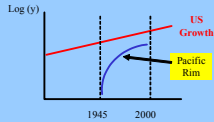


Patterns of Growth



What Malthus Left Out

- Malthus left out two factors
 - Capital
 - Technological change
- Do these make a difference? Yes

Just How Wrong Was Malthus?

<i>Real Per Capita Income in 1998 Dollars</i>		
<i>Year</i>	<i>US</i>	<i>UK</i>
1776	\$1,450	\$1,350
1860	\$2,550	\$3,000
1900	\$5,450	\$5,300
1950	\$12,500	\$8,150
1998	\$31,500	\$22,000

Just How Wrong Was Malthus?

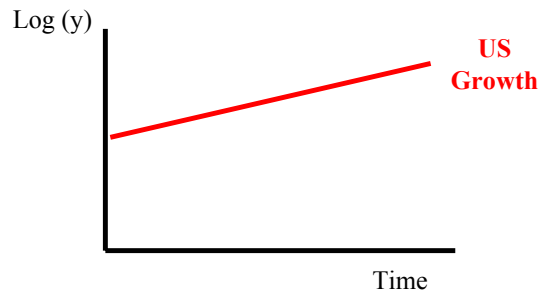
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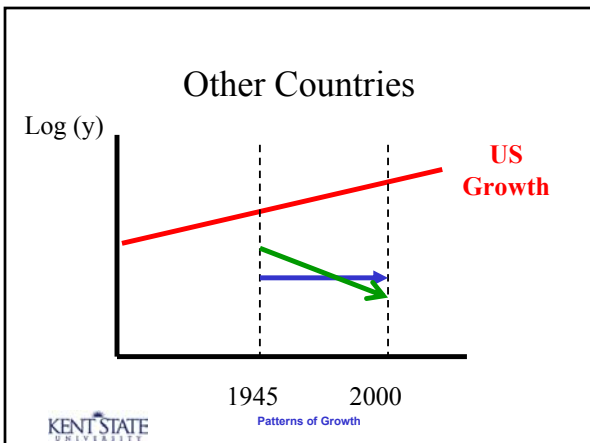
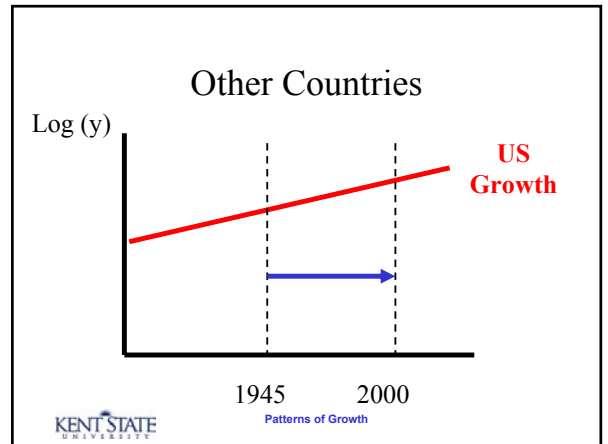
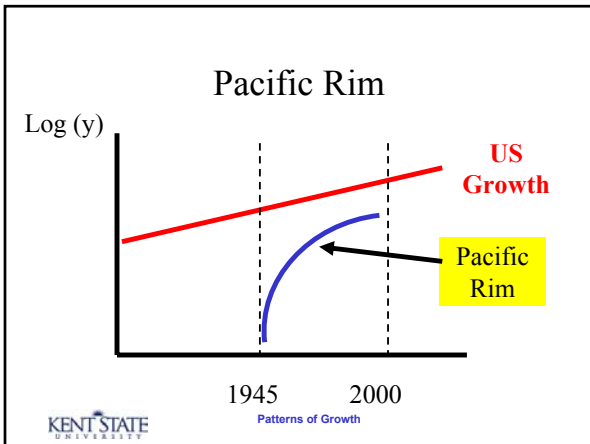
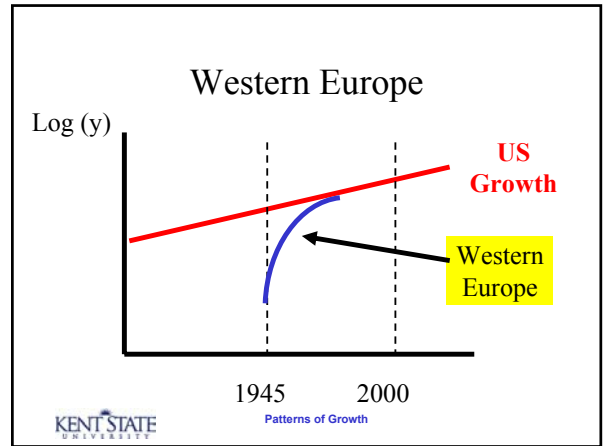
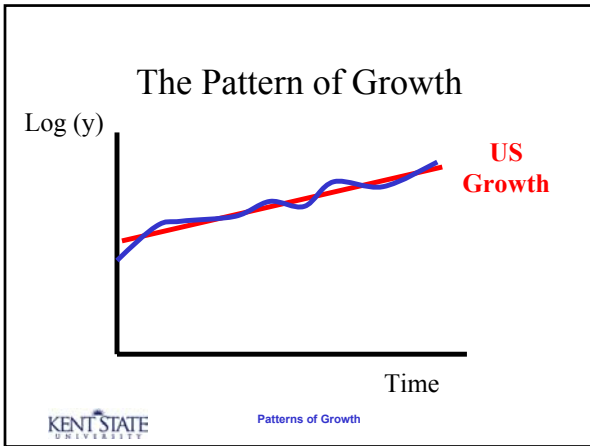
In the US, per capita income increased over 20 times from 1776 to 1998

The Magic of Compounding

- At that rate incomes double every 40 years.
- Thus people today are making twice as much, adjusted for inflation, as they were 40 years ago.
- And 40 years hence, people will make twice as much as people do now.

The Pattern of Growth





- ### A Summary
- Highly Developed Countries
 - US
 - Canada
 - Western Europe
 - Australia, New Zealand
 - Japan
- KENT STATE UNIVERSITY
- Patterns of Growth

A Summary

- Highly Developed Countries
- Countries Catching Up
 - South Korea
 - Taiwan
 - Mexico

A Summary

- Highly Developed Countries
- Countries Catching Up
- Countries Stagnating or Falling Further Behind
 - Sub Saharan Africa
 - Bangladesh

A Summary

- Highly Developed Countries
- Countries Catching Up
- Countries Stagnating or Falling Further Behind
- The Old Soviet Bloc

Our Task

- Show how the factors Malthus left out explains these growth patterns.

End

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