



## Economic Governance and democratic Legitimacy in the European Union

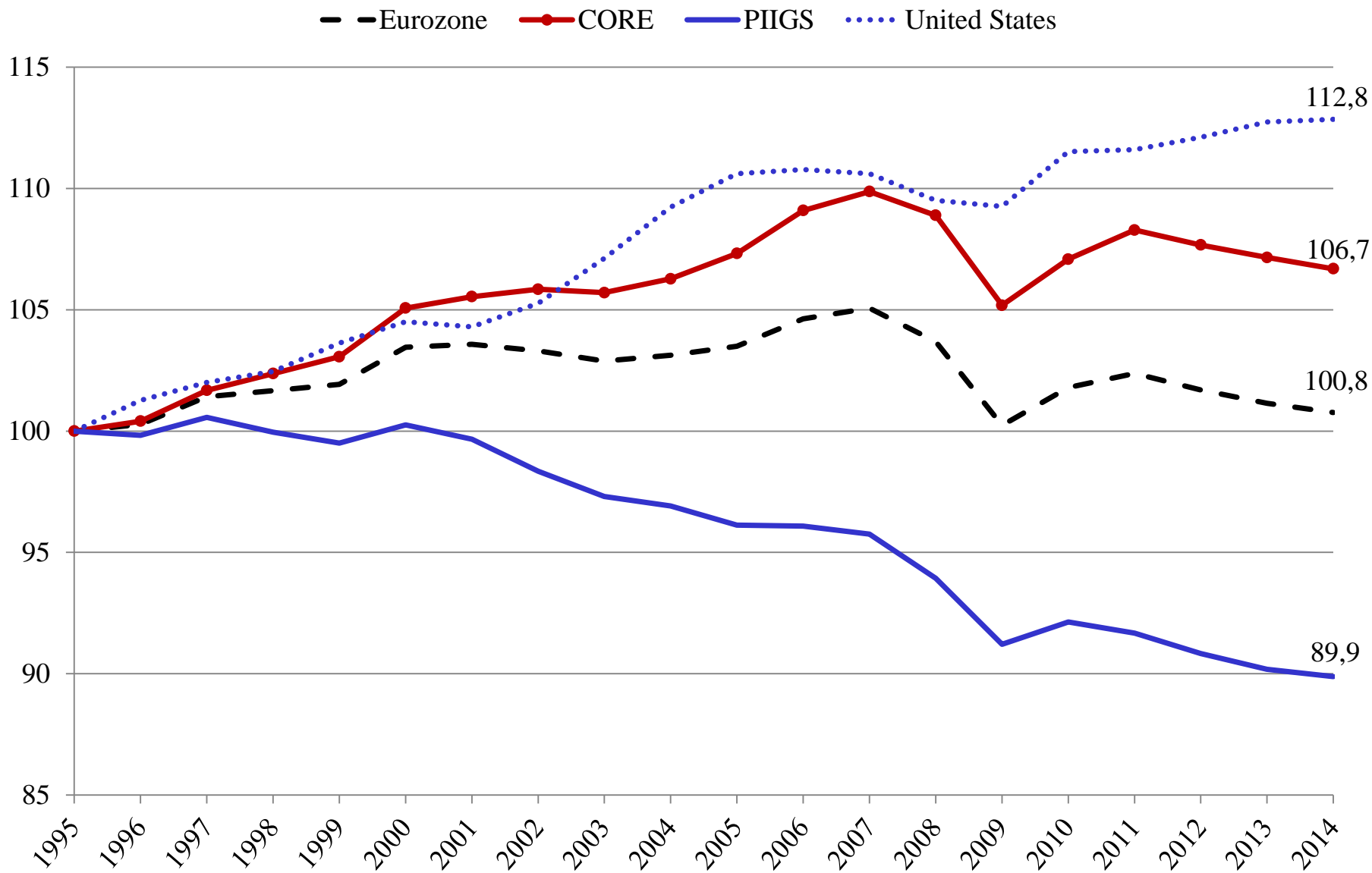
# Economic Governance in the EU: Challenges and Perspectives

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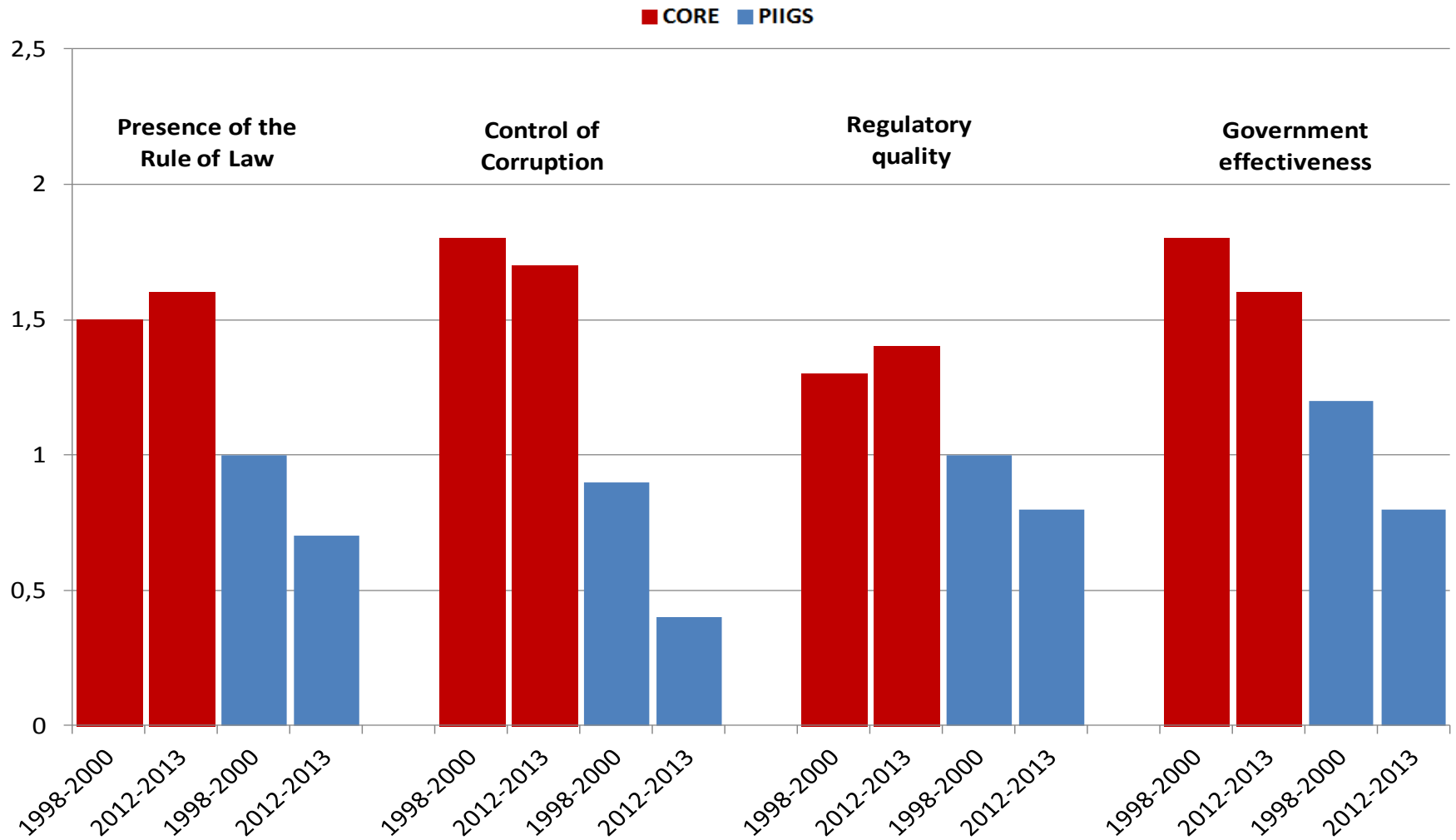
# Total factor productivity (1995=100)



