

TABLE 3-1 Economic Growth across Countries, 1960-2009

COUNTRY	GDP PER CAPITA (2005 PPP)		RATIO OF 2009 TO 1960 GDP/ CAPITA	AVERAGE ANNUAL GROWTH RATE (%)	INCOME AS A SHARE OF U.S. INCOME*	
	1960	2009			1960	2009
<i>Negative growth</i>						
Madagascar	842	753	0.89	-0.23	0.07	0.02
Zambia	1,803	1,765	0.98	-0.04	0.14	0.04
<i>Slow growth</i>						
Senegal	1,421	1,492	1.05	0.01	0.11	0.04
Kenya	1,020	1,206	1.18	0.34	0.08	0.03
Rwanda	860	1,031	1.2	0.37	0.07	0.03
Nigeria	1,528	2,034	1.33	0.58	0.12	0.05
Venezuela	6,663	9,115	1.37	0.64	0.52	0.22
Chad	819	1,277	1.56	0.91	0.06	0.03
Jamaica	5,609	8,795	1.57	0.92	0.44	0.21
El Salvador	3,397	6,338	1.87	1.28	0.26	0.15
Argentina	6,244	11,961	1.92	1.33	0.49	0.29
Peru	3,759	7,280	1.94	1.36	0.29	0.18
South Africa	3,850	7,589	1.97	1.4	0.3	0.18
Ghana	603	1,239	2.05	1.48	0.05	0.03
Philippines	1,314	2,838	2.16	1.58	0.1	0.07
<i>Moderate growth</i>						
Turkey	3,243	9,909	3.06	2.31	0.25	0.24
Papua New Guinea	887	2,746	3.1	2.34	0.07	0.07
Brazil	2,581	8,160	3.16	2.38	0.2	0.2
Chile	3,780	11,999	3.17	2.39	0.29	0.29
Pakistan	728	2,353	3.23	2.43	0.06	0.06
Lesotho	401	1,311	3.27	2.45	0.03	0.03
Dominican Republic	2,355	9,911	4.21	3.06	0.18	0.24
Mauritius	2,208	9,484	4.29	3.01	0.17	0.23
<i>Rapid growth</i>						
India	711	3,239	4.55	3.14	0.06	0.08
Egypt	1,036	4,956	4.78	3.24	0.08	0.12
Sri Lanka	765	4,035	5.27	3.45	0.06	0.1
Indonesia	693	4,075	5.88	3.69	0.05	0.1
Malaysia	1,470	11,296	7.68	4.25	0.11	0.27
Thailand	961	7,794	8.11	4.36	0.07	0.19
Singapore	4,300	47,373	11.02	5.02	0.33	1.15
South Korea	1,782	25,034	14.05	5.54	0.14	0.61
Botswana	578	8,872	15.35	5.73	0.05	0.22
China	403	7,634	18.94	6.18	0.03	0.19
<i>Industrialized countries</i>						
United Kingdom	12,841	33,383	2.6	1.97	1	0.81
United States	15,438	41,099	2.66	2.02	1.2	1
Canada	12,988	36,209	2.79	2.11	1.01	0.88
France	10,101	30,822	3.05	2.31	0.79	0.75
Japan	5,850	30,008	5.13	3.4	0.46	0.73

*Growth rates are trend-growth calculated by ordinary least squares regressions and do not necessarily match endpoint-to-endpoint growth rates. Growth rates are listed in order of magnitude, but the ordering of magnitudes in the third and fourth columns sometimes differ.

PPP, purchasing power parity; GDP, gross domestic product.

Source: Penn World Tables 7.0, http://pwt.econ.upenn.edu/php_site/pwt_index.php, accessed May 2011.

