

El Salvador

Archetype **Stalled middle**

GDP / person **\$6k**

Population **6.37M**

10-yr trend **2.5%**

Gradual **5.4%** · #121

Fast **5.6%** · #113

WHERE EL SALVADOR STARTS

El Salvador is a stalled middle economy: middling income, middling scores, slow growth. The label fits the numbers. Language inclusion is a relative strength at 3.9, demographics and migration at 3.8, and catch-up headroom at 3.7 — a young, Spanish-speaking workforce with room to close gaps. The constraints are harder. Compute and energy access scores just 1, the lowest of its factors; cyber resilience and climate resilience both sit at 1.7. This is a dollarized economy of 6.4 million people, built on textile maquila exports, remittances from workers in the United States, and geothermal power from its volcanoes through LaGeo. At about \$5,767 per person, it is lower-middle-income. Ten-year trend growth of 2.5% a year reflects the drift the archetype warns of. Like the rest of Latin America, El Salvador sits mid-table and outside the blocs that decide access.

THE THREE PATHS

These are simulations, not forecasts. The Modest path is the baseline, and the two AGI scenarios fork from it. Under the **Modest** scenario, AI stays a normal technology. El Salvador would gain a fraction on trend: 2.6% growth a year, 89th of 157. At that pace the economy doubles in about 27 years. Under **Gradual** takeoff, growth would build over two decades and reach 5.4% a year only around 2045, a doubling every 13 years. Yet its rank would fall to 121st, because faster economies pull away. Under **Fast** takeoff, growth would reach 5.6% a year from the early 2030s, a doubling roughly every 13 years, and its rank would recover to 113th. The pattern is the archetype's warning: even when El Salvador grows faster, others grow faster still, and the gap widens. Its gains would arrive imported and late. Regulation and politics could slow or redirect any of these paths. How Salvadorans and their government respond to transformative AI is a variable the model holds constant.

HOW YOU WOULD KNOW WHICH WORLD YOU ARE IN

The three scenarios look almost identical until about 2030, so watch leading indicators rather than GDP, and check them live. Three global signals matter most. First, whether the METR task-horizon curve keeps doubling every four to five months through 2027–28; METR publishes it at metr.org. Second, whether frontier-lab revenue and capital spending keep compounding; Epoch AI tracks both at epoch.ai. Third, whether growth in the ten to twenty most-ready economies — the United States and China above all — breaks above trend in the early 2030s. Double-digit growth

there within a couple of years of 2030 would point to a fast world; a point or two above trend by the mid-2030s to a gradual one; a fade back to trend to a modest one. El Salvador's own signals would come sooner: textile and maquila order books, remittance flows as the US labor market shifts, and any hyperscaler or energy deal that would put computing capacity on Salvadoran soil.

IF GROWTH GOES EXPLOSIVE

For El Salvador, explosive is the wrong word. At 5.4 to 5.6% growth a year, it would run ahead of its own 2.5% history but well behind its region, where the median reaches 8 to 9% under the AGI scenarios, and far behind a frontier compounding near 20 to 40%. This is catch-up by El Salvador's own standard and relative decline against everyone faster. Still, an economy doubling every 13 years would roughly double a worker's living standard within a working life. Higher wages at home would ease the pressure that pushes Salvadorans to emigrate for work. The honest downside is dependence. El Salvador would buy its AI and rent its computing from abroad, priced and controlled by others, and its most skilled workers could still be drawn north. The hedge is to build domestic capacity and skills so the gains stay. Even a modest acceleration would test the state: the permitting offices, the courts, the electricity grid and the data rules would all have to move faster than they do now.

WHAT EL SALVADOR CAN DO NOW

Three levers follow from the scores, and two pay off whether or not AGI arrives. The first no-regret move is AI diffusion capacity, weak at 2.1. Digital skills, deployment-permissive rules and digitized government services carry weight even in the skeptic's world, and El Salvador's young, Spanish-speaking workforce gives it a base to build on. The second no-regret move is physical build speed, at 2.2: statutory permitting deadlines, one-stop approvals, pre-zoned land and transmission built ahead of demand all help under every scenario. A cautious government can act on both today and lose nothing if the skeptics are right. The third lever is the bet. Compute and energy access, at 1, barely moves growth if AI stays ordinary, but under fast takeoff it becomes El Salvador's single biggest lever, and its geothermal power is a genuine asset here. Thailand shows the model: it drew AWS, Google and Microsoft data-center commitments by packaging power, land and fast permits. To test how moving any of these scores would change El Salvador's path, open the atlas's [policy editor](#).