Notes: Core are Austria, Belgium, Finland, France, Germany, and the Netherlands.

Source: IMF 2014

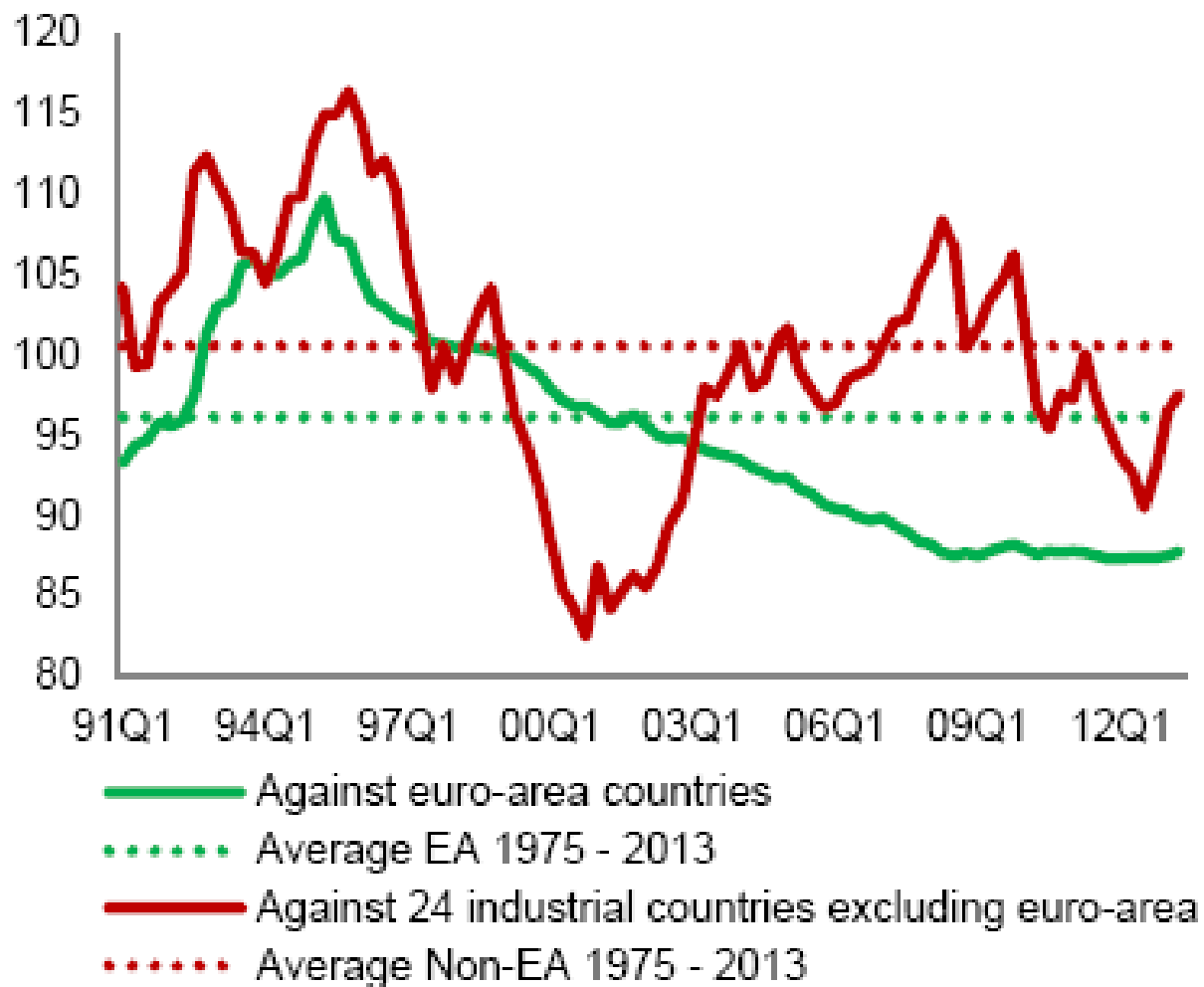
# Quality of institutions



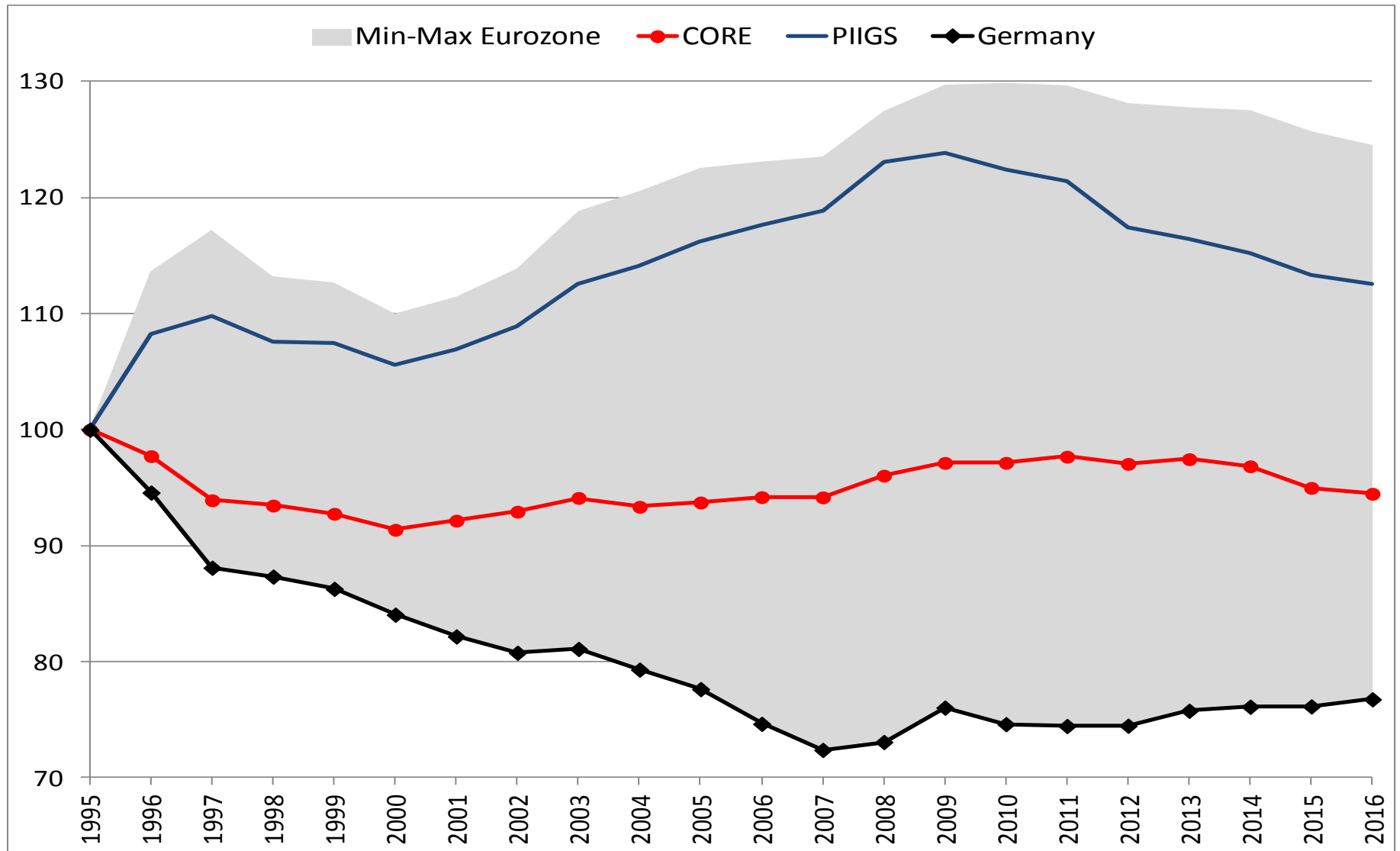
Notes: Core are Austria, Belgium, Finland, France, Germany, and the Netherlands.

Source: our updating and reclassification of chart from Boltho and Carlin (2012)

