

LECTURE 1

CONCEPTS | THE WORLD

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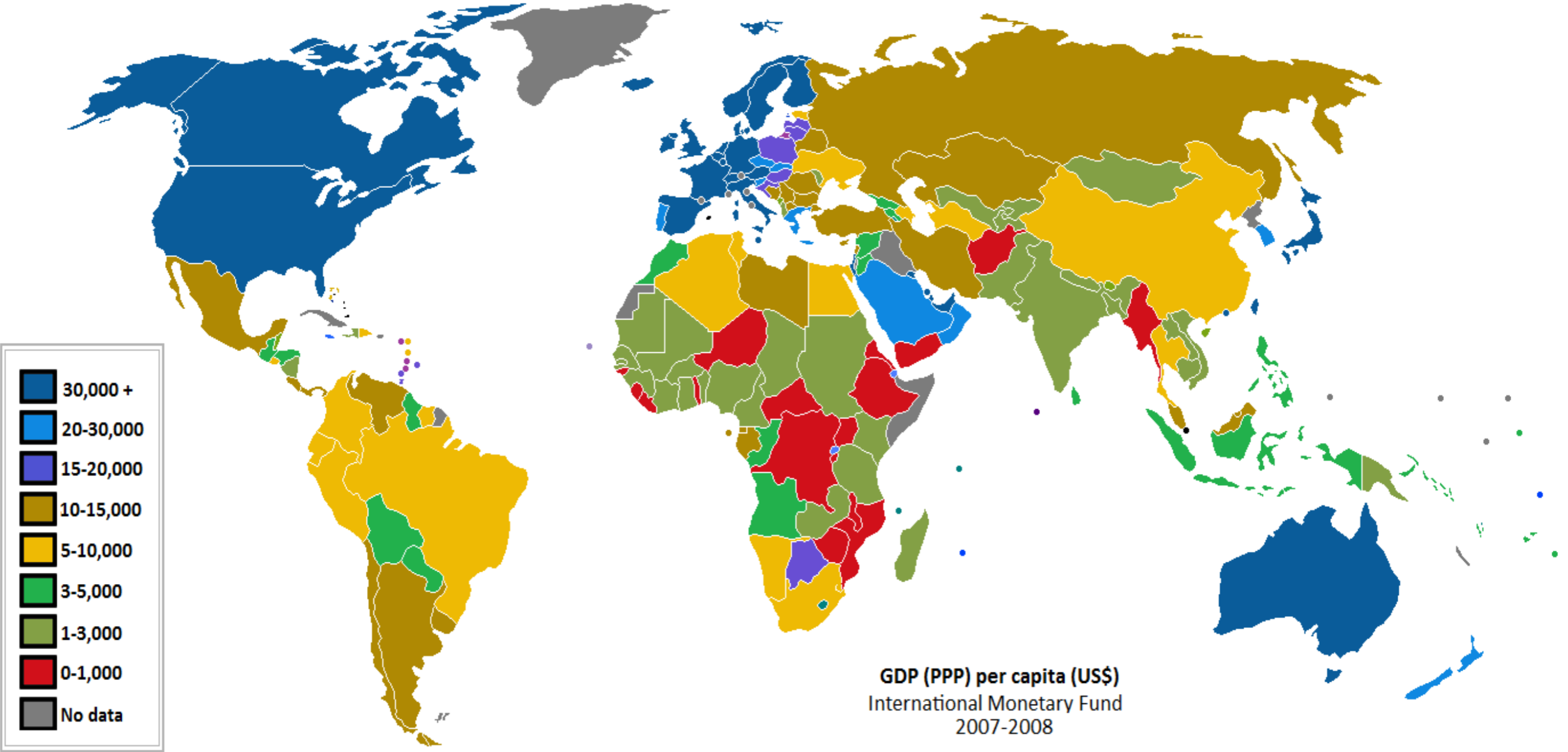
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THE WORLD IN 2014

- population: 7.2 billion
- labor force: 3.4 billion (participation: about 50%)
- GDP: \$110 trillion
- GDP per capita: \$16,000
- unemployment rate: 8%
- inflation rate: 4%
- taxes and other government revenue: 28% of GDP

