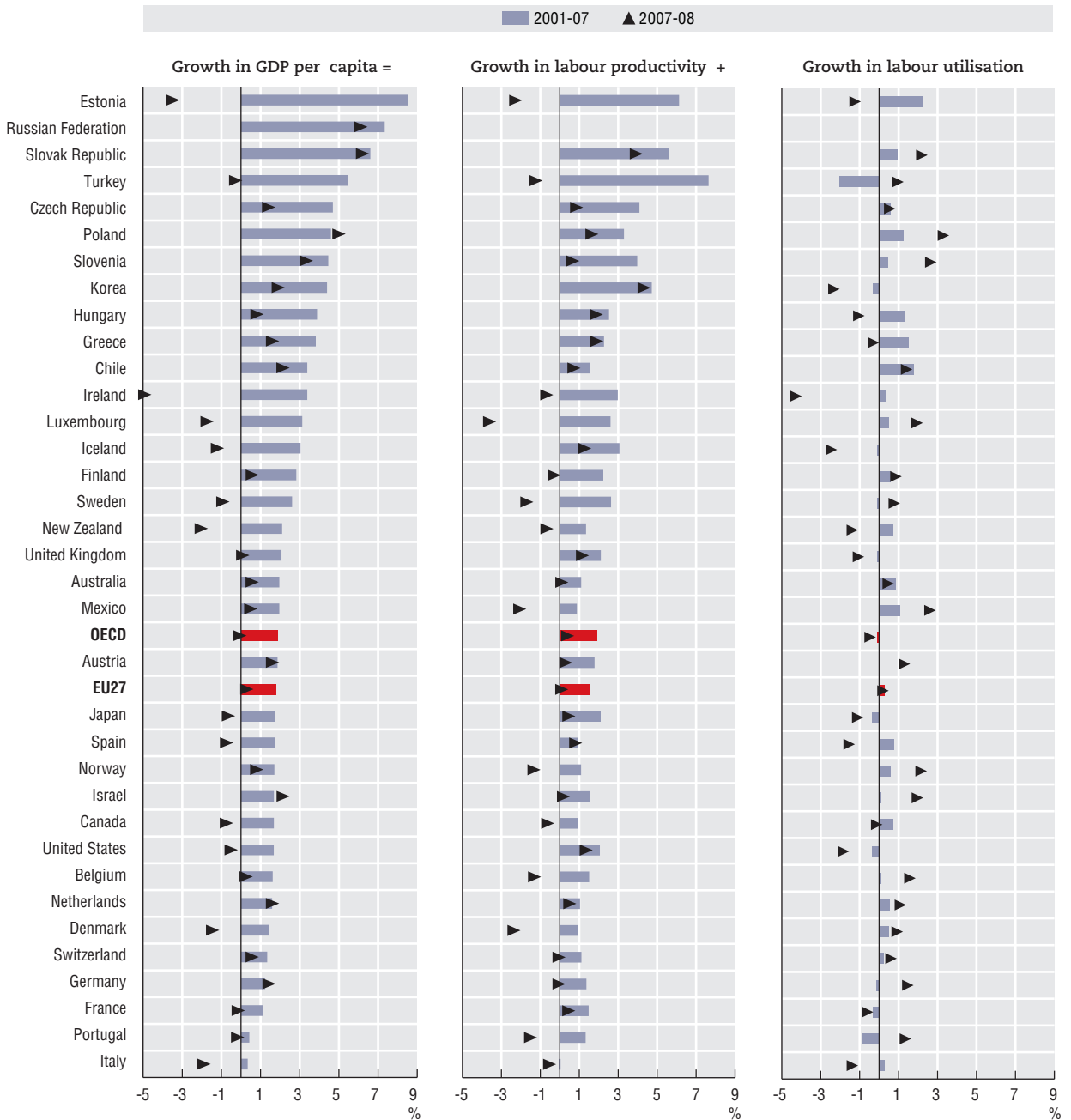


THE INNOVATION IMPERATIVE: FINDING NEW SOURCES OF GROWTH

Today's world faces extraordinary challenges. In particular, effects of the economic downturn will be felt for years to come. The measure used to gauge welfare is GDP per capita, and changes in welfare can result from changes in labour productivity (GDP per hours worked) and labour utilisation (hours worked per person employed). Slowing labour productivity was already eroding growth performance prior to the crisis (2007-08), which has made it even more imperative for countries to find new and sustainable sources of growth.

Decomposition of growth in GDP per capita, 2001-08

Total economy, percentage change at annual rate



Source: OECD, Productivity Database, November 2009; www.oecd.org/statistics/productivity and for EU27; EUROSTAT, National Accounts Database, March 2010. See chapter notes.

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