# Germany's price competitiveness based on deflators of total sales (99Q1=100)

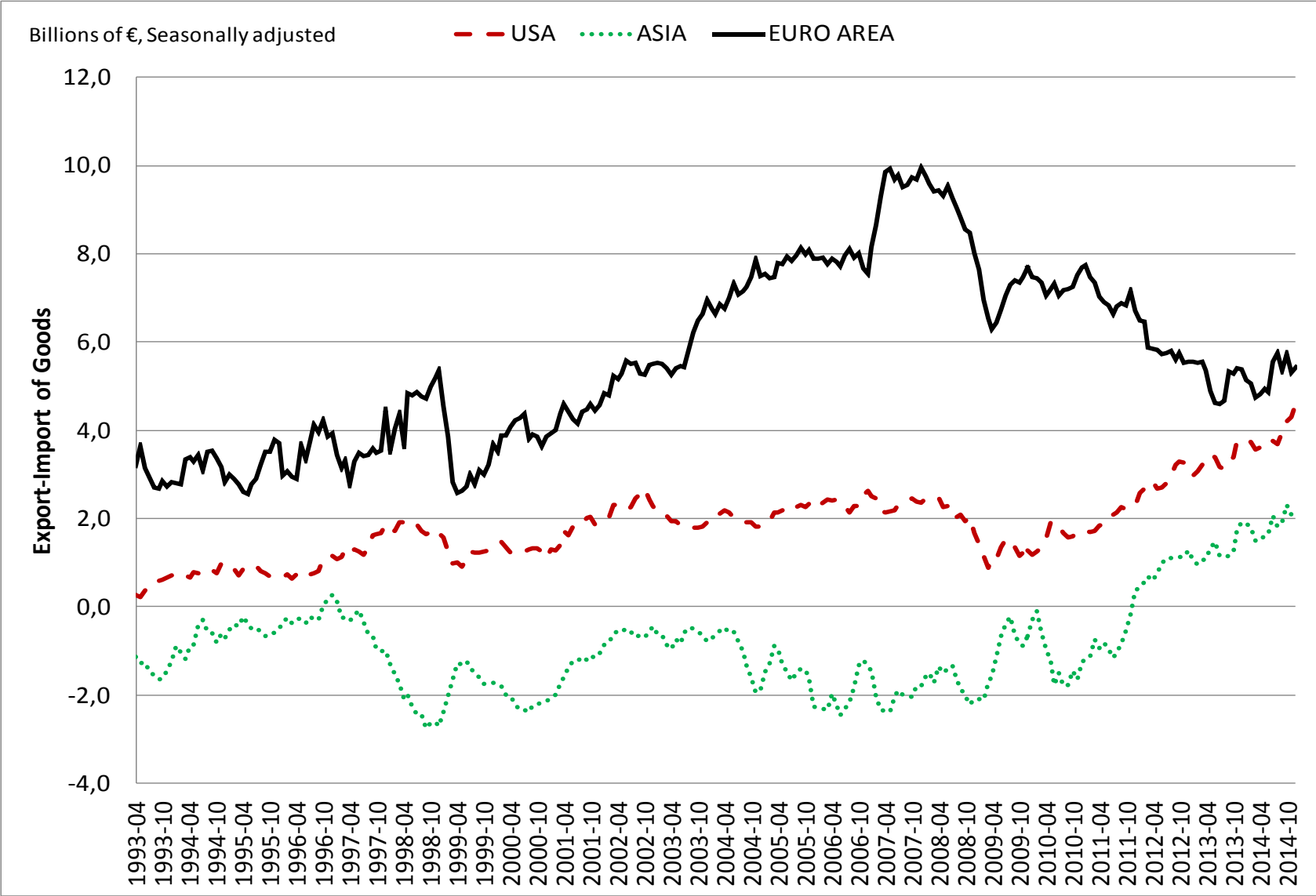


# Persistent competitive divergences (real effective exchange rates, 1995=100)



Source: Ameco. Note: CORE countries excluding Germany are Austria, Belgium, Finland, France and Netherlands; PIIGS countries are Greece, Ireland, Italy, Portugal and Spain.

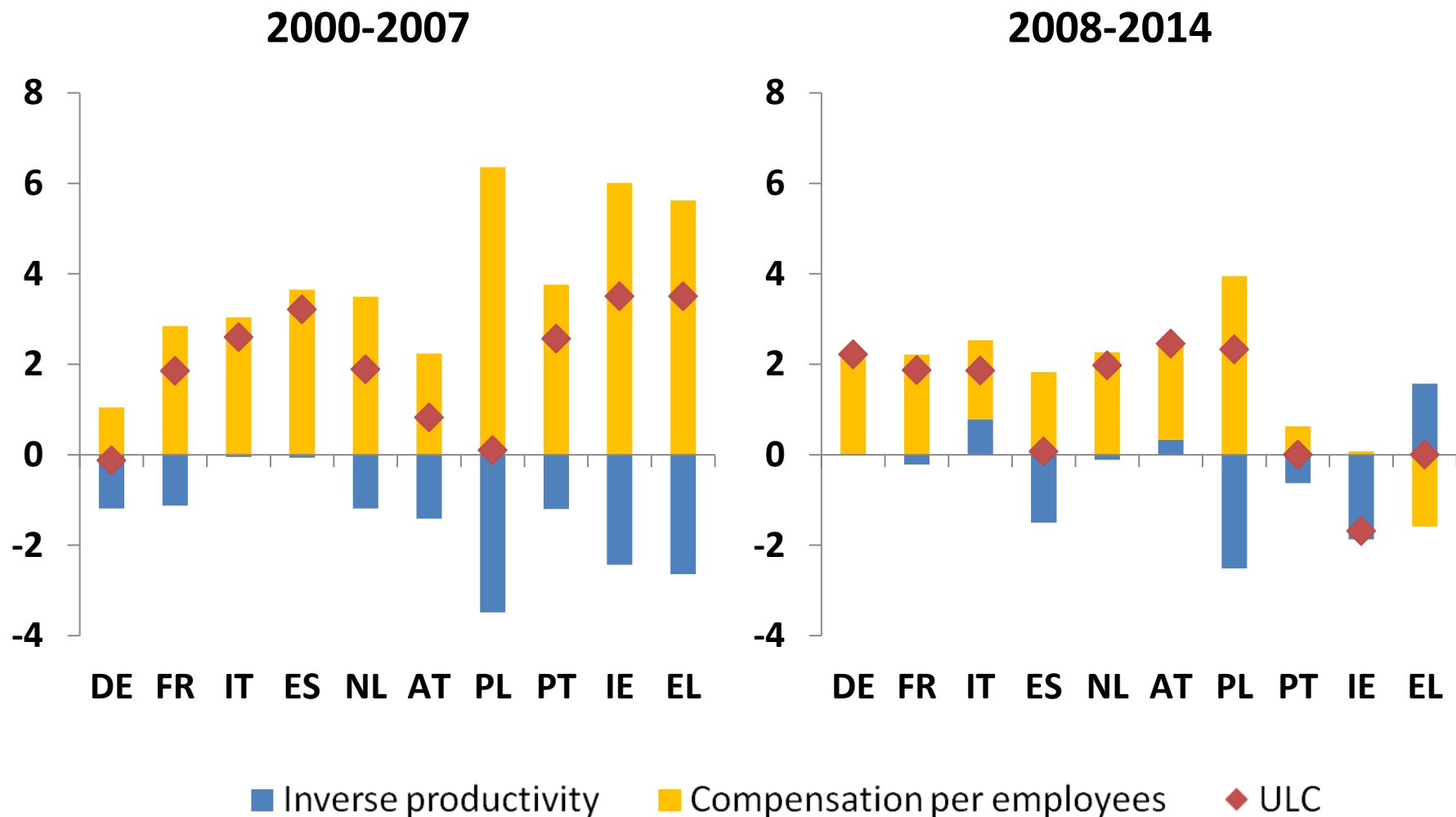
# German Balance of Trade\*



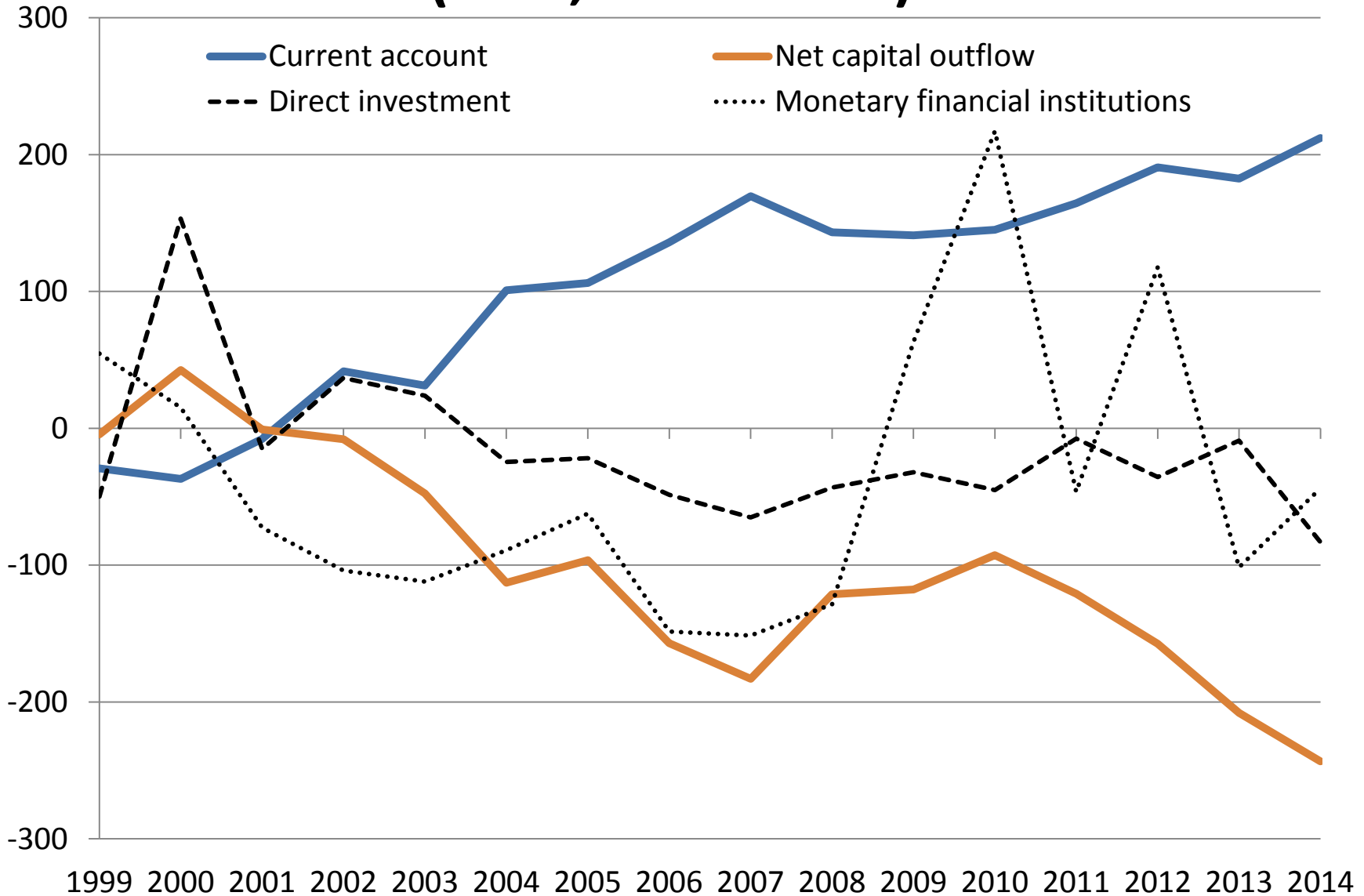
\* Moving average

Source: Deutsche Bundesbank database

# Unit labour costs, labour productivity and labour cost (annual growth rates, %)



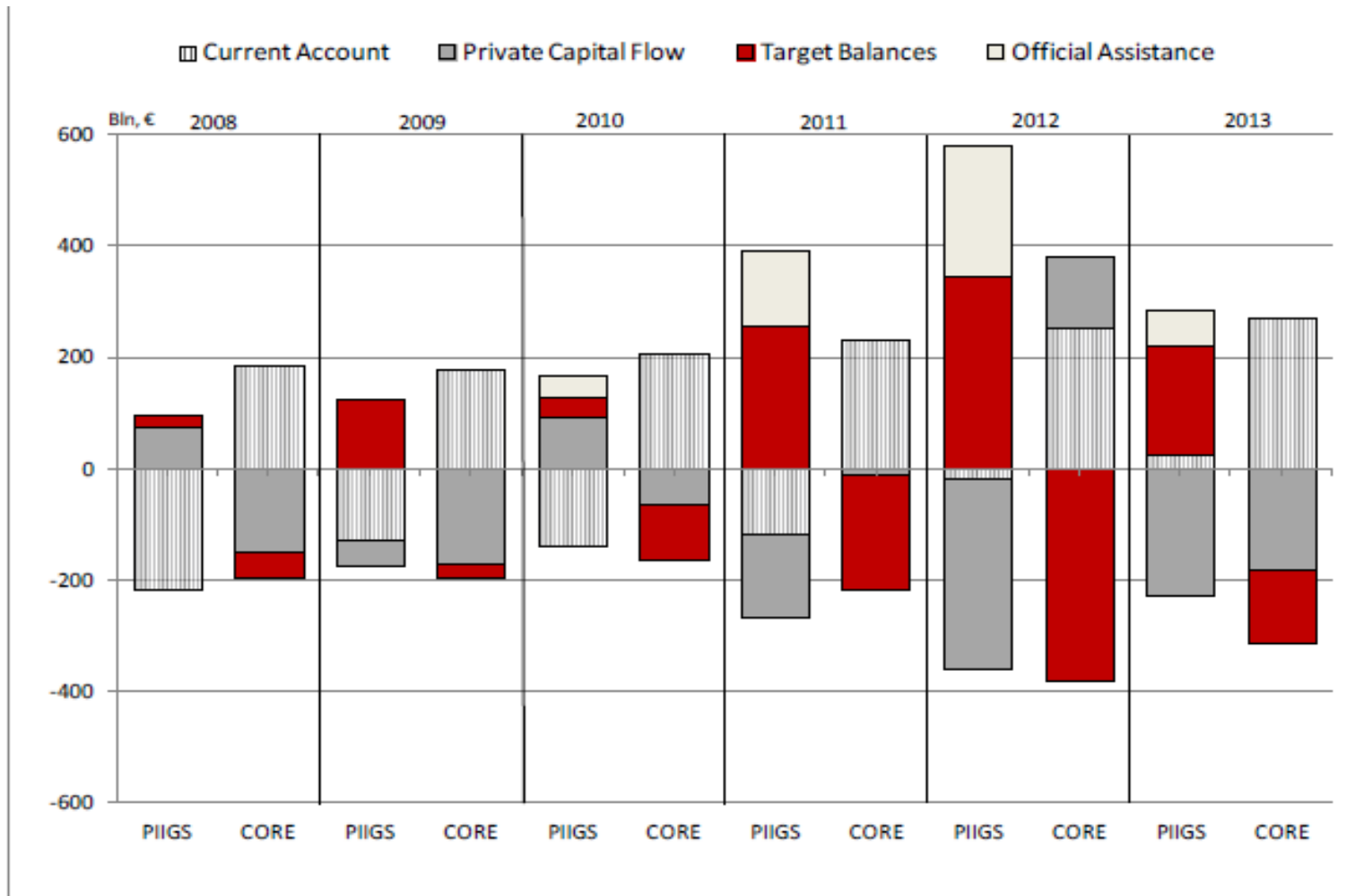
# Balance of Payments, Germany (€ bn, 1999-2014)



Source: Bundesbank. Net capital outflow corresponds to net lending in the financial account.



