

Chapter 7

Objectives

- Compare real per capita GDP growth rates among countries in the 19th and 20th centuries
- Define and calculate compound and simple interest
- Discuss the relationship between per capita real GDP and average labor productivity
- Discuss the determinants of average labor productivity
- Explain the slowdown in productivity after 1973
- Identify the costs of economic growth
- Apply the cost-benefit principle to economic growth
- Discuss the possible government policies to promote economic growth
- Identify the main constraints on economic growth rates
- Discuss the "Limits to Growth" thesis
- Explain the relationship between pollution and real GDP per capita