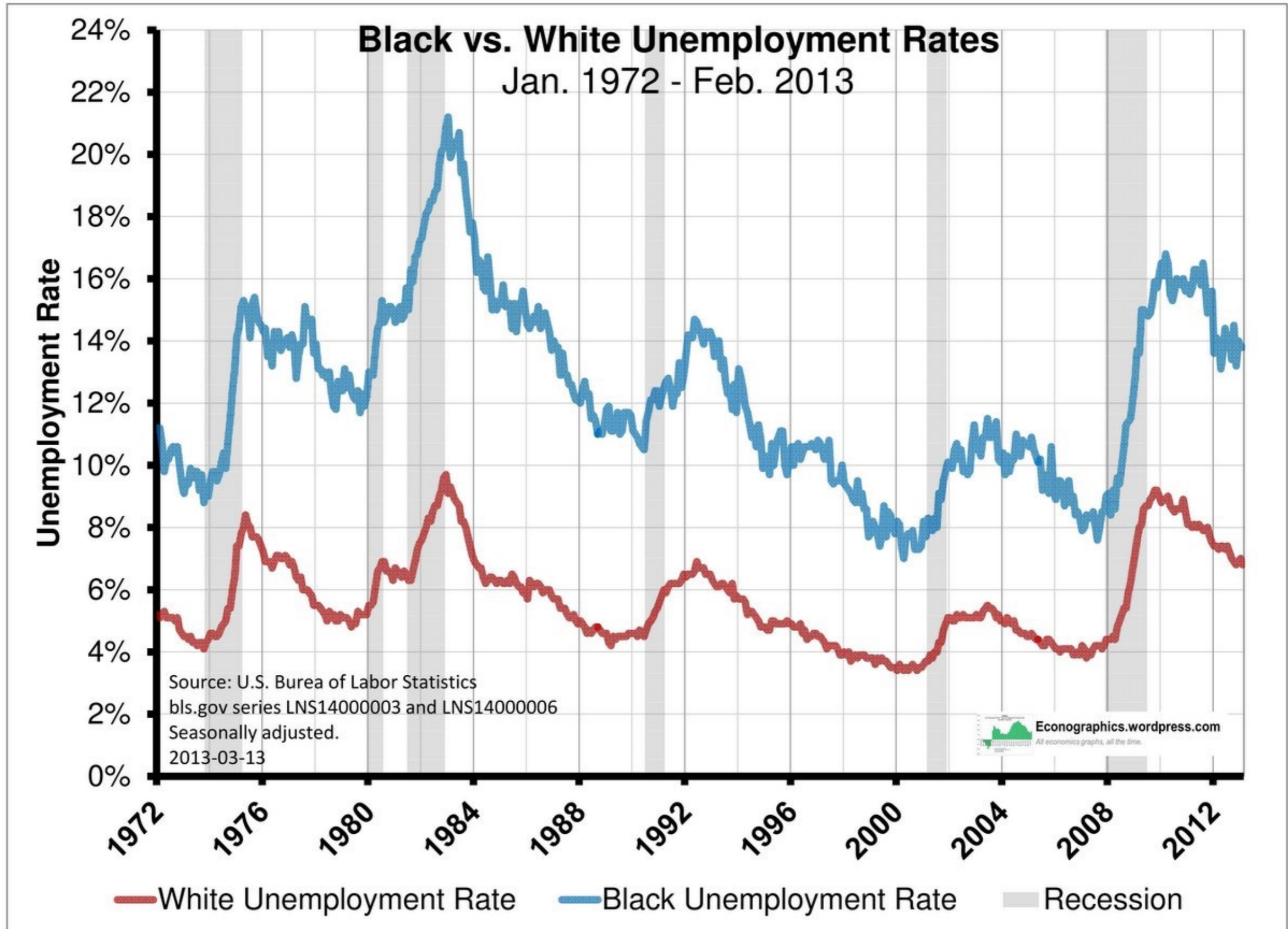
ENORMOUS GLOBAL INEQUALITY



THE US IN 2014

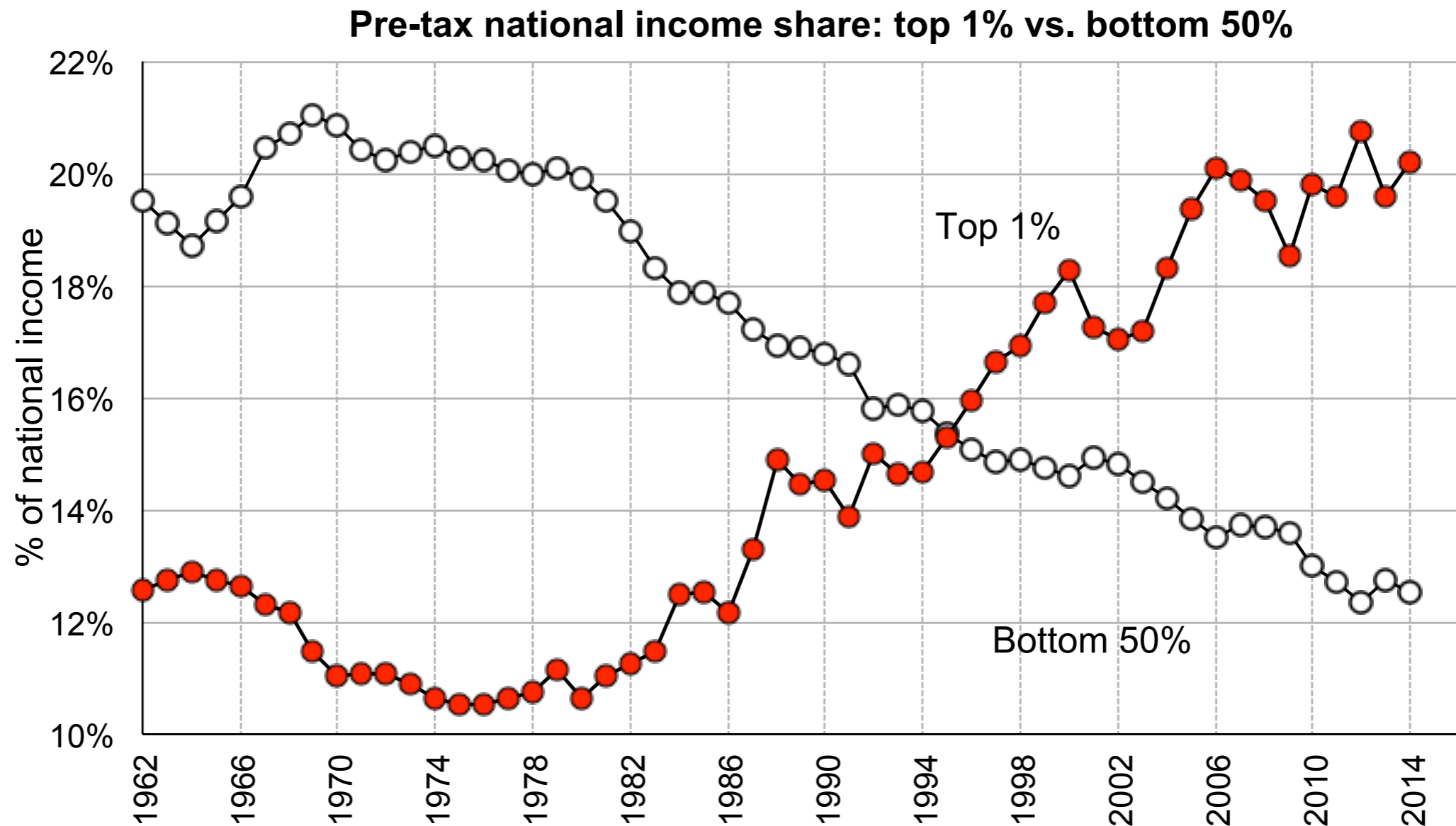
- population: 320 million (4% of world)
- labor force: 160 million (5% of world)
- GDP: \$17 trillion (16% of world)
- GDP per capita: \$55,000
- unemployment rate: 6%
- inflation rate: 1.5%
- taxes and other government revenue: 18% of GDP

