

$$\underbrace{d \log y_t}_{\text{GDP per person}} = \underbrace{\frac{\alpha}{1-\alpha} d \log \frac{K_t}{Y_t}}_{\text{Capital-Output ratio}} + \underbrace{d \log h_t}_{\text{Educational att.}} + \underbrace{d \log \ell_t}_{\text{Emp-Pop ratio}} + \underbrace{d \log(1-s_t)}_{\text{Goods intensity}} + \underbrace{d \log M_t + d \log A_t}_{\text{TFP growth}} \quad (15)$$

where

$$\text{TFP growth} \equiv \underbrace{d \log M_t}_{\text{Misallocation}} + \underbrace{d \log A_t}_{\text{Ideas}} = \underbrace{d \log M_t}_{\text{Misallocation}} + \underbrace{\gamma d \log s_t}_{\text{Research intensity}} + \underbrace{\gamma d \log L_t}_{\text{LF growth}} \quad (16)$$