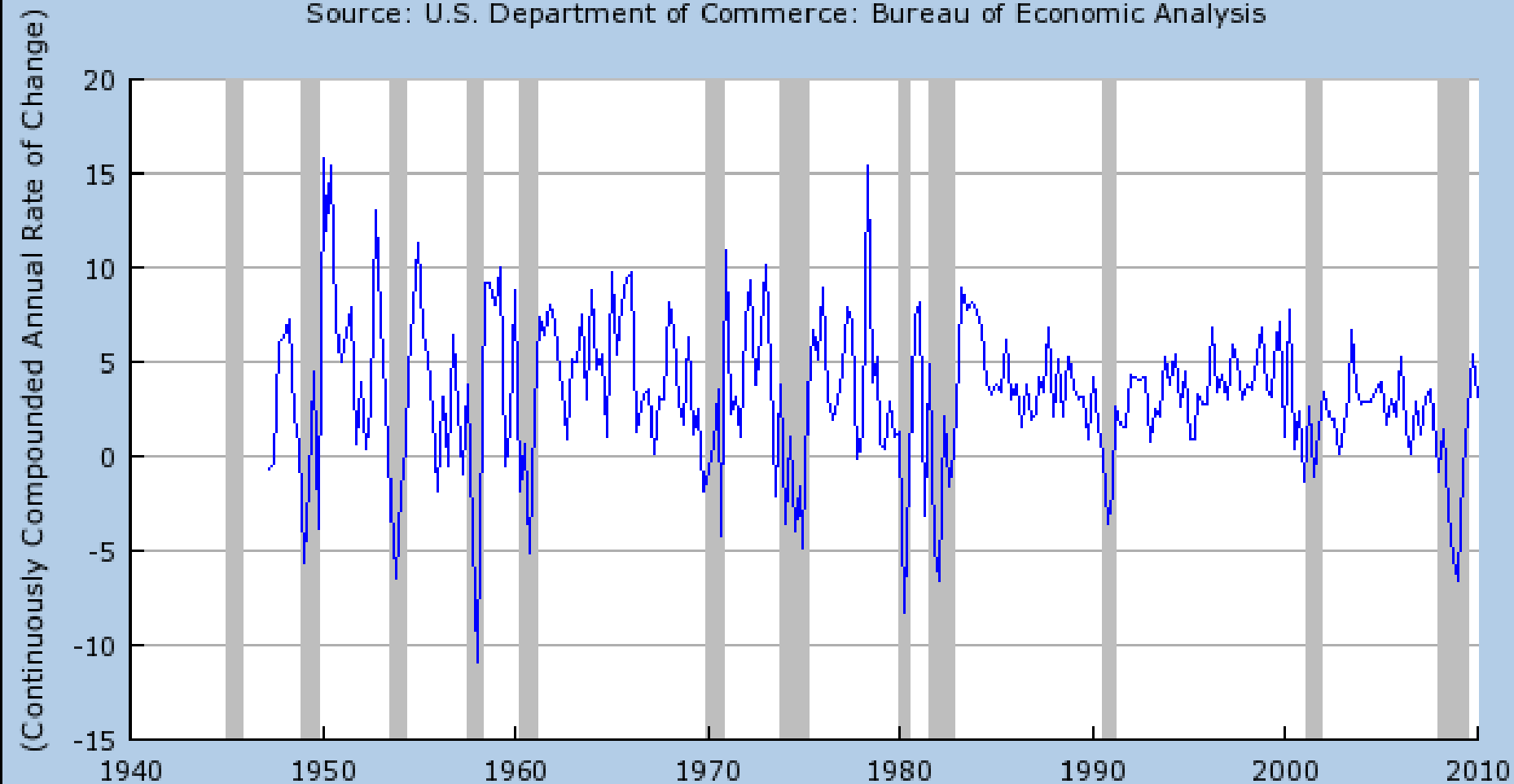


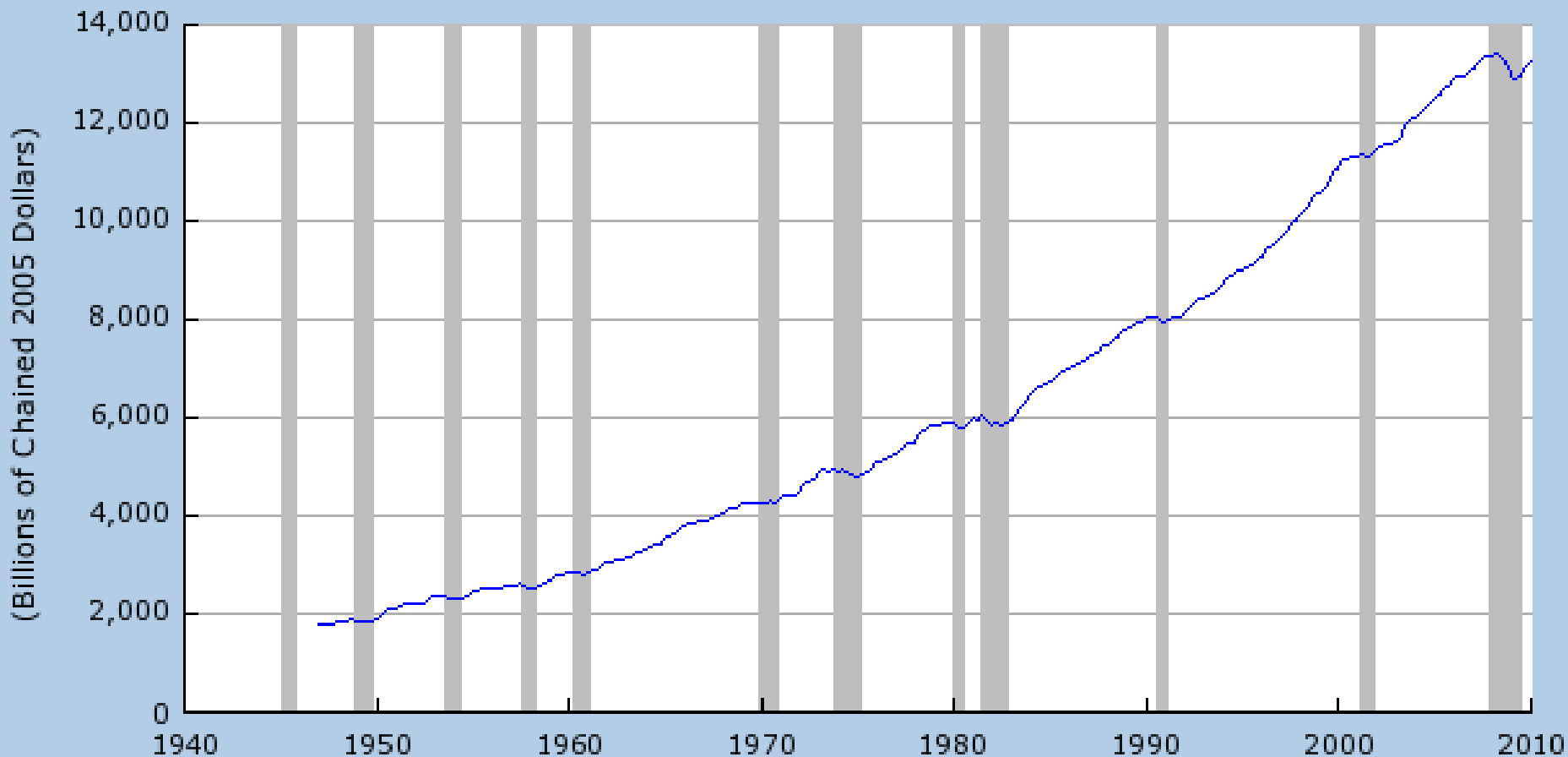
# Real Gross Domestic Product, 1 Decimal (GDPC1)