ENORMOUS US INEQUALITY



ENORMOUS US INEQUALITY

The fall of the bottom 50% mirrors the rise of the top 1%



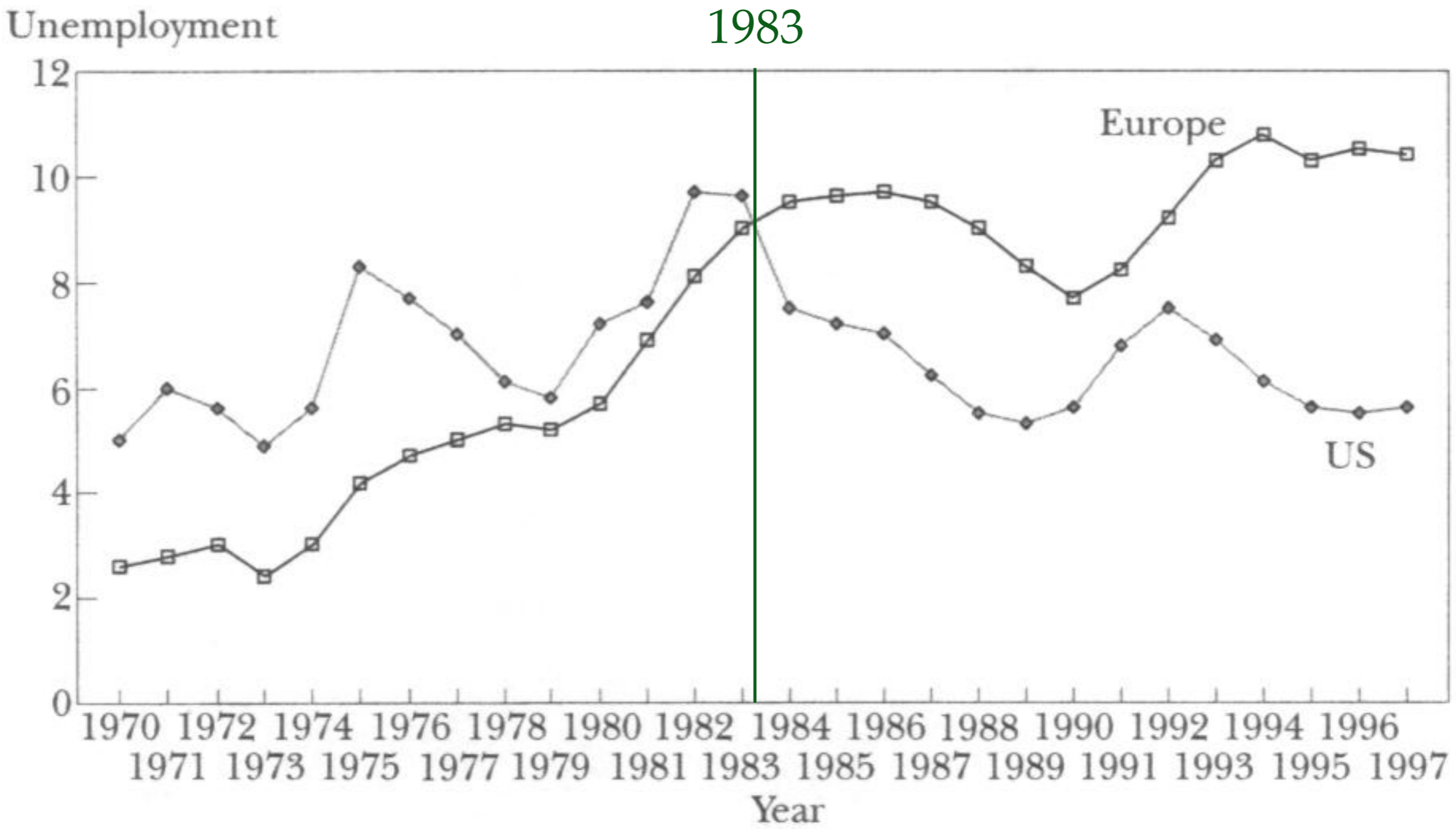
Source: Appendix Table II-B1

EUROPEAN UNION IN 2014

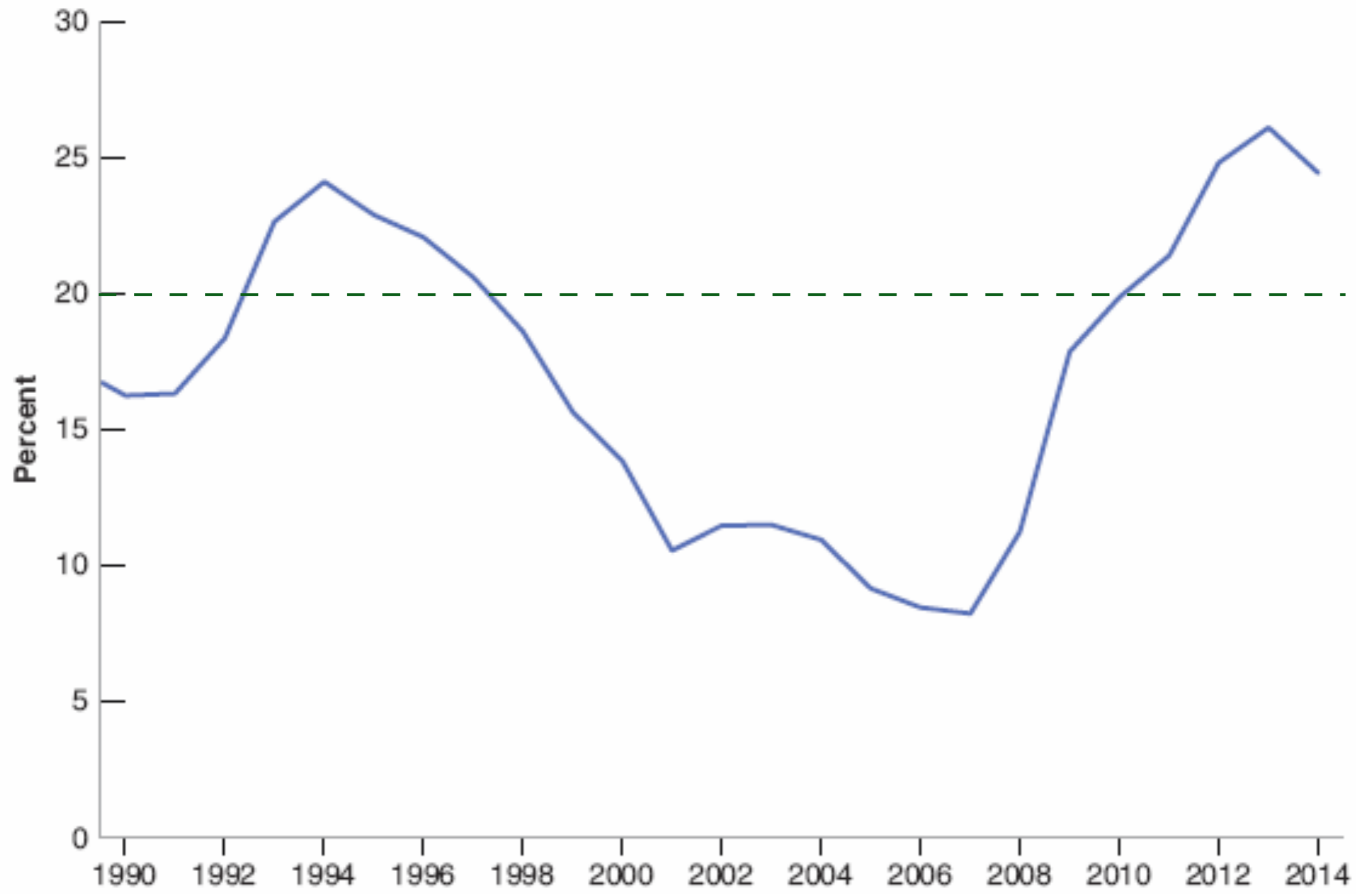
(28 COUNTRIES)

