

World Economic Growth – Retrospect and Prospect

by

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Growth Prospects and Fragilities in the Global Economy

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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:

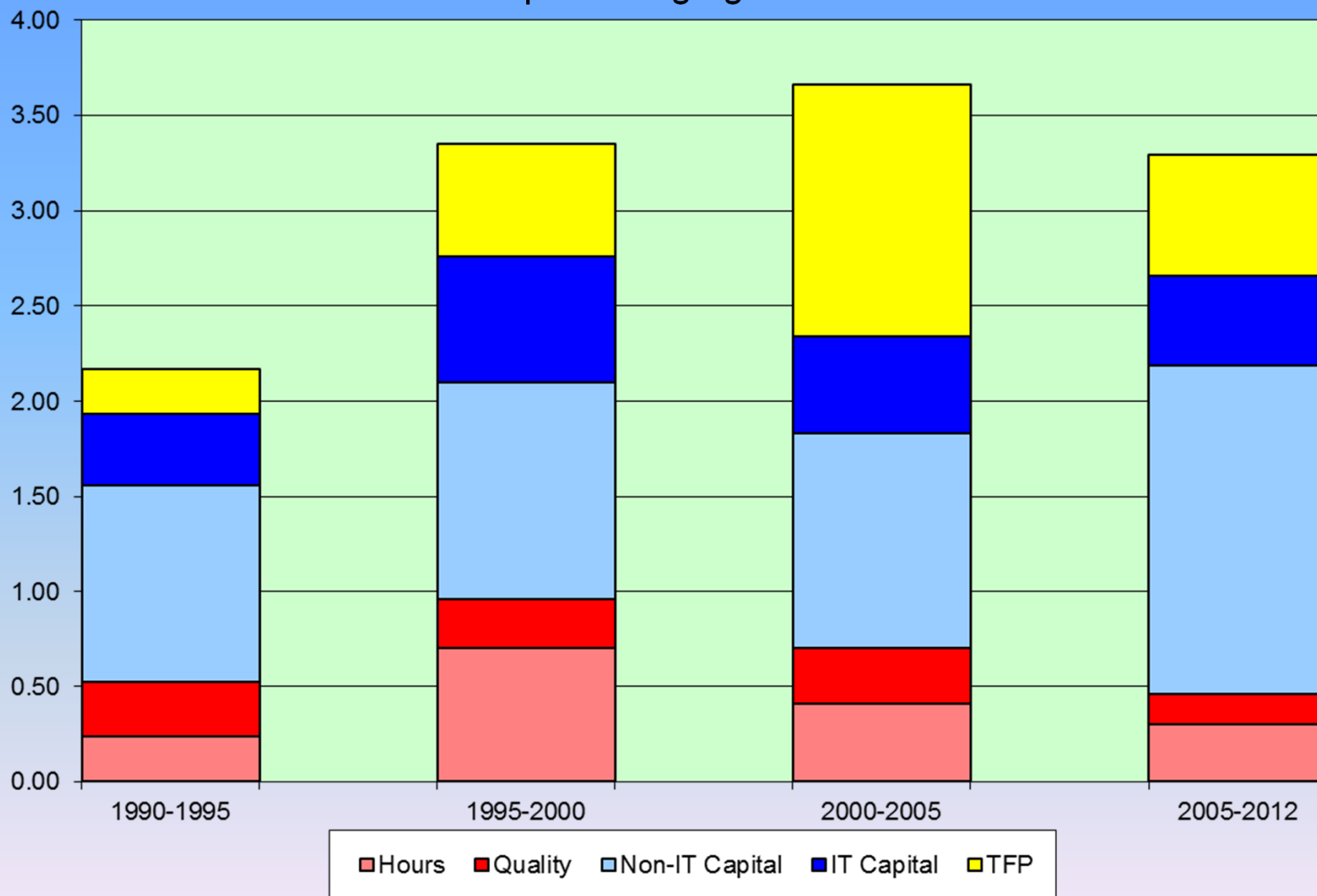
Hours Worked and Labor Quality

TOTAL FACTOR PRODUCTIVITY

Output per Unit of Input

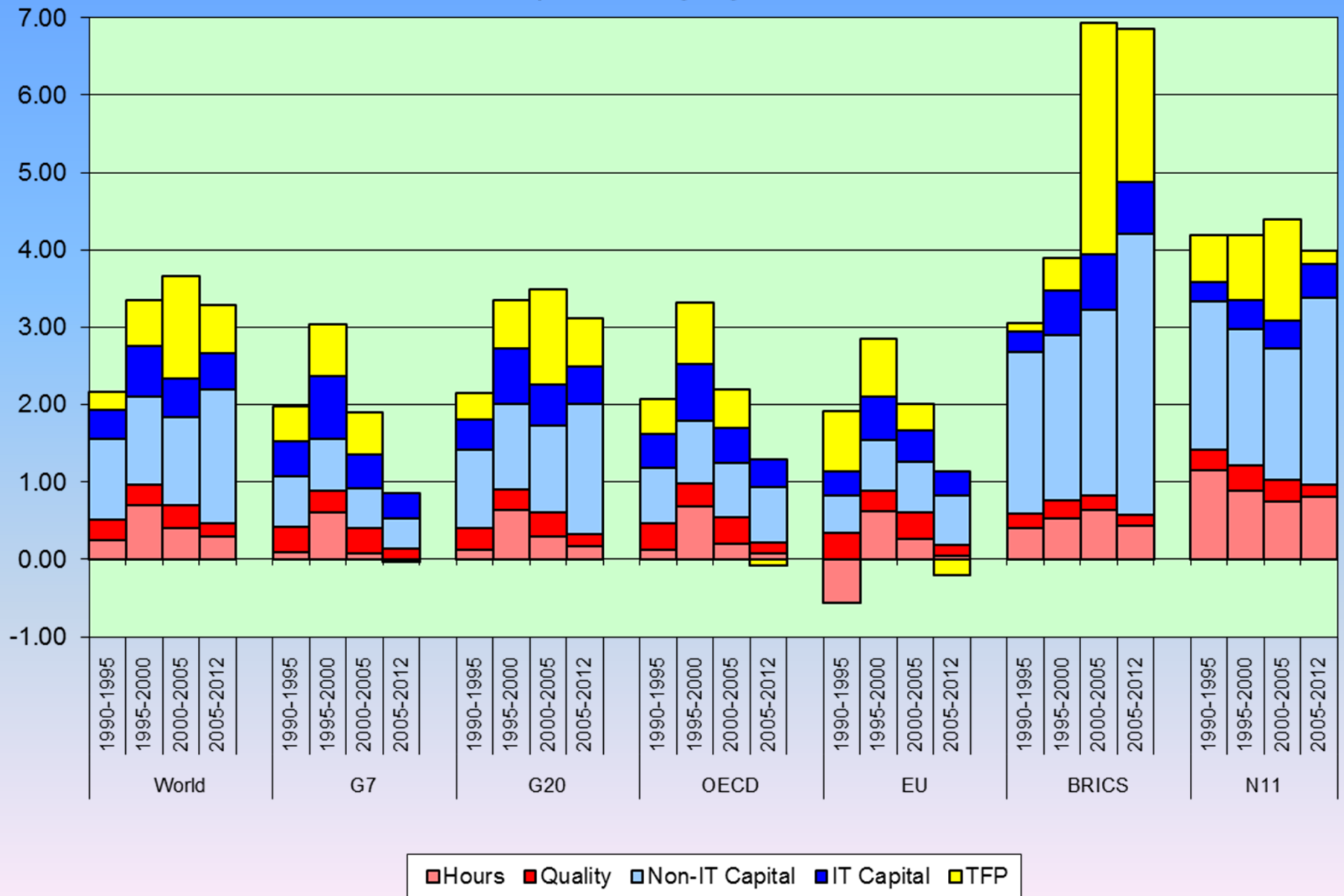
Sources of World Economic Growth, 1995-2012

