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**The failure of the EU in the global “*Lisbon process*”.
A cross-national, quantitative tribute to the relevance
of the economic theories of Professor Pan Yotopoulos**

Introduction

Is globalization a general receipt for a sound and successful development, especially of the new member states of the European Union? Or is there a lesson to be learnt from the experience of the world periphery and semi-periphery, and from dependency research, which – like the works of Osvaldo Sunkel – is generally critical about the long-term polarizing social effects of relations of dependency?

As it is well known, in March 2000, the EU Heads of States and Governments agreed to make the EU *“the most competitive and dynamic knowledge-driven economy by 2010”*. Although some progress was made on innovating Europe's economy, there is growing concern that the reform process is not going fast enough and that the ambitious targets will not be reached¹. As it is also widely known, the 14 main structural “Lisbon” agenda indicators, created to measure progress in meeting the Lisbon targets, play an important role in European policy making². The Lisbon lists of indicators, apart from the highly publicized debt-related Maastricht criteria of the European Monetary Union, are perhaps the most important checklists for government success or failure in Europe today. They are omnipresent in the public political as well as scientific debate and are defined by Eurostat as:

List of Lisbon indicators:

1. GDP per capita in PPS
2. Labor productivity
3. Employment rate
4. Employment rate of older workers

¹ for a short survey of the Lisbon process, see also: <http://www.euractiv.com/Article?tcmuri=tcm:29-117510-16&type=LinksDossier>

²http://epp.eurostat.ec.eu.int/portal/page?_pageid=1133,1403427,1133_1403432&_dad=portal&_schema=PORTAL

5. Educational attainment (20-24)
6. Research and Development expenditure
7. Comparative “price levels” (developed on the basis of the ERD-Index Yotopoulos et al.)³ (the Commission maintaining that a low value is a good result)
8. Business investment
9. At risk-of-poverty rate (low value = good result)
10. Long-term unemployment rate (low value = good result)
11. Dispersion of regional employment rates (low value = good result)
12. Greenhouse gas emissions (low value = good result)
13. Energy intensity of the economy (low value = good result)
14. Volume of freight transport (low value = good result)

It is assumed that a good performance on one indicator is causally linked to a good performance on the other indicators. Or in the words of Professor Romano Prodi, the former Commission President:

“The Lisbon Strategy remains the right course for an enlarged European Union. It is the best way of delivering what concerns our citizens most - prosperity, more and better jobs, greater social cohesion and a cleaner environment - and making sure that they are achieved sustainably for future generations.” (http://www.socialdialogue.net/en/en_lib_068.htm)

But a recent study by the European Commission (2005a) warns that it is very difficult to quantify the impact of the reforms because of the "heterogeneity" of individual reform measures, time lags in implementation and complementarities and trade-offs between reforms. The Commission classifies the Lisbon reforms into five categories:

1. product and capital market reforms;
2. investments in the knowledge-based economy;
3. labor market reforms;
4. social policy reforms;
5. environmental policy reforms.

³ it can be shown that the Eurostat data series GDP PPP per capita/GDP exchange rate per capita (EU-25=100), used for the “price level”, in reality measure GDP exchange rate per capita/GDP PPP per capita (EU-25=100).

The main theories and the research design

European Union policy making nowadays makes basic neo-liberal assumptions, like the one that a low comparative international price level is good for socio-economic development. Dependency and later world systems theory, going back to its four “founding fathers” Samir Amin, Giovanni Arrighi, Andre Gunder Frank and Immanuel Wallerstein, ascent and decline in world society is largely being determined in our age by the following ‘five monopolies’

- the monopoly of technology, supported by military expenditures of the dominant nations
- the monopoly of control over global finances and a strong position in the hierarchy of current account balances
- the monopoly of access to natural resources
- the monopoly over international communication and the media
- the monopoly of the military means of mass destruction

Let us also recall, that for Amin (1975), there are four main characteristics of the peripheral societal formation

- the predominance of agrarian capitalism in the ‘national’ sector
- the formation of a local bourgeoisie, which is dependent from foreign capital, especially in the trading sector
- the tendency of bureaucratization
- specific and incomplete forms of proletarization of the labor force

In partial accordance with liberal thought, (i) and (iii) explain the tendency towards low savings; thus there will be

- huge state sector deficits and, in addition, their ‘twin’:
- chronic current account balance deficits

in the peripheral countries. High imports of the periphery, and hence, in the long run, capital imports, are the consequence of the already existing structural deformations of the role of peripheries in the world system, namely by

- rapid urbanization, combined with an insufficient local production of food
- excessive expenditures of the local bureaucracies
- changes in income distribution to the benefit of the local elites (demonstration effects)
- insufficient growth of and structural imbalances in the industrial sector
- and the following reliance on foreign assistance

The history of periphery capitalism, Amin argues, is full of short-term ‘miracles’ and long-term blocks, stagnation and even regression.

While mass demand and reforms in the agricultural structures were responsible for the transition from the tributary mode of production in Western Europe to capitalism from the Long 16th Century onwards, periphery capitalism was and is characterized by the following main tendencies (Amin, 1973 - 1997):

- regression in both agriculture and small scale industry characterizes the period after the onslaught of foreign domination and colonialism
- unequal international specialization of the periphery leads to the concentration of activities in export oriented agriculture and or mining. Some industrialization of the periphery is possible under the condition of low wages, which, together with rising productivity, determine that unequal exchange sets in (double factorial terms of trade < 1.0 ; see Raffer, 1987)
- these structures determine in the long run a rapidly growing tertiary sector with hidden unemployment and the rising importance of rent in the overall social and economic system
- the development blocks of peripheral capitalism (chronic current account balance deficits, re-exported profits of foreign investments, deficient business cycles of the periphery, which provide important markets for the centers during world economic upswings)
- structural imbalances in the political and social relationships, *inter alia* a strong ‘compradore’ element and the rising importance of state capitalism and an indebted state class.

The dependency and world system paradigm of course does not go uncontested. A recent very thorough liberal globalist flagship synopsis of the quantitative peace- and development research evidence over the last decades by de Soysa and Gleditsch (2002) maintains however that **globalization**, especially **openness to trade and foreign direct investment**, leads towards

- a) increased democracy
- b) development
- c) less inequality
- d) a better environment
- e) peace.

De Soysa and Gleditsch would say: the *banlieues* in France and countries like Madagascar in Africa or Myanmar in Asia remained so poor because France – or Madagascar and Myanmar – did not sufficiently open up to the world economy, while countries like Singapore did. **World market open capitalism is compatible with social cohesion**, indeed it would be one if it's main preconditions.

The "**Washington Consensus**", which indeed is the policy consensus of leading Western nations after the downfall of Communism, has been summarized by Raffer (pp. 305 - 323 in Tausch, 2003) as to represent the following policy priorities:

1. Fiscal discipline: a primary budget surplus of several percent of GDP
2. Public expenditure priorities: defined as re-directions of public expenditures towards fields with high economic returns such as primary health and education
3. Tax reform: cutting marginal tax rates
4. Financial liberalization: moderately positive real interest rates and the abolition of preferential interest rates (such as for developmentally useful or socially demanded projects)
5. Exchange rates: unified and competitive
6. Trade liberalization: abolishing quotas (replacing them by tariffs) and reducing tariffs to a uniform low level within three to ten years.
7. Foreign direct investment: equal treatment with domestic firms. The World Bank calls this the elimination of barriers. This principle is also enshrined in the WTO treaties.
8. Privatization
9. Deregulation: abolishing regulations aiming at achieving developmental or social aims
10. Property rights: must be guaranteed.

Literature, supporting the "**Washington Consensus**" now abounds, highlighting **pro-market policies and world economic openness as strategies for social and economic well-being, social justice and economic growth, and a peaceful world** [for a survey, see Tausch and Ghymers, 2007].

The counter-position, advanced by **globalization critics, environmentalists, liberation theologians of all denominations**, and - most recently - **dissidents from the once homogeneous neo-liberal camp** would hold that unfettered globalization increases the social gaps between rich and poor both within countries as well as on a global scale. Most of the adherents of this camp would share the view that income distribution in the world system has worsened during the period of globalization. Indeed, the challenge by dependency theory to

the neo-classical consensus is a real one – especially in a time of relative stagnation in the centers and social polarization in many countries of the periphery.

Dependency authors generally explain backwardness and stagnation by the ever-growing dependent insertion of these countries into the world economy. Starting with the writings of Prebisch, Rothschild and Sunkel, their leading spokespersons all would stress the unequal and socially imbalanced nature of development in regions that are highly dependent on investment from the highly developed countries, even in the richer countries of the European Union. **Short-term spurts of growth notwithstanding, long-term growth will be imbalanced and unequal, and will tend towards high negative current account balances.**

Later world system analyses – that started with the writings of the Austro-Hungarian socialist Karl Polanyi after the First World War - tended to confirm and expand this dependency argument. Capitalism in the periphery, like in the center, is characterized by strong **cyclical fluctuations**, and there are centers, semi-peripheries and peripheries. **The rise of one group of semi-peripheries tends to be at the cost of another group, but the unequal structure of the world economy based on unequal transfer tends to remain stable.**

So is, then, the poverty, in say, the „*banlieues*“ in today’s France an immediate consequence of **industrial restructuring**, which takes place, and transfers jobs in an increasing number to the new member countries of the European East? Authors from the world system approach tended to discard the “culturalist” explanations of the malaise in the „*banlieues*“ , offered by Huntington, and rather would support the argument that **world economic position, and not culture, determines conflict**. The massive world systems literature continues to be a stream of the scientific debate subsisting at the major Universities, publishing houses and scholarly journals around the world, the near complete global triumph of the neo-liberal theory notwithstanding [for an exhaustive bibliography on the subject, see, again Tausch and Ghymers, 2006].

Dependency and world system theory generally hold that poverty and backwardness in poor countries and in poor regions of rich countries are caused by the peripheral or quasi-position that these nations or regions have in the **international division of labor**. Ever since the capitalist world system evolved, there is a stark distinction between the nations of the center and the nations of the periphery. Fernando Henrique Cardoso summarized the quantifiable essence of dependency theories as follows:

- here is a financial and technological penetration by the developed capitalist centers of the countries of the periphery and semi-periphery
- this produces an unbalanced economic structure both within the peripheral societies and between them and the centers
- this leads to limitations on self-sustained growth in the periphery
- this favors the appearance of specific patterns of class relations
- these require modifications in the role of the state to guarantee both the functioning of the economy and the political articulation of a society, which contains, within itself, foci of inarticulateness and structural imbalance (Cardoso, 1979)

It seems to be important at this point to emphasize that our three indicators of dependency measure three different types of “dependent development”:

- **MNC penetration** measures the different degrees of weight that foreign capital investments have in the host countries, i.e. the UNCTAD percentages of the stocks of multinational corporation investments per total host country GDP
- **Unequal exchange** (ERD or ERDI) measures the degree, to which globalization has contributed to lowering the international price level of a country; i.e. it is an indicator about the openness of the price system *vis-à-vis* the pressures of globalization. The result of this is an unequal transfer from the peripheries to the centers, which used to be high-price countries until very recently. ERD is calculated by the ratio between GDP at purchasing power parities, divided by GDP at current exchange rates
- For dependency authors, **foreign savings** show the weight that foreign savings, mostly from the centers and richer semi-peripheries, have in the accumulation process of the host countries in the periphery and semi-periphery. It is calculated by the difference between the share of investments per GDP and the share of savings per GDP.

Our theoretical survey should include two processes, being of great importance especially to the European continent and the amount of social cohesion or social exclusion, with which Europe is confronted. One is the obvious argument about the **European Union** as a determining factor of European development patterns, for good or for bad. There are very diverse views nowadays on the European Union. As a research paper, published in the journal “*Parameters*” of the US Army, maintains (Wilkie, 2003):

“Still, there are those on both sides of the Atlantic who believe that the European Union, as an old-fashioned socialist bureaucracy, is “fundamentally unreformable” and also culturally hostile to the United States” (Wilkie, 2003: 46)⁴

The well-known **acceleration** and **maturity** effects of development have to be qualified in an important way. Ever since the days of Simon **Kuznets**, development researchers have applied curve-linear formulations in order to capture these effects. The curve-linear function of **growth**, being regressed on the natural logarithm of development level and its square, is sometimes called the 'Matthew's effect' following Matthew's (13, 12):

'For whosoever hath, to him shall be given, and he shall have more abundance: but whosoever hath not, for him shall be taken away even that he hath'

Social scientists interpreted this effect mainly in view of an acceleration of economic growth in middle-income countries *vis-à-vis* the poor countries and in view of the still widening gap between the poorest periphery nations (*'have-nots'*) and the *'haves'* among the semi-periphery countries (Jackman, 1982). Kuznets was the first to introduce a “light at the end of the tunnel” vision on the development of inequality: first things get worse, before they become better at later “stages” of development.

