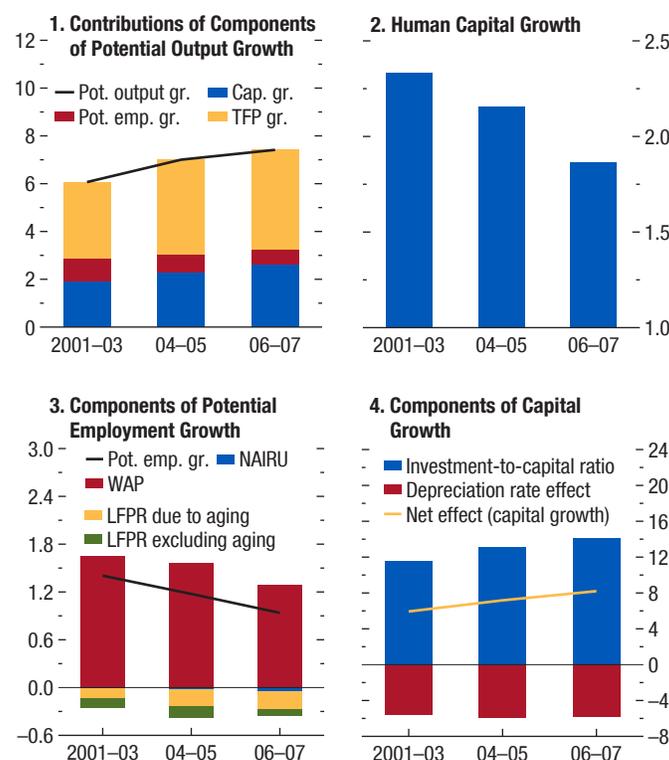


**Figure 3.6. Determinants of Potential Output Growth in Emerging Market Economies**  
(Percent)

In emerging market economies, potential growth increased in 2001–07 on the back of strong total factor productivity growth—despite a marked decline in human capital growth—and capital growth. In contrast, demographic factors contributed to the decline in potential employment growth.



Sources: Barro and Lee 2010; and IMF staff estimates.

Note: Human capital is measured as the percentage of people in the population over 15 years old who have secondary education or higher. Emerging market economies are defined in Annex 3.1. Cap. gr. = capital growth; LFPR = labor force participation rate; NAIRU = nonaccelerating inflation rate of unemployment; pot. emp. gr. = potential employment growth; pot. output gr. = potential output growth; TFP gr. = total factor productivity growth (including human capital growth); WAP = working-age population.