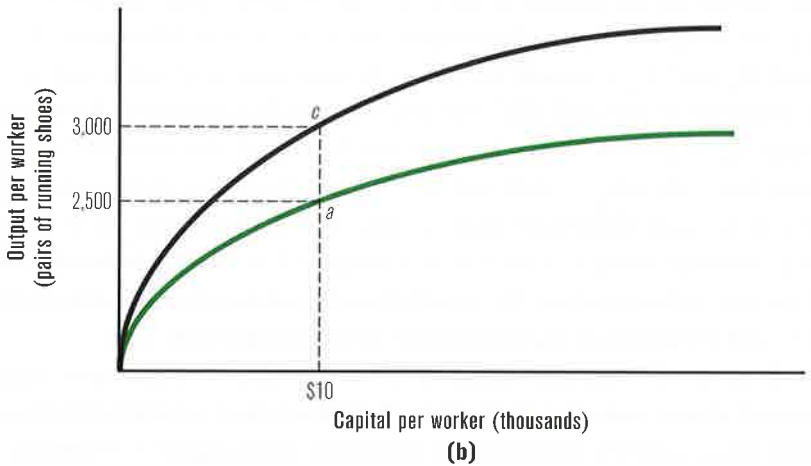
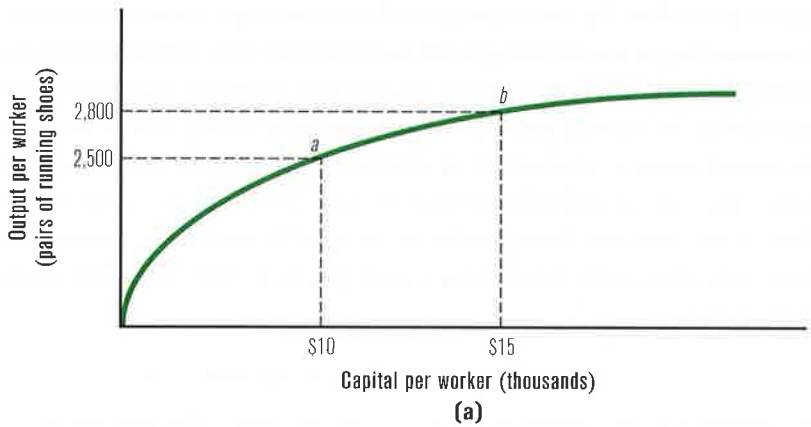


FIGURE 3-1 Basic Sources of Economic Growth

(a) Factor accumulation. As capital per worker expands, output per worker increases.

(b) Productivity gains. As the factors of production are used more efficiently or the economy acquires new technology, the same level of capital per worker can produce more output.

TABLE 3-2 Sources of Growth in East Asia and Other Regions, 1960-2000
(Average Annual Growth Rate, Percent)

	CONTRIBUTION BY COMPONENT			
	GROWTH OF OUTPUT PER WORKER	PHYSICAL CAPITAL PER WORKER	EDUCATION PER WORKER	TOTAL FACTOR PRODUCTIVITY
<i>Brazil</i>				2.72
1970s	4.86	2.02	0.12	-2.47
1980s	-1.63	0.16	0.68	0.25
1990s	0.71	0.07	0.38	
<i>Ecuador</i>				4.03
1970s	5.96	1.05	0.89	-1.30
1980s	-1.42	-0.28	0.16	-1.24
1990s	-1.40	-0.46	0.31	
<i>Egypt</i>				1.52
1970s	4.39	2.33	0.54	0.03
1980s	2.91	1.98	0.89	0.94
1990s	1.46	-0.12	0.64	
<i>Ethiopia</i>				0.20
1970s	0.55	0.22	0.13	-3.12
1980s	-1.74	1.11	0.27	0.74
1990s	1.84	0.81	0.29	
<i>Ghana</i>				-2.00
1970s	-2.01	-0.24	0.24	-0.07
1980s	-1.14	-1.23	0.15	0.65
1990s	1.62	0.80	0.16	
<i>India</i>				-0.27
1970s	0.70	0.61	0.36	2.48
1980s	3.91	1.06	0.36	1.29
1990s	3.13	1.35	0.49	
<i>Singapore</i>				0.78
1970s	4.41	3.53	0.11	1.38
1980s	3.79	2.01	0.39	2.22
1990s	5.08	1.96	0.91	
<i>Taiwan</i>				1.14
1970s	5.93	3.69	1.11	2.94
1980s	5.36	2.19	0.24	1.77
1990s	4.84	2.66	0.41	
<i>United States</i>				0.01
1970s	0.83	0.11	0.71	1.15
1980s	1.82	0.55	0.12	0.98
1990s	1.84	0.74	0.11	
<i>Africa</i>				-0.32
1970s	1.03	1.28	0.08	-1.41
1980s	-1.06	-0.07	0.42	-0.48
1990s	-0.16	-0.09	0.40	
<i>East Asia</i>				0.86
1970s	4.27	2.74	0.67	1.25
1980s	4.36	2.45	0.66	0.52
1990s	3.36	2.35	0.50	