Source: U.S. Department of Commerce: Bureau of Economic Analysis



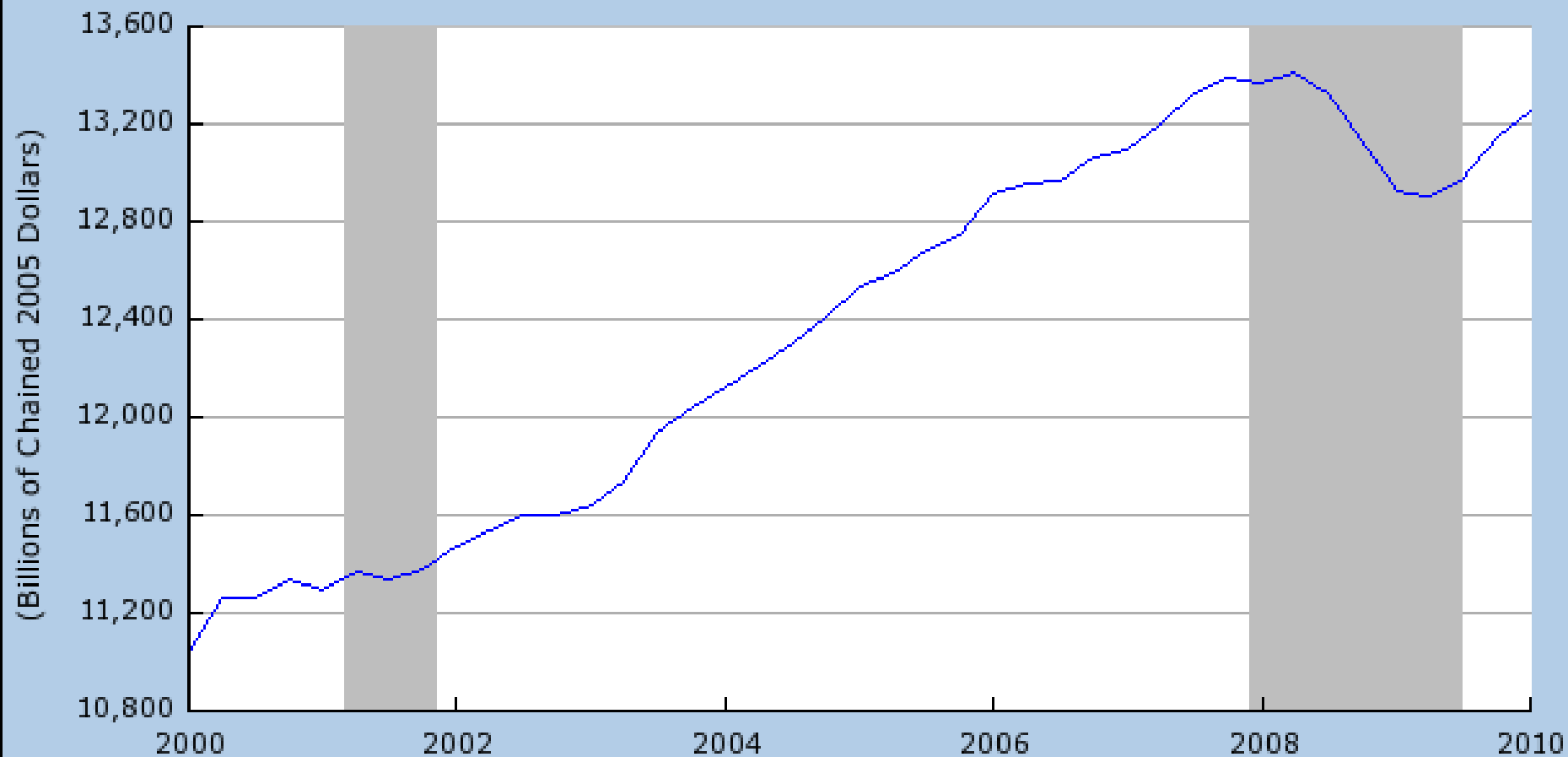
Shaded areas indicate US recessions.  
2010 research.stlouisfed.org

Real Gross Domestic Product, 1 Decimal (GDPC1)  
Source: U.S. Department of Commerce: Bureau of Economic Analysis



