

A Comparison of Productivity Growth in France, Japan, the United Kingdom and the United States over the Past Century

Abstract

The present study contributes to the numerous other analyses of economic growth and productivity by comparing France, Japan, the United Kingdom and the United States over the very long run (since 1890) and the medium run (since 1980). During the past century, the United States has overtaken the United Kingdom and become the leading world economy and. During the last 25 years, productivity growth has posted contrasted developments in the four countries, in particular as a result of an unequal growth of information and communication technology (ICT) investments.

The past 120 years have been characterised by : (i) rapid economic growth and large productivity gains in the four countries; (ii) a decline in productivity in the United Kingdom relative to the United States and to a lesser extent relative to France and Japan until the second world war (WW2), and its subsequent catching-up relative to the United States; (iii) the remarkable catching-up of the United States by France and Japan after WW2, which was however interrupted in the case of Japan during the 1990s. The contribution of capital deepening - as it can be measured- accounts for a large share of these different performances, with an increasing share of ICT capital in the last 25 years. This contribution varies considerably over time and across the four countries, and it is always less important, except in Japan, than that of the unmeasured factors underlying total factor productivity, such as, in particular, labour skills, technical and organisational changes and knowledge spillovers.

At present (in 2006), hourly labour productivity levels are slightly higher in France than in the United States, and significantly lower in the United Kingdom (by roughly 10%) and even more in Japan (30%), while TFP levels are very close in France, United Kingdom and the United States, but much lower (40%) in Japan.

Codes JEL : O47, O57, E22, J24, N10.

Key words: Productivity, growth accounting, macro-economic history.