Industrial countries

1970s	1.75	0.95	0.52	0.28
1980s	1.82	0.69	0.24	0.90
1990s	1.52	0.75	0.22	0.54

Latin America

1970s	2.69	1.25	0.34	1.10
1980s	-1.77	0.04	0.47	-2.28
1990s	0.91	0.16	0.34	0.41

Middle East

1970s	1.92	2.08	0.45	-0.61
1980s	1.15	0.55	0.53	0.07
1990s	0.84	0.34	0.52	-0.01

South Asia

1970s	0.68	0.56	0.34	-0.23
1980s	3.67	1.02	0.40	2.25
1990s	2.78	1.19	0.42	1.17

Source: Susan M. Collins and Barry Bosworth, "The Empirics of Growth: An Update," *Brookings Papers on Economic Activity* 2 (2003), 113-79.

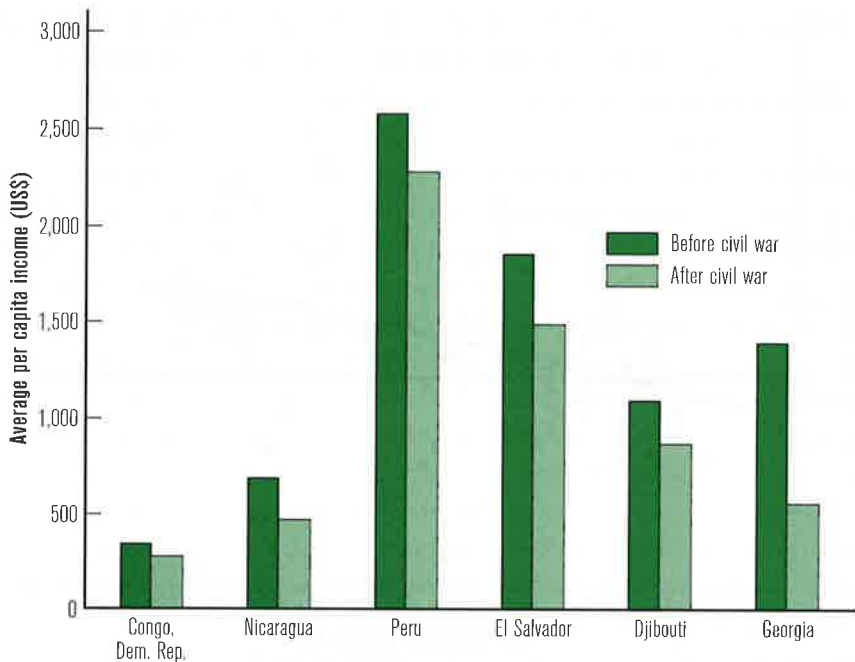


FIGURE 3-2 GDP per Capita before and after a Civil War

In these six countries, average income was 28 percent lower after the civil war than before.

Sources: Civil war data from Paul Collier, V. L. Elliot, Håvard Hegre, Anke Hoeffler, Marta Reynal-Querol, and Nicholas Sambanis, *Breaking the Conflict Trap: Civil War and Development Policy* (Washington, DC: World Bank and Oxford University Press, 2003). Gross domestic product per capita data from *World Development Indicators 2004*, (Washington, DC: World Bank), <http://data.worldbank.org/data-catalog/world-development-indicators>.