We also should mention here the variable **“pension reform.”** Proponents and critics of fully funded, three-pillar pension models alike agree on the fact that pension reform policy is one of the biggest challenges that especially advanced democracies with their age structure are facing in world society. To neglect pension funds in investigations about the capitalist world economy would be misleading. Private pension funds already amount to 44 % of current world GDP, with countries like the United States; Japan; United Kingdom; Netherlands; Canada; Switzerland; Australia; Sweden; Ireland; Finland; and Denmark taking the lead in fund development either via the introduction of a “World Bank” three pillar pension model or simply via a strong element of private pensions (“the third pillar”) besides the first, traditional PAYGO pillar (like presently in the United States of America). Slow pension fund development in most countries of the €-zone determines that the overall share of private pension funds from the €-zone is just over 2 % of world GDP. If Europe wants to fulfill its Lisbon agenda of catching up with the United States, it must, the argument runs, overhaul its pension systems and introduce some form or other of private pension funds, which are a major force in financing technological advance in the capitalist world economy today [see Tausch, 2003].

⁴ <http://carlisle-www.army.mil/usawc/Parameters/02winter/wilkie.htm>

In the following, we will present quantitative research, which will present results which could be of importance for the future of the political strategy debate in Europe in the context of the “Lisbon agenda”. Is ultra-capitalism and ultra-neo-liberalism the only policy option left for the European continent?

The **independent** variables of our model for around the year 2000 or later comprised the following list.

- development level ln (GDP PPP pc). This variable should control for the effects of rising incomes on development (UNDP HDR, 2000),
- development level, square (maturity effects) $\ln(\text{GDP PPP pc})^2$. This variable should control for the effects of economic maturity on development (UNDP HDR, 2000),
- Dummy: landlocked country⁵ (Easterly, 2002),
- Dummy: transition country⁶ (Easterly, 2002),
- EU-15-membership (EU member by the year 2000, dummy variable),
- Foreign saving (I-S)/GNP (calculated from UNDP 2000),
- MNC PEN 1995 (UNCTAD World Investment Report, current issues),
- Percentage of Muslims per total population (Nationmaster⁷),
- state interventionism (absence of economic freedom; Heritage Foundation and Wall Street Journal website for economic freedom⁸, by around 2000),
- unequal transfer (calculated from UNDP, concept: ERDI, reciprocal value of comparative “price levels” (developed on the basis of the ERD-Index Yotopoulos et al.)⁹ (the Commission maintaining that a low value is good result) (UNDP HDR, 2000),

⁵ Taken from William Easterly, EXCEL data file freely available at
http://www.cgdev.org/doc/expert%20pages/easterly/easterly_consensusdata.xls

⁶ Taken from William Easterly, EXCEL data file freely available at
http://www.cgdev.org/doc/expert%20pages/easterly/easterly_consensusdata.xls

⁷ See nationmaster.com at http://www.nationmaster.com/graph/rel_isl_per_mus-religion-islam-percentage-muslim

⁸ These data are contained in <http://www.freetheworld.com/>; also:
<http://www.heritage.org/research/features/index/>. We used the latter website as the source of our data. It has to be kept in mind that the “worst” countries on the economic freedom scale have the numerically highest values, while the best countries have the numerically lowest values. Lao People's Dem. Rep. – the economically “unfreest” country in our sample, has the numerical value 4.6, while the economically freest country, Singapore, scores 1.45. We thus decided to call our indicator “state interventionism”.

⁹ it can be shown that the Eurostat data series GDP PPP per capita/GDP exchange rate per capita (EU-25=100), used for the “price level”, in reality measure GDP exchange rate per capita/GDP PPP per capita (EU-25=100).

- Urbanisation¹⁰ (Easterly 2002),
- World Bank pension reform¹¹ (World Bank sources, quoted in Tausch (Ed.), 2003).

The **dependent variables** for this analysis correspond to standard knowledge in comparative political science and sociology. Although we presume the indicators as to be known generally, we present for our readers a brief summary of the Happy Planet Indicators, available from <http://www.happyplanetindex.org/list.htm>, the UNDP indicators and the Yale/Columbia environmental data series. We used this list to construct a single “global Lisbon process” indicator.

The **dependent variables** were measured, if not specified otherwise, by around 2000. The list of the dependent variables, to be projected onto a combined and single indicator, comprises

1. economic growth, 1990-2003 (UNDP HDR, 2005)
2. eco-social market economy (GDP output per kg energy use) (UNDP HDR 2000)
3. female economic activity rate as % of male economic activity rate (UNDP HDR 2000)
4. freedom from % people not expected to survive age 60 (UNDP HDR 2000)
5. freedom from a high ecological Footprint, 204 (Happy Planet Organization)
6. freedom from a high quintile ratio (share of income/consumption richest 20% to poorest 20%) (UNDP HDR 2005)
7. freedom from civil liberty violations, 1998, and 2006 (Easterly, 2002, and Freedom House, 2007)
8. freedom from high CO2 emissions per capita (UNDP HDR 2000)
9. freedom from political rights violations, 1998, and 2006 (Easterly, 2002, and Freedom House, 2007)
10. freedom from unemployment, 2003 (UN statistical system website, social indicators)
11. Gender development index 2004 (UNDP HDR, 2006)
12. Gender empowerment index, 2004 (UNDP HDR, 2006)
13. Happy Planet Index, 2004 (Happy Planet Organization)
14. Human development Index, 2005 (UNDP HDR 2005)

¹⁰ Taken from William Easterly, EXCEL data file freely available at <http://www.cgdev.org/content/expert/detail/2699/>

¹¹ Argentina; Australia; Bolivia; Chile; Colombia; Croatia; Denmark; El Salvador; Hungary; Kazakhstan; Mexico; Netherlands; Peru; Poland; Sweden; Switzerland; United Kingdom; Uruguay

15. life expectancy, 1995-2000 (UNDP HDR 2000)
16. Life Satisfaction, 2004 (Happy Planet Organization)
17. the Yale/Columbia¹² environmental sustainability index (ESI-Index), 2005

The choice of a country to be included in the final analysis (134 countries¹³) was determined by the availability of a complete data series for these independent variables (if not mentioned otherwise, UNDP data).

These variables correspond to the following dimensions:

World economic openness and globalization

foreign saving [(I-S)/GNP]
low comparative international price level [ERD]
state interventionism (absence of economic freedom)
transnational capital penetration [MNC PEN 1995]

Percentage of the population adhering to the Muslim faith

Membership in the European Union

Geography

Dummy for being landlocked
Urbanization ratio, 1990

Recent world economic history

Dummy for transition economy
Development level and development level squared [$\ln(\text{GDP PPP pc})$ and $\ln(\text{GDP PPP pc})^2$]

Pension Reform efforts

World Bank pension reform

¹² <http://sedac.ciesin.columbia.edu/es/esi/>. The EXCEL spreadsheet for 2005 is freely available from this site

¹³ Albania; Algeria; Angola; Argentina; Armenia; Australia; Austria; Azerbaijan; Bahrain; Bangladesh; Belarus; Belgium; Belize; Benin; Bolivia; Botswana; Brazil; Bulgaria; Burkina Faso; Burundi; Cambodia; Cameroon; Canada; Chad; Chile; China; Colombia; Congo; Congo, Dem. Rep. of the; Costa Rica; Côte d'Ivoire; Croatia; Cyprus; Czech Republic; Denmark; Dominican Republic; Ecuador; Egypt; Estonia; Ethiopia; Fiji; Finland; France; Gabon; Gambia; Georgia; Germany; Ghana; Greece; Guatemala; Guinea; Guinea-Bissau; Guyana; Haiti; Honduras; Hungary; Iceland; India; Indonesia; Iran, Islamic Rep. of; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kazakhstan; Kenya; Korea, Rep. of; Kyrgyzstan; Lao People's Dem. Rep.; Latvia; Lebanon; Lesotho; Lithuania; Luxembourg; Madagascar; Malawi; Malaysia; Mali; Mauritania; Mauritius; Mexico; Moldova, Rep. of; Mongolia; Morocco; Mozambique; Namibia; Nepal; Netherlands; New Zealand; Niger; Nigeria; Norway; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Romania; Russian Federation; Rwanda; Saudi Arabia; Senegal; Singapore; Slovakia; Slovenia; South Africa; Spain; Sri Lanka; Swaziland; Sweden; Switzerland; Syrian Arab Republic; Tajikistan; Tanzania, U. Rep. of; Thailand; Togo; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Kingdom; United States; Uruguay; Uzbekistan; Venezuela; Viet Nam; Yemen; Zambia; Zimbabwe.

The list of our core dependent variables is multidimensional.

Democracy and human rights

Absence of democracy: political rights and civil rights violations (based on Freedom House, 2000, reported in Easterly, 2002 and Freedom House, 2007)

Environment

CO2 emissions per capita
ESI-Index ((Yale/Columbia environment sustainability index project website)
GDP output per kg energy use (“*eco-social market economy*”¹⁴)
Ecological Footprint¹⁵
Happy Planet Index¹⁶

Human development and basic human needs satisfaction

% people not expected to survive age 60
human development index
life expectancy, 1995-2000
Life Satisfaction¹⁷

Gender justice

Gender development index 2004 (UNDP HDR, 2006)
Gender empowerment index, 2004 (UNDP HDR, 2006)
female economic activity rate as % of male economic activity rate (UNDP HDR 2000)

Redistribution, growth and employment policies

economic growth 1990-2003
share of income/consumption richest 20% to poorest 20%
unemployment 2003 (from United Nations statistical website)

In Graph 1, we summarize our vision of the “**global Lisbon process**” from what is known from the international indicators. The dimension of human rights and gender equality is conspicuously absent from the original Lisbon 14 list. Our list, by contrast, integrates the five dimensions growth, environment, human rights, basic human needs, and gender equality.

¹⁴ This term is most probably an Austrian invention. The governing Conservative People’s Party – to be precise, its former Chairman Dr. Josef Riegler – seems to have invented this term in the late 1980s. For more on that debate: <http://www.nachhaltigkeit.at/bibliothek/pdf/Factsheet11OekosozMarktw.pdf>; and Michael Rösch, Tübingen University at http://tiss.zdv.uni-tuebingen.de/webroot/sp/spsba01_W98_1/germany1b.htm. As an indicator of the reconciliation between the price mechanism and the environment we propose the indicator GDP output per kg energy use; the term ‘eco-social market economy’ neatly grasps all the aspects of this empirical formulation.

¹⁵ <http://www.happyplanetindex.org/list.htm>

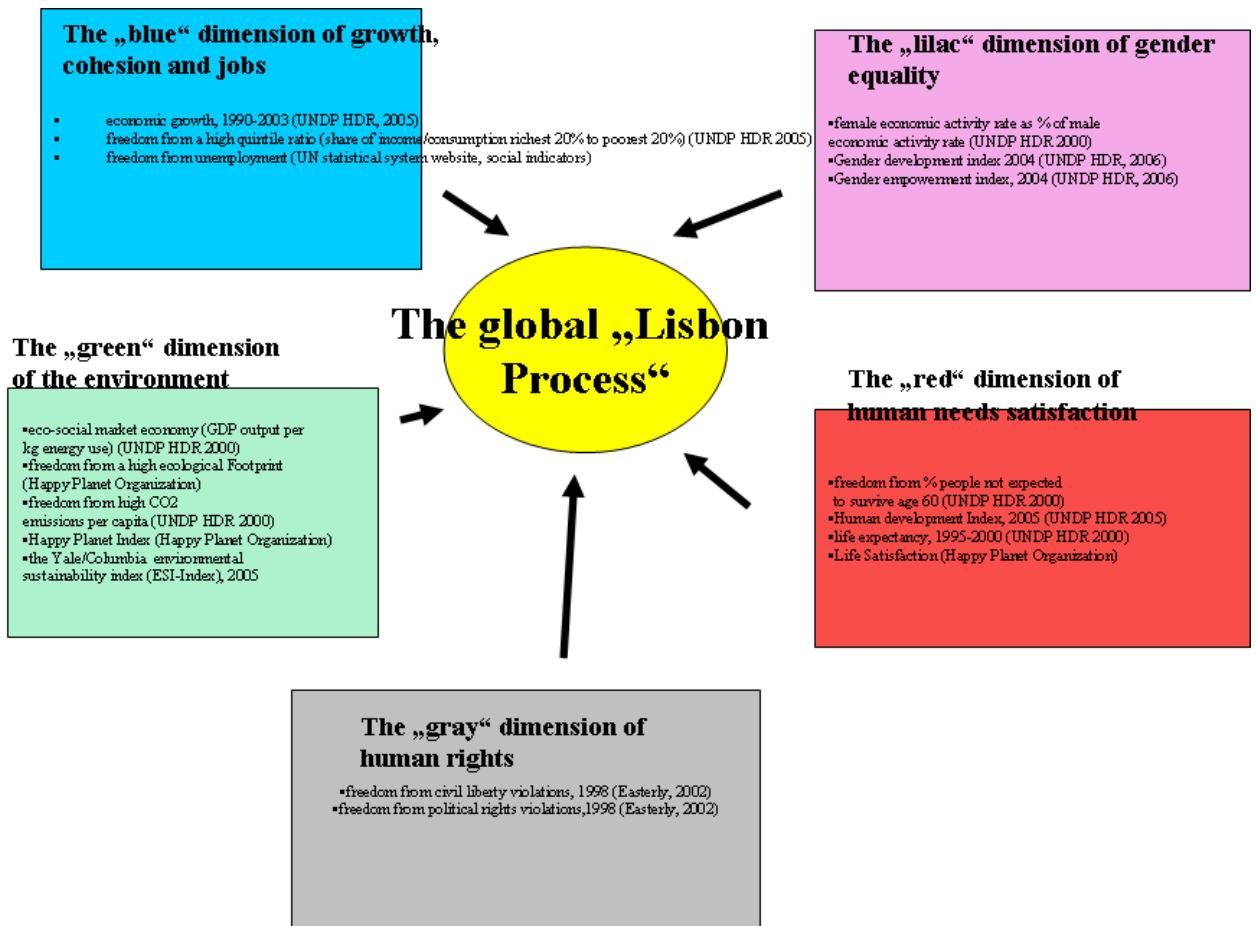
¹⁶ <http://www.happyplanetindex.org/list.htm>

