

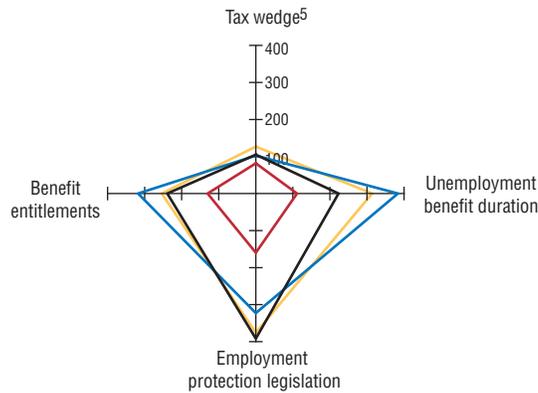
Figure 1.12. Western Europe: Social Policy Indicators and Outcomes

(U.S. average = 100)

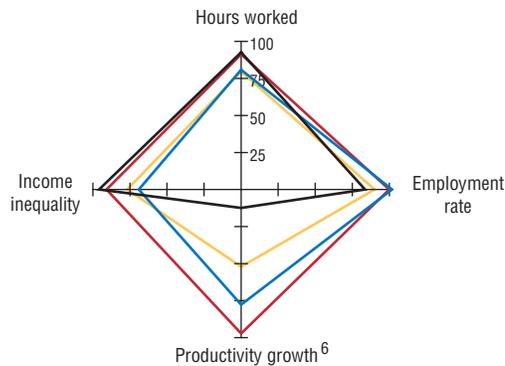
Social policy models within Europe exhibit significant variations in design and in their impact on economic efficiency and equity. The examples of success within Europe can help guide reform of the models in line with the Lisbon Agenda.



Labor Market Indicators



Social Policy Outcomes



Sources: Eurostat, ESSPROS; Haver Analytics; Klenow and Rodriguez-Clare (2004); OECD, *Economic Outlook*; OECD, *Employment Outlook 2005*; and IMF staff calculations.

¹ Denmark, Finland, the Netherlands, and Sweden.

² Ireland and the United Kingdom.

³ Austria, Belgium, France, Germany, and Luxembourg.

⁴ Greece, Italy, Spain, and Portugal.

⁵ Income tax plus employee and employer contributions less cash benefits (as a percent of labor costs) in a two-earner family with two children, one at 100 percent average earnings, and the other at 33 percent.

⁶ Total factor productivity growth.