

# The Role of Latin America in the World Economy

By

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INSTITUTO  
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ECONÓMICAS



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# 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:**

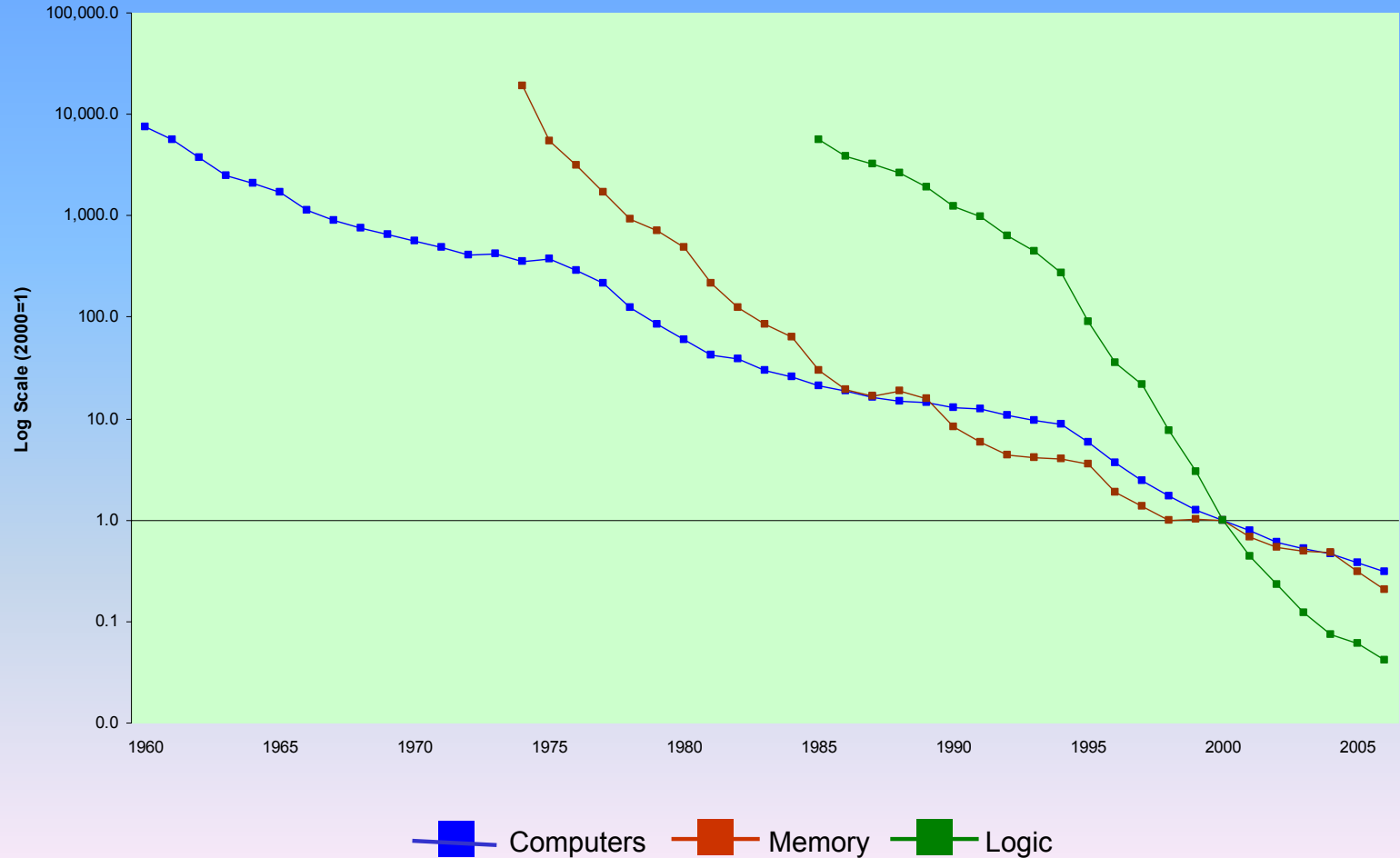
Terminal, Switching, and Transmission.

## **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:

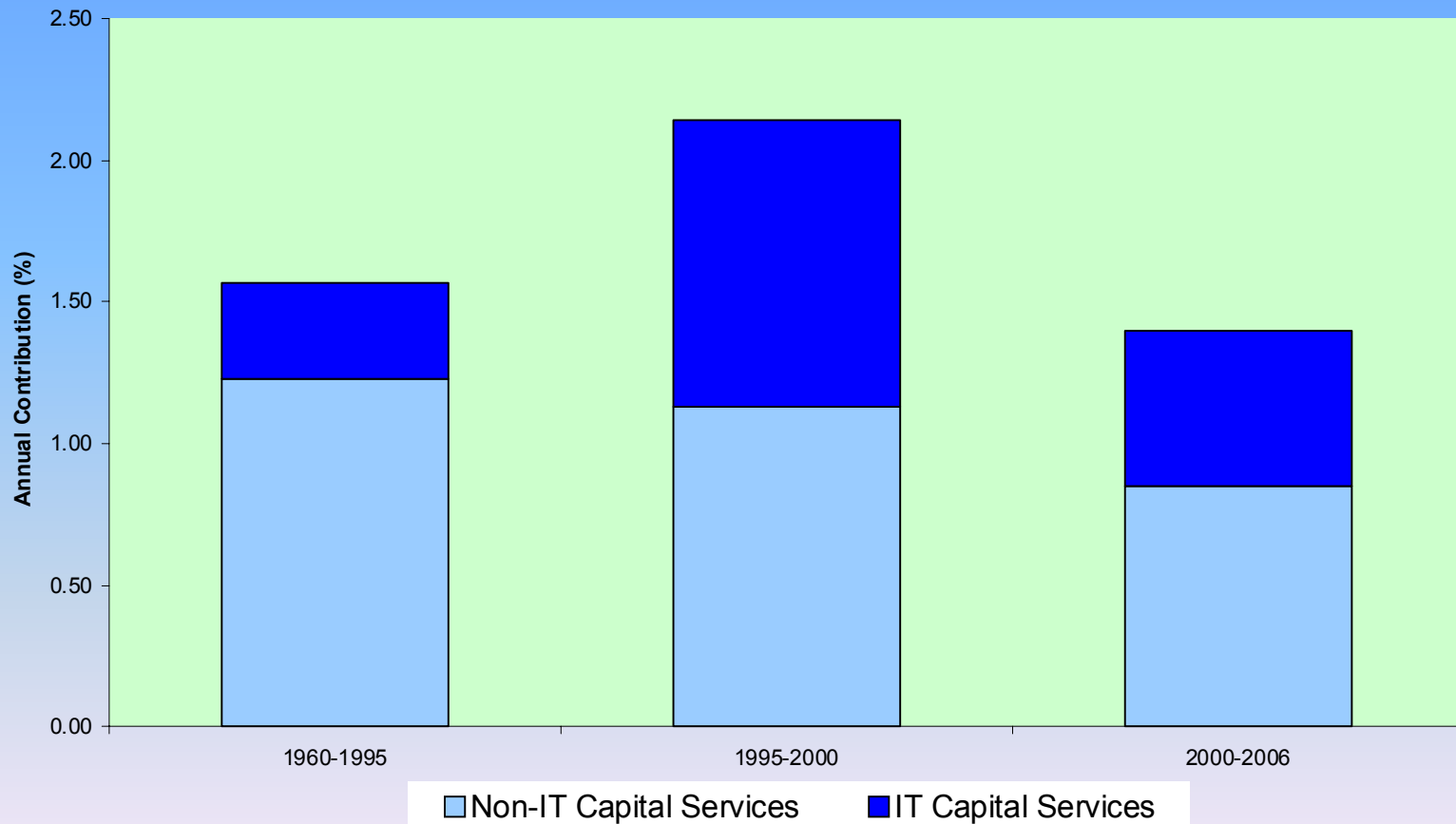
IT vs. Non-IT Capital Services.

