

Table : DATA PREDICTIONS FOR THE NEOCLASSICAL MODEL

	Actual	Predicted	s_k	u	n	A_{90}
	$1990 \frac{Y}{Y_{US}}$	$1990 \frac{Y}{Y_{US}}$				
USA	1.00	1.00	0.210	11.8	0.009	1.00
W. Germany	0.80	0.83	0.245	8.5	0.003	1.02
France	0.82	0.85	0.252	6.5 0	.005	1.28
Japan	0.61	0.71	0.338	8.5	0.006	0.76
UK	0.73	0.76	0.171	8.7	0.002	1.10
Argentina	0.36	0.30	0.146	6.7	0.014	0.61
India	0.09	0.10	0.144	3.0	0.021	0.30
Zimbabwe	0.07	0.06	0.131	2.6	0.034	0.20
Uganda	0.03	0.02	0.018	1.9	0.024	0.25
Hong Kong	0.62	0.77	0.195	7.5	0.012	1.25
Taiwan	0.50	0.64	0.237	7.0	0.013	0.99
South Korea	0.43	0.59	0.299	7.8	0.012	0.74

The investment rates and population growth rates are averages for the period 1980-90. u denotes the average years of schooling of the labor force in 1985. A_{90} reports the estimated ratio of A/A_{US} in 1990. The second column of data reports predicted steady-state relative income using this data, as discussed in the text.

