

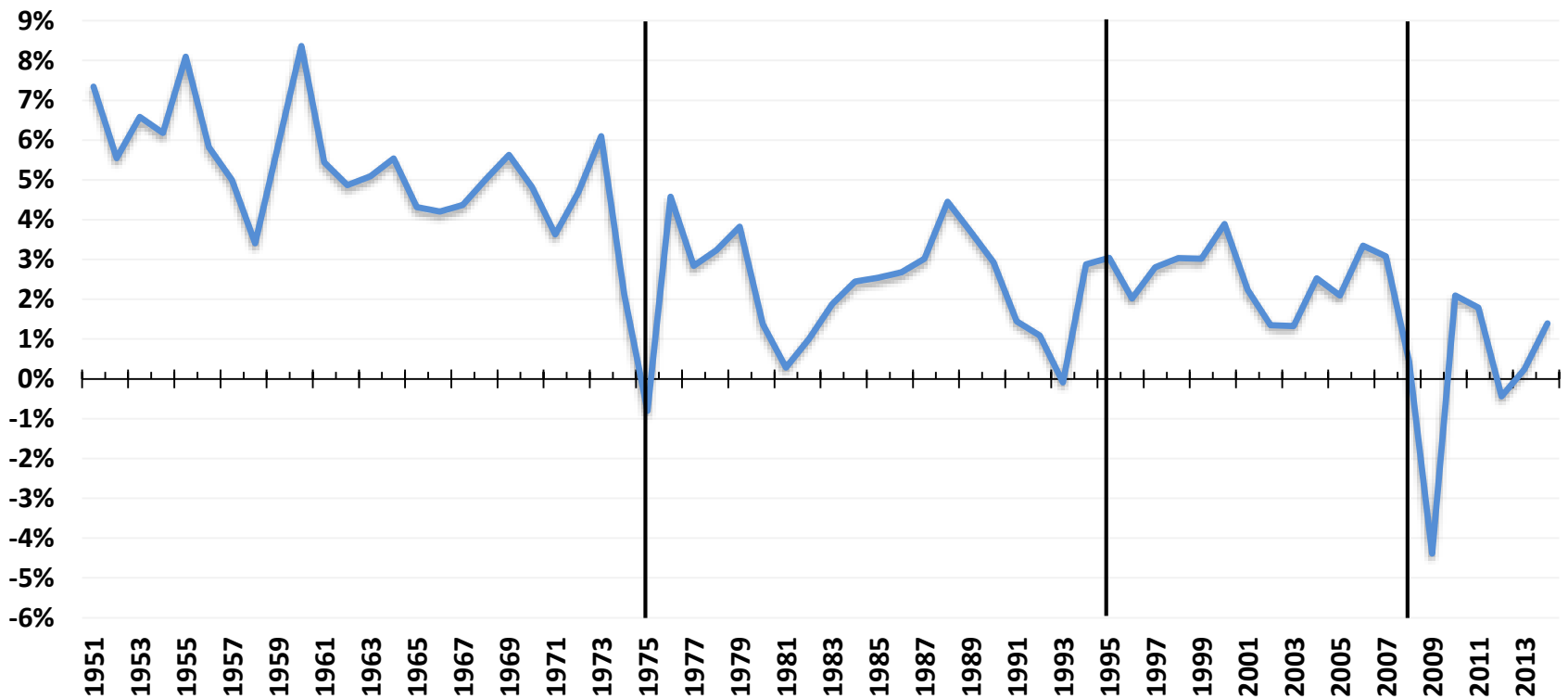
Europe's Post-Referendum Dynamics

Simeon Djankov



Heading Towards Stagnation

The Four Periods in Europe's Postwar History

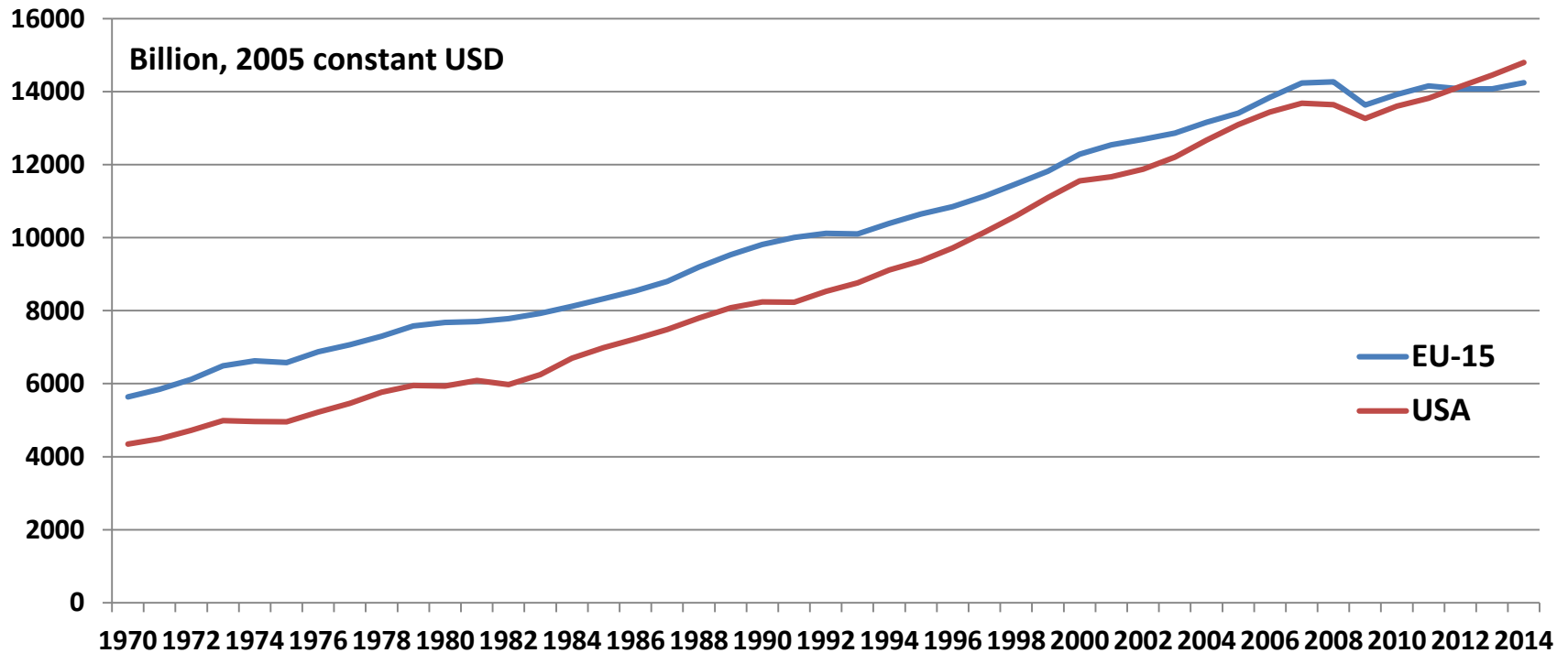


Source: World Development Indicators. Penn World Tables



Losing Competitiveness

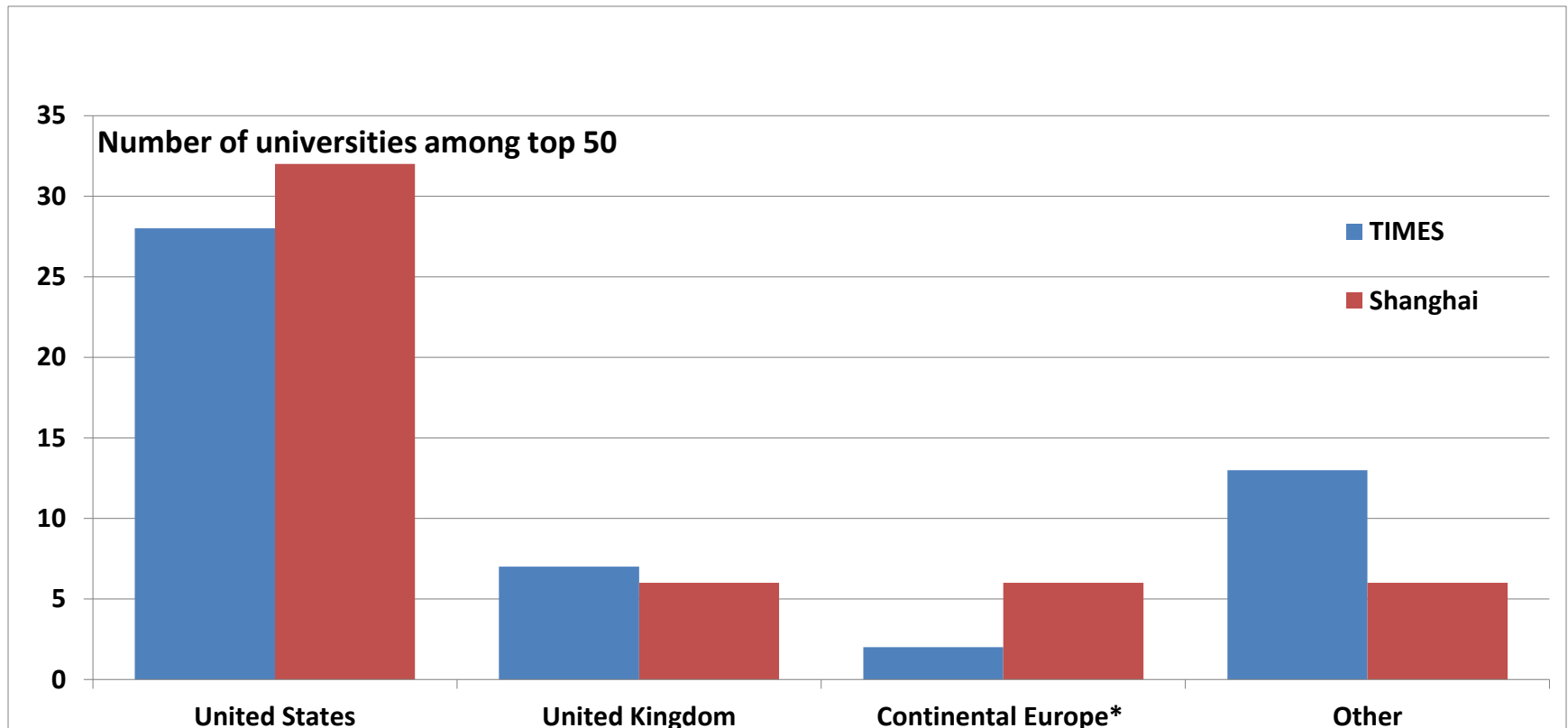
EU-15 vs US, 1970-2014



Source: the World Bank, <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD>, Retrieved 2015-07-20



Low Innovation Potential



Note: the Shanghai ranking uses four variables with different weights: quality of education (weight 10%), quality of faculty (weight 40%), research output (40%) and per capita performance (10%). The Times ranking uses five categories of variables: industry income (2.5%), international diversity (5%), teaching (30.5%), research (30%) and citation impact (32.5%).

Source: Times: <https://www.timeshighereducation.co.uk/world-university-rankings/2015/world-ranking#/> ;

Shanghai: <http://www.universityrankings.ch/results/Shanghai/2014?ranking=Shanghai&year=2014®ion=&q=&s=50>



Completing Markets

- Single Capitals Market
 - Digital Market
 - Energy Market
 - Services Market
- ~ 1.5 percentage points higher growth