## CAPITAL CONTRIBUTION BY TYPE:

Computers, Communications Equipment, and Software.

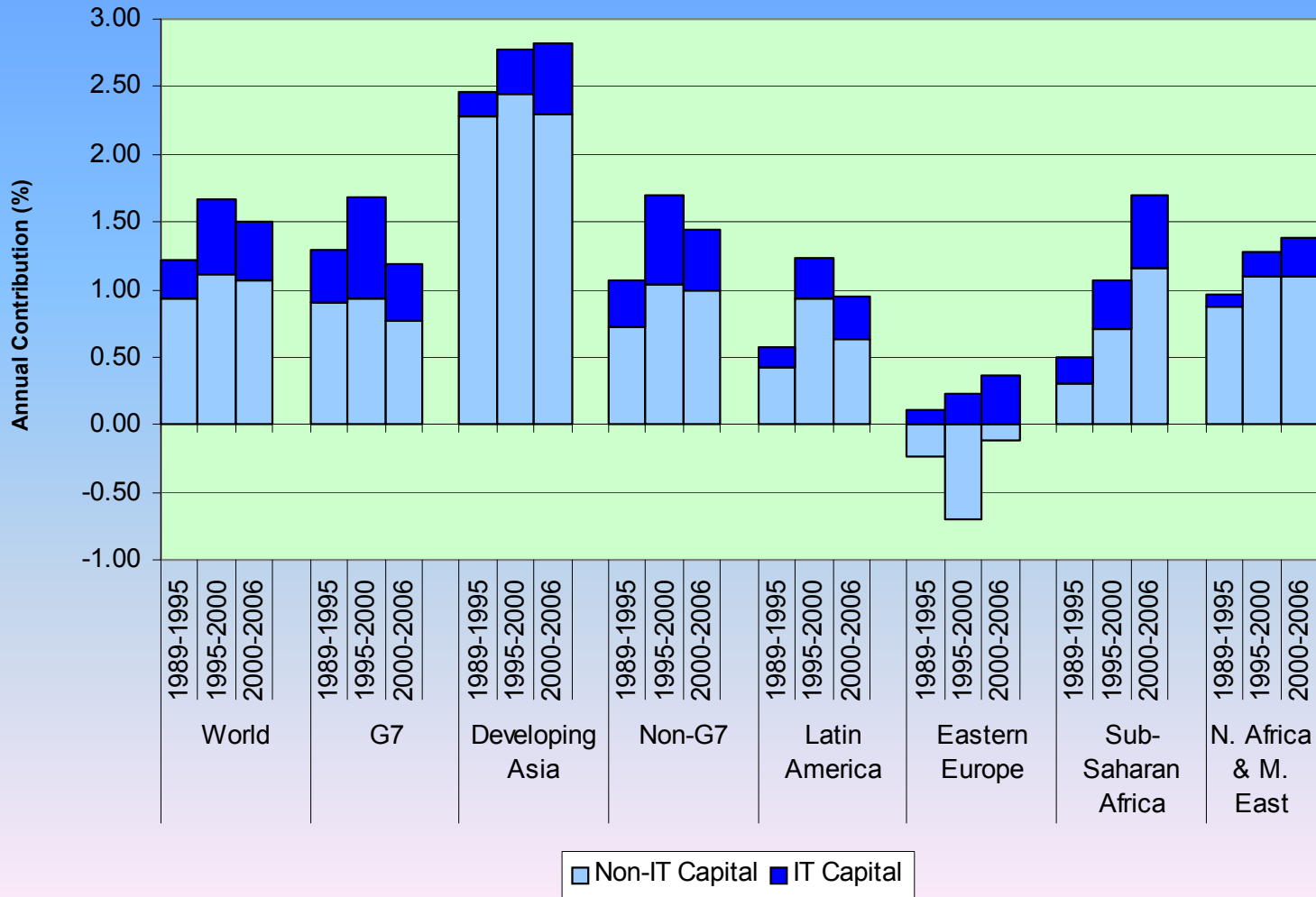
# U.S. Capital Input Contribution of Information Technology

Average annual growth rates, weighted by the income share.



