributions paid and pensions received, the Czech system is biased towards the low-earners providing a basic pension plus a limited earnings-based pension. Thus, the net replacement rates are much higher for the poorer recipients. The difference between the replacement rate for people with half the average incomes and those with double the average incomes is the second highest in the set of countries [Tab. 24]. Another redistributive aspect of Czech social policy is income testing regarding some benefits (Ministry of Labour and Social Affairs of the Czech Republic 2009, p. 27). For instance, families are only eligible for child benefits or some special allowances below a certain income level. This targeting of certain types of social spending requires more administrative effort, visible in the respective share which is higher than average in the Czech Republic [Tab. 28]. Other benefits that are not income-tested consist of fixed lump-sum payments that reduce poverty, too. The fixed amounts add a higher percentage to lower incomes thus reducing the relative inequality of income though not absolute income gaps.

7.5.2. Poland

Currently, Poland has not only a relatively low rate of unemployment, but also showed the strongest improvement among the set of countries [Tab. 14]. Rates were above 10% about ten years ago and declined to levels around 3% after 2019. Looking again at the supply and demand side of the labour market, the following picture emerges. On the supply side, Poland changed from a country where people emigrated from to an immigration country after 2018 with an additional strong influx of Ukrainian refugees after 2022. It is also an ageing society whose active population (aged 15-64) is shrinking. The labour force participation rate is low but slowly increasing. The quality of labour is comparatively low as the proportion of people with high skill level is one of the lowest in the OECD (OECD, 2023b, p. 88). But PISA levels are above OECD average. On the demand side, economic growth has been very strong – the highest on average among the set of countries. The booming economy has absorbed more and more of the labour supply as the number of hours worked increased, although slower than GDP thanks to outstanding productivity growth. Temporary employment has been a very important source of new employment (Lewandowski and Magda, 2023).

Which policies contributed to the low and falling unemployment rate in Poland? On the supply side, Poland did little except adopting a strong anti-immigration stance that it eased only later vis-à-vis Ukraine. On the demand side, Poland has adopted an expansionary fiscal policy with a budget deficit of 3.8% on average compared to 2.6% of all countries [Tab. 1]. During the Covid crisis, it reacted with a strong fiscal stimulus. Its monetary policy was also characterised by low interest rates after 2014, but the central bank reacted to the onset of inflation in 2022 more rapidly and with higher rates than the European Central Bank. But growth only started to slow down in 2023. Poland also continuously increased its minimum wage [Tab. 6] thus stabilising domestic demand. In 2009 and 2013, Poland reformed the retirement age by limiting opportunities to earlier retirement and gradually increasing the statutory retirement age, but that reform was reversed in 2017. This led to a very low unemployment rate for the age group 55-64 (Lewandowski and Magda, 2023). Its EPL has been relatively strong, but only slightly above the average of all countries [Tab. 7]. The conditions for receiving unemployment benefit are relatively strict (see <https://www.gov.pl/web/your-europe/unemployment-benefit>). Poland spends very little (as a share of GDP) on training for the unemployed (OECD, 2023b, p. 92), possibly because of the low level of unemployment.

Regarding poverty, Poland is not a top performer. Its average poverty rate is only marginally lower than the average of all 35 countries. However, since 2018 it has improved and become better than that average. Thus, its rate of poverty reduction over the last ten years is quite impressive. The high growth and low unemployment of the Polish economy are likely to explain a large part of that success. Inequality in Poland has been low and declining with respect to the market income and disposable income. The drop in the Gini of the disposable income has been particularly strong (much stronger than for the market income) and the highest among the countries.

Which government policies are likely to have contributed to that success? Certainly, the continuous rise of the minimum wage has reduced the number of working poor. Tax policies are not likely to be responsible as income taxes are relatively low and the share of the – more regressive – taxes on goods and services is of average size (about 40%, similar to the average of the country group). In October 2015, the PiS party won the elections and started to change Poland's social policy substantially in favour of families by introducing a generous child benefit of zł500 per month for each child (and cancelling the former pension reform that intended to raise the retirement age). With zł6000 per year, that child benefit amounted to almost 10% of the average disposable family income and correspondingly much more for larger families (OECD, 2020). For a single parent and single earner at part-time work, the family benefit in Poland was the highest in the EU with more than 35% of the average wage (European Commission Directorate-General for Employment, Social Affairs and Inclusion, 2023, p. 40).

7.5.3. Norway

The Nordic countries excel in most rankings regarding welfare combining modern economies with a generous welfare state. Norway has the lowest average unemployment rate among the 35 countries (but slightly increasing) and a very low and declining poverty rate. It is also the third richest country in the sample (after Luxembourg and Ireland) in terms of GDP per person. In terms of GNI per person it is even the richest as large parts of the GDP of Luxembourg and Ireland are appropriated by foreigners.

Looking at the supply and demand side of the labour market in Norway, the supply side is considered first. Norway has received a continuous strong influx of migrants; labour force participation has been declining until 2020, but has risen since. The participation of women is much higher than in most OECD countries. The population is ageing, albeit at a slower rate than in most other European countries (OECD, 2024b, p. 10). The population is well educated with 48.1% having completed a tertiary education against OECD average of 40.7% (OECD, 2024b, p. 7). But PISA scores have declined and are now below the OECD average (OECD, 2024b, p. 11). On the demand side, growth has not been very strong (Table 16), particularly not per person (Table 8) as population has grown due to immigration. During both global crises (2009 and 2020), Norway had deep recessions.

Given these adverse conditions, the labour market performance is impressive. Which policies did Norway adopt? On the macroeconomic side, Norway monetary and fiscal policy has not been very expansionary. Interest rate came down in 2010 and touched almost zero in 2021 before being increased again to fight the inflation after 2022 (Table 2). Norway's fiscal policy is exceptional as the budget is almost always in surplus due to high oil and gas revenues. But the size of the surplus changes and has been in the single digit region for several years after 2013 and even showed a deficit once in 2021 (Table 1). The government employs about 30% of the workforce compared to an OECD average of about 17% (OECD, 2024b, p. 75). The level of employment protection is about average (Table 7), wages are compressed but downward flexible in real terms (Nielsen, 2020). This might be due to a strong cooperation between government, trade unions and employers that manages wage development and related labour market outcomes, including negative ones such as high rates of absenteeism and disability (Nielsen, 2020). Norway spends ten times as much on disability benefits than on unemployment benefits or active labour market policies (Martin, 2015, p. 16). In 2023, 10.6% of the population (18-67 years old) received disability benefits. If these – or a certain share of them – are added to the number of unemployed, Norway's labour market looks much weaker. In many other countries, many of these people might be registered as unemployed. In terms of lessons to be learned, shifting people that are hardly employable into disability is an easy, although probably costly, way to improve the unemployment figures.

Regarding poverty, Norway performs well but not outstandingly so. The most remarkable success is the decline of the poverty rate since 2018 (Table 27). Norway has a strong egalitarian distribution of market income with the third lowest Gini among the 35 countries (Table 26) to start with. In 2016, 94% of households in Norway had a positive income from capital (Ranaldi, 2025, p. 20), although its redistribution effort is slightly above average [Fig. 2]. Thus, the resulting distribution of disposable income is the most equal of the 35 countries except the above-mentioned three CEE countries (Slovenia, Czech Republic and Slovak Republic).

Which government policies contributed to these outcomes? The labour market policies are likely to have contributed to that relatively equal distribution of market income by compressing wages. Its tax system has relatively low and declining rates for goods and services where taxes have a regressive effect [Tab. 3], while taxes on income and profits are higher and rising [Tab. 4]. Knol, van Berkel, Schoemaker, van Vuuren (2024, p. 44) note that "all taxable income is taxed at the same flat rate, except for labour income, which is taxed progressively. Norway also has no tax credits, and only tax deductions on local income taxes".

Due to its oil and gas revenue, Norway's government has tremendous capacity to distribute money; it spends more than 60% of GDP (OECD, 2024b, p. 66). Given this exceptional fiscal space, it is not surprising that Norway's social spending is above average in terms of percentage of GDP (Table 21) and of all government spending (Table 22). With the average disability benefit or pension being about 66% of the average wage, most recipients of social benefits do not belong to the population at risk of poverty when a threshold of 60% is applied. Sickness and disability are very generous and the number of recipients very high (OECD, 2024b, p. 96 ff).

7.5.4. Iceland

Iceland is a very small (380,000 inhabitants) and rich country, and thus more comparable to a larger city such as Utrecht than to a medium-sized country. Iceland's labour market performance is better than average but weaker than the three countries discussed above. On the supply side, Iceland has experienced strong immigration and a still dynamic demography with more young and fewer old people than the OECD average. Its labour force participation rate is the highest among the set of countries [Tab. 29]. Its PISA scores are just about the OECD average, probably due to skill deficits among migrants (OECD, 2023c, p. 8). On the demand side, the average growth of the economy during the observation period (2007-2022) has been relatively weak due to the two severe recessions. The financial crisis in 2008 hit Iceland very hard as its banking system almost completely collapsed. The pandemic affected the tourism-heavy economy severely, too. But since 2022, its growth has been strong. Given these challenges, Iceland's unemployment record looks rather good (Ólafsdóttir 2020).

Iceland's government reacted decisively during both crises. It ran large budget deficits to stabilise demand (and the banking system in 2008). Its monetary policy during the first crisis was more restrictive than in most other countries, with relatively high interest rates. But these must be seen in the light of still much higher double-digit rates before 2009. The banking crisis determined the Central Bank's policy more than other considerations. During the pandemic, monetary policy was free from these constraints and clearly expansionary. But the subsequent inflation led to a more restrictive policy, with interest rates rising above 8%.

Iceland's labour market policy is rather restrictive and corporatist. Trade union membership is high and collective wage agreements cover 90% of all jobs. From a neo-classical point of view, such arrangements distort the market and slow down job creation (OECD, 2023c, p. 22ff). Active labour market policies are helpful, in particular for immigrants whose integration into the labour market is essential (OECD, 2023c, p. 89 ff.). The following paragraphs describe newly adopted policies and institutional arrangements (OECD, 2023c, p. 90).

"The counselling services have recently been reformed, and they are now organised according to the length of unemployment, with a view to limiting long-term joblessness. All jobseekers need to answer a screening list when they have been unemployed for two months. Frontline interviews are set up for those who are deemed to need little support. If more support is needed, jobseekers are interviewed by a career counsellor. Every jobseeker who has been continuously unemployed for 12 months will be given an assessment interview, a job search plan and individualised support with more help to find a job, reskilling or rehabilitation. The counselling services provided are the same for all jobseekers in Iceland, regardless of the area where they live.

A variety of courses are also provided to help jobseekers develop their skills and abilities. These include self-empowerment courses, career development, Icelandic courses and certified study paths in collaboration with lifelong learning centres and special projects for young jobseekers.

To help immigrants in a more effective way, an immigration counselling office was set up in February 2021. The ultimate purpose is to reach more immigrants and provide them with a contact point on integration, including acquiring information regarding labour market opportunities. As a further welcome step, a 2023 law has merged the Multicultural and Information Centre, offering assistance and counselling, with the Directorate of Labour."

Iceland's performance fighting poverty has been impressive. It even beats the Czech Republic in the long-term average, by just 0.1 percentage point. That success is less surprising given the fact that its distribution of market income is the most equal within the group of 35 countries [Tab. 26]. Similar to Norway, 95% of the households had a positive income from capital in 2016 (Ranaldi, 2025, p. 20). Therefore, its redistribution effort is modest [Fig. 2], but still sufficient to achieve a relatively equal distribution of the disposable income that is much better than the average of the 35 countries [Tab. 11]. What kind of policies did Iceland use to achieve these impressive results?

Iceland's tax system is rather regressive with taxes on goods and services more important than those on average for the 35 countries [see Tab. 3] and those on income less so (see Tab. 4). Social spending is modest, too. Its share in total government spending is the second lowest in the set of countries after the notoriously frugal United States [Tab. 22] and still below average as a share of GDP [Tab. 21]. Iceland is, together with the Netherlands, an outlier from the trend line that correlates social spending and poverty negatively (high-spending countries are likely to have lower poverty rates) as it combines low spending with low poverty (see Dauderstädt, 2024, p. 227). Iceland uses income testing for many social benefits which might explain the low amounts of spending without neglecting the 'real' poor households (Eydal and Gislason, 2014, p. 118). Means-testing child benefits leads to a high marginal tax rate for low-income earners that could discourage them from working more (OECD, 2019, p. 111 ff) When social policies are relatively weak, the major cause of the low poverty is likely to be the equal distribution of market income. Which government policies are relevant in this regard?

Primarily, it is labour market policy and institutions that have fostered wage compression and solid wage growth (OECD, 2023c, p. 4). As mentioned above, collective wage agreements cover most jobs and provide a de facto minimum wage (OECD, 2023c, p. 22-23). Tripartite (unions, employers, government) consensual wage policies make sure that wages do not grow too fast as this would imperil international competitiveness and possibly cause inflation. At the same time, wages will not fall behind productivity growth, ensuring a balanced distribution of the value created as the high and stable wage share indicates [Tab. 12]. Wage growth across industries is less different than productivity growth. Iceland has high barriers to entry which limit competition (OECD, 2023c, p. 47 ff.). On the one hand, such a situation is likely to cause inflation or at least prevent prices from falling when productivity increases. On the other hand, it protects the earnings of enterprises which allow high and stable wages.

7.5.5. Germany

Germany's record according to the metric used [Tab 30] is mixed. The levels of both unemployment and poverty are just slightly better than average [Tab. 14; Tab. 27], but the change rates since 2007 are remarkable, especially regarding unemployment. Looking at the German labour market, the supply side is driven by two adverse trends; on the one hand, strong immigration and a slow, but steady rise of the participation rate [Tab. 29] has increased the supply of workers. On the other hand, demography has led to a wave of retirements. In the end, the number of people in the working age increased by about three million between 2007 and 2022. Quality-wise, Germany's PISA records are slightly above the OECD average and its tertiary education attainment is significantly lower (OECD, 2023d, p. 8). On the demand side, Germany suffered from two severe recessions in 2009 and 2020. Its overall economic growth has been weaker than the average of the 35 countries, but between the two recessions it has been relatively strong (OECD, 2018a), driven by high net exports and improving domestic demand. It is also important to see that after 1995, Germany suffered from an economic malaise earning the title of the "sick man of Europe" with unemployment rates above 10%. Given these ramifications, the role of government policies is of high relevance.

Germany's macroeconomic policy reacted to the two recessions with strong anticyclical measures combining fiscal deficits [Tab. 1] with declining or low interest rates [Tab. 2]. In between 2011 and 2020, monetary policy continued to be expansionary with interest rates close to zero while Germany's fiscal policy became very frugal due the debt brake it adopted in 2009 after the high expenditures during the financial market crisis. Fiscal austerity and low interest rates contributed to the export boom as neither the German state nor its enterprises (let alone its private households) accumulated net debt – in other words, Germany exported its unemployment to some extent. This export boom and the overall development of the labour market were also the result of certain labour market policies and institutional arrangements. Many observers claim that the labour market reforms ("Hartz reforms") of the "Agenda 2010" that were adopted in 2003 and the pension reforms of 2007 (a gradual rise of the retirement age to 67) are the main cause for the subsequent success. The measures of the Agenda 2010 focused on the labour market as unemployment had become very high (over 10%) after the mismanaged unification of Germany. It merged the social welfare with the second unemployment benefit (*Arbeitslosenhilfe*) that the unemployed were switched to after the first year during which they received an untested benefit (*Arbeitslosengeld*). The new benefit was means-tested and required more effort by the unemployed to find a job with fewer exceptions of intolerability. Grace periods without sanctions were abolished and personal assets above a low threshold would be deducted from entitlements.

Unemployment rates declined from a maximum of 11.7% in 2005 almost continuously to 5% in 2019. However, it is doubtful how much the Hartz reforms contributed to that success. The reforms probably accelerated the decline of unit labour costs by creating a previously unknown large low-wage sector in the German labour market. The number of hours worked in the German economy stagnated or declined while the unemployment rate fell as well-paid, full-time jobs were replaced by poorly paid part-time jobs (Dauderstädt and Dederke, 2012).

But this wage trend had already started in the 1990s when unions and employers responded in a typically German corporatist fashion to the economic problems (Dustmann et al., 2014). In any case, low wage costs might explain Germany's export boom to a lesser degree than a global (especially Chinese) surge of demand for luxury cars and investment goods.

During the 2009 crisis, the German labour market performance was exceptionally good because many enterprises used short-time work or furlough (*Kurzarbeit*) rather than firing workers. Two systems complemented each other – a public subsidy covering the difference between the full-time wage and the reduced one – and a corporatist scheme of working time accounts on an enterprise level, where workers accumulated wage claims during phases with high demand and lots of overtime hours that could be paid out during recessions. In the pandemic, that policy kept unemployment in Germany at a low level again [Tab. 14]. The public part of this highly successful German policy has been adopted by many other countries during the recession caused by the pandemic in 2020 (Dauderstädt, 2021; 2022). To sum up, three factors contributed to Germany's declining unemployment: a strong export boom supported by internal devaluation (wage restraint and declining unit labour costs), corporatist arrangements between employers and unions on both the sector and enterprise levels and the reforms of the Agenda 2010.

The flip side of that development has been the rising poverty. The small decline of the poverty rate between 2007 and 2023 (Table 30) is a recent phenomenon. Most of the time, Germany's poverty rate has been between 15% and 17%, and not much better than the average of the set of countries [Tab. 27]. In 2005 it was 14.7% and thus only slightly higher than in 2023 and it continued to rise afterwards. Germany's distribution of income worsened after 2000 with the Gini index increasing from about 29 to about 32 in 2018-2020. The wage share declined from 65% in 2000 to below 60% in 2005 and recovered somewhat [Tab. 12] during the recession of 2009. The labour market reforms described are largely responsible for that development. Only in 2015 did the poverty rate start to decline from a maximum of 16.7%. Which policies contributed the improvement after 2015?

Most likely, one of the most important policies is the introduction of a legal minimum wage in 2015 against strong opposition by employers that were backed up by conservative economists, who wrongly forecasted massive job losses and a large rise of unemployment. During the pandemic and again during the energy crisis in the wake of the Ukraine war, the government temporarily lowered the VAT rates and provided special subsidies for affected people (Dauderstädt, 2021). In 2022, the SPD-led government changed several important features of the Agenda 2010 reforms that had been introduced in 2005 by an also SPD-led government as the party wanted to correct the bad image that it acquired with the Hartz reforms. The new social assistance (*Bürgergeld*) stipulated more money, fewer sanctions and more protection for personal assets (*Schonvermögen*) up to a threshold of €40,000 per person. Knol, van Berkel, Schoemaker, van Vuuren summarise and praise the current German welfare system: "Germany's minimum income benefits are characterised by the automatic inclusion of housing and child supplements in social assistance. Therefore, social assistance recipients do not have to apply for housing and child benefits separately. Furthermore, eligibility requirements are less stringent during the first year of social assistance receipt. The German tax system also differentiates between household types through different tax classes. This ensures that, for example, single parents face lower tax rates." (Knol, van Berkel, Schoemaker, van Vuuren, 2024, p. 35). A mix of labour market policies, a redesign of social assistance and emergency aid during the twin-crises of the pandemic and Ukraine war led to a fall of the poverty rate by two percentage points since 2015, which is better than the change of 0.8 points presented in Table 30.

7.5.6. Netherlands

The Netherlands are in the middle range among the six successful countries regarding the level of unemployment, poverty and labour force participation. While its unemployment rate declined slightly between 2007 and 2023, its poverty rate increased by 2.8 percentage points. The Dutch labour market has been relatively tight most of the time with the average level of unemployment being among the five best performing countries of the set of 35 [Tab. 14]. Looking at the supply side, the Netherlands received many migrants who now make up about 13% of the population (up from 11% ten years ago). Labour force participation, mainly of women, increased [Tab. 29] while demography has reduced the labour supply (Klinker and ter Weel, 2024). Average working time per employee is relatively low [Tab. 15] as part-time work is very prominent (Gielen and Schils, 2024); self-employment strongly increased after 2005 (OECD, 2018b, p. 74 ff.). The quality of the labour force is high – tertiary educational attainment and PISA scores are above the OECD average (OECD, 2023e, p. 7). On the demand side, growth of GDP and total hours worked was solid, despite two deep recessions in 2009 and 2020 [Tab. 7; Tab. 8].

Macroeconomic policies supported demand and thus employment. During both recessions, the Netherlands benefitted from the European Central Bank's low interest rates [Tab. 2] and adopted expansionary fiscal policies [Tab. 1]. The Netherlands have the highest level of employment protection in the set of countries [Tab. 7] and apparently, it has maintained high levels of employment although many economists (and the OECD when it introduced that indicator) thought it would prevent employers from hiring people and thus reduce employment. The same is true for the wage policy where minimum wages have been relatively stable, but increased substantially after 2019 (Klinker and ter Weel, 2024, p. 2). During the pandemic, the state covered 85% of wage costs in affected industries if employers retained jobs and paid full wages (OECD, 2021, p. 18). Generally, most observers see a very tight labour market in the Netherlands and suggest measures to increase the supply via more training, better childcare, more immigration and better education (OECD, 2023e, p. 11).

The picture regarding poverty reduction is less impressive with average levels and a rise between 2007 and 2023. But that rise hides a more complex evolution [Tab 27]; in the early 2000s the poverty rate was very low (about 10%) but started to rise continuously after 2014, reaching a maximum of 14.5% in 2022. In 2023, the poverty rate fell to 13%, a substantial reduction. The Dutch distribution of market income is relatively egalitarian (better than the average of the set of countries). Around 89% of the households have a positive capital income (Ranaldi, 2025, p. 20). Tax and social policies make a redistributive effort that is slightly weaker than the average [Fig. 2] leading, however, to a distribution of disposable income that is also better than average, despite worsening until 2019 and improving after 2019. The relevant policies are examined below.

Dutch tax policy is balanced with the regressive taxes on goods and services providing about 40% of revenue, the same as taxes on income and profits [Tab. 3; Tab. 4]. Top tax rates are high but decreased [Tab. 5], benefitting the rich. Social spending as a share of government spending is average [Tab. 22] including a very high share of administrative costs [Tab. 28] but as a share of GDP it is very low [Tab. 21]. The positive side of the high administrative effort is the high efficiency of social spending according to some studies (see Dauderstädt, 2024, p. 230; Knol, van Berkel, Schoemaker, van Vuuren, 2024, p. 55). The Netherlands is, together with Iceland, an outlier from the trend line that correlates social spending and poverty negatively (high-spending countries are likely to have lower poverty rates) as it combines low spending with low poverty (see Dauderstädt, 2024, p. 227). The major cause for that is the pension system as it is based on three pillars of which only one is tax-financed. It thus requires just about 12% of government spending compared to 18%, the OECD average (OECD, 2023f, p. 211). As the pensions received from the two private pillars count as market income, the distribution of market income looks better than in countries with dominant pay-as-you-go systems. The other cause of the relatively equal distribution of market income is the labour market policy. As mentioned above, employment protection is strong and minimum wages led to wage compression (Klinker and ter Weel, 2024). Due to the efficient pension system, old-age poverty is low (OECD, 2021, p. 50).

The recent decline of the poverty rate and inequality of disposable income is probably due to exceptional measures during the pandemic and the energy crisis in the wake of the Ukraine war. The support package during the pandemic included income support for self-employed and other measures to fight poverty (OECD, 2021, p. 18). In the wake of the Ukraine war and the subsequent energy crisis, the Netherlands adopted another package of measures to help households hit by the cost-of-living crisis, one policy being "a one-off energy allowance of €1,300 for people with an income around the social assistance level" (OECD, 2023f, p. 18). Minimum wages, basic pensions and unemployment benefits were all increased by 10.15% and taxes reduced (OECD, 2023f, p. 18). During both crises, the Netherlands benefitted from a good fiscal position (low government debt) that allowed substantial additional spending.

7.5.7. Conclusions

To sum up, the policies of the six countries are analysed regarding the two indicators of success – unemployment and poverty – first separately. Finally, the possible trade-offs and interdependence of both goals are considered.

Regarding unemployment, all the countries used monetary and fiscal policies to stabilise and strengthen demand and employment during recessions. Labour market policies accompanied these macroeconomic measures. During the pandemic, many countries subsidised furlough thus stabilising employment throughout the crisis (following the example of Germany that used this policy successfully during the financial crisis of 2009). In the political and academic debate, some labour market policies, in particular EPL, minimum wages and strong unions are judged differently by two opposite schools of thought. The market-liberal view sees these features as detrimental and leading to a loss of jobs or, at least, as a barrier to more employment because employers fear higher wages and less control over working conditions. The opposite view expects a more stable demand and employment, and a smoother management of adjustment in times of crisis. The evidence from the six countries tends to support the second view, as most of these successful countries have used some of these features. The possible exception is Germany that reduced high unemployment through labour market reforms that weakened social protection. But even that case is more ambiguous on closer inspection. Strong unions and collective agreements strongly contributed to control unit labour costs. In 2015, when Germany introduced a statutory minimum wage for the first time, unemployment did not increase as many market-liberal critics had expected.