Annual percentage growth rates



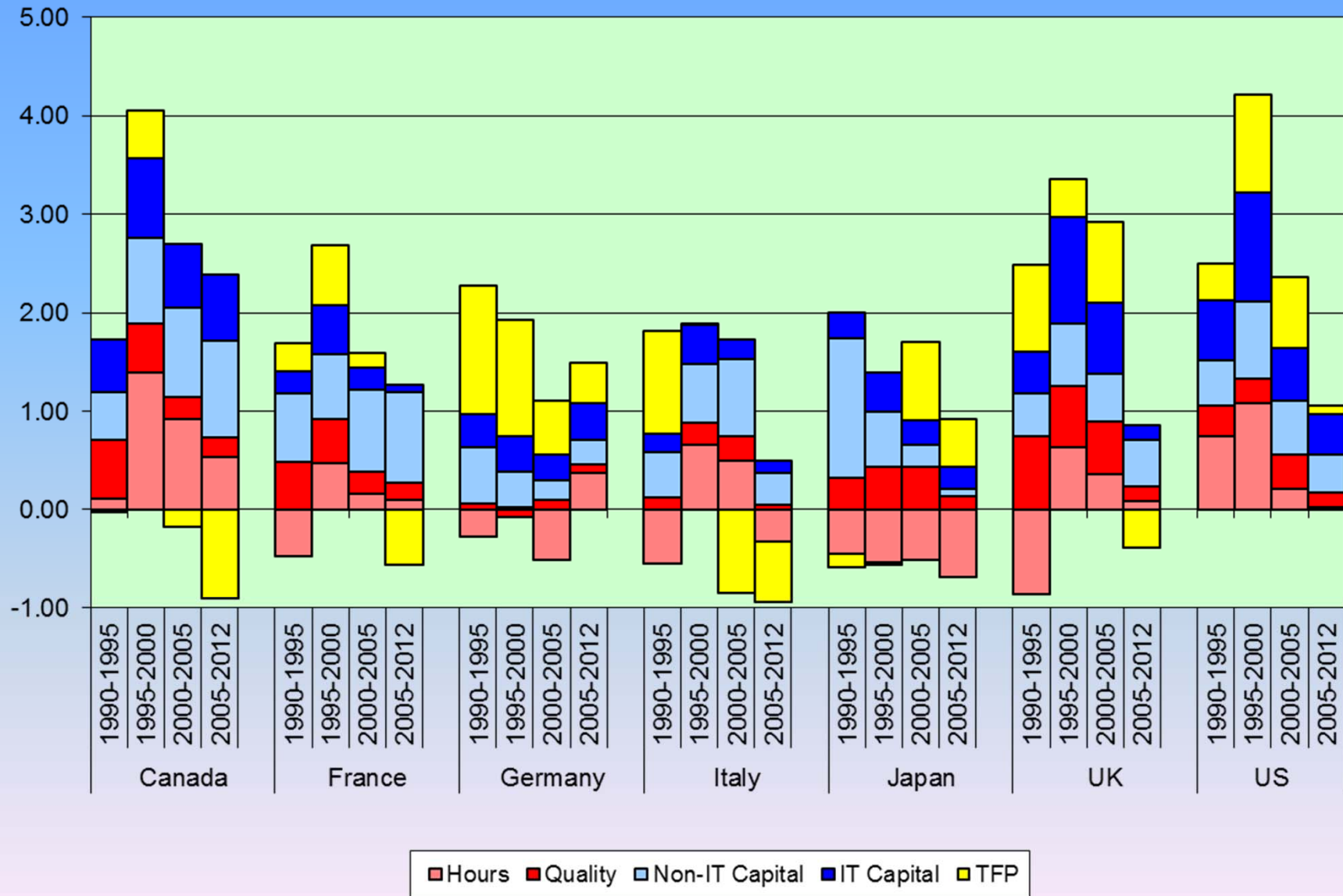
Sources of World Economic Growth

Annual percentage growth rates



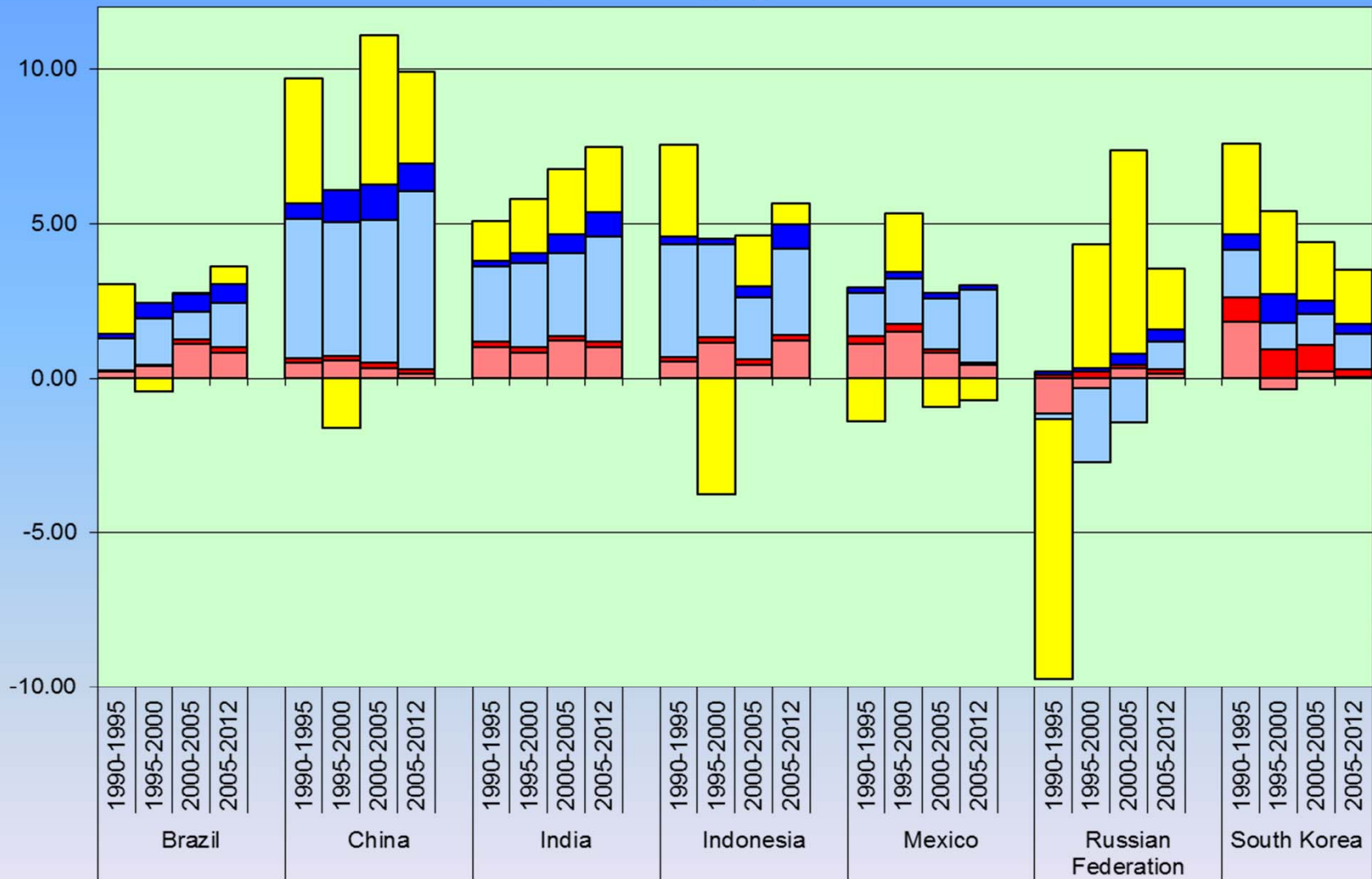
Sources of G7 Economic Growth

Annual percentage growth rates