¹⁷ <http://www.happyplanetindex.org/list.htm>

(Equation 1) Lisbon process, combining the development performance 1990 - end 1990s **of all the variables, mentioned in Graph 1** = $a_1 + b_1 * \text{first part curvilinear function of development level} + b_2 * \text{second part curvilinear function of development level} + b_3 \dots * \text{stock of transnational investment per GDP (UNCTAD) mid 1990s} + b_4 \dots * \text{comparative price levels (ERDI)} + b_5 \dots * \text{foreign saving} + b_6 \dots * \text{dummy transition economy} + b_7 * \text{percentage of the population adhering to the Muslim faith} + b_8 * \text{European Union membership} + b_9 * \text{state interventionism} + b_{10} * \text{urbanisation} + b_{11} * \text{dummy landlocked country} + b_{12} * \text{dummy World Bank pension reform} + b_{13} * \text{net migration rate per total population, 1950 – 2000.}$

The “Lisbon process” for us is constituted in the following way:

Graph 1: the “global Lisbon process”



To evaluate the global Lisbon indicators at once, we constructed a UNDP-type index from the data. Such UNDP type indicators are based on a simple principle, designed in the 1990s by Nobel laureate Amartya Sen: if you want to combine 2 or more variables to an indicator, calculate for each of the variables a dimension index, using the formula (UNDP, 2005):

(2) Dimension index = (actual value – minimum value) / (maximum value – minimum value)

Calculating the famous “**Human Development Index**” of the United Nations Human Development Programme, one is supposed to proceed in the following way. According to formula (1), one first has to calculate a **life expectancy component**, called “**life expectancy index**”. Then, the same formula is used for an “**education index**”, based on the figures for adult literacy and gross enrollment (the weight for adult literacy is 2/3, and 1/3 for gross enrollment). The “**GDP index**” is now based on a small alteration of formula (1), working with the log GDP. In earlier years, the UNDP worked exactly with formula (1). Today, the UNDP calculates according to the following formula:

(2a) **GDP index** = $(\log(\text{actual value GDP PPP per capita}) - \log(100)) / (\log(\text{maximum value GDP PPP per capita}) - \log(100))$.

The UNDP HDI then will be the combined result of

(3) **Human development index** = $1/3 * (\text{life expectancy index}) + 1/3 * (\text{education index}) + 1/3 * (\text{GDP index})$

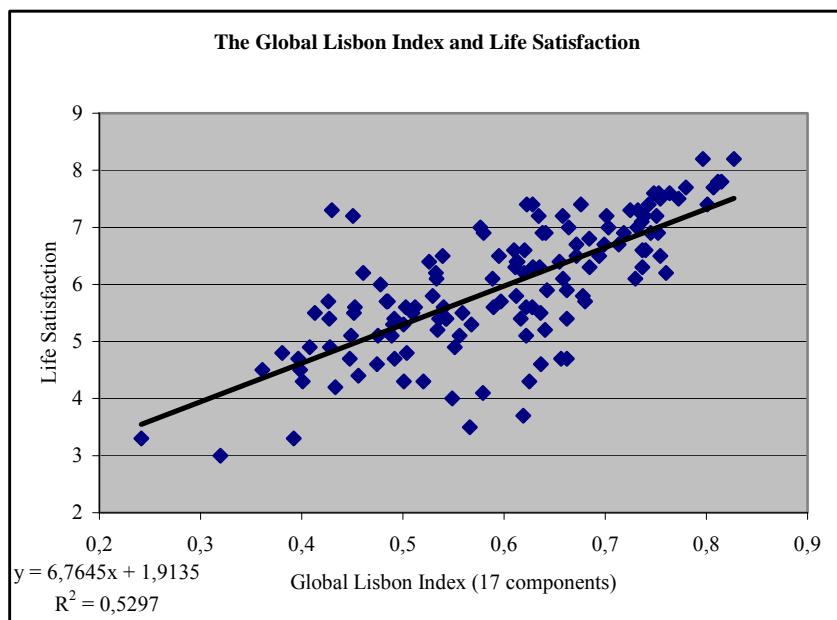
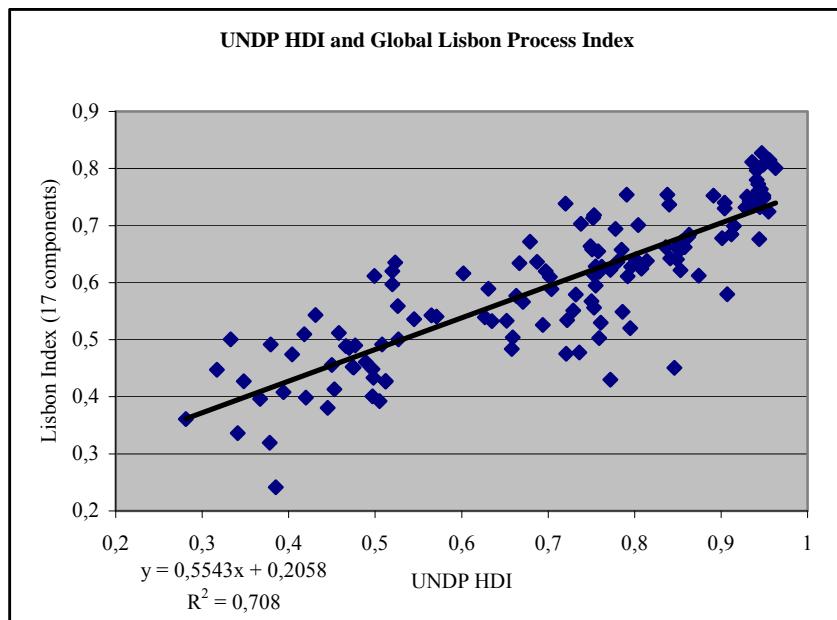
In our case, we calculated, the 17 different dimension indices for the global Lisbon process, using formula 1. Due to missing values, **we were satisfied with simply calculating the means from the 17 available different components**:

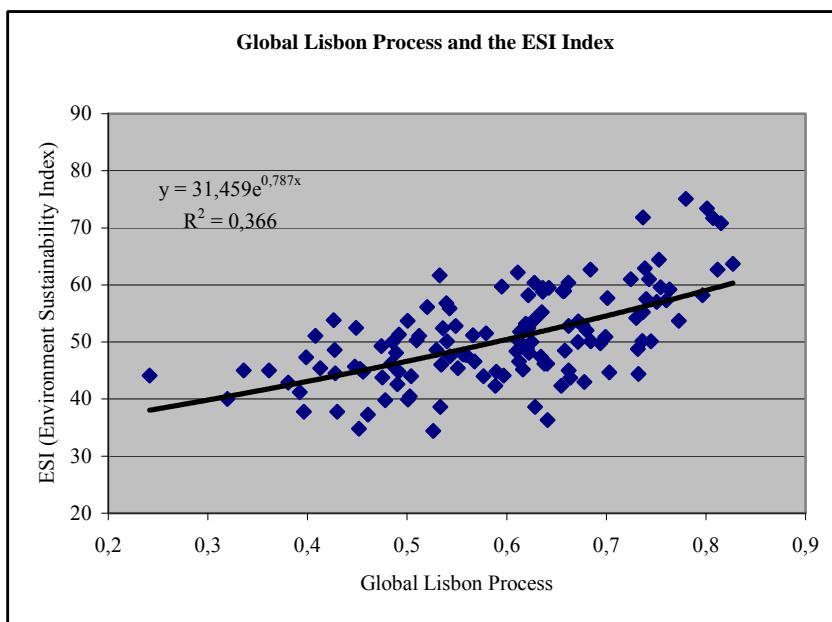
- (4a) **Global Lisbon Index** = the means from

- component index for the dimension economic growth, 1990-2003 (UNDP HDR, 2005)
- component index for the dimension eco-social market economy (GDP output per kg energy use) (UNDP HDR 2000)
- component index for the dimension female economic activity rate as % of male economic activity rate (UNDP HDR 2000)
- component index for the dimension freedom from % people not expected to survive age 60 (UNDP HDR 2000)
- component index for the dimension freedom from a high ecological Footprint, 204 (Happy Planet Organization)
- component index for the dimension freedom from a high quintile ratio (share of income/consumption richest 20% to poorest 20%) (UNDP HDR 2005)
- component index for the dimension freedom from civil liberty violations, 1998 (Easterly, 2002)
- component index for the dimension freedom from high CO2 emissions per capita (UNDP HDR 2000)
- component index for the dimension freedom from political rights violations, 1998 (Easterly, 2002)
- component index for the dimension freedom from unemployment, 2003 (UN statistical system website, social indicators)
- component index for the dimension Gender development index 2004 (UNDP HDR, 2006)
- component index for the dimension Gender empowerment index, 2004 (UNDP HDR, 2006)
- component index for the dimension Happy Planet Index, 2004 (Happy Planet Organization)
- component index for the dimension Human development Index, 2005 (UNDP HDR 2005)
- component index for the dimension life expectancy, 1995-2000 (UNDP HDR 2000)
- component index for the dimension Life Satisfaction, 2004 (Happy Planet Organization)
- component index for the dimension the Yale/Columbia environmental sustainability index (ESI-Index), 2005

Needless to say, that the global Lisbon indicator and the UINDP Human Development Indicator are closely interrelated. Our measure is also well interrelated with the Yale Columbia Environment Sustainability Index and also the Life Satisfaction Index:

Graph 2: The Global Lisbon Process and its relationship with other important, combined international indicators





The results

What are the **significant predictors** (error p equal or $< .10$) of the global Lisbon Process? It again turns out that first of all **things get worse, before they get better** – the old wisdom of classical development economics (**Kuznets**) and political science modernization theory of the postwar period. In addition, it emerges that **foreign savings**, “economic freedom”, **low comparative international price levels**, and **World Bank type pension reforms** are **not compatible with a solid and long-run development path**, based on our knowledge of 17 component variables, integrating the dimensions growth, environment, human rights, basic human needs satisfaction, and gender equality. In addition, **European Union membership** (EU-15, “old Europe”) has the numerically **highest negative effect** on the global Lisbon process; while **Muslim population shares** in no way bloc the development process, on the **contrary**. Our regression analysis has excellent statistical properties; the F value is above 25.00; and the R^2 exceeds in each case 7/10. Neo-liberal globalization strategies are condemned to failure; while European decision makers in particular would be strongly advised to re-think their Lisbon strategy, which pushes countries towards accepting strategies, which, *inter alia*, lower instead of increase the comparative international price level. In our sample, the countries with the lowest comparative price level were the Congo (Dem. Rep. of the); Kyrgyzstan; Ethiopia; Nepal; Lao People's Dem. Rep.; Moldova, Rep. of; Cambodia; Viet Nam; Angola; India; Azerbaijan; while the classical high-price countries are: Switzerland; Japan; Denmark; Luxembourg; Norway; Singapore; Sweden; Germany; France; Finland; Austria; Netherlands; Iceland; Belgium; United Kingdom; United States; Italy; Israel; Australia; Ireland; Spain; New Zealand; Greece; Lebanon; Canada; and Portugal.

Is a price level of say, the Congo’s dimension, really the aim of the Lisbon process?

Balassa and Samuelson assumed that rising international price levels for the periphery country are a precondition of positive development. The ultroliberal underlying assumptions of the current Commission, member governments and Eurostat on the subject were already implied by Rao, who mentioned in a UNDP paper, back in 1998 **that neo-liberal economics sustain the expectation of a growing price convergence from growing globalization** (*Rao J. M., 1998: 14-15*). **Falling relative price levels in countries like Germany over the last years would suggest in the neo-classical argument that the price of the non-tradables in the German economy decreased dramatically over time.** Structuralist economists, like Stanford Professor emeritus Pan Yotopoulos, usually warn the weaker countries of the periphery that

“Currency substitution represents an asymmetric demand from Mexicans to hold dollars as a store of value, a demand that is not reciprocated by Americans holding pesos as a hedge against the devaluation of the dollar!” (Yotopoulos and Sawada, 2005)

Their argument, which they established in a 1999 paper, refined in their 2005 analysis, was the so-called Y-Proposition, and this Y-position is very relevant today:

“in free currency markets hard currencies fluctuate, while soft currencies depreciate systematically (...) The alternative scenario deprives devaluation of any of its remedial properties that in the conventional view lead to a process of stable interactions and equilibrium....”

