

The Role of Latin America in the World Economy

By

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3

Productivity

V O L U M E 3

*Information Technology
and the American Growth
Resurgence*

Dale W. Jorgenson, Mun S. Ho,
and Kevin J. Stiroh

Economic Growth in the Information Age

INTRODUCTION:

Prices of Information Technology

ROLE OF INFORMATION TECHNOLOGY:

IT Prices and the Cost of Capital

WORLD GROWTH RESURGENCE:

IT Investment and Productivity Growth

ECONOMICS ON INTERNET TIME:

The New Research Agenda

HOLDING QUALITY CONSTANT

Matched Models and Hedonics

SEMICONDUCTOR PRICE INDEXES:

Memory and Logic Chips.

COMPUTER PRICE INDEXES:

The BEA-IBM Collaboration.

COMMUNICATIONS EQUIPMENT:

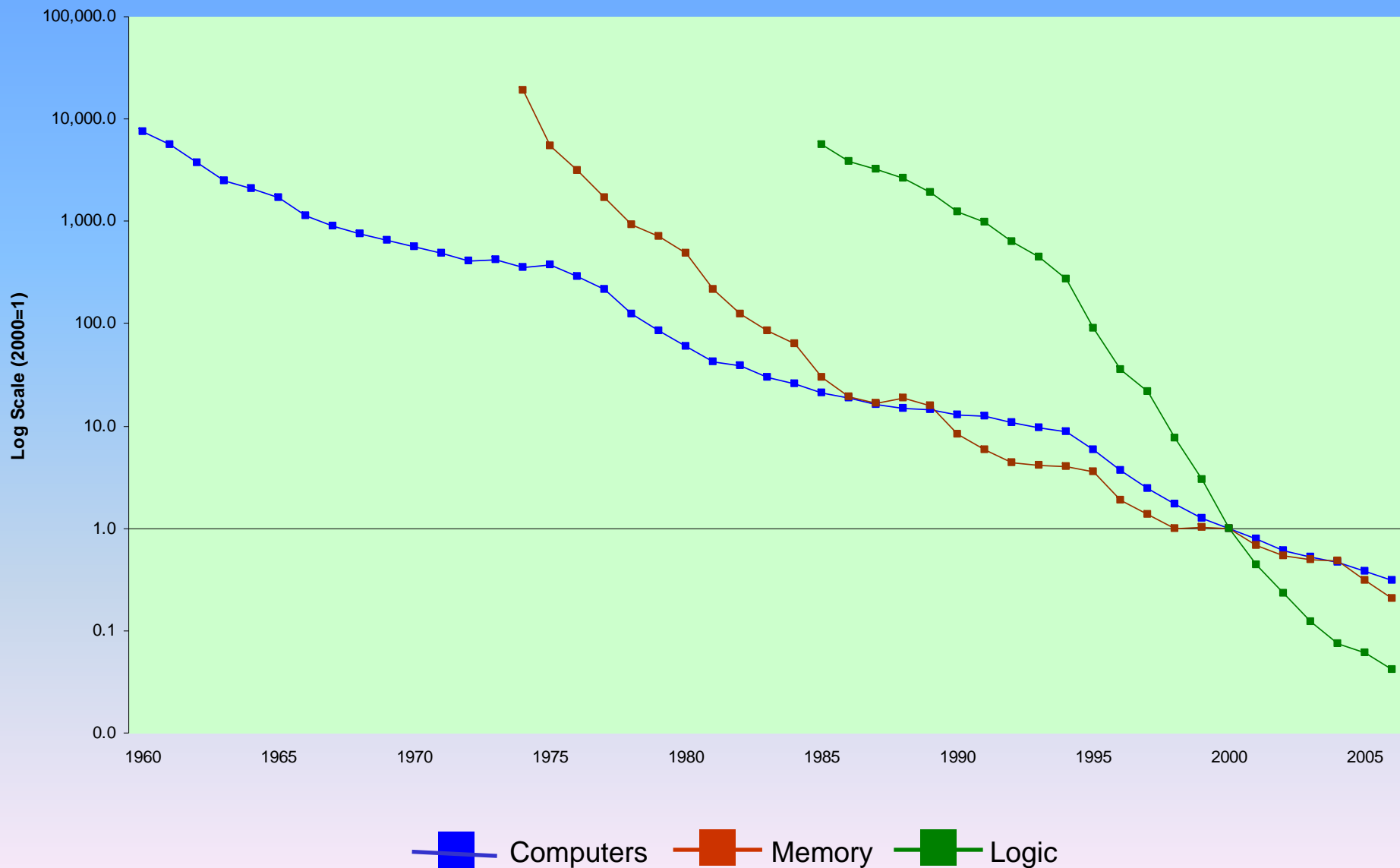
Terminal, Switching, and Transmission.

SOFTWARE:

Prepackaged, Custom, and Own-Account.

Relative Prices of Computers and Semiconductors, 1960-2006

All price indexes are divided by the output price index



ROLE OF INFORMATION TECHNOLOGY: IT Prices, Investment, and Productivity.

INPUT SHARES OF IT:

Computers, Communications Equipment, and Software.

CAPITAL CONTRIBUTION:

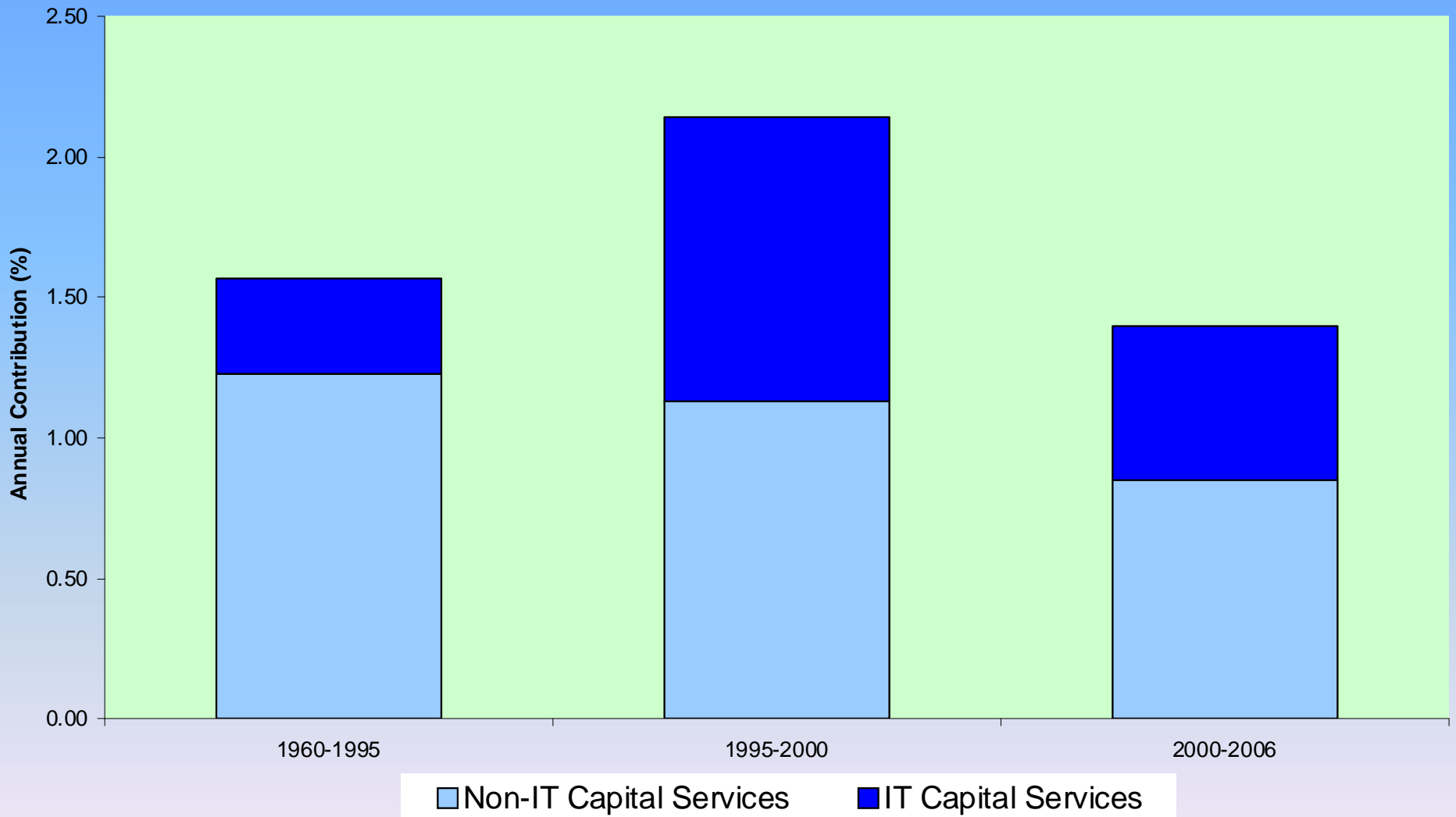
IT vs. Non-IT Capital Services.