# World Capital Input Contribution of Information Technology

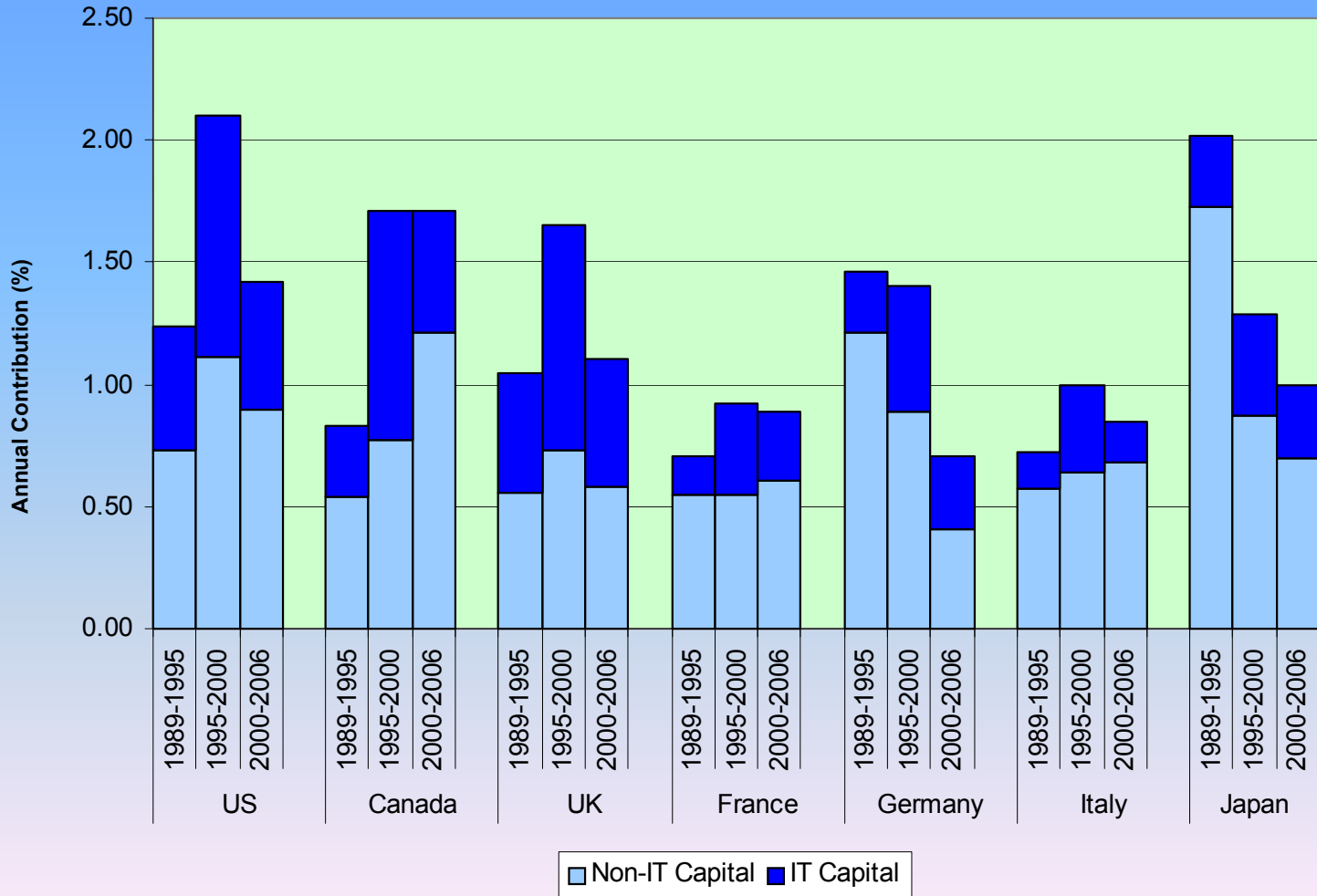
Annual percentage growth rates, weighted by income shares