- population: 510 million (7% of world)
- labor force: 230 million (7% of world)
- GDP: \$19 trillion (18% of world)
- GDP per capita: \$37,000
- unemployment: 10%
- inflation: 0.5%
- taxes and other government revenue: 45% of GDP

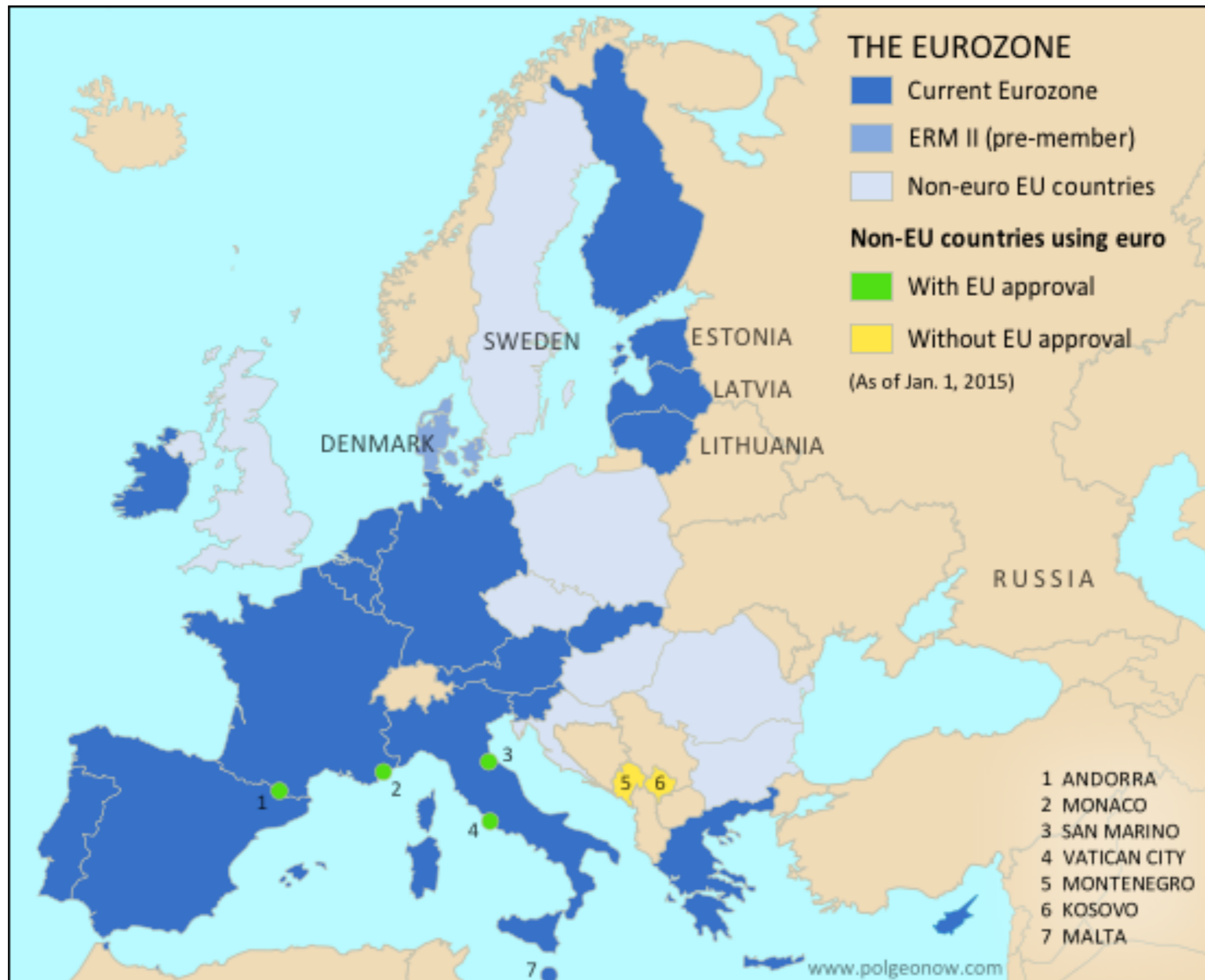
UNEMPLOYMENT IN EUROPE AND THE US



UNEMPLOYMENT IN SPAIN SINCE 1990