Sources of BRICS Economic Growth

Annual percentage growth rates



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:

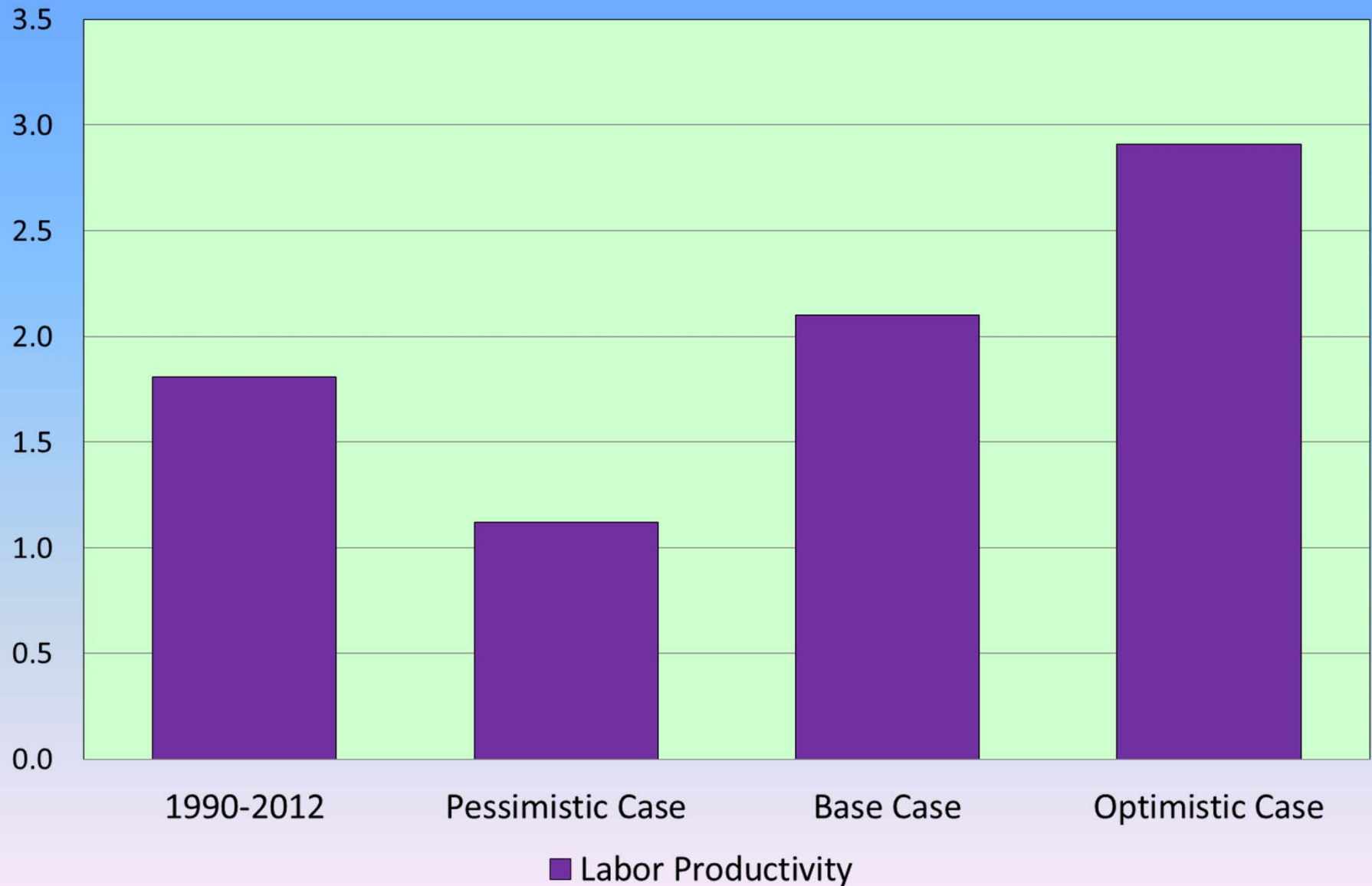
Growth of TFP, Capital and Labor Quality, and the
Gap between Output and Capital

GDP GROWTH:

Sum of the Growth of Hours Worked and
Labor Productivity

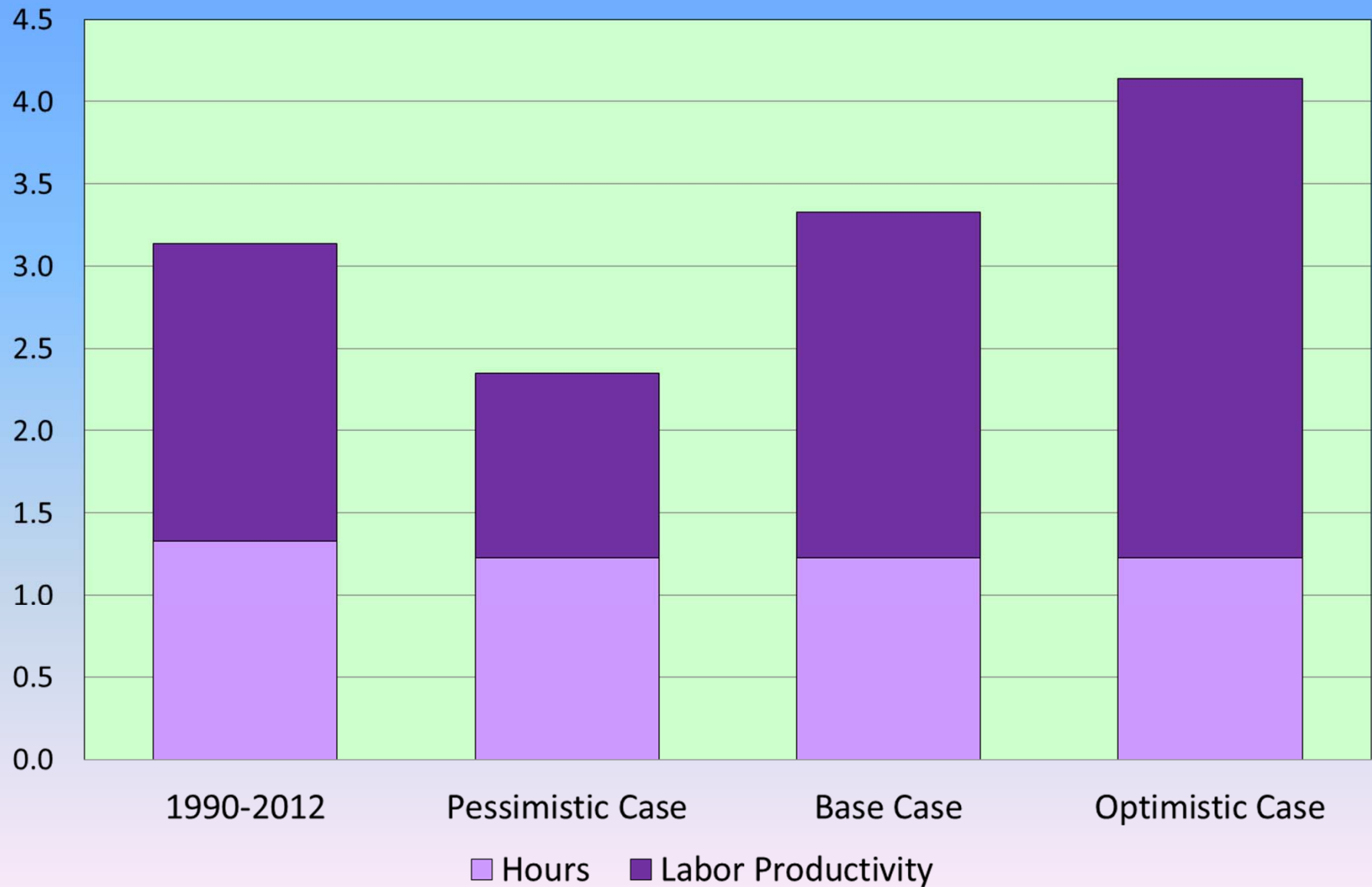
World Productivity Growth Projections, 2012-2022