Yotopoulos and other critics think that the basic problem of international currency markets is **asymmetric reputation**. This process of asymmetric reputation of the periphery deepens the cycle of underdevelopment:

“Mexico cannot service its foreign debt from the proceeds of producing nontradables. These are traded in pesos. It has instead to shift resources away from the nontradable sector to produce tradable output in order to procure the dollars for servicing the debt (...) The process (...) can create a negative feedback loop that leads to resource misallocation in soft-currency countries (...) This shift of resources represents misallocation and produces inefficiency and output losses (...) Distortions inherent in free currency markets lead to a systematic devaluation of soft currencies – to „high“ nominal exchange rates. Devaluation of the exchange rate means increasing prices of tradables and leads to increased exports. But not all exports are a bargain to produce compared to the alternative of producing nontradables (...) Countries graduate from being exporters of sugar and copra to exporting their teak forests, and on to systematically exporting nurses and doctors, while they remain underdeveloped all the same. If this happens, it may represent competitive devaluation trade as opposed to comparative advantage trade.“ (Yotopoulos and Sawada, 2005)

The authors further explain their ideas by an econometric analysis of economic growth rates in 62 countries from 1970 onwards that shows how this process of competitive devaluation trade leads to stagnation. They also present an economic model in the tradition of Paul Krugman that shows how currency substitution triggers financial crises. In their 2005 paper, the authors show the relevance of

their theories with time series data from 153 countries. Thus, if they are correct, a high ratio between purchasing power and GDP at exchange rates, i.e. an **under-valued currency, will lead to development stagnation**. The countries with the strongest currencies, like Denmark, the UK, Sweden, are typical centers of the capitalist world economy with a favorable ratio of tradables to non-tradables, while the countries with a Eurostat “good” low price level, like Turkey, are countries with an unfavorable relation between tradables and non-tradables, suffering from what neo-Marxists like to call “unequal transfer” or “unequal exchange” (price reform/low international price level).

In addition to the above specified dependency theory and world systems theory arguments, **urbanization** positively affects Lisbon Process Index Indicator. *Ceteris paribus*, **World Bank pension reforms** will be negatively related to the process:

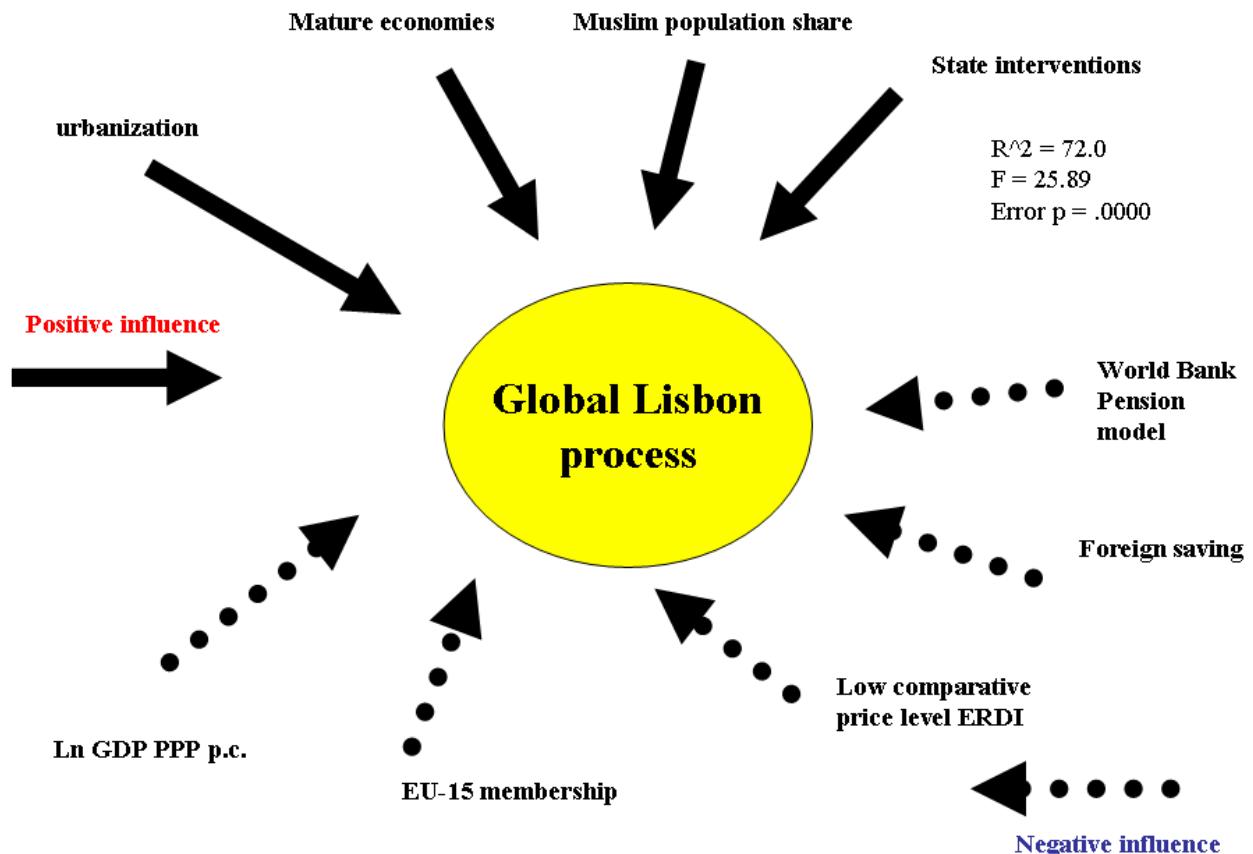
Table 1: the determinants of the global Lisbon process

Global Lisbon Index (1)	Dummy for being landlocked	Dummy for transition economy	Urbanization ratio, 1990	(I-S)/GNP	state interventionism (absence of ec. freedom)	MNC PEN 1995	low comparative international price level (ERD)	EU-membership (EU-15)	Muslims as % of total population	ln(GDP PPP pc)	ln (GDP PPP pc) ²	world bank pension reform	constant
	0,02879	-0,006	0,16834	-0,0004	0,04152	-0,0024	-0,001	-0,0614	0,0013	-0,0015	0,03843	-0,0443	-0,0919
	0,01974	0,00589	0,09501	0,00019	0,02437	0,00762	0,00034	0,0149	0,00056	0,0005	0,02064	0,01636	0,37513
0,7197	0,06854												
25,8951	121												
1,45971	0,5684												
t-test and direction of influence	1,4583	-1,0226	1,7718	-2,2870	1,7035	-0,3185	-3,0694	-4,1214	2,3058	-3,0642	1,8622	-2,7069	-0,2451
t-test and direction of influence^2	2,1267	1,0458	3,1392	5,2303	2,9020	0,1014	9,4211	16,9863	5,3166	9,3896	3,4679	7,3275	0,0601
t-test and direction of influence^0,5	1,4583	1,0226	1,7718	2,2870	1,7035	0,3185	3,0694	4,1214	2,3058	3,0642	1,8622	2,7069	0,2451
degrees of freedom	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000	121,0000
error probability	0,1473	0,3085	0,0790	0,0239	0,0910	0,7507	0,0026	0,0001	0,0228	0,0027	0,0650	0,0078	0,8068
F equation	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951	25,8951
error probability, entire equation	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000	0,0000

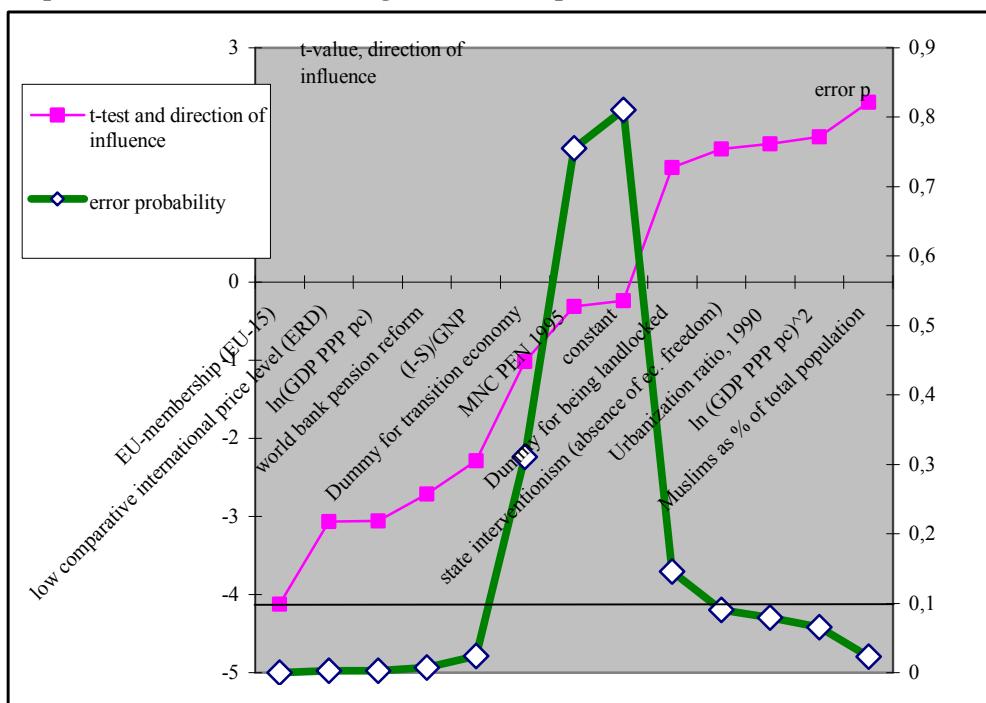
Legend: As in all EXCEL 7.0 outprints, first row: un-standardized regression coefficients, second row: standard errors, second last row: t-Test and direction of the influence. The values immediately below the standard errors are R² (third row, left side entry), F, and degrees of freedom (fourth row). Below that: ss_{reg}; ss_{resid} i.e. the sum of squares of the regression and the sum of squares of the residuals. The right-hand entry in the third row is the standard error of the estimate y. Below the EXCEL outprints; we present materials for the t-test and the F-test for our regression results

The causal links of the above Table can be further specified in the following graphs. They portray the determinants of the global Lisbon Process Indicator (Graph 3 and Graph 4)

Graph 3: the final causal model



Graph 4: the determinants of the global „Lisbon process“



The summarizing Table 2 finally shows the rankings of the highly developed countries in the global Lisbon process. European decision makers would be well advised to re-think their strategies, indeed. Not the United States (rank on the global Lisbon scale – 38) should be the target country, but the **European welfare democracies Switzerland, Iceland, Austria, Sweden, Norway, Denmark,**

Finland, the Netherlands, and Ireland, who all maximized the Lisbon process, combining its 17 different components.

Pushing Europe downwards the path of falling comparative prices will only increase the growth impediments of the growingly multicultural Europe:

Table 3: The global Lisbon race

Country code	Global Lisbon Index	world rank	country group
Switzerland	0,82715	1	EEA/EFTA
Iceland	0,81502	2	EEA/EFTA
Austria	0,81147	3	EU-27
Sweden	0,807	4	EU-27
Norway	0,80098	5	EEA/EFTA
Denmark	0,79661	6	EU-27
Finland	0,77986	7	EU-27
Netherlands	0,7726	8	EU-27
Ireland	0,76347	9	EU-27
Japan	0,76012	10	other OECD democracies
Canada	0,75274	13	other OECD democracies
Cyprus	0,75226	14	EU-27
Germany	0,75064	15	EU-27
Luxembourg	0,74795	16	EU-27
Italy	0,74482	17	EU-27
New Zealand	0,74296	18	other OECD democracies
Slovenia	0,73988	19	EU-27
France	0,73665	21	EU-27
United Kingdom	0,73603	23	EU-27
Belgium	0,73226	24	EU-27
Spain	0,73157	25	EU-27
Portugal	0,72986	26	EU-27
Australia	0,72463	27	other OECD democracies
Israel	0,69906	32	other OECD democracies
Greece	0,68434	34	EU-27
Hungary	0,6801	36	EU-27
United States	0,6761	38	other OECD democracies
Poland	0,66212	42	EU-27
Slovakia	0,66206	43	EU-27
Latvia	0,66192	44	EU-27
Lithuania	0,6563	47	EU-27
Croatia	0,6423	49	EU-candidate
Romania	0,6406	51	EU-27
Bulgaria	0,62485	60	EU-27
Estonia	0,62176	63	EU-27
Czech Republic	0,61236	69	EU-27
Turkey	0,5676	80	EU-candidate

Nota bene, our analysis shows that such a socio-liberal alternative is well compatible with the integration of Europe's sizeable Muslim minorities.