CAPITAL CONTRIBUTION BY TYPE:

Computers, Communications Equipment, and Software.

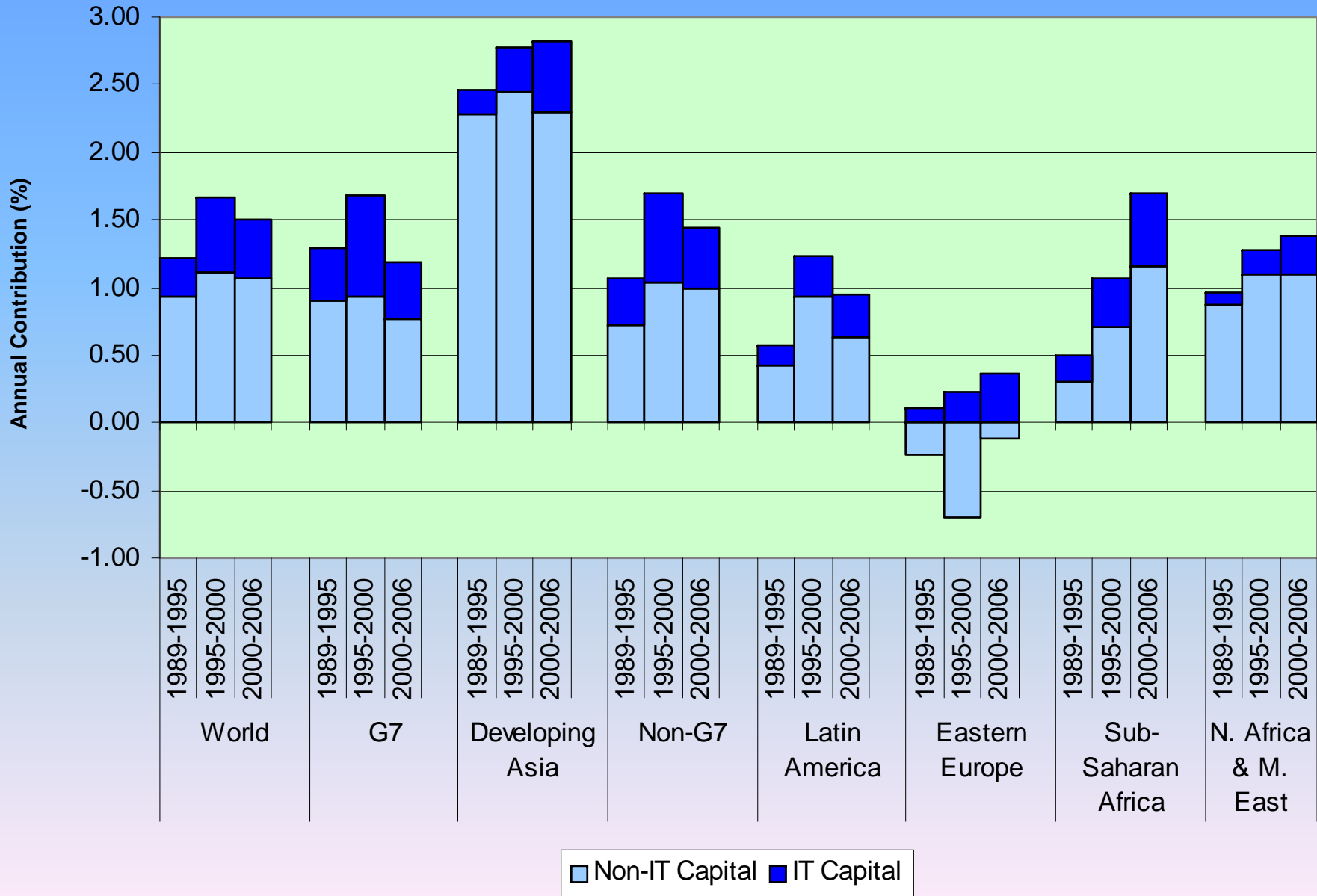
U.S. Capital Input Contribution of Information Technology

Average annual growth rates, weighted by the income share.



