Growth of labor productivity comes from:

Increase in the stock of capital and Improvements in technology

Growth of Potential GDP =

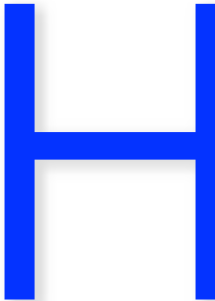
Potential GDP = Hours worked x Labor Productivity x Labor Force

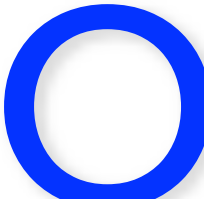
Growth of Labor Productivity + Growth of Labor Force

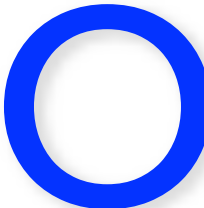
Growth of Potential GDP =

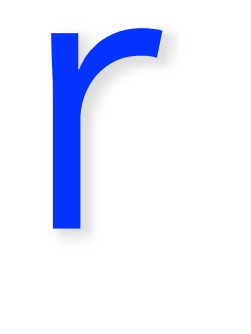
Increase in the stock of capital + Improvements in technology + Growth of Labor Force

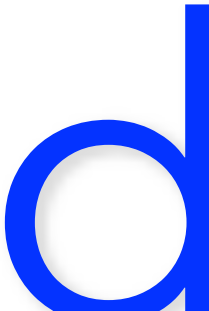
# of hours worked doesn’t change: it is always 8 hours/day











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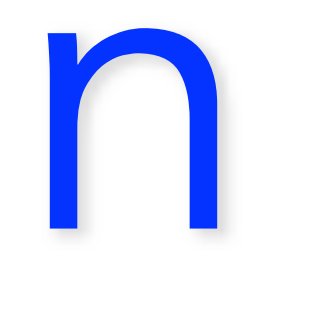

