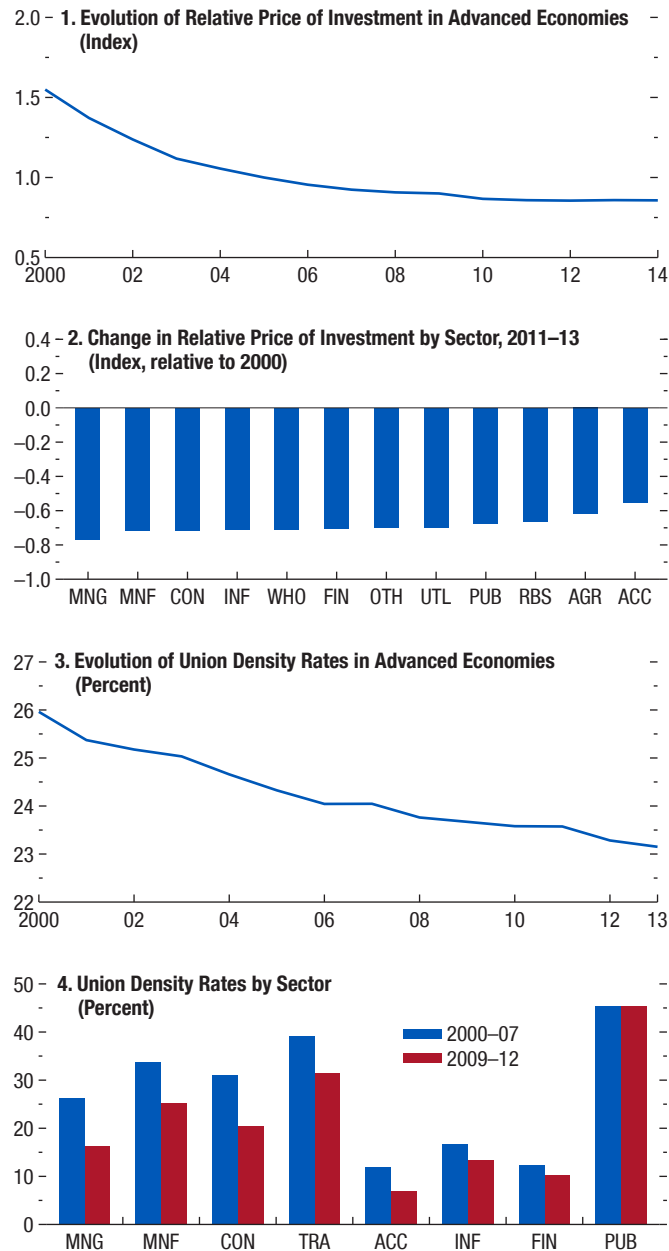


Figure 2.15. Long-Term Drivers of Labor Market Dynamics

Technological advancements, captured by a declining relative price of investment, and falling union density rates could act as additional drivers of labor market dynamics.



Sources: Institutional Characteristics of Trade Unions, Wage Setting, State Intervention, and Social Pacts database; Penn World Tables Capital Detail; World Bank, World Development Indicators database; and IMF staff calculations.
 Note: Numbers for advanced economies are calculated by first aggregating over sectors to the country level using sectoral value added as weight, and subsequently aggregating over countries using nominal GDP as weight. Sectoral numbers are calculated by aggregating over countries using sectoral value added as weight. Sector abbreviations are as defined in Figure 2.8.