Shaded areas indicate US recessions.  
2010 research.stlouisfed.org

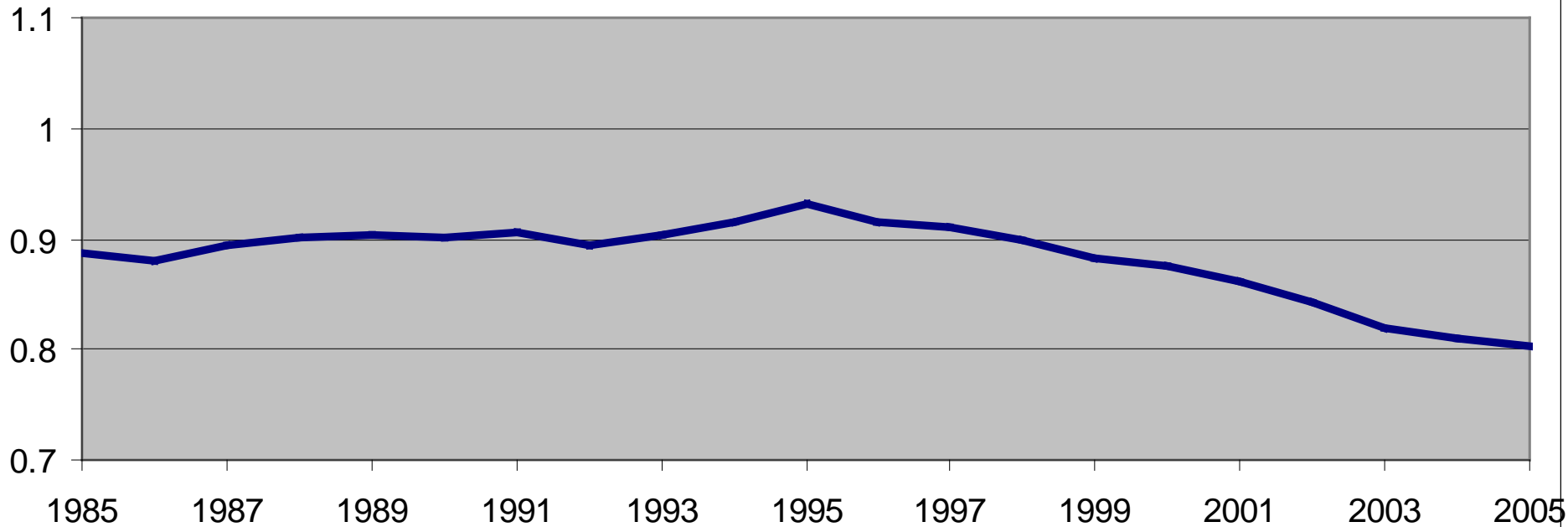
Real Gross Domestic Product, 1 Decimal (GDPC1)  
