

Overview Panel Discussion

Timothy J. Kehoe

University of Minnesota and Federal Reserve Bank of Minneapolis

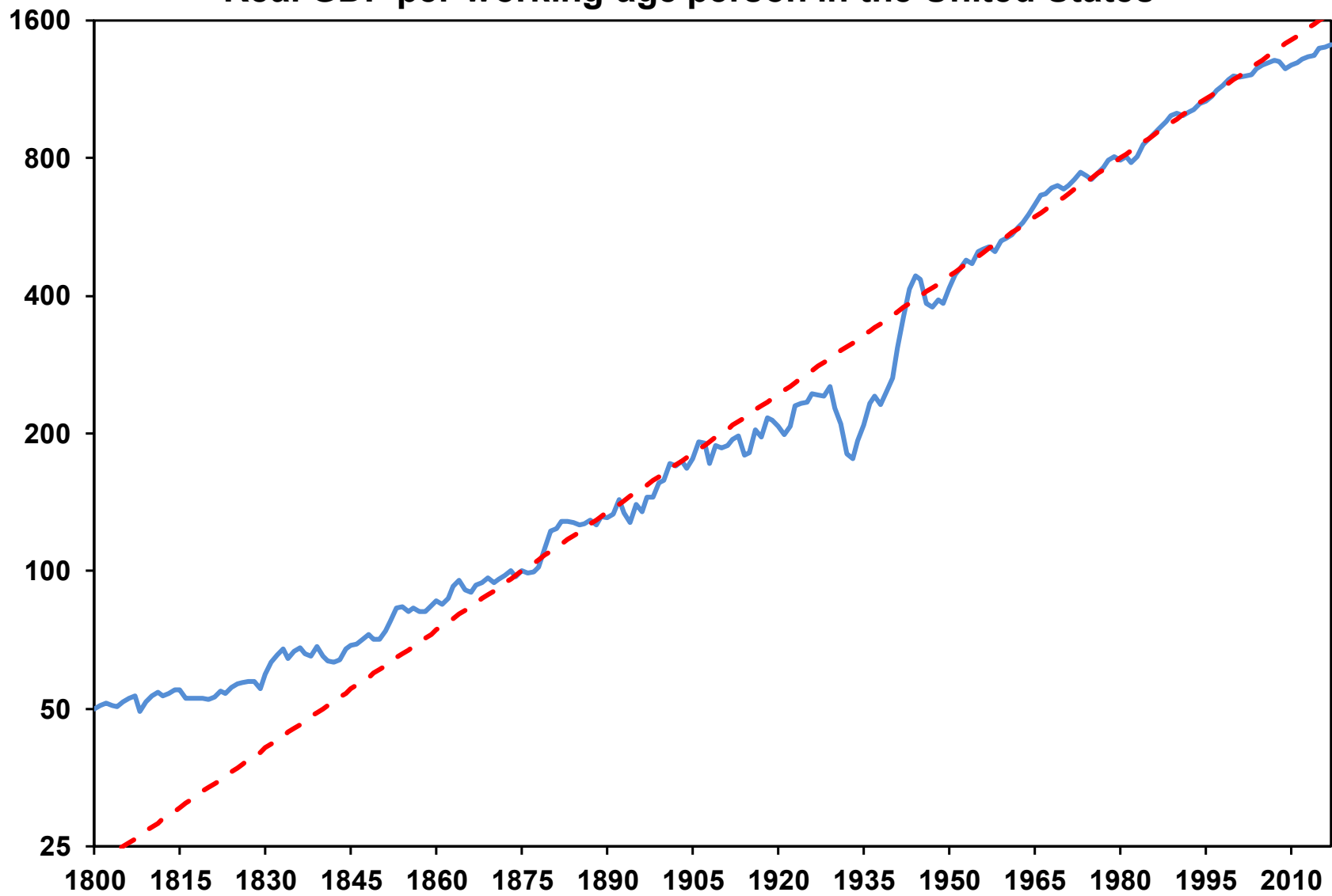
Points to take away:

The Industrial Revolution, which began in U.K. around 1800, has spread rapidly throughout the world, especially since the 1960s. This has significantly reduced extreme poverty and income inequality, especially since 1990.