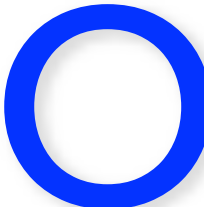

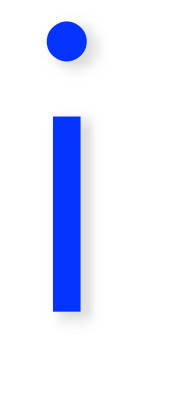

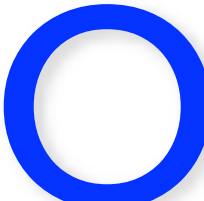

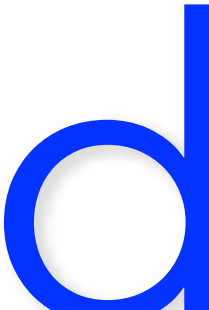

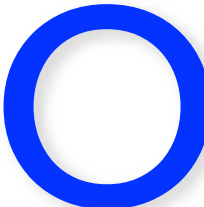

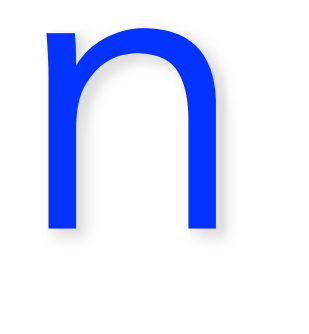

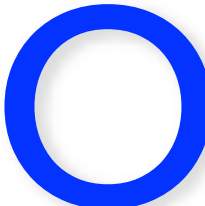

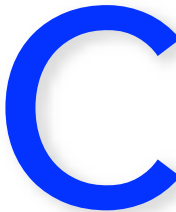

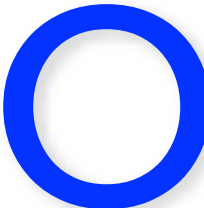

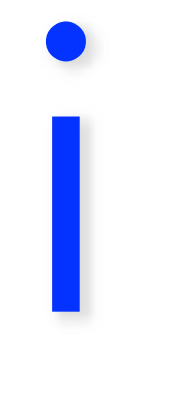

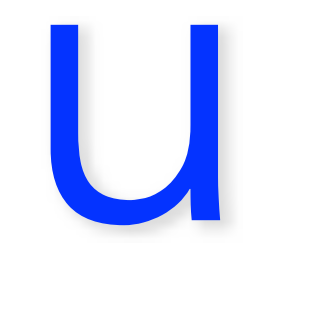

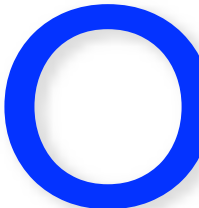

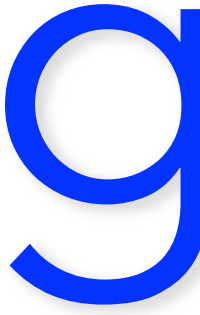

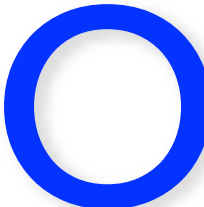

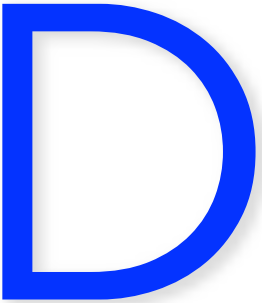

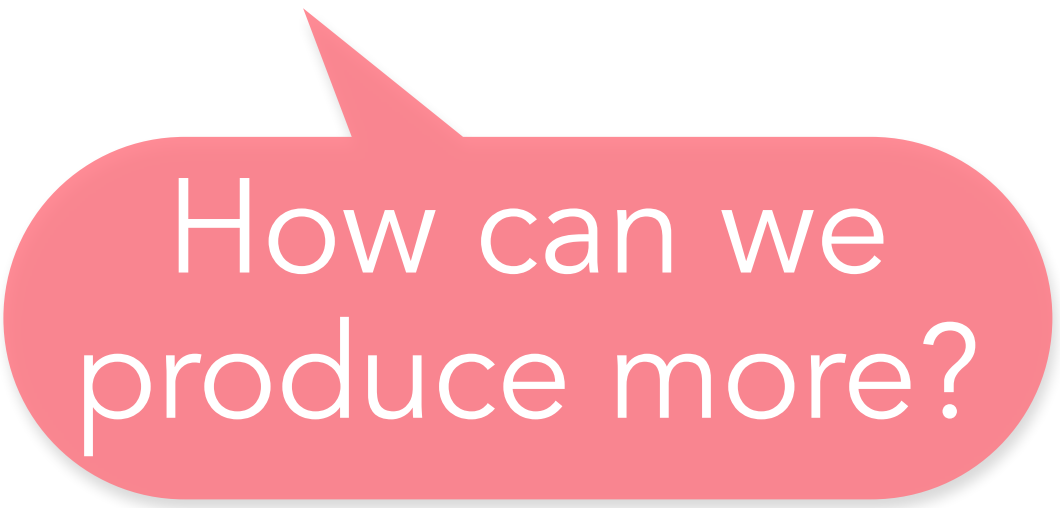
How can we
produce more?

To produce more, we need to be more productive and we need more workers

Hours worked can not increase, so do not contribute to growth of GDP

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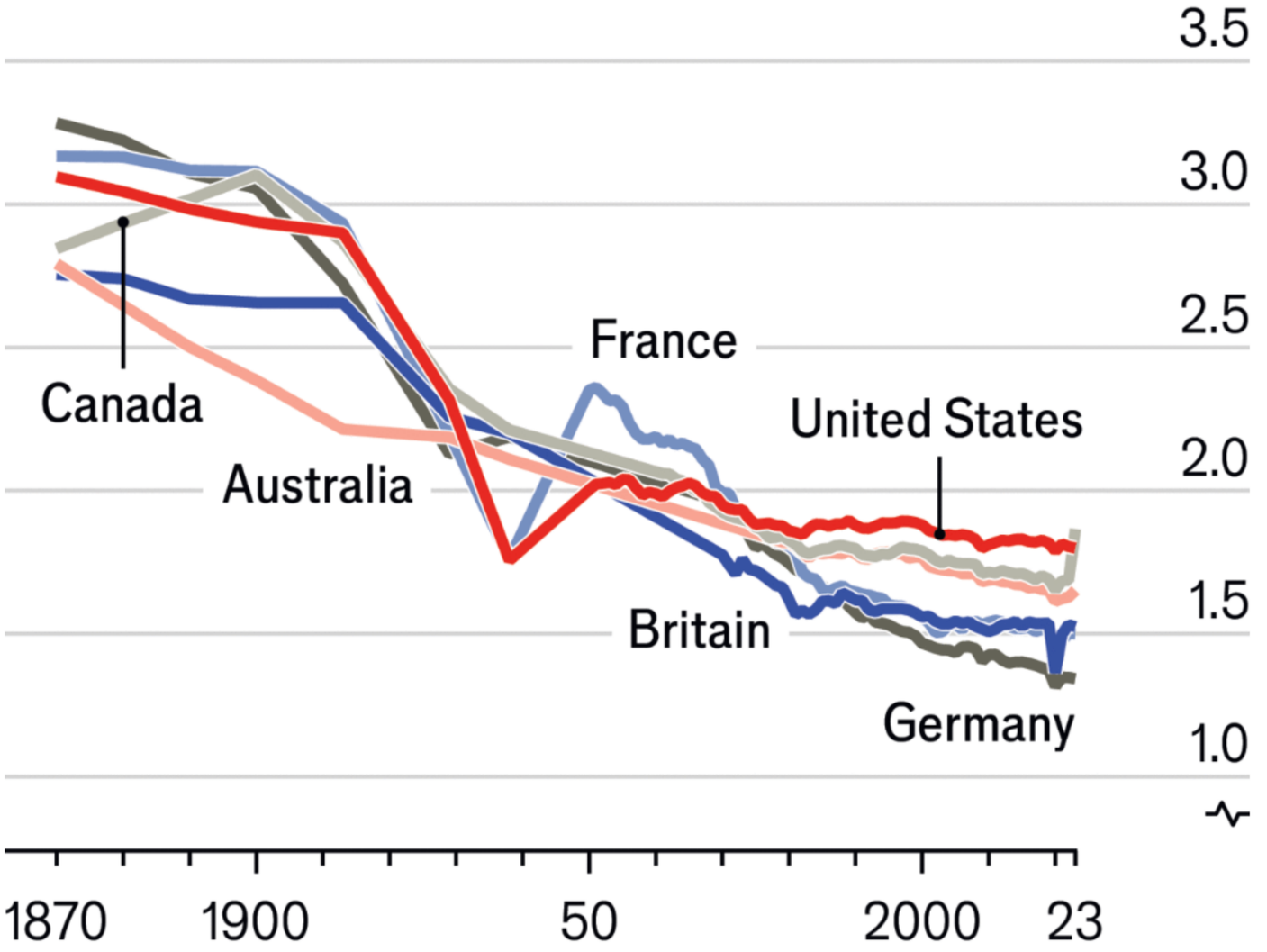
Average annual hours of labour per worker, '000

Selected countries



Sources: Our World in Data; OECD