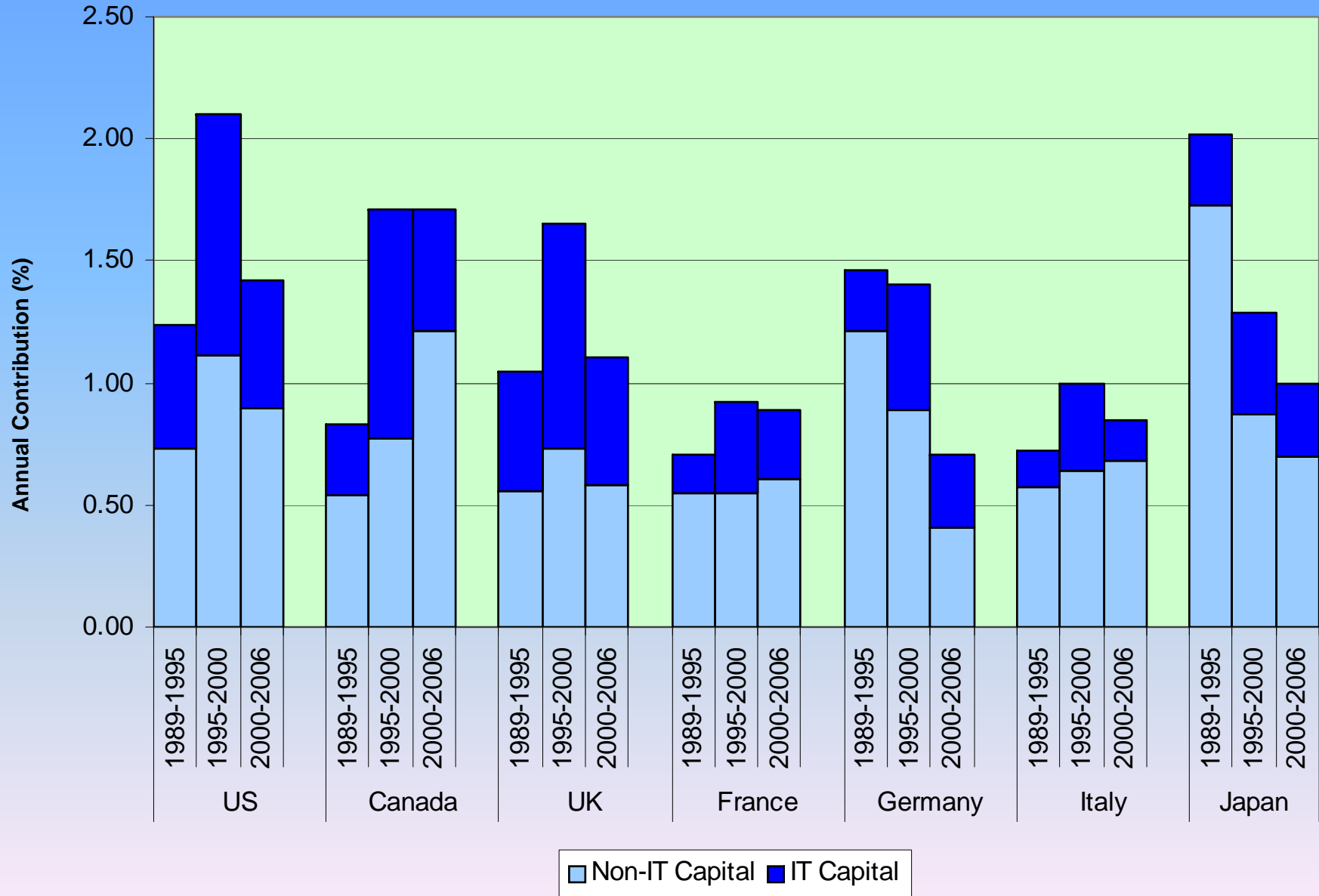
World Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares

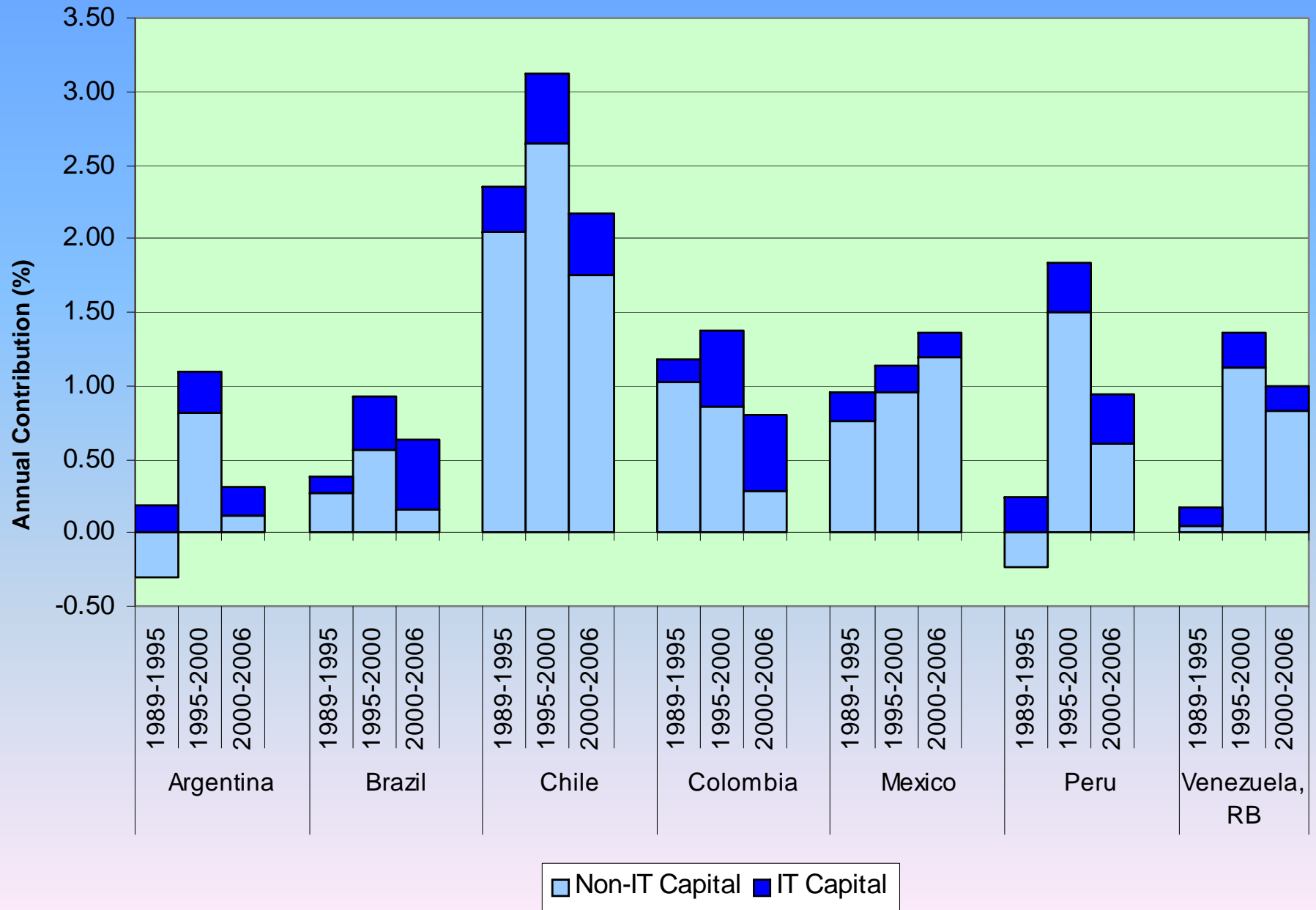


G7 Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares

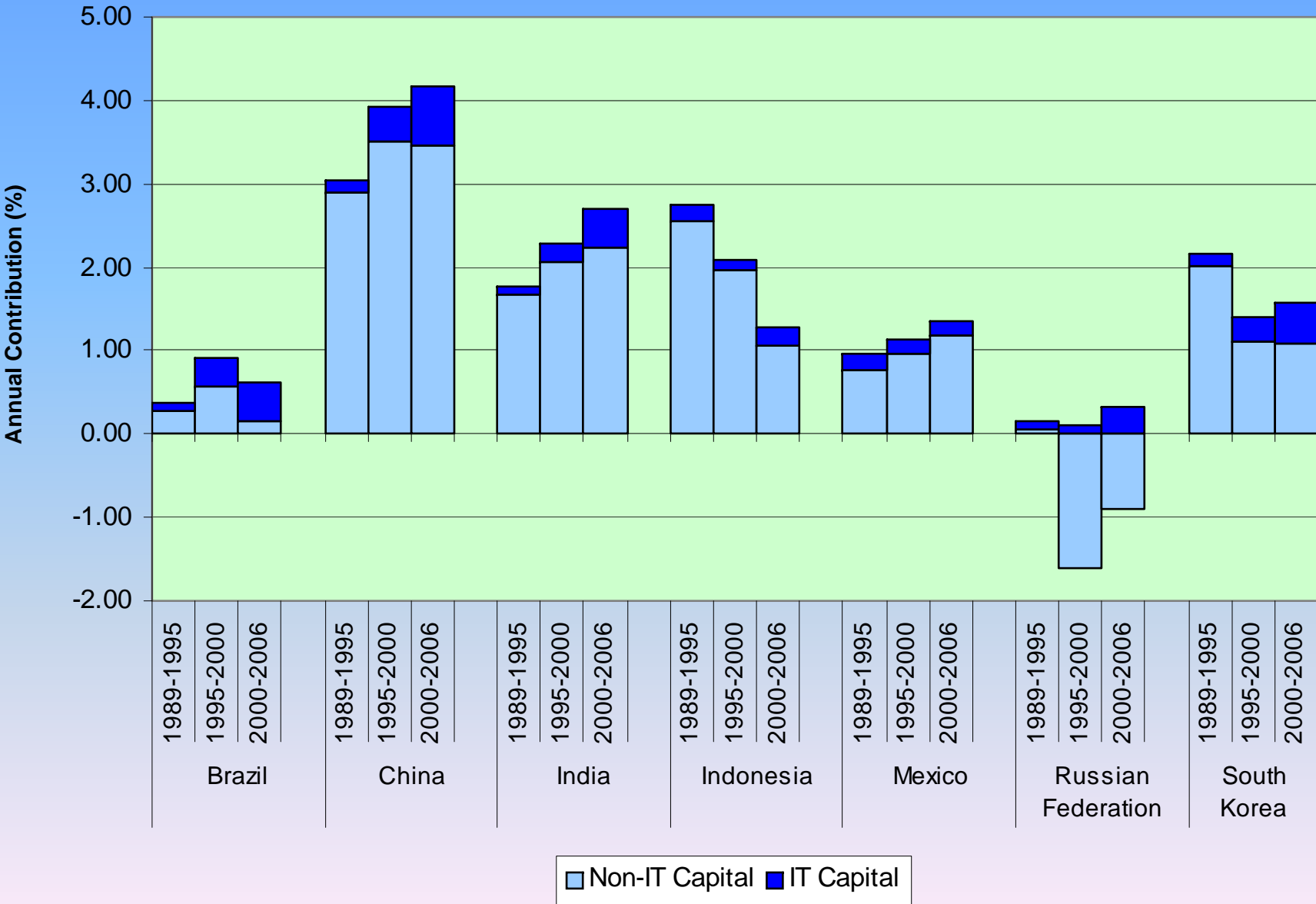


Capital Input Contribution: Latin America



Developing and Transition Economy Contribution of Information Technology

Annual percentage growth rates, weighted by income shares



WORLD GROWTH RESURGENCE: IT Investment and Productivity Growth.

TOTAL FACTOR PRODUCTIVITY:

IT-Production versus Non-IT Production.

SOURCES OF ECONOMIC GROWTH:

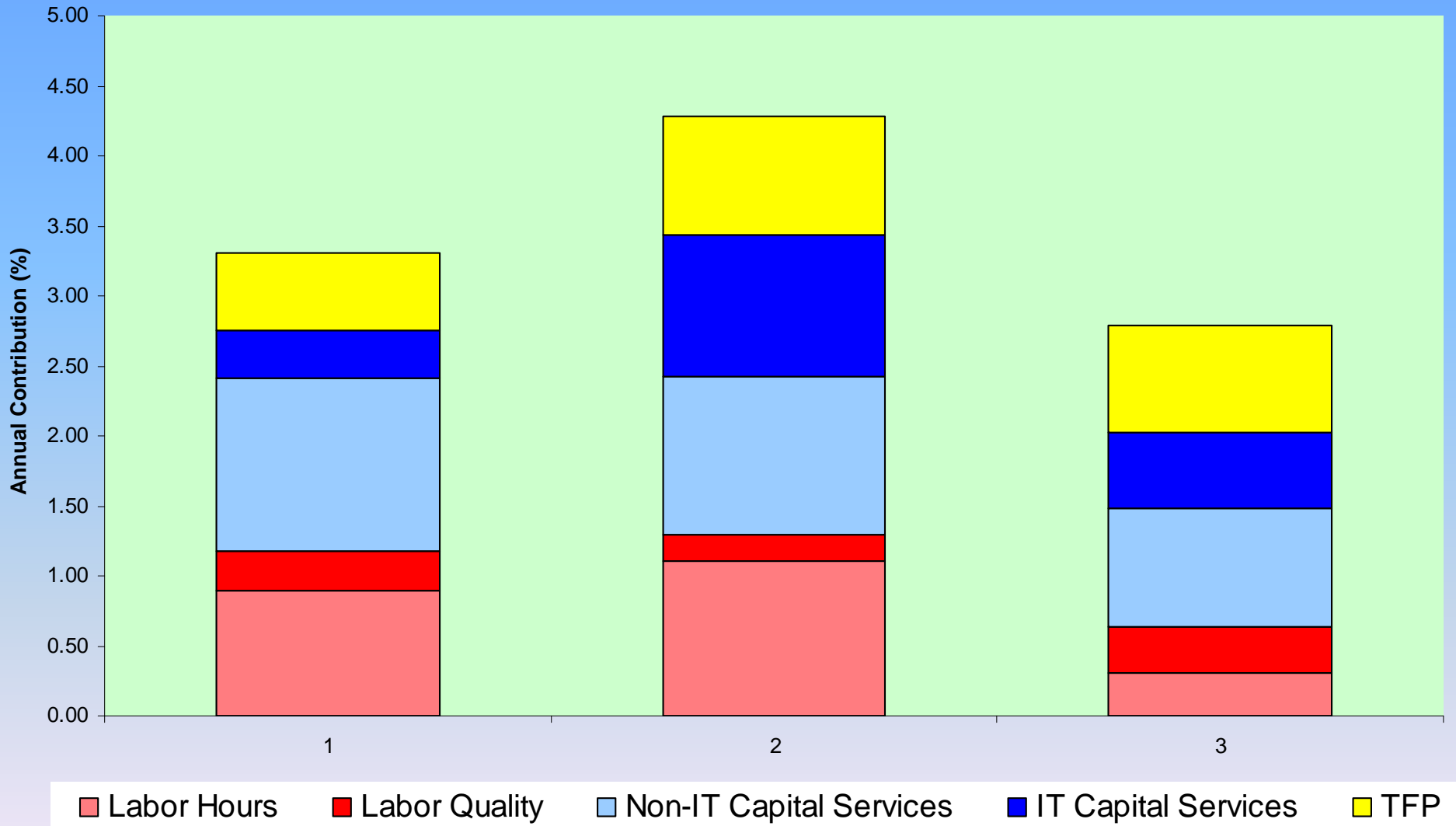
Capital Input, Labor Input, and TFP.