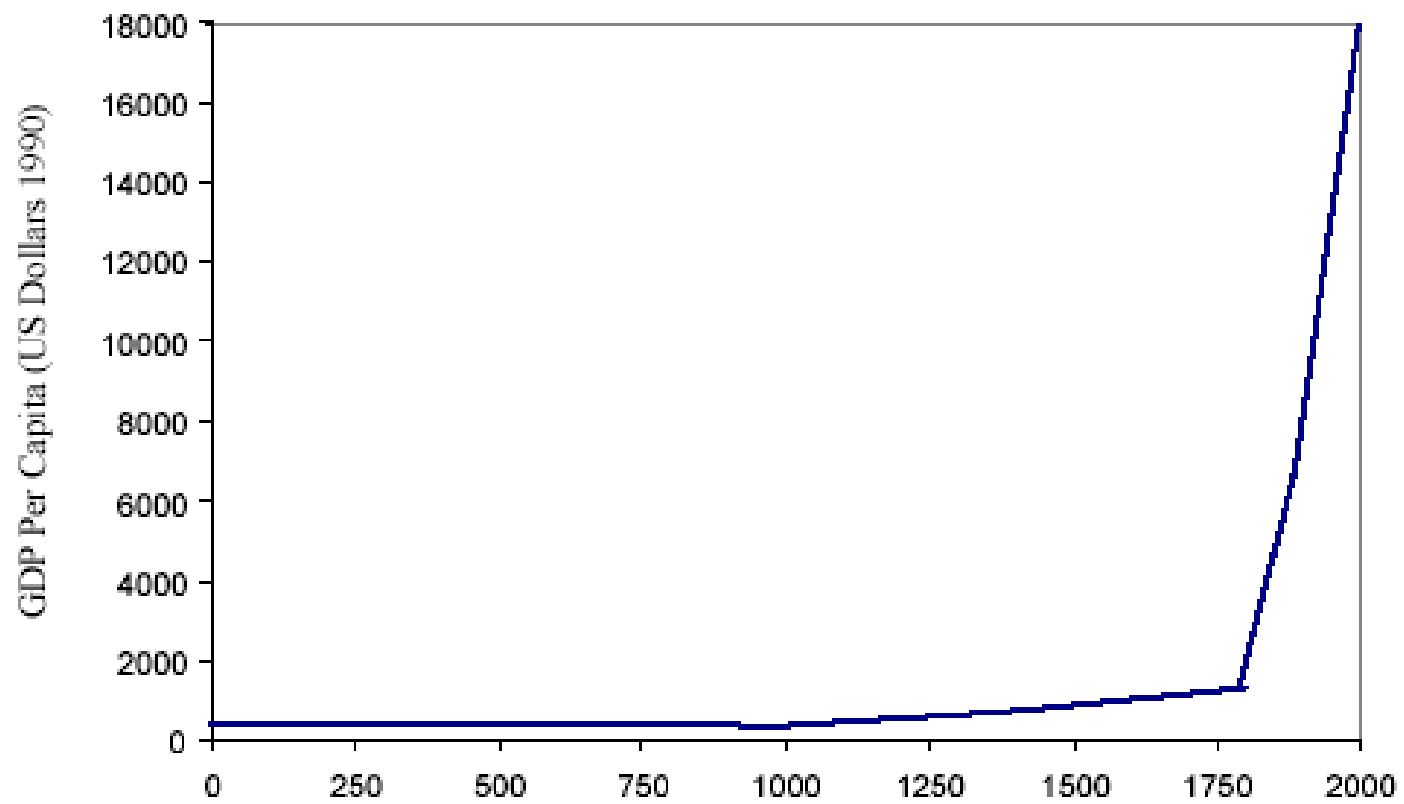
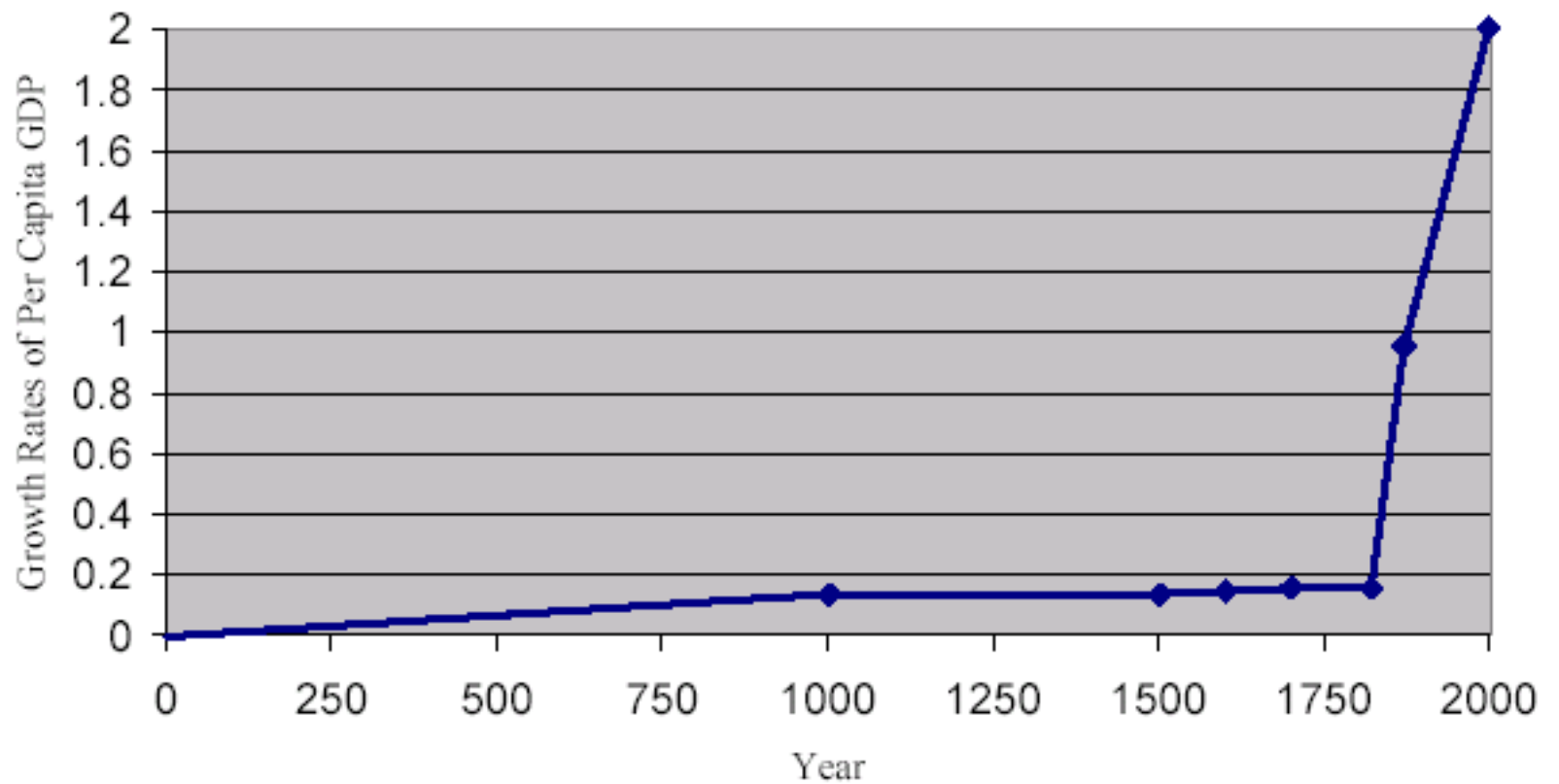