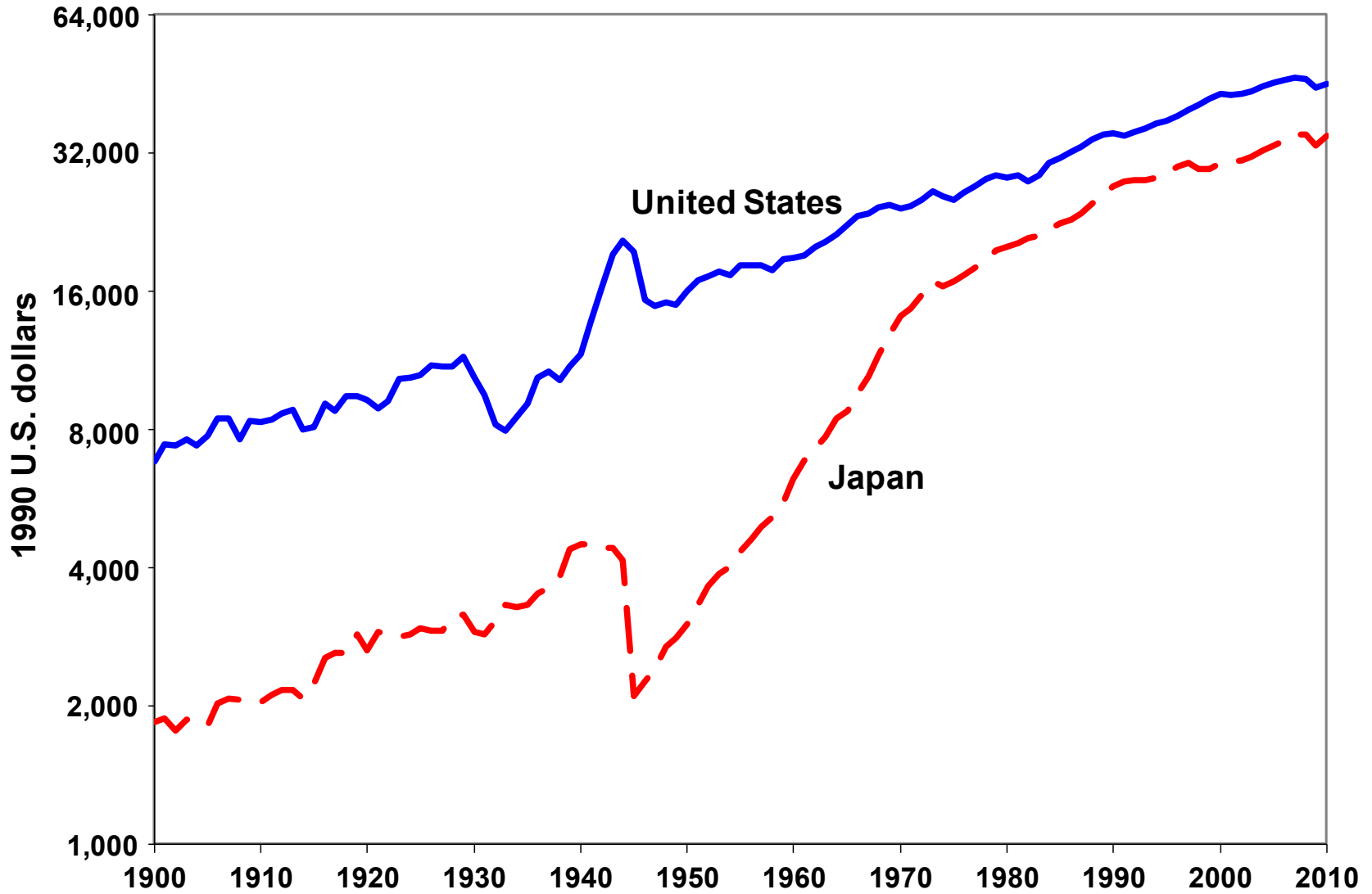
Multilateral liberalization of trade, foreign investment, and migration has stagnated, leaving unilateral liberalization and regional liberalization as the drivers of globalization. Populism has put liberalization in danger.