EURO AREA (19 COUNTRIES SINCE 2015)



CHINA IN 2014

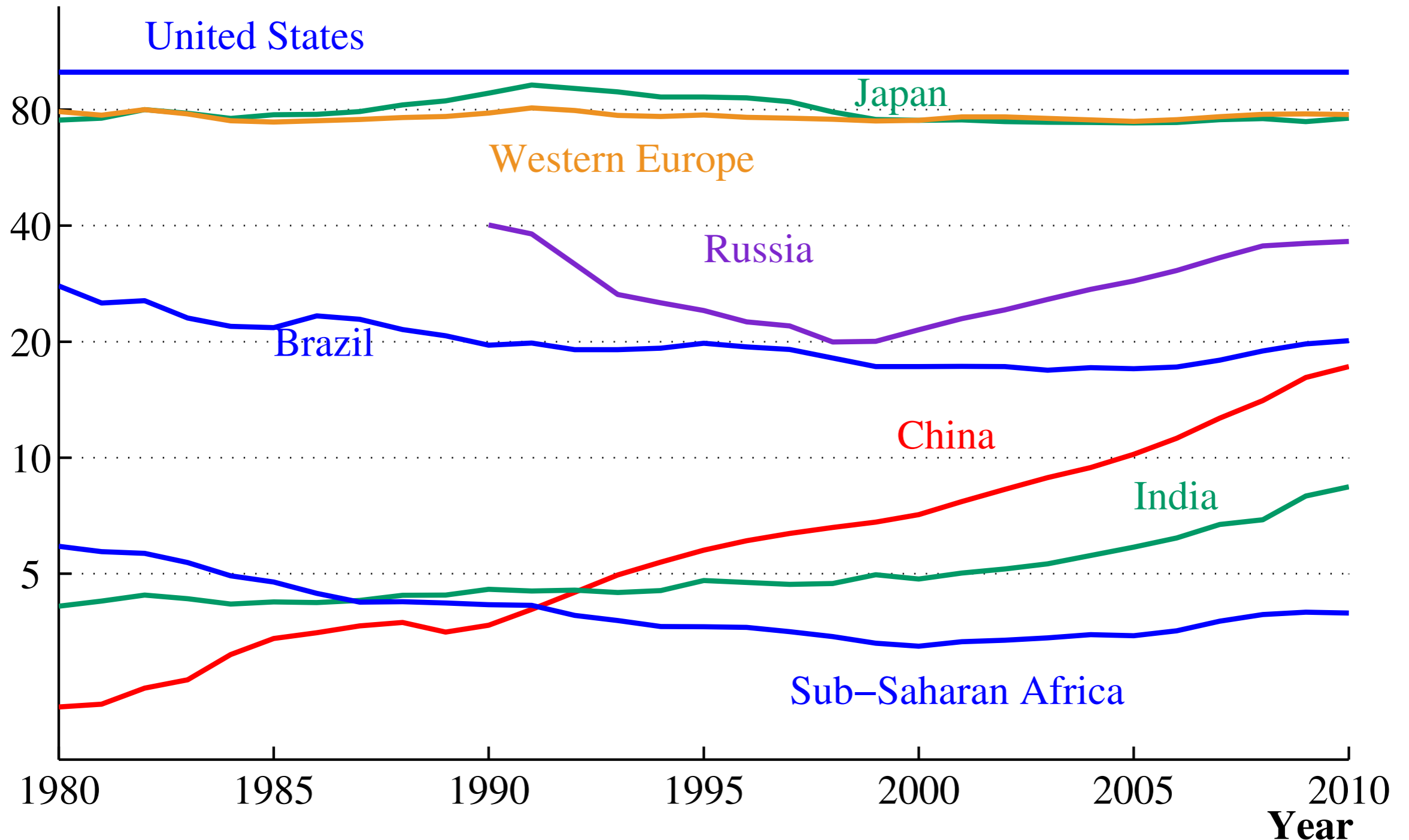
- population: 1.3 billion (18% of world)
- labor force: 800 million (24% of world)
- GDP: \$18 trillion (17% of world)
- GDP per capita: \$13,000
- unemployment: 4%
- inflation: 2%
- taxes and other government revenue: 21% of GDP