The rate of poverty depends on the distribution of disposable income, which results from the distribution of market income and its redistribution through taxes and social spending. Market incomes stem from capital (such as profits or rents) or labour (wages). A more widespread distribution of wealth reduces inequality when, for instance, more people own their housing or have savings for their retirement as in the Dutch pension system. More employment means more wage income, depending on the working time and wage level. Minimum wages and strong unions can reduce the number of working poor, but redistribution remains crucial to poverty reduction in most cases, although with less effect than desired (see Dauderstädt, 2024, p. 227; Figure 17). One possible cause is that tax policies have relatively little effect; in the best case, the poor pay less or no income taxes. But most government revenue comes from VAT and social security contributions. Both sources are not progressive and have flat rates that favour the rich who do not consume as much and save more, and often pay social insurance premiums only up to a certain income threshold and not at all on capital income (profits, rents). That leaves social expenditure and income support. As the correlation analysis in the last study (Dauderstädt, 2024, p. 227; Figure 16) shows, higher social spending reduces the rate of poverty, but only weakly. Social protection often aims at maintaining previous market income levels rather than avoiding poverty, and it is not means-tested. The six successful countries target their social spending better or distribute fixed amounts that are relatively more valuable to poor households.

Employment and social policies interact in difficult ways. Plenty of decent, well-paid jobs are the best way to reduce poverty and provide the money to fund social protection, but easy access to social assistance can be a disincentive for work. When social protection is financed out of social security contributions paid by employees and employers it increases non-wage labour costs, discouraging employment. Often, political and public views of that dilemma suffer problematic swings. In times of a booming economy with full employment more generous social protection that is often desirable seems feasible, while in a recession, procyclical cuts in social spending (austerity policies) are often considered as necessary or unavoidable. But trying to create jobs by lowering wages can increase poverty and lead to a doom loop of falling demand and employment.

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7.7. ANNEX

Table 1: General government net lending or borrowing (percentage of GDP)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Estimates Start After
Australia	1,5	-1,1	-4,6	-5,1	-4,5	-3,5	-2,8	-2,9	-2,8	-2,4	-1,7	-1,3	-4,4	-8,7	-6,4	-2,2	-0,9	-1,7	2022
Austria	-1,4	-1,5	-5,3	-4,4	-2,6	-2,2	-2,0	-2,7	-1,0	-1,5	-0,8	0,2	0,6	-8,0	-5,8	-3,3	-2,6	-3,4	2023
Belgium	0,1	-1,1	-5,4	-4,1	-4,3	-4,3	-3,1	-3,1	-2,4	-2,4	-0,7	-0,9	-2,0	-9,0	-5,4	-3,6	-4,4	-4,7	2023
Bulgaria	3,1	2,7	-0,9	-3,8	-1,8	-0,4	-1,8	-3,7	-2,8	1,5	0,8	0,1	-1,0	-2,9	-2,8	-0,8	-3,1	-2,9	2023
Canada	1,8	0,2	-3,9	-4,7	-3,3	-2,5	-1,5	0,2	-0,1	-0,5	-0,1	0,4	0,0	-10,9	-2,9	0,1	-0,6	-2,0	2023
Croatia	-2,3	-2,3	-7,2	-6,5	-7,5	-5,5	-5,5	-5,2	-3,5	-1,0	0,9	0,3	2,3	-7,2	-2,5	0,1	-0,8	-2,5	2023
Cyprus	3,2	0,9	-5,4	-4,7	-5,7	-5,6	-5,2	-0,2	0,1	0,3	1,9	-3,6	1,3	-5,7	-1,8	2,7	3,1	3,1	2023
Czech Republic	-0,6	-2,0	-5,4	-4,1	-2,7	-3,9	-1,3	-2,1	-0,6	0,7	1,5	0,9	0,3	-5,6	-5,0	-3,1	-3,8	-2,9	2023
Denmark	5,3	3,5	-2,7	-2,5	-1,8	-3,2	-0,9	1,4	-0,9	0,3	1,7	0,8	4,3	0,4	4,1	3,4	3,3	1,8	2022
Estonia	2,6	-2,9	-2,9	-0,5	0,5	-0,7	-0,3	0,3	-0,4	-0,9	-1,0	-1,1	0,1	-5,3	-2,4	-1,0	-3,5	-3,0	2023
Finland	5,1	4,2	-2,5	-2,5	-1,0	-2,2	-2,5	-3,0	-2,4	-1,7	-0,7	-0,9	-1,0	-5,6	-2,9	-0,5	-2,7	-3,7	2023
France	-3,0	-3,5	-7,4	-7,2	-5,3	-5,2	-4,9	-4,6	-3,9	-3,8	-3,4	-2,3	-2,4	-8,9	-6,6	-4,7	-5,5	-6,0	2023
Germany	0,2	-0,3	-3,2	-4,4	-0,8	-0,1	0,1	0,7	0,9	1,1	1,3	1,9	1,3	-4,4	-3,2	-2,1	-2,6	-2,0	2023
Greece	-6,7	-10,2	-15,2	-11,4	-10,5	-6,8	-4,0	-4,3	-3,0	0,3	1,1	0,8	-0,1	-10,6	-7,5	-2,5	-0,9	-1,0	2023
Hungary	-5,1	-3,8	-4,8	-4,4	-5,2	-2,3	-2,6	-2,8	-2,0	-1,8	-2,5	-2,1	-2,0	-7,6	-7,2	-6,2	-6,7	-5,0	2023
Iceland	5,6	-12,1	-8,6	-6,7	-6,5	-2,6	-1,2	0,3	-0,4	12,5	1,0	1,0	-1,6	-8,9	-8,5	-4,0	-2,0	-3,1	2023
Ireland	0,3	-7,0	-13,9	-32,1	-13,5	-8,4	-6,3	-3,5	-2,0	-0,8	-0,3	0,1	0,4	-4,9	-1,5	1,6	1,5	3,8	2023
Italy	-1,3	-2,6	-5,1	-4,2	-3,5	-3,0	-2,9	-2,8	-2,5	-2,4	-2,5	-2,2	-1,5	-9,4	-8,9	-8,1	-7,2	-4,0	2023
Latvia	0,6	-3,1	-6,9	-6,4	-3,3	0,2	-0,6	-1,7	-1,5	-0,5	-0,8	-0,7	-0,4	-3,7	-5,5	-3,7	-3,5	-3,4	2023
Lithuania	-1,0	-3,3	-9,3	-6,9	-8,9	-3,1	-2,6	-0,7	-0,2	0,3	0,5	0,6	0,3	-7,2	-1,0	-0,7	-0,8	-1,6	2023
Luxembourg	4,4	3,4	-0,2	-0,3	0,7	0,5	0,8	1,3	1,3	1,9	1,4	3,0	2,2	-3,4	0,5	-0,4	-1,3	-1,3	2023
Malta	-2,1	-4,1	-3,1	-2,2	-3,0	-3,3	-2,2	-1,5	-0,8	1,1	3,1	1,9	0,7	-8,7	-7,0	-5,3	-4,6	-4,0	2023
Netherlands	-0,3	0,0	-5,1	-5,3	-4,4	-3,8	-2,9	-2,2	-1,8	0,2	1,3	1,5	1,8	-3,6	-2,2	-0,1	-0,4	-1,6	2023
New Zealand	3,6	1,5	-1,8	-5,5	-5,0	-2,2	-1,3	-0,3	0,4	1,0	1,4	1,3	-2,5	-4,3	-3,2	-3,5	-3,3	-3,8	2023
Norway	17,0	18,5	10,2	10,9	13,3	13,7	10,6	8,6	6,0	4,0	5,0	7,8	6,5	-2,6	10,3	25,4	16,4	12,0	2023
Poland	-1,9	-3,6	-7,3	-7,5	-5,0	-3,8	-4,3	-3,7	-2,6	-2,4	-1,5	-0,3	-0,7	-6,9	-1,8	-3,4	-5,1	-5,7	2023
Portugal	-2,9	-3,7	-9,9	-11,4	-7,7	-6,2	-5,1	-7,3	-4,3	-1,9	-3,0	-0,3	0,1	-5,8	-2,9	-0,3	1,2	0,2	2023
Romania	-3,0	-4,6	-6,9	-6,2	-4,1	-2,4	-2,4	-2,0	-1,3	-2,5	-2,9	-2,7	-4,6	-9,6	-6,7	-5,8	-5,6	-7,8	2023
Slovak Republic	-2,1	-2,5	-8,1	-7,5	-4,3	-4,4	-2,9	-3,1	-2,7	-2,6	-1,0	-1,0	-1,2	-5,4	-5,2	-1,6	-4,8	-5,9	2023
Slovenia	-0,1	-1,4	-5,9	-5,6	-6,7	-4,2	-11,2	-4,5	-2,8	-2,0	0,1	0,9	0,7	-7,7	-4,6	-3,0	-2,6	-2,6	2023
Spain	1,9	-4,6	-11,2	-9,5	-9,7	-11,5	-7,5	-6,1	-5,3	-4,3	-3,1	-2,6	-3,0	-10,0	-6,7	-4,6	-3,5	-3,0	2023
Sweden	3,3	1,9	-0,9	-0,1	-0,4	-1,1	-1,5	-1,6	0,0	1,0	1,4	0,8	0,5	-2,8	0,0	1,1	-0,6	-1,2	2022
Switzerland	1,6	1,9	0,5	0,4	0,7	0,2	-0,4	-0,2	0,5	0,2	1,1	1,3	1,3	-3,0	-0,3	1,2	0,2	0,6	2023
United Kingdom	-2,7	-5,2	-10,1	-9,3	-7,4	-7,5	-5,4	-5,6	-4,6	-3,3	-2,5	-2,3	-2,5	-13,1	-7,9	-4,7	-6,0	-4,3	2023
United States	-2,9	-6,6	-13,2	-11,0	-9,7	-8,1	-4,6	-4,0	-3,5	-4,4	-4,8	-5,3	-5,8	-13,9	-11,0	-3,9	-7,1	-7,6	2023
Average	0,6	-1,6	-5,5	-5,6	-4,1	-3,1	-2,6	-2,1	-1,5	-0,5	-0,2	-0,1	-0,3	-6,7	-3,8	-1,4	-2,0	-2,3	

Source: IMF World Economic Outlook and author's calculation

Table 2: Central bank policy rates (% at September each year)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2021-23
Australia	6,50	7,00	3,00	4,50	4,75	3,50	2,50	2,50	2,00	1,50	1,50	1,50	1,00	0,25	0,10	2,35	4,10	4,35	4,00
Canada	4,50	3,00	0,25	1,00	1,00	1,00	1,00	1,00	0,50	0,50	1,00	1,50	1,75	0,25	0,25	3,25	5,00	4,25	4,75
Croatia	11,21	9,84	6,83	0,87	1,25	0,54	0,56	0,39	0,81	0,52	0,50								0,00
Czech Republic	3,25	3,50	1,25	0,75	0,75	0,50	0,05	0,05	0,05	0,05	0,25	1,50	2,00	0,25	0,75	7,00	7,00	4,25	6,25
Denmark	4,25	4,60	1,00	0,50	1,00	-0,20	-0,10	-0,05	-0,75	-0,65	-0,65	-0,65	-0,75	-0,60	-0,50	0,65	3,60	3,10	4,10
Euro area	4,00	4,25	1,00	1,00	1,50	0,75	0,50	0,05	0,05	0,00	0,00	0,00	0,00	0,00	0,00	1,25	4,50	3,50	4,50
Hungary	7,50	8,50	7,50	5,25	6,00	6,50	3,60	2,10	1,35	0,90	0,90	0,90	0,90	0,60	1,65	13,00	13,00	6,50	11,35
Iceland	13,30	15,50	9,50	5,38	3,88	5,13	5,38	5,25	5,50	5,25	4,50	4,25	3,50	1,00	1,25	5,50	9,25	9,25	8,00
New Zealand	8,25	7,50	2,50	3,00	2,50	2,50	2,50	3,50	2,75	2,00	1,75	1,75	1,00	0,25	0,25	3,00	5,50	5,25	5,25
Norway	5,00	5,75	1,25	2,00	2,25	1,50	1,50	1,50	0,75	0,50	0,50	0,75	1,50	0,00	0,25	2,25	4,25	4,50	4,00
Poland	4,75	6,00	3,50	3,50	4,50	4,75	2,50	2,50	1,50	1,50	1,50	1,50	1,50	0,10	0,10	6,75	6,00	5,75	5,90
Romania	7,00	10,25	8,00	6,25	6,25	5,25	4,50	3,25	1,75	1,75	1,75	2,50	2,50	1,50	1,25	5,50	7,00	6,50	5,75
Sweden	3,75	4,75	0,25	0,75	2,00	1,25	1,00	0,25	-0,35	-0,50	-0,50	-0,50	-0,25	0,00	0,00	1,75	4,00	3,50	4,00
Switzerland	2,75	2,75	0,38	0,38	0,13	0,13	0,13	0,13	-0,75	-0,75	-0,75	-0,75	-0,75	-0,75	-0,75	0,50	1,75	1,00	2,50
United Kingdom	5,75	5,00	0,50	0,50	0,50	0,50	0,50	0,50	0,50	0,25	0,25	0,75	0,75	0,10	0,10	2,25	5,25	5,00	5,15
United States	4,75	2,00	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,38	1,13	2,13	1,88	0,13	0,13	3,13	5,38	4,88	5,25
Average	6,03	6,26	2,93	2,23	2,40	2,11	1,64	1,44	0,99	0,82	0,85	1,14	1,10	0,21	0,32	3,88	5,71	4,77	5,38

Source: Bank for International Settlements and author's calculation

Table 3: Taxes on goods and services (percentage of total tax revenue)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia	23,2	22,6	22,7	24,4	24,0	22,2	23,0	23,5	21,3	21,7	21,1	20,5	19,5	19,3	20,0	17,8
Austria	36,3	35,8	37,0	37,5	37,4	37,5	36,8	36,7	36,3	37,5	38,0	37,3	37,2	37,6	36,4	36,1
Belgium	37,1	35,8	37,9	37,5	36,5	36,7	35,5	35,1	37,1	39,8	38,6	37,8	39,6	39,5	39,4	37,0
Bulgaria	54,6	56,1	54,5	55,7	57,9	57,6	57,2	56,9	54,7	59,9	58,2	55,6	55,8	58,9	56,2	47,3
Canada	18,0	16,5	18,0	18,8	17,7	17,4	17,2	17,2	17,1	17,2	17,3	16,6	17,1	16,6	16,7	17,7
Croatia	61,0	61,8	64,6	67,4	65,1	67,4	67,5	64,1	65,1	64,7	64,9	67,8	64,9	62,8	62,0	60,9
Cyprus	42,5	44,7	44,6	44,0	43,1	44,8	42,8	43,4	44,5	47,0	45,9	46,1	46,3	44,2	41,8	42,7
Czech Republic	30,9	30,5	32,3	32,7	34,1	35,3	36,0	34,3	34,6	34,7	34,5	32,8	32,6	31,4	31,1	29,8
Denmark	39,0	37,4	37,6	36,8	36,4	36,4	35,9	33,5	36,1	37,0	36,2	37,3	34,1	34,9	32,2	34,0
Estonia	41,5	37,6	38,8	40,0	41,3	41,7	40,7	41,6	41,4	43,5	42,5	41,7	42,1	39,3	39,4	39,4
Finland	54,5	52,8	59,2	60,1	60,3	61,1	61,5	61,5	60,4	61,6	60,6	61,0	60,6	62,1	59,8	57,6
France	44,3	43,4	45,1	41,6	42,7	42,0	41,5	41,6	43,2	43,5	43,7	45,2	39,3	37,8	31,0	30,3
Germany	52,9	51,8	53,8	54,1	53,4	52,7	52,4	51,5	51,3	49,4	49,5	48,0	47,5	45,2	46,9	46,8
Greece	41,7	41,5	40,9	43,0	41,7	40,6	39,1	41,9	41,4	42,8	44,9	45,2	46,2	43,6	44,5	48,6
Hungary	49,1	44,6	46,0	50,5	53,0	50,7	48,6	48,1	47,5	48,6	46,8	48,1	47,1	46,8	48,3	48,2
Iceland	38,9	30,2	31,0	34,2	33,2	33,4	33,2	31,7	34,3	23,7	35,8	35,5	36,1	37,7	38,8	35,4
Ireland	37,8	35,9	33,1	32,7	30,3	30,0	30,9	31,6	31,1	31,3	36,3	34,8	35,0	32,3	32,6	30,1
Italy	33,5	32,3	31,4	34,0	34,9	34,8	34,4	35,5	35,2	35,3	35,7	36,2	35,9	33,7	35,0	33,9
Latvia	60,8	55,5	54,9	53,9	55,4	56,4	58,9	59,5	60,4	62,2	62,4	62,4	64,8	62,4	62,1	65,7
Lithuania	45,0	44,6	48,2	48,5	49,6	47,9	47,7	46,7	48,5	50,6	53,0	52,0	44,6	45,5	45,2	43,9
Luxembourg	44,8	42,4	41,5	41,3	42,3	42,7	42,5	43,8	37,2	37,5	38,6	36,9	37,0	37,3	38,2	37,5
Malta	37,6	37,0	36,2	36,8	36,2	34,9	34,1	34,6	33,1	33,6	32,7	33,4	33,0	31,0	30,4	31,9
Netherlands	42,3	41,0	40,5	40,3	40,2	40,3	39,7	40,2	40,3	42,1	40,5	41,1	41,3	42,0	41,2	37,7
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	24,2	21,3	24,5	24,9	23,2	22,8	24,1	24,6	25,9	27,4	26,9	25,2	25,1	27,8	22,5	15,1
Poland	56,1	57,0	54,8	56,6	56,4	54,5	55,8	55,6	55,2	57,7	57,8	57,6	56,9	56,3	55,7	54,5
Portugal	39,2	38,3	35,4	38,9	38,8	38,4	34,9	36,6	37,9	39,6	40,5	40,7	41,1	39,3	39,3	40,3
Romania	45,6	45,3	45,0	47,6	54,1	53,8	53,5	49,9	49,5	47,6	45,9	47,0	47,5	46,8	46,8	44,1
Slovak Republic	50,0	48,8	44,7	46,3	46,0	44,9	44,2	44,0	41,0	46,1	49,0	48,0	48,7	48,0	46,5	46,6
Slovenia	48,2	48,6	51,7	53,2	53,1	53,2	54,3	53,8	51,8	54,0	53,2	51,7	52,4	50,6	49,9	49,9
Spain	37,8	39,7	38,6	42,7	40,0	39,6	43,3	44,3	46,3	47,4	48,2	46,4	46,8	46,4	44,6	40,9
Sweden	39,4	41,4	43,1	43,1	42,9	43,3	42,8	42,9	42,2	42,2	41,8	42,1	41,7	42,5	41,4	41,5
Switzerland	53,9	49,9	51,0	51,6	52,2	52,5	51,5	52,1	49,3	49,2	47,3	46,7	45,5	48,3	44,3	47,0
United Kingdom	32,2	30,1	30,9	28,5	34,8	34,5	34,7	35,8	35,6	35,2	34,7	34,7	35,0	33,2	32,7	32,2
United States	3,8	3,9	5,2	4,5	4,5	4,6	4,3	4,6	4,5	4,4	3,7	4,9	4,2	3,7	3,1	2,7
Average	41,1	39,9	40,4	41,3	41,5	41,4	41,2	41,1	40,9	41,6	42,0	41,7	41,2	40,7	39,9	39,0

Source: WDI and author's calculation;

*US values are underestimating the true share because they probably exclude sales taxes that are levied by the states

Table 4: Taxes on income, profits and capital gains (percentage of total tax revenue)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia	65,7	66,3	65,0	61,3	63,3	65,5	64,2	63,7	64,9	64,2	64,1	65,2	65,9	64,5	64,5	67,9
Austria	38,2	39,3	35,6	36,4	36,5	37,0	37,7	38,5	39,5	36,8	37,8	38,5	38,9	37,5	38,8	40,4
Belgium	54,3	55,2	52,3	52,2	52,9	52,8	53,8	54,2	52,8	49,2	50,9	50,5	49,4	50,1	50,7	52,8
Bulgaria	21,4	19,2	19,3	18,9	19,3	18,6	18,7	20,0	19,4	21,6	22,2	21,8	21,2	22,7	24,3	21,0
Canada	66,0	67,1	65,8	64,8	65,9	65,5	65,7	66,7	66,9	67,3	67,4	68,0	67,9	70,4	67,9	69,3
Croatia	13,3	12,8	13,6	12,0	11,3	9,3	9,4	7,9	9,0	10,0	9,8	8,2	8,1	8,1	7,5	11,2
Cyprus	34,8	34,1	33,0	31,9	35,1	34,0	33,1	30,0	29,9	30,6	31,7	31,3	32,0	34,4	33,2	34,0
Czech Republic	21,0	19,4	17,8	16,9	16,8	16,8	16,7	17,6	17,0	17,9	18,5	19,1	19,3	19,5	16,9	17,5
Denmark	42,2	41,8	42,2	41,5	40,6	42,1	43,5	48,3	45,5	44,9	45,3	43,1	47,7	46,8	48,9	45,6
Estonia	23,4	24,9	20,3	19,9	20,0	20,6	22,5	23,0	23,3	22,8	22,1	22,9	22,2	23,1	25,2	24,2
Finland	33,5	31,3	24,7	23,8	24,8	23,8	23,6	24,2	24,2	24,5	25,1	24,9	24,9	22,5	25,7	28,1
France	30,8	32,5	27,6	27,5	30,5	32,4	33,6	32,9	32,6	31,8	32,5	32,2	36,2	36,5	36,6	39,0
Germany	36,9	37,0	33,8	32,8	33,2	34,9	36,1	36,1	37,2	38,9	39,9	40,4	40,4	41,3	40,3	41,1
Greece	26,7	26,4	28,3	24,7	23,0	24,9	21,3	24,9	23,3	24,2	25,0	25,9	23,7	23,3	23,6	23,3
Hungary	29,3	34,7	31,7	26,1	21,9	21,2	19,8	20,2	20,2	23,0	22,3	20,9	20,6	20,5	18,0	20,9
Iceland	27,1	24,7	23,4	24,5	23,7	23,2	25,1	27,5	27,8	19,8	30,4	29,5	30,9	33,2	31,1	32,9
Ireland	38,7	37,1	36,5	35,9	35,5	36,7	36,4	36,2	39,0	39,4	46,2	48,0	48,5	52,0	53,0	56,9
Italy	52,1	52,9	49,0	49,6	48,8	49,0	49,3	48,0	48,1	46,8	47,0	46,5	47,2	49,3	46,9	47,0
Latvia	19,6	22,4	12,9	10,4	11,4	12,9	13,2	12,7	12,9	14,1	14,4	10,1	6,9	9,0	10,8	12,1
Lithuania	36,3	36,7	25,7	19,6	19,2	21,4	22,1	21,6	23,2	25,1	25,1	25,9	34,9	34,5	37,3	38,9
Luxembourg	38,5	40,3	39,9	40,8	40,1	40,4	40,7	39,9	41,8	42,1	43,0	45,5	45,1	45,0	44,8	45,4
Malta	31,1	30,7	32,3	30,2	30,5	31,9	33,3	32,2	32,0	34,1	34,1	33,2	35,3	34,9	37,2	37,7
Netherlands	39,8	37,9	38,8	39,2	38,4	37,2	35,9	37,9	41,3	42,1	45,0	44,6	46,0	46,0	46,1	47,9
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	31,1	32,6	29,1	31,2	32,8	31,9	29,2	25,7	22,2	20,7	21,9	24,2	23,4	19,2	30,7	39,9
Poland	22,4	22,7	20,8	18,5	18,4	19,6	19,1	18,9	19,0	19,5	19,6	20,4	21,0	20,8	21,1	20,6
Portugal	28,0	28,6	27,6	27,4	29,6	27,4	32,9	32,1	32,0	30,6	30,7	31,0	30,4	31,2	29,0	32,9
Romania	25,0	26,1	26,5	23,2	25,0	23,7	24,5	24,6	24,7	27,2	27,6	22,3	22,2	21,7	22,8	26,0
Slovak Republic	28,5	31,1	24,5	24,8	23,2	24,2	24,8	26,1	25,3	29,0	29,9	29,7	29,3	28,8	30,6	29,7
Slovenia	23,2	21,7	18,3	16,6	16,0	14,0	11,8	12,8	14,1	16,0	16,5	17,9	17,9	17,6	20,2	19,5
Spain	48,4	43,2	40,3	36,5	32,0	26,6	32,7	33,3	32,6	32,7	33,1	34,3	33,0	32,3	34,7	36,3
Sweden	19,7	15,6	14,5	16,4	15,7	13,9	14,4	15,8	17,7	17,5	18,1	17,4	17,3	16,7	18,7	18,1
Switzerland	32,6	35,5	34,6	33,9	33,9	33,9	34,6	34,5	36,8	37,0	39,4	39,5	41,4	36,9	41,4	37,2
United Kingdom	39,6	37,8	38,5	32,4	36,7	34,4	33,9	34,1	34,1	34,7	34,6	34,5	34,0	35,6	37,3	36,7
United States	86,3	84,9	78,3	78,5	81,0	81,7	78,1	80,8	82,4	83,2	75,2	82,3	83,7	85,0	85,5	86,7
Average	35,4	35,4	33,0	31,8	32,0	31,9	32,1	32,4	32,7	32,9	33,7	33,8	34,3	34,4	35,3	36,4