LABOR INPUT GROWTH:

Hours Worked and Labor Quality.

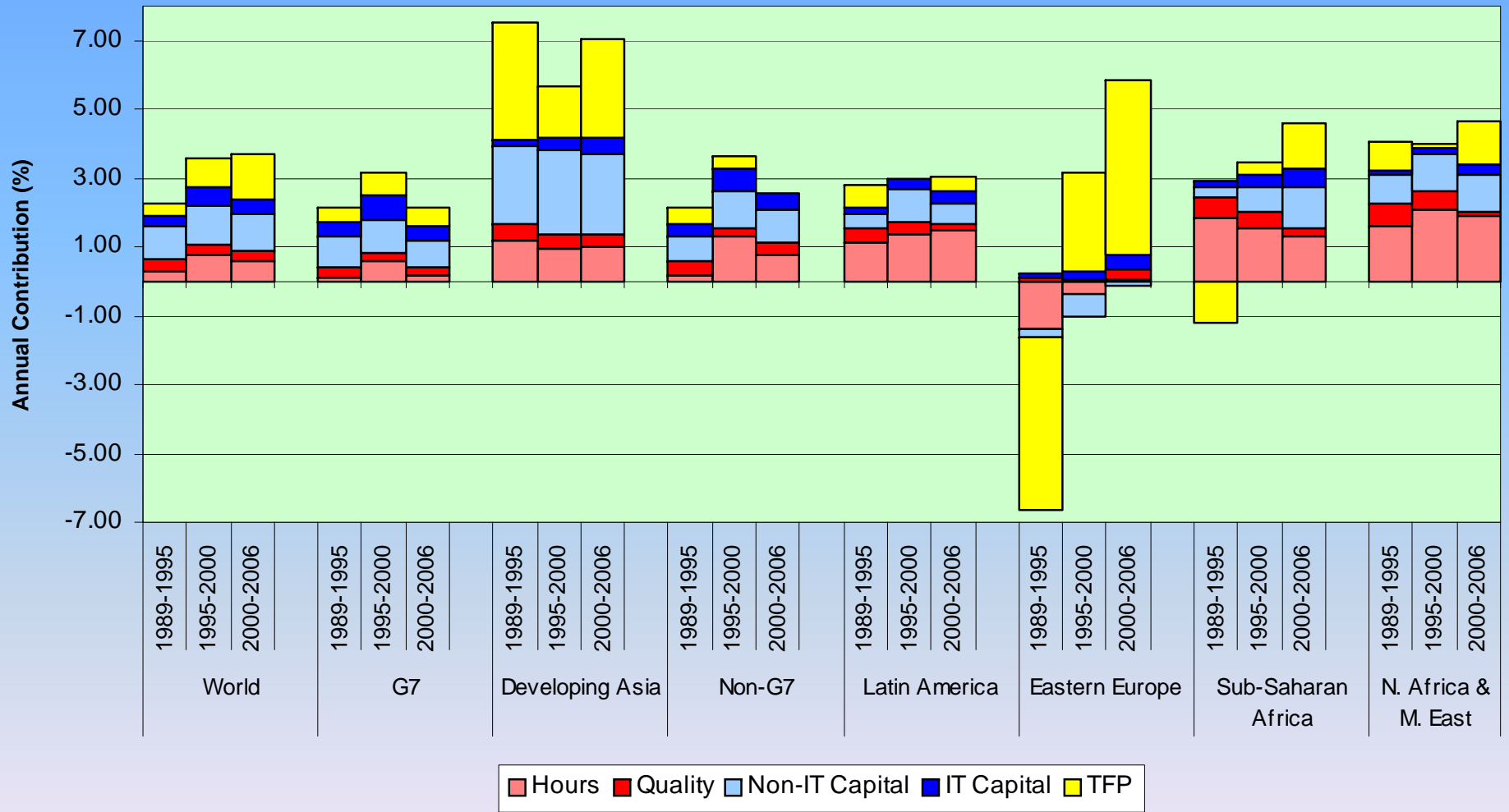
Sources of U.S. Economic Growth

Average annual growth rates, weighted by the income share.