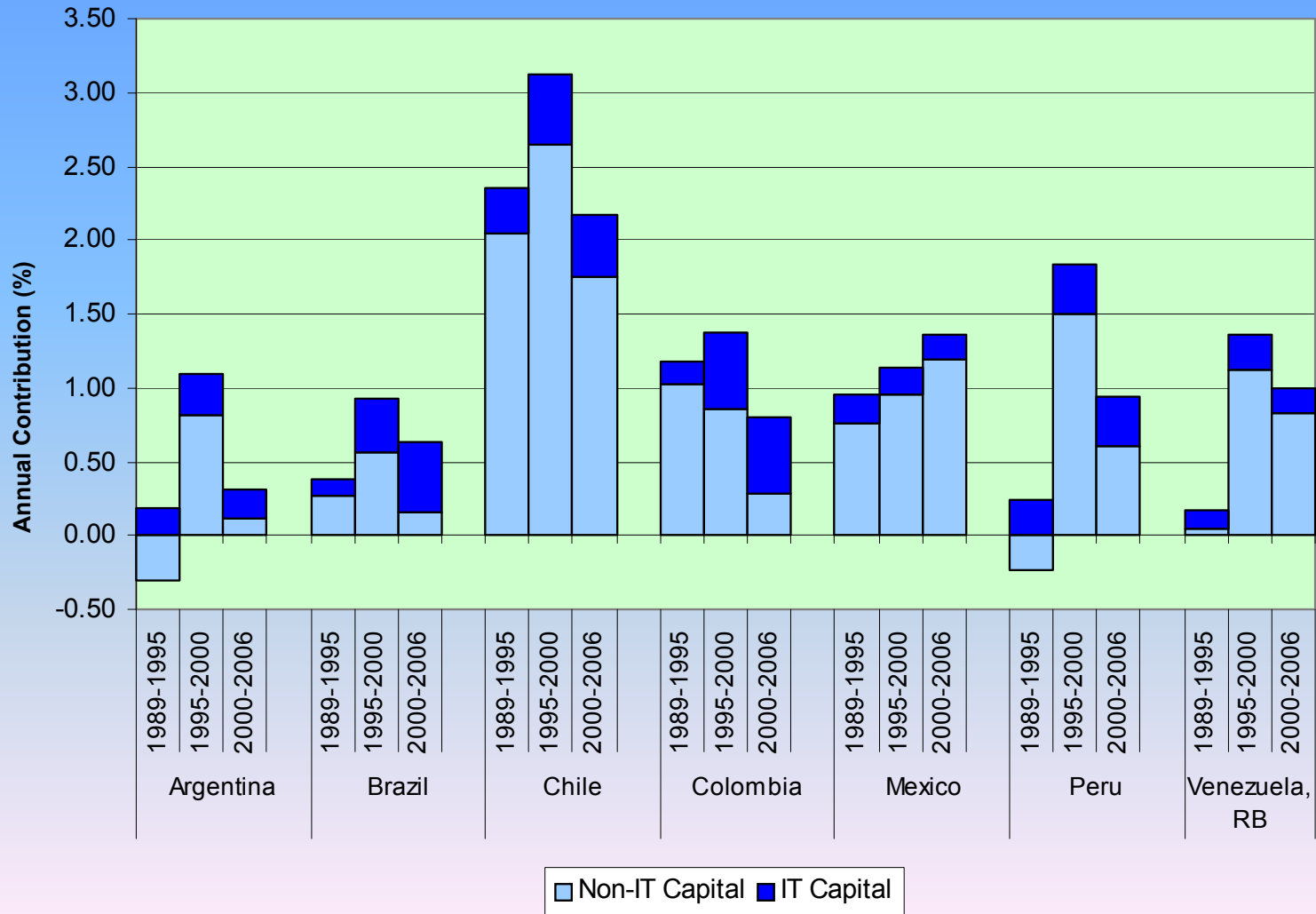


# G7 Capital Input Contribution of Information Technology

Annual percentage growth rates, weighted by income shares

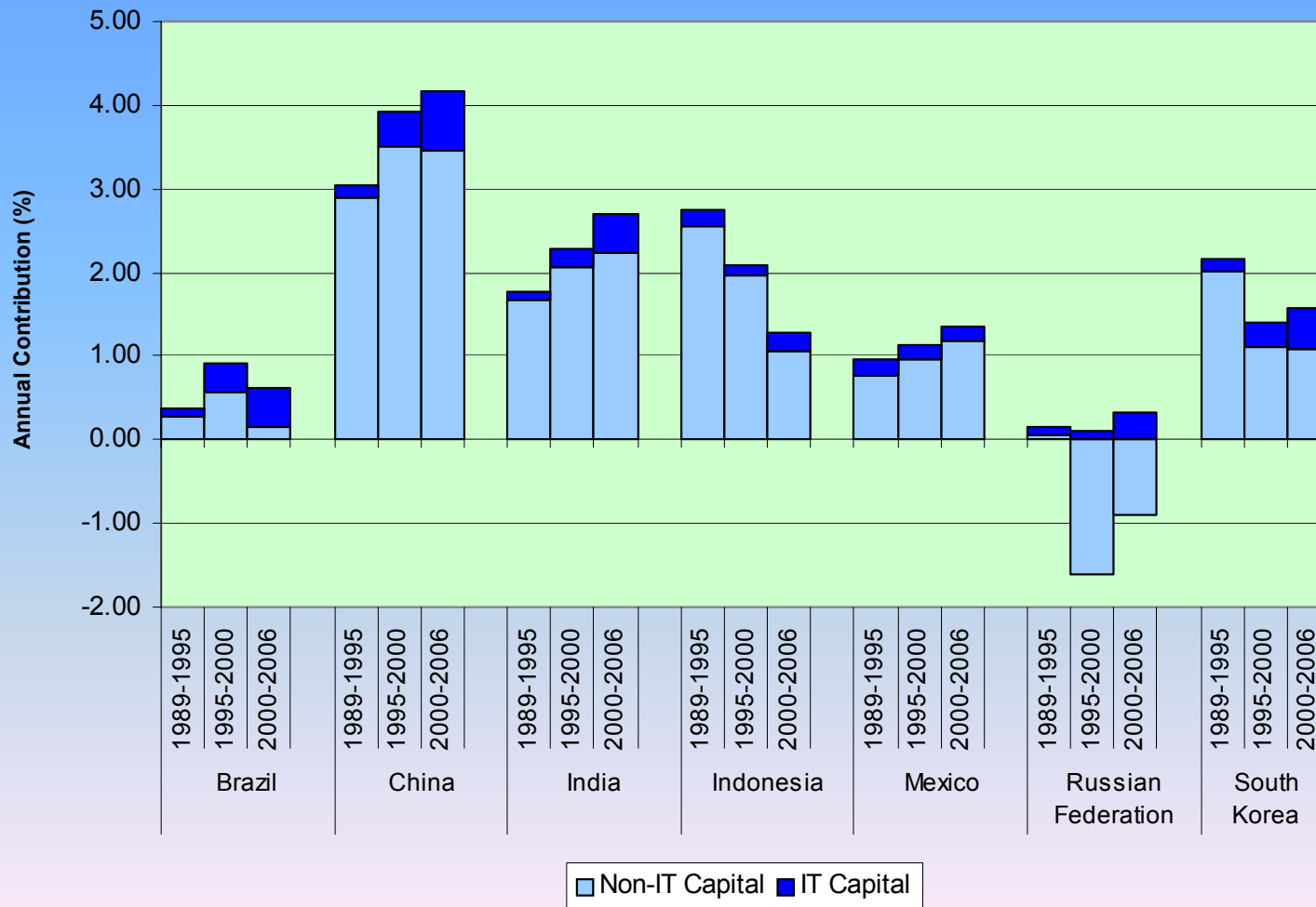


## Capital Input Contribution: Latin America



# 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:

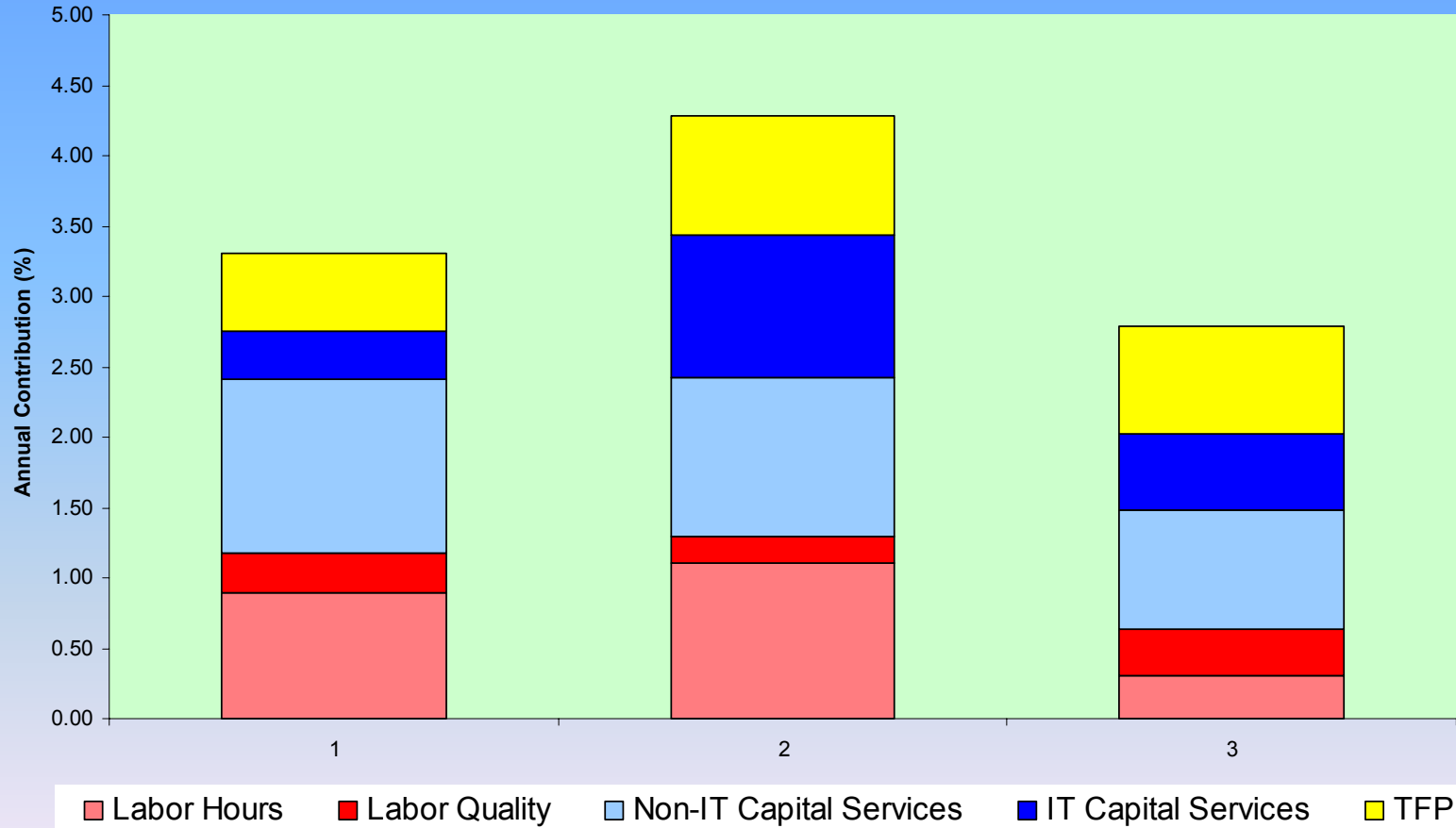
Capital Input, Labor Input, and TFP.

