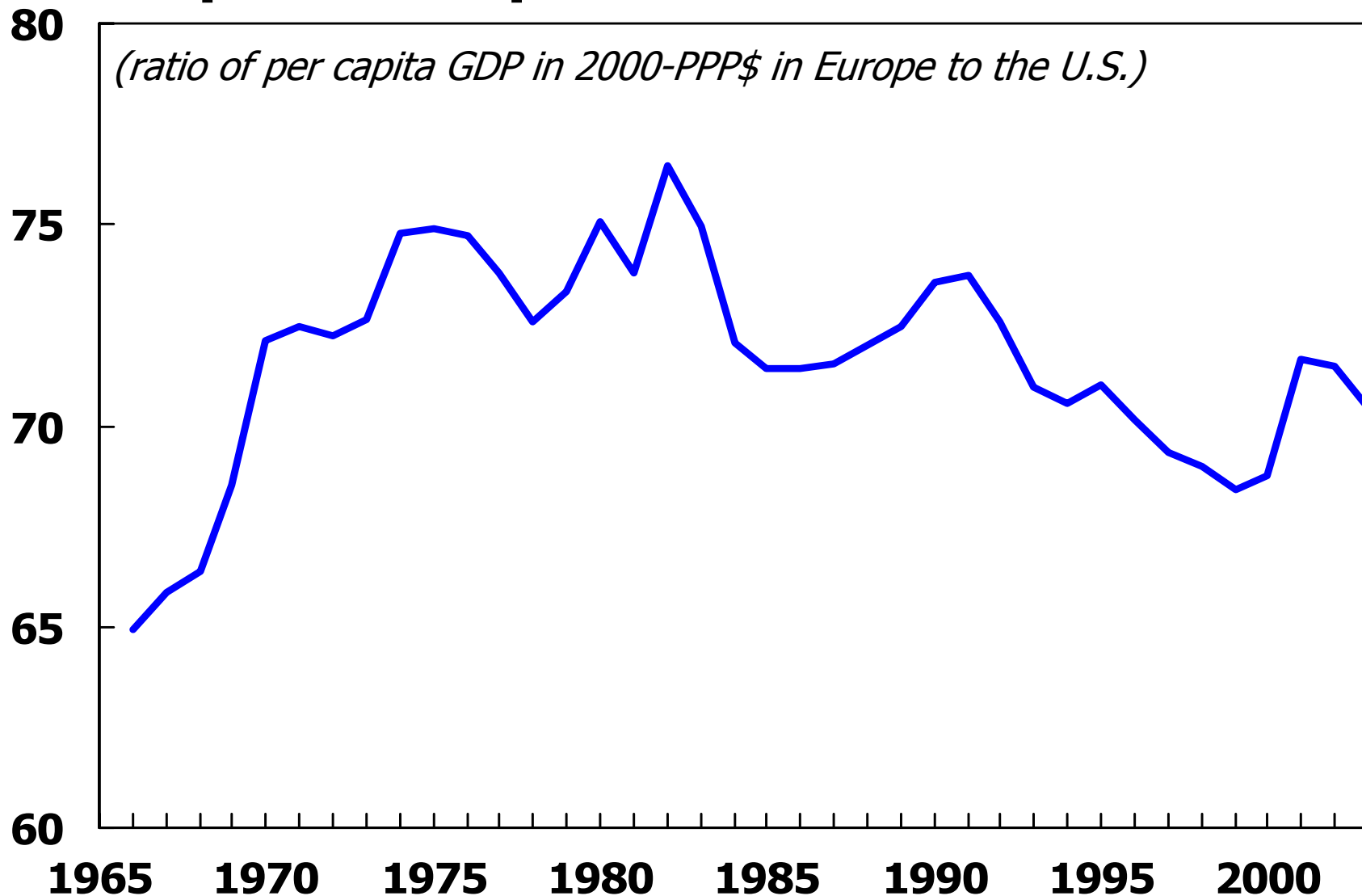




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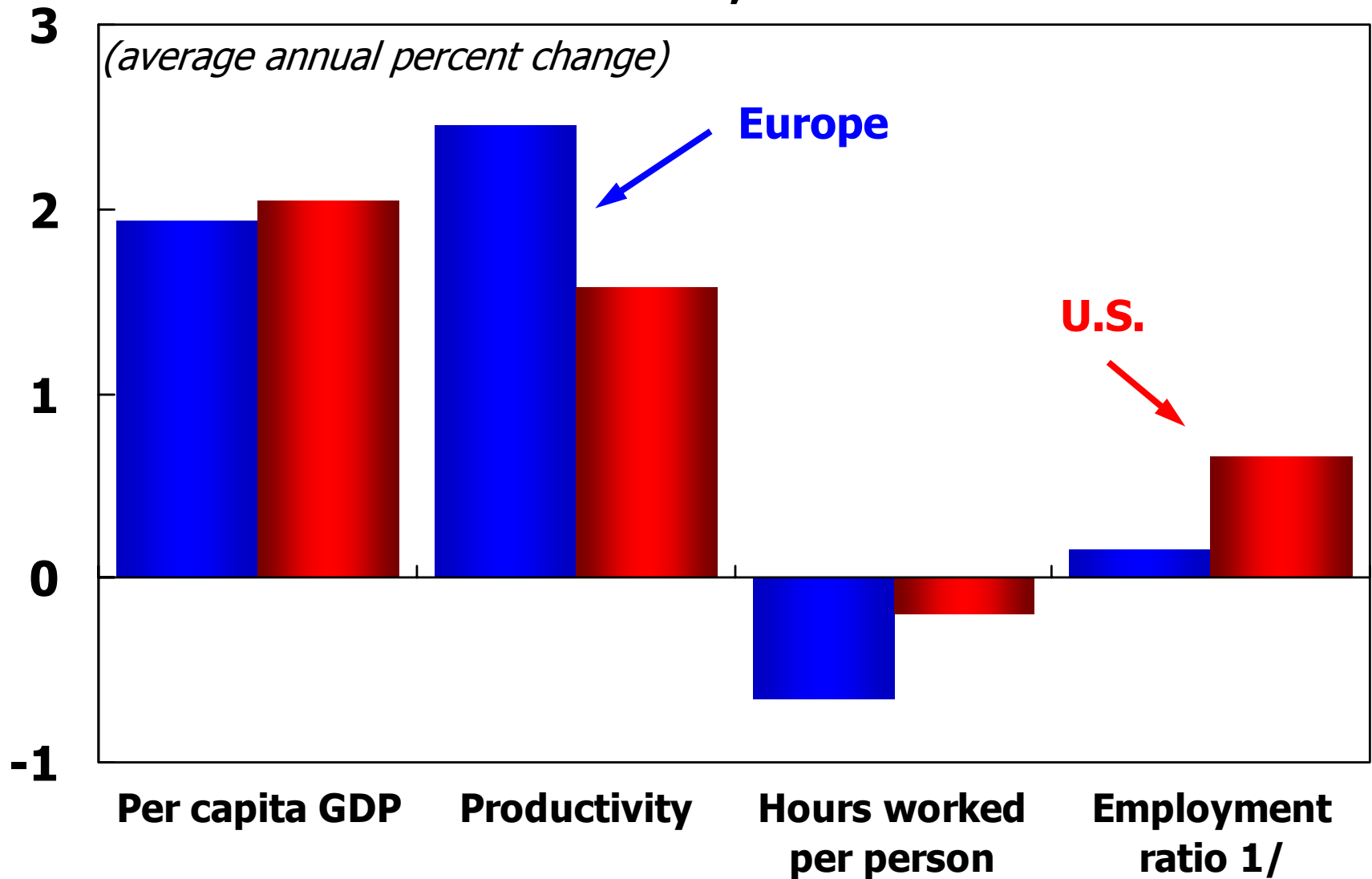
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Europe: Per Capita GDP Relative to the U.S.



Source: OECD Economic Outlook.