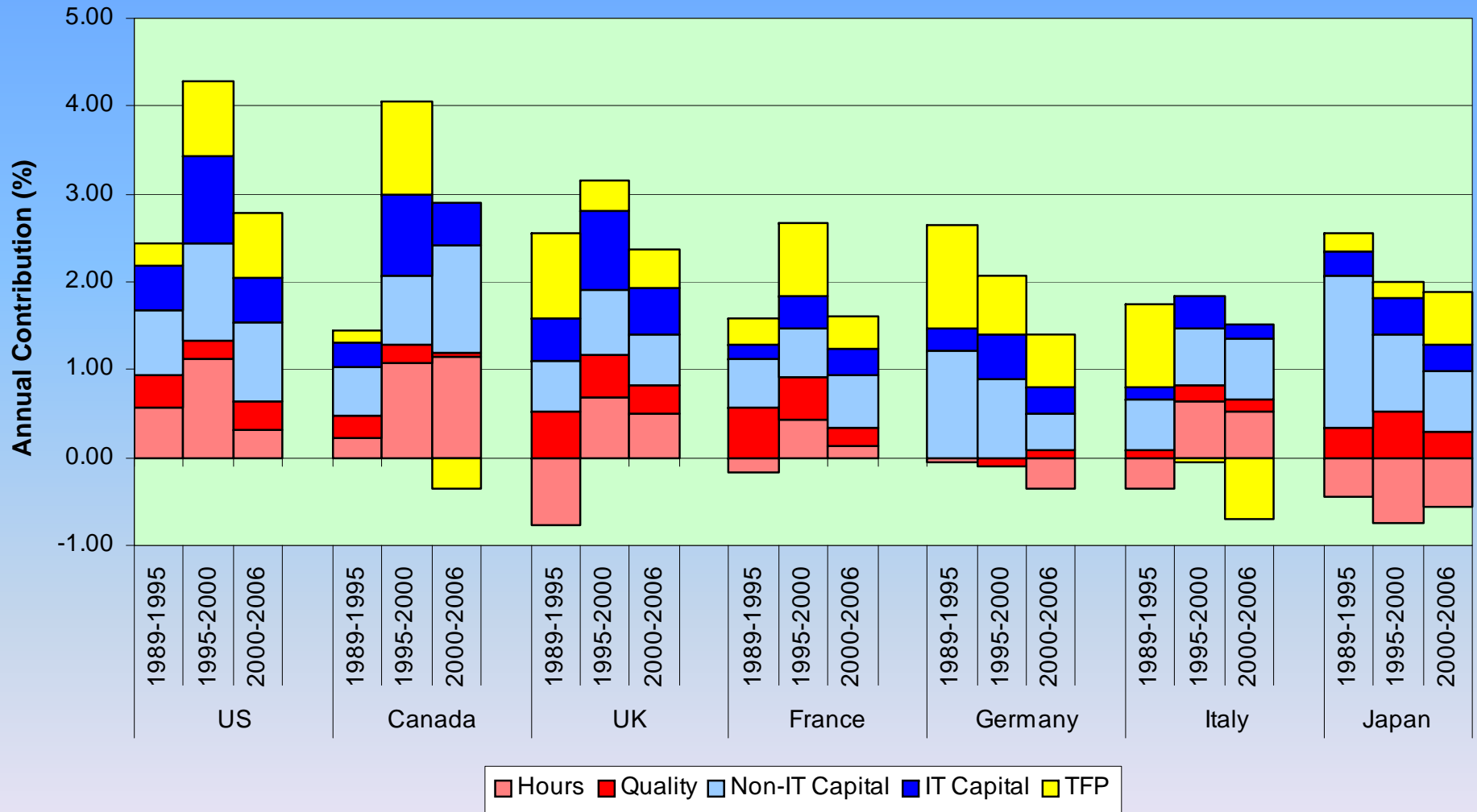
Sources of World Economic Growth

Annual percentage growth rates

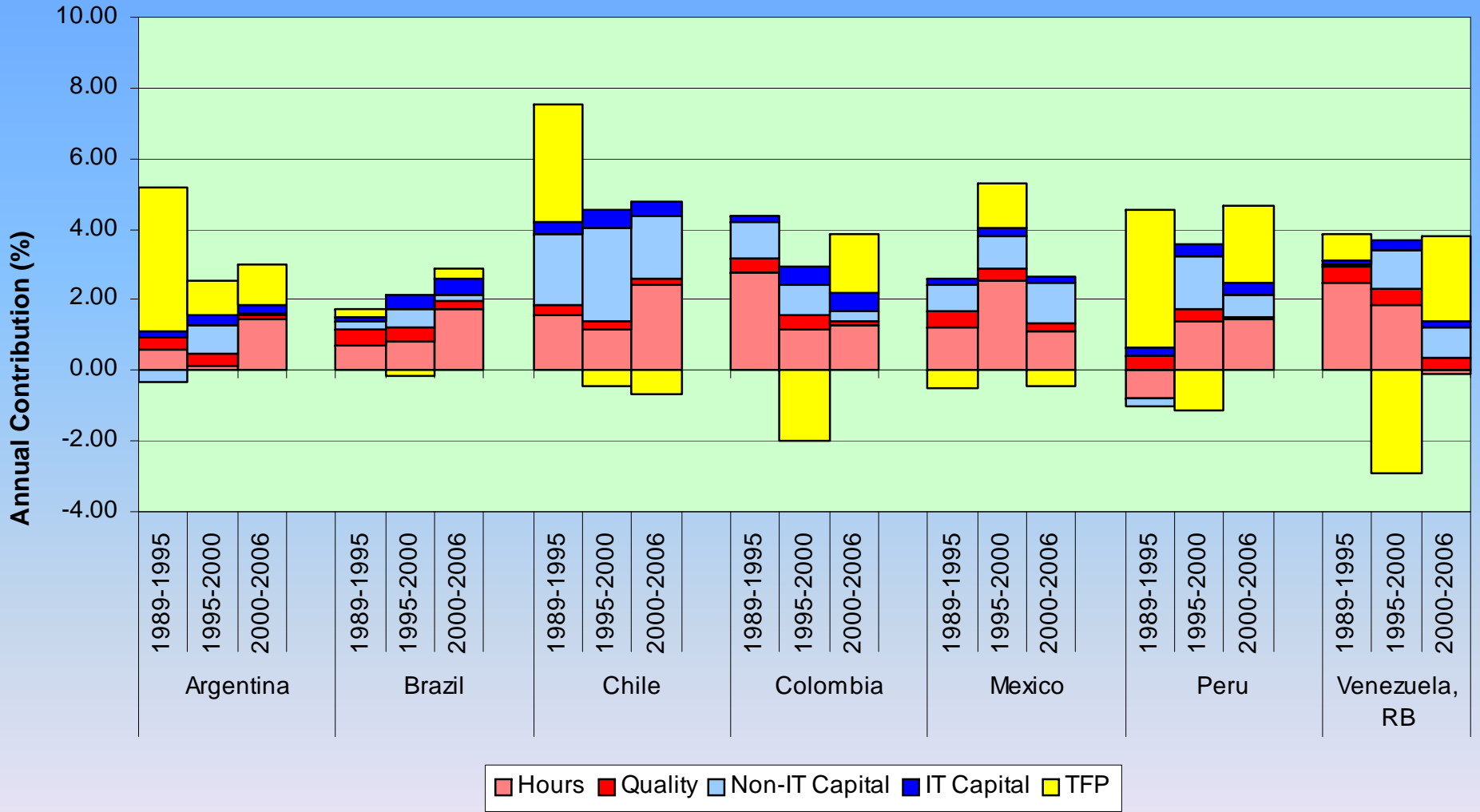


Sources of G7 Economic Growth

Annual percentage growth rates

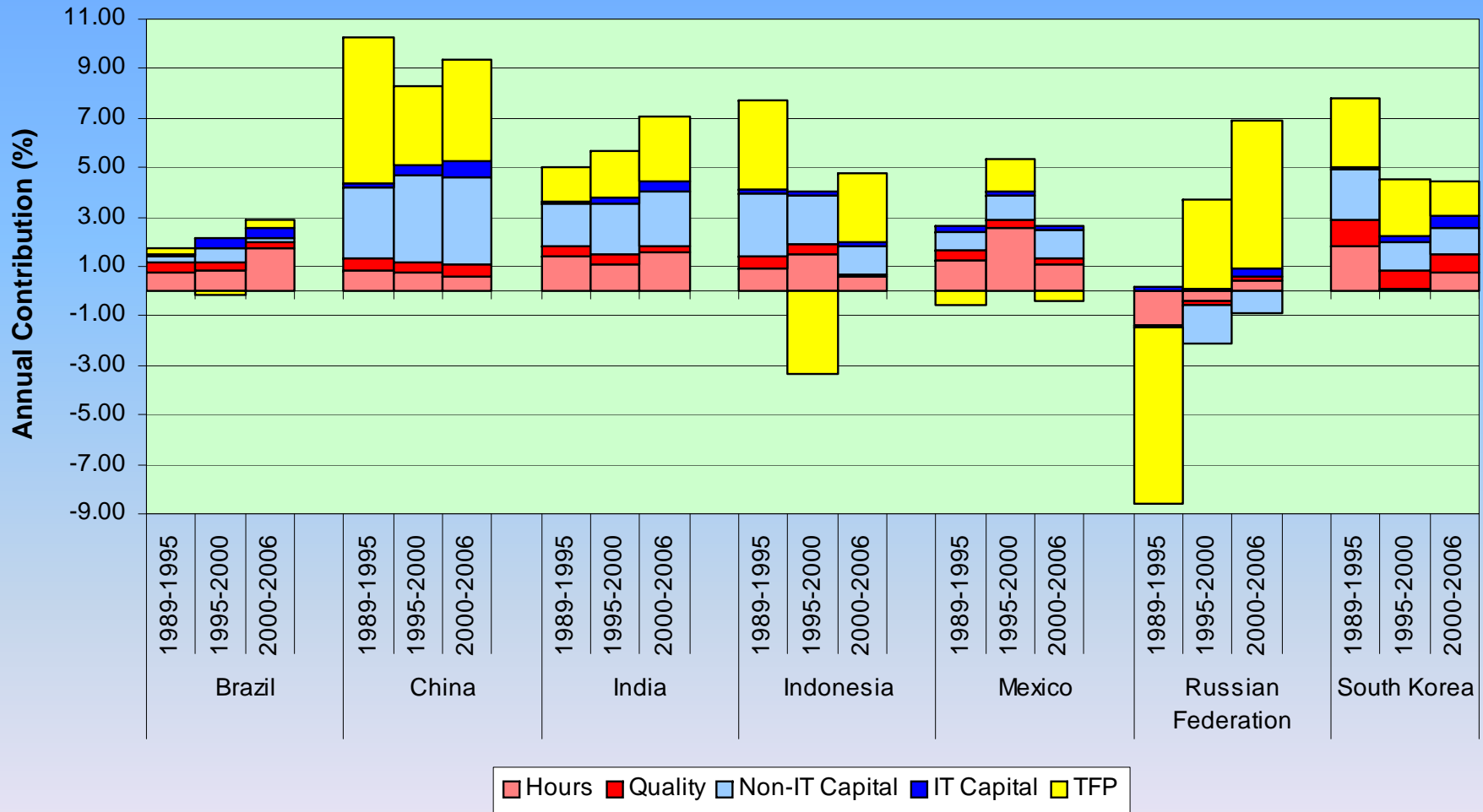


Sources of Growth by Country: Latin America



Sources of Growth for Developing and Transition Economies