Source: U.S. Department of Commerce: Bureau of Economic Analysis



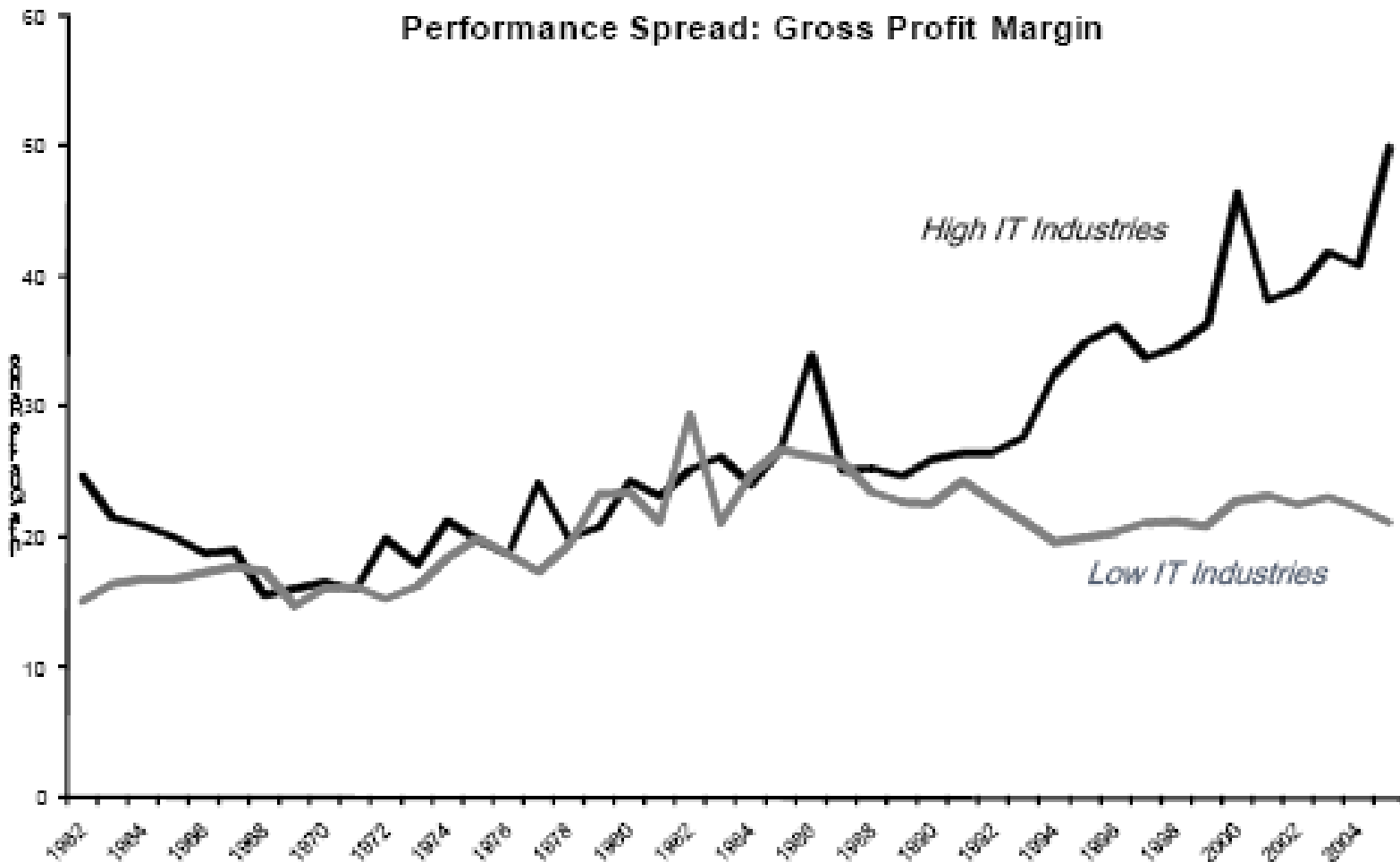
Shaded areas indicate US recessions.  
2010 research.stlouisfed.org

