THE RISE OF ASIA AND THE NEW ECONOMIC ORDER

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THREE MAJOR TRENDS
IN THE WORLD ECONOMY

CHINA OVERTAKES THE U.S. IN 2018:
The U.S. Has Been the World’s Leading Economy for a Century

DEVELOPING ASIA OVERTAKES THE G7 IN 2018:
Mainly Due to China with a Contribution from India

THE NEW WORLD ORDER:
China, U.S., India, Japan, Russia, Germany, and Brazil
THE RISE OF ASIA AND THE NEW WORLD ORDER

THE SOURCES OF ECONOMIC GROWTH:
Capital Input, Labor Input, and Productivity

CAPITAL INPUT GROWTH:
Information Technology and Non-Information Technology

LABOR INPUT GROWTH:
Hours Worked and Labor Quality.
CAPITAL INPUT GROWTH:

INPUT SHARES OF IT:
Computers, Communications Equipment, and Software

CAPITAL CONTRIBUTION BY INFORMATION TECHNOLOGY:
Computers, Communications Equipment, and Software

CAPITAL CONTRIBUTION IT AND NON-IT:
IT vs. Non-IT Capital Services
U.S. Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares
World Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares
G7 Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares

[Bar chart showing annual percentage growth rates for IT and Non-IT capital for Canada, France, Germany, Italy, Japan, UK, and US from 1990-1995 to 2005-2009. The chart uses a color scheme to differentiate between IT and Non-IT capital.]
Asia 7 Contribution of Information Technology

Annual percentage growth rates, weighted by income shares
SOURCES OF U.S. ECONOMIC GROWTH

LABOR INPUT GROWTH:
Hours Worked and Labor Quality

TOTAL FACTOR PRODUCTIVITY:
Output versus Input

SOURCES OF ECONOMIC GROWTH:
Capital Input, Labor Input, and TFP
Sources of U.S. Economic Growth

Annual percentage growth rates
Sources of World Economic Growth
Annual percentage growth rates
Sources of G7 Economic Growth
Annual percentage growth rates

[Diagram showing growth rates for different countries and time periods, with categories for hours, quality, non-IT capital, IT capital, and TFP.]
PROJECTING GROWTH OF THE WORLD ECONOMY

DEMOGRAPHICS:
Hours Worked from Labor Force Projections;
Labor Quality from Educational Attainment

PRODUCTIVITY:
Growth of TFP, Capital Quality, and the
Gap between Output and Capital

GDP GROWTH:
Sum of the Growth of Hours Worked and Labor Productivity
Range of U.S. Potential Output Projections, 2009-2019

Annual percentage growth rates

- 1990-2009
- Pessimistic Case
- Base Case
- Optimistic Case

- Labor Productivity
- Hours
Growth Projections for the G7 Economy
Annual percentage growth rates
Growth Projections for the Asia 7 Economy
Annual percentage growth rates
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RESEARCH ON ECONOMIC GROWTH:
Growth of Input Greatly Exceeds Productivity Growth

OFFICIAL STATISTICS:
A New Architecture for the National Accounts

THE ASIAN MODEL OF ECONOMIC GROWTH:
Globalization and Accumulation of Human and Nonhuman Capital