## LABOR INPUT GROWTH:

Hours Worked and Labor Quality.

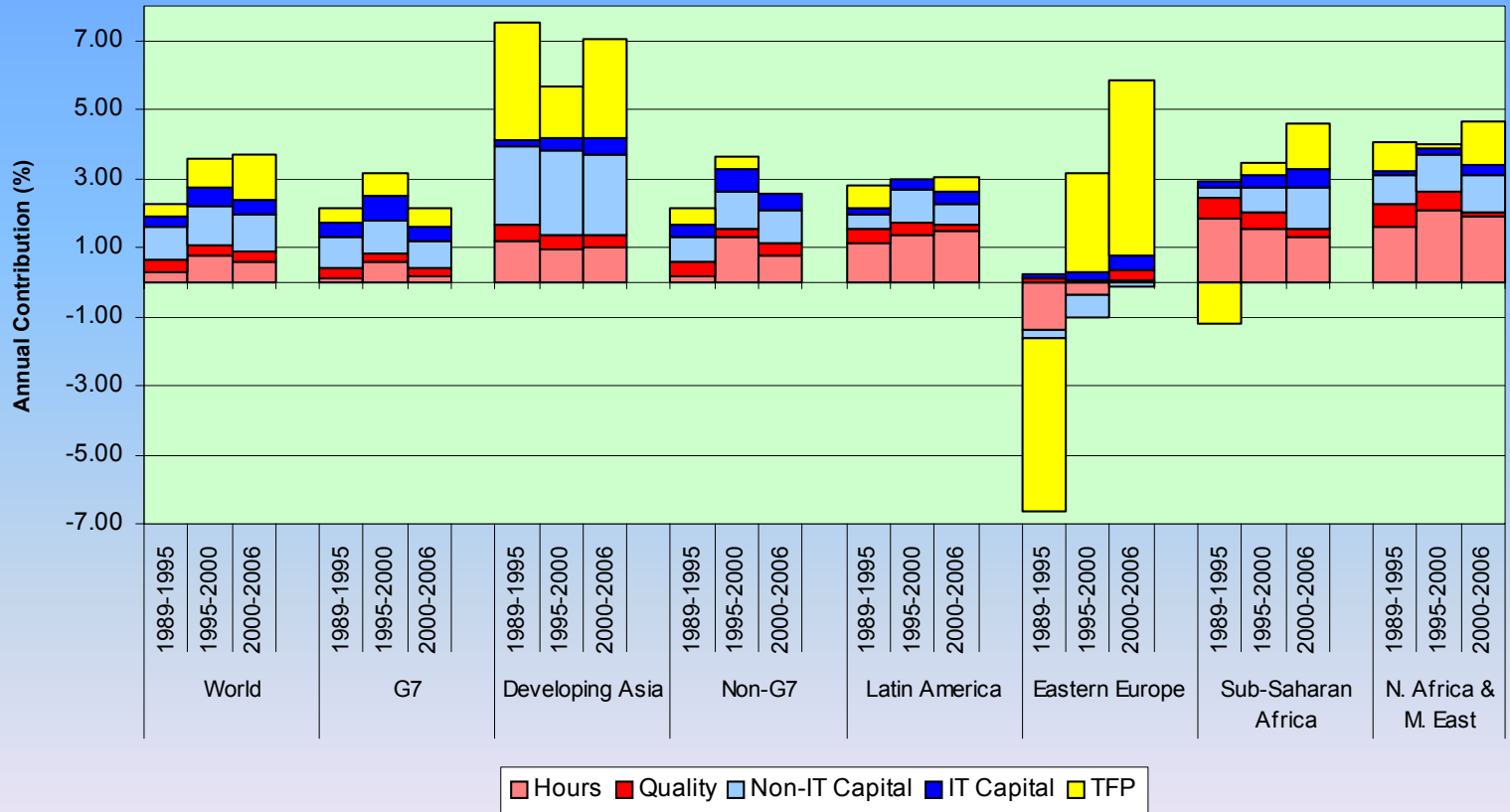
# Sources of U.S. Economic Growth

Average annual growth rates, weighted by the income share.