Source: WDI and author's calculation

Table 5: Top statutory personal income tax rate and thresholds (in multiple of average wage and USD converted at purchasing power parity) for selected years

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Australia	46,5	46,5	46,5	46,5	46,5	47,5	46,5	46,5	49,0	49,0	49,0	47,0	47,0	47,0	47,0	47,0	47,0
Austria	43,7	43,7	43,7	43,7	43,7	43,7	50,0	50,0	50,0	55,0	55,0	55,0	55,0	55,0	55,0	55,0	55,0
Belgium	53,7	53,7	53,7	53,7	53,7	53,7	53,7	53,8	53,8	53,3	52,9	52,9	52,9	52,9	52,9	47,6	52,9
Canada	46,4	46,4	46,4	46,4	46,4	48,0	49,5	49,5	49,5	53,5	53,5	53,5	53,5	53,5	53,5	53,5	53,5
Czech Republic	32,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	23,0	23,0	23,0
Denmark	59,0	62,3	62,1	55,4	55,4	55,4	55,6	55,6	55,8	55,8	55,8	55,9	55,9	55,9	55,9	55,9	55,9
Estonia	22,0	21,0	21,0	21,0	21,0	21,0	21,0	21,0	20,0	20,0	20,0	20,0	20,0	20,0	20,0	20,0	20,0
Finland	50,5	50,1	49,1	49,0	49,2	49,0	51,1	51,5	51,6	51,6	51,4	51,1	51,1	51,2	51,3	51,3	51,4
France	45,8	45,8	45,8	46,7	50,5	54,4	54,5	54,5	54,5	54,5	54,5	55,4	55,4	55,4	55,4	55,4	55,4
Germany	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5	47,5
Greece	40,0	40,0	40,0	45,0	49,0	49,0	46,0	46,0	50,0	55,0	55,0	55,0	55,0	54,0	44,0	44,0	44,0
Hungary	36,0	36,0	36,0	32,0	16,0	16,0	16,0	16,0	16,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0
Iceland	35,7	35,7	41,2	46,1	46,2	46,2	46,2	46,2	46,2	46,2	46,2	46,2	46,2	46,2	46,2	46,3	46,3
Ireland	43,5	43,5	50,2	52,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0	48,0
Italy	44,9	44,9	44,9	45,2	47,3	47,3	47,3	47,8	48,8	48,8	47,2	47,2	47,2	47,2	47,2	47,2	47,2
Latvia	25,0	25,0	23,0	26,0	25,0	25,0	24,0	24,0	23,0	23,0	23,0	35,3	31,6	31,6	31,2	31,2	31,2
Lithuania	27,0	24,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	15,0	27,0	32,0	32,0	32,0	32,0
Luxembourg	39,0	39,0	39,0	39,0	41,3	41,3	43,6	43,6	43,6	43,6	45,8	45,8	45,8	45,8	45,8	45,8	45,8
Netherlands	52,0	52,0	52,0	52,0	52,0	52,0	52,0	52,0	52,0	52,0	52,0	52,0	51,8	49,5	49,5	49,5	49,5
New Zealand	39,0	39,0	38,0	35,5	33,0	33,0	33,0	33,0	33,0	33,0	33,0	33,0	33,0	33,0	39,0	39,0	39,0
Norway	40,0	40,0	40,0	40,0	40,0	40,0	40,0	39,0	39,0	38,7	38,5	38,4	38,2	38,2	38,2	39,4	39,5
Poland	40,0	40,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0	32,0
Portugal	42,0	42,0	42,0	45,9	50,0	49,0	56,5	56,5	56,5	56,5	56,2	53,0	53,0	53,0	53,0	53,0	53,0
Slovak Republic	19,0	19,0	19,0	19,0	19,0	19,0	25,0	25,0	25,0	25,0	25,0	25,0	25,0	25,0	25,0	25,0	25,0
Slovenia	41,0	41,0	41,0	41,0	41,0	41,0	50,0	50,0	50,0	50,0	50,0	50,0	50,0	50,0	50,0	45,0	50,0
Spain	43,0	43,0	43,0	43,0	45,0	52,0	52,0	52,0	45,0	45,0	43,5	43,5	43,5	43,5	45,5	45,0	45,0
Sweden	56,6	56,4	56,5	56,6	56,6	56,6	56,7	56,9	57,0	57,1	57,1	57,1	57,2	52,3	52,3	52,2	52,2
Switzerland	42,1	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,7	41,5	41,5
United Kingdom	40,0	40,0	40,0	50,0	50,0	50,0	45,0	45,0	45,0	45,0	45,0	45,0	45,0	45,0	45,0	45,0	45,0
United States	41,4	41,9	41,9	41,9	41,9	41,8	46,3	46,3	46,3	46,3	46,3	43,7	43,7	43,7	43,7	43,7	43,5
Average	41,1	40,5	40,2	40,8	40,6	41,0	42,0	42,0	42,0	42,4	42,3	42,5	42,8	42,7	42,9	42,5	42,9

Source: OECD

Table 6: Minimum wages (as a percentage of median wage)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Austria																	
Belgium	47,9	48,0	49,4	48,3	48,6	48,3	49,4	47,3	45,3	45,7	45,3	42,7	42,0	41,6	41,0	46,1	48,7
France	63,3	63,0	62,8	62,1	62,0	63,1	62,8	62,6	62,3	62,0	61,8	61,6	61,5	61,2	61,0	60,9	62,2
Germany									48,2	47,1	48,6	46,4	46,7	46,2	44,8	48,1	51,7
Italy																	
Luxembourg	54,2	53,4	54,2	55,4	55,9	55,5	54,8	55,0	54,5	54,1	54,4	54,7	55,5	53,9	54,9	54,4	56,7
Netherlands	48,7	48,8	49,0	47,3	47,0	47,0	46,6	46,9	46,6	47,0	47,3	47,1	47,2	46,6	46,4	46,3	49,1
Switzerland																	
United Kingdom	46,6	46,1	46,1	46,1	46,9	47,4	47,1	47,9	48,7	52,7	53,6	54,5	55,1	57,6	57,0	57,9	59,6
Denmark																	
Finland																	
Iceland																	
Norway																	
Sweden																	
Cyprus																	
Greece	44,5	46,2	46,3	46,5	48,6	41,1	43,3	42,1	42,3	43,9	43,3	45,5	50,2	50,8	49,0	48,6	49,5
Ireland	42,7	42,1	37,6	45,3	44,4	45,3	44,7	40,5	39,2	42,4	42,2	49,7	48,8	47,8	47,2	46,7	48,3
Malta		50,6	47,2	47,4	47,8	46,7	47,5	46,9	48,0	47,8	45,1	43,7	45,7	43,3	51,0	46,9	43,8
Portugal	47,7	48,6	49,9	52,8	52,7	52,2	52,3	54,9	56,4	58,6	60,2	63,3	63,3	65,0	65,8	67,4	68,2
Spain	39,2	39,2	39,1	37,7	38,2	38,0	37,9	37,0	37,1	37,7	40,0	41,0	49,5	51,5	48,5	48,8	52,2
Bulgaria								55,5				57,3	57,5	56,2	53,7	51,6	49,6
Croatia				45,4				44,5				45,6	46,2	45,8	46,1	46,6	45,0
Czech Republic	40,7	38,3	38,3	37,7	37,1	36,4	36,9	37,2	38,8	39,6	41,0	41,8	42,9	44,0	43,2	43,3	43,8
Estonia	35,8	37,8	39,8	40,4	38,2	37,7	38,8	39,9	41,4	42,4	43,5	43,1	43,3	45,5	42,6	43,0	42,5
Hungary	46,7	46,0	46,7	47,4	49,5	53,9	53,9	53,6	52,5	51,2	52,1	50,6	49,4	48,4	45,5	47,7	48,2
Latvia	36,6	40,5	47,4	49,0	50,7	48,8	46,7	49,2	51,8	50,7	48,3	46,7	43,9	41,8	44,0	38,9	42,3
Lithuania	39,4	40,6	42,5	49,8	48,4	48,3	55,8	51,2	51,8	55,8	53,6	49,7	49,2	48,8	46,7	46,4	47,3
Poland	39,6	42,7	45,9	45,3	45,2	48,2	49,6	51,0	51,3	52,7	54,0	51,3	51,1	55,3	53,8	52,8	54,7
Romania	38,1	40,7	43,5	42,6	45,5	45,3	47,7	51,4	54,9	55,7	59,7	58,4	56,6	57,0	54,9	54,7	56,2
Slovak Republic	44,3	42,8	45,4	45,7	45,7	45,1	45,5	45,1	47,3	47,7	48,0	49,3	49,4	51,8	52,4	50,8	50,8
Slovenia	49,5	49,4	49,6	59,0	60,6	62,0	63,8	60,0	59,8	58,7	58,2	58,2	58,7	58,8	60,4	61,7	63,0
Australia	54,5	52,2	54,4	54,3	53,6	52,7	54,0	53,1	53,3	53,8	54,2	53,6	53,8	52,6	51,5	53,6	55,2
Canada	39,6	41,4	41,9	42,8	43,9	44,0	43,9	44,0	44,4	44,2	45,5	51,4	51,2	48,9	48,9	49,1	49,6
New Zealand	57,4	59,1	59,1	58,8	58,8	59,5	59,1	59,9	60,1	60,5	60,4	61,4	64,4	64,7	67,6	67,4	66,5
United States	31,4	34,1	37,1	38,8	38,3	37,7	37,4	36,7	35,8	34,9	33,7	32,7	31,6	29,5	29,1	27,4	26,0

Source: OECD and Eurostat and author's calculation

Table 7: Strictness of EPL

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Average
Australia	1,65	1,65	1,65	2,01	2,01	2,01	2,01	2,01	2,01	2,01	2,01	2,01	2,01	1,93
Austria	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56	2,56
Belgium	2,60	2,60	2,60	2,73	2,73	2,60	2,60	2,63	2,87	2,87	2,87	2,87	2,87	2,73
Canada	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31	1,31
Croatia	..	..	..	..	..	..	..	..	2,42	..	..	..	..	2,42
Czech Republic	3,02	3,02	3,02	3,02	3,02	2,93	2,93	2,93	2,93	2,93	2,93	2,93	2,93	2,97
Denmark	1,87	1,87	1,87	1,87	1,92	1,92	1,92	1,92	1,92	1,92	1,92	1,92	1,92	1,90
Estonia	..	2,46	2,46	2,11	2,11	2,11	2,11	2,11	2,11	2,11	2,11	2,11	2,11	2,17
Finland	2,02	1,95	1,95	1,95	1,95	1,95	1,95	1,95	1,95	1,95	1,89	1,89	1,89	1,94
France	2,83	2,74	2,68	2,68	2,68	2,68	2,68	2,68	2,68	2,68	2,68	2,72	2,72	2,70
Germany	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89	2,89
Greece	3,06	3,06	3,06	3,06	2,61	2,61	2,57	2,57	2,57	2,57	2,57	2,57	2,57	2,73
Hungary	2,40	2,40	2,40	2,40	2,40	2,40	2,17	2,17	2,17	2,17	2,17	2,17	2,17	2,27
Iceland	..	..	..	..	..	..	1,94	1,94	1,94	1,94	1,94	1,94	1,94	1,94
Ireland	1,79	1,79	1,79	1,79	1,79	1,88	1,88	1,88	1,88	1,88	1,88	1,88	1,88	1,84
Italy	3,33	3,33	3,33	3,33	3,33	3,33	3,17	3,17	3,17	2,84	2,62	2,62	2,68	3,10
Latvia	..	..	..	..	..	3,23	3,23	3,23	3,23	3,23	3,23	3,23	3,23	3,23
Lithuania	..	..	..	..	..	..	..	2,70	2,70	2,70	2,70	2,34	2,34	2,58
Luxembourg	..	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63	2,63
Netherlands	3,22	3,22	3,17	3,17	3,17	3,17	3,22	3,22	3,22	3,37	3,37	3,37	3,49	3,26
New Zealand	1,29	1,29	1,29	1,29	1,29	1,17	1,17	1,17	1,17	1,17	1,17	1,17	1,17	1,22
Norway	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38	2,38
Poland	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48	2,48
Portugal	3,98	3,69	3,69	3,49	3,49	3,08	2,96	2,78	2,78	2,78	2,78	2,78	2,78	3,16
Slovak Republic	3,13	3,13	3,13	3,13	3,13	2,66	2,76	2,76	2,76	2,76	2,76	2,76	2,76	2,89
Slovenia	..	2,93	2,93	2,93	2,90	2,90	2,90	2,52	2,52	2,52	2,52	2,52	2,52	2,72
Spain	2,65	2,65	2,65	2,65	2,55	2,55	2,26	2,26	2,26	2,26	2,26	2,26	2,32	2,43
Sweden	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60	2,60
Switzerland	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06	2,06
United Kingdom	1,76	1,76	1,76	1,76	1,76	1,76	1,64	1,57	1,57	1,57	1,57	1,57	1,57	1,66
United States	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67	0,67

Source: OECD and author's calculation

Table 8: Annual GDP per capita growth (%)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
Australia	1,90	1,53	-0,19	0,65	1,00	2,12	0,86	1,09	0,74	1,19	0,65	1,38	0,68	-1,56	1,97	2,95	0,60	1,03
Austria	3,39	1,14	-4,02	1,59	2,58	0,22	-0,56	-0,12	-0,11	0,89	1,55	1,93	1,00	-7,02	3,78	3,81	-1,81	0,49
Belgium	2,92	-0,34	-2,81	1,93	0,38	0,12	-0,01	1,13	1,45	0,76	1,23	1,33	1,69	-5,71	6,49	2,14	0,19	0,76
Bulgaria	7,44	6,88	-2,72	2,23	2,75	1,33	0,02	1,52	4,06	3,75	3,50	3,44	4,77	-3,39	8,54	10,56	2,40	3,36
Canada	1,06	-0,09	-4,02	1,95	2,14	0,66	1,25	1,85	-0,11	-0,10	1,81	1,28	0,43	-6,06	4,71	1,96	-1,85	0,40
Croatia	5,10	2,03	-7,12	-1,00	0,29	-2,00	-0,03	0,07	3,40	4,38	4,61	3,91	4,02	-8,12	17,96	7,68	3,13	2,25
Cyprus	2,88	1,08	-4,61	-0,36	-2,11	-4,91	-6,37	-0,69	4,01	6,09	4,75	4,37	4,12	-4,53	8,89	3,64	0,69	1,00
Czech Republic	4,96	1,84	-5,20	2,14	1,55	-0,92	-0,08	2,15	5,18	2,34	4,89	2,88	2,62	-5,73	5,45	0,76	-2,16	1,33
Denmark	0,46	-1,09	-5,41	1,42	0,92	-0,15	0,51	1,11	1,62	2,44	2,16	1,49	1,13	-2,71	6,38	1,93	1,14	0,78
Estonia	8,07	-4,88	-14,46	2,68	7,59	3,60	1,82	3,28	1,79	3,13	5,66	3,42	3,65	-1,16	7,14	-1,78	-4,24	1,49
Finland	4,85	0,32	-8,51	2,71	2,07	-1,87	-1,36	-0,78	0,21	2,52	2,95	1,01	1,11	-2,50	2,63	1,06	-1,53	0,29
France	1,80	-0,30	-3,37	1,45	1,70	-0,17	0,06	0,48	0,75	0,83	1,99	1,50	1,50	-7,79	6,13	2,14	0,41	0,54
Germany	3,11	1,15	-5,45	4,34	5,87	0,23	0,16	1,78	0,62	1,41	2,30	0,68	0,85	-3,91	3,12	1,07	-1,11	0,95
Greece	3,01	-0,60	-4,55	-5,60	-10,02	-6,58	-1,81	1,15	0,46	-0,07	1,29	1,87	1,99	-9,12	9,71	7,00	2,66	-0,54
Hungary	0,43	1,18	-6,45	1,30	2,16	-0,74	2,08	4,51	3,95	2,50	4,55	5,50	4,91	-4,28	7,51	5,31	-0,36	2,00
Iceland	5,75	0,33	-7,98	-2,69	1,54	0,53	3,57	0,56	3,35	4,84	1,78	2,12	-0,35	-8,44	3,44	6,18	1,00	0,91
Ireland	2,31	-6,41	-6,05	1,13	0,84	-0,55	0,64	8,04	23,30	0,62	8,13	7,13	3,87	5,53	14,03	7,43	-5,69	3,78
Italy	0,98	-1,62	-5,71	1,40	0,53	-3,24	-2,97	-0,92	0,88	1,47	1,82	1,12	1,65	-8,53	8,87	4,33	1,23	0,07
Latvia	10,84	-2,23	-12,83	-2,45	4,46	8,38	3,11	2,87	4,74	3,31	4,23	4,80	1,29	-2,83	7,64	3,23	-0,41	2,24
Lithuania	12,44	3,68	-13,89	3,81	8,46	5,25	4,60	4,43	2,99	3,83	5,75	4,99	4,94	-0,05	6,06	1,33	-1,73	3,35
Luxembourg	6,44	-2,07	-5,01	1,88	-1,18	-0,76	0,81	0,23	-0,12	2,74	-1,12	-0,71	0,92	-2,55	5,55	-0,64	-3,39	0,06
Malta	4,41	3,15	-1,88	5,03	0,04	3,19	4,00	5,51	7,02	1,04	7,87	3,73	2,99	-10,17	11,82	5,52	1,39	3,22
Netherlands	3,55	1,77	-4,16	0,82	1,08	-1,40	-0,42	1,06	1,51	1,65	2,30	1,76	1,29	-4,42	5,64	3,34	-0,88	0,85
New Zealand	2,09	-2,07	-1,05	0,32	1,46	1,73	1,97	2,05	1,64	1,44	1,26	1,66	0,75	-2,60	4,11	2,66	-1,41	0,94
Norway	1,85	-0,76	-3,17	-0,46	-0,20	1,38	-0,20	0,90	0,85	0,28	1,64	0,17	0,44	-1,86	3,35	2,08	-0,62	0,33
Poland	7,12	4,19	2,76	3,23	4,99	1,55	0,92	3,91	4,45	3,00	5,13	5,95	4,48	-1,85	7,37	8,29	0,53	3,88
Portugal	2,31	0,17	-3,21	1,69	-1,55	-3,67	-0,38	1,34	2,21	2,34	3,76	3,01	2,66	-8,40	5,08	6,34	1,14	0,87
Romania	8,83	11,14	-4,73	-3,33	5,03	2,38	0,64	4,51	3,65	3,45	8,82	6,65	4,40	-3,15	6,50	4,52	2,10	3,61
Slovakia	10,80	5,48	-5,58	6,62	2,54	1,15	0,52	2,60	5,07	1,81	2,78	3,89	2,37	-3,41	4,99	2,16	1,69	2,68
Slovenia	6,38	3,35	-8,38	0,90	0,65	-2,84	-1,16	2,67	2,13	3,12	4,75	4,08	2,80	-4,88	7,94	2,27	1,16	1,47
Spain	1,70	-0,71	-4,61	-0,30	-1,17	-3,02	-1,08	1,70	3,92	2,95	2,73	1,84	1,25	-11,60	6,29	4,97	1,24	0,36
Sweden	2,68	-1,22	-5,15	5,05	2,42	-1,32	0,33	1,64	3,39	0,80	1,20	0,77	0,96	-2,87	5,51	1,97	-0,67	0,91
Switzerland	2,99	1,51	-3,51	2,17	0,69	0,11	0,63	1,11	0,49	0,96	0,42	2,11	0,42	-2,85	4,59	1,74	-0,13	0,79
United Kingdom	1,82	-1,01	-5,33	1,44	0,36	0,81	1,11	2,44	1,41	1,15	1,96	0,79	1,07	-10,69	8,76	3,17	-0,71	0,50
United States	1,04	-0,83	-3,43	1,85	0,83	1,54	1,41	1,77	2,19	1,08	1,81	2,43	2,00	-3,16	5,63	1,56	2,04	1,16
Average	4,22	0,73	-5,19	1,30	1,45	0,06	0,42	1,91	2,95	2,11	3,17	2,69	2,13	-4,64	6,67	3,50	-0,11	1,38

Source: WDI and author's calculation

Table 9: Growth of hours worked in the total economy (%)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	Change
Australia	3,1%	1,0%	0,0%	2,7%	1,3%	0,7%	0,6%	0,8%	1,8%	1,5%	2,6%	2,2%	-1,6%	0,3%	2,6%	2,9%	1,4%	24,8%
Austria	1,5%	-3,1%	0,3%	1,9%	-0,4%	-0,6%	0,3%	-0,4%	2,1%	1,0%	1,9%	1,6%	-8,7%	4,7%	2,5%	0,9%	0,3%	5,0%
Belgium	1,1%	-1,4%	1,3%	2,4%	0,2%	-0,4%	0,1%	0,5%	1,2%	1,8%	1,6%	1,4%	-8,3%	7,9%	4,4%	1,2%	0,9%	15,3%
Bulgaria	4,8%	-4,5%	-4,0%	-2,3%	-2,5%	-0,4%	0,3%	0,4%	0,4%	1,8%	0,0%	0,4%	-4,7%	1,1%	-0,5%	1,0%	-0,5%	-8,7%
Canada	1,2%	-3,2%	2,0%	1,4%	1,8%	0,9%	0,0%	0,9%	0,3%	1,4%	2,6%	1,4%	-12,0%	10,7%	4,6%	3,5%	1,1%	17,2%
Croatia	2,1%	-0,8%	-3,1%	-4,1%	-4,4%	-3,6%	1,7%	-2,2%	0,7%	1,8%	1,9%	4,6%	-1,4%	1,3%	2,4%	2,2%	-0,1%	-1,5%
Cyprus	3,8%	-1,1%	0,5%	0,4%	-3,7%	-7,4%	-1,7%	2,1%	5,5%	4,3%	4,6%	4,6%	-6,3%	7,8%	4,1%	1,7%	1,2%	19,6%
Czech Republic	3,0%	-2,4%	0,1%	0,1%	-1,2%	-0,4%	1,1%	0,2%	2,9%	1,7%	1,8%	0,3%	-7,7%	3,1%	4,6%	0,3%	0,5%	7,0%
Denmark	1,0%	-4,0%	-2,0%	1,0%	-1,7%	0,1%	0,0%	0,9%	2,0%	0,9%	-0,2%	0,7%	-3,0%	6,1%	4,1%	0,5%	0,4%	6,3%
Estonia	-1,7%	-16,4%	-2,7%	9,1%	-0,1%	0,2%	0,4%	2,4%	0,5%	2,8%	-2,6%	0,5%	-6,0%	8,1%	4,8%	1,6%	0,0%	-1,9%
Finland	2,0%	-3,8%	-0,3%	1,1%	0,2%	-1,2%	-0,6%	-0,2%	0,4%	0,7%	2,3%	0,8%	-2,4%	2,0%	2,6%	-0,5%	0,2%	2,9%
France	0,9%	-1,9%	0,6%	1,2%	0,0%	-0,8%	0,0%	0,3%	0,8%	0,2%	1,4%	1,4%	-7,8%	8,3%	4,5%	1,0%	0,6%	9,9%
Germany	0,9%	-2,8%	1,8%	1,3%	-0,2%	0,0%	1,2%	1,0%	0,9%	0,9%	0,8%	0,4%	-4,9%	2,6%	1,3%	0,4%	0,3%	5,3%
Greece	1,1%	-1,7%	-4,6%	-3,3%	-2,0%	-0,2%	1,1%	-3,7%	3,8%	-0,3%	5,3%	-0,1%	-11,8%	8,4%	3,9%	1,7%	-0,2%	-4,1%
Hungary	-1,6%	-3,7%	-0,2%	-0,8%	0,0%	1,0%	5,5%	2,1%	4,6%	1,2%	1,3%	0,7%	-5,0%	3,1%	2,1%	-1,1%	0,6%	9,0%
Iceland	0,9%	-13,2%	-1,8%	1,8%	0,9%	2,4%	1,7%	2,7%	5,1%	3,4%	2,3%	-1,2%	-5,8%	1,1%	7,1%	4,1%	0,7%	10,2%
Ireland	-2,9%	-11,0%	-4,2%	-1,8%	-0,7%	3,8%	3,3%	3,1%	5,1%	4,2%	3,7%	3,0%	-9,7%	6,6%	8,6%	3,8%	0,9%	13,2%
Italy	-0,4%	-3,4%	-0,5%	0,0%	-2,5%	-2,6%	-0,1%	0,7%	1,6%	1,0%	0,9%	0,0%	-11,7%	10,2%	4,2%	2,3%	0,0%	-1,6%
Latvia	-3,2%	-16,5%	-7,5%	2,4%	0,5%	2,0%	-0,8%	-0,5%	-0,3%	-0,9%	2,2%	-1,9%	-5,6%	-1,1%	4,9%	-0,3%	-1,7%	-25,0%
Lithuania	0,2%	-11,0%	-3,8%	-0,8%	1,8%	0,5%	1,6%	2,8%	3,6%	-2,9%	1,8%	0,7%	-5,7%	2,8%	5,3%	2,5%	0,0%	-2,0%
Luxembourg	4,8%	-3,0%	2,0%	2,9%	2,0%	1,3%	2,9%	3,1%	2,9%	2,8%	2,9%	3,1%	-4,0%	7,2%	2,8%	2,5%	2,3%	42,3%
Malta	3,2%	0,3%	-0,8%	-0,3%	1,2%	2,8%	3,0%	3,2%	8,7%	4,3%	8,6%	9,9%	-5,0%	3,0%	3,9%	4,2%	3,1%	62,3%
Netherlands	1,6%	-1,4%	-0,7%	0,9%	-0,9%	-0,9%	0,7%	1,0%	2,4%	2,4%	2,7%	2,6%	-4,0%	3,3%	3,9%	1,1%	0,9%	15,3%
New Zealand	-0,3%	-2,8%	1,7%	0,8%	-1,5%	3,8%	3,9%	2,2%	3,1%	4,7%	2,3%	2,6%	-0,8%	0,6%	3,6%	3,0%	1,7%	30,4%
Norway	3,5%	-1,9%	0,3%	1,8%	1,8%	0,4%	1,2%	0,6%	0,5%	0,4%	1,6%	1,5%	-2,2%	2,3%	3,9%	0,8%	1,0%	17,7%
Poland	3,4%	-0,4%	-2,9%	0,3%	-0,1%	-0,3%	2,1%	1,9%	0,9%	0,2%	-0,8%	-0,3%	-0,8%	6,0%	3,1%	-0,5%	0,7%	12,2%
Portugal	-0,3%	-2,7%	-1,3%	-3,1%	-5,0%	-2,3%	1,8%	1,8%	2,0%	2,7%	2,9%	1,2%	-8,6%	2,6%	3,7%	1,2%	-0,2%	-4,3%
Romania	-1,6%	-4,7%	-1,9%	-1,9%	-0,6%	-1,2%	0,0%	-1,6%	0,2%	1,1%	0,2%	1,0%	-4,6%	4,6%	0,3%	-0,9%	-0,7%	-11,4%
Slovakia	3,3%	-2,7%	-0,1%	1,1%	-0,2%	-1,7%	0,7%	1,7%	1,6%	0,7%	1,4%	0,3%	-8,8%	0,0%	3,6%	1,0%	0,1%	1,2%
Slovenia	3,7%	-1,3%	-2,0%	-2,7%	-2,1%	-0,1%	1,6%	1,6%	-0,3%	1,0%	2,0%	2,3%	-5,0%	5,3%	4,0%	1,6%	0,6%	9,6%
Spain	0,6%	-6,0%	-2,3%	-2,3%	-4,8%	-2,8%	1,1%	3,0%	2,6%	2,1%	2,5%	1,4%	-11,0%	7,2%	3,9%	1,9%	-0,2%	-4,3%
Sweden	1,3%	-3,0%	2,4%	2,4%	-0,1%	0,4%	1,5%	1,6%	2,7%	1,7%	1,6%	-0,3%	-3,2%	2,6%	2,3%	1,2%	0,9%	15,8%
Switzerland	1,8%	-0,1%	-2,1%	2,4%	0,8%	-0,1%	1,4%	2,3%	1,4%	-0,2%	0,5%	0,6%	-3,7%	2,8%	1,3%	2,3%	0,7%	11,7%
United Kingdom	0,5%	-2,9%	0,5%	0,3%	2,1%	1,9%	2,8%	1,5%	1,4%	1,1%	0,8%	1,4%	-10,5%	6,8%	4,0%	0,1%	0,7%	11,3%
United States	-1,2%	-5,8%	0,1%	1,5%	1,9%	1,3%	2,0%	2,1%	1,2%	1,2%	1,9%	0,8%	-6,8%	4,6%	3,2%	1,5%	0,6%	9,0%
Average	1,2%	-4,1%	-1,0%	0,5%	-0,5%	-0,1%	1,2%	1,1%	2,1%	1,5%	1,9%	1,4%	-6,0%	4,4%	3,6%	1,4%	0,5%	