Figure I
Output Per Capita in Western Europe in the Years 0-2000

Figure 1b: Western Europe's
Growth Rates of Per Capita GDP



Data Source: Maddison 2001

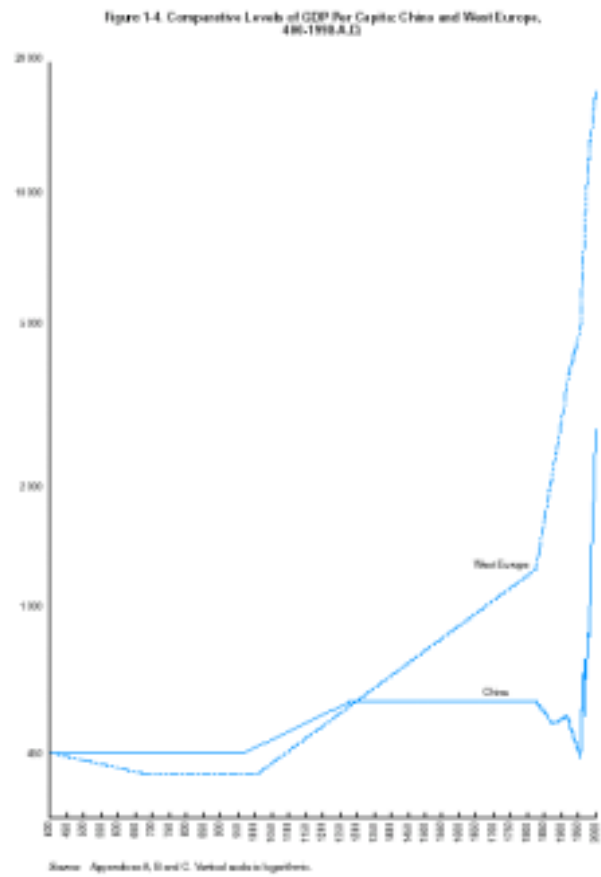


Figure 3: GDP in China and Western Europe, 400 to 1998

Table 1: Selected Growth Accounting Results for Individual Countries

	g	GDP Growth	Share Contributed by:		
			Capital	Labor	TFP
OECD 1947-73					
France	0.40	5.40%	41%	4%	55%
Germany	0.39	6.61%	41%	3%	56%
Italy	0.39	5.30%	34%	2%	64%
Japan	0.39	9.50%	35%	23%	42%
United Kingdom	0.38	3.70%	47%	1%	52%
United States	0.40	4.00%	43%	24%	33%
OECD 1960-90					
France	.42	3.50%	58%	1%	41%
Germany	.40	3.20%	59%	-8%	49%
Italy	.38	4.10%	49%	3%	48%
Japan	.42	6.81%	57%	14%	29%
United Kingdom	.39	2.49%	52%	-4%	52%
United States	.41	3.10%	45%	42%	13%
Latin America 1940-1980					
Argentina	0.54	3.60%	43%	26%	31%
Brazil	0.45	6.40%	51%	20%	29%
Chile	0.52	3.80%	34%	26%	40%
Mexico	0.69	6.30%	40%	23%	37%
Venezuela	0.55	5.20%	57%	34%	9%
East Asia 1966- 90					
Hong Kong	0.37	7.30%	42%	28%	30%
Singapore	0.53	8.50%	73%	32%	-5%
South Korea	0.32	10.32%	46%	42%	12%
Taiwan	0.29	9.10%	40%	40%	20%