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Data appendix

The independent variables and the Global Lisbon indicator

Country code	Dummy for being landlocked	Dummy for transition economy	Urbanization ratio, 1990	(I-S)/GNP	state interventionism (absence of economic freedom)	MNC PEN 1995	low comparative international price level (ERD)	EU-membership (EU-15)	Muslims as % of total population	ln(GDP PPP pc)	ln(GDP PPP pc)^2	world bank pension reform	Country code	Global Lisbon Index
Albania	0,000	1,000	35,700	22,678	3,700	8,700	3,462	0,000	70,000	7,939	63,027	0,000	Albania	0,636
Algeria	0,000	0,000	51,700	-0,079	3,450	3,500	3,092	0,000	99,000	8,475	71,821	0,000	Algeria	0,534
Angola	0,000	0,000	27,600	-10,187	4,500	58,000	4,793	0,000	1,000	7,507	56,360	0,000	Angola	0,381
Argentina	0,000	0,000	86,500	2,507	2,100	10,800	1,496	0,000	1,500	9,394	88,243	1,000	Argentina	0,684
Armenia	1,000	1,000	67,500	33,139	3,100	1,200	4,505	0,000	2,000	7,636	58,315	0,000	Armenia	0,619
Australia	0,000	0,000	85,100	0,569	1,900	27,900	1,088	0,000	1,500	10,019	100,383	1,000	Australia	0,725
Austria	1,000	0,000	64,500	0,574	2,050	7,500	0,863	1,000	4,700	10,050	101,011	0,000	Austria	0,811
Azerbaijan	1,000	1,000	54,400	34,373	4,200	6,100	4,531	0,000	93,400	7,685	59,054	0,000	Azerbaijan	0,551
Bahrain	0,000	0,000	87,600	-36,074	1,800	41,100	1,716	0,000	85,000	9,481	89,893	0,000	Bahrain	0,451
Bangladesh	0,000	0,000	15,700	5,087	3,750	0,500	3,889	0,000	88,000	7,216	52,073	0,000	Bangladesh	0,597
Belarus	1,000	1,000	66,800	5,974	4,100	0,500	2,899	0,000	0,500	8,751	76,586	0,000	Belarus	0,549
Belgium	0,000	0,000	96,500	-4,531	2,100	40,800	0,915	1,000	3,500	10,053	101,061	0,000	Belgium	0,732
Belize	0,000	0,000	47,500	4,988	2,800	25,800	1,716	0,000	1,000	8,426	71,003	0,000	Belize	0,718
Benin	0,000	0,000	34,500	8,815	2,900	18,900	2,282	0,000	20,000	6,765	45,770	0,000	Benin	0,543
Bolivia	1,000	0,000	55,600	9,173	2,650	23,400	2,247	0,000	0,010	7,727	59,709	1,000	Bolivia	0,636
Botswana	1,000	0,000	41,500	-1,209	2,950	23,000	1,988	0,000	1,000	8,717	75,978	0,000	Botswana	0,543
Brazil	0,000	0,000	74,700	2,664	3,500	6,000	1,431	0,000	0,020	8,799	77,415	0,000	Brazil	0,611
Bulgaria	0,000	1,000	66,500	1,057	3,400	3,400	3,942	0,000	12,200	8,478	71,880	0,000	Bulgaria	0,625
Burkina Faso	1,000	0,000	13,600	16,238	3,400	3,400	3,624	0,000	55,000	6,768	45,809	0,000	Burkina Faso	0,447
Burundi	1,000	0,000	6,300	11,533	4,000	3,400	4,069	0,000	10,000	6,345	40,259	0,000	Burundi	0,319
Cambodia	0,000	0,000	17,500	9,509	3,000	12,100	4,835	0,000	3,500	7,136	50,929	0,000	Cambodia	0,540
Cameroon	0,000	0,000	40,300	-1,492	3,400	13,300	2,417	0,000	20,000	7,296	53,230	0,000	Cameroon	0,449
Canada	0,000	0,000	76,600	-1,639	2,000	21,100	1,230	0,000	2,000	10,068	101,369	0,000	Canada	0,753
Chad	1,000	0,000	21,100	12,409	3,800	24,400	3,724	0,000	54,000	6,753	45,600	0,000	Chad	0,336
Chile	0,000	0,000	83,300	1,333	2,000	23,800	1,761	0,000	0,020	9,081	82,465	1,000	Chile	0,672
China	0,000	0,000	26,200	-4,347	3,400	19,600	4,140	0,000	3,000	8,041	64,656	0,000	China	0,629
Colombia	0,000	0,000	70,000	5,658	2,900	6,900	2,431	0,000	0,200	8,700	75,698	1,000	Colombia	0,658
Congo	0,000	0,000	53,400	8,792	3,900	26,700	1,463	0,000	2,000	6,903	47,645	0,000	Congo	0,426
Congo, Dem. Rep. of the	1,000	0,000	27,900	-0,898	4,700	9,600	7,476	0,000	10,000	6,712	45,053	0,000	Congo, Dem. Rep. of the	0,241
Costa Rica	0,000	0,000	47,100	1,855	2,850	23,300	2,161	0,000	0,100	8,697	75,643	0,000	Costa Rica	0,754
Côte d'Ivoire	0,000	0,000	40,400	-6,347	3,450	16,200	2,283	0,000	38,600	7,377	54,415	0,000	Côte d'Ivoire	0,398

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Croatia	0,000	1,000	54,000	9,002	3,500	2,500	1,461	0,000	1,300	8,817	77,742	1,000
Cyprus	0,000	0,000	51,400	6,494	2,550	17,800	1,467	0,000	18,000	9,769	95,432	0,000
Czech Republic	1,000	1,000	64,900	1,406	2,200	14,100	2,400	0,000	0,200	9,422	88,781	0,000
Denmark	0,000	0,000	84,800	-3,350	2,250	13,200	0,733	1,000	3,000	10,095	101,906	1,000
Dominican Republic	0,000	0,000	58,300	8,927	2,900	14,300	2,597	0,000	0,020	8,433	71,120	0,000
Ecuador	0,000	0,000	55,100	7,201	3,100	19,400	1,976	0,000	0,000	8,008	64,120	0,000
Egypt	0,000	0,000	43,900	6,459	3,500	23,400	2,357	0,000	91,000	8,020	64,317	0,000
Estonia	0,000	1,000	71,800	9,657	2,200	14,100	2,286	0,000	0,750	8,947	80,043	0,000
Ethiopia	0,000	0,000	13,400	11,851	3,500	2,900	5,737	0,000	47,500	6,352	40,350	0,000
Fiji	0,000	0,000	39,300	-1,293	3,300	41,200	1,915	0,000	7,000	8,350	69,727	0,000
Finland	0,000	0,000	61,400	-8,848	2,200	6,500	0,859	1,000	0,200	9,945	98,903	0,000
France	0,000	0,000	74,000	-3,939	2,500	12,300	0,850	1,000	7,500	9,961	99,213	0,000
Gabon	0,000	0,000	44,600	-	3,100	15,200	1,523	0,000	1,000	8,757	76,679	0,000
Gambia	0,000	0,000	25,700	10,946	3,400	48,400	4,272	0,000	90,000	7,281	53,014	0,000
Georgia	0,000	1,000	56,000	13,970	3,650	1,700	3,456	0,000	9,900	8,118	65,894	0,000
Germany	0,000	0,000	85,300	-1,514	2,200	7,800	0,834	1,000	3,700	10,006	100,129	0,000
Ghana	0,000	0,000	33,900	9,704	3,100	12,700	4,448	0,000	16,000	7,459	55,630	0,000
Greece	0,000	0,000	58,800	8,275	2,750	11,200	1,188	1,000	1,300	9,543	91,064	0,000
Guatemala	0,000	0,000	38,000	8,326	2,700	15,000	2,137	0,000	0,010	8,162	66,618	0,000
Guinea	0,000	0,000	25,700	1,758	3,100	3,500	3,363	0,000	85,000	7,486	56,035	0,000
Guinea-Bissau	0,000	0,000	20,000	20,250	4,300	7,800	3,848	0,000	38,000	6,423	41,252	0,000
Guyana	0,000	0,000	33,200	11,651	3,200	57,400	4,363	0,000	10,000	8,132	66,136	0,000
Haiti	0,000	0,000	28,800	17,645	4,000	5,800	3,374	0,000	0,040	7,232	52,305	0,000
Honduras	0,000	0,000	40,700	6,205	3,350	16,500	3,288	0,000	0,040	7,797	60,790	0,000
Hungary	1,000	1,000	62,000	2,559	2,550	26,700	2,269	0,000	0,600	9,233	85,254	1,000
Iceland	0,000	0,000	90,600	-0,616	2,150	1,800	0,902	0,000	0,100	10,131	102,638	0,000
India	0,000	0,000	25,500	2,725	3,800	1,600	4,720	0,000	13,400	7,639	58,348	0,000
Indonesia	0,000	0,000	30,600	-	3,500	25,000	4,143	0,000	88,220	7,883	62,139	0,000
Iran, Islamic Rep. of	0,000	0,000	56,300	1,611	4,550	2,600	3,104	0,000	99,000	8,541	72,950	0,000
Ireland	0,000	0,000	56,900	-	1,850	14,400	1,148	1,000	0,490	9,975	99,500	0,000
Israel	0,000	0,000	90,300	11,115	2,750	7,100	1,069	0,000	14,600	9,759	95,229	0,000
Italy	0,000	0,000	66,700	-4,328	2,300	5,800	1,025	1,000	1,700	9,932	98,651	0,000
Jamaica	0,000	0,000	51,500	13,104	2,500	32,300	1,948	0,000	0,200	8,128	66,069	0,000
Japan	0,000	0,000	77,400	-1,185	2,150	0,600	0,719	0,000	0,200	10,054	101,091	0,000
Jordan	0,000	0,000	68,000	21,167	2,900	9,200	2,911	0,000	95,000	8,116	65,868	0,000
Kazakhstan	1,000	1,000	57,600	4,462	3,700	14,600	3,267	0,000	47,000	8,384	70,299	1,000
Kenya	0,000	0,000	24,100	7,701	3,050	8,100	2,799	0,000	7,000	6,887	47,433	0,000
Korea, Rep. of	0,000	0,000	73,800	-	2,400	2,000	1,567	0,000	0,040	9,509	90,417	0,000
Kyrgyzstan	1,000	1,000	38,200	16,117	3,600	9,700	6,097	0,000	80,000	7,748	60,030	0,000
Lao People's Dem. Rep.	1,000	0,000	18,100	1,153	4,600	11,600	5,419	0,000	1,000	7,458	55,625	0,000
												0,536

												s Dem. Rep.	
Latvia	0,000	1,000	71,200	13,220	2,650	12,500	2,367	0,000	0,020	8,653	74,877	0,000	Latvia 0,662
Lebanon	0,000	0,000	84,200	40,416	3,200	1,000	1,215	0,000	70,000	8,372	70,099	0,000	Lebanon 0,503
Lesotho	1,000	0,000	20,100	91,239	3,550	143,800	2,853	0,000	2,000	7,394	54,672	0,000	Lesotho 0,401
Lithuania	0,000	1,000	68,800	11,900	2,900	5,800	2,534	0,000	0,600	8,770	76,907	0,000	Lithuania 0,656
Luxembourg	1,000	0,000	86,300	-16,046	1,800	40,800	0,743	1,000	2,000	10,419	108,565	0,000	Luxembourg 0,748
Madagascar	0,000	0,000	23,500	7,970	3,200	5,400	2,907	0,000	7,000	6,628	43,928	0,000	Madagascar 0,612
Malawi	1,000	0,000	11,800	13,318	3,650	17,500	2,492	0,000	20,000	6,260	39,190	0,000	Malawi 0,474
Malaysia	0,000	0,000	49,700	-21,797	2,700	32,300	2,217	0,000	60,400	9,004	81,076	0,000	Malaysia 0,628
Mali	1,000	0,000	23,800	10,826	2,900	6,600	2,725	0,000	90,000	6,524	42,562	0,000	Mali 0,501
Mauritania	0,000	0,000	43,500	13,016	3,800	8,600	3,812	0,000	99,900	7,354	54,087	0,000	Mauritania 0,490
Mauritius	0,000	0,000	40,500	0,110	2,850	6,300	2,228	0,000	16,600	9,025	81,459	0,000	Mauritius 0,754
Mexico	0,000	0,000	72,500	1,960	3,000	14,400	2,006	0,000	0,300	8,949	80,093	1,000	Mexico 0,638
Moldova, Rep. of	1,000	1,000	47,800	28,759	3,200	6,500	5,123	0,000	0,070	7,574	57,363	0,000	Moldova, Rep. of 0,566
Mongolia	1,000	1,000	58,000	5,800	3,150	4,200	4,055	0,000	4,000	7,340	53,877	0,000	Mongolia 0,672
Morocco	0,000	0,000	48,200	7,963	2,750	10,100	2,665	0,000	98,700	8,103	65,661	0,000	Morocco 0,589
Mozambique	0,000	0,000	26,600	18,769	3,800	8,700	3,726	0,000	20,000	6,662	44,389	0,000	Mozambique 0,491
Namibia	0,000	0,000	31,000	0,174	2,900	74,000	2,668	0,000	3,000	8,552	73,134	0,000	Namibia 0,539
Nepal	1,000	0,000	8,900	11,226	3,600	0,900	5,510	0,000	4,200	7,054	49,755	0,000	Nepal 0,559
Netherlands	0,000	0,000	88,700	-7,011	2,050	28,000	0,895	1,000	6,000	10,007	100,136	1,000	Netherlands 0,773
New Zealand	0,000	0,000	84,700	-0,651	1,700	43,100	1,184	0,000	0,170	9,758	95,214	0,000	New Zealand 0,743
Niger	1,000	0,000	16,100	7,102	3,800	19,200	3,696	0,000	90,000	6,605	43,632	0,000	Niger 0,361
Nigeria	0,000	0,000	35,000	8,230	3,300	50,000	2,649	0,000	50,000	6,678	44,597	0,000	Nigeria 0,413
Norway	0,000	0,000	72,300	-7,057	2,300	12,800	0,768	0,000	1,600	10,179	103,610	0,000	Norway 0,801
Pakistan	0,000	0,000	31,900	4,422	3,400	9,100	3,649	0,000	96,350	7,447	55,459	0,000	Pakistan 0,501
Panama	0,000	0,000	53,700	9,298	2,400	41,000	1,756	0,000	0,300	8,566	73,373	0,000	Panama 0,701
Papua New Guinea	0,000	0,000	15,000	2,028	3,300	36,100	2,651	0,000	0,040	7,766	60,312	0,000	Papua New Guinea 0,635
Paraguay	1,000	0,000	48,700	4,428	2,800	7,100	2,436	0,000	0,010	8,363	69,948	0,000	Paraguay 0,595
Peru	0,000	0,000	68,900	4,744	2,450	10,300	1,755	0,000	0,000	8,362	69,924	1,000	Peru 0,628
Philippines	0,000	0,000	48,800	4,263	2,850	8,200	3,386	0,000	5,000	8,176	66,850	0,000	Philippines 0,655
Poland	0,000	1,000	61,800	5,174	2,800	6,200	1,949	0,000	0,080	8,938	79,896	1,000	Poland 0,662
Portugal	0,000	0,000	33,500	8,702	2,300	17,100	1,378	1,000	0,350	9,596	92,077	0,000	Portugal 0,730
Romania	0,000	1,000	53,600	8,482	3,300	3,200	4,153	0,000	0,300	8,639	74,633	0,000	Romania 0,641
Russian Federation	0,000	1,000	74,000	-4,937	3,700	1,600	2,858	0,000	15,000	8,773	76,972	0,000	Russia n Federation 0,520
Rwanda	1,000	0,000	5,300	17,515	4,000	17,000	2,870	0,000	4,600	6,492	42,149	0,000	Rwanda 0,456
Saudi Arabia	0,000	0,000	78,500	-5,221	2,950	17,500	1,470	0,000	100,000	9,226	85,119	0,000	Saudi Arabia 0,430
Senegal	0,000	0,000	40,400	4,710	3,050	8,300	2,513	0,000	94,000	7,175	51,482	0,000	Senegal 0,512

Singapore	0,000	0,000	100,000	-17,786	1,450	71,500	0,802	0,000	16,000	10,095	101,899	0,000	Singapore	0,580
Slovakia	1,000	1,000	56,500	11,165	3,000	4,400	2,621	0,000	0,050	9,180	84,267	0,000	Slovakia	0,662
Slovenia	0,000	0,000	50,500	1,449	3,000	9,400	1,461	0,000	2,500	9,568	91,538	0,000	Slovenia	0,740
South Africa	0,000	0,000	48,800	-1,237	2,900	9,900	2,564	0,000	1,500	9,046	81,837	0,000	South Africa	0,484
Spain	0,000	0,000	75,300	-1,199	2,400	18,700	1,150	1,000	2,500	9,694	93,964	0,000	Spain	0,732
Sri Lanka	0,000	0,000	21,300	6,451	2,900	10,000	3,678	0,000	7,000	7,999	63,989	0,000	Sri Lanka	0,658
Swaziland	1,000	0,000	26,400	-6,901	3,000	41,100	2,726	0,000	1,000	8,247	68,011	0,000	Swaziland	0,433
Sweden	0,000	0,000	83,100	-7,011	2,350	12,900	0,808	1,000	4,000	9,936	98,723	1,000	Sweden	0,807
Switzerland	1,000	0,000	59,700	-4,440	1,900	18,600	0,638	0,000	4,400	10,147	102,960	1,000	Switzerland	0,827
Syrian Arab Republic	0,000	0,000	50,200	11,166	4,000	8,000	2,835	0,000	88,000	7,970	63,514	0,000	Syrian Arab Republic	0,475
Tajikistan	1,000	1,000	32,200	-0,586	4,000	7,000	2,813	0,000	95,000	6,948	48,273	0,000	Tajikistan	0,533
Tanzania, U. Rep. of	0,000	0,000	20,800	6,612	3,400	6,200	2,182	0,000	35,000	6,174	38,119	0,000	Tanzania, U. Rep. of	0,510
Thailand	0,000	0,000	18,700	-16,504	2,700	10,400	2,526	0,000	5,000	8,604	74,035	0,000	Thailand	0,694
Togo	0,000	0,000	28,500	6,670	3,800	23,400	4,158	0,000	13,700	7,224	52,189	0,000	Togo	0,428
Trinidad and Tobago	0,000	0,000	69,100	15,045	2,350	67,500	1,656	0,000	6,000	8,921	79,578	0,000	Trinidad and Tobago	0,641
Tunisia	0,000	0,000	57,900	3,204	3,000	61,000	2,623	0,000	99,000	8,595	73,872	0,000	Tunisia	0,613
Turkey	0,000	0,000	61,200	3,470	2,750	3,000	2,032	0,000	99,000	8,767	76,868	0,000	Turkey	0,568
Uganda	1,000	0,000	11,200	9,414	3,000	4,700	3,465	0,000	15,000	6,979	48,710	0,000	Uganda	0,492
United Kingdom	0,000	0,000	89,100	0,473	1,900	17,600	0,950	1,000	2,700	9,920	98,410	1,000	United Kingdom	0,736
United States	0,000	0,000	75,200	1,405	1,800	7,300	1,012	0,000	1,400	10,296	106,001	0,000	United States	0,676
Uruguay	0,000	0,000	88,900	0,526	2,550	8,000	1,421	0,000	0,010	9,062	82,123	1,000	Uruguay	0,737
Uzbekistan	1,000	1,000	40,600	0,240	4,400	1,000	2,161	0,000	89,000	7,627	58,171	0,000	Uzbekistan	0,526
Venezuela	0,000	0,000	84,000	0,056	3,300	9,000	1,645	0,000	0,500	8,667	75,118	0,000	Venezuela	0,622
Viet Nam	0,000	0,000	19,700	7,410	4,300	28,500	4,825	0,000	0,850	7,432	55,230	0,000	Viet Nam	0,589
Yemen	0,000	0,000	28,900	19,146	3,850	44,800	2,569	0,000	99,000	6,578	43,274	0,000	Yemen	0,461
Zambia	1,000	0,000	42,000	9,008	2,900	43,700	2,180	0,000	1,100	6,578	43,276	0,000	Zambia	0,408
Zimbabwe	1,000	0,000	28,400	1,827	3,900	4,800	4,305	0,000	1,000	7,890	62,245	0,000	Zimbabwe	0,392

The global Lisbon process

Country code	UNDP type component index: % people not expected to survive age 60	UNDP type component index: CO2 emissions per capita	UNDP type component index: female economic activity rate as % of male economic activity rate	UNDP type component index: eco-social market economy (GDP output per kg energy use)	UNDP type component index: life expectancy, 1995-2000	UNDP type component index: quintile ratio (share of income/consumption richest 20% to poorest 20%)	UNDP type component index: HDI 2005	UNDP type component index: ESL-Index	UNDP type component index: EF ecological footprint	UNDP type component index: HPI Happy Planet Index	UNDP type component index: Life Satisfaction	UNDP type component index: Civil liberty violation, 1998	UNDP type component index: Political rights violations, 1998	UNDP type component index: GDI 2006	UNDP type component index: GEM 2006	UNDP type component index: unemployment	Country code	Global Lisbon Index →	
Switzerland	0,978	0,701	0,549	1,000	0,968	0,883	0,467	0,977	0,720	0,467	0,626	1,000	1,000	0,973	0,832	0,921	Switzerland	0,827	
Iceland	0,997	0,602	0,823	0,261	0,977		0,573	0,990	0,894	0,511	0,628	0,923	1,000	1,000	0,994	0,918	0,947	Iceland	0,815
Austria	0,962	0,642	0,537	0,724	0,928	0,978	0,553	0,960	0,695	0,544	0,636	0,923	1,000	1,000	0,963	0,854	0,895	Austria	0,811
Sweden	0,993	0,697	0,870	0,371	0,965	0,964	0,567	0,979	0,916	0,278	0,427	0,904	1,000	1,000	0,981	0,939	0,868	Sweden	0,807
Norway	0,987	0,239	0,792	0,544	0,955	0,960	0,627	1,000	0,958	0,367	0,447	0,846	1,000	1,000	1,000	1,000	0,895	Norway	0,801
Denmark	0,935	0,468	0,800	0,761	0,894	0,964	0,560	0,968	0,585	0,344	0,490	1,000	1,000	1,000	0,967	0,912	Denmark	0,797	
Finland	0,957	0,428	0,827	0,336	0,923	0,964	0,600	0,968	1,000	0,278	0,411	0,904	1,000	1,000	0,972	0,902	0,789	Finland	0,780
Netherlands	0,985	0,507	0,549	0,465	0,950	0,894	0,573	0,971	0,474	0,533	0,581	0,865	1,000	1,000	0,975	0,891	0,921	Netherlands	0,773
Ireland	0,975	0,517	0,349	0,517	0,911	0,861	0,880	0,975	0,609	0,367	0,451	0,885	1,000	1,000	0,984	0,777	0,921	Ireland	0,763
Japan	1,000	0,542	0,565	0,889	1,000	0,971	0,500	0,971	0,563	0,578	0,496	0,615	0,833	1,000	0,970	0,534	0,895	Japan	0,760
Costa Rica	0,952	0,935	0,268	0,277	0,903	0,620	0,607	0,817	0,619	0,822	0,976	0,865	0,833	1,000	0,804	0,680	0,842	Costa Rica	0,754
Mauritius	0,853	0,930	0,303		0,789		0,700	0,748		0,789	0,652	0,673	0,833	1,000	0,746		0,789	Mauritius	0,754
Canada	0,985	0,318	0,759	0,195	0,976	0,905	0,587	0,979	0,737	0,344	0,458	0,885	1,000	1,000	0,978	0,848	0,842	Canada	0,753
Cyprus	0,975	0,652	0,500	0,359	0,946		0,647	0,894		0,611	0,581	0,750	1,000	1,000	0,907	0,567	0,895	Cyprus	0,752
Germany	0,965	0,483	0,596	0,592	0,932	0,923	0,520	0,952	0,555	0,522	0,538	0,808	0,833	1,000	0,949	0,856	0,737	Germany	0,751
Luxembourg	0,966	0,000	0,431	0,453	0,919	0,953	0,673	0,979		0,511	0,573	0,885	1,000	1,000	0,981		0,895	Luxembourg	0,748
Italy	0,989	0,652	0,442	0,561	0,956	0,942	0,533	0,957	0,386	0,633	0,626	0,750	0,833	1,000	0,958	0,653	0,789	Italy	0,745
New Zealand	0,959	0,592	0,712	0,300	0,925	0,460	0,573	0,956	0,654	0,444	0,500	0,846	1,000	1,000	0,955	0,832	0,921	New Zealand	0,743
Slovenia	0,910	0,667	0,744	0,250	0,865	0,942	0,640	0,913	0,568	0,633	0,542	0,692	0,833	1,000	0,919	0,591	0,868	Slovenia	0,740
Guyana	0,719	0,950	0,320		0,618	0,825	0,673	0,644	0,700	0,889	0,791	0,808	0,833	0,833				Guyana	0,739
France	0,957	0,697	0,685	0,530	0,955	0,891	0,540	0,963	0,511	0,411	0,391	0,692	0,833	1,000	0,967		0,763	France	0,737
Uruguay	0,898	0,915	0,546	0,542	0,852	0,770	0,493	0,820	0,919	0,767	0,646	0,635	0,833	1,000	0,828	0,479	0,579	Uruguay	0,737
United Kingdom	0,978	0,532	0,658	0,418	0,932	0,858	0,600	0,965	0,388	0,456	0,468	0,788	0,833	1,000	0,964	0,780	0,895	United Kingdom	0,736
Belgium	0,973	0,483	0,539	0,406	0,932	0,964	0,553	0,974	0,246	0,511	0,542	0,827	0,833	1,000	0,972	0,904	0,789	Belgium	0,732
Spain	0,973	0,711	0,409	0,452	0,952	0,898	0,593	0,949	0,354	0,522	0,522	0,769	0,833	1,000	0,957	0,806	0,737	Spain	0,732
Portugal	0,938	0,761	0,615	0,448	0,885	0,880	0,580	0,913	0,486	0,478	0,360	0,596	1,000	1,000	0,910	0,688	0,868	Portugal	0,730
Australia	0,990	0,159	0,681	0,307	0,958	0,839	0,607	0,988	0,654	0,200	0,346	0,827	1,000	1,000	0,991	0,877	0,895	Australia	0,725
Belize	0,923	0,925	0,080		0,870		0,580	0,692		0,767	0,700	0,750	0,833	1,000		0,456	0,763	Belize	0,718
Fiji	0,910	0,955	0,239		0,821		0,553	0,691		0,867	0,749	0,712	0,667	0,500			0,895	Fiji	0,713
Jamaica	0,928	0,806	0,822	0,065	0,874	0,869		0,670	0,253	0,767	0,680	0,769	0,833	0,640			0,737	Jamaica	0,703
Panama	0,903	0,881	0,395	0,291	0,844	0,558	0,593	0,767	0,572	0,856	0,927	0,808	0,667	0,833	0,767	0,547	0,711	Panama	0,701
Israel	0,985	0,542	0,560	0,427	0,946	0,869	0,540	0,930	0,405	0,467	0,445	0,712	0,667	1,000	0,945	0,657	0,789	Israel	0,699
Thailand	0,753	0,831	0,813	0,166	0,726	0,818	0,620	0,729	0,378	0,878	0,767	0,673	0,667	0,833	0,730	0,445	0,974	Thailand	0,694
Greece	0,990	0,622	0,435	0,389	0,955	0,898	0,573	0,925	0,386	0,456	0,377	0,635	0,667	1,000	0,933	0,604	0,789	Greece	0,684
Argentina	0,884	0,821	0,266	0,387	0,826		0,520	0,853	0,695	0,767	0,704	0,731	0,667	0,667	0,846	0,708	0,605	Argentina	0,684
Hungary	0,812	0,706	0,635	0,138	0,777	0,931	0,607	0,852	0,432	0,667	0,415	0,519	0,833	1,000	0,858	0,537	0,842	Hungary	0,680
Korea, Rep. of	0,881	0,557	0,595	0,244	0,815	0,905	0,740	0,909	0,211	0,678	0,484	0,538	0,833	0,833	0,915	0,465	0,921	Korea, Rep. of	0,678
United States	0,938	0,025	0,749	0,284	0,920	0,770	0,573	0,972	0,457	0,000	0,241	0,846	1,000	1,000	0,976	0,846	0,895	United States	0,676
Chile	0,921	0,836	0,302	0,233	0,877	0,460	0,707	0,840	0,472	0,767	0,686	0,673	0,833	0,667	0,833	0,470	0,842	Chile	0,672