INDIA IN 2014

- population: 1.2 billion (16% of world)
- labor force: 500 million (15% of world)
- GDP: \$7 trillion (6% of world)
- GDP per capita: \$6,000
- unemployment: 7%
- inflation: 6%
- taxes and other government revenue: 11% of GDP

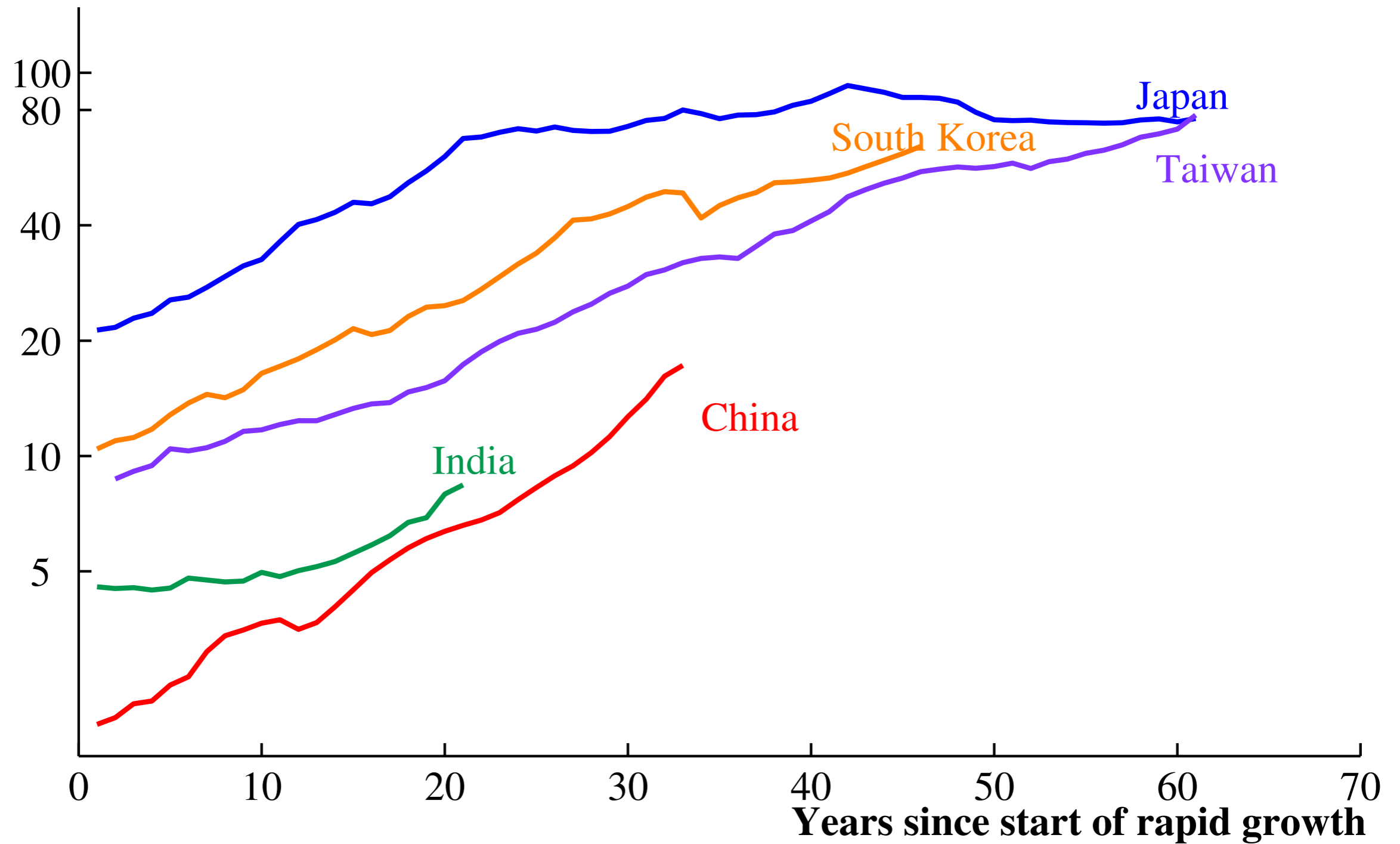
GROWTH IN INDIA AND CHINA

Per capita GDP (US=100)