Annual percentage growth rates



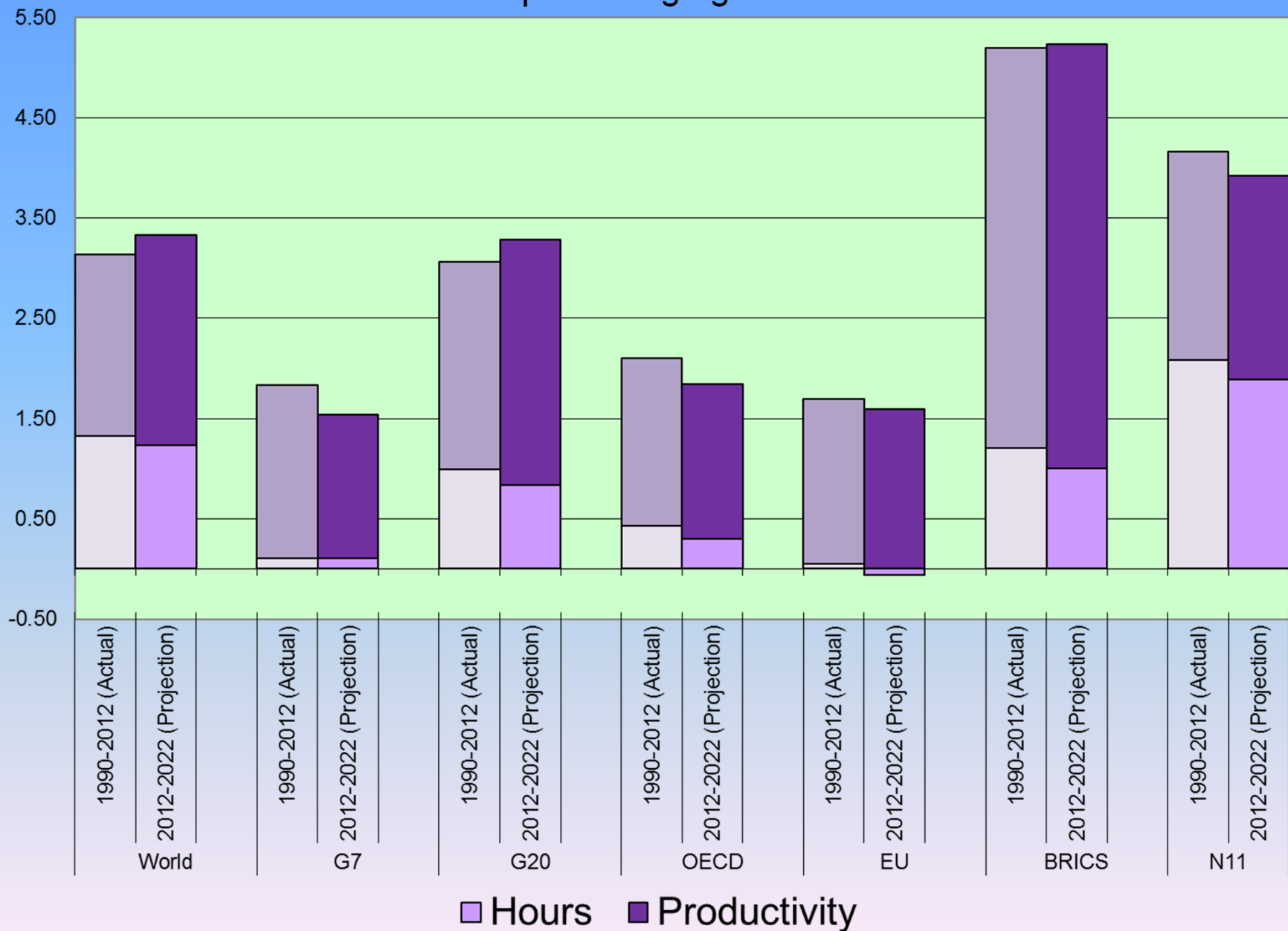
World Growth Projections, 2012-2022

Annual percentage growth rates



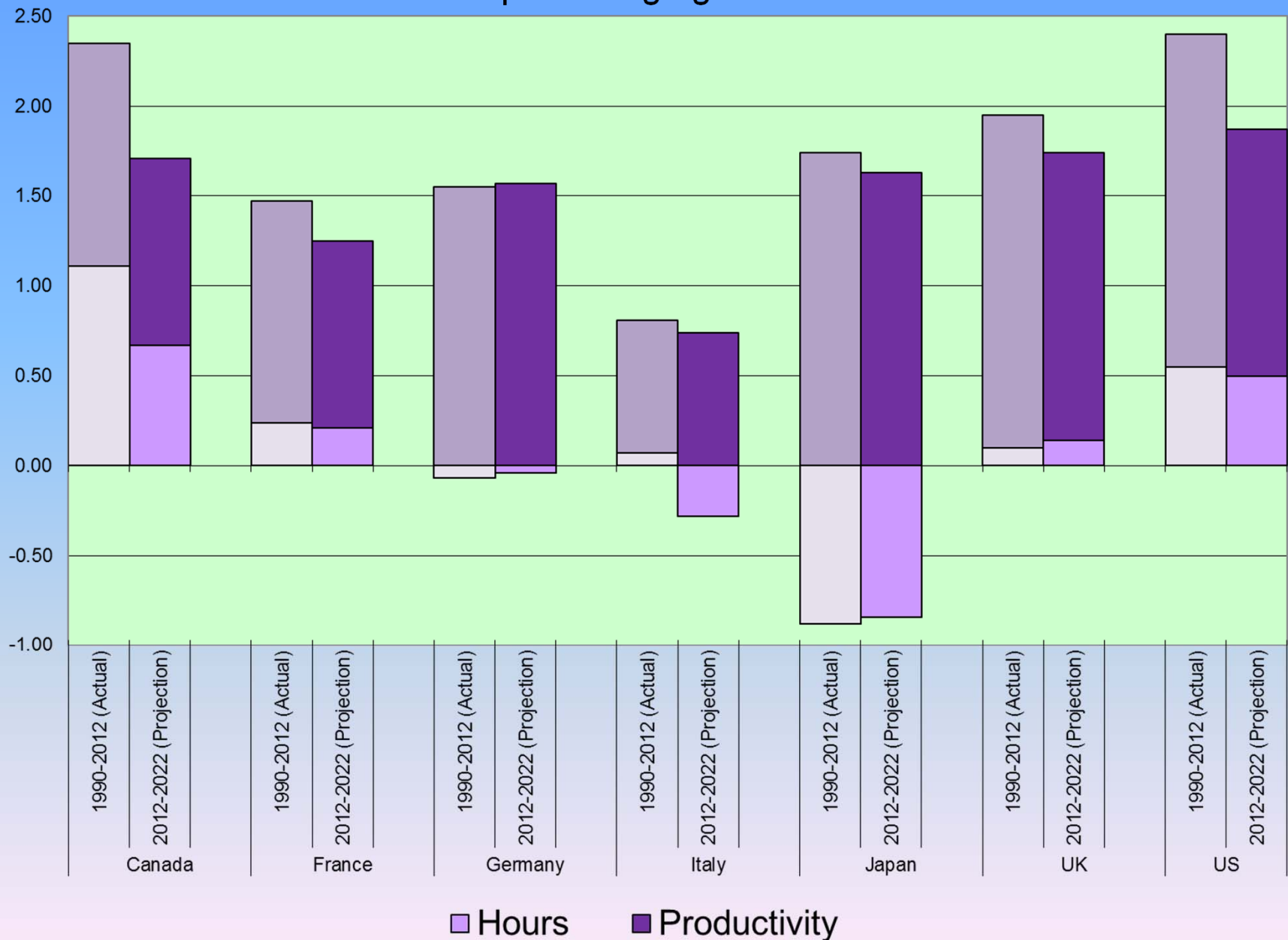
Growth Projections for the World Economy