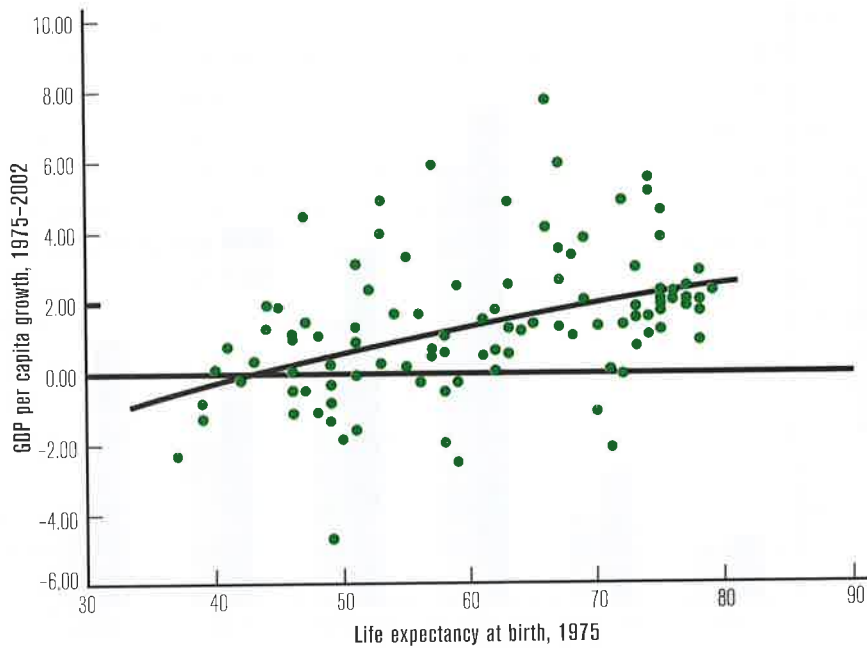


FIGURE 3-3 Growth and Life Expectancy

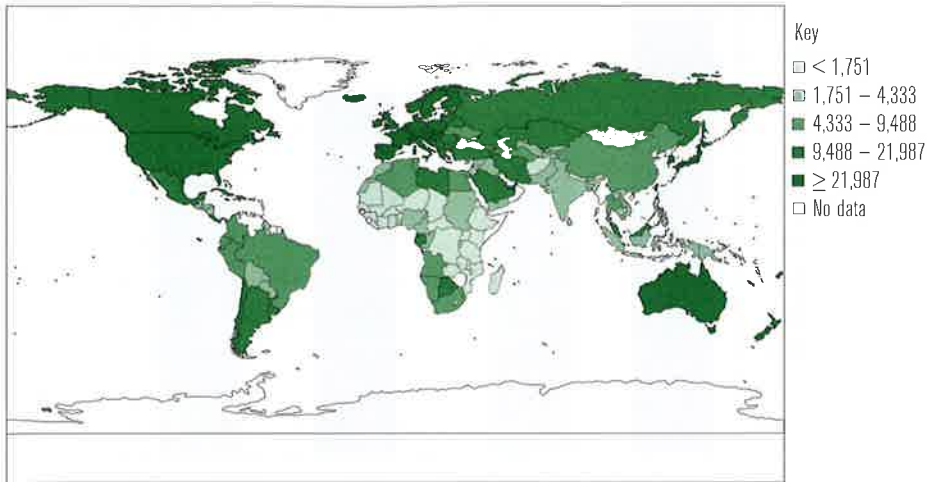


FIGURE 3-4 Income Levels and Geography

Data are gross domestic product per capita in 2009 (constant 2005 international dollars, PPP).

Source: World Bank, "World Bank Indicators," <http://databank.worldbank.org>.

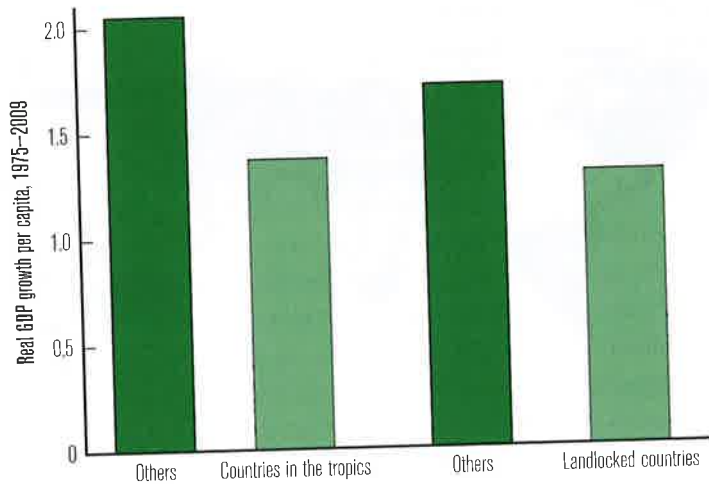


FIGURE 3-5 Geography and Growth

GDP, gross domestic product.

Source: Penn World Tables 7.0, http://pwt.econ.upenn.edu/php_site/pwt_index.php, accessed May 2011.