

[OT] Lazy Inefficient European Socialist Losers?

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From: Scott Stephens (scottxs_at_comcast.net)

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Thanks to Stu at misc.survivalism;

<http://tinyurl.com/48zy9>

> *The grass is not greener Bruce Bartlett (archive)*
>
> *August 10, 2004 | Print | Send*
>
> *Europeans are frustrated. They have been behind the United States*
> *economically for years and thought this was due to lack of economic*
> *integration. So they created the European Union, with a common*
> *currency and virtually free mobility of goods, capital and labor*
> *throughout the continent. Yet Europe continues to lag.*
>
> *A new report from the Bureau of Labor Statistics shows the United*
> *States with real gross domestic product per person in 2003 of \$34,960*
> *(in 1999 dollars). This is well above every European country. The*
> *most productive European country, Norway, has a per capita GDP of*
> *just \$30,882 (converted using purchasing power parity exchange*
> *rates). The major countries of Europe are even further behind: United*
> *Kingdom (\$26,039), France (\$25,578), Italy (\$24,894) and Germany*
> *(\$24,813).*
>
> *In other words, Europeans produce no more per year than Americans did*
> *20 years ago. And they are not catching up. According to the Bank for*
> *International Settlements in Switzerland, the productivity gap*
> *between the United States and Europe is actually widening. In the*
> *Euro area as a whole, workers were 86 percent as productive as*
> *American workers in 1995. In 2003, this fell to 84 percent.*
>
> *As a consequence, living standards are much lower in Europe than most*
> *Americans imagine. This fact is highlighted in a new study by the*
> *Swedish think tank Timbro. For example, it notes that the average*
> *poor family here has 25 percent more living space than the average*
> *European. Looking at all American households, we have about twice as*
> *much space: 1,875 square feet here versus 976.5 square feet in*
> *Europe. On average, Europeans only live about as well as those in the*
> *poorest American state, Mississippi.*

- >
- > *Where Europeans are better off, perhaps, is in terms of leisure --*
- > *they have a lot of it. According to the Union Bank of Switzerland,*
- > *the typical European has two to three times as many paid days off per*
- > *year as Americans. And according to Eurostat, Europeans don't put in*
- > *much of a workday, either. According to the report, the typical*
- > *European only does a bit more than five hours of gainful work per*
- > *day, with Norwegians at the low end at four hours, 56 minutes per*
- > *day, and (surprisingly) the French at the high end at five hours, 44*
- > *minutes per day.*
- >
- > *One reason for the short workday is that Europeans seem to get sick a*
- > *lot more than Americans. According to a July 25 report in The New*
- > *York Times, on an average day 25 percent of Norway's workers call in*
- > *sick. A 2002 study in Sweden found that the average worker there took*
- > *more than 30 sick days per year. Makes you wonder just how good their*
- > *health care systems really are.*
- >
- > *As a consequence, aggregate hours worked are much lower in Europe*
- > *than in the United States. According to a new report from the*
- > *Organization for Economic Cooperation and Development in Paris, last*
- > *year the average American worked 1,792 hours. By contrast, the*
- > *average Frenchman worked just 1,453 hours and the average German*
- > *worked only 1,446 hours. Twenty-five years ago, annual hours worked*
- > *in Europe were much closer to those here.*
- >
- > *The OECD blames the unwillingness of Europeans to work as the*
- > *principal reason for the lower output per worker and their lower*
- > *standard of living compared with Americans. "Research has clearly*
- > *established a remarkable fact: namely, that the sizable U.S.*
- > *advantage in real GDP per capita ... is largely due to differences in*
- > *total hours worked per capita," the report states. It urges European*
- > *governments to reform their labor policies to increase work hours, a*
- > *recommendation seconded in a recent report from the International*
- > *Monetary Fund.*
- >
- > *Unfortunately, neither the OECD nor the IMF has any real explanation*
- > *for why Europeans take so much leisure time. However, a new study by*
- > *economist Edward Prescott of the Federal Reserve Bank of Minneapolis*
- > *provides the answer. He says that Europe's higher taxes explain*
- > *almost all the difference in labor force participation rates between*
- > *Europe and here. He notes that when European tax levels were*
- > *comparable to those here, work hours were similar. But as Europe's*
- > *taxes have risen, workers responded by working less.*
- >
- > *Consequently, tax cuts in Europe would raise labor supplies, increase*
- > *output and raise the standard of living. For example, if France*
- > *reduced its tax burden from 60 percent of GDP to 40 percent, the*
- > *average Frenchman would be able to consume 19 percent more over his*
- > *lifetime than he does now. This is a very large impact.*
- >

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- > *In short, Europeans don't work because it just doesn't pay to work*
- > *after the government takes its cut. And because welfare benefits are*
- > *so high, the cost of not working is low. Thus, when workers compare*
- > *what they make after-tax with what they can make by doing nothing,*
- > *the gap is very small.*

--

Scott

DIY Piezo-Gyro, PCB Drill Bot & More Soon!

<http://home.comcast.net/~scottxs/>