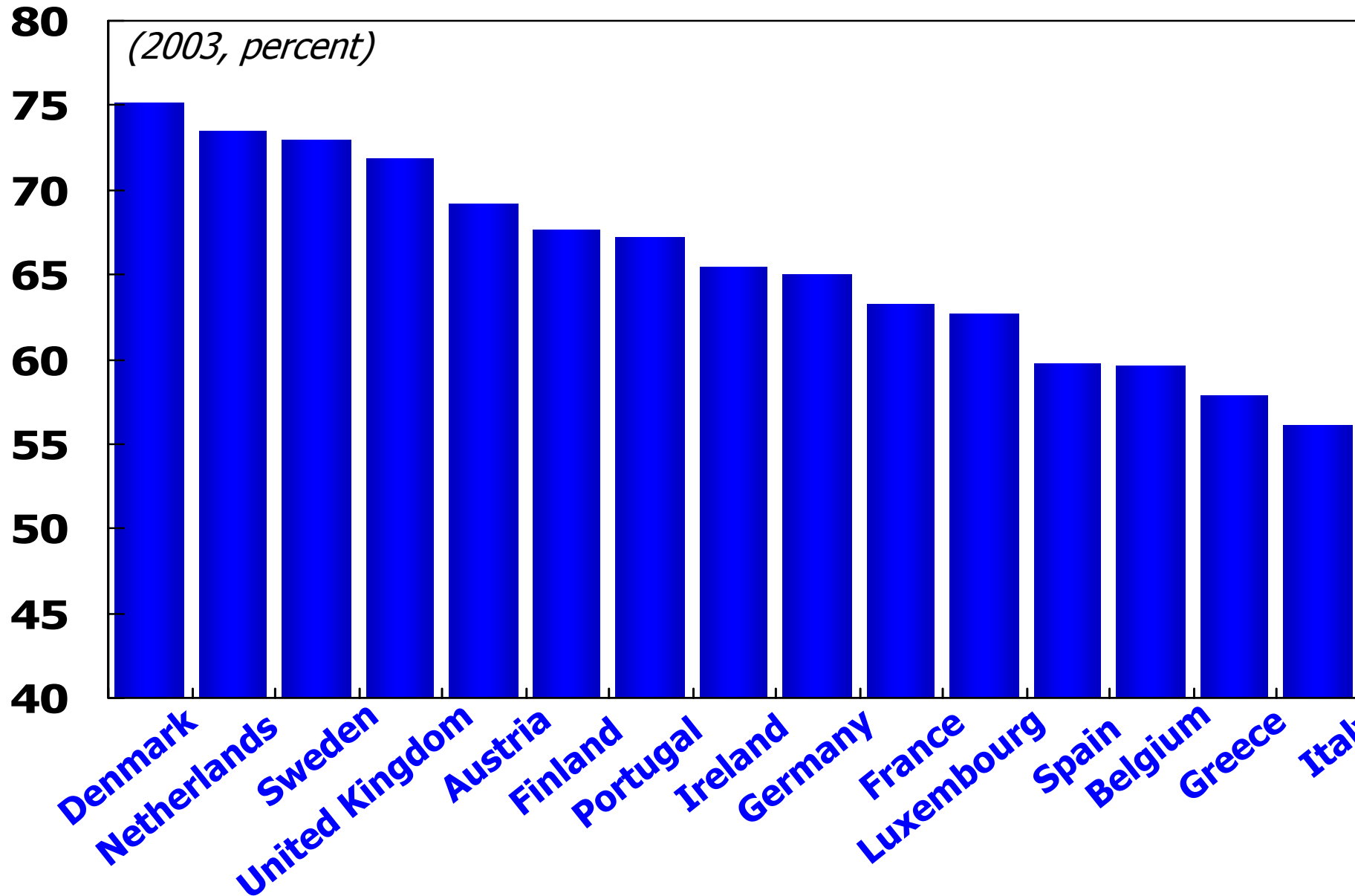
Europe and the United States: Per Capita Income Growth, 1971–2003



Sources: OECD Economic Outlook; and IMF staff calculations.