Source: Eurostat + OECD and author's calculation

Table 10: Growth of productivity (GDP/h) – %

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average 2007- 2023
Australia	1,1	3,5	-0,8	1,6	1,2	2,4	1,7	0,5	2,5	-0,2	1,2	-0,1	1,4	1,9	1,6	-4,1	-3,0	0,7
Austria	2,6	0,0	-0,7	1,5	1,0	1,1	0,7	0,4	1,4	-0,1	1,2	0,5	-0,2	2,3	-0,5	2,3	-1,7	0,7
Belgium	1,8	-0,6	-0,6	1,5	-0,7	0,5	0,9	1,4	1,5	0,1	-0,2	0,2	0,8	3,2	-0,9	-1,3	9,5	1,0
Bulgaria	3,3	1,3	1,2	5,7	4,5	3,3	-0,1	0,6	3,0	2,6	1,0	2,7	3,6	0,8	6,5	4,4	0,8	2,7
Canada	0,0	-0,2	0,3	1,1	1,7	0,0	1,4	2,9	-0,2	0,7	1,6	0,1	0,5	7,9	-4,9	-0,8	-1,7	0,6
Croatia	1,8	-0,1	-6,5	2,0	4,2	2,2	3,4	-2,0	4,8	3,0	1,5	1,1	-1,1	-7,2	11,6	4,5	1,2	1,4
Cyprus	-0,2	-1,0	1,8	0,0	0,2	0,9	0,0	1,3	1,0	1,3	1,1	0,7	2,1	2,7	2,1	1,0		0,9
Czech Republic	4,2	-0,4	-2,5	2,7	1,9	0,4	0,3	1,1	4,8	0,2	3,6	1,2	3,7	3,3	0,1	-1,5	-0,8	1,3
Denmark	0,3	-1,5	-1,0	3,6	0,4	1,7	1,2	1,5	1,1	1,0	2,1	2,0	0,9	1,7	1,3	-2,1	1,5	0,9
Estonia	7,5	-3,5	2,1	5,4	-1,6	3,3	1,3	2,6	-0,5	2,6	3,0	6,5	3,5	5,3	-0,8	-5,0	-4,5	1,6
Finland	3,3	-1,2	-4,5	3,5	1,4	-1,6	0,4	0,1	0,8	2,4	2,5	-1,2	0,4	0,1	0,8	-1,2	-1,0	0,3
France	-0,4	-0,6	-1,0	1,4	1,3	0,2	1,6	1,0	0,8	-0,1	1,9	0,1	0,5	0,2	-1,4	-1,4	0,2	0,3
Germany	1,2	0,0	-3,0	2,3	2,6	0,6	0,5	1,0	0,5	1,4	1,8	0,2	0,7	1,2	0,6	0,5	-0,6	0,7
Greece	2,6	-1,4	-2,6	-0,9	-7,0	-5,2	-2,3	-0,6	3,6	-4,2	1,4	-3,5	1,9	3,1	0,0	1,2	0,4	-0,8
Hungary	2,3	3,1	-2,9	1,5	2,6	-2,0	0,7	-0,8	1,8	-2,2	2,6	3,8	4,2	1,2	3,9	2,4	-0,4	1,3
Iceland	6,0	-2,9	6,4	-1,0	0,1	0,1	2,1	0,0	1,7	1,1	0,8	2,6	3,1	-1,3	4,1	1,6	0,3	1,5
Ireland	2,6	-1,6	6,6	6,2	3,5	0,4	-1,6	5,8	20,9	-3,8	5,3	3,6	1,8	18,2	8,3	-0,2	-7,1	4,0
Italy	-0,1	-0,6	-2,0	2,3	0,7	-0,5	0,8	0,1	0,1	-0,3	0,6	0,0	0,5	3,1	-1,7	-0,2	-1,4	0,1
Latvia	8,0	0,0	2,7	3,3	0,2	6,4	0,1	2,7	4,4	2,6	4,2	1,8	2,5	2,2	7,9	3,3	0,0	3,1
Lithuania	7,1	2,5	-4,4	5,7	6,9	2,0	3,1	1,9	-0,8	-1,0	7,4	2,2	4,0	6,0	3,4	-2,7	-2,8	2,4
Luxembourg	2,6	-4,8	-0,2	1,7	-1,8	-0,4	1,8	-0,2	-0,8	2,0	-1,5	-1,7	-0,2	3,2	0,0	-1,3	-2,8	-0,3
Malta	1,7	-1,5	7,2	1,3	3,3	2,7	4,4	5,6	-4,2	8,6	-1,1	-4,8	1,7	10,0	-1,1	1,3		2,2
Netherlands	0,8	0,8	-2,2	2,1	1,1	-0,3	0,6	1,2	1,1	0,2	0,2	-0,4	-0,1	0,0	2,4	0,7	-1,5	0,4
New Zealand	3,9	-3,3	5,3	-0,9	1,9	3,7	-2,1	-0,1	2,3	-0,9	0,1	2,0	-0,7	1,8	2,7	-0,9	-2,7	0,7
Norway	-1,8	-3,0	-0,1	0,5	-0,7	0,9	0,6	0,8	1,3	0,6	2,1	-0,8	-0,4	0,9	1,6	-0,9	-0,3	0,1
Poland	2,6	0,8	3,2	6,0	4,7	1,7	1,2	1,7	2,4	2,0	4,8	6,8	4,7	-1,2	0,9	2,4	0,7	2,7
Portugal	1,6	0,6	-0,4	3,0	1,5	1,0	1,4	-1,0	0,0	0,1	0,8	-0,1	1,5	1,1	1,3	6,1	1,6	1,2
Romania	5,5	11,1	-0,9	-2,0	6,5	2,6	1,4	4,1	4,9	2,7	7,0	5,9	2,8	1,0	1,1	3,8	3,1	3,6
Slovakia	8,0	2,1	-2,9	7,1	1,4	1,6	2,4	1,6	3,8	0,4	1,8	3,0	2,1	6,3	4,7	-1,9	0,2	2,5
Slovenia	4,3	-0,1	-6,3	3,4	3,6	-0,6	-1,0	1,1	0,6	3,5	3,8	2,4	1,1	0,8	2,8	-1,4	0,0	1,1
Spain	1,1	0,3	2,4	2,5	1,5	1,9	1,5	0,3	0,8	0,5	0,9	-0,2	0,6	-0,2	-0,8	1,8	0,6	0,9
Sweden	0,1	-2,1	-1,3	3,2	0,8	-0,3	0,7	0,8	2,8	-0,5	0,1	0,3	2,7	1,1	3,1	-1,5	-1,1	0,5
Switzerland	1,9	1,0	-2,2	5,5	-0,6	0,4	1,8	1,0	-0,7	0,6	1,6	2,3	0,6	1,7	2,6	1,2		1,2
United Kingdom	1,5	0,0	-2,5	2,6	0,1	-0,6	0,5	0,2	1,6	-0,6	2,0	0,2	0,5	1,9	-0,7	0,7	-0,4	0,4
United States	1,4	1,3	3,2	2,6	0,1	0,4	0,7	0,6	0,9	0,4	1,1	1,3	1,4	4,6	1,4	-1,6	3,1	1,3
Average	2,6	-0,1	-0,3	2,5	1,4	0,9	0,9	1,1	2,0	0,8	2,0	1,2	1,5	2,5	1,8	0,3	-0,3	1,2

Source: OECD + Eurostat and author's calculation

Table 11: Gini index

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Australia	..	35,4	..	34,7	..	..	..	34,4	..	33,7	..	34,3	..	..	..	34,5	-1,1
Austria	30,6	30,4	31,5	30,3	30,8	30,5	30,8	30,5	30,5	30,8	29,7	30,8	30,2	29,8	30,7	30,5	0,1
Belgium	29,2	28,4	28,6	28,4	28,1	27,5	27,7	28,1	27,7	27,6	27,4	27,2	27,2	26	26,6	27,7	-2,6
Bulgaria	36,1	33,6	33,8	35,7	34,3	36	36,6	37,4	38,6	40,6	40,4	41,3	40,3	40,5	39	37,6	2,9
Canada	33,8	33,9	34	33,6	32,7	33,5	33,8	33,2	33,7	32,7	33,3	32,5	31,7	31,7	31,7	33,1	-2,1
Croatia	..	..	32,6	32,4	32,3	32,5	32	32,1	31,1	30,9	30,4	29,7	28,9	29,5	28,9	31,0	-3,7
Cyprus	31,1	31,7	32,1	31,5	32,6	34,3	37	35,6	34	32,9	31,4	32,7	31,2	31,7	31,3	32,7	0,2
Czech Republic	26	26,3	26,2	26,6	26,4	26,1	26,5	25,9	25,9	25,4	24,9	25	25,3	26,2	26,2	25,9	0,2
Denmark	26,2	25,2	26,7	27,2	27,3	27,8	28,5	28,4	28,2	28,2	28,7	28,2	27,7	27,5	28,3	27,6	2,1
Estonia	31,2	31,9	31,4	32	32,5	32,9	35,1	34,6	32,7	31,2	30,4	30,3	30,8	30,7	31,8	32,0	0,6
Finland	28,3	27,8	27,5	27,7	27,6	27,1	27,2	26,8	27,1	27,1	27,4	27,3	27,7	27,1	27,7	27,4	-0,6
France	32,4	33	32,7	33,7	33,3	33,1	32,5	32,3	32,7	31,9	31,6	32,4	31,2	30,7	31,5	32,3	-0,9
Germany	31,2	30,8	30,5	30,2	30,6	31,1	31,5	30,8	31,7	31,4	31,3	31,9	31,8	32,4	32,4	31,3	1,2
Greece	34	33,6	33,6	34,1	34,8	36,3	36,1	35,8	36	35	34,4	32,9	33,1	33,6	32,9	34,4	-1,1
Hungary	27,9	27,5	27	29,4	29,2	30,8	31,5	30,9	30,4	30,3	30,6	29,6	30	29,7	29,2	29,6	1,3
Iceland	29,5	31,8	28,7	26,2	26,8	26,8	25,4	27,8	26,8	27,2	26,1	26,1	26,1	26,1	26,1	27,2	-3,4
Ireland	31,9	30,9	32,7	32,3	32,9	33,2	33,5	31,9	31,8	32,8	31,4	30,6	30,8	29,2	30,1	31,7	-1,8
Italy	32,9	33,8	33,8	34,7	35,1	35,2	34,9	34,7	35,4	35,2	35,9	35,2	34,6	35,2	34,8	34,8	1,9
Latvia	37,5	37,2	35,9	35	35,8	35,2	35,5	35,1	34,2	34,3	35,6	35,1	34,5	35,7	34,3	35,4	-3,2
Lithuania	34,8	35,7	37,2	33,6	32,5	35,1	35,3	37,7	37,4	38,4	37,3	35,7	35,3	36	36,7	35,9	1,9
Luxembourg	31,1	32,6	31,2	30,5	32,1	34,3	32	31,2	32,9	31,7	34,5	35,4	34,2	33,4	32,7	32,7	1,6
Malta	29,2	29	30,2	29	29,1	29,4	28,8	29	29,4	29,1	29,2	28,7	31	31,4	31,4	29,6	2,2
Netherlands	29,6	29,3	27,9	27,8	27,8	27,6	28,1	28,6	28,2	28,2	28,5	28,1	29,2	26	25,7	28,0	-3,9
New Zealand	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	27,1	27	26,2	25,7	25,3	25,7	26,4	26,8	27,5	28,5	27	27,6	27,7	27,7	27,7	26,9	0,6
Poland	34	33,5	33,4	33,2	33,2	33	33,1	32,8	31,8	31,2	29,7	30,2	28,8	28,5	28,5	31,7	-5,5
Portugal	36,8	36,6	34,9	35,8	36,3	36	36,2	35,6	35,5	35,2	33,8	33,5	32,8	34,7	34,6	35,2	-2,2
Romania	37,5	36,4	35,6	35,5	35,9	36,5	36,9	36	35,9	34,4	36	35,8	34,8	34,6	33,9	35,7	-3,6
Slovakia	24,7	26	27,2	27,3	26,5	26,1	28,1	26,1	26,5	25,2	23,2	25	23,2	24,2	24,1	25,6	-0,6
Slovenia	24,4	23,7	24,8	24,9	24,9	25,6	26,2	25,7	25,4	24,8	24,2	24,6	24,4	24	24,3	24,8	-0,1
Spain	34,1	34,2	34,9	35,2	35,7	35,4	36,2	36,1	36,2	35,8	34,7	34,7	34,3	34,9	33,9	35,1	-0,2
Sweden	27,1	28,1	27,3	27,7	27,6	27,6	28,8	28,4	29,2	29,6	28,8	30	29,3	28,9	29,8	28,5	2,7
Switzerland	34,3	33,8	32,9	32,6	31,7	31,6	32,5	32,5	32,3	33	32,7	33,1	34	33,7	33,7	33,0	-0,6
United Kingdom	34,4	35,4	35,1	33,7	33,2	33,1	32,7	33,1	33,3	33,1	32,6	33,7	32,8	32,6	32,4	33,4	-2
United States	40,8	40,8	40,6	40	40,9	40,9	40,6	41,5	41,2	41,1	41,2	41,4	41,5	39,7	39,7	40,8	-1,1
Average	31,6	31,7	31,5	31,4	31,4	31,8	32,1	32,0	31,9	31,7	31,3	31,5	31,1	31,0	31,0	31,6	-0,6

Source: WDI and author's calculation

Table 12: Wage share (percentage of GDP)

Country	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	Change
Australia	61,40	61,40	61,01	60,35	61,35	62,10	59,34	59,17	58,42	59,61	55,73	53,02	53,91	53,75	58,61	-7,66
Austria	58,54	57,44	57,95	57,94	60,74	58,93	61,03	60,17	58,31	59,24	59,65	59,56	59,90	60,86	59,30	2,32
Belgium	65,18	65,69	66,35	67,32	64,71	63,85	62,53	61,61	61,55	61,86	63,21	61,06	63,31	63,77	63,71	-1,41
Bulgaria	44,28	42,52	45,64	50,02	50,59	50,65	51,35	53,01	51,98	51,73	53,14	51,29	50,30	49,97	49,75	5,69
Canada	61,18	60,14	60,99	61,13	60,19	62,26	61,05	60,02	60,58	60,83	62,16	59,51	58,28	60,15	60,60	-1,03
Croatia	60,98	59,85	59,29	58,40	56,56	58,31	55,98	54,83	57,38	57,82	61,52	56,37	55,76	56,77	57,84	-4,21
Cyprus	57,14	57,52	56,14	53,98	51,98	49,57	48,09	48,44	49,16	49,74	51,97	48,50	46,48	46,84	51,11	-10,30
Czech Republic	54,24	53,44	54,93	53,92	53,35	51,66	52,57	54,82	56,32	56,43	57,64	56,31	54,51	54,16	54,59	-0,08
Denmark	59,94	60,84	59,80	59,30	58,75	58,57	58,01	56,69	56,46	56,19	58,20	57,97	55,53	58,17	58,17	-1,77
Estonia	52,02	50,74	51,34	52,46	54,10	56,48	54,59	56,73	56,99	58,34	59,70	56,37	55,81	58,07	55,27	6,05
Finland	59,53	58,66	58,48	58,14	57,15	57,61	55,81	53,94	54,22	54,57	53,77	55,48	54,73	55,13	56,23	-4,40
France	63,33	63,00	62,27	61,61	63,38	62,10	61,80	59,82	60,12	59,30	61,09	59,78	61,14	60,50	61,37	-2,83
Germany	61,70	61,15	62,06	62,22	61,92	62,15	61,66	61,92	62,60	63,22	62,53	61,17	60,32	60,14	61,77	-1,56
Greece	58,05	59,71	59,25	56,19	55,97	53,05	54,38	54,29	56,44	55,88	59,65	57,03	55,89	55,60	56,53	-2,45
Hungary	51,18	50,73	51,87	50,58	49,61	48,42	49,52	49,43	49,60	48,89	48,92	47,13	44,66	44,88	48,96	-6,31
Iceland	57,35	60,60	62,36	63,37	63,54	61,36	60,87	61,11	61,06	61,30	62,39	62,04	61,36	62,30	61,50	4,95
Ireland	52,69	50,08	49,19	49,11	46,94	36,81	38,01	36,37	35,32	34,55	32,77	30,62	29,69	31,62	39,56	-21,07
Italy	59,15	57,72	57,79	57,89	57,35	58,04	60,05	61,51	61,69	61,84	56,88	58,04	56,75	55,93	58,62	-3,22
Latvia	49,31	44,70	45,28	47,95	49,29	51,66	52,99	54,40	54,96	56,95	59,06	57,34	56,10	60,01	52,86	10,70
Lithuania	45,77	43,89	42,97	44,63	44,22	47,66	47,81	50,26	50,86	52,73	54,44	52,55	51,65	54,30	48,84	8,53
Luxembourg	54,84	53,47	55,19	54,19	53,28	54,75	53,41	55,02	55,66	55,82	56,36	54,78	54,92	55,57	54,80	0,73
Malta	48,60	50,92	50,74	51,06	49,06	47,44	49,51	48,66	49,60	50,87	54,23	51,53	50,83	51,22	50,30	2,62
Netherlands	65,35	65,41	64,76	65,18	65,51	63,10	63,65	62,24	61,42	61,47	63,95	62,50	61,81	61,52	63,42	-3,83
New Zealand	51,17	50,87	51,58	49,45	49,64	49,46	51,36	51,40	51,62	52,11	54,07	54,04	52,57	53,26	51,61	2,09
Norway	49,10	46,89	46,74	48,65	50,28	51,99	53,78	51,73	50,19	52,94	53,79	46,53	37,67	45,37	48,97	-3,73
Poland	47,97	46,47	47,10	46,82	47,28	46,61	48,85	47,59	49,06	49,28	50,15	47,28	46,45	46,69	47,69	-1,28
Portugal	62,24	59,87	59,63	59,20	56,73	54,47	53,87	55,06	54,72	55,03	59,02	57,79	56,29	56,74	57,19	-5,50
Romania	43,96	40,12	40,31	39,65	39,92	40,33	44,12	43,56	44,24	43,87	47,15	41,42	39,37	39,97	42,00	-3,99
Slovakia	46,15	46,73	45,06	48,08	48,41	48,50	49,97	51,10	51,93	53,42	53,59	53,31	53,93	53,30	50,25	7,15
Slovenia	61,21	58,78	59,37	60,27	59,34	58,48	58,97	57,30	57,43	58,04	61,32	59,84	56,98	58,18	58,97	-3,03
Spain	64,04	62,60	61,46	59,00	58,33	59,35	58,16	56,79	56,79	57,29	62,48	59,09	57,26	57,30	59,28	-6,74
Sweden	53,68	53,53	57,34	57,96	56,77	55,35	55,24	54,48	54,73	54,74	55,13	53,66	52,27	52,35	54,80	-1,33
Switzerland	66,26	66,57	67,91	68,72	68,64	68,58	68,38	68,89	67,78	68,81	69,13	70,51	70,40	70,41	68,64	4,15
United Kingdom	59,34	58,18	57,60	57,67	57,49	56,43	56,58	56,78	56,48	57,43	60,27	59,05	58,13	58,10	57,82	-1,24
United States	58,76	58,67	58,52	58,02	58,14	58,59	58,44	58,41	58,26	58,15	59,96	58,78	58,35	57,73	58,48	-1,03
Average	56,16	55,40	55,66	55,73	55,44	54,99	55,19	55,07	55,26	55,72	57,00	55,18	54,09	54,87	55,41	-1,29