The three levers — and which pay off regardless

AI diffusion capacity

score 2.1 / 5 · weight 24 under skeptic → 13 under fast takeoff

Counts under the Modest scenario too (24→13). Closing this gap pays off whether or not AGI arrives.

No-regret

Compute & energy access

score 1 / 5 · weight 8 under skeptic → 24 under fast takeoff

Weight climbs from 8 to 24 as takeoff nears. It barely moves growth if AI stays ordinary — the lever that needs a view on the takeoff.

AGI bet

Physical build speed

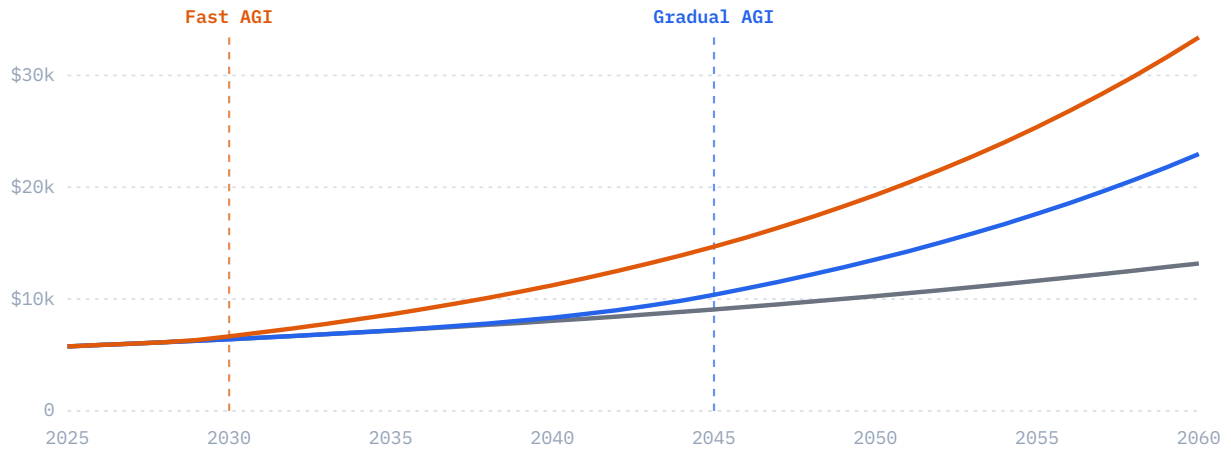
score 2.2 / 5 · weight 8 under skeptic → 17 under fast takeoff

Weight climbs from 8 to 17 as takeoff nears. It barely moves growth if AI stays ordinary — the lever that needs a view on the takeoff.

AGI bet

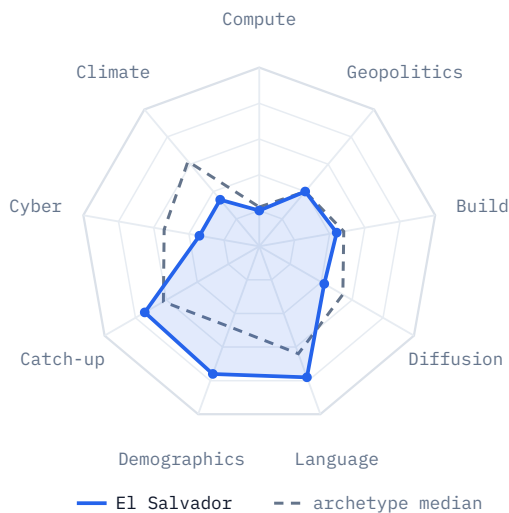
The no-regret levers pay off in every scenario, so a cautious government can act on them today. The AGI bets become decisive only if takeoff is real.

GDP per person to 2060, by scenario



Linear scale; solid lines are the three scenarios, dashed grey the no-AI baseline. Growth ramps from 2027 to each scenario's rate at its AGI year (Fast ~2030, Gradual ~2045), then holds. Timing and divergence are the point, not end levels; steep paths exit the top of the capped axis.

The nine factors



Solid: El Salvador. Dashed: the median of its archetype. Scores are relative to the other 156 countries (3 ≈ global median, 5 = leading today).

Outcomes under each scenario

SCENARIO	GROWTH / YR	WORLD RANK	INDEX	DOUBLING
Modest	2.6%	89 / 157	50.6	27 yrs
Gradual	5.4%	121 / 157	47.7	13.2 yrs
Fast	5.6%	113 / 157	42.5	12.7 yrs

Post-AGI growth rate, rank among 157 countries, AGI Growth Index (0–100, scenario-weighted), and the implied economy doubling time. The Modest path is the baseline the AGI scenarios fork from.