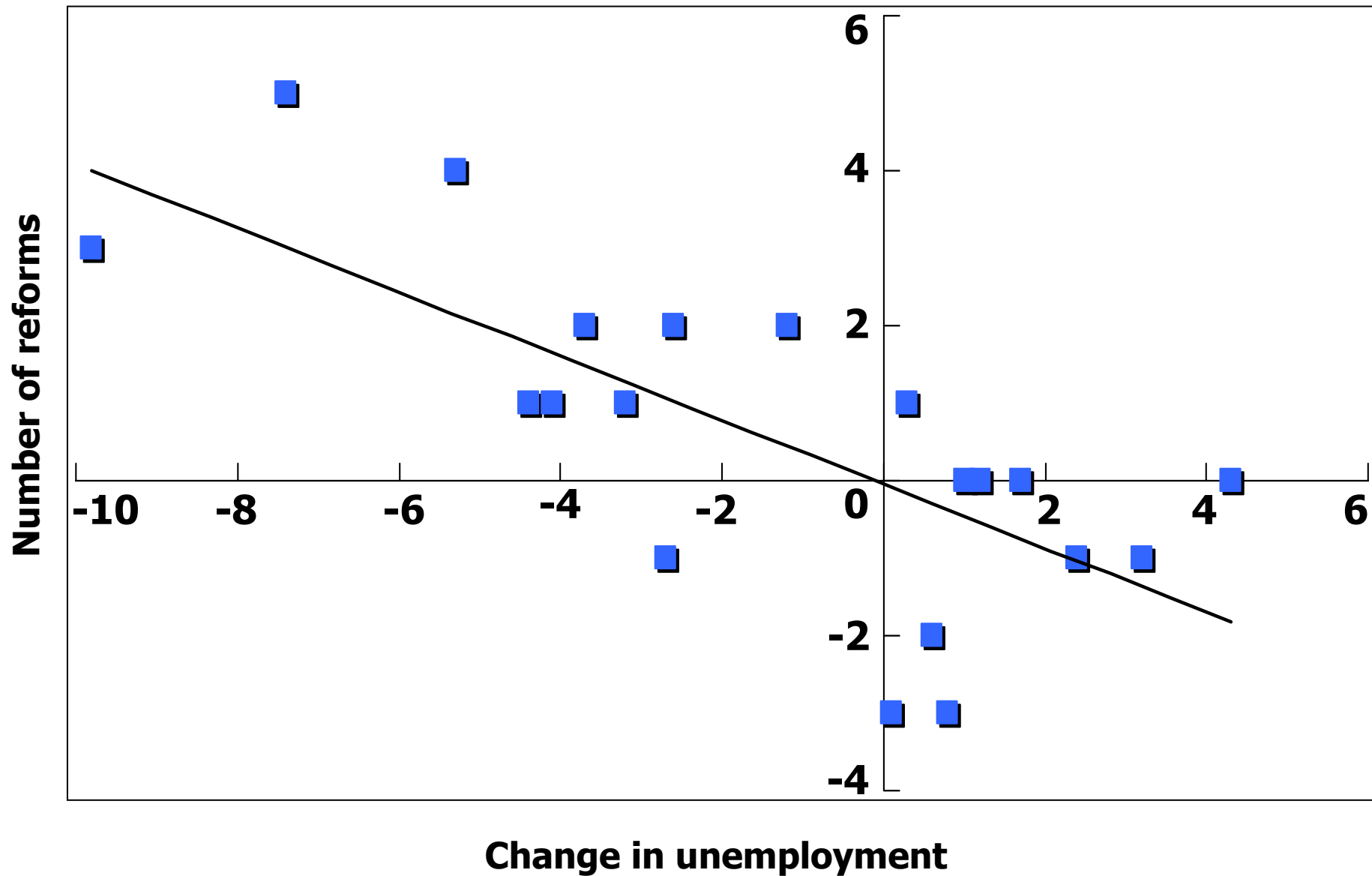
1/ Includes relative change in age structure of population.

