

Macro Roundup Article

Headline: [Fully Grown - European Vacation!](#)

Article Link: <https://dietrichvollrath.substack.com/p/fully-grown-european-vacation>

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Tweet: [@DietzVollrath](#) argues that Europe's slow growth, like the US's slowing growth, is largely driven by a slowdown in human capital growth related to the aging of baby boomers.

Summary: Changes in the accumulation of physical capital were not important for Europe's growth slowdown. Changes in human capital growth were important for Europe's growth slowdown, but that effect varies by country. This also doesn't tell me whether it was demographics (as in the US) or some other factor in human capital, like changes in education or working hours. A significant source of the growth slowdown in Europe is due to a drop in productivity growth, pretty much universally. This drop is larger than in the US. If you look at the US, productivity growth rises up until about 2005, and then starts to abate. But if you look at the UK or France, as examples, their productivity growth just sort of tracks 2% up until about 2006, and then it drops down close to zero percent per year, and at times is negative. That's a far more dramatic drop in productivity growth than the US.

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Primary Topic: Growth

Topics: Factoid, GDP, Growth, Op-Ed/Blog Post

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