

Macro Roundup Article

Headline: [Something Is Getting Harder But It's Not Finding Ideas](#)

Article Link: <https://maximumprogress.substack.com/p/something-is-getting-harder-but-its>

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Publication	Maximum Progress
Publication Date	October 12, 2023

Tweet: [. @MTabarrok argues that the decline in research productivity documented by @chadjonesecon @I_Am_NickBloom @johnvanreenen might be driven by misallocation of resources.](#)

Summary: Paul Romer's original model of economic growth assumed that a constant population of researchers would produce a constant growth rate in the economy. For example, if our economy has a million researchers working every year, its output should grow by 1% every year. Bloom et al noticed that the number of researchers in our economy has grown to 23 times its size in 1930 but the growth rate of the economy has been constant, even decreasing, over that period. So Paul Romer's assumption that constant research input ==> constant growth rate seems unsupported by the data. Bloom et al explain the divergence between growing research input and constant economic growth by assuming that ideas get harder to find as we discover more of them. "Are Ideas Getting Harder To Find?" documents a serious problem with economic growth: our investments into research are growing fast but the rate of economic growth is constant at best. Related: The Economics of Inequality in High-Wage Economies

Primary Topic: Innovation/Research

Topics: Database, Innovation/Research, Investment, Op-Ed/Blog Post, Productivity

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