Mongolia	0,752	0,831	0,846		0,653	0,891	0,267	0,584	0,383	0,844	0,652	0,712	0,667	0,833	0,587	0,323	0,921		Mongolia	0,672
Dominican Republic	0,849	0,925	0,285	0,195	0,770	0,639	0,700	0,686	0,229	0,878	0,800	0,769	0,833	0,833	0,676		0,553		Dominican Republic	0,664
Poland	0,872	0,542	0,741	0,094	0,817	0,901	0,713	0,846	0,260	0,656	0,449	0,558	0,833	1,000	0,846	0,600	0,526		Poland	0,662
Slovakia	0,885	0,637	0,812	0,076	0,828	1,000	0,593	0,833	0,452	0,656	0,379	0,462	0,833	0,833	0,837	0,586	0,553		Slovakia	0,662
Latvia	0,764	0,821	0,770	0,084	0,716	0,901	0,580	0,814	0,639	0,567	0,211	0,327	0,833	1,000	0,822	0,613	0,789		Latvia	0,662
Sri Lanka	0,900	0,985	0,402	0,150	0,832	0,898	0,653	0,689	0,346	0,933	0,864	0,596	0,500	0,667	0,682	0,303	0,789		Sri Lanka	0,658
Colombia	0,825	0,915	0,466	0,251	0,766	0,354	0,460	0,739	0,602	0,911	1,000	0,808	0,500	0,667	0,739	0,470	0,711		Colombia	0,658
Lithuania	0,788	0,821	0,741	0,053	0,753	0,905	0,467	0,837	0,602	0,622	0,251	0,327	0,833	1,000	0,842	0,631	0,684		Lithuania	0,656
Philippines	0,809	0,960	0,481	0,163	0,713	0,741	0,513	0,699	0,194	0,922	0,842	0,654	0,667	0,833	0,700	0,504	0,737		Philippines	0,655
Croatia	0,885	0,811	0,636	0,216	0,820		0,573	0,821	0,617	0,733	0,536	0,558	0,500	0,500	0,824	0,590	0,658		Croatia	0,642
Trinidad and Tobago	0,905	0,149	0,438	0,037	0,849	0,792	0,647	0,762	0,047	0,800	0,698	0,750	0,833	1,000	0,766	0,662	0,763		Trinidad and Tobago	0,641
Romania	0,825	0,741	0,698	0,040	0,754	0,942	0,473	0,833	0,290	0,756	0,417	0,423	0,833	0,833	0,764	0,453	0,816		Romania	0,641
Mexico	0,850	0,821	0,289	0,225	0,809	0,504	0,527	0,782	0,290	0,778	0,747	0,750	0,500	0,667	0,776	0,583	0,947		Mexico	0,638
Albania	0,920	0,975	0,649	0,179	0,823		0,773	0,732	0,600	0,889	0,504	0,308	0,333	0,500	0,728		0,632		Albania	0,636
Bolivia	0,655	0,940	0,438	0,125	0,544	0,781	0,520	0,595	0,617	0,922	0,585	0,481	0,667	1,000	0,590	0,461	0,895		Bolivia	0,636
Papua New Guinea	0,537	0,975	0,716		0,457	0,635	0,447	0,355	0,511	0,911	0,557	0,635	0,667	0,833	0,342		0,947		Papua New Guinea	0,635
Honduras	0,795	0,970	0,284	0,094	0,740	0,471	0,447	0,566	0,319	0,900	0,893	0,808	0,667	0,833	0,573	0,500	0,921		Honduras	0,634
China	0,863	0,866	0,834	0,042	0,751	0,807	1,000	0,695	0,103	0,889	0,779	0,635	0,167	0,000	0,706		0,921		China	0,629
Malaysia	0,889	0,716	0,474	0,158	0,804	0,657	0,660	0,755	0,482	0,722	0,713	0,846	0,333	0,333	0,751	0,463	0,921		Malaysia	0,628
Peru	0,792	0,950	0,236	0,344	0,714	0,672	0,573	0,705	0,639	0,956	0,761	0,500	0,500	0,333	0,697	0,562	0,737		Peru	0,628
Bulgaria	0,858	0,682	0,842	0,023	0,781	0,934	0,473	0,773	0,383	0,756	0,296	0,250	0,667	0,833	0,779	0,581	0,711		Bulgaria	0,625
Venezuela	0,877	0,682	0,368	0,100	0,814	0,569	0,333	0,720	0,337	0,789	0,808	0,846	0,667	0,833	0,728	0,502	0,605		Venezuela	0,622
Ecuador	0,813	0,900	0,175	0,168	0,743	0,759	0,440	0,701	0,442	0,856	0,646	0,500	0,667	0,833		0,515	0,789		Ecuador	0,622
Estonia	0,781	0,448	0,780	0,063	0,723	0,850	0,653	0,839	0,585	0,289	0,121	0,404	0,833	1,000	0,842	0,597	0,763		Estonia	0,622
Indonesia	0,741	0,945	0,563	0,119	0,636	0,891	0,567	0,610	0,354	0,922	0,816	0,692	0,500	0,167	0,615		0,789		Indonesia	0,620
Ghana	0,626	0,995	1,000	0,065	0,509	0,912	0,553	0,350	0,452	0,933	0,601	0,615	0,667	0,667	0,352				Ghana	0,620
Armenia	0,837	0,955	0,830	0,128	0,767		0,620	0,701	0,462	0,944	0,385	0,135	0,500	0,500	0,706		0,816		Armenia	0,619
India	0,698	0,950	0,332	0,054	0,573	0,887	0,700	0,471	0,265	0,967	0,634	0,462	0,667	0,833	0,446		0,921		India	0,616
Tunisia	0,840	0,915	0,287	0,234	0,743	0,810	0,640	0,692	0,428	0,900	0,836	0,654	0,333	0,167	0,675		0,658		Tunisia	0,613
Czech Republic	0,916	0,388	0,811	0,092	0,851	0,967	0,533	0,870	0,300	0,500	0,395	0,654	0,333	0,500	0,879	0,606	0,816		Czech Republic	0,612
Madagascar	0,571	1,000	0,721		0,448	0,723	0,373	0,320	0,388	0,967	0,581	0,538	0,500	0,833	0,321		0,895		Madagascar	0,612
Brazil	0,739	0,920	0,374	0,350	0,676	0,164	0,513	0,749	0,683	0,811	0,632	0,635	0,500	0,667	0,742	0,445	0,789		Brazil	0,611
Kyrgyzstan	0,759	0,935	0,788	0,098	0,697	0,821	0,273	0,617	0,344	0,933	0,838	0,692	0,333	0,333	0,610		0,684		Kyrgyzstan	0,610
Bangladesh	0,583	0,995	0,698	0,124	0,464	0,916	0,640	0,350	0,238	0,989	0,723	0,519	0,500	0,833	0,346	0,306	0,921		Bangladesh	0,597
Paraguay	0,839	0,970	0,237	0,169	0,746	0,106	0,393	0,695	0,622	0,811	0,682	0,673	0,667	0,500			0,816		Paraguay	0,595
Morocco	0,792	0,955	0,362	0,312	0,673	0,839	0,500	0,513	0,256	0,956	0,747	0,500	0,500	0,333	0,482		0,711		Morocco	0,589
Viet Nam	0,780	0,468	0,880	0,030	0,691	0,891	0,827	0,620	0,194	0,967	0,881	0,596	0,000	0,000	0,621		0,974		Viet Nam	0,589
Singapore	0,966	0,035	0,531	0,287	0,930		0,667	0,918		0,367	0,385	0,750	0,333	0,333		0,720	0,895		Singapore	0,580
Georgia	0,870	0,975	0,708	0,117	0,822		0,253	0,661	0,420	0,967	0,486	0,212	0,500	0,667		0,347	0,684		Georgia	0,579
Guatemala	0,679	0,975	0,200	0,217	0,609	0,000	0,507	0,560	0,236	0,922	0,891	0,769	0,500	0,667	0,548		0,947		Guatemala	0,577
Turkey	0,833	0,861	0,470	0,213	0,731	0,796	0,520	0,688	0,300	0,833	0,490	0,442	0,333	0,500	0,676	0,200	0,763		Turkey	0,568
Moldova, Rep. of	0,755	0,871	0,789	0,034	0,694	0,876	0,053	0,572	0,413	0,922	0,287	0,096	0,500	0,833	0,597	0,517	0,816		Moldova, Rep. of	0,566
Nepal	0,567	1,000	0,565	0,036	0,444	0,880	0,580	0,359	0,327	0,989	0,660	0,481	0,500	0,667	0,330				Nepal	0,559
Jordan	0,842	0,881	0,103	0,097	0,759	0,883	0,493	0,692	0,329	0,844	0,502	0,404	0,333	0,500	0,679				Jordan	0,556
Azerbaijan	0,805	0,806	0,661	0,000	0,752		0,260	0,657	0,270	0,889	0,476	0,365	0,500	0,167	0,658		1,000		Azerbaijan	0,551
Belarus	0,749	0,706	0,768	0,049	0,706	0,989	0,493	0,740	0,452	0,700	0,182	0,192	0,167	0,167	0,748		0,974		Belarus	0,549
Benin	0,467	1,000	0,884	0,066	0,348		0,580	0,220	0,322	0,944	0,464	0,462	0,833	0,833	0,179				Benin	0,543
Botswana	0,157	0,935	0,718		0,200		0,613	0,416	0,528	0,911	0,174	0,462	0,833	0,833	0,393	0,464	0,500		Botswana	0,543
Cambodia	0,461		0,963		0,346	0,843	0,700	0,425	0,386	0,933	0,506	0,500	0,167	0,167	0,427	0,305	0,974		Cambodia	0,540

Arno Tausch, The failure of the EU in the global “Lisbon process”.