Source: ILO and author's calculation

Table 13: Wealth distribution (share of top ten, %)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2007-2022
Australia	55,9%	55,8%	55,9%	55,9%	55,9%	56,3%	56,6%	56,6%	56,4%	56,2%	56,6%	56,7%	56,7%	56,5%	57,1%	57,0%	1,1%
Austria	61,3%	61,5%	61,1%	61,3%	60,9%	60,8%	60,6%	60,4%	60,7%	60,7%	61,2%	61,4%	61,4%	61,3%	61,9%	61,6%	0,3%
Belgium	52,9%	52,7%	52,4%	52,7%	52,3%	51,1%	50,5%	50,9%	51,7%	51,8%	52,1%	52,1%	52,2%	52,1%	52,2%	52,4%	-0,6%
Bulgaria	56,3%	56,2%	56,6%	56,6%	56,6%	57,0%	56,8%	57,1%	57,4%	57,9%	58,6%	58,7%	58,7%	58,7%	58,7%	59,1%	2,7%
Canada	58,5%	58,3%	57,6%	58,0%	58,1%	57,9%	58,1%	58,3%	58,4%	57,8%	58,2%	58,2%	58,2%	58,0%	58,3%	58,4%	0,0%
Croatia	56,7%	56,6%	56,3%	56,1%	56,3%	56,3%	56,4%	56,3%	56,1%	56,2%	51,2%	56,0%	56,0%	56,0%	56,0%	59,8%	3,1%
Cyprus	54,6%	55,0%	54,6%	54,8%	55,2%	55,6%	56,0%	56,6%	60,5%	63,8%	66,5%	66,5%	66,5%	66,4%	66,4%	65,9%	11,3%
Czech Republic	56,2%	56,7%	56,1%	56,5%	56,6%	56,6%	56,9%	57,3%	56,9%	57,0%	57,4%	57,8%	57,9%	57,9%	58,5%	58,5%	2,3%
Denmark	51,1%	49,0%	50,9%	51,1%	50,1%	49,4%	50,0%	50,5%	50,2%	50,3%	50,5%	50,4%	50,1%	50,2%	50,7%	50,6%	-0,5%
Estonia	66,7%	66,5%	65,8%	66,1%	66,4%	66,6%	66,6%	66,7%	65,6%	65,3%	66,0%	66,5%	66,4%	66,4%	66,4%	67,7%	1,0%
Finland	55,9%	53,7%	53,9%	55,2%	54,6%	54,2%	54,8%	54,8%	55,0%	55,4%	55,9%	55,9%	55,8%	55,8%	56,1%	55,6%	-0,3%
France	56,6%	56,1%	56,6%	58,3%	57,6%	57,1%	57,8%	58,5%	58,7%	58,5%	58,6%	58,9%	58,9%	58,8%	59,3%	57,7%	1,1%
Germany	60,1%	60,5%	59,7%	59,1%	58,8%	58,2%	58,3%	58,7%	58,7%	58,8%	58,7%	59,1%	58,7%	58,5%	58,9%	57,6%	-2,4%
Greece	49,4%	49,3%	48,3%	50,5%	51,8%	54,4%	58,0%	59,4%	59,1%	58,5%	60,0%	60,4%	60,4%	60,1%	60,7%	60,4%	11,0%
Hungary	60,2%	60,0%	59,7%	59,8%	59,7%	59,4%	59,7%	59,6%	61,9%	64,8%	67,2%	67,3%	67,3%	67,3%	67,3%	67,1%	6,9%
Iceland	59,6%	58,9%	56,1%	55,6%	55,6%	55,6%	55,7%	55,7%	56,1%	56,2%	56,1%	56,1%	56,1%	56,1%	56,7%	56,7%	-2,9%
Ireland	70,0%	69,6%	69,2%	69,6%	69,8%	69,7%	69,9%	72,2%	71,3%	69,0%	68,1%	66,3%	66,3%	65,9%	66,0%	66,2%	-3,8%
Italy	55,0%	54,6%	55,7%	57,4%	58,1%	59,5%	58,4%	58,5%	56,6%	56,1%	56,2%	56,2%	56,2%	56,2%	56,2%	56,2%	1,2%
Latvia	65,6%	65,4%	65,5%	65,1%	65,7%	65,5%	65,5%	65,3%	64,3%	62,5%	61,0%	60,5%	60,6%	60,6%	60,6%	60,7%	-4,9%
Lithuania	57,0%	57,1%	57,1%	56,5%	56,5%	57,2%	57,2%	58,2%	57,4%	57,1%	57,3%	55,5%	57,4%	57,4%	57,4%	62,3%	5,2%
Luxembourg	61,8%	61,6%	60,5%	61,2%	62,3%	63,7%	64,1%	64,8%	63,3%	61,6%	60,9%	59,3%	59,3%	59,3%	59,3%	58,6%	-3,3%
Malta	44,2%	44,2%	44,4%	44,2%	44,5%	45,2%	45,6%	46,6%	48,3%	51,1%	53,8%	53,8%	53,8%	53,8%	53,8%	54,0%	9,8%
Netherlands	49,7%	48,9%	48,8%	50,7%	50,5%	51,3%	54,5%	53,6%	52,0%	50,8%	52,3%	49,4%	47,7%	47,7%	47,9%	45,0%	-4,7%
New Zealand	55,8%	56,0%	56,0%	56,2%	56,5%	56,9%	56,4%	56,5%	56,5%	56,4%	56,6%	56,7%	56,6%	56,7%	56,6%	56,6%	0,8%
Norway	51,4%	51,6%	50,9%	51,2%	50,5%	48,8%	49,1%	48,4%	49,1%	49,2%	50,1%	51,1%	52,3%	52,2%	52,2%	52,2%	0,8%
Poland	61,5%	61,7%	61,0%	61,1%	61,3%	61,2%	61,3%	61,6%	62,1%	61,6%	61,6%	61,7%	61,6%	61,6%	61,8%	61,8%	0,2%
Portugal	59,0%	59,0%	58,7%	58,7%	59,3%	59,4%	59,6%	59,4%	59,4%	59,7%	60,9%	60,5%	60,6%	60,6%	60,7%	60,1%	1,1%
Romania	59,2%	59,3%	59,1%	58,0%	57,8%	58,1%	57,8%	58,2%	58,2%	57,4%	57,4%	57,5%	57,5%	57,5%	57,7%	57,7%	-1,5%
Slovakia	42,1%	42,1%	42,0%	42,1%	42,6%	44,2%	46,0%	47,4%	48,5%	48,6%	49,2%	49,4%	49,7%	49,7%	49,7%	49,5%	7,4%
Slovenia	48,1%	48,1%	48,0%	48,0%	50,3%	52,9%	55,0%	56,7%	56,6%	57,0%	57,2%	57,2%	57,2%	57,2%	57,2%	57,2%	9,1%
Spain	56,0%	54,4%	55,9%	55,7%	56,1%	56,7%	56,8%	58,3%	57,5%	57,5%	57,6%	57,6%	57,5%	57,4%	57,6%	56,6%	0,6%
Sweden	60,0%	59,8%	58,6%	59,4%	58,9%	58,8%	59,1%	59,2%	59,3%	59,1%	59,1%	59,0%	59,0%	58,2%	58,9%	58,9%	-1,2%
Switzerland	59,4%	59,0%	59,1%	59,4%	59,6%	60,0%	60,8%	61,6%	62,1%	62,3%	62,7%	62,8%	62,5%	62,3%	62,7%	62,8%	3,4%
United Kingdom	54,4%	53,8%	54,4%	54,6%	55,8%	55,7%	56,7%	57,8%	56,7%	57,1%	57,5%	57,1%	57,0%	57,0%	57,1%	57,0%	2,5%
USA	68,4%	69,4%	69,7%	70,9%	71,7%	72,6%	72,9%	72,9%	72,7%	72,2%	70,8%	70,7%	70,7%	70,7%	70,7%	70,7%	2,3%
Average	56,9%	56,6%	56,5%	56,8%	57,0%	57,3%	57,7%	58,1%	58,1%	58,1%	58,4%	58,4%	58,4%	58,3%	58,6%	58,6%	1,7%

Source: WID and author's calculation

Table 14: Unemployment rate (%)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	Change
Australia	4,4	4,2	5,6	5,2	5,1	5,2	5,7	6,1	6,1	5,7	5,6	5,3	5,2	6,5	5,1	3,7	3,7	5,2	-0,7
Austria	4,9	4,2	5,4	4,9	4,6	4,9	5,4	5,7	5,8	6,1	5,6	4,9	4,6	5,2	6,5	5,0	5,2	5,2	0,3
Belgium	7,5	7,0	7,9	8,3	7,1	7,5	8,4	8,5	8,5	7,8	7,1	5,9	5,4	5,6	6,3	5,6	5,5	7,1	-2,0
Bulgaria	6,9	5,6	6,8	10,3	11,3	12,3	12,9	11,4	9,1	7,6	6,2	5,2	4,2	5,1	5,3	4,3	4,3	7,6	-2,6
Canada	6,2	6,3	8,5	8,2	7,6	7,4	7,1	7,0	6,9	7,0	6,4	5,8	5,7	9,7	7,5	5,3	5,4	6,9	-0,8
Croatia	9,9	8,5	9,2	11,6	13,7	15,9	17,3	17,3	16,2	13,1	11,2	8,4	6,6	7,5	7,6	7,0	6,1	11,0	-3,8
Cyprus	3,9	3,8	5,6	6,4	7,9	12,1	16,1	16,3	15,0	13,0	11,2	8,5	7,2	7,8	7,5	6,8	6,0	9,1	2,0
Czech Republic	5,3	4,4	6,7	7,3	6,7	7,0	7,0	6,1	5,0	4,0	2,9	2,2	2,0	2,6	2,8	2,2	2,6	4,5	-2,7
Denmark	3,8	3,7	6,4	7,7	7,8	7,8	7,4	6,9	6,3	6,0	5,8	5,1	5,0	5,6	5,0	4,4	5,1	5,9	1,3
Estonia	4,6	5,5	13,5	16,7	12,3	10,0	8,6	7,4	6,4	6,9	5,8	5,4	4,5	7,0	6,2	5,6	6,3	7,8	1,8
Finland	6,9	6,4	8,3	8,4	7,8	7,7	8,2	8,7	9,4	8,8	8,6	7,4	6,7	7,8	7,6	6,7	7,2	7,8	0,3
France	8,0	7,4	9,1	9,3	9,2	9,8	9,9	10,3	10,4	10,1	9,4	9,0	8,4	8,0	7,9	7,3	7,3	8,9	-0,7
Germany	8,7	7,5	7,7	7,0	5,8	5,4	5,2	5,0	4,6	4,1	3,7	3,4	3,1	3,9	3,6	3,1	3,0	5,0	-5,6
Greece	8,4	7,7	9,5	12,7	18,0	24,7	27,7	26,7	25,0	23,5	21,4	19,2	17,0	15,9	14,7	12,4	11,0	17,4	2,6
Hungary	7,4	7,8	10,0	11,2	11,0	11,0	10,2	7,7	6,8	5,1	4,2	3,7	3,4	4,3	4,0	3,6	4,1	6,8	-3,3
Iceland	2,3	2,9	7,2	7,6	7,0	6,0	5,4	4,9	4,0	3,0	2,7	2,7	3,5	5,5	6,0	3,8	3,6	4,6	1,3
Ireland	5,0	6,8	12,6	14,5	15,4	15,5	13,7	11,9	9,9	8,4	6,7	5,7	5,0	5,6	6,2	4,5	4,3	8,9	-0,6
Italy	6,1	6,7	7,7	8,4	8,4	10,7	12,1	12,7	11,9	11,7	11,2	10,6	10,0	9,2	9,5	8,1	7,6	9,6	1,5
Latvia	6,1	7,7	17,5	19,5	16,2	15,0	11,9	10,8	9,9	9,6	8,7	7,4	6,3	8,1	7,5	6,8	6,5	10,3	0,5
Lithuania	4,3	5,8	13,8	17,8	15,4	13,4	11,8	10,7	9,1	7,9	7,1	6,1	6,3	8,5	7,1	6,0	7,0	9,3	2,7
Luxembourg	4,1	5,1	5,1	4,4	4,9	5,1	5,8	5,9	6,7	6,3	5,5	5,6	5,6	6,8	5,2	4,6	5,2	5,4	1,1
Malta	6,5	6,0	6,9	6,9	6,4	6,2	6,1	5,7	5,4	4,7	4,0	3,7	3,6	4,4	3,4	2,9	3,1	5,0	-3,3
Netherlands	4,2	3,7	4,3	5,0	5,0	5,8	7,2	7,4	6,9	6,0	4,8	3,8	3,4	3,8	4,2	3,5	3,6	4,9	-0,6
New Zealand	3,7	4,2	6,1	6,6	6,5	6,9	5,8	5,4	5,4	5,1	4,7	4,3	4,1	4,6	3,8	3,3	3,7	5,0	0,1
Norway	2,5	2,6	3,1	3,5	3,2	3,1	3,4	3,5	4,3	4,7	4,2	3,8	3,7	4,4	4,4	3,2	3,6	3,6	1,1
Poland	9,6	7,1	8,2	9,6	9,6	10,1	10,3	9,0	7,5	6,2	4,9	3,8	3,3	3,2	3,4	2,9	2,9	6,6	-6,7
Portugal	8,0	7,6	9,4	10,8	12,7	15,5	16,2	13,9	12,4	11,1	8,9	7,0	6,5	6,8	6,6	6,0	6,5	9,7	-1,5
Romania	6,4	5,8	6,9	7,0	7,2	6,8	7,1	6,8	6,8	5,9	4,9	4,2	3,9	5,0	5,6	5,6	5,6	6,0	-0,8
Slovakia	11,2	9,5	12,0	14,4	13,6	14,0	14,2	11,5	11,5	9,7	8,1	6,5	5,8	6,7	6,9	6,1	5,8	9,9	-5,3
Slovenia	4,8	4,4	5,9	7,2	8,2	8,9	10,1	9,7	9,0	8,0	6,6	5,1	4,4	5,0	4,7	4,0	3,6	6,4	-1,2
Spain	8,2	11,3	17,9	19,9	21,4	24,8	26,1	24,4	22,1	19,6	17,2	15,3	14,1	15,5	14,8	12,9	12,1	17,5	3,9
Sweden	6,2	6,2	8,4	8,6	7,8	8,0	8,1	8,0	7,4	7,0	6,7	6,4	6,8	8,3	8,7	7,4	7,6	7,5	1,4
Switzerland	3,6	3,4	4,1	4,8	4,4	4,5	4,7	4,8	4,8	4,9	4,8	4,7	4,4	4,8	5,1	4,3	4,1	4,5	0,4
United Kingdom	5,3	5,6	7,5	7,8	8,0	7,9	7,5	6,1	5,3	4,8	4,3	4,0	3,7	4,5	4,8	3,7	4,1	5,6	-1,2
United States	4,6	5,8	9,3	9,6	8,9	8,1	7,4	6,2	5,3	4,9	4,4	3,9	3,7	8,1	5,3	3,7	3,6	6,0	-1,0
Average	6,0	5,9	8,4	9,4	9,3	9,9	10,1	9,4	8,8	7,9	7,0	6,1	5,6	6,6	6,3	5,3	5,3	7,5	-0,6

Source: WDI and author's calculation

Table 15: Number of hours worked per employee and year

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Change
Australia	1.709	1.709	1.681	1.687	1.689	1.681	1.680	1.672	1.670	1.660	1.662	1.654	1.651	1.613	1.622	1.628	1.651	-3,4%
Austria	1.606	1.599	1.558	1.552	1.557	1.535	1.520	1.510	1.495	1.507	1.498	1.502	1.510	1.400	1.437	1.435	1.435	-10,6%
Belgium	1.594	1.582	1.563	1.574	1.590	1.587	1.586	1.582	1.575	1.574	1.578	1.580	1.577	1.446	1.530	1.535		-3,7%
Bulgaria	1.655	1.694	1.646	1.645	1.644	1.644	1.645	1.644	1.644	1.644	1.643	1.645	1.645	1.605	1.619	1.617	1.618	-2,2%
Canada	1.745	1.742	1.710	1.715	1.711	1.721	1.714	1.709	1.710	1.701	1.689	1.702	1.691	1.653	1.685	1.686		-3,4%
Croatia	1.930	1.931	1.928	1.942	1.939	1.923	1.908	1.891	1.827	1.834	1.824	1.811	1.838	1.834	1.835	1.837	1.837	-4,8%
Cyprus	1.862	1.868	1.847	1.845	1.847	1.845	1.810	1.815	1.824	1.840	1.821	1.809	1.823	1.728	1.789	1.810		-2,8%
Czech Republic	1.775	1.790	1.779	1.799	1.805	1.776	1.764	1.774	1.751	1.774	1.776	1.785	1.786	1.677	1.722	1.774	1.766	-0,5%
Denmark	1.433	1.430	1.417	1.422	1.437	1.423	1.426	1.414	1.407	1.412	1.404	1.381	1.371	1.341	1.390	1.394	1.380	-3,7%
Estonia	1.903	1.874	1.745	1.785	1.827	1.796	1.777	1.771	1.763	1.767	1.768	1.707	1.694	1.637	1.767	1.770	1.742	-8,5%
Finland	1.605	1.601	1.581	1.586	1.578	1.568	1.560	1.559	1.556	1.555	1.549	1.547	1.537	1.530	1.528	1.514	1.499	-6,6%
France	1.537	1.543	1.531	1.540	1.546	1.541	1.526	1.518	1.519	1.522	1.508	1.514	1.518	1.400	1.475	1.501	1.500	-2,4%
Germany	1.454	1.447	1.405	1.426	1.427	1.408	1.397	1.400	1.401	1.396	1.389	1.381	1.373	1.316	1.348	1.347	1.343	-7,7%
Greece	2.001	1.997	1.973	1.931	1.950	1.990	1.997	1.949	1.935	1.943	1.947	1.961	1.918	1.732	1.854	1.886	1.897	-5,2%
Hungary	1.788	1.791	1.758	1.759	1.747	1.744	1.740	1.749	1.743	1.755	1.751	1.737	1.729	1.653	1.682	1.691	1.679	-6,1%
Iceland	1.554	1.625	1.536	1.528	1.538	1.523	1.524	1.513	1.511	1.520	1.507	1.496	1.480	1.464	1.459	1.459	1.448	-6,8%
Ireland	1.745	1.711	1.661	1.666	1.668	1.663	1.677	1.689	1.682	1.704	1.727	1.742	1.742	1.620	1.627	1.657	1.633	-6,4%
Italy	1.818	1.807	1.775	1.777	1.773	1.734	1.719	1.716	1.717	1.722	1.719	1.719	1.710	1.543	1.686	1.726	1.734	-4,6%
Latvia	1.794	1.751	1.707	1.692	1.707	1.692	1.686	1.695	1.663	1.664	1.650	1.661	1.631	1.577	1.601	1.553	1.548	-13,7%
Lithuania	1.707	1.732	1.670	1.697	1.674	1.672	1.657	1.650	1.673	1.694	1.657	1.664	1.665	1.595	1.620	1.624	1.641	-3,9%
Luxembourg	1.581	1.581	1.518	1.521	1.520	1.514	1.506	1.512	1.519	1.518	1.508	1.499	1.493	1.408	1.467	1.459	1.462	-7,5%
Malta	2.171	2.184	2.190	2.136	2.069	2.037	2.004	1.945	1.934	2.012	1.944	1.994	2.067	1.910	1.914	1.876	1.835	-15,5%
Netherlands	1.429	1.429	1.420	1.427	1.425	1.419	1.427	1.434	1.437	1.446	1.450	1.449	1.451	1.404	1.412	1.415	1.413	-1,1%
New Zealand	1.774	1.761	1.740	1.755	1.746	1.734	1.756	1.758	1.753	1.754	1.756	1.759	1.783	1.739	1.730	1.748	1.751	-1,3%
Norway	1.438	1.443	1.422	1.430	1.435	1.431	1.421	1.424	1.427	1.430	1.419	1.419	1.419	1.410	1.426	1.425	1.418	-1,4%
Poland	1.855	1.848	1.834	1.829	1.824	1.820	1.816	1.822	1.829	1.831	1.812	1.787	1.783	1.769	1.828	1.815	1.803	-2,8%
Portugal	1.755	1.743	1.743	1.746	1.724	1.708	1.718	1.725	1.732	1.737	1.727	1.738	1.744	1.611	1.649	1.635	1.631	-7,1%
Romania	1.840	1.835	1.815	1.841	1.849	1.812	1.806	1.793	1.786	1.809	1.786	1.787	1.803	1.756	1.824	1.827	1.826	-0,8%
Slovakia	1.791	1.793	1.780	1.805	1.793	1.789	1.772	1.760	1.754	1.740	1.714	1.704	1.692	1.572	1.583	1.622	1.631	-8,9%
Slovenia	1.655	1.673	1.679	1.680	1.663	1.644	1.662	1.682	1.687	1.652	1.622	1.603	1.601	1.532	1.593	1.610	1.616	-2,4%
Spain	1.701	1.710	1.716	1.706	1.711	1.697	1.690	1.691	1.694	1.702	1.692	1.698	1.678	1.558	1.633	1.652	1.632	-4,1%
Sweden	1.461	1.471	1.457	1.483	1.484	1.471	1.463	1.464	1.465	1.478	1.466	1.465	1.453	1.426	1.447	1.440	1.437	-1,6%
Switzerland	1.669	1.660	1.651	1.611	1.608	1.593	1.573	1.564	1.577	1.577	1.559	1.551	1.549	1.499	1.531	1.529		-8,4%
United Kingdom	1.541	1.525	1.516	1.507	1.515	1.531	1.533	1.542	1.525	1.541	1.536	1.536	1.537	1.364	1.498	1.531	1.524	-1,1%
United States	1.842	1.829	1.799	1.810	1.819	1.826	1.824	1.829	1.830	1.822	1.820	1.826	1.817	1.789	1.813	1.804	1.799	-2,3%
Average	1.706	1.706	1.679	1.682	1.681	1.671	1.665	1.662	1.658	1.664	1.654	1.652	1.650	1.575	1.618	1.624	1.617	-5,2%

Source: OECD and author's calculation

Table 16: Growth of GNI (%)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average
Austria	2,8	1,5	-4,2	1,5	1,1	-0,4	-0,5	0,2	-0,5	2,3	0,0	1,7	1,3	-5,4	3,9	-0,1	..	0,3
Belgium	3,0	-1,4	-1,4	0,4	-2,1	2,3	0,4	1,0	1,5	1,0	0,8	0,7	2,4	-5,2	5,4	-0,9	..	0,5
France	2,1	-0,3	-2,5	1,1	1,3	-0,7	0,5	0,8	1,7	1,1	1,7	1,2	1,6	-8,7	7,5	0,3	..	0,5
Germany	3,0	0,0	-2,9	3,3	5,4	0,0	0,4	1,9	1,8	2,2	1,8	1,2	1,4	-4,1	3,0	-1,1	0,7	1,1
Ireland	0,3	-6,4	-8,6	1,0	-1,6	-0,4	5,7	7,2	19,6	6,1	4,8	3,5	4,4	2,4	9,6	3,2	..	3,2
Luxembourg	12,4	-6,5	-22,2	11,8	1,6	10,9	-5,1	3,1	-11,1	3,8	6,8	-0,4	-4,4	1,9	5,5	-3,6	..	0,3
Netherlands	2,9	-2,0	-3,1	3,0	1,0	-2,0	0,0	0,4	2,2	0,3	3,6	2,4	-0,2	-5,6	10,8	-0,3	..	0,8
Switzerland	-3,8	-5,9	5,5	6,5	-3,5	1,4	-0,4	-0,9	2,0	-2,0	-1,3	-0,3	0,6	-4,7	7,8	2,6	..	0,2
United Kingdom	1,2	-2,1	-4,0	2,7	0,4	-0,2	0,7	3,1	1,8	1,0	2,8	0,5	2,6	-12,2	..	..	..	-0,1
Denmark	-0,5	0,5	-5,8	3,6	0,5	0,3	1,9	2,2	1,3	1,4	2,0	1,7	1,2	-0,8	7,8	3,2	..	1,3
Finland	3,9	-0,9	-7,4	2,2	0,4	-2,2	-1,0	0,3	1,4	1,9	2,3	1,6	1,0	-0,8	2,5	-0,5	-2,3	0,3
Iceland	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Norway	0,6	4,6	-9,7	2,4	3,3	2,1	-0,2	0,6	-3,0	-3,0	2,7	3,9	-3,7	-6,6	15,8	25,0	..	2,2
Sweden	3,7	-0,9	-5,8	5,2	1,3	-1,2	0,2	1,6	2,4	0,6	2,0	0,5	2,2	-2,1	6,4	1,6	..	1,1
Cyprus	1,9	6,3	-3,3	-1,5	1,9	-8,0	-6,9	-2,1	6,2	2,5	5,8	3,7	2,2	-6,1	6,7	5,1	-2,3	0,9
Greece	2,5	-1,3	-3,6	-5,0	-11,0	-3,7	-2,1	2,4	1,3	-0,1	0,9	0,4	2,0	-8,4	8,0	5,3	..	-0,8
Italy	1,0	-3,2	-3,6	0,2	-0,3	-3,5	-2,6	-0,1	0,8	3,3	1,7	1,5	1,6	-7,3	7,5	0,7	2,9	-0,1
Malta	3,4	6,7	-5,4	5,1	2,9	0,8	3,7	5,2	6,5	-3,6	7,5	4,5	3,2	-11,4	12,1	5,7	2,6	2,9
Portugal	2,5	-1,3	-1,2	1,2	-0,8	-4,2	1,4	1,1	2,9	3,3	3,5	2,7	2,9	-6,8	5,1	3,8	3,0	1,0
Spain	1,4	-1,5	-2,7	-0,6	-2,5	-2,3	-0,6	1,7	4,4	3,3	2,4	1,7	1,2	-11,0	6,6	2,1	..	0,2
Bulgaria	2,3	9,7	-1,3	3,4	1,6	3,2	-0,9	2,9	1,7	3,7	4,4	2,3	5,2	-4,1	7,9	11,4	2,3	3,3
Croatia	5,4	1,0	-7,5	-0,7	0,5	-2,1	1,5	0,5	5,5	2,0	6,1	3,7	4,3	-6,0	15,7	7,9	3,0	2,4
Czech Republic	5,4	1,2	-5,0	0,2	-0,1	0,5	0,8	2,9	5,4	3,0	5,1	2,9	2,2	-3,9	6,4	-2,5	..	1,5
Estonia	8,6	-1,5	-11,4	-0,1	8,9	4,9	4,7	4,0	2,7	4,0	5,3	4,6	4,3	-0,7	8,7	-2,1	..	2,8
Hungary	-0,7	1,5	-3,7	0,9	0,9	-0,9	3,8	3,2	4,1	5,1	2,5	4,7	6,5	-2,5	4,0	0,5	..	1,9
Latvia	14,3	-0,9	-5,6	-7,9	5,1	5,8	4,0	2,7	4,5	5,6	4,4	4,6	2,0	-0,3	4,5	4,2	..	2,9
Lithuania	11,2	6,5	-11,0	1,1	5,2	4,3	5,3	6,1	2,4	5,1	5,7	4,4	5,1	1,3	0,6	-5,2	..	3,0
Poland	6,2	5,6	1,7	3,0	4,8	1,3	1,1	3,7	4,5	2,8	4,7	6,0	4,5	-1,5	6,6	9,1	0,2	4,0
Romania	8,7	12,4	-3,7	-3,2	5,0	1,9	0,8	5,7	3,0	3,1	8,7	6,2	4,9	-3,3	5,9	3,3	2,4	3,7
Slovakia	9,8	5,2	-5,2	4,3	0,0	1,9	0,9	2,1	3,4	1,2	3,1	3,5	1,3	-2,3	2,0	-0,6	0,9	1,9
Slovenia	5,9	2,2	-5,6	-1,2	-0,3	-3,8	-0,5	3,9	0,8	4,1	5,1	4,4	3,0	-3,6	5,5	-1,0	..	1,2
Australia	2,7	3,1	1,9	-0,6	4,9	3,3	-0,7	0,2	-1,0	-1,3	3,1	1,4	1,7	0,0	5,5	2,6	0,0	1,7
Canada	2,1	1,4	-7,2	3,3	3,2	0,3	1,7	1,3	-2,3	-0,2	3,0	1,0	0,6	-6,6	8,6	3,0	-4,0	0,8
New Zealand	4,9	-3,0	2,6	1,1	2,8	1,1	4,7	1,8	2,2	2,3	2,7	1,5	2,6	-1,5	3,0	0,8	..	1,8
United States	-0,2	-2,6	-2,4	2,8	1,3	2,4	0,9	2,6	2,5	0,6	2,0	2,4	2,2	-3,5	6,0	1,9	..	1,2
Average	3,9	0,8	-4,6	1,5	1,3	0,4	0,7	2,2	2,4	2,0	3,5	2,5	2,2	-4,2	6,7	2,6	..	1,5