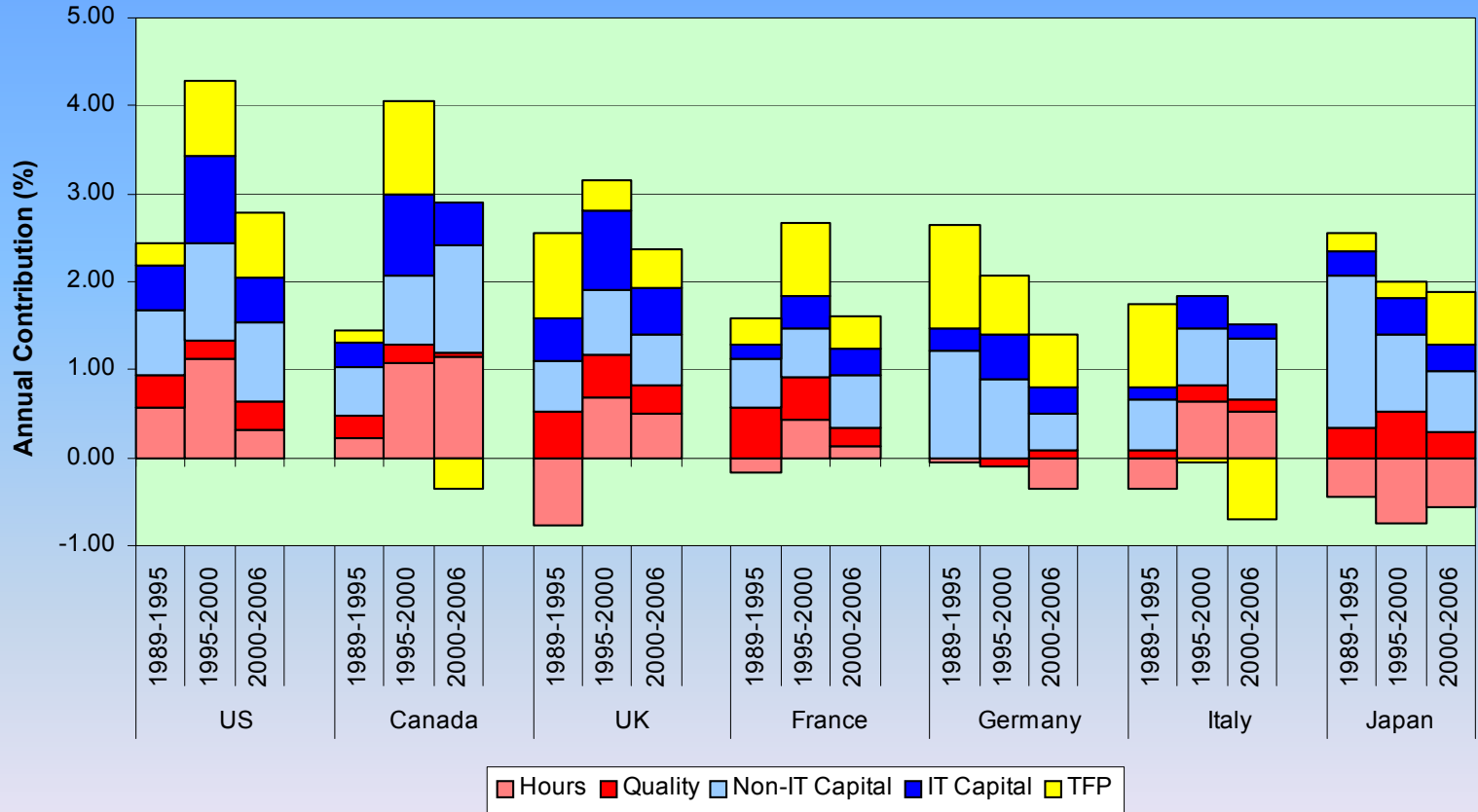
# Sources of World Economic Growth

Annual percentage growth rates

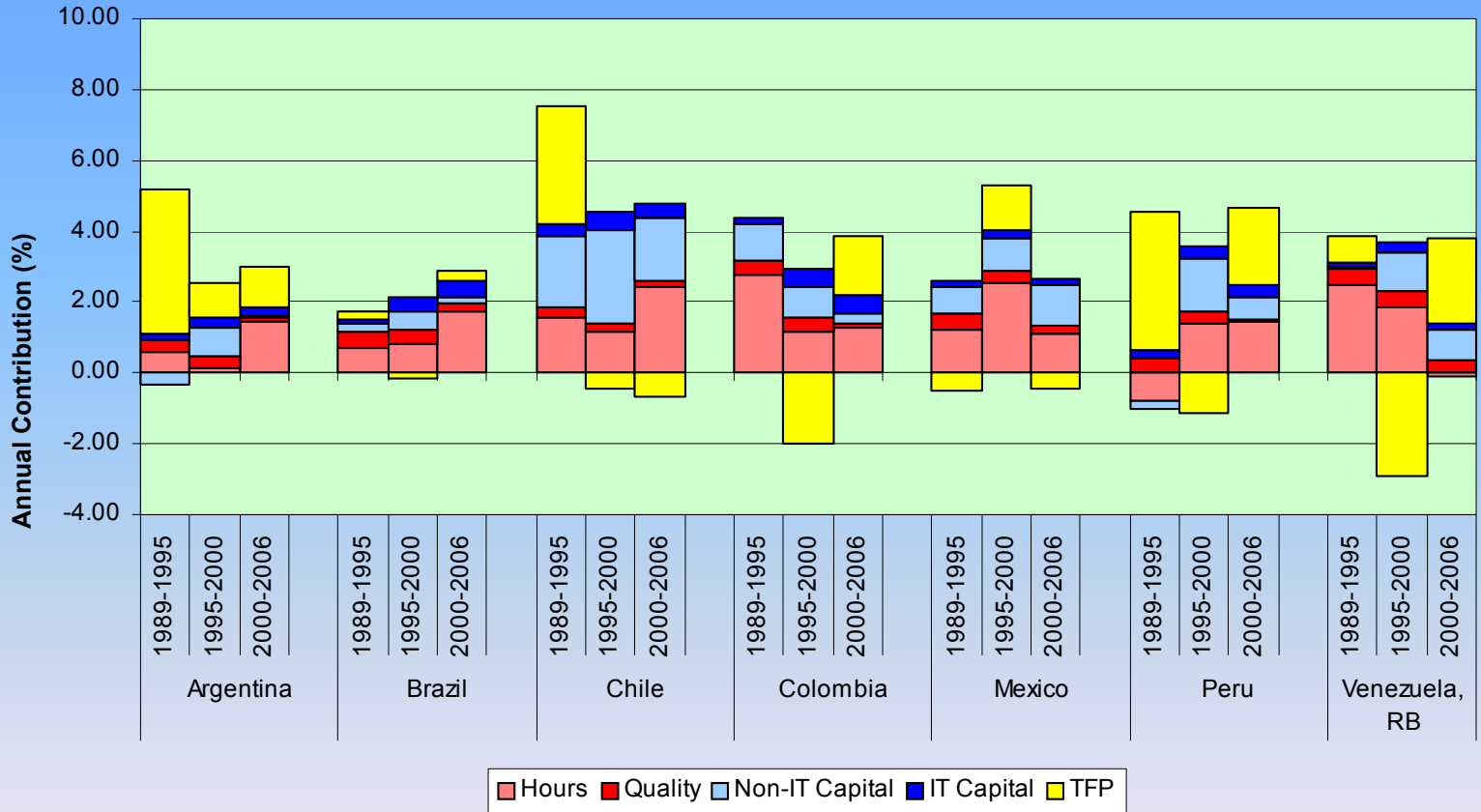


# Sources of G7 Economic Growth

Annual percentage growth rates



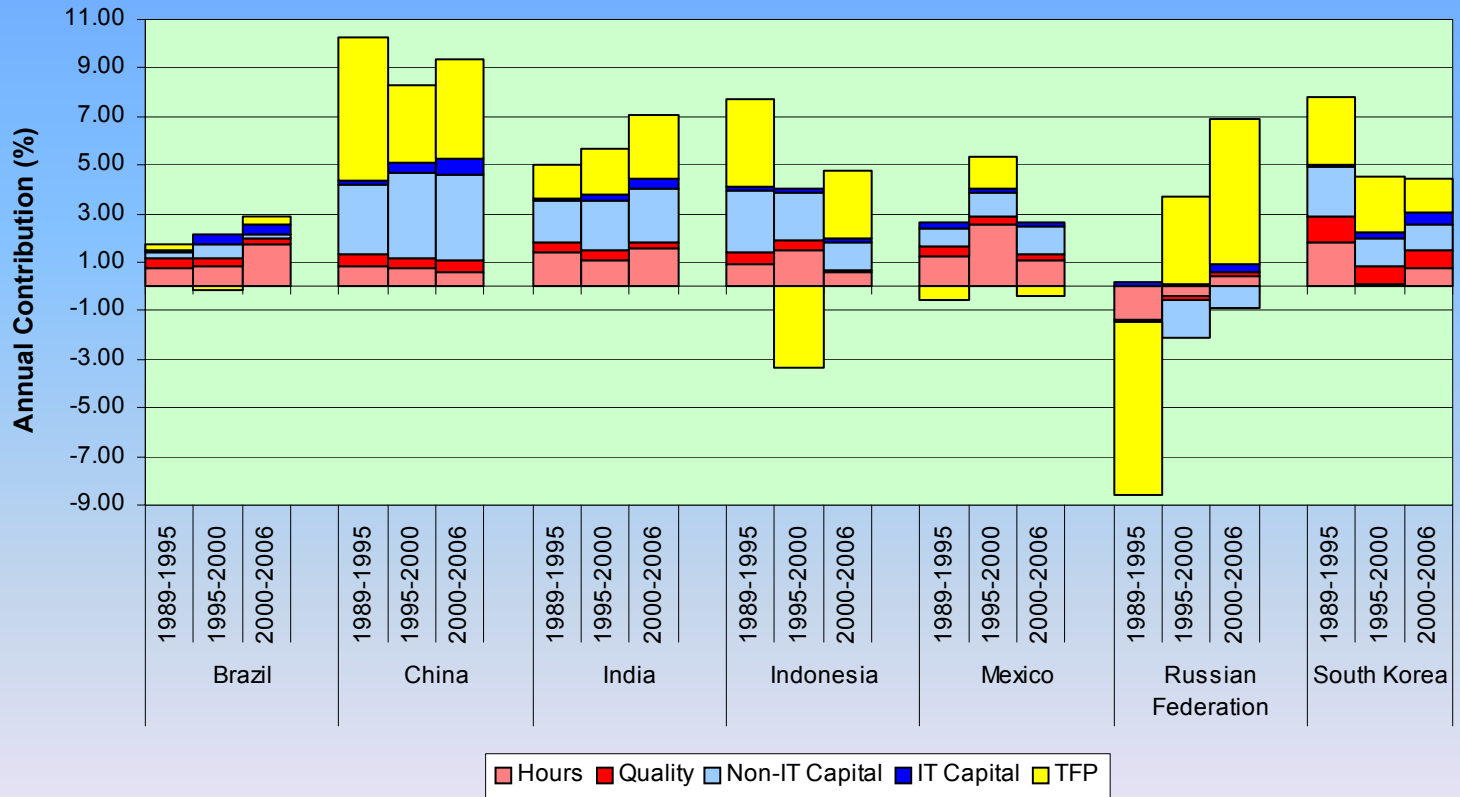
