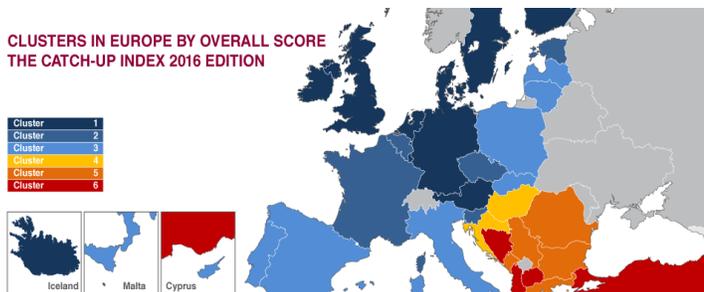


Don't Stop Now: Findings of the European Catch-Up Index 2016

SOFIA, MAY 2017. The convergence of the newer EU member states with their older counterparts is on track. The multi-year comparison with previous data shows a trajectory of catching-up. At the same time, the progress is not evenly spread as some countries stagnate and others regress. There is a particular risk of growing gaps between the Balkan countries and the rest of the continent.

The report “Don't Stop Now: Findings of the European Catch-Up Index 2016” is based on the sixth edition of the index (www.TheCatchUpIndex.eu), which measures and ranks the performance of 35 countries – the EU member states, the candidate and potential candidate countries across four categories: Economy, Quality of Life, Democracy and Governance, using 47 indicators, with scores from 100-0 (highest to lowest) and rankings from 1-35 (highest to lowest).

Most of the newer EU members, which joined the EU in 2004/2007 and Croatia, which joined in 2013 (designated in the survey as EU10+1) are improving their index scores and ranking. Several of them are very close to the desired average benchmark of the fifteen older EU members, Cyprus and Malta, (designated in the survey as EU15+2).



The catching-up process seem to have specific geographic patterns. The Northwestern and Western countries are the best performing core, followed closely by the countries in the South, Northeast and Central Europe. On the opposite side of the map and the performance ranking are the countries in the Southeast of Europe. Previously, the dominant trend was of a North-South divide gradually replacing the old East-West gaps.

In the current index, the most visible trend is the Balkan region lagging behind the rest with a small transitional cluster comprised of Croatia and Hungary, which illustrate the problems of stagnation and regress.

The top ranking countries by overall score are Denmark, Sweden, Luxemburg and the Netherlands on 1st, 2nd, 3rd and 4th place out of 35 in total with a nearly identical score of 71 points. The worst performers are the Balkan countries, and at the bottom of the ranking are Albania, Turkey and Bosnia and Herzegovina on 33rd, 34th and 35th place respectively.

Among the EU10+1 countries, the best performers in the catching-up are Estonia, the Czech Republic and Slovenia on 13th, 15th and 16th place out of 35 in total. Estonia is also the most dynamic country as it moved five positions up in comparison to index 2011, when it was 18th. Bulgaria and Romania are the least successful among the EU new member states in catching-up, respectively on 29th and 28th place in the overall ranking. Hungary is an example of regress as it started on 25th position with 47 points in the first index 2011 and dropped to 27th position with 42 points in the current overall ranking. Croatia is the country that has not changed its position since the first index 2011.

The new member states are catching-up relatively better in the Economy category, and most problematic category is Quality of Life, which includes indicators for public services, healthcare, education, relative welfare of consumers and inequality. But while the average scores of the EU10+1 group come closer to the average scores of the EU15+2 group in all four categories, they do not exceed them in any of them. Only Estonia performs above the average in the Economy category with a score of 55 points versus 54 points on average for the older member states, on a scale from 0 to 100.

There are differences in performance also in regard to the 47 basic indicators and sub-indicators that comprise the categories, which include cases of either excellent or disappointing results. In Government Debt, 10 out of 11 CEE countries – i.e. with the exception of Croatia - are above the average benchmark. In Employment and Market Development four countries have scores above the average. In the Long-Term Unemployment sub-indicator, 8 out of 11 CEE countries have higher than average scores. In PISA, which measures education quality, Estonia exceeds the maximum score of even the best performing older member state. In Media Freedom and Trust in People, indicators in the Democracy category, three and four EU10+1 countries respectively perform above the average of the EU15+2. In Inequality, measured by the Gini coefficient, three newer members – Slovakia, Slovenia and the Czech Republic - have better results than the best performing old member state. At the same time, five other newer members have very poor results in Inequality indicator and are at the bottom of the ranking below the minimum score of the older EU members.

There are cases when the newer member states are seriously underperforming. In the Life Expectancy sub-indicator only Slovenia is performing well and all the rest EU10+1 have lower results than even the lowest score among the old members. In Consumption per Capita, which measures the welfare of consumers, 10 out of 11 new member states have lower scores than the worst performing older member state. Energy Efficiency indicator is another one where the EU10+1 countries are performing poorly as 10 out of 11 CEE countries fall below even the minimum EU15+2 score.

The index shows there is correlation between the main categories of the index – Economy, Quality of Life, Democracy and Governance. These factors cannot be disentangled from the overall performance and successful convergence necessitates progress in all four categories. Another conclusion of the index is that the EU member states outperform the countries outside of the EU with Iceland being the only exception of a non-member performing very well.

While the convergence between the newer and the older EU member states becomes even more topical in view of the other policy gaps and disagreements within the EU, the Balkans are the region in Europe in most serious need of attention and investment in the catching-up.

The online platform at <http://www.TheCatchUpIndex.eu> allows users to view and work interactively with the data, creating their own “catching up” models and comparisons across countries and indicators.

The Catch-Up Index is a project of the European Policy Initiative (EuPI) of the Open Society Institute – Sofia.

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The Catch-Up Index 2016

Group	Country	Score by categories (100-0)				Overall Score (100-0)	Ranking (1-35)
		Economy	Quality of Life	Democracy	Governance		
EU15+2	Denmark	70	68	75	73	71	1
EU15+2	Sweden	69	68	73	74	71	2
EU15+2	Luxembourg	74	71	67	72	71	3
EU15+2	Netherlands	69	70	71	72	71	4
EU15+2	Finland	61	69	72	72	69	5
PCC	Iceland	60	67	70	68	66	6
EU15+2	Germany	66	67	63	67	66	7
EU15+2	Austria	62	66	64	69	65	8
EU15+2	Ireland	63	64	66	67	65	9
EU15+2	UK	62	66	61	68	64	10
EU15+2	Belgium	56	66	62	61	61	11
EU15+2	France	57	65	53	58	58	12
EU10+1	Estonia	57	53	59	55	56	13
EU15+2	Malta	54	51	60	55	55	14
EU10+1	Czech Republic	54	56	57	55	55	15
EU10+1	Slovenia	48	59	54	53	54	16
EU15+2	Spain	48	53	54	51	52	17
EU15+2	Portugal	42	49	54	58	51	18
EU10+1	Poland	47	49	55	49	50	19
EU10+1	Lithuania	52	46	52	50	50	20
EU15+2	Cyprus	43	53	47	52	49	21
EU10+1	Slovakia	49	46	54	46	49	22
EU15+2	Italy	43	55	49	41	47	23
EU10+1	Latvia	51	41	49	45	47	24
EU10+1	Hungary	44	44	38	44	42	25
EU10+1	Croatia	39	43	42	40	41	26
EU15+2	Greece	31	47	34	34	36	27
EU10+1	Romania	43	28	38	35	36	28
EU10+1	Bulgaria	40	29	32	33	34	29
CC	Montenegro	33	33	26	29	30	30
CC	Serbia	29	27	34	29	30	31
CC	Macedonia	36	21	19	25	26	32
CC	Albania	29	21	23	20	23	33
CC	Turkey	36	25	11	20	23	34
PCC	BiH	23	17	15	14	17	35

The ranking is based on the Overall Score. The scores are from 100 to 0 points, highest to lowest. The ranking is from 1 to 35, highest to lowest position. The groups of countries are: EU15+2 are the fifteen EU older member states, Cyprus and Malta; EU10+1 are the newer member states in CEE with the ten that joined the EU in 2004/2007 and Croatia in 2013; CC are the EU candidate countries; PCC are the EU potential candidate countries.