Source: WDI and author's calculation

Table 17: Growth of net wealth per adult (%)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Australia		-2,5%	-7,9%	9,2%	-5,8%	-3,7%	4,8%	7,2%	6,4%	-0,6%	5,8%	0,4%	-0,9%	1,6%	11,2%	1,3%
Austria		1,1%	-1,8%	3,0%	0,8%	-0,6%	1,7%	1,2%	1,6%	1,5%	2,7%	3,1%	2,5%	0,2%	6,0%	4,0%
Belgium		0,6%	-1,8%	3,4%	0,0%	-1,1%	1,1%	0,4%	2,0%	2,3%	1,4%	0,4%	2,5%	-1,5%	4,1%	1,3%
Bulgaria		10,8%	3,2%	3,2%	-1,1%	3,9%	3,3%	2,4%	1,0%	3,5%	1,5%	1,3%	4,5%	0,2%	10,5%	9,8%
Canada		-3,8%	3,3%	5,2%	1,7%	3,0%	5,8%	6,0%	7,1%	5,9%	5,0%	1,6%	4,3%	7,9%	6,8%	-3,1%
Croatia		1,6%	-7,1%	-0,1%	0,5%	-1,5%	2,5%	1,7%	6,3%	4,4%	7,9%	6,4%	5,4%	-0,7%	19,0%	14,2%
Cyprus		1,1%	-5,1%	-3,9%	-7,6%	-13,5%	-3,2%	-9,9%	-11,6%	28,4%	4,4%	12,5%	8,5%	2,4%	7,1%	8,6%
Czech Republic		4,5%	-2,0%	1,4%	2,8%	-0,8%	0,1%	-0,6%	2,9%	5,3%	5,1%	2,6%	2,0%	3,1%	0,8%	2,2%
Denmark		-4,5%	-6,6%	-1,7%	-1,9%	-2,9%	3,6%	3,6%	8,3%	3,3%	10,4%	7,7%	4,9%	3,1%	14,1%	-3,3%
Estonia		0,4%	-8,9%	-1,4%	6,3%	5,6%	6,8%	4,6%	3,7%	4,5%	6,8%	5,7%	5,4%	2,0%	8,9%	-0,9%
Finland		-2,3%	-2,6%	3,8%	-1,2%	-1,5%	3,1%	2,1%	0,5%	1,4%	2,2%	0,7%	3,5%	2,0%	4,2%	-0,2%
France		-4,1%	-4,8%	3,1%	1,7%	-1,7%	-0,8%	-1,8%	-1,6%	2,2%	3,9%	2,2%	4,3%	3,7%	5,8%	2,5%
Germany		2,7%	-0,5%	1,6%	1,0%	2,6%	5,0%	5,0%	6,3%	6,8%	7,2%	6,6%	6,8%	3,7%	6,4%	4,2%
Greece		-8,7%	-14,2%	-14,4%	-8,4%	-5,8%	-9,4%	3,3%	-5,5%	-2,5%	7,3%	3,1%	6,4%	-7,6%	23,5%	24,5%
Hungary		1,9%	-3,8%	0,4%	0,2%	-4,7%	3,9%	5,7%	7,9%	9,8%	5,9%	8,8%	8,9%	0,3%	7,8%	4,4%
Iceland		-23,2%	-17,9%	-2,0%	4,9%	5,5%	11,7%	0,5%	8,0%	9,4%	5,8%	6,5%	1,2%	-7,5%	0,8%	7,0%
Ireland		-1,9%	-7,8%	-10,6%	-17,5%	-14,2%	3,1%	6,7%	-1,5%	11,3%	9,0%	7,3%	13,6%	-9,9%	16,3%	6,1%
Italy		-1,8%	-2,2%	-0,8%	-0,8%	-1,5%	-2,8%	-3,1%	-2,3%	-1,9%	-0,3%	-1,3%	-0,4%	-0,9%	2,2%	1,6%
Latvia		1,5%	-5,3%	-14,6%	2,6%	8,1%	6,0%	3,2%	5,7%	6,5%	6,0%	5,5%	3,7%	2,0%	8,3%	5,9%
Lithuania		3,4%	-7,2%	-7,9%	0,1%	3,1%	6,3%	6,5%	4,2%	6,6%	5,9%	6,3%	6,6%	6,0%	11,1%	5,4%
Luxembourg		-9,9%	-1,5%	9,1%	-7,3%	-21,5%	8,0%	-17,1%	10,7%	18,1%	13,1%	4,9%	64,6%	-2,5%	4,8%	0,8%
Malta		7,7%	-8,9%	2,9%	-3,1%	-18,0%	13,1%	-11,6%	5,7%	9,0%	11,7%	12,7%	3,1%	-4,8%	12,7%	8,3%
Netherlands		4,4%	0,7%	-1,3%	0,7%	-2,3%	-1,8%	-2,7%	2,4%	8,3%	2,4%	3,4%	6,5%	5,4%	14,6%	-3,5%
New Zealand		-3,9%	-1,8%	-1,5%	-1,7%	0,5%	2,5%	3,0%	7,5%	7,5%	4,0%	17,7%	-9,5%	6,7%	2,8%	1,4%
Norway		0,9%	2,7%	5,6%	3,7%	2,3%	9,2%	10,9%	14,7%	8,1%	2,8%	-3,3%	14,5%	9,5%	-6,2%	-9,5%
Poland		4,6%	-0,8%	2,3%	2,9%	1,3%	3,4%	4,3%	6,1%	7,5%	7,5%	8,1%	7,2%	2,3%	12,2%	6,2%
Portugal		-0,1%	-2,9%	-0,1%	-0,7%	-6,0%	-2,8%	1,7%	2,1%	2,0%	3,4%	4,2%	4,6%	-3,5%	1,4%	8,4%
Romania		5,6%	-6,3%	-7,0%	0,9%	1,6%	0,9%	6,2%	5,2%	5,6%	10,0%	7,2%	6,2%	-0,5%	7,5%	3,8%
Slovakia		13,6%	2,2%	2,1%	-0,6%	0,6%	0,2%	0,6%	2,8%	4,1%	2,7%	3,9%	3,7%	2,2%	4,6%	1,6%
Slovenia		1,2%	-6,0%	0,3%	-1,5%	-3,6%	-2,6%	0,3%	-1,7%	2,0%	4,0%	4,6%	4,1%	-0,3%	7,1%	-4,7%
Spain		-0,9%	-8,9%	-0,1%	-2,3%	-7,6%	-4,1%	-0,8%	2,5%	4,2%	1,0%	1,1%	0,8%	-2,8%	0,5%	1,0%
Sweden		0,0%	1,9%	6,7%	1,7%	0,8%	6,0%	8,7%	7,9%	6,7%	6,2%	2,0%	6,9%	6,3%	9,3%	-0,5%
Switzerland		0,3%	-1,8%	2,4%	3,0%	3,2%	6,1%	2,7%	4,8%	1,8%	7,3%	3,1%	0,7%	5,2%	4,8%	2,2%
USA		-10,6%	-13,8%	-2,1%	-0,4%	0,5%	8,3%	7,1%	4,3%	2,2%	6,8%	1,9%	4,3%	10,2%	8,8%	-2,2%
United Kingdom		-9,1%	-7,4%	4,7%	-1,0%	-1,1%	1,5%	3,1%	6,1%	3,5%	3,8%	-0,8%	1,1%	-3,5%	7,8%	-0,1%
Average		-0,6%	-4,4%	0,0%	-0,8%	-2,0%	2,9%	1,7%	3,7%	5,7%	5,4%	4,5%	6,1%	1,1%	7,6%	3,1%

Source: WID and author's calculation

Table 18: Life expectancy (in years)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average	Change
Australia	81,3	81,4	81,5	81,7	81,9	82,0	82,1	82,3	82,4	82,4	82,5	82,7	82,9	83,2	83,3	83,2	82,3	1,9
Austria	80,2	80,4	80,3	80,6	81,0	80,9	81,1	81,5	81,2	81,6	81,6	81,7	81,9	81,2	81,2	81,1	81,1	0,9
Belgium	79,8	79,7	80,0	80,2	80,6	80,4	80,6	81,3	81,0	81,4	81,5	81,6	82,0	80,7	81,8	81,7	80,9	1,9
Bulgaria	72,7	73,0	73,4	73,5	74,2	74,3	74,9	74,5	74,6	74,8	74,8	75,0	75,1	73,7	71,5	74,4	74,0	1,7
Canada	80,5	80,7	81,1	81,3	81,5	81,7	81,7	81,8	81,8	81,9	81,8	81,8	82,2	81,7	81,6	81,3	81,5	0,8
Croatia	75,7	75,9	76,2	76,5	76,8	76,9	77,1	77,5	77,3	78,0	77,8	78,1	78,4	77,7	76,4	77,6	77,1	1,9
Cyprus	78,8	79,0	79,4	79,7	80,0	80,1	80,4	80,8	81,0	81,1	81,3	81,4	81,4	81,4	81,2	81,9	80,5	3,1
Czech Republic	76,7	77,0	77,1	77,4	77,9	78,1	78,2	78,8	78,6	79,0	79,0	79,0	79,2	78,2	77,2	79,0	78,2	2,3
Denmark	78,2	78,4	78,6	79,1	79,8	80,1	80,3	80,7	80,7	80,9	81,1	81,0	81,5	81,6	81,4	81,3	80,3	3,1
Estonia	72,8	73,8	74,8	75,4	76,2	76,3	77,1	77,0	77,6	77,6	78,1	78,2	78,6	78,6	76,9	77,9	76,7	5,1
Finland	79,3	79,6	79,7	79,9	80,5	80,6	81,0	81,2	81,5	81,4	81,6	81,7	82,0	81,9	81,9	81,2	80,9	1,9
France	81,1	81,2	81,4	81,7	82,1	82,0	82,2	82,7	82,3	82,6	82,6	82,7	82,8	82,2	82,3	82,2	82,1	1,1
Germany	79,5	79,7	79,8	80,0	80,4	80,5	80,5	81,1	80,6	81,0	81,0	80,9	81,3	81,0	80,8	80,7	80,6	1,2
Greece	79,4	79,9	80,2	80,4	80,7	80,6	81,3	81,4	81,0	81,4	81,3	81,8	81,6	81,3	80,1	80,6	80,8	1,2
Hungary	73,2	73,7	73,9	74,2	74,9	75,1	75,6	75,8	75,6	76,1	75,8	76,1	76,3	75,6	74,2	76,0	75,1	2,9
Iceland	81,5	81,6	81,8	81,9	82,4	82,9	82,1	82,9	82,5	82,2	82,7	82,9	83,2	83,1	83,2	82,2	82,4	0,7
Ireland	79,6	80,1	80,2	80,7	80,7	80,8	80,9	81,3	81,5	81,7	82,2	82,2	82,7	82,6	82,4	83,1	81,4	3,4
Italy	81,4	81,5	81,6	82,0	82,2	82,2	82,7	83,1	82,5	83,2	82,9	83,3	83,5	82,2	82,6	82,9	82,5	1,5
Latvia	71,0	72,4	73,1	73,5	73,6	73,8	74,0	74,1	74,5	74,6	74,6	74,8	75,4	75,2	73,0	74,6	73,9	3,6
Lithuania	70,9	71,8	72,9	73,3	73,6	73,9	73,9	74,5	74,3	74,7	75,5	75,7	76,3	75,0	74,0	75,8	74,1	4,9
Luxembourg	79,4	80,5	80,6	80,6	81,0	81,4	81,8	82,2	82,3	82,7	82,1	82,3	82,6	82,1	82,6	83,0	81,7	3,7
Malta	79,8	79,6	80,2	81,4	80,7	80,7	81,7	82,0	81,9	82,5	82,3	82,4	82,9	82,3	82,5	82,7	81,6	2,9
Netherlands	80,1	80,3	80,5	80,7	81,2	81,1	81,3	81,7	81,5	81,6	81,8	81,8	82,1	81,4	81,3	81,7	81,3	1,6
Norway	80,4	80,6	80,8	81,0	81,3	81,5	81,8	82,1	82,3	82,4	82,6	82,8	83,0	83,2	83,2	82,6	82,0	2,2
Poland	75,2	75,5	75,7	76,2	76,7	76,7	77,0	77,6	77,5	77,9	77,8	77,6	77,9	76,5	75,5	77,3	76,8	2,1
Portugal	78,3	78,5	78,7	79,0	80,5	80,4	80,7	81,1	81,1	81,1	81,4	81,3	81,7	81,0	81,4	81,6	80,5	3,3
Romania	72,6	72,6	73,3	73,5	74,4	74,4	75,1	74,9	74,9	75,2	75,2	75,4	75,6	74,3	72,8	75,3	74,3	2,7
Slovakia	74,2	74,7	74,9	75,1	76,0	76,1	76,4	76,8	76,6	77,2	77,2	77,3	77,7	76,9	74,6	77,1	76,2	2,9
Slovenia	78,6	78,8	79,0	79,4	80,0	80,1	80,3	81,1	80,8	81,2	81,0	81,4	81,5	80,5	80,7	81,3	80,3	2,7
Spain	80,9	81,2	81,5	81,6	82,5	82,4	83,1	83,2	82,8	83,3	83,3	83,4	83,8	82,3	83,2	83,1	82,6	2,2
Sweden	80,9	81,1	81,4	81,5	81,8	81,7	82,0	82,3	82,2	82,3	82,4	82,6	83,1	82,4	83,1	83,1	82,1	2,2
Switzerland	81,7	82,0	82,0	82,2	82,7	82,7	82,8	83,2	82,9	83,6	83,6	83,8	83,9	83,0	83,8	83,5	83,0	1,7
United Kingdom	79,4	79,6	80,1	80,4	81,0	80,9	81,0	81,3	81,0	81,2	81,3	81,3	81,4	80,4	80,7	82,1	80,8	2,6
United States	78,0	78,0	78,4	78,5	78,6	78,7	78,7	78,8	78,7	78,5	78,5	78,6	78,8	77,0	76,3	77,4	78,2	-0,6
New Zealand	80,2	80,4	80,7	80,9	81,2	81,4	81,4	81,5	81,6	81,7	81,9	81,7	82,1	82,3	82,2	82,8	81,5	2,6
Average	78,1	78,4	78,7	79,0	79,4	79,5	79,8	80,1	80,0	80,3	80,3	80,5	80,8	80,1	79,7	80,4	79,7	2,3

Source: WDI and author's calculation

Table 19: Life satisfaction/happiness (selected years 2012, 2017, 2023)

Country	2012	2017	2023	Average	Change
Australia	7,345	7,284	7,095	7,241	-0,250
Austria	7,227	7,006	7,097	7,110	-0,130
Belgium	7,113	6,891	6,859	6,954	-0,254
Bulgaria	3,889	4,714	5,466	4,690	1,577
Canada	7,499	7,316	6,961	7,259	-0,538
Croatia	5,623	5,293	6,125	5,680	0,502
Cyprus	6,416	5,621	6,130	6,056	-0,286
Czech Republic	6,360	6,609	6,845	6,605	0,486
Denmark	7,856	7,522	7,586	7,655	-0,269
Estonia	5,330	5,611	6,455	5,799	1,125
Finland	7,579	7,469	7,804	7,617	0,225
France	6,746	6,442	6,661	6,617	-0,085
Germany	6,572	6,951	6,892	6,805	0,320
Greece	6,133	5,227	5,931	5,764	-0,202
Hungary	4,943	5,324	6,041	5,436	1,098
Iceland	6,888	7,504	7,530	7,307	0,641
Ireland	7,284	6,977	6,911	7,057	-0,374
Italy	6,578	5,964	6,405	6,316	-0,174
Latvia	4,762	5,850	6,213	5,608	1,451
Lithuania	5,588	5,902	6,763	6,084	1,175
Luxembourg	7,051	6,863	7,228	7,047	0,177
Malta	5,960	6,527	6,300	6,262	0,340
Netherlands	7,512	7,377	7,403	7,431	-0,109
New Zealand	7,372	7,314	7,123	7,270	-0,250
Norway	7,524	7,537	7,315	7,459	-0,209
Poland	5,803	5,973	6,260	6,012	0,457
Portugal	5,327	5,195	5,968	5,497	0,641
Romania	5,178	5,825	6,589	5,864	1,411
Slovakia	5,657	6,098	6,469	6,074	0,812
Slovenia	5,922	5,758	6,650	6,110	0,728
Spain	6,761	6,403	6,436	6,533	-0,325
Sweden	7,379	7,284	7,395	7,353	0,016
Switzerland	7,499	7,494	7,240	7,411	-0,259
United Kingdom	6,936	6,714	6,796	6,815	-0,141
United States	7,270	6,993	6,894	7,052	-0,377
Average	6,482	6,481	6,738	6,567	0,256

Source: World Happiness Report and author's calculation

Table 20: Trust in government

Country	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average 2007-2023	change 2006-2023
Australia	55,1	55,1	64,9		64,9	48,3	48,3	48,3	48,2	48,2	48,2	47,6	47,6	47,6	48,5	48,5	51,9	51,9	51,1	-3,2
Austria	54,7		45,0	45,0	45,0	42,8	42,8	42,8	44,1	44,1	44,1	49,2	49,2	49,2	62,7	62,7	47,1	47,1	47,7	-7,6
Belgium	64,5	64,5	45,8		45,8	48,8	48,8	48,8	45,6	45,6	45,6	42,3	42,3	42,3	39,3	39,3	54,1	54,1	47,1	-10,4
Canada	55,0	55,0	59,5	59,5	59,5	54,0	54,0	54,0	60,2	60,2	60,2	61,0	61,0	61,0	60,8	60,8	51,1	51,1	57,8	-3,9
Czech Republic	31,2	31,2		37,1	37,1	22,1	22,1	22,1	44,6	44,6	44,6	44,4	44,4		32,5	32,5	37,4	37,4	35,6	6,2
Denmark	65,9	65,9	64,6	64,6	64,6	48,4	48,4	48,4	51,2	51,2	51,2	61,8	61,8	61,8	69,0	69,0	59,9	59,9	58,9	-6,0
Estonia	50,6	50,6	31,8	31,8		34,9	34,9	34,9	40,1	40,1	40,1	48,7	48,7	48,7	55,8	55,8	53,3	53,3	44,0	2,7
Finland	80,7		61,3		61,3	54,8	54,8	54,8	52,3	52,3	52,3	60,9	60,9	60,9	77,4	77,4	75,8	75,8	62,2	-4,8
France	37,3	37,3	47,1	47,1	47,1	43,3	43,3	43,3	29,9	29,9	29,9	39,0	39,0	39,0	43,1	43,1	44,1	44,1	40,6	6,7
Germany	35,4	35,4	47,6	47,6	47,6	51,9	51,9	51,9	60,7	60,7	60,7	60,9	60,9	60,9	63,7	63,7	59,6	59,6	55,6	24,2
Greece	46,8	46,8		29,8	29,8	15,7	15,7	15,7	27,1	27,1	27,1	25,2	25,2	25,2	40,3	40,3	32,2	32,2	28,5	-14,7
Hungary	32,7	32,7	24,8		24,8	32,6	32,6	32,6	34,4	34,4	34,4	46,8	46,8	46,8	45,1	45,1	41,0	41,0	37,2	8,3
Iceland			25,9				40,8	40,8		40,9	40,9	46,0		46,0	64,2	64,2	48,6	48,6	46,1	22,7
Ireland	66,8		38,6	38,6	38,6	40,6	40,6	40,6	55,1	55,1	55,1	61,3	61,3	61,3	61,3	61,3	62,9	62,9	52,2	-3,9
Italy	30,7	30,7	42,1	42,1	42,1	24,3	24,3	24,3	27,2	27,2	27,2	22,5	22,5	22,5	36,8	36,8	42,6	42,6	31,6	11,8
Latvia	31,9	31,9	16,3	16,3		19,4	19,4	19,4	31,4	31,4	31,4	26,3	26,3	26,3	32,7	32,7	31,8	31,8	26,5	-0,1
Lithuania	26,0	26,0	14,6	14,6	14,6	25,4	25,4	25,4	35,7	35,7	35,7	39,8	39,8	39,8	47,3	47,3	41,1	41,1	32,3	15,1
Luxembourg			82,4		82,4	79,5	79,5	79,5	69,8	69,8	69,8	78,0	78,0	78,0			80,8	80,8	77,6	-1,6
Netherlands	57,7	57,7	65,5		65,5	60,9	60,9	60,9	56,5	56,5	56,5	65,1	65,1	65,1	68,6	68,6	47,2	47,2	60,5	-10,5
New Zealand	61,9	61,9	58,7		58,7	62,2	62,2	62,2	62,6	62,6	62,6	67,0	67,0	67,0	64,1	64,1	52,1	52,1	61,7	-9,8
Norway	72,8		57,8				71,1		66,7	66,7	66,7	66,8	66,8	66,8	80,5	80,5	61,2	61,2	67,8	-11,6
Poland	14,7	14,7	36,5	36,5	36,5	26,9	26,9	26,9	31,2	31,2	31,2	52,9	52,9	52,9	27,8	27,8	38,3	38,3	34,7	23,6
Portugal	56,7		34,6	34,6	34,6	23,1	23,1	23,1	28,5	28,5	28,5	51,3	51,3	51,3	62,1	62,1	51,8	51,8	40,0	-4,9
Slovakia	17,5				35,0	35,1	35,1	35,1	36,2	36,2	36,2	32,1	32,1	32,1	26,8	26,8	22,0	22,0	31,6	4,5
Slovenia	52,1			36,5	36,5	20,1	20,1	20,1	21,3	21,3	21,3	29,4	29,4	29,4	40,1	40,1	46,1	46,1	30,5	-6,0
Spain	56,5	56,5	47,3	47,3	47,3	29,0	29,0	29,0	26,5	26,5	26,5	31,5	31,5	31,5	38,0	38,0	38,8	38,8	36,1	-17,7
Sweden	53,7	53,7	60,6	60,6	60,6	64,6	64,6	64,6	53,4	53,4	53,4	53,8	53,8	53,8	65,5	65,5	58,5	58,5	58,8	4,8
Switzerland	69,1			63,2			82,2		79,6	79,6	79,6	84,3	84,3	84,3	84,7	84,7	82,4	82,4	80,9	13,3
United Kingdom	44,4	44,4	43,2	43,2	43,2	43,4	43,4	43,4	43,8	43,8	43,8	40,9	40,9	40,9	37,6	37,6	33,9	33,9	41,3	-10,6
United States	48,1	48,1	43,9	43,9	43,9	34,4	34,4	34,4	33,5	33,5	33,5	35,8	35,8	35,8	43,7	43,7	30,9	30,9	37,6	-17,1
Average	48,9	45,0	46,4	42,0	46,7	40,2	42,7	40,3	44,7	44,6	44,6	49,1	49,2	49,2	52,4	52,4	49,3	49,3	47,1	0,0