Annual percentage growth rates



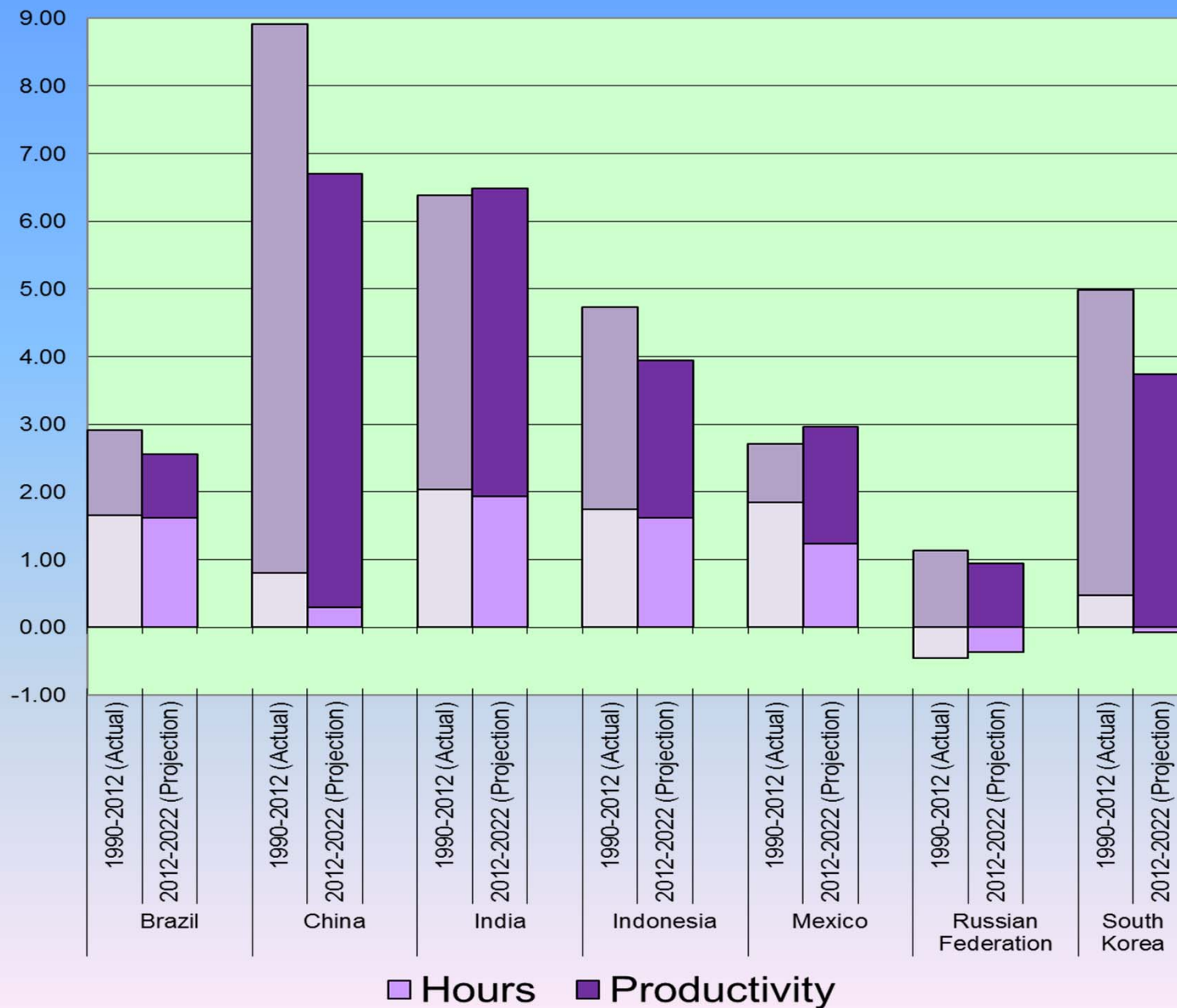
Growth Projections for the G7 Economy

Annual percentage growth rates



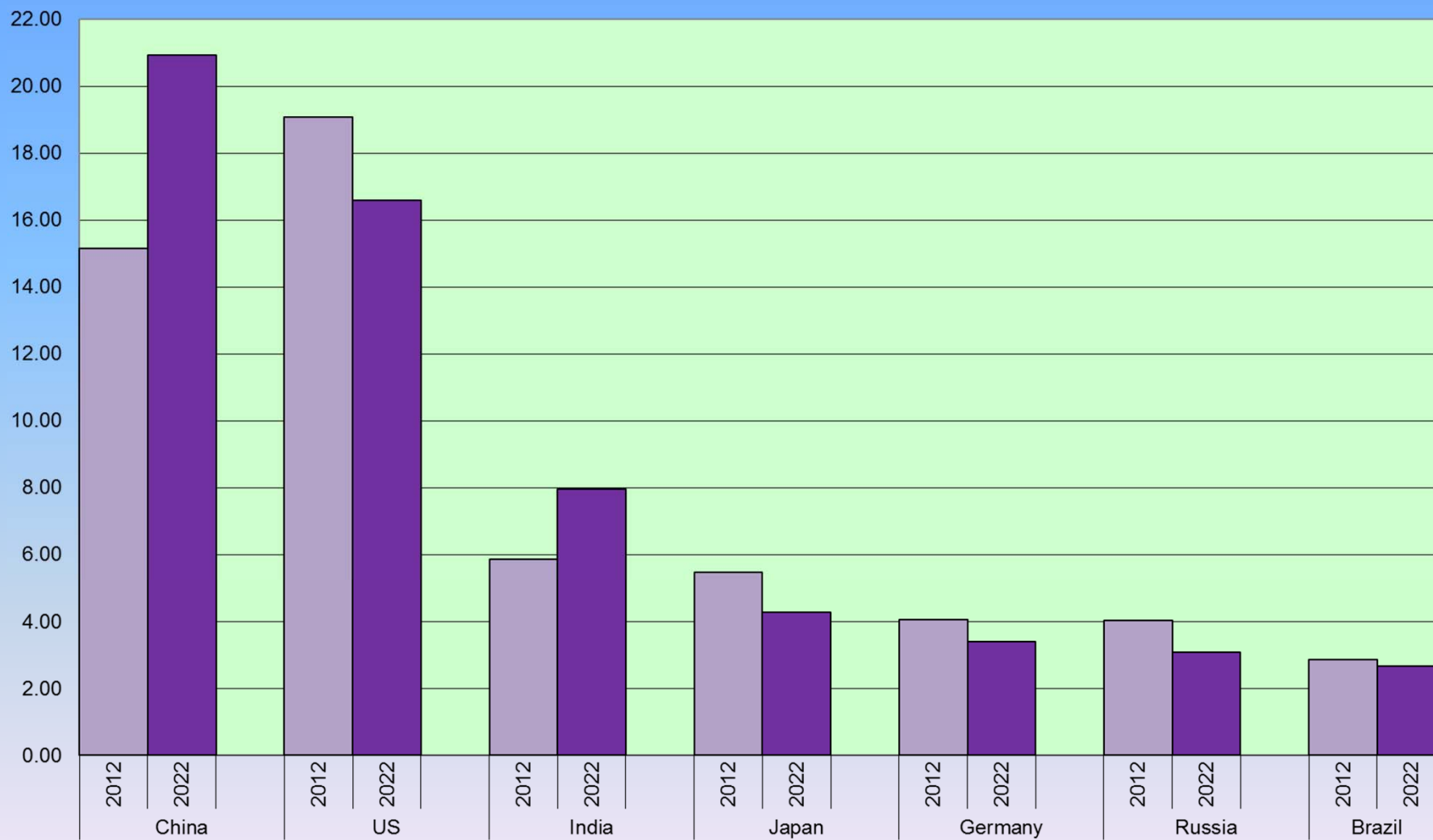
Growth Projections for the BRICS Economy

Annual percentage growth rates



New Economic Order 2022

Percentage shares of world GDP



WORLD ECONOMIC GROWTH

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