# The end of convergence?

**Labor Productivity EU15 vs USA**



Source: EUKLEMS, Market Sector, PPP adjusted output per hour

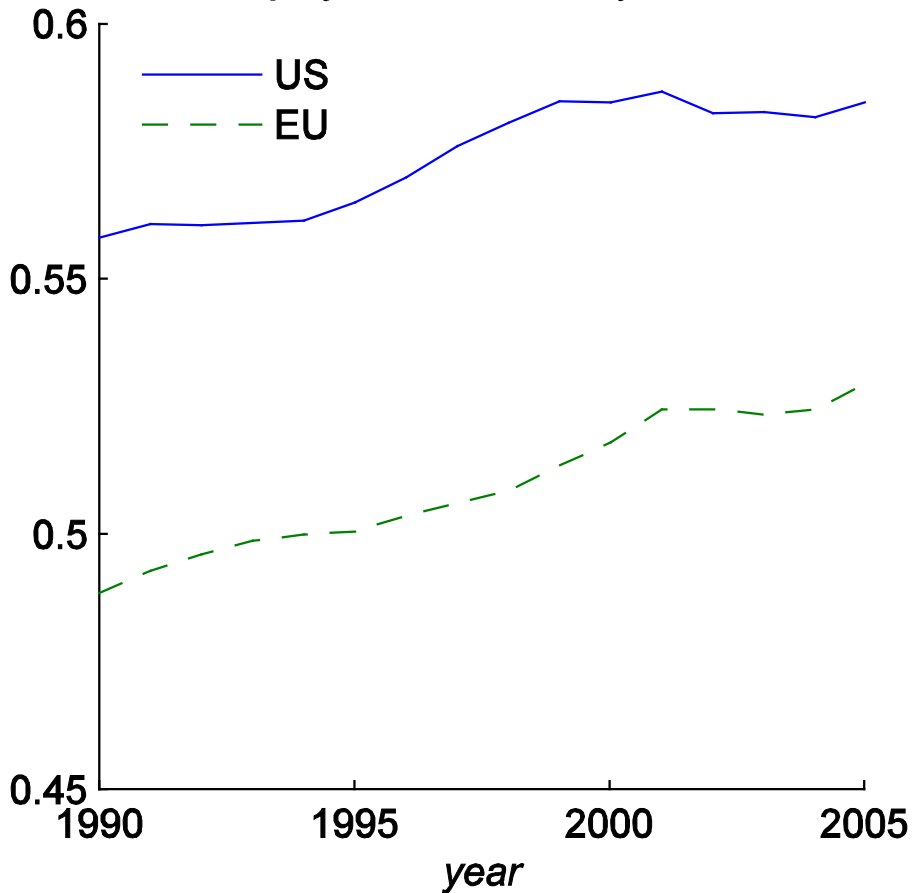


Source: Brynjolfsson 2009

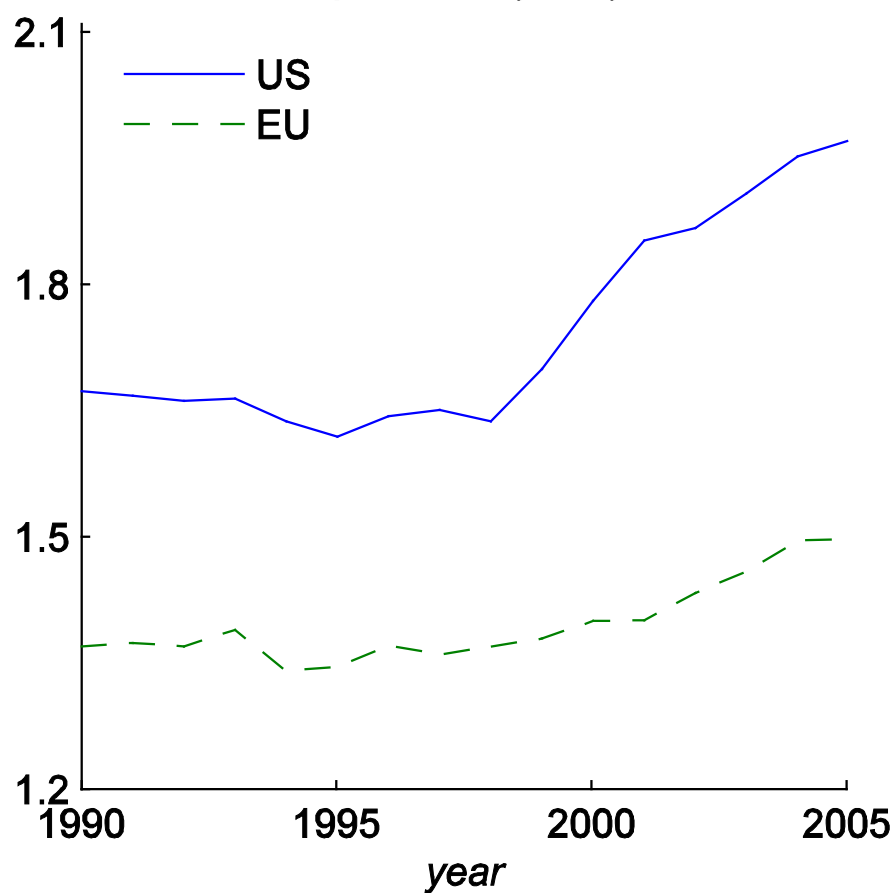
# Policy and Productivity Growth

- Besides traditional channels (R&D, Human Capital), framework conditions are important
- When adopting technology that requires experimentation in market (eg ICT) option value of adjusting scale is important
- Employment protection, exit costs and other adjustment frictions reduce adoption of risky technology