Real output of manufactured goods in the United States increased faster than real GDP even as manufacturing employment has fallen. Trade deficits caused only a small fraction — 15 percent at peak — of the drop in manufacturing employment, and this fraction has fallen as the trade deficit has fallen.

Real GDP per working-age person in the United States



Real GDP per working-age person



Stages of Economic Growth Revisited

(with Daniela Costa and Gajen Raveendranathan)

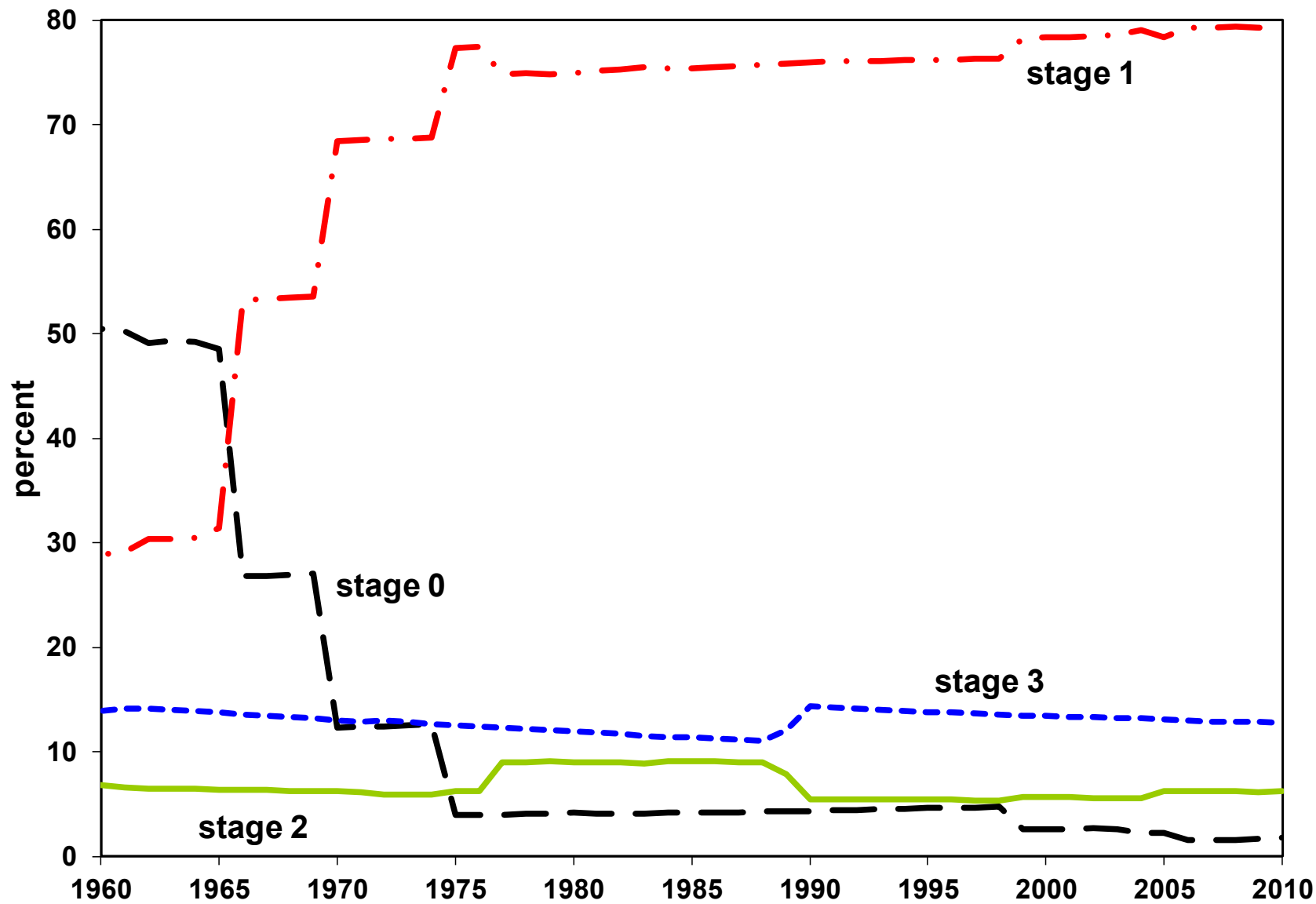
Stage 0: Malthusian trap

Stage 1: Growth like that of U.K. in the Industrial Revolution

Stage 2: Real GDP per working-age person at least 35 percent of industrial leader (U.K. in 19th century, U.S. in 20th, 21st centuries)

