FIGURE VIII

Labor Share and Relative Price of Investment

The figure plots the left-hand and right-hand sides of equation (19). All values are scaled to denote changes per 10 years. For example, a value of −10 for the trend in the log relative price of investment means a roughly 10% decline of the price every 10 years. The figure excludes three countries (Kazakhstan, Kyrgyzstan, and Niger) with extremely low weights in the baseline regression of the first row of Table I. The best-fit line shown in the figure has a slope of 0.28.