

# Notes on Kaldor's Stylized Facts

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British economist Nicholas Kaldor once collected six *stylized facts* about economic growth in his 1961 paper. These facts are common for many countries, though not for all. These empirical results have been the *data* that almost every growth theory thereafter needs to confirm or to reject. They are reproduced here for the reader's convenience.

- (1) Output per worker shows continuing growth “with no tendency for a *falling* rate of growth of productivity”.
- (2) Capital per worker shows continuing growth.
- (3) The rate of return on capital is steady.
- (4) The capital-output ratio is steady.
- (5) Labor and capital receive constant shares of total income.
- (6) There are wide differences in the rate of growth of productivity across countries.

You can consult the original Kaldor's paper for details and other references:

Nicholas Kaldor (1961): “Capital Accumulation and Economic Growth,” in F. A. Lutz and D. C. Hague, editors, *The Theory of Capital*, New York: St. Martin's Press, pp. 177-222.