

The Race Between Factor Prices and Factor Productivity

Abstract

We provide a balanced panel dataset for 55 countries from 1995 to 2015, encompassing the income shares of four factors: raw labor, human capital, natural resources, and physical capital. Analyzing high-income and low- to middle-income countries separately, we observe that the human capital share increases, the raw labor share declines, and the natural resources share remains stable for both groups. The physical capital share grows for high-income countries but decreases for low- and middle-income countries. Additionally, the commodity price boom has a significant impact on factor shares in the latter group.

This paper is joint work with Manuel Fernández (Universidad de los Andes) and Andrés Dávila (Universität Zürich)

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