Employment Rates in Europe

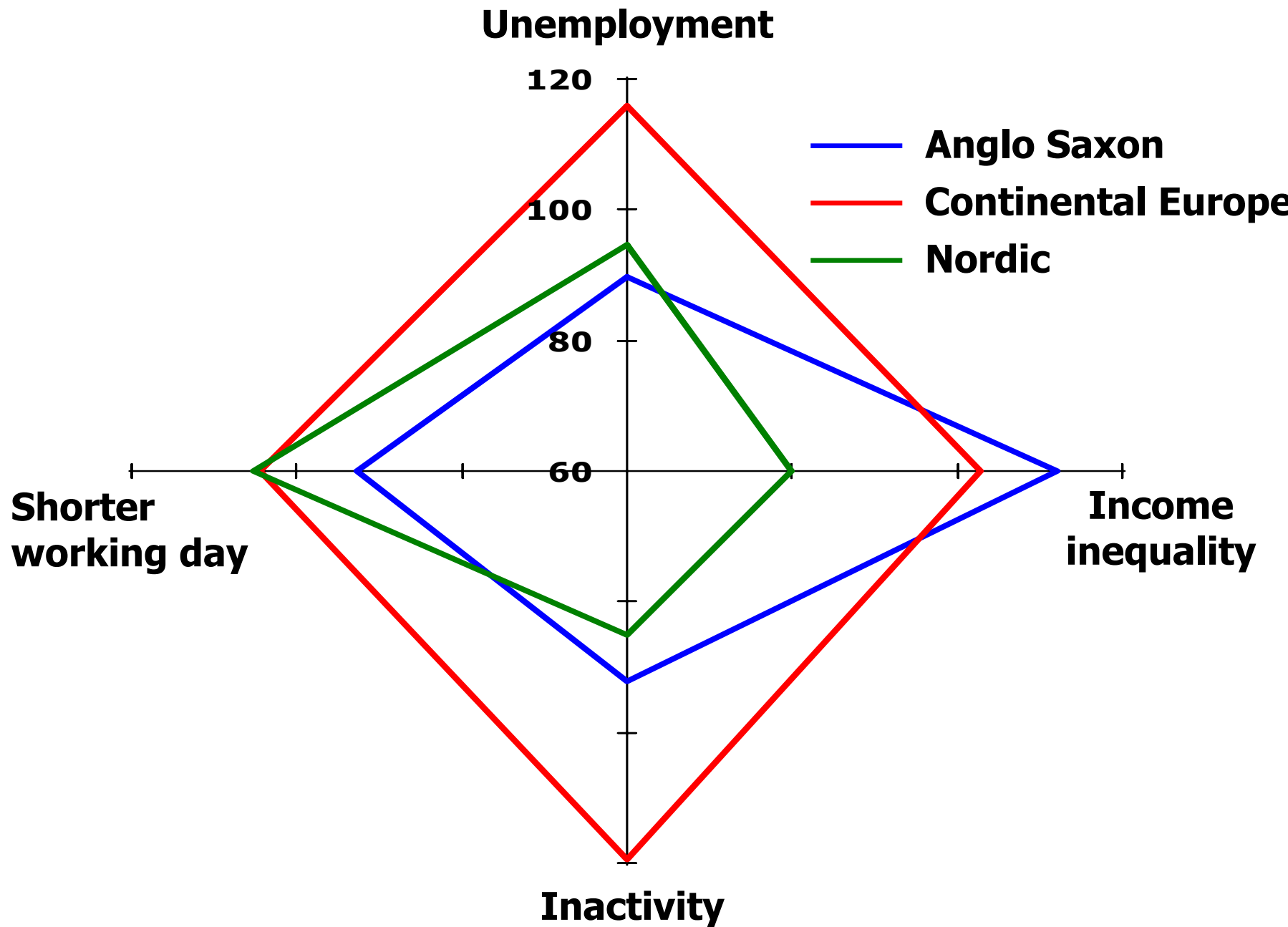


Source: Eurostat.