OECD figures from Christenson, Cummings, and Jorgenson (1980) and Dougherty (1991).
Latin American figures from Elias (1990).
East Asia figures from Young (1994).

Figure 4:

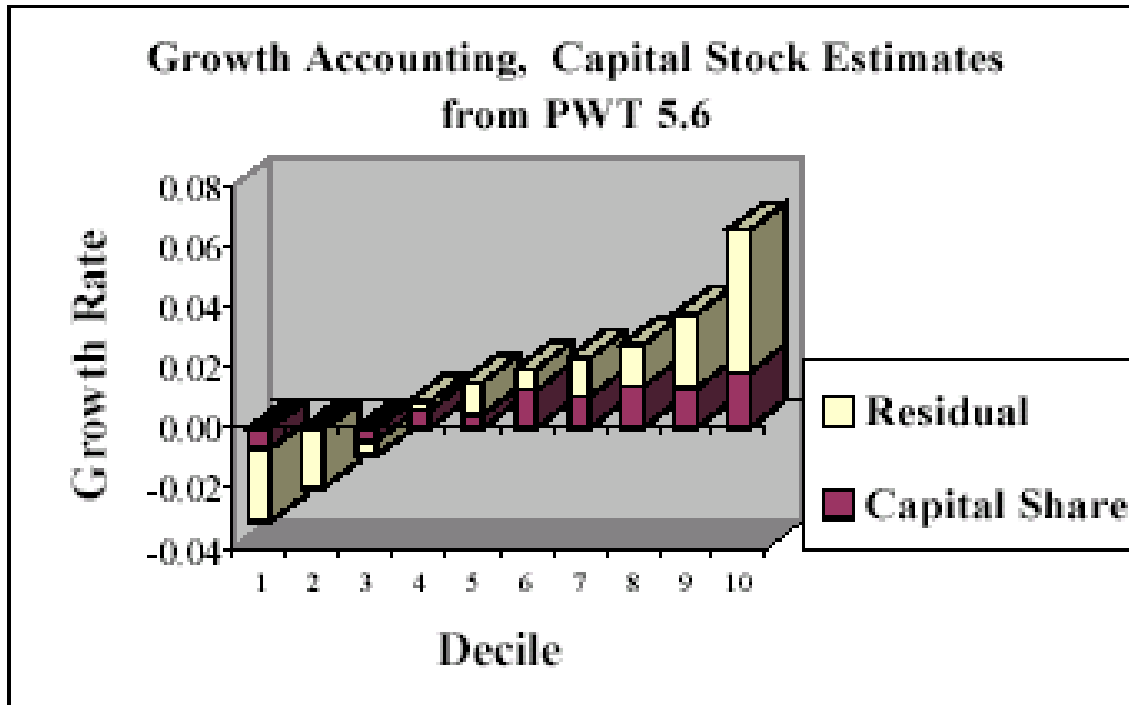


Figure 1: Growth accounting, growth rates by decile

Figure 5:

Table 2: Variance Decomposition

I. Without human capital

		Contribution of:	
(60 non-oil countries)	$g(\text{tfpk})$	$g(k)$	$\text{cov}[g(\text{tfpk}), g(k)]$
(a) 1960-1992:	0.58	0.41	0.01
(b) 1980-1992:	0.65	0.21	0.13