Namibia	0,380		0,574		0,323		0,493	0,507	0,550	0,878	0,431	0,673	0,667	0,833	0,493	0,616	0,132		Namibia	0,539
Lao People's Dem. Rep.	0,485	1,000	0,805		0,343	0,942	0,680	0,387	0,442	0,944	0,468	0,462	0,167	0,000	0,378			Lao People's Dem. Rep.	0,536	
Algeria	0,856	0,841	0,155	0,118	0,728	0,872	0,473	0,647	0,285	0,889	0,579	0,423	0,333	0,167	0,628		0,553	Algeria	0,534	
Tajikistan	0,760	0,955	0,714	0,027	0,686		0,000	0,544	0,103	0,989	0,812	0,596	0,167	0,167	0,531		0,947	Tajikistan	0,533	
Gabon	0,433	0,841	0,685	0,259	0,323		0,407	0,519	0,671	0,867	0,472	0,615	0,500	0,333				Gabon	0,533	
Kazakhstan	0,753	0,488	0,753	0,023	0,697		0,460	0,704	0,349	0,744	0,401	0,538	0,333	0,167	0,716		0,816	Kazakhstan	0,530	
Uzbekistan	0,763	0,801	0,799	0,025	0,694	0,894	0,400	0,606	0,000	0,844	0,644	0,654	0,167	0,000	0,600			Uzbekistan	0,526	
Russian Federation	0,698	0,473	0,761	0,026	0,671	0,650	0,333	0,754	0,533	0,567	0,123	0,250	0,500	0,500	0,751	0,440	0,816	Russian Federation	0,520	
Senegal	0,456	0,985	0,638	0,131	0,321	0,821	0,520	0,260	0,410	0,922	0,478	0,500	0,500	0,500		0,237		Senegal	0,512	
Tanzania, U. Rep. of	0,258	1,000	0,926	0,010	0,213	0,850	0,500	0,201	0,391	0,956	0,366	0,481	0,500	0,333	0,200	0,583	0,895	Tanzania, U. Rep. of	0,510	
Egypt	0,792	0,930	0,249	0,122	0,664	0,949	0,600	0,554	0,236	0,889	0,494	0,346	0,167	0,167		0,167	0,737	Egypt	0,504	
Lebanon	0,849	0,776	0,172	0,174	0,753		0,627	0,701	0,150	0,800	0,534	0,500	0,333	0,167				Lebanon	0,503	
Pakistan	0,741	0,970	0,214	0,076	0,607	0,938	0,507	0,361	0,135	0,978	0,451	0,250	0,333	0,500	0,330	0,310	0,816	Pakistan	0,501	
Mali	0,509		0,757		0,345	0,650	0,593	0,076	0,474	0,933	0,338	0,442	0,667	0,667	0,055			Mali	0,501	
Uganda	0,045		0,861		0,009	0,839	0,693	0,333	0,415	0,889	0,219	0,327	0,500	0,500	0,307		0,947	Uganda	0,492	
Mozambique	0,261	1,000	0,911	0,010	0,146	0,832	0,740	0,144	0,256	0,978	0,324	0,462	0,500	0,667	0,142			Mozambique	0,491	
Mauritania	0,492	0,940	0,664		0,350	0,825	0,540	0,287	0,201	0,933	0,409	0,442	0,333	0,167	0,278			Mauritania	0,490	
Guinea	0,352	0,995	0,878		0,178	0,825	0,540	0,271	0,337	0,944	0,411	0,404	0,333	0,167	0,212			Guinea	0,489	
Gambia	0,362	0,995	0,720		0,190	0,657	0,427	0,277	0,383	0,933	0,512	0,519	0,333	0,000				Gambia	0,485	
South Africa	0,407	0,662	0,461	0,107	0,380	0,281	0,440	0,553	0,290	0,744	0,221	0,519	0,833	1,000	0,528		0,316	South Africa	0,484	
Iran, Islamic Rep. of	0,816	0,816	0,141	0,039	0,736		0,573	0,667	0,133	0,822	0,605	0,577	0,167	0,167	0,663	0,246			Iran, Islamic Rep. of	0,478
Syrian Arab Republic	0,825	0,851	0,146	0,081	0,728		0,527	0,645	0,231	0,844	0,526	0,404	0,000	0,000	0,612		0,711	Syrian Arab Republic	0,475	
Malawi	0,098	1,000	0,890		0,000		0,493	0,180	0,366	0,978	0,200	0,308	0,667	0,833	0,152			Malawi	0,474	
Yemen	0,582	0,950	0,155	0,082	0,460	0,818	0,593	0,305	0,071	0,978	0,759	0,615	0,167	0,333	0,254	0,000	0,711	Yemen	0,461	
Rwanda	0,123	1,000	0,873		0,030	0,949	0,480	0,248	0,256	0,978	0,231	0,269	0,167	0,000	0,234		1,000	Rwanda	0,456	
Kenya	0,325	0,990	0,805	0,036	0,314	0,730	0,393	0,283	0,268	0,956	0,397	0,500	0,333	0,167	0,291			Kenya	0,453	
Haiti	0,419	0,995	0,607	0,110	0,356		0,247	0,284	0,010	1,000	0,528	0,481	0,333	0,500				Haiti	0,452	
Bahrain	0,910	0,080	0,165	0,037	0,826		0,533	0,828	0,322	0,352	0,808	0,167	0,000	0,831				Bahrain	0,451	
Cameroon	0,467	0,990	0,442	0,109	0,380		0,447	0,317	0,445	0,956	0,320	0,404	0,333	0,000	0,306		0,816	Cameroon	0,449	
Burkina Faso	0,213	1,000	0,894		0,126	0,730	0,547	0,053	0,278	0,933	0,267	0,327	0,500	0,333	0,064			Burkina Faso	0,447	
Swaziland	0,631	0,985	0,367		0,515	0,223	0,447	0,318		0,933	0,036	0,231	0,500	0,167	0,279			Swaziland	0,433	
Saudi Arabia	0,879	0,299	0,000	0,093	0,790		0,393	0,720	0,084	0,567	0,516	0,827	0,000	0,000	0,675	0,142	0,895	Saudi Arabia	0,430	
Togo	0,289	0,995	0,501		0,235		0,460	0,339	0,248	0,956	0,401	0,365	0,333	0,167	0,275			Togo	0,428	
Guinea-Bissau	0,306	0,995	0,514		0,140	0,073	0,273	0,098	0,349	0,978	0,366	0,462	0,333	0,667				Guinea-Bissau	0,427	
Congo	0,282	0,910	0,623	0,130	0,228		0,340	0,339	0,477	0,956	0,494	0,519	0,333	0,000	0,339			Congo	0,426	
Nigeria	0,383	0,970	0,419	0,007	0,266	0,631		0,252	0,270	0,922	0,287	0,481	0,500	0,167	0,225			Nigeria	0,413	
Zambia	0,000	0,990	0,698	0,033	0,020	0,620	0,373	0,166	0,410	0,967	0,184	0,365	0,500	0,333	0,155		0,711	Zambia	0,408	
Lesotho	0,508		0,421		0,412	0,310	0,587	0,317		0,989	0,128	0,250	0,500	0,500	0,290		0,000	Lesotho	0,401	
Côte d'Ivoire	0,226	0,960	0,346	0,151	0,183	0,869	0,407	0,204	0,317	0,956	0,241	0,288	0,500	0,167	0,163			Côte d'Ivoire	0,398	
Ethiopia	0,196		0,577	0,012	0,100	0,850	0,567	0,126	0,084	0,978	0,314	0,327	0,500	0,500			0,421	Ethiopia	0,397	
Zimbabwe	0,070	0,925	0,723	0,047	0,119	0,526	0,380	0,328	0,167	0,944	0,000	0,058	0,500	0,333	0,285		0,868	Zimbabwe	0,392	
Angola	0,352	0,985	0,774	0,053	0,177		0,460	0,240	0,209	0,967	0,223	0,346	0,167	0,167	0,207			Angola	0,381	
Niger	0,391	1,000	0,682		0,227	0,347	0,393	0,000	0,260	0,933	0,202	0,288	0,333	0,000	0,000			Niger	0,361	
Chad	0,328		0,698		0,195		0,088	0,260	0,911	0,174	0,288	0,500	0,167	0,087				Chad	0,336	
Burundi	0,164		0,868		0,078	0,901	0,200	0,142	0,138	0,978	0,047	0,000	0,167	0,000	0,131		0,658	Burundi	0,319	
Congo, Dem. Rep. of the	0,380		0,646	0,013	0,283		0,013	0,152	0,238	0,978	0,081	0,058	0,167	0,000	0,128			Congo, Dem. Rep. of the	0,241	

Abstract

We analyze in this paper the Lisbon performance of the countries of the European Union from a **long-term, structural perspective**.

The **independent** variables of our model for around the year 2000 or later comprised the following list.

- development level ln (GDP PPP pc). This variable should control for the effects of rising incomes on development (UNDP HDR, 2000)
- development level, square (maturity effects) ln (GDP PPP pc)². This variable should control for the effects of economic maturity on development (UNDP HDR, 2000)
- Dummy: landlocked country (Easterly, 2002)
- Dummy: transition country (Easterly, 2002)
- EU-15-membership (EU member by the year 2000, dummy variable)
- Foreign saving (I-S)/GNP (calculated from UNDP 2000)
- MNC PEN 1995 (UNCTAD World Investment Report, current issues)
- Percentage of Muslims per total population (Nationmaster)
- state interventionism (absence of economic freedom; Heritage Foundation and Wall Street Journal website for economic freedom, by around 2000)
- unequal transfer (calculated from UNDP, concept: ERDI, reciprocal value of comparative “price levels” (developed on the basis of the ERD-Index Yotopoulos et al.) (the Commission maintaining that a low value is good result) (UNDP HDR, 2000)
- Urbanisation (Easterly 2002)
- World Bank pension reform (World Bank sources, quoted in Tausch (Ed.), 2003)

The **dependent variables** for this analysis correspond to standard knowledge in comparative political science and sociology. Although we presume the indicators as to be known generally, we present for our readers a brief summary of the Happy Planet Indicators, available from <http://www.happyplanetindex.org/list.htm>, the UNDP indicators and the Yale/Columbia environmental data series.

The **dependent variables** were measured, if not specified otherwise, by around 2000. The list of the dependent variables, to be projected onto a combined and single indicator, comprises

1. economic growth, 1990-2003 (UNDP HDR, 2005)
2. eco-social market economy (GDP output per kg energy use) (UNDP HDR 2000)
3. female economic activity rate as % of male economic activity rate (UNDP HDR 2000)
4. freedom from % people not expected to survive age 60 (UNDP HDR 2000)
5. freedom from a high ecological Footprint, 204 (Happy Planet Organization)
6. freedom from a high quintile ratio (share of income/consumption richest 20% to poorest 20%) (UNDP HDR 2005)
7. freedom from civil liberty violations, 1998, and 2006 (Easterly, 2002, and Freedom House, 2007)
8. freedom from high CO₂ emissions per capita (UNDP HDR 2000)
9. freedom from political rights violations, 1998, and 2006 (Easterly, 2002, and Freedom House, 2007)
10. freedom from unemployment, 2003 (UN statistical system website, social indicators)
11. Gender development index 2004 (UNDP HDR, 2006)
12. Gender empowerment index, 2004 (UNDP HDR, 2006)
13. Happy Planet Index, 2004 (Happy Planet Organization)
14. Human development Index, 2005 (UNDP HDR 2005)
15. life expectancy, 1995-2000 (UNDP HDR 2000)
16. Life Satisfaction, 2004 (Happy Planet Organization)
17. the Yale/Columbia environmental sustainability index (ESI-Index), 2005

It again turns out that first of all **things get worse, before they get better** – the old wisdom of

classical development economics (**Kuznets**) and political science modernization theory of the postwar period. In addition, it emerges that **foreign savings**, “**economic freedom**”, **low comparative international price levels**, and **World Bank type pension reforms** are **not compatible with a solid and long-run development path**, based on our knowledge of 17 component variables, integrating the dimensions growth, environment, human rights, basic human needs satisfaction, and gender equality. In addition, **European Union membership** (EU-15, “old Europe”) has the numerically **highest negative effect** on the global Lisbon process; while **Muslim population shares** in no way bloc the development process, on the **contrary**. Neo-liberal globalization strategies are condemned to failure; while European decision makers in particular would be strongly advised to re-think their Lisbon strategy, which pushes countries towards accepting strategies, which, *inter alia*, lower instead of increase the comparative international price level. **Is a price level of say, the Congo’s dimension, really the aim of the Lisbon process?**

Balassa and Samuelson assumed that rising international price levels for the periphery country are a precondition of positive development. **Falling relative price levels would suggest in the neo-classical argument that the price of the non-tradables in the European economy decreased dramatically over time.** Structuralist economists, like Stanford Professor emeritus Pan Yotopoulos, usually warn the weaker countries of the periphery that

“Currency substitution represents an asymmetric demand from Mexicans to hold dollars as a store of value, a demand that is not reciprocated by Americans holding pesos as a hedge against the devaluation of the dollar!” (Yotopoulos and Sawada, 2005)

In addition to the above specified dependency theory and world systems theory arguments, **urbanization** positively affects Lisbon Process Index Indicator. *Ceteris paribus*, **World Bank pension reforms** will be negatively related to the process:

Pushing Europe downwards the path of falling comparative prices will only increase the growth impediments of the growingly multicultural Europe:

JEL Classification: C43 - Index Numbers and Aggregation; C21 - Cross-Sectional Models; Spatial Models; F15 - Economic Integration; R11 - Regional Economic Activity: Growth, Development, and Changes; F2 - International Factor Movements and International Business; F5 - International Relations and International Political Economy