Unemployment and Reforms in Industrial Countries

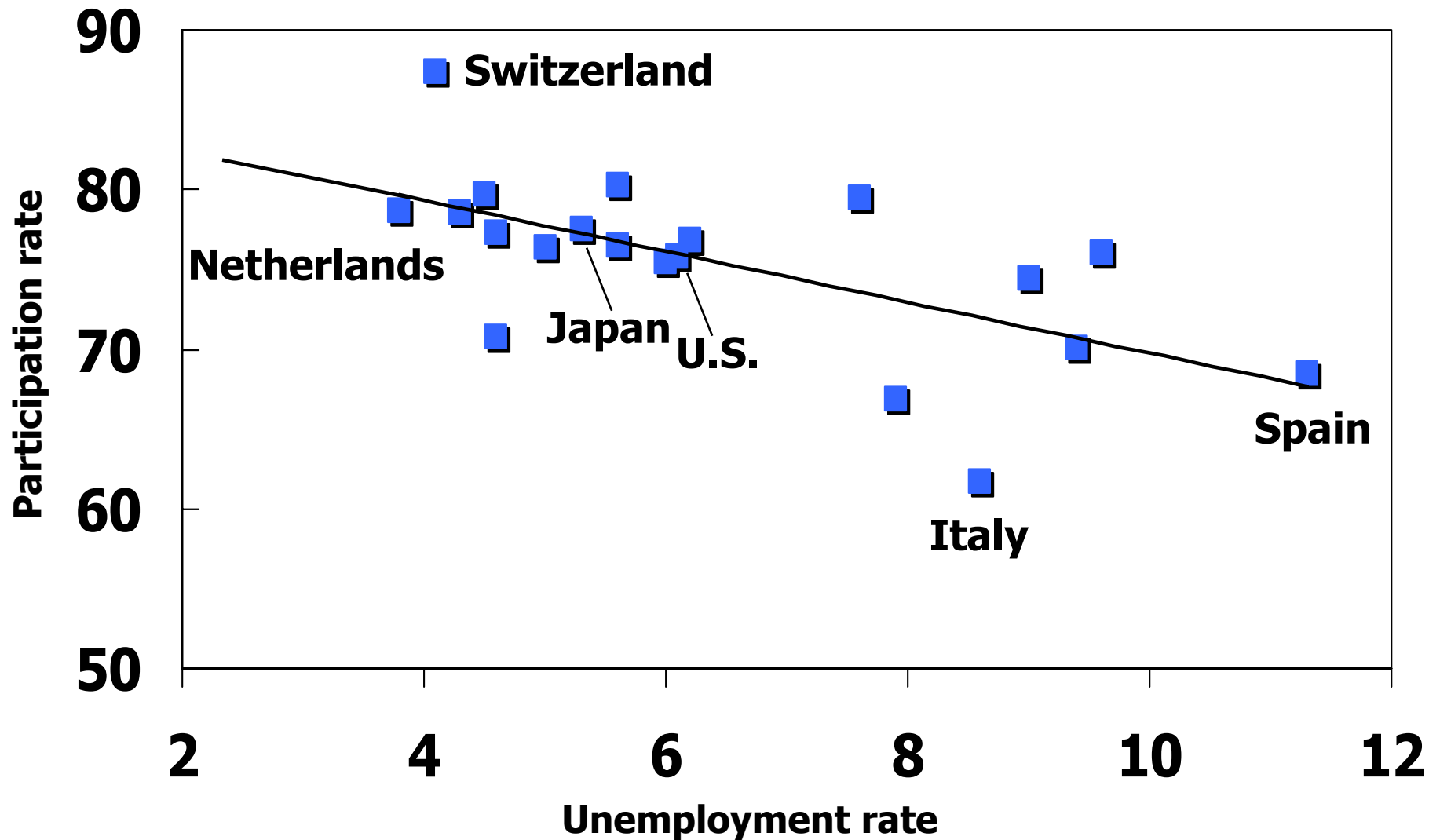


Source: Nickell (2003).



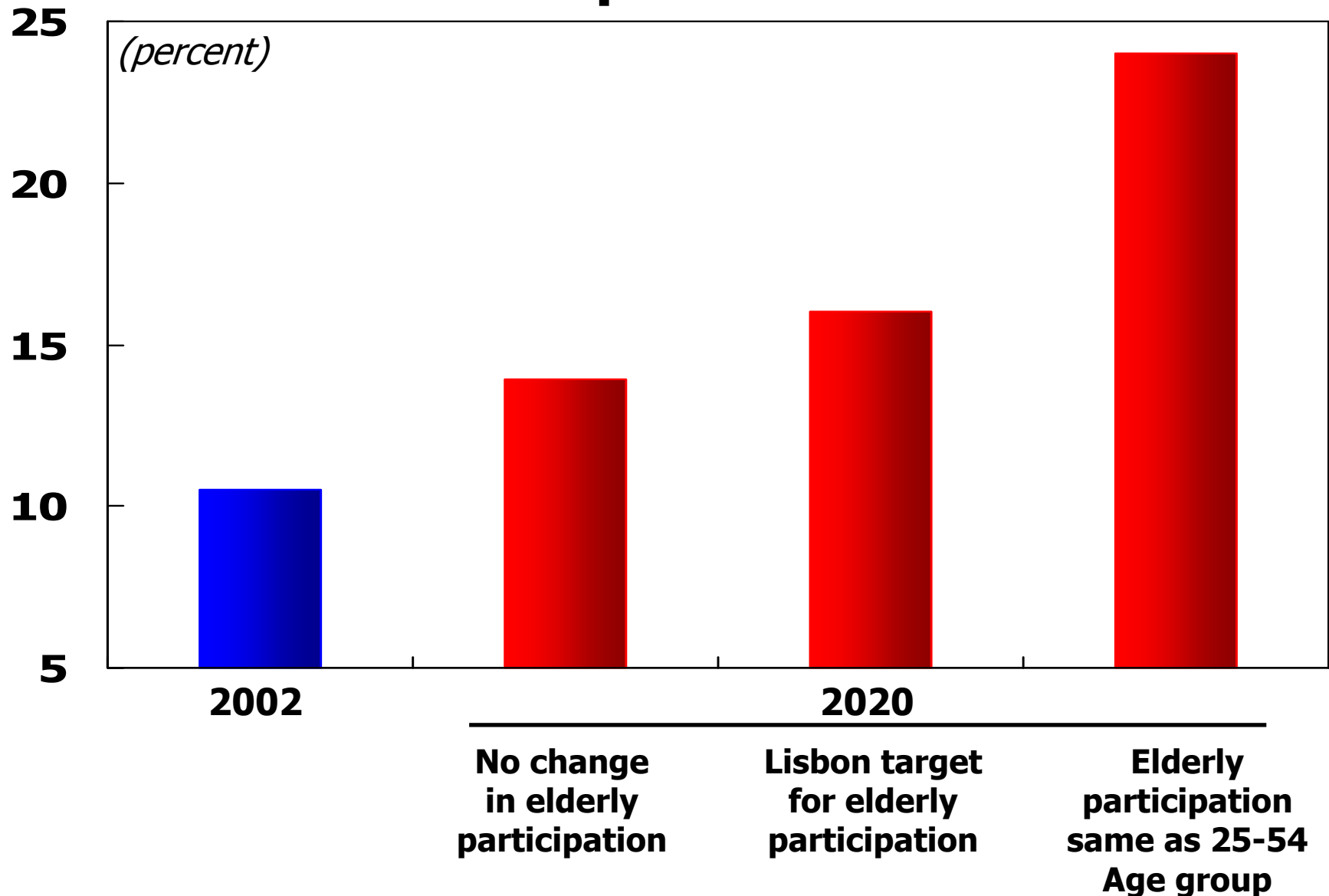
Sources: de Groot, Nahius and Tang (2004); and OECD.

Industrial Countries: Unemployment and Participation Rates, 2003



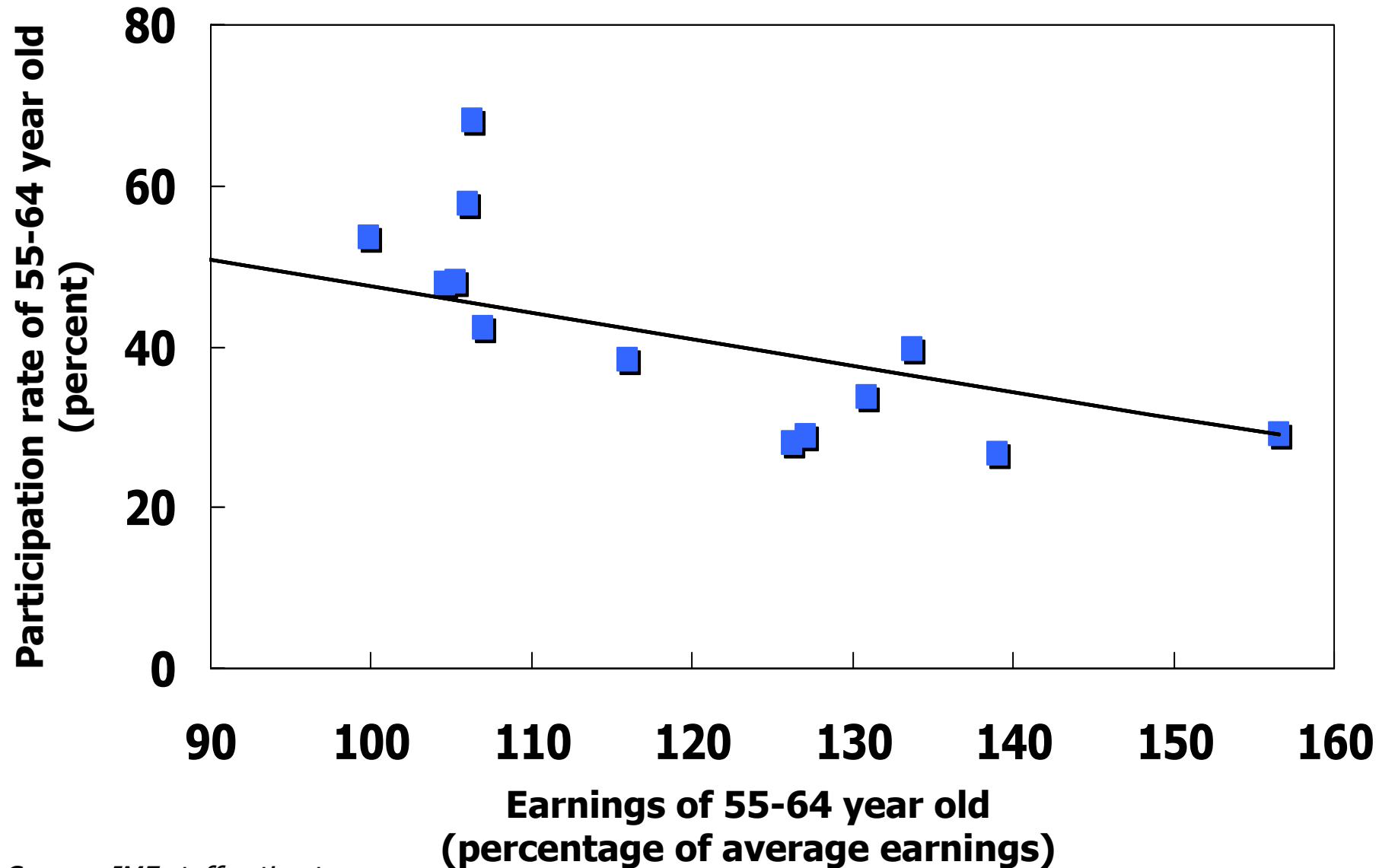
Source: OECD Economic Outlook, No. 76 (December 2004).