II. With human capital

		Contribution of:	
	$g(\text{tfpkh})$	$g(kh)$	$\text{cov}[g(\text{tfpkh}), g(kh)]$
(a) 1960-1992 (44):	0.94	0.52	-0.45
(b) 1980-1987 (50):	0.68	0.20	0.12

Figure 6:

Figure 1: Productivity and Output per Worker

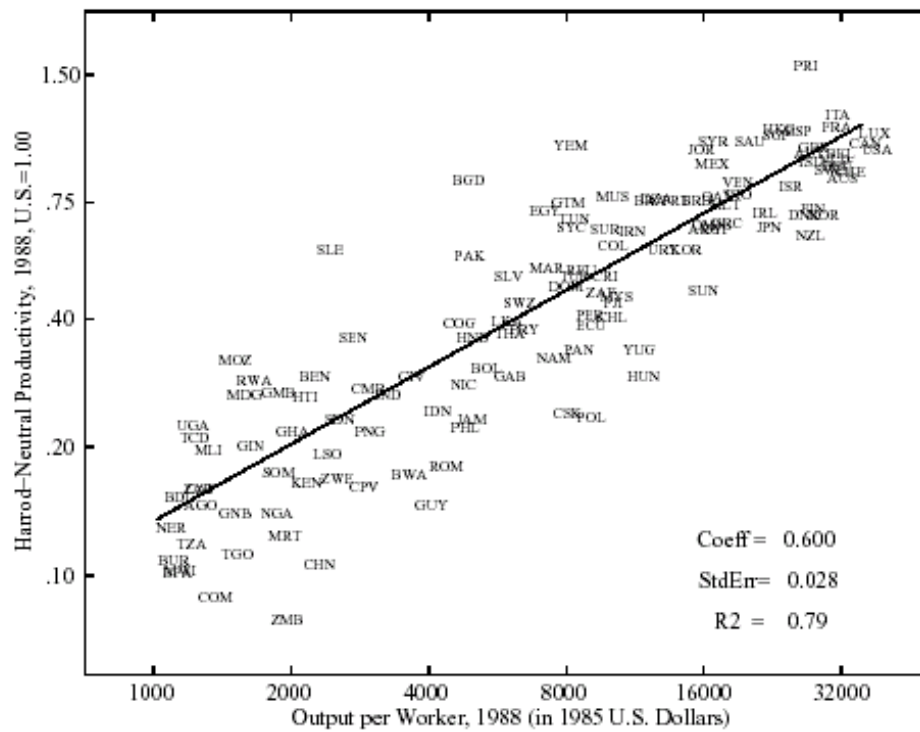


Figure 7:

Table 1: Productivity Calculations: Ratios to U.S. Values

Country	Y/L	—Contribution from—		
		$(K/Y)^{\alpha/(1-\alpha)}$	H/L	A
United States	1.000	1.000	1.000	1.000
Canada	0.941	1.002	0.908	1.034
Italy	0.834	1.063	0.650	1.207
West Germany	0.818	1.118	0.802	0.912
France	0.818	1.091	0.666	1.126
United Kingdom	0.727	0.891	0.808	1.011
Hong Kong	0.608	0.741	0.735	1.115
Singapore	0.606	1.031	0.545	1.078
Japan	0.587	1.119	0.797	0.658
Mexico	0.433	0.868	0.538	0.926
Argentina	0.418	0.953	0.676	0.648
U.S.S.R.	0.417	1.231	0.724	0.468
India	0.086	0.709	0.454	0.267
China	0.060	0.891	0.632	0.106
Kenya	0.056	0.747	0.457	0.165
Zaire	0.033	0.499	0.408	0.160
Average, 127 Countries:	0.296	0.853	0.565	0.516
Standard Deviation:	0.268	0.234	0.168	0.325
Correlation w/ Y/L (logs)	1.000	0.624	0.798	0.889
Correlation w/ A (logs)	0.889	0.248	0.522	1.000

Note: The elements of this table are the empirical counterparts to the components of equation (3), all measured as ratios to the U.S. values. That is, the first column of data is the product of the other three columns.

Figure 8: