

Multilateral Comparisons of Productivity among European Countries

Executive Summary

The objective of this study which uses multilateral comparisons is to analyze differences between levels of total factor productivity among European countries for the period 2000-2012. Our results indicate that countries in West and Central Europe are doing better with respect to the level of productivity, when compared to other Mediterranean and East European countries.

Furthermore, we observe that most of the countries experienced increases in their productivity throughout the years. The productivity increases in the West and Central European countries are mainly due to increases in output, while the increases in the Mediterranean and East European countries are mainly due to more efficient use of their inputs.

It is important to note that our results suggest that the less productive countries are the countries with the most productivity growth. That is, Mediterranean and East European countries show a faster productivity growth compared to the West – Central European ones.