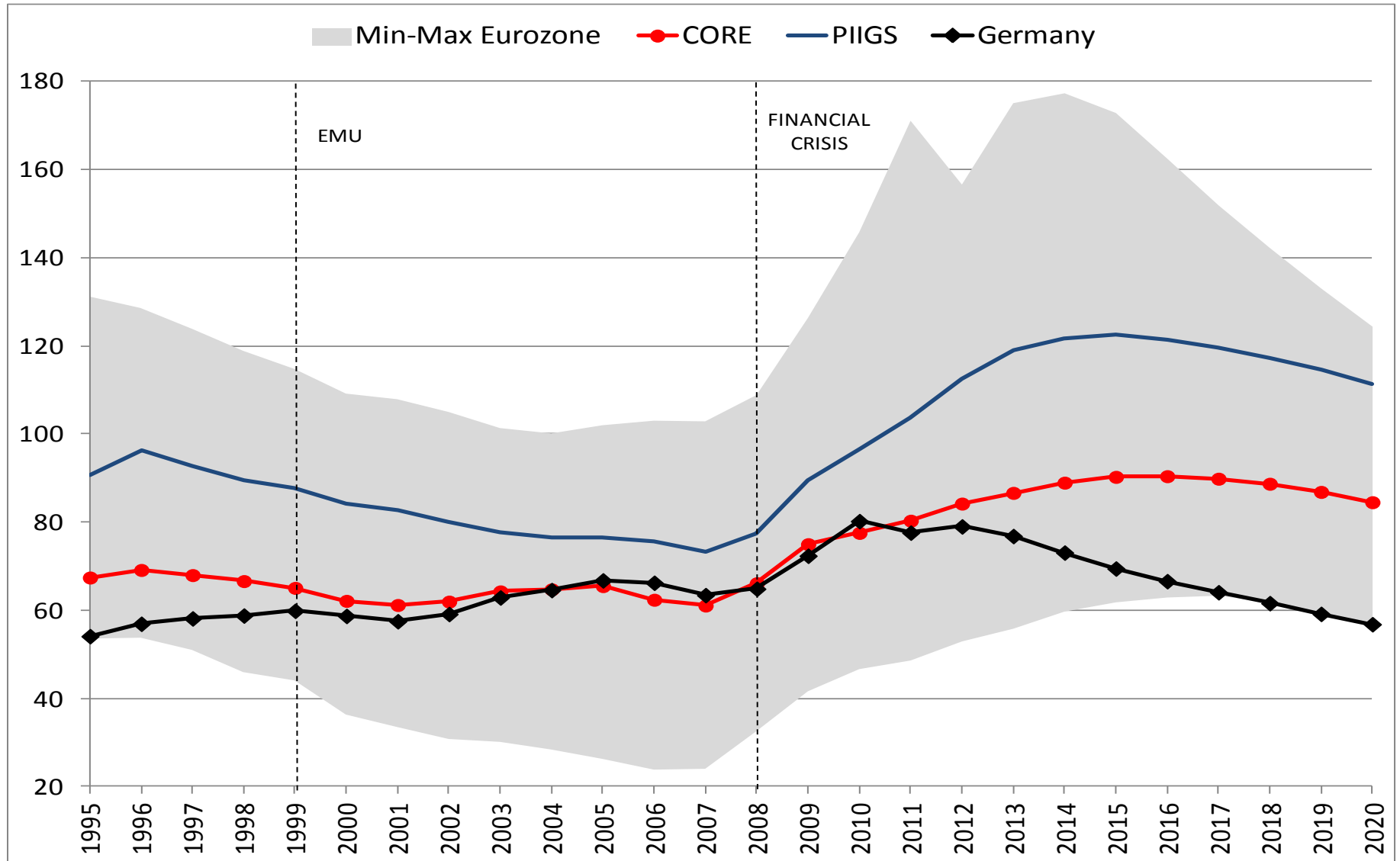
# The Financing of Eurozone payments imbalances (2008-13)



*Note:* Core countries are Germany, Luxembourg, Netherlands and Finland.

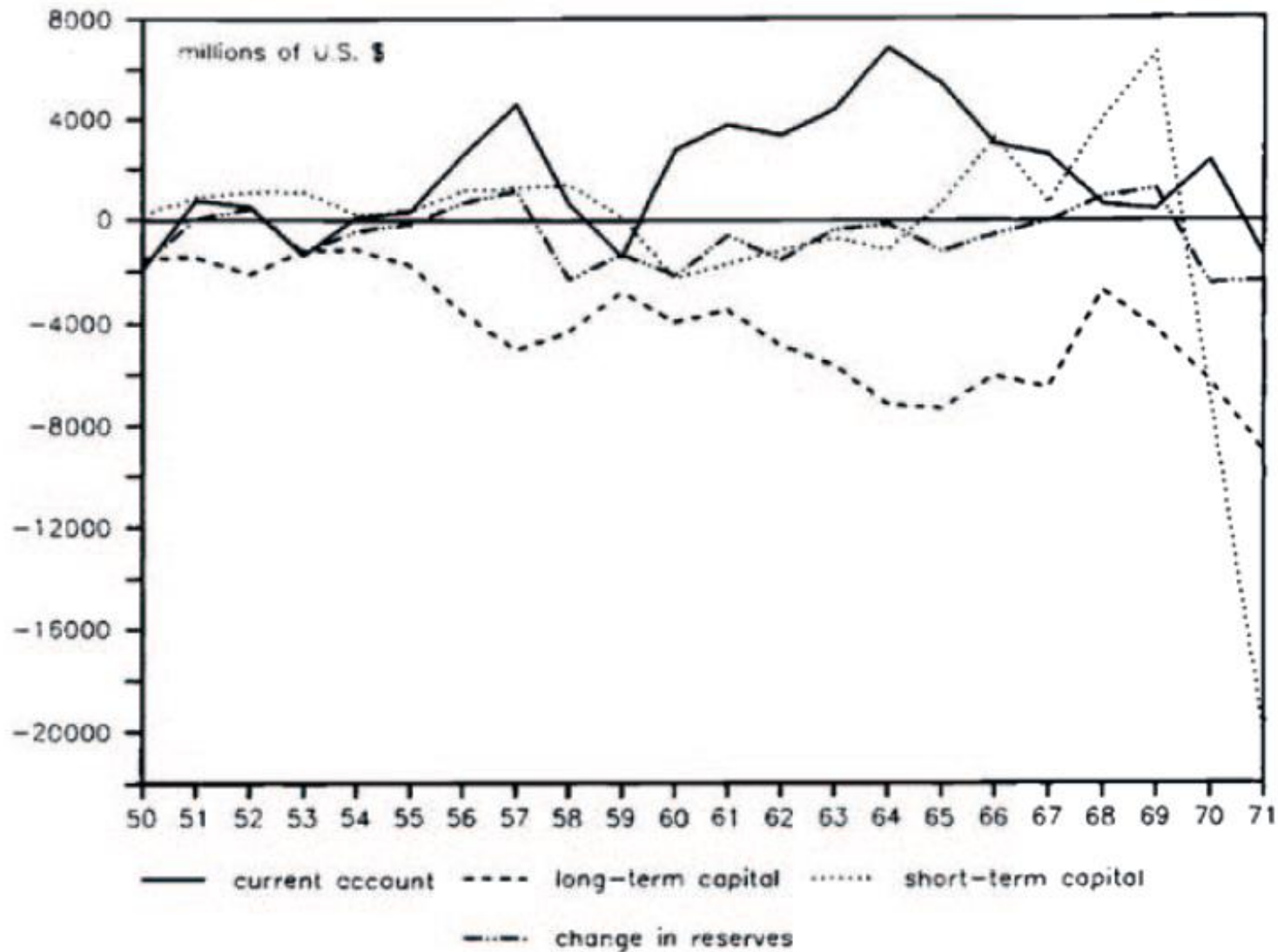
*Source:* CESiFo database for Target 2 and Eurostat for current account; IMF, EFSF/ESM for official assistance programmes; net private capital flows are calculated as in Merler & Pisani-Ferri (2012).

