neoliberal capitalism. The Western European GDP growth rate estimate for the neoliberal era is far below that of the regulated capitalist era and significantly below that of the crisis phase of regulated capitalism. However, the implications of that estimate for the economic success of neoliberal restructuring is ambiguous. While the countries of Western Europe have had to function within a world economy dominated by neoliberal institutions, internally some of them undertook neoliberal restructuring only to a limited extent.

Figure 4.5 compares the growth rate of labor productivity (output per labor hour) in the United States in the three periods. While labor productivity growth improved in the neoliberal era over its very low rate in the crisis of the 1970s, the 2.0% productivity growth rate is substantially slower than the 2.8% of the regulated capitalist era.

The high level of business investment that neoliberal restructuring was supposed to promote should have brought rapid labor productivity

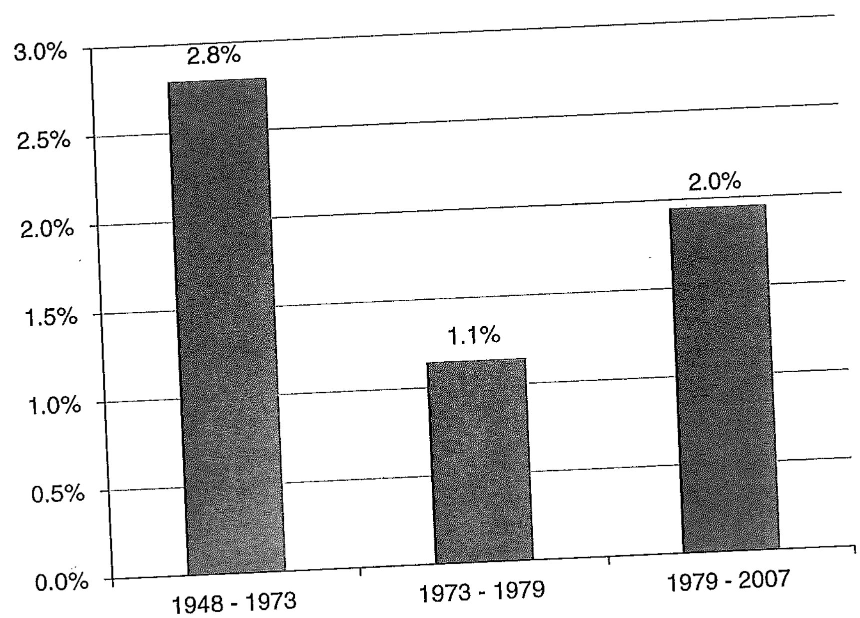

Figure 4.5. Average annual labor productivity growth rate in the U.S.
Source: U.S. Bureau of Labor Statistics, 2013.
Note: Annual average growth rate in output per hour in the nonfarm business sector.