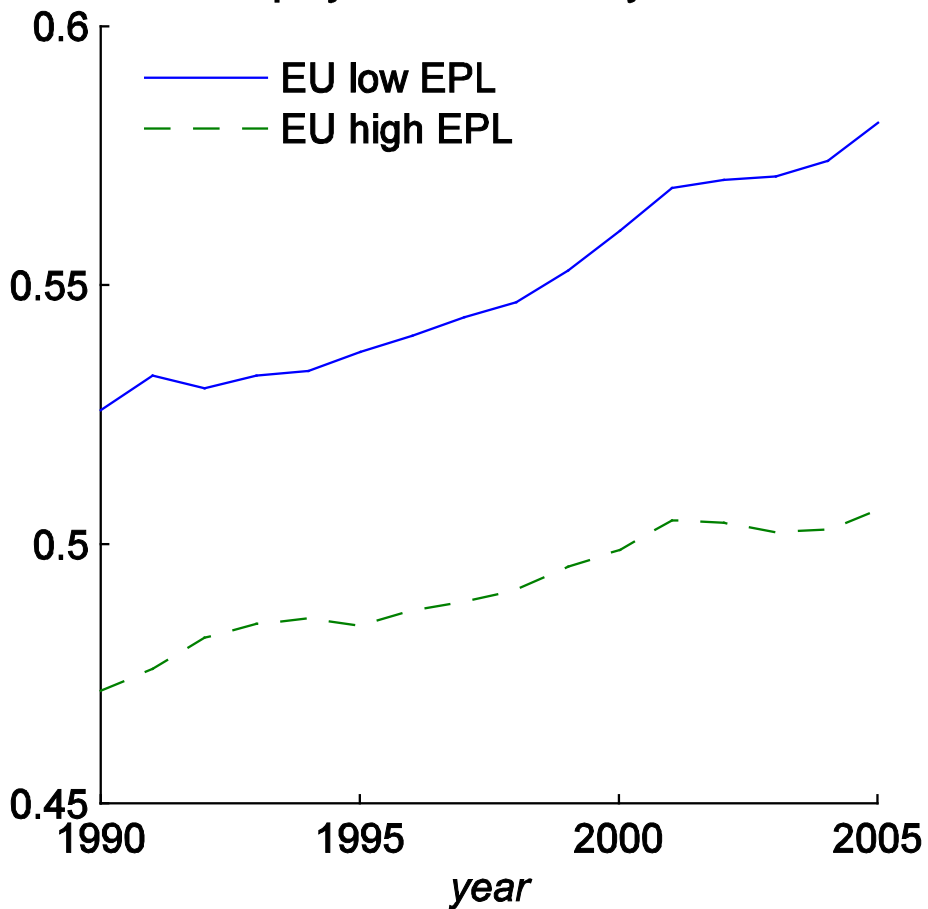
Employment share risky sector



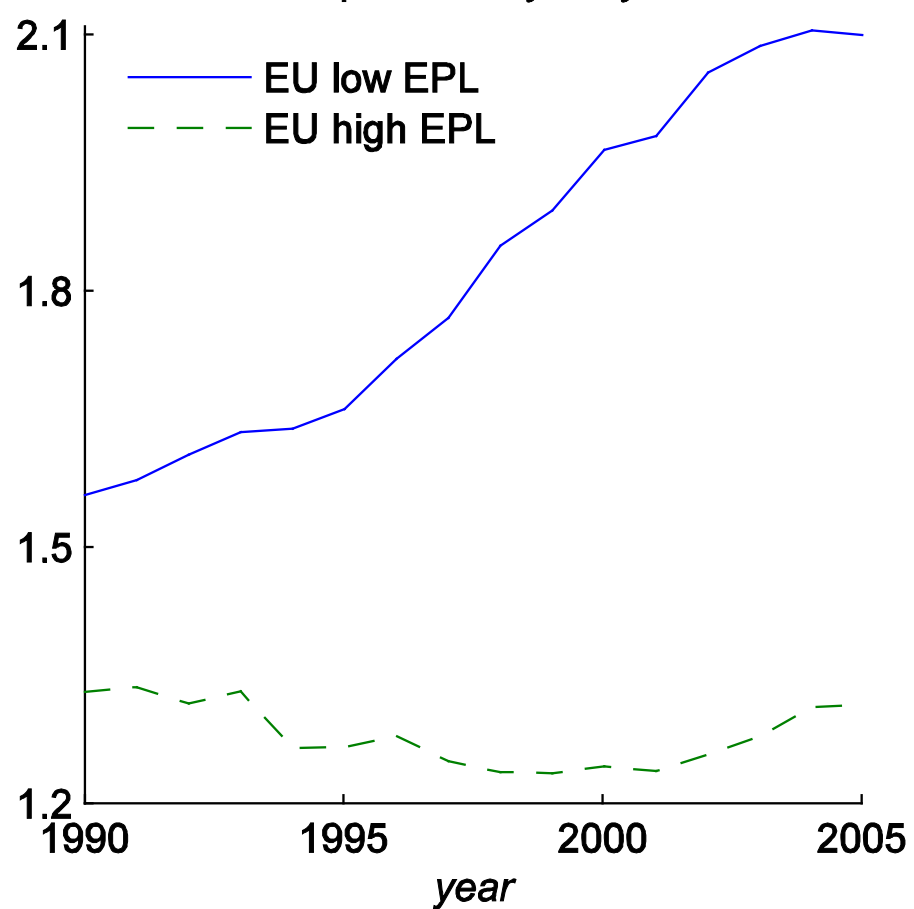
Relative productivity risky sector



Employment share risky sector



Relative productivity risky sector





# Risk is Good