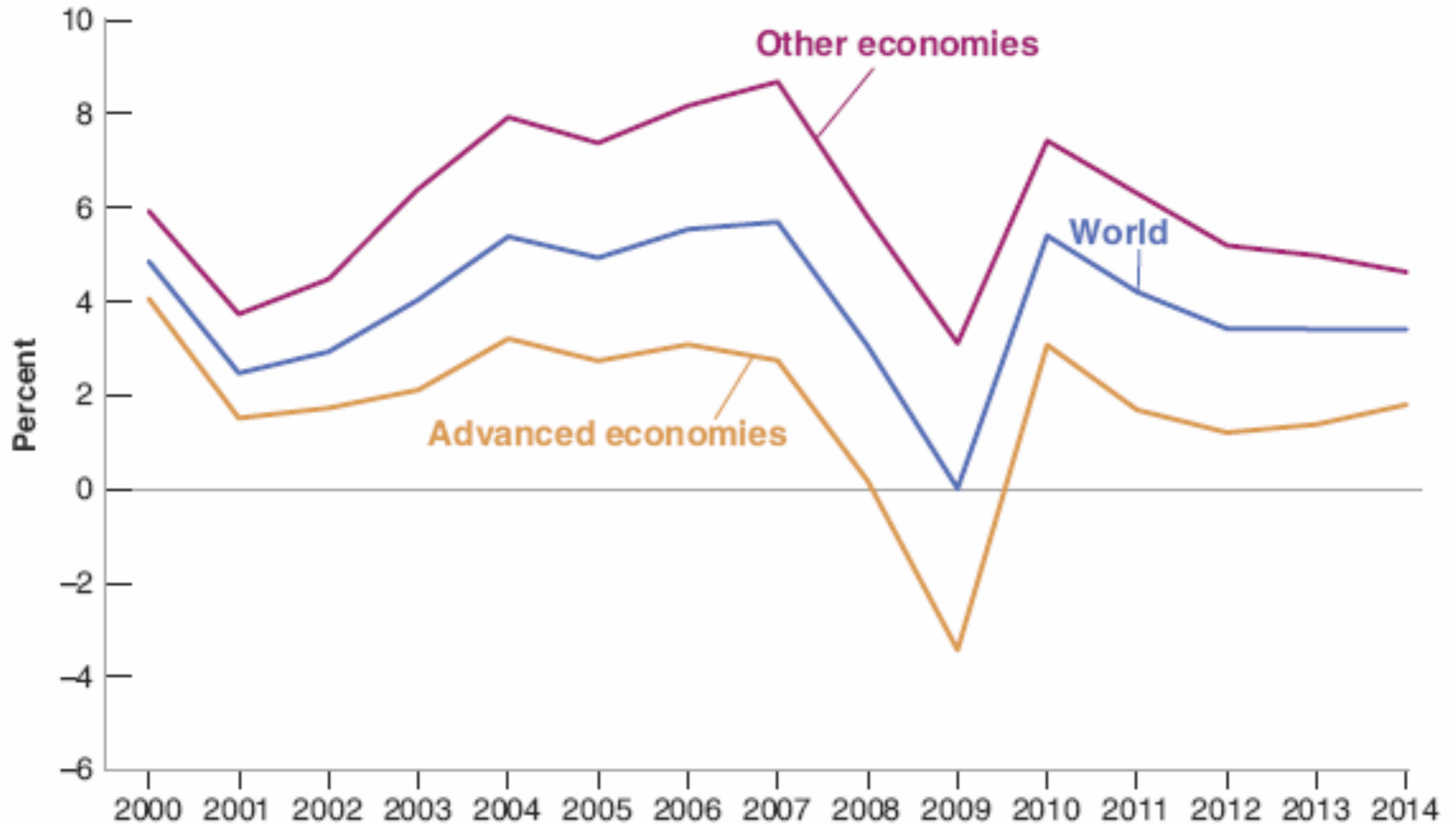


GROWTH IN INDIA AND CHINA

GDP per person (US=100)



OUTPUT GROWTH, 2000—2014



STOCK PRICES, 2007—2010