# General government gross debt (% of GDP)



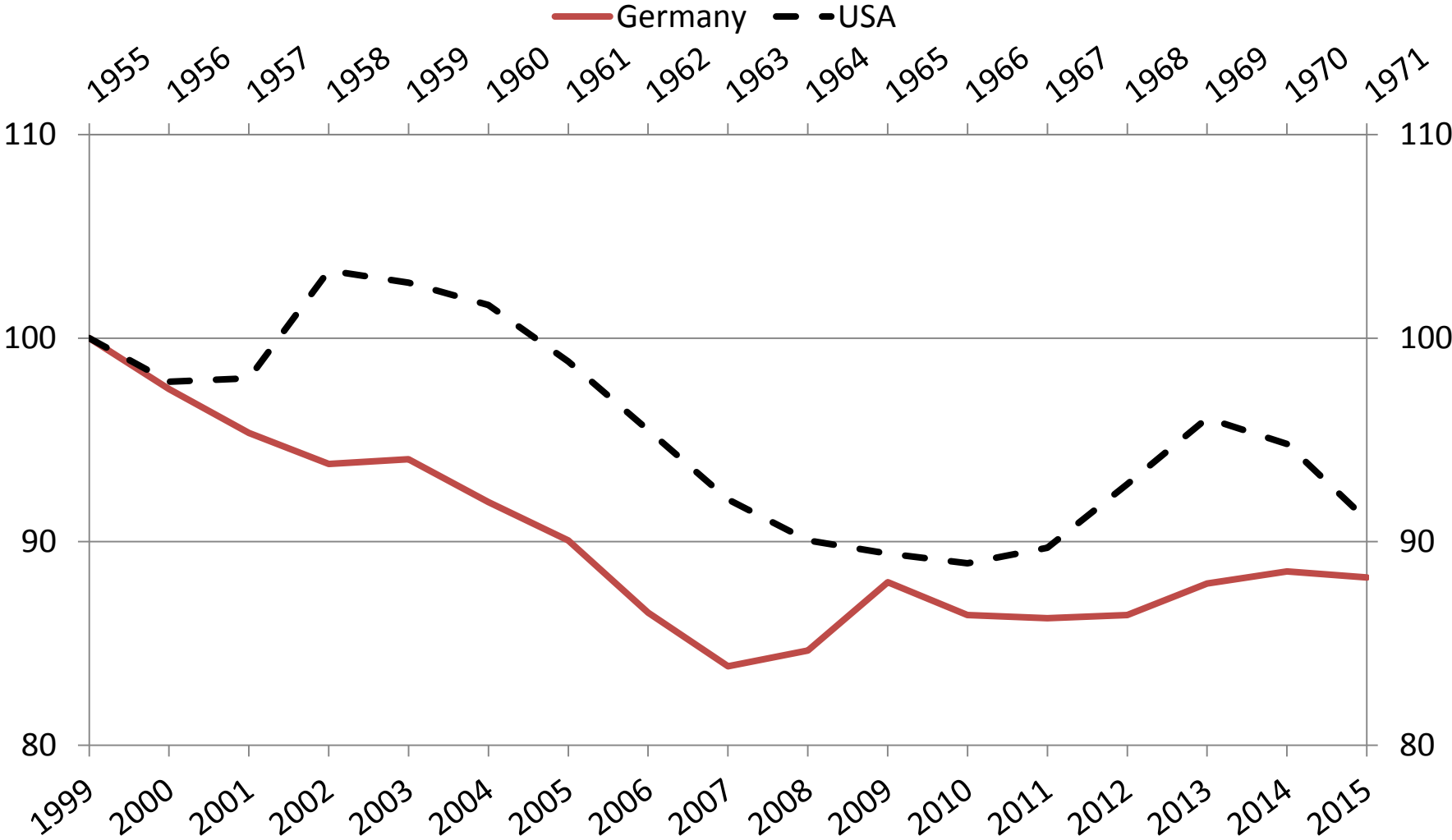
Source: IMF. Note: CORE countries excluding Germany are Austria, Belgium, Finland, France and Netherlands; PIIGS countries are Greece, Ireland, Italy, Portugal and Spain.

# Balance of Payments, USA, 1950-1971



Source: Bordo (1993).