Annual percentage growth rates



ECONOMIC RESEARCH, OFFICIAL STATISTICS, AND POLICY ANALYSIS

RESEARCH ON ECONOMIC GROWTH:

Relative Importance of Investment and Productivity

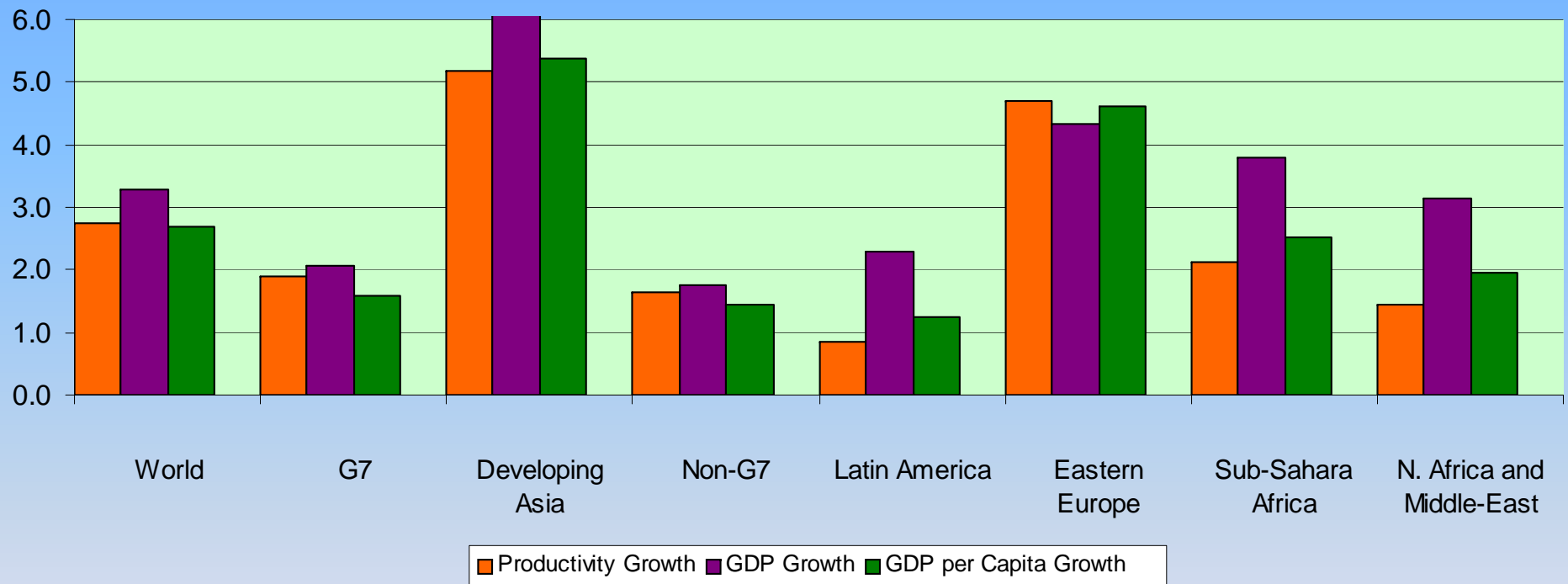
OFFICIAL STATISTICS:

Implementation of a New Architecture for the National Accounts

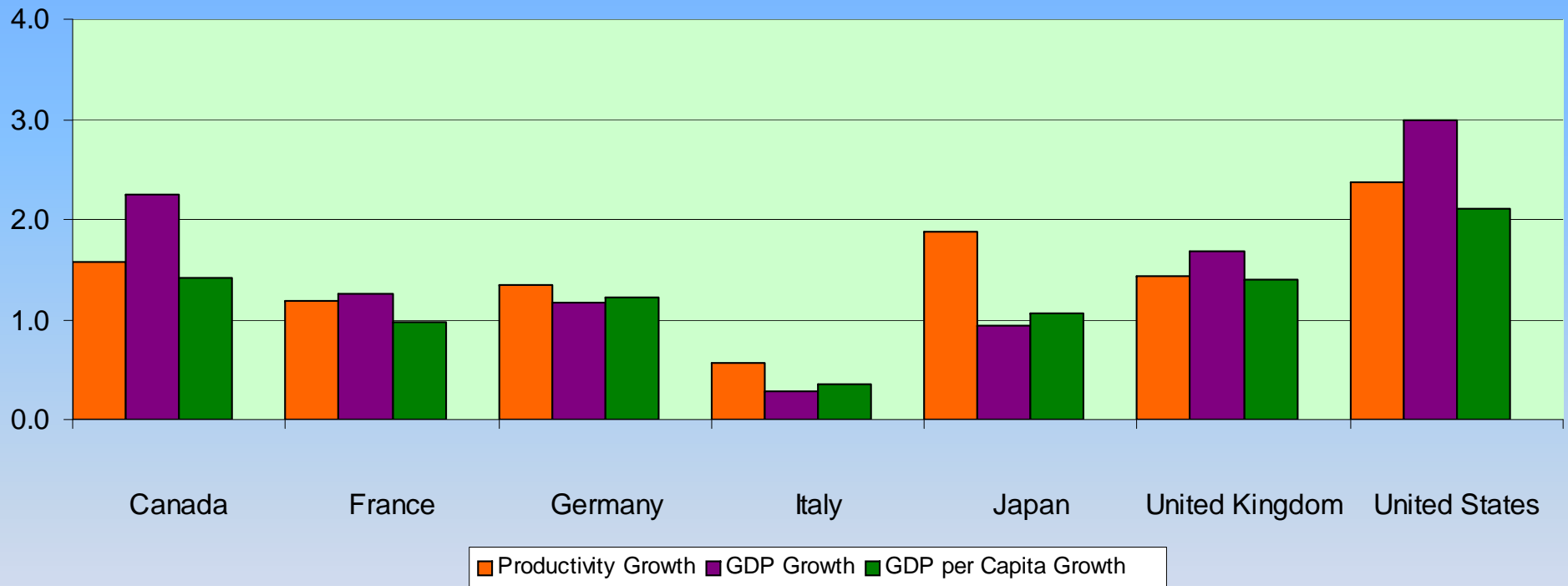
POLICY ANALYSIS:

Potential Growth in Latin America and the World Economy

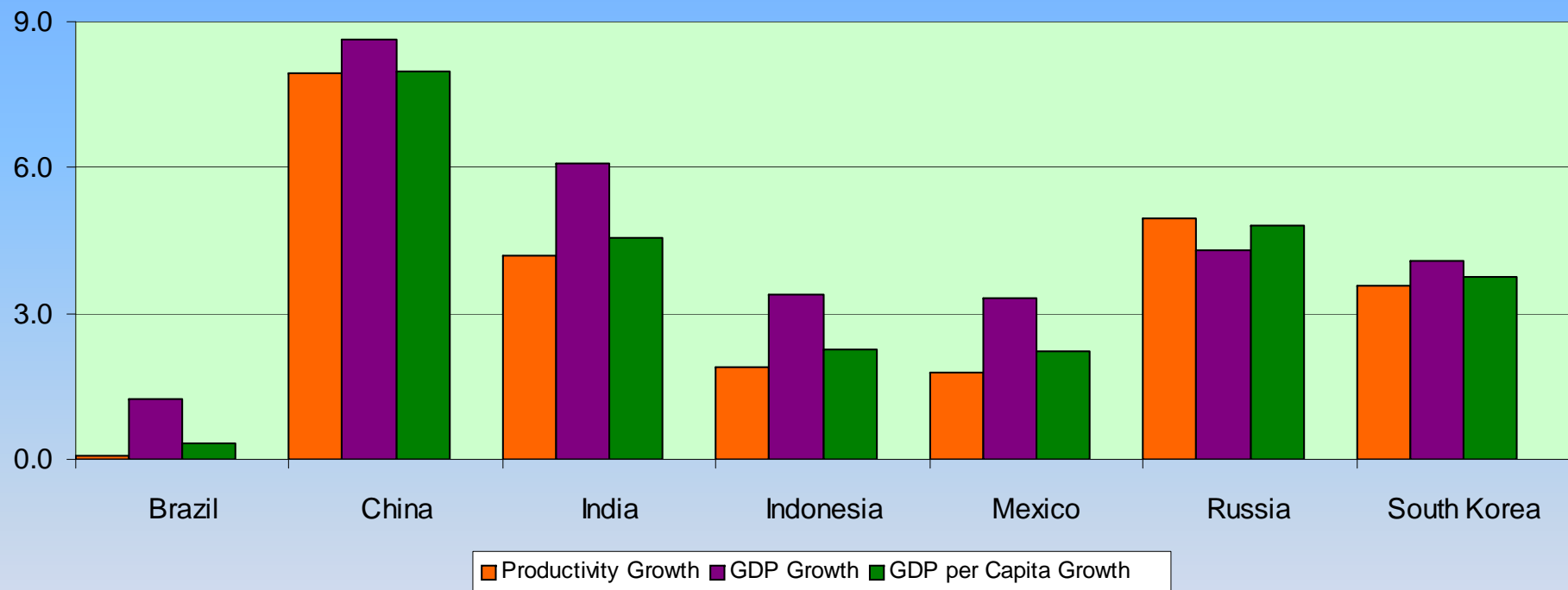
World and Major Regions: Growth Projections, 2006-2016



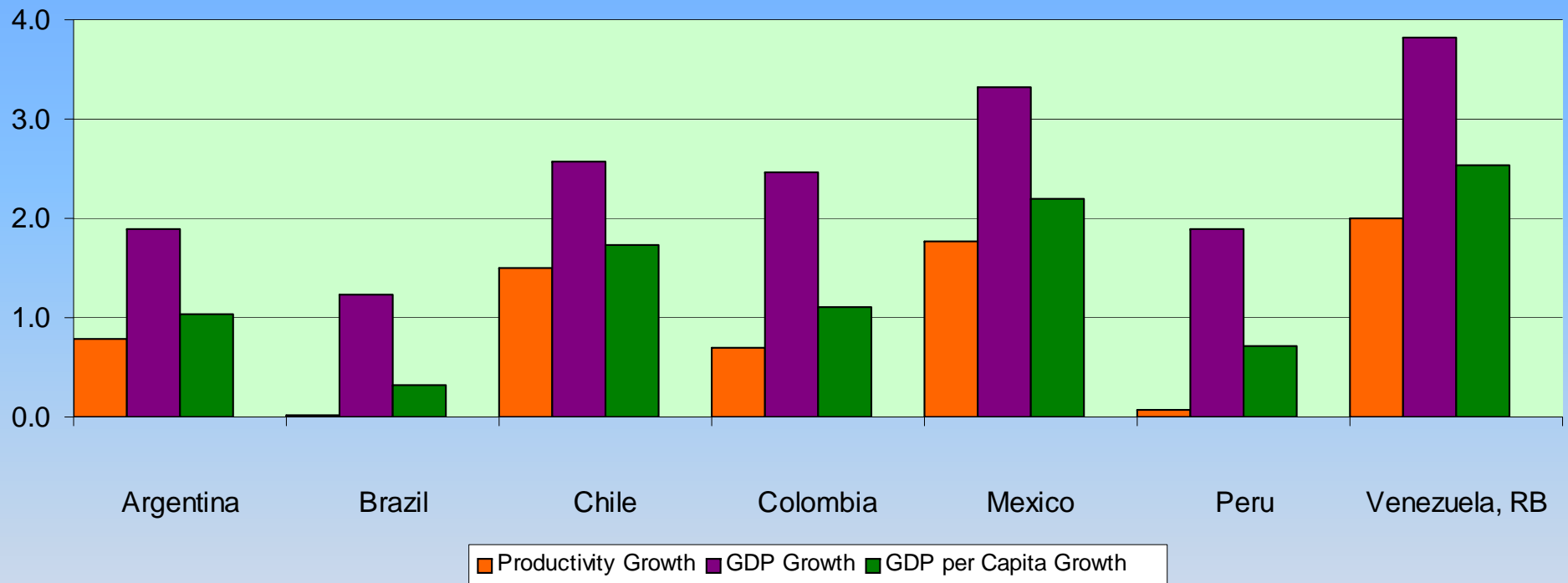
G7: Growth Projections, 2006-2016



Major Developing and Transition Economies: Growth Projections, 2006-2016



Latin America: Growth Projections, 2006-2016



EU KLEMS PROJECT

CURRENT RELEASE:

March 2008

25 EU ECONOMIES:

Australia, Canada, Japan, Korea, and the U.S.

SOURCES OF DATA:

Capital, Labor, and Intermediate Inputs

COMPLETION DATE:

June 30, 2008