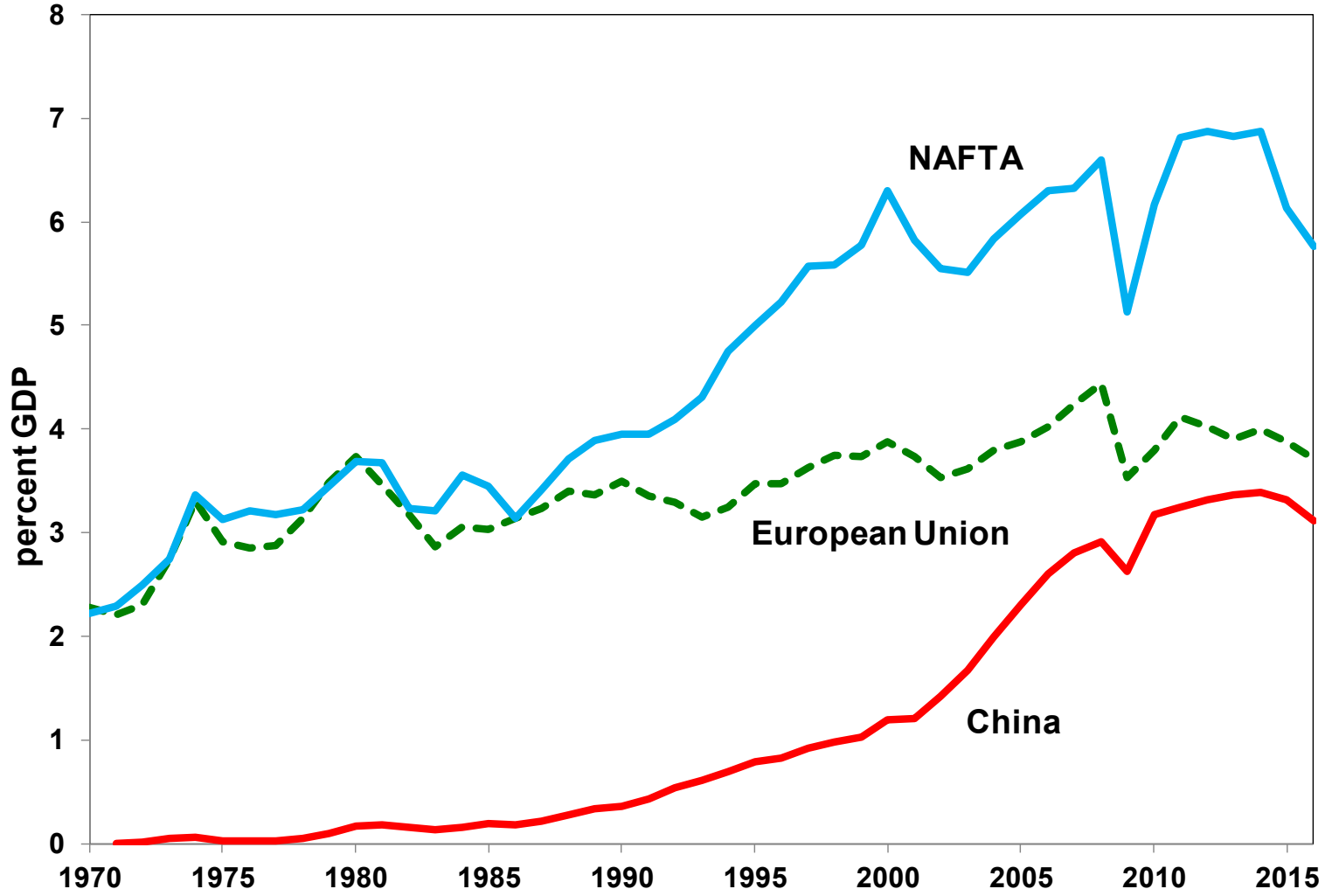
Stage 3: Real GDP per working-age person at least 65 percent of industrial leader

