THREE MAJOR TRENDS IN THE WORLD ECONOMY

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

WORLD ECONOMIC GROWTH ACCELERATES:
Mainly Due to China with a Contribution from India

THE NEW WORLD ORDER IN 2022:
China, U.S., India, Japan, Germany, Russia, Brazil
SOURCES OF WORLD ECONOMIC GROWTH

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

CAPITAL INPUT GROWTH:
Information and Non-Information Technology

LABOR INPUT GROWTH:
Hours Worked and Labor Quality

TOTAL FACTOR PRODUCTIVITY
Output per Unit of Input
Sources of G7 Economic Growth

Annual percentage growth rates
Sources of BRICS Economic Growth
Annual percentage growth rates

- Brazil
- China
- India
- Indonesia
- Mexico
- Russian Federation
- South Korea

Legend:
- Hours
- Quality
- Non-IT Capital
- IT Capital
- TFP
PROJECTING GROWTH OF THE WORLD ECONOMY

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

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

GDP GROWTH:
Sum of the Growth of Hours Worked and Labor Productivity
World Productivity Growth Projections, 2012-2022

Annual percentage growth rates

- 1990-2012
- Pessimistic Case
- Base Case
- Optimistic Case

Labor Productivity
World Growth Projections, 2012-2022

Annual percentage growth rates

- 1990-2012
- Pessimistic Case
- Base Case
- Optimistic Case

- Hours
- Labor Productivity
Growth Projections for the G7 Economy

Annual percentage growth rates
Growth Projections for the BRICS Economy
Annual percentage growth rates

- Brazil
- China
- India
- Indonesia
- Mexico
- Russian Federation
- South Korea

Legend:
- Hours
- Productivity
New Economic Order 2022
Percentage shares of world GDP

- China
- US
- India
- Japan
- Germany
- Russia
- Brazil
RESEARCH ON ECONOMIC GROWTH:
Growth of Input Greatly Exceeds TFP Growth;
Most Growth is Replication Not Innovation

THE ASIAN MODEL OF ECONOMIC GROWTH:
The Special Sauce Is Globalization and the
Accumulation of Human and Nonhuman Capital

OFFICIAL STATISTICS:
Growth Is Now Included in Our National Accounts; This
Involves a New Architecture for the Accounts