

Decomposition of Labor Productivity Growth

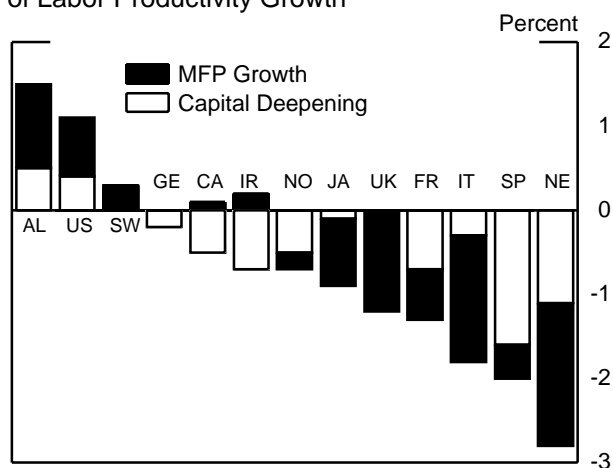
(Percent, Annual Rate)

	81-95*	96-99**	Chng.
BLS Data			
United States			
Labor Productivity	1.5	2.6	1.1
Capital Deepening	0.7	1.1	0.4
MFP	0.8	1.5	0.7
MFP exc. Labor Qty.***	0.5	1.2	0.7
OECD Data			
United States			
Labor Productivity	1.2	2.3	1.1
Capital Deepening	0.2	0.5	0.3
MFP	1.0	1.8	0.8
Canada			
Labor Productivity	1.4	0.9	-0.5
Capital Deepening	1.2	0.7	-0.5
MFP	0.2	0.3	0.1
France			
Labor Productivity	3.0	1.6	-1.4
Capital Deepening	1.2	0.5	-0.7
MFP	1.7	1.1	-0.6
Germany			
Labor Productivity	2.3	2.1	-0.2
Capital Deepening	1.2	1.0	-0.2
MFP	1.0	1.0	0.0
Italy			
Labor Productivity	2.5	0.7	-1.8
Capital Deepening	1.1	0.8	-0.3
MFP	1.4	-0.1	-1.5
Japan			
Labor Productivity	3.0	2.1	-0.9
Capital Deepening	1.3	1.2	-0.1
MFP	1.7	0.9	-0.8
United Kingdom			
Labor Productivity	2.7	1.5	-1.2
Capital Deepening	0.5	0.5	0
MFP	2.2	1.0	-1.2
Australia			
Labor Productivity	1.6	3.1	1.5
Capital Deepening	0.5	1.0	0.5
MFP	1.1	2.1	1.0

	81-95	96-99	Chng.
Ireland			
Labor Productivity	4.6	4.0	-0.6
Capital Deepening	0.3	-0.4	-0.7
MFP	4.3	4.5	0.2
Netherlands			
Labor Productivity	3.2	0.4	-2.8
Capital Deepening	0.9	-0.2	-1.1
MFP	2.2	0.5	-1.7
Norway			
Labor Productivity	2.1	1.4	-0.7
Capital Deepening	0.8	0.3	-0.5
MFP	1.3	1.1	-0.2
Spain			
Labor Productivity	2.4	0.4	-2.0
Capital Deepening	1.9	0.3	-1.6
MFP	0.5	0.1	-0.4
Sweden			
Labor Productivity	1.8	2.0	0.2
Capital Deepening	0.7	0.7	0.0
MFP	1.0	1.3	0.3

***This definition of MFP growth subtracts estimated contributions of changes in labor quality.

Changes in Components of Labor Productivity Growth*



* Data begin in 1992 for Germany, in 1984 for Ireland, in 1987 for Netherlands, and in 1989 for Spain. ** Uses FR staff estimates for labor hours in 1999 for OECD data. Data for Sweden end in 1998.

* Changes in the contributions of capital deepening and MFP growth between 1981-95 and 1996-99, annual averages.