## Sources of Growth by Country: Latin America





# 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

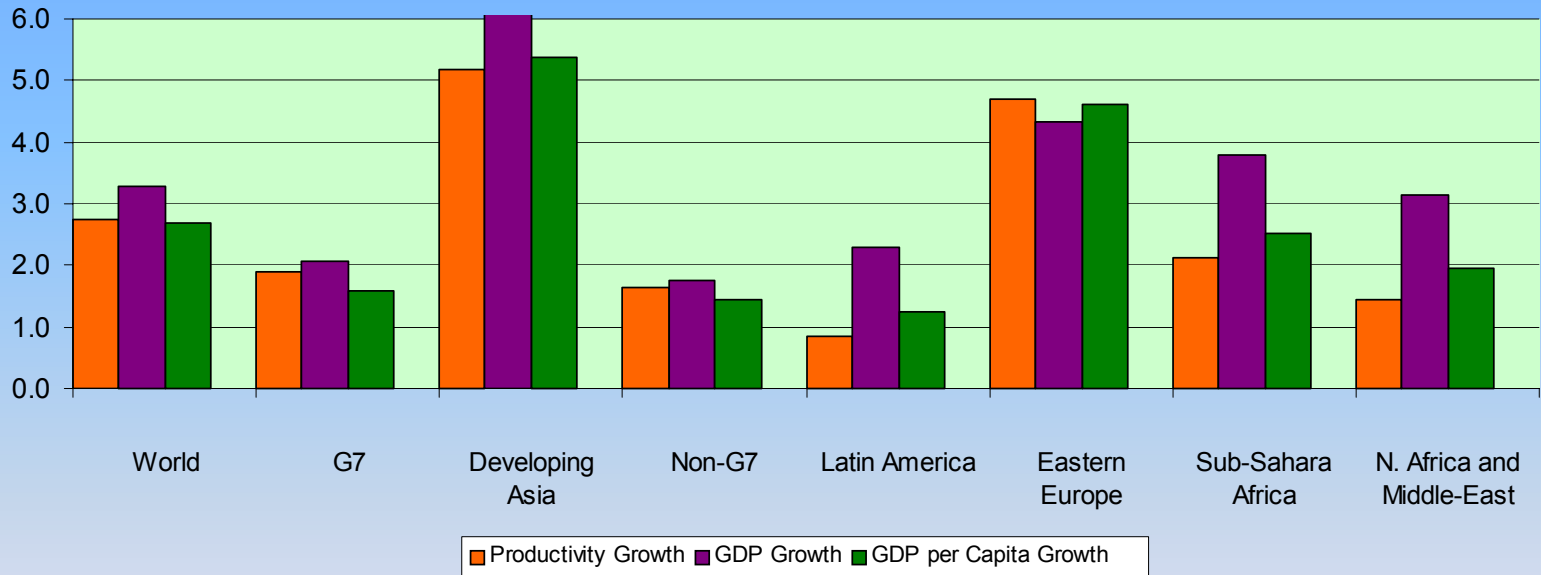
## OFFICIAL STATISTICS:

Implementation of a New Architecture for the National Accounts

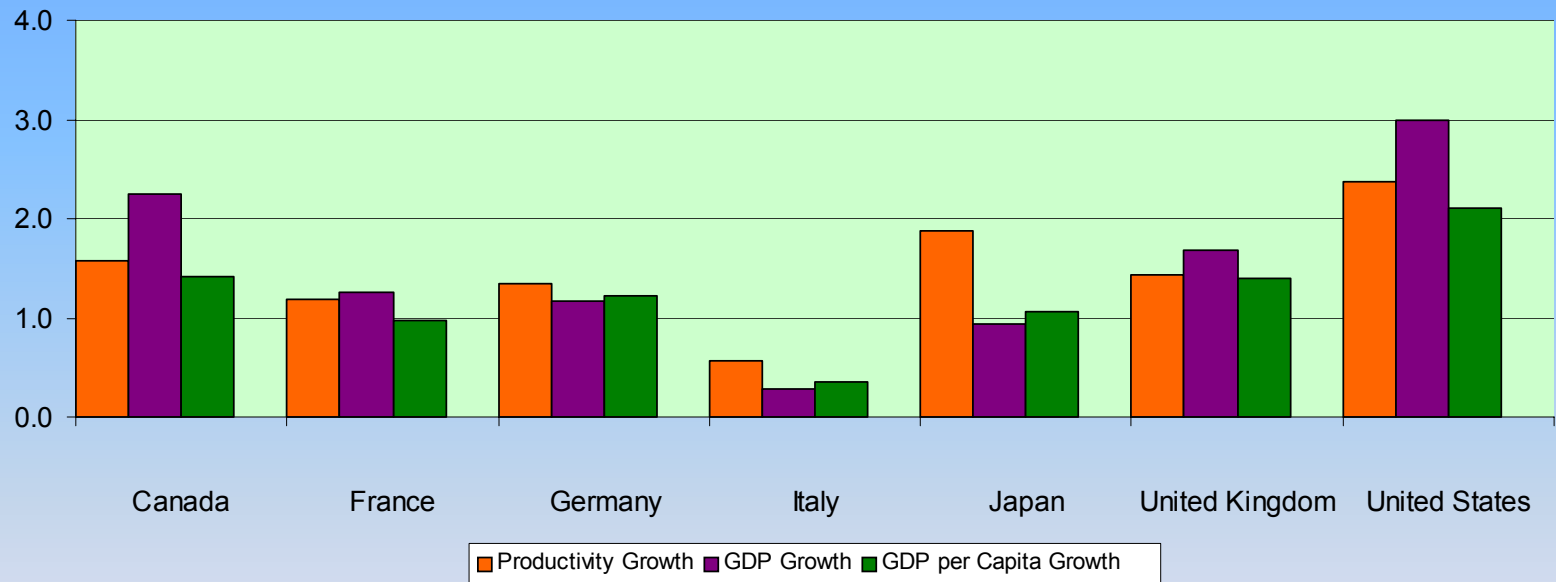
## POLICY ANALYSIS:

Potential Growth in Latin America and the World Economy

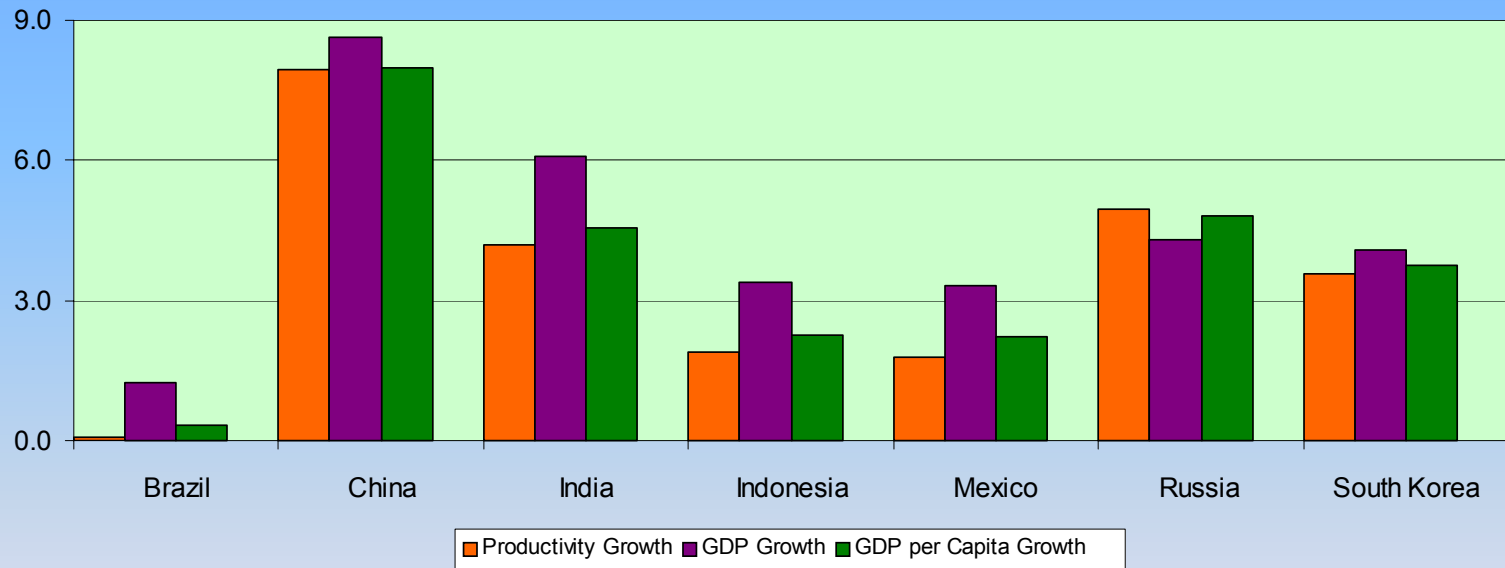
# World and Major Regions: Growth Projections, 2006-2016



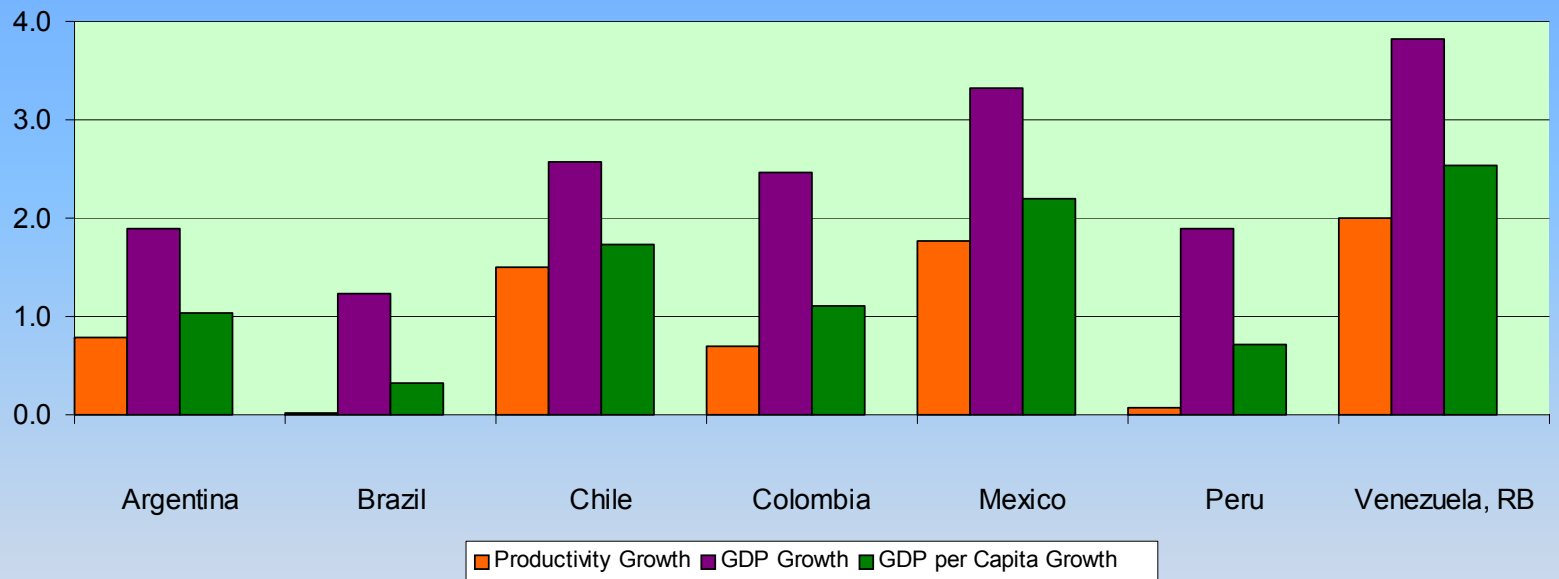
# G7: Growth Projections, 2006-2016



# 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