Share of Older Workers in the Working Population



Source: IMF staff estimates.

Relative Wages and Participation Rates of Older Workers



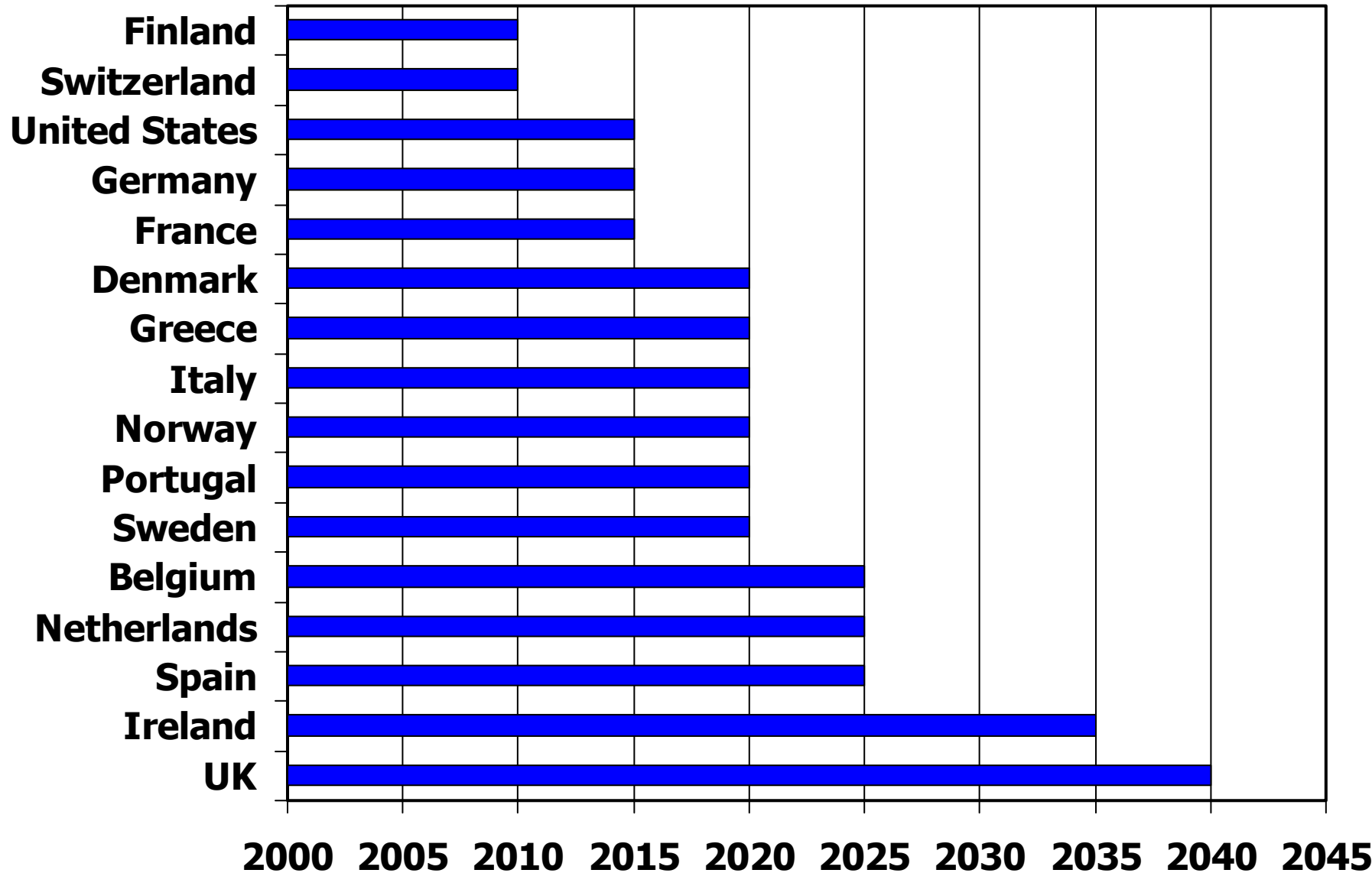
Source: IMF staff estimates.

What Matters for Reform?

- Social consensus and short run costs
- International spillovers
- The macroeconomic setting
- Reform design
- Surprisingly, not politics

The Last Train for Pension Reform Departs on...

(Year in which voters aged 50 and older comprise at least 50.1% of all voters)





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