# Real Effective Exchange Rate (beginning of the period=100) in US (1955-71) and Germany (1999-15)

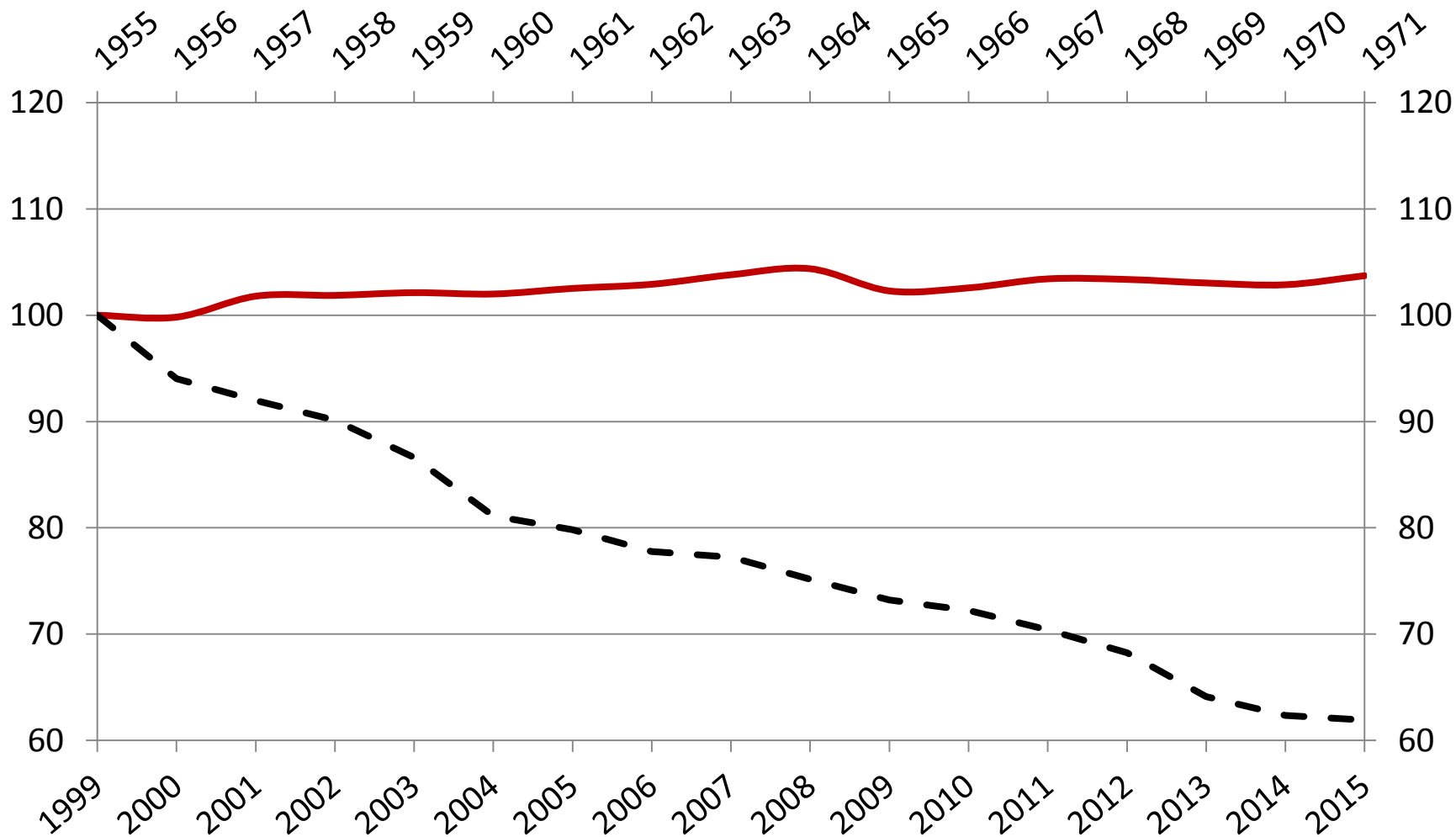


Source: Ameco for Germany, relative to the rest of the former EU-15. IMF and Bordo (1993) for America, computed as average of five bilateral real exchange rates.

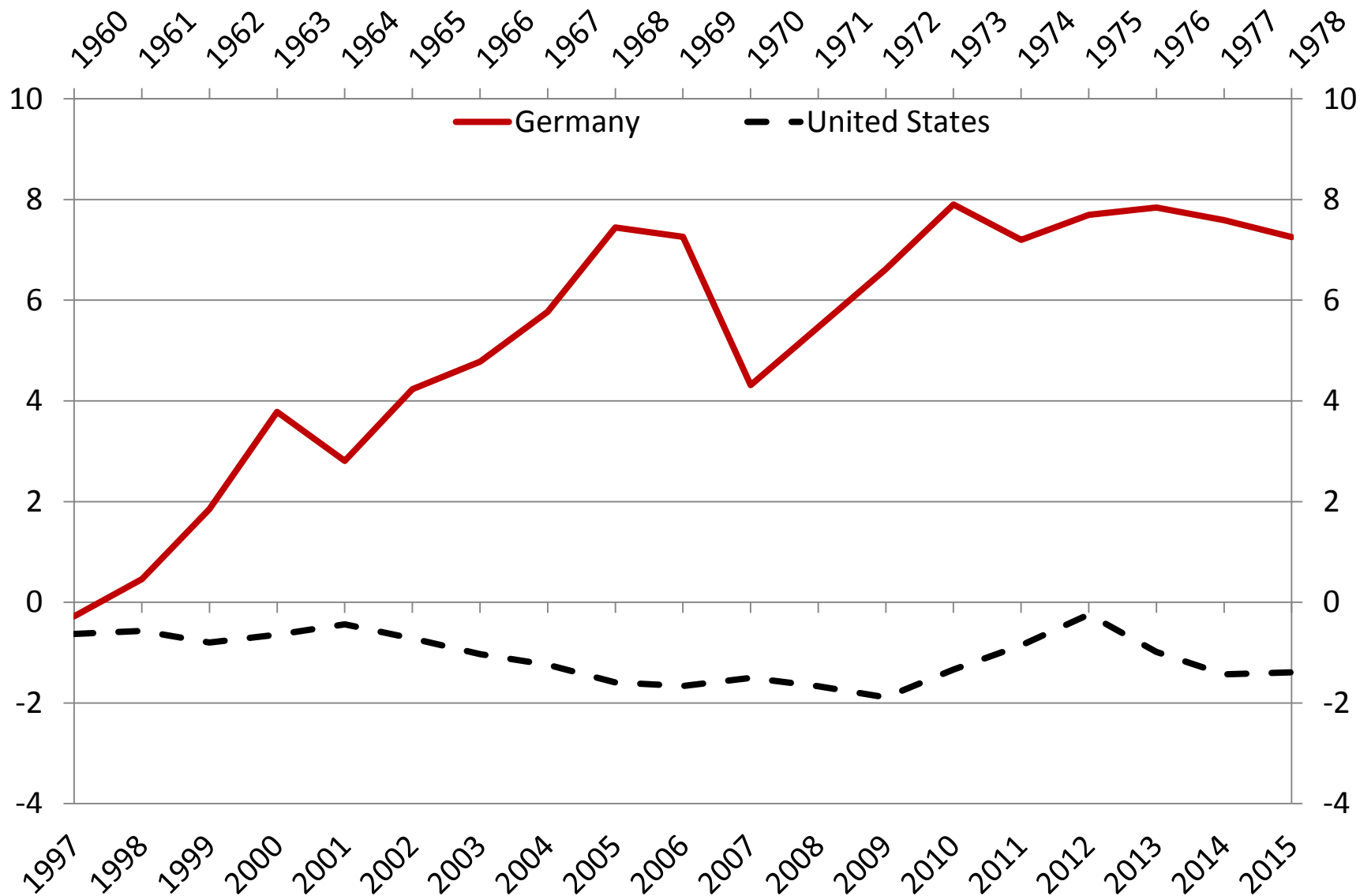
# Labour productivity ratios: US vs. Germany (1955-1971) and Germany vs. rest of EZ (1999-2015)

beginning of the period = 100

— Germany/rest of EZ      - - - US/Germany



# Share of net exports on domestic demand (%) in US (1960-1978) and Germany (1997-2015)



Constant prices. Source: Ameco