Source: OECD: <https://data.oecd.org/gga/trust-in-government.htm>

(Yellow highlighted values are taken from next available year to calculate change 2006–23)

Table 21: Social spending as a percentage of GDP

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2009-2022	Average
Austria	25,5	25,9	28,0	28,1	27,2	27,6	28,0	28,3	28,3	28,2	27,8	27,6	27,7	31,1	31,1	29,4	1,4	28,1
Belgium	24,3	25,7	28,0	27,7	28,1	28,0	28,3	28,4	29,1	28,4	28,3	28,4	28,2	32,3	29,7	29,0	1,0	28,2
France	28,2	28,5	30,9	31,0	30,7	31,2	31,7	32,0	31,8	31,9	31,4	31,0	30,7	34,9	32,7	31,6	0,7	31,3
Germany	24,2	24,4	26,8	26,1	24,8	24,7	24,8	24,8	25,1	25,3	25,2	25,3	25,6	27,9	27,6	26,7	-0,1	25,6
Ireland	16,7	20,0	23,9	24,1	23,3	23,0	21,8	20,1	15,2	15,1	14,2	13,5	12,9	15,7	14,2	12,8	-11,1	17,9
Luxembourg	19,9	20,8	22,5	21,7	20,6	20,7	20,9	20,8	20,5	20,3	20,7	21,0	21,6	23,9	21,6	21,9	-0,7	21,2
Netherlands	15,7	15,5	17,1	17,5	17,5	17,9	18,1	17,9	17,6	17,5	16,6	16,3	16,3	18,9	18,7	17,6	0,5	17,3
Switzerland	14,4	14,0	15,6	15,2	15,2	15,4	15,7	15,6	16,1	16,2	16,4	16,0	16,1	19,3	18,0	17,0	1,5	16,0
United Kingdom	19,6	20,8	22,9	23,1	22,9	23,0	22,2	21,7	21,3	20,6	20,2	19,7	19,5	22,5	22,1		-0,8	21,5
Denmark	25,9	26,3	29,3	29,9	30,0	30,2	30,0	30,0	30,0	29,4	29,0	28,5	28,4	29,3	28,3	26,2	-3,1	28,8
Finland	22,9	23,4	26,9	27,4	27,1	28,3	29,4	30,2	30,5	30,4	29,6	29,4	29,4	31,0	30,3	29,0	2,1	28,5
Iceland	15,8	16,2	18,5	17,7	18,1	17,8	17,3	17,5	16,6	16,5	17,5	17,8	18,7	23,0	22,3	20,8	2,3	18,3
Norway	19,6	19,3	22,5	22,1	21,6	21,5	21,9	22,8	24,7	25,9	25,1	24,2	25,3	28,2	24,4	20,7	-1,8	23,1
Sweden	25,3	25,4	27,2	25,8	25,3	26,3	26,9	26,6	26,1	26,5	25,9	25,6	25,1	25,9	24,9	23,7	-3,5	25,8
Cyprus			19,1	18,6	20,1	20,9	22,9	20,1	20,0	19,4	18,3	17,7	18,0	24,1	21,6	19,8	0,7	20,0
Greece	20,1	21,6	23,9	25,0	26,5	27,4	25,4	25,5	25,7	26,0	25,2	25,0	25,1	27,9	26,1	24,1	0,2	25,0
Italy	24,0	24,9	27,0	26,9	26,5	27,3	27,9	28,1	28,3	27,9	27,7	27,5	27,7	32,6	30,7	30,1	3,1	27,8
Malta			19,3	18,9	18,8	18,7	18,3	17,8	16,4	16,4	15,3	14,8	14,6	19,8	16,5	14,2	-5,1	17,1
Portugal	21,3	21,8	24,1	24,3	24,2	24,3	25,4	25,0	23,9	23,5	22,7	22,5	22,3	25,1	24,8	24,6	0,5	23,7
Spain	20,9	22,3	25,6	24,9	25,5	25,6	25,7	25,4	24,7	24,2	23,9	24,0	24,6	31,2	29,5	28,1	2,5	25,4
Bulgaria			16,1	17,0	16,4	16,5	17,6	18,4	17,6	17,3	16,8	16,8	16,5	18,7	18,8	18,6	2,5	17,4
Croatia			20,8	21,0	20,7	21,3	21,0	21,5	21,5	21,5	21,2	21,3	21,2	24,1	22,4	20,9	0,1	21,5
Czech Republic	17,4	17,7	19,9	19,5	19,6	19,9	20,7	20,1	19,3	18,9	18,9	19,1	19,5	22,6	22,5	22,0	2,1	19,8
Estonia	12,4	15,1	19,4	18,1	16,2	15,8	15,7	16,0	17,3	17,5	17,0	17,5	17,9	19,8	18,4	17,2	-2,2	17,0
Hungary	22,4	22,6	23,2	22,8	22,2	22,5	22,2	21,3	20,3	20,2	19,4	18,6	17,6	18,5	18,1	17,2	-6,0	20,6
Latvia	11,0	12,9	17,9	19,1	16,9	15,3	15,5	15,4	15,7	16,0	15,8	16,1	16,5	18,5	19,8	19,7	1,8	16,4
Lithuania	14,8	16,6	21,8	19,4	17,4	16,3	15,3	15,5	15,8	15,6	15,3	16,4	17,0	21,1	18,7	19,8	-2,0	17,3
Poland	19,5	20,2	21,3	20,7	19,6	19,9	20,6	20,3	20,2	21,2	20,8	20,5	21,2	23,2	22,6	22,7	1,4	20,9
Romania			16,2	17,1	15,8	14,7	15,0	14,7	14,6	14,9	14,9	14,9	15,2	17,7	16,6	16,5	0,3	15,6
Slovakia	14,9	14,9	17,8	17,4	17,1	17,3	17,7	17,7	17,2	17,6	17,5	17,2	17,5	19,8	19,6	19,1	1,3	17,5
Slovenia	19,8	19,9	22,4	23,4	23,4	23,5	23,8	23,1	22,7	22,2	21,5	21,3	21,5	24,5	23,7	22,8	0,4	22,5
Australia	15,9	17,1	16,9	16,6	17,0	17,3	17,3	17,8	18,2	17,5	17,1	16,6	20,5	..			3,6	17,4
Canada	16,3	16,4	18,1	17,6	17,1	17,2	17,0	16,9	17,9	18,3	18,0	18,0	18,8	24,9			6,8	18,0
New Zealand	20,7	22,6	23,6	23,4	22,9	22,8	21,3	21,1	20,0	19,7	18,7	19,5	23,6	22,0	20,8		-2,7	21,5
United States	15,7	16,2	18,3	19,0	18,7	18,5	18,4	18,4	18,5	18,7	18,5	18,2	18,3	23,9	22,7		4,4	18,8
Average	19,5	20,3	22,1	21,9	21,6	21,7	21,8	21,6	21,4	21,3	20,9	20,8	21,2	24,2	23,0	22,1	0,1	21,6

Source: OECD + Eurostat (for Bulgaria, Croatia, Cyprus, Malta, Romania; only 2009–2020; the Eurostat values are systematically higher, by about 2%, than the OECD values as they include administrative costs) and author's calculation

* Except yellow highlighted values where the last available year was used

Table 21 (mpv): Mandatory and private voluntary social spending (% of GDP)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Australia	5.2	4.4	4.3	4.3	4.6	4.8	5.4	6.0	6.2	6.4	6.1	5.9	5.1
Austria	2.0	2.1	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.3	2.3
Belgium	2.1	2.1	2.2	1.9	2.0	2.0	1.9	1.8	1.9	1.9	1.9	1.9	1.8
Canada	5.3	4.9	5.0	5.3	5.2	5.4	5.6	5.7	6.2	6.2	7.1	7.1	7.1
Czech Republic	0.5	0.6	0.8	0.8	0.8	1.0	0.7	0.8	0.8	0.8	0.7	0.7	0.7
Denmark	4.5	4.1	5.1	4.7	4.5	4.4	5.1	5.2	4.7	4.0	4.0	3.8	3.8
Estonia	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Finland	1.3	1.3	1.5	1.4	1.5	1.5	1.5	1.5	1.6	1.5	1.4	1.2	1.2
France	3.2	3.2	3.4	3.4	3.5	3.5	3.6	3.6	3.6	3.6	3.6	3.6	3.5
Germany	2.9	3.2	3.4	3.4	3.4	3.5	3.6	3.5	3.6	3.6	3.6	3.7	3.7
Greece	0.8	0.9	0.9	1.1	1.2	1.1	1.2	1.1	1.0	1.0	1.0	1.0	1.1
Hungary	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.4	0.4	0.4	0.4	0.3
Iceland	5.0	5.0	5.7	5.4	5.6	5.9	6.0	6.3	6.3	6.4	6.8	6.9	7.0
Ireland	2.2	2.3	2.8	2.8	3.0	3.2	3.3	2.9	2.3	2.2	2.2	2.0	1.9
Italy	1.7	1.7	1.7	1.8	1.8	1.9	1.9	1.8	1.8	1.8	1.8	1.8	1.8
Latvia	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Lithuania	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.6
Luxembourg	0.6	0.5	1.1	1.1	1.1	1.0	1.1	1.0	1.0	1.0	1.0	1.1	1.1
Netherlands	11.4	11.6	12.6	12.8	13.1	13.1	13.1	13.1	13.3	13.3	13.5	13.2	13.1
New Zealand	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Norway	2.0	1.9	2.3	2.0	2.2	2.1	2.2	2.4	2.5	2.7	2.6	2.5	2.6
Poland	0.2	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.5	0.5	0.6	0.5	0.8
Portugal	2.5	2.5	2.5	2.2	2.3	2.3	2.3	2.3	2.6	2.3	2.5	2.3	2.2
Slovak Republic	1.2	1.3	1.3	1.4	1.1	1.2	1.1	1.0	1.0	1.0	1.0	1.0	1.0
Slovenia	1.1	1.1	1.2	1.2	1.2	1.4	1.4	1.4	1.3	1.3	1.3	1.3	1.3
Spain	0.6	0.5	0.5	1.2	1.3	1.3	1.3	1.3	1.2	1.2	1.3	1.3	1.3
Sweden	2.7	3.0	3.3	3.2	3.5	3.7	3.8	3.8	3.8	3.8	3.8	3.7	3.6
Switzerland	9.6	9.6	10.2	10.1	10.1	10.2	10.5	10.6	11.0	11.2	11.4	11.2	11.6
United Kingdom	5.2	5.4	5.9	6.2	6.3	6.4	6.2	6.1	6.1	5.8	6.3	6.3	6.3
United States	10.6	10.4	10.4	11.1	11.2	11.4	11.5	11.6	11.8	11.9	12.2	12.3	12.4

Source: OECD

Table 22: Social spending as percentage of total government spending

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Average
Australia	28,12	27,73	30,54	26,18	26,30	26,63	27,20	27,52	28,09	28,03	27,20	26,47	26,43	26,10	27,32
Austria	39,46	39,30	39,33	40,56	40,71	40,86	41,28	40,96	41,50	41,98	41,82	41,42	41,52	40,14	40,77
Belgium	34,62	34,50	35,16	35,01	34,54	34,64	35,71	35,54	36,08	36,53	37,11	36,91	37,16	38,40	35,85
Bulgaria	26,84	28,75	32,78	35,60	36,08	35,90	35,72	30,84	32,17	35,46	35,24	32,37	32,25	31,42	32,96
Canada		28,16	28,82	28,38	28,27	28,49	28,78	29,15	29,78	30,33	30,28	30,19	29,84	34,79	29,64
Croatia	29,48	29,30	30,66	30,94	31,23	31,05	30,79	31,38	32,01	30,48	31,33	30,81	30,22	28,75	30,60
Cyprus	26,58	26,63	27,42	29,05	29,94	30,86	31,54	28,10	33,39	35,37	34,61	28,63	31,34	30,19	30,26
Czech Republic	29,90	29,92	30,22	30,97	31,33	30,68	32,50	31,48	30,79	31,99	31,66	30,52	30,52	30,50	30,93
Denmark	43,28	42,84	42,93	43,82	43,76	42,41	43,93	43,46	43,07	43,62	43,97	43,26	43,53	41,86	43,27
Estonia	26,76	28,55	32,71	34,23	32,71	30,62	30,28	30,45	31,55	32,51	32,11	32,57	33,16	32,78	31,50
Finland	40,98	40,40	41,71	41,94	41,90	42,59	43,32	44,05	44,75	45,81	45,79	45,50	45,18	44,64	43,47
France	41,23	41,02	41,49	41,63	42,11	42,32	42,74	42,83	42,87	43,12	42,79	42,96	43,04	44,23	42,46
Germany	43,59	42,57	42,99	41,74	41,80	42,17	42,34	42,50	43,33	44,05	44,06	43,51	43,65	42,96	42,95
Greece	33,41	33,55	34,47	35,84	37,37	37,64	31,35	40,18	37,74	41,47	41,30	40,87	41,41	37,73	37,45
Hungary	34,50	35,67	35,76	35,32	34,39	33,78	32,78	30,58	28,94	30,36	29,34	28,38	27,77	26,39	31,71
Iceland	18,05	13,94	19,99	21,25	21,34	21,52	21,33	21,37	20,92	28,28	22,30	23,07	25,09	27,32	21,84
Ireland	35,92	36,42	37,78	26,95	33,83	37,13	36,97	36,15	35,14	35,48	36,18	35,32	36,22	37,41	35,49
Italy	37,20	37,59	38,60	39,44	39,74	40,04	41,03	41,53	42,28	42,54	42,43	42,68	43,43	44,11	40,90
Latvia	22,91	23,52	30,77	30,67	29,66	29,28	30,03	29,41	30,52	31,64	30,23	29,56	31,45	31,30	29,35
Lithuania	32,63	33,94	39,63	37,51	32,99	36,76	35,13	36,19	34,87	35,83	36,98	38,50	38,60	37,99	36,25
Luxembourg	40,31	40,99	41,50	40,94	41,22	41,39	42,99	43,16	43,35	42,91	42,88	42,59	42,63	43,86	42,19
Malta	32,55	31,22	33,79	33,12	32,54	32,40	32,55	31,54	29,98	31,38	31,15	29,22	28,76	26,18	31,17
Netherlands (the)	34,07	34,20	34,45	35,02	35,86	36,25	36,89	37,17	37,70	38,56	38,46	37,70	37,73	36,13	36,44
New Zealand			31,22	30,95	37,20	30,59	30,08	30,32	30,53	30,15	30,22	29,16	29,30	26,77	30,54
Norway	37,03	37,48	38,35	38,86	39,33	39,86	39,73	39,36	39,63	39,84	39,44	38,94	38,25	38,12	38,87
Poland	36,36	35,11	35,79	35,56	35,21	36,29	37,52	37,56	37,69	40,42	39,80	38,97	39,93	37,31	37,39
Portugal	33,69	33,82	34,39	33,47	35,87	37,80	38,96	36,77	38,37	40,29	37,93	39,17	39,74	38,19	37,03
Romania	26,78	29,16	33,23	34,74	32,81	33,12	32,54	32,23	31,72	33,30	34,77	33,33	32,66	32,72	32,37
Slovakia	35,63	33,61	33,94	35,57	35,09	36,06	35,80	34,60	32,11	34,98	36,82	36,10	35,23	35,70	35,09
Slovenia	37,37	36,59	37,26	38,30	38,51	39,49	32,39	36,88	37,53	38,20	38,65	38,12	37,98	36,44	37,41
Spain	33,23	33,87	35,54	37,00	37,41	37,18	40,25	39,76	40,40	40,66	41,10	41,16	41,99	42,72	38,73
Sweden	40,60	39,81	40,86	40,30	39,44	40,05	40,61	40,51	40,80	41,36	40,60	39,26	38,65	37,77	40,04
Switzerland	39,31	38,51	38,42	38,98	38,85	38,65	39,95	39,60	39,42	39,68	39,54	39,43	39,30	43,36	39,50
United Kingdom of Great Britain and Northern Ireland (the)	34,78	33,42	35,36	35,41	36,20	37,10	37,59	37,43	37,85	37,53	36,58	36,53	36,08	31,94	35,99
United States of America (the)	17,93	19,41	19,99	20,86	20,50	20,28	20,64	20,38	20,54	20,18	20,01	19,77	19,82	25,45	20,41
Average	33,49	33,28	34,80	34,75	35,03	35,20	35,23	35,17	35,36	36,41	36,13	35,51	35,71	35,48	35,11

Source: https://datafinder.qog.gu.se/variable/gfs_sp and author's calculation

Table 23: Changing structure of social spending (percentage of GDP)

Country	Branch	Unit	Source Type of Expenditure Type of Programme Measure Year	Public Total Total In percentage of Gross Domestic Product								
				1980	1990	2000	2005	2010	2015	2017	2018	2019
OECD - Total	Old age	Old age		4,9	5,6	6,1	6,2	7,1	7,4	7,3	7,3	7,4
	Survivors	Survivors		0,9	0,8	0,9	0,9	0,9	0,9	0,8	0,8	0,8
	Old age and Survivors	Old age and Survivors		5,8	6,5	7,0	7,1	8,0	8,3	8,2	8,1	8,2
	Incapacity related	Incapacity related		2,0	2,1	2,0	2,0	2,1	2,0	2,0	1,9	2,0
	Health	Health		4,1	4,3	4,8	5,2	5,8	5,7	5,7	5,7	5,8
	Family	Family		1,5	1,6	1,8	1,8	2,2	2,1	2,1	2,1	2,1
	Active labour market programmes	Active labour market programmes		0,2	0,4	0,5	0,5	0,5	0,5	0,5	0,4	0,6
	Unemployment	Unemployment		0,6	0,9	0,7	0,7	0,9	0,7	0,6	0,6	0,6
	Housing	Housing		0,2	0,3	0,3	0,3	0,4	0,3	0,3	0,3	0,3
	Other social policy areas	Other social policy areas		0,4	0,4	0,4	0,5	0,6	0,5	0,5	0,5	0,5
	Total	Total		14,4	16,4	17,3	18,1	20,4	20,1	19,8	19,7	20,1

Source: OECD

Table 24: Gross pension replacement rate (different income levels) in % (Year of labor market entry 2020)

Country	Individual earnings, multiple of mean for men (women where different)							
	Pension age		0,5		1,0	2,0		
Austria	65		74,1		74,1	55,9		
Belgium	67		67,7		43,5	31,4		
France	65		57,7		57,6	49,4		
Germany	67		47,8		43,9	33,7		
Ireland	66		52,4		26,2	13,1		
Luxembourg	62		86,7		74,8	68,8		
Netherlands	70		87,3		74,7	68,4		
Switzerland	65		52,2		39,9	20,3		
United Kingdom	67		61,8		41,9	28,3		
Denmark	74		116,6		73,1	53,1		
Finland	69		58,4		58,4	58,4		
Iceland	67		65,6		43,1	43,1		
Norway	67		60,3		44,5	28,2		
Sweden	70		62,3		62,3	76,4		
Cyprus	70		56,7		64,3	68,2		
Greece	66		94,2		80,8	74,1		
Italy	71		76,1		76,1	76,1		
Malta	65		60,3		58,2	53,3		
Portugal	68		75,7		73,9	71,3		
Spain	65		80,4		80,4	49,6		
Bulgaria	65		59,1		58,3	44,9		
Croatia	65		62,9		43,0	43,0		
Czech Republic	65		78,1		47,4	32,1		
Estonia	71		48,6		28,1	17,8		
Hungary	65	(62)	54,9	(51.5)	52,4	(49)	51,2	(47.8)
Latvia	65		55,0		39,8		39,8	
Lithuania	65		28,9		18,2		12,9	
Poland	65	(60)	30,3	(29.8)	29,3	(22.9)	28,7	(22.3)
Romania	65	(63)	43,5	(41)	43,5	(41)	43,5	(41)
Slovakia	69		65,9		54,9		48,3	
Slovenia	62		62,1		42,1		41,3	
Australia	67		64,5	(62.3)	26,0	(23.8)	26,0	(23.8)
Canada	65		46,0		36,8		18,4	
New Zealand	65		62,9		39,7		19,8	
United States	67		49,4		39,1		27,8	
Average	67		63,0		51,2		43,3	

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Table 25: Levels of protection against different risks (percentage of individuals covered)

Country	Year	Child/ family	Year	work injury	Year	mater- nity	Year	pen- sions	Year	disa- bility	Year	vulne- rable	Year	unem- ploy- ment	Year	one protect	Year	poor
Australia	2022	100	2021	79,9	2022	93	2022	74,4	2022	100	2022	93,6	2022	100	2022	94	2022	69,6
Austria	2021	100	2021	100	2022	89,9	2022	100	2022	100	2021	100	2021	99	2022	100	2021	100
Belgium	2022	100	2022	79	2021	64,8	2022	100	2022	100	2022	100	2022	100	2022	100	2016	100
Bulgaria	2022	61	2022	85,1	2022	100	2022	93	2022	100	2022	37,7	2022	39,4	2022	82,8	2022	32,7
Canada	2021	100	2022	83,6	2023	96,9	2022	100	2022	69,4	2021	100	2022	47,4	2022	95,6	2021	100
Croatia	2022	45,7	2022	89,5	2021	100	2022	93,2	2021	100	2022	35,9	2022	19,3	2022	81,4	2021	6,8
Cyprus	2022	100	2022	77,7	2022	82,3	2022	92,7	2022	18,6	2022	74,5	2022	21,6	2022	98,8		
Czech Republic	2023	41,6	2021	65,8	2022	100	2021	100	2022	100	2023	22,4	2021	56,6	2015	85,8	2021	66,3
Denmark	2022	100	2022	87,7	2022	100	2021	100	2022	100	2023	100	2022	95,6	2023	78,9	2016	100
Estonia	2022	100	2022	79,5	2022	100	2022	100	2022	100	2022	100	2022	44	2023	100	2022	100
Finland	2022	100	2021	80,4	2021	100	2022	100	2022	100	2022	100	2021	100	2022	97	2022	100
France	2021	100	2022	90,2	2021	100	2021	100	2021	100	2021	100	2021	100	2022	100	2021	100
Germany	2022	100	2022	100	2021	91,1	2022	100	2022	100	2022	100	2022	100	2021	99,4	2022	100
Greece	2023	48,9	2020	76,4	2023	100	2020	99,2	2019	100	2023	41,6	2023	22,3	2022	100	2023	49,5
Hungary	2022	100	2020	96	2021	100	2021	99	2021	100	2022	69,6	2022	21,4	2023	84,6	2022	100
Iceland	2023	74,7	2021	94	2022	100	2021	82,4	2021	100					2022	89		
Ireland	2022	100	2022	82,8	2022	67,8	2022	95,8	2022	100	2022	100	2022	100	2023	81,9	2016	100
Italy	2022	100	2022	100	2022	100	2022	100	2022	100	2022	53,8	2022	51,5	2022	100	2022	71,8
Latvia	2022	100	2021	82,1	2022	100	2022	100	2022	100	2022	100	2022	46,1	2022	88,8	2022	100
Lithuania	2022	100	2022	90,7	2022	92,7	2022	100	2022	100	2022	100	2022	88,2	2022	99,4	2022	40,5
Luxembourg	2021	100	2021	100	2021	100	2021	100	2021	100	2021	100	2022	57,4	2022	99,9	2021	73,1
Malta	2021	66,7	2021	99,5	2021	71	2021	82,9	2021	64,1	2021	48,7	2021	61,6	2021	100	2021	77,8
Netherlands	2022	100	2021	100	2022	100	2022	100	2022	100	2022	100	2022	56,7	2021	86,7	2016	100
New Zealand	2023	79,9	2023	100	2023	100	2023	100	2023	98,9	2023	100	2023	100	2022	100	2023	86,7
Norway	2023	100	2022	96,3	2022	100	2023	100	2023	100	2023	96,6	2022	43,3	2023	100	2016	100
Poland	2021	100	2022	85,5	2021	95,5	2022	82,9	2022	100	2021	53,5	2020	31,2	2023	99,3	2021	100
Portugal	2022	91,5	2021	100	2022	100	2021	96,7	2022	100	2022	100	2022	62,3	2023	84,2	2022	89,1
Romania	2022	100	2022	67,2	2022	41	2022	98,9	2022	100	2022	51,7	2022	9,9	2022	100	2016	100
Slovakia	2022	100	2021	75,2	2022	100	2021	100	2021	100	2022	77,2	2022	19,8	2022	79,8	2022	100
Slovenia	2021	100	2022	93,2	2021	100	2022	100	2021	100	2021	88,4	2021	39,1	2022	93,1	2016	100
Spain	2022	55,3	2022	81,9	2022	100	2022	88,9	2022	100	2022	38,9	2022	57,2	2022	97	2016	100
Sweden	2021	100	2022	88,6	2021	100	2020	100	2021	100	2021	100	2022	59,6	2022	78,1	2016	100
Switzerland	2021	100	2021	80,1	2021	100	2021	99,3	2021	92,7	2021	100	2021	55,4	2022	100	2021	100
United Kingdom of Great Britain and Northern Ireland	2022	100	2022	81,5	2022	100	2023	100	2023	100	2023	100	2022	94,1	2021	100	2023	100
United States of America	2023	82,4	2023	87,2			2023	100	2023	100	2023	87,6	2021	50,5	2023	93,6	2016	64,5

