A) Deviation from average income of Central Europe B) Deviation from average income of the Core 125% Deviation (average GDP p.c. of core countries=100%) 120% Deviation (average GDP p.c. of Central Europe=100%) Core Central Europe Germany 80% Italy Southern Europe 60% Periphery Eastern East 50% 40% Europe 2005 2010 2015 2020 25% 1995 2000 2005 2010 2015 2020 Core - Finance Central Europe → Eastern Europe → Southern Europe → East → Germany → Periphery C) GDP per capita in the four development models Core Periphery East Finance 125k GDP per capita (PPP; population weighted avg.) 25k

1995

2005

2015

1995

2005

2015

1995

2005

Income polarization in the EU

Data: World Bank; own calculation.

2005

2015