ECON 318, Assignment 23:
Harberger – Vision of the Growth Process

1. Read the introductory section. Go fast until the paragraph beginning “The main point to be made here,” then read carefully after that.

2. Start reading Section I up to “No economist…” on page 6. Then skip to “Figure 2…” and read carefully.

3. Make your own version of Figure 2 from the data in Table 2. Note that your curve will never fall because the industries with a TFP decline are lumped in with the “18” at the bottom of the Table. You can ignore the right-side vertical axis. Just make your graph with column 3 on the vertical and a percentile version of column 5 on the horizontal.

3. Read the rest of the article quickly.