Source: ILO and author's calculation

Table 26: Distribution of market income (Gini coefficient)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Change
Australia						0,46		0,48		0,47		0,45		0,44		
Austria	0,49	0,49	0,50	0,50	0,49	0,49	0,50	0,49	0,49	0,50	0,49	0,49	0,49	0,49	0,49	0,01
Belgium												0,49	0,49	0,49	0,48	
Bulgaria	0,49	0,45	0,45	0,45	0,46	0,47	0,49	0,49	0,52	0,53	0,53	0,53	0,52	0,52	0,51	0,03
Canada	0,43	0,43	0,44	0,44	0,43	0,43	0,43	0,43	0,43	0,43	0,44	0,43	0,42	0,44	0,44	0,00
Croatia			0,49	0,49	0,49	0,49	0,48	0,49	0,48	0,48	0,47	0,47	0,45	0,46	0,46	-0,03
Cyprus																
Czech Republic	0,45	0,44	0,45	0,45	0,46	0,45	0,46	0,46	0,46	0,45	0,44	0,43	0,43	0,45	0,44	-0,01
Denmark					0,43	0,44	0,44	0,44	0,45	0,45	0,45	0,44	0,45			0,01
Estonia							0,51	0,49	0,47	0,46	0,45	0,44	0,47	0,47	0,47	-0,04
Finland	0,48	0,47	0,48	0,49	0,49	0,49	0,50	0,50	0,51	0,51	0,51	0,51	0,51	0,52	0,52	0,04
France														0,52	0,53	0,01
Germany		0,49			0,51	0,50	0,51	0,50	0,50	0,51	0,50	0,49	0,50	0,50		0,00
Greece	0,50	0,50	0,50	0,52	0,55	0,56	0,55	0,56	0,55	0,54	0,53	0,52	0,52	0,51	0,50	0,00
Hungary	0,51	0,50	0,50	0,51	0,51	0,51	0,52	0,49	0,49	0,48	0,48	0,46	0,46	0,44	0,44	-0,07
Iceland	0,38	0,39	0,38	0,40	0,40	0,40	0,38	0,39	0,39	0,38	0,37					-0,01
Ireland	0,51	0,54	0,58	0,58	0,57	0,58	0,57	0,55	0,55	0,54	0,54	0,52	0,50	0,51	0,51	0,00
Italy	0,49	0,49	0,49	0,51	0,51	0,51	0,51	0,51	0,52	0,52	0,52	0,51	0,51	0,53	0,53	0,04
Latvia	0,47	0,48	0,50	0,52	0,51	0,50	0,50	0,48	0,48	0,47	0,48	0,48	0,47	0,48	0,47	0,00
Lithuania	0,47	0,50	0,53	0,53	0,51	0,53	0,51	0,53	0,51	0,51	0,51	0,50	0,50	0,50	0,51	0,05
Luxembourg									0,47	0,48	0,50	0,49	0,49	0,44	0,44	-0,03
Malta																0,00
Netherlands					0,43	0,43	0,44	0,46	0,46	0,45	0,45	0,45	0,46	0,45	0,45	0,02
New Zealand												0,45	0,45	0,45		0,00
Norway		0,40	0,40	0,41	0,41	0,41	0,41	0,42	0,43	0,43	0,43	0,43	0,43	0,44	0,46	0,06
Poland	0,48	0,47	0,46	0,47	0,46	0,46	0,46	0,46	0,45	0,46	0,45	0,45	0,44	0,43	0,43	-0,06
Portugal	0,52	0,52	0,51	0,52	0,53	0,53	0,55	0,54	0,54	0,53	0,52	0,51	0,51	0,52	0,51	-0,01
Romania	0,54	0,53	0,51	0,54	0,54	0,54	0,54	0,54	0,54	0,52	0,52	0,52	0,51	0,51	0,49	-0,05
Slovakia	0,42	0,41	0,43	0,43	0,42	0,41	0,43	0,40	0,40	0,40	0,38	0,39	0,38	0,40	0,38	-0,03
Slovenia	0,42	0,42	0,44	0,45	0,45	0,46	0,46	0,46	0,46	0,45	0,45	0,44	0,44	0,44	0,44	0,01
Spain	0,45	0,46	0,49	0,51	0,51	0,51	0,52	0,52	0,52	0,52	0,51	0,51	0,49	0,52	0,50	0,05
Sweden							0,42	0,43	0,43	0,43	0,43	0,43	0,43	0,43	0,44	0,02
Switzerland	0,37	0,37	0,37	0,37	0,37	0,37	0,39	0,38	0,39	0,39	0,39	0,40	0,40	0,41		0,04
United Kingdom	0,52	0,52	0,54	0,52	0,52	0,52	0,53	0,52	0,52	0,51	0,51	0,51	0,51	0,51	0,51	-0,01
United States							0,51	0,51	0,51	0,51	0,51	0,51	0,51	0,52	0,52	0,00

Source: OECD and author's calculation

Table 27: Poverty rate (income less than 60% of median income) – %

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Average	2007- 2023	2018- 2023
Australia						20,9		20,5		19,9		20,4		20,4				20,4		
Austria	12,0	15,2	14,5	14,7	14,5	14,4	14,4	14,1	13,9	14,1	14,4	14,3	13,3	13,9	14,7	14,8	14,9	14,2	2,9	0,6
Belgium	15,2	14,7	14,6	14,6	15,3	15,3	15,1	15,5	14,9	15,5	15,9	16,4	14,8	14,1	12,7	13,2	12,3	14,7	-2,9	-4,1
Bulgaria	22,0	21,4	21,8	20,7	22,2	21,2	21,0	21,8	22,0	22,9	23,4	22,0	22,6	23,8	22,1	22,9	20,6	22,0	-1,4	-1,4
Canada	19,5	20,0	20,2	20,4	20,2	20,5	20,6	19,3	21,0	19,6	19,0	18,5	18,5	15,5	17,1			19,3	-2,4	-1,4
Croatia	:	:	:	20,6	20,9	20,4	19,5	19,4	20,0	19,5	20,0	19,3	18,3	18,3	19,2	18,0	19,3	19,5	-1,3	0,0
Cyprus	15,5	15,9	15,8	15,6	14,8	14,7	15,3	14,4	16,2	16,1	15,7	15,4	14,7	14,3	13,8	13,9	13,9	15,1	-1,6	-1,5
Czech Republic	9,6	9,0	8,6	9,0	9,8	9,6	8,6	9,7	9,7	9,7	9,1	9,6	10,1	9,5	8,6	10,2	9,8	9,4	0,2	0,2
Denmark	11,7	11,8	13,1	13,3	12,1	12,0	11,9	12,1	12,2	11,9	12,4	12,7	12,5	12,1	12,3	12,4	11,8	12,3	0,1	-0,9
Estonia	19,4	19,5	19,7	15,8	17,5	17,5	18,6	21,8	21,6	21,7	21,0	21,9	21,7	20,7	20,6	22,8	22,5	20,3	3,1	0,6
Finland	13,0	13,6	13,8	13,1	13,7	13,2	11,8	12,8	12,4	11,6	11,5	12,0	11,6	12,2	10,8	12,7	12,2	12,5	-0,8	0,2
France	13,1	12,5	12,9	13,3	14,0	14,1	13,7	13,3	13,6	13,6	13,2	13,4	13,6	14,2	14,3	15,6	15,4	13,8	2,3	2,0
Germany	15,2	15,2	15,5	15,6	15,8	16,1	16,1	16,7	16,7	16,5	16,1	16,0	14,8	16,1	16,0	14,8	14,4	15,7	-0,8	-1,6
Greece	20,3	20,1	19,7	20,1	21,4	23,1	23,1	22,1	21,4	21,2	20,2	18,5	17,9	17,7	19,6	18,8	18,9	20,2	-1,4	0,4
Hungary	12,3	12,4	12,4	12,3	14,1	14,3	15,0	15,0	14,9	14,5	13,4	12,8	12,3	12,3	12,6	12,1	13,1	13,3	0,8	0,3
Iceland	10,1	10,1	10,2	9,8	9,2	7,9	9,3	7,9	9,2	8,8	10,1	8,8	9,3	:	:	:	:	9,3	-0,8	
Ireland	17,2	15,5	15,0	15,2	15,2	16,3	15,7	16,8	16,2	16,8	15,6	14,9	13,4	12,8	12,8	13,4	12,0	15,0	-5,2	-2,9
Italy	19,5	18,9	18,4	18,7	19,8	19,5	19,3	19,4	19,9	20,6	20,3	20,3	20,1	20,0	20,1	20,1	18,9	19,6	-0,6	-1,4
Latvia	21,2	25,9	26,4	20,9	19,0	19,2	19,4	21,2	22,5	21,8	22,1	23,3	22,9	21,6	23,4	22,5	22,5	22,1	1,3	-0,8
Lithuania	19,1	20,9	20,3	20,5	19,2	18,6	20,6	19,1	22,2	21,9	22,9	22,9	20,6	20,9	20,0	20,9	20,6	20,7	1,5	-2,3
Luxembourg	13,5	13,4	14,9	14,5	13,6	15,1	15,9	16,4	15,3	15,8	16,4	16,7	17,5	17,4	18,1	17,3	18,8	15,9	5,3	2,1
Malta	15,1	15,3	14,9	15,5	15,6	15,1	15,8	15,8	16,6	16,5	16,7	16,8	17,1	16,9	16,9	16,7	16,6	16,1	1,5	-0,2
Netherlands	10,2	10,5	11,1	10,3	11,0	10,1	10,4	11,6	11,6	12,7	13,2	13,3	13,2	13,4	14,4	14,5	13,0	12,0	2,8	-0,3
New Zealand	21,9	21,5	21,8	22,3	22,4	22,4	21,9	22,6	21,2	23,0	23,2	21,2	21,3	20,7				22,0	-1,2	-0,5
Norway	11,9	11,4	11,7	11,2	10,5	10,0	10,9	10,9	11,9	12,2	12,3	12,9	12,7	12,7	12,6	12,2	11,5	11,7	-0,4	-1,4
Poland	17,3	16,9	17,1	17,6	17,7	17,1	17,3	17,0	17,6	17,3	15,0	14,8	15,4	14,8	14,8	13,7	14,0	16,2	-3,3	-0,8
Portugal	18,1	18,5	17,9	17,9	18,0	17,9	18,7	19,5	19,5	19,0	18,3	17,3	17,2	16,2	18,4	16,4	17,0	18,0	-1,1	-0,3
Romania	24,6	23,6	22,1	21,6	22,3	22,9	23,0	25,1	25,4	25,3	23,6	23,5	23,8	23,4	22,5	21,2	21,1	23,2	-3,5	-2,4
Slovakia	10,6	10,9	11,0	12,0	13,0	13,2	12,8	12,6	12,3	12,7	12,4	12,2	11,9	11,4	12,3	13,7	14,3	12,3	3,7	2,1
Slovenia	11,5	12,3	11,3	12,7	13,6	13,5	14,5	14,5	14,3	13,9	13,3	13,3	12,0	12,4	11,7	12,1	12,7	12,9	1,2	-0,6
Spain	19,7	19,8	20,4	20,7	20,6	20,8	20,4	22,2	22,1	22,3	21,6	21,5	20,7	21,0	21,7	20,4	20,2	20,9	0,5	-1,3
Sweden	10,5	13,5	14,4	14,8	15,4	15,2	16,0	15,6	16,3	16,2	15,8	16,4	17,1	16,1	15,7	16,0	16,1	15,4	5,6	-0,3
Switzerland	15,0	15,7	15,6	15,0	15,0	15,9	14,5	13,8	15,6	14,7	15,5	14,6	16,0	15,5	14,7	15,8	16,5	15,3	1,5	1,9
United Kingdom	18,6	18,7	17,3	17,1	16,2	16,0	15,9	16,8	16,6	15,9	17,0	18,6	:	:	:	:	:	17,1	0,0	
United States							24,2	24,2	23,6	24,5	25,0	24,8	25,0	23,4	22,7	24,6		24,2	0,4	-0,2
Average	15,8	16,1	16,1	16,0	16,2	16,3	16,5	16,9	17,1	17,1	16,9	16,9	16,5	16,5	16,4	16,5	16,0	16,6	0,2	-0,5

Source: Eurostat except Australia, Canada, New Zealand and USA (taken from OECD, <https://data.oecd.org/inequality/poverty-rate.htm>) and author's calculation; values are substantially lower according to OECD than to Eurostat, probably due to different income concepts used.

Table 28: Share of administrative costs in social spending (%)

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average	Change
Austria	2,0%	1,9%	1,9%	1,8%	1,9%	1,8%	1,8%	1,7%	1,6%	1,7%	1,8%	-0,3%
Belgium	3,0%	3,0%	2,9%	3,7%	3,7%	3,6%	3,7%	3,5%	3,6%	3,6%	3,4%	0,6%
France	4,1%	4,1%	4,1%	3,8%	3,8%	3,9%	3,7%	4,2%	3,4%	3,2%	3,8%	-0,8%
Germany	3,9%	3,9%	3,8%	3,7%	3,7%	3,8%	3,7%	3,7%	3,6%	3,7%	3,7%	-0,2%
Ireland	3,8%	3,9%	4,2%	4,1%	4,1%	4,0%	4,1%	3,8%	3,4%	3,6%	3,9%	-0,1%
Luxembourg	1,5%	1,4%	1,4%	1,5%	1,5%	1,4%	1,3%	1,3%	1,3%	1,2%	1,4%	-0,3%
Netherlands	6,4%	6,7%	6,2%	5,2%	5,0%	5,4%	5,6%	5,0%	4,7%	5,2%	5,5%	-1,2%
Switzerland	5,2%	5,5%	5,7%	5,7%	5,7%	5,8%	5,6%	5,4%	6,0%	6,9%	5,8%	1,7%
United Kingdom	1,1%	0,9%	0,8%	0,8%	0,7%	0,7%					0,8%	-1,1%
Denmark	4,3%	4,0%	4,2%	4,3%	4,2%	4,4%	4,3%	4,1%	4,1%	4,3%	4,2%	0,0%
Finland	2,6%	2,5%	1,7%	1,7%	1,7%	1,7%	1,7%	1,6%	1,7%	1,6%	1,8%	-1,0%
Iceland	0,9%	0,8%	0,8%	0,6%	0,7%	0,8%	0,7%	0,7%	0,9%	1,2%	0,8%	0,2%
Norway	2,0%	1,9%	1,8%	1,8%	1,8%	1,7%	1,7%	1,7%	1,7%	1,6%	1,8%	-0,4%
Sweden	1,9%	1,9%	2,0%	1,9%	2,0%	2,0%	1,9%	1,9%	1,7%	1,8%	1,9%	-0,1%
Cyprus	1,1%	1,1%	1,2%	1,3%	1,3%	1,2%	1,2%	1,0%	0,9%	0,9%	1,1%	-0,2%
Greece	2,1%	1,6%	1,1%	1,0%	0,9%	0,9%	0,9%	0,9%	0,8%	0,9%	1,1%	-1,2%
Italy	2,3%	2,2%	2,2%	2,2%	2,1%	2,1%	2,0%	1,9%	2,0%	2,0%	2,1%	-0,3%
Malta	1,0%	1,0%	1,0%	1,1%	1,0%	1,0%	1,0%	0,8%	0,9%	0,9%	1,0%	-0,1%
Portugal	1,5%	1,5%	1,4%	1,4%	1,3%	1,4%	1,6%	1,5%	1,5%	1,5%	1,5%	0,1%
Spain	1,9%	1,8%	1,8%	1,7%	1,7%	1,7%	1,6%	1,5%	1,6%	1,8%	1,7%	-0,1%
Bulgaria	2,0%	1,9%	1,9%	2,0%	1,9%	2,2%	2,2%	2,2%	2,2%	2,2%	2,1%	0,2%
Croatia	1,9%	1,7%	1,6%	1,5%	1,5%	1,6%	1,6%	1,6%	1,5%	1,5%	1,6%	-0,3%
Czech Republic	2,9%	2,9%	2,9%	2,9%	2,9%	3,0%	2,9%	2,8%	2,9%	2,9%	2,9%	0,0%
Estonia	1,2%	1,2%	1,2%	1,3%	1,6%	1,5%	1,4%	1,7%	1,9%	2,0%	1,5%	0,8%
Hungary	1,2%	1,3%	1,5%	1,5%	1,5%	1,5%	1,6%	1,9%	1,9%	1,9%	1,6%	0,7%
Latvia	1,7%	1,4%	1,4%	1,4%	1,4%	1,5%	1,4%	1,4%	1,3%	1,4%	1,4%	-0,3%
Lithuania	2,8%	2,8%	3,0%	3,0%	2,7%	2,4%	2,2%	2,1%	2,3%	2,1%	2,5%	-0,8%
Poland	2,2%	2,2%	2,1%	1,9%	2,3%	2,1%	1,7%	1,7%	1,6%	1,7%	2,0%	-0,4%
Romania	2,1%	2,1%	2,2%	1,5%	1,9%	1,8%	1,9%	4,2%	1,9%	1,6%	2,1%	-0,5%
Slovakia	2,6%	2,6%	2,4%	2,5%	2,5%	2,5%	2,6%	2,3%	1,9%	1,9%	2,4%	-0,6%
Slovenia	1,5%	1,6%	1,5%	1,5%	1,5%	1,4%	1,5%	1,2%	1,2%	1,2%	1,4%	-0,3%
Australia												
Canada												
New Zealand												
Unites States												
Average	2,4%	2,4%	2,3%	2,3%	2,3%	2,3%	2,3%	2,3%	2,2%	2,3%	2,3%	-0,2%

Source: Eurostat and author's calculations

Table 29: Labour force participation rate (percentage of total population aged 15–64; modelled ILO estimate)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	average	change
Australia	65,2	65,5	65,5	65,4	65,4	65,2	65,0	64,7	65,0	64,9	65,2	65,6	66,0	65,0	65,9	66,1	66,4	65,4	1,2
Austria	59,8	60,1	60,4	60,3	60,4	60,7	60,8	60,6	60,6	61,1	61,1	61,3	61,3	60,8	61,2	61,5	61,7	60,8	1,9
Belgium	53,6	53,7	53,5	54,1	53,2	53,3	53,6	53,5	53,3	53,1	53,8	54,2	54,4	53,8	54,5	55,1	54,9	53,9	1,3
Bulgaria	52,6	53,8	53,0	53,4	52,5	53,1	53,9	54,1	54,1	53,3	55,4	55,3	56,6	55,6	55,3	56,6	56,1	54,4	3,5
Canada	67,4	67,6	67,1	66,9	66,7	66,5	66,5	66,0	65,8	65,7	65,8	65,4	65,7	64,0	65,1	65,0	65,2	66,0	-2,3
Croatia	52,9	53,1	53,1	52,6	51,8	51,4	50,8	52,4	52,7	51,3	51,6	51,2	51,1	51,0	51,8	52,3	52,6	52,0	-0,3
Cyprus	64,4	64,3	63,9	64,3	63,8	63,7	63,5	63,9	62,4	61,3	61,7	62,5	63,0	62,8	63,8	65,1	65,3	63,5	0,9
Czech Republic	58,8	58,5	58,7	58,4	58,3	58,6	59,3	59,3	59,4	59,9	60,2	60,6	60,4	59,8	59,8	59,9	60,1	59,4	1,3
Denmark	65,7	65,1	64,4	63,5	63,1	62,3	61,4	61,3	61,3	61,7	61,7	61,8	62,4	62,0	62,5	63,4	63,6	62,8	-2,1
Estonia	60,3	61,0	60,6	60,4	61,2	61,2	61,2	61,0	62,0	62,6	63,5	63,7	63,4	63,4	63,2	65,1	65,8	62,3	5,4
Finland	61,2	61,4	60,4	59,8	59,9	59,7	59,1	58,9	58,9	58,6	58,8	59,4	59,4	59,0	59,7	60,4	60,6	59,7	-0,6
France	56,0	56,1	56,3	56,3	56,0	56,3	56,4	56,1	56,1	55,9	55,6	55,6	55,3	54,5	55,9	56,2	56,3	55,9	0,3
Germany	59,2	59,2	59,4	59,4	60,1	60,1	60,4	60,4	60,2	61,0	61,2	61,3	61,9	60,7	60,6	61,3	61,6	60,5	2,5
Greece	52,6	52,6	52,9	52,9	52,1	51,9	51,7	51,4	51,4	51,3	51,2	50,9	51,0	50,1	50,3	51,8	51,9	51,6	-0,7
Hungary	50,5	50,1	50,0	50,4	50,6	51,4	51,9	53,4	54,5	55,4	56,0	56,5	56,9	56,7	59,3	60,4	61,0	54,4	10,5
Iceland	77,2	76,5	74,9	74,9	74,2	74,3	75,1	76,3	77,2	78,0	77,2	76,1	75,5	73,5	73,4	74,3	74,4	75,5	-2,8
Ireland	66,6	65,9	64,1	62,6	62,0	61,6	62,0	61,8	61,8	62,2	62,0	62,2	62,3	61,1	63,3	64,8	65,0	63,0	-1,6
Italy	48,8	49,1	48,5	48,2	48,1	49,1	48,8	49,1	49,0	49,5	49,8	49,9	49,9	48,5	48,6	49,1	49,8	49,0	1,0
Latvia	60,3	61,6	60,1	58,9	58,5	59,7	59,4	59,3	60,1	60,4	60,8	61,4	61,2	61,7	60,2	61,1	61,4	60,4	1,2
Lithuania	55,1	55,4	56,1	56,3	57,2	57,6	57,9	58,8	59,0	60,3	60,6	61,5	61,9	62,3	61,8	62,1	62,2	59,2	7,1
Luxembourg	55,9	56,0	58,2	57,7	57,6	58,8	59,4	60,1	60,0	58,9	59,3	59,9	60,7	60,8	61,9	61,6	62,4	59,4	6,6
Malta	49,0	49,0	49,0	49,7	50,6	52,0	53,7	54,9	55,4	56,6	57,7	59,7	60,8	61,6	62,7	63,9	65,3	56,0	16,3
Netherlands	64,5	65,3	65,4	64,8	64,5	65,0	65,0	64,4	64,4	64,1	64,0	64,3	64,8	64,6	64,9	65,4	66,1	64,8	1,5
New Zealand	68,4	68,4	68,2	68,0	68,3	68,0	67,8	68,7	68,8	70,0	70,9	70,9	70,5	70,2	70,8	71,3	72,1	69,5	3,7
Norway	66,4	67,5	66,4	65,6	65,2	65,3	65,0	64,8	64,9	64,4	63,6	63,9	64,0	63,6	66,0	65,6	65,2	65,2	-1,2
Poland	54,0	54,5	55,2	56,0	56,2	56,5	56,6	56,9	56,8	56,9	57,2	57,1	57,0	56,9	58,0	58,6	58,9	56,7	4,9
Portugal	62,2	62,0	61,4	61,2	60,5	60,1	59,3	58,8	58,6	58,5	58,9	59,1	59,3	58,0	57,8	58,6	59,2	59,6	-3,0
Romania	54,8	54,5	54,4	54,9	54,1	54,6	54,5	54,9	54,5	53,7	54,9	55,0	55,1	55,1	51,1	51,8	51,6	54,1	-3,1
Slovakia	58,9	59,3	58,9	59,0	58,8	59,2	59,3	59,7	59,7	60,1	60,0	59,8	59,7	59,0	60,5	61,5	61,7	59,7	2,8
Slovenia	59,7	59,5	59,5	59,2	58,0	57,6	57,3	57,7	57,3	56,6	58,4	58,8	58,1	57,8	58,5	58,9	58,5	58,3	-1,2
Spain	58,3	59,1	59,2	59,3	59,3	59,4	59,0	58,6	58,5	58,2	57,8	57,6	57,5	56,3	57,4	57,5	57,6	58,3	-0,7
Sweden	63,7	63,9	63,4	63,3	63,7	63,8	64,3	64,4	64,6	64,8	65,3	65,5	65,7	65,4	65,8	66,2	66,9	64,8	3,2
Switzerland	67,6	68,2	68,2	67,0	67,5	67,5	67,5	67,9	68,2	68,6	68,4	68,5	68,2	67,9	67,4	66,6	66,4	67,7	-1,3
United Kingdom	62,5	62,8	62,6	62,4	62,3	62,5	62,6	62,7	62,7	62,9	62,9	63,1	63,2	62,8	62,2	62,2	62,3	62,6	-0,2
United States	64,7	64,7	64,1	63,5	63,0	62,8	62,4	62,2	62,1	62,2	62,3	62,4	62,6	61,3	61,2	61,5	61,9	62,6	-2,9
Average	60,0	60,1	59,9	59,7	59,6	59,7	59,8	60,0	60,0	60,1	60,4	60,6	60,8	60,2	60,6	61,2	61,5	60,3	1,5

Source: WDI and author's calculations