World population by stage of economic growth



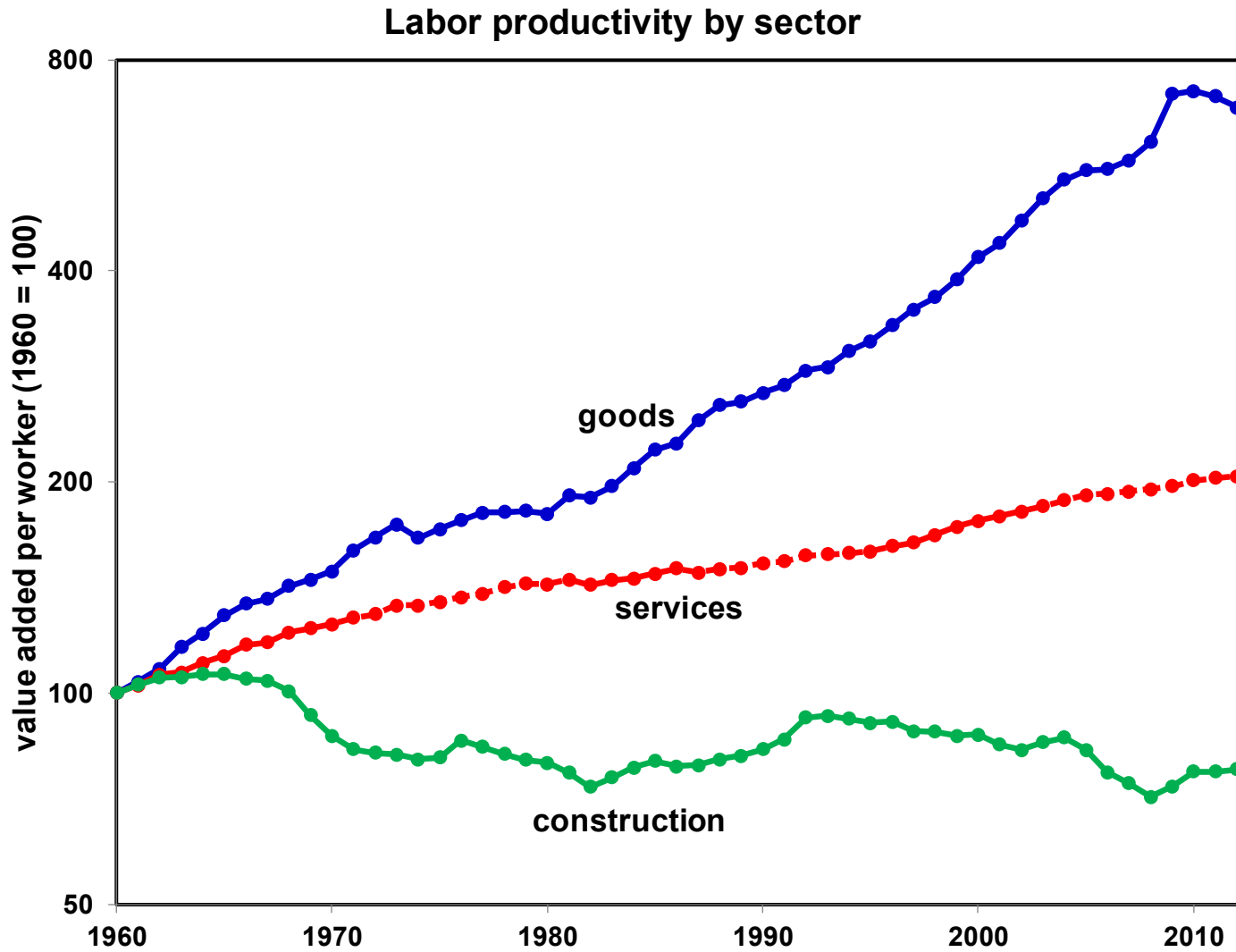
Increasing importance of regional trade blocs

U. S. trade (exports plus imports)



Global Imbalances and Structural Change in the United States

(with Kim Ruhl and Joseph Steinberg)



Share of labor in goods production