THE THREE SCENARIOS

Modest the Acemoglu view

AI as a normal productivity tool

Intelligence was never the binding constraint on growth, so AI delivers real but ordinary gains. Each country gets a one-time boost of a couple of percent of GDP, phased in through 2035; growth then returns to trend. The mainstream-economics view.

≤0.66% TFP over a decade – a one-time gain

El Salvador: 2.6% growth a year · #89 of 157

Gradual Erdil & Besiroglu, base case

Broad automation, on a long timeline

Broad automation of remote work arrives around 2045, with gains building slowly from the late 2020s. Growth then reaches up to ~20% a year for the best-positioned countries — ten times today's frontier trend. A slow arrival gives countries time to adapt, so the gains are wide but uneven.

up to ~20%/yr after 2045 – 10× the frontier trend

El Salvador: 5.4% growth a year · #121 of 157

Fast Erdil & Besiroglu, fast takeoff

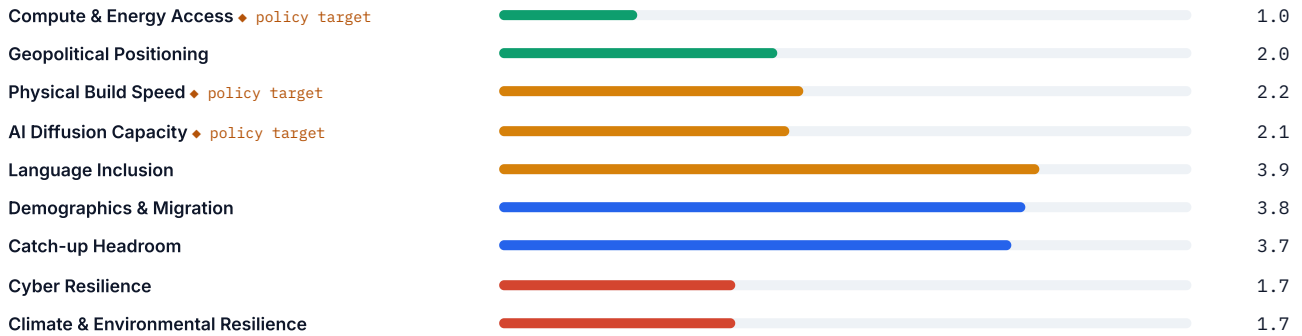
Fast takeoff — today's infrastructure decides

Transformation lands around 2030, before countries can adjust. Whoever already owns compute, capital and the ability to build wins; the gap between countries widens dramatically — and some are left growing slower than they would have without AGI.

up to ~40%/yr from 2030

El Salvador: 5.6% growth a year · #113 of 157

Factor scores — and where policy bites



♦ marks this country's highest-leverage policy targets: the weakest factors carrying the most weight under the AGI scenarios. The atlas's interactive policy editor (agigrowth.org/#editor) simulates how raising any score changes growth under each scenario.

Archetype: Stalled middle

Neither frontier nor fragile: middling income, middling scores, slow growth — at every size, from micro-states to Brazil.

Wins: No clean window — gains arrive imported, and late.

Watch: Drift: the gap to every faster group compounds year by year.

Jordan 11.8% · #37

Brazil 11% · #43

Mexico 10.4% · #48

Ecuador 10% · #54

Thailand 10% · #55

Slovakia 9.6% · #59

Argentina 9.5% · #61

Lithuania 9.3% · #63

Cabo Verde 9.3% · #64

Croatia 9.1% · #67

The regional picture — Mid-table, and outside the blocs.

Latin America enters the era mid-table on almost every factor — and mostly outside the blocs that decide access. Chile leads on institutions and hosts real compute; Brazil and Mexico have hyperscaler regions and huge domestic markets but thin R&D; Uruguay and Costa Rica absorb well at small scale; Guyana is converting an oil windfall into the hemisphere's fastest construction boom. The region's twenty-year question is what happens to nearshoring: the manufacturing and services work that moved toward Mexico and Central America on labor costs is the work automation reprices first, and no country here has a plan B at scale. Distance from the US-China rivalry cuts both ways — few export controls apply, and few strategic investments arrive. Under the modest lens the region loses little; under fast takeoff it drifts: gains arrive, mostly imported, mostly late, and the gap to the frontier compounds year by year.

Method, in brief

Each country is scored 1–5 on nine factors from public data (World Bank, Epoch AI, ITU, IMF and national sources). A scenario-weighted average forms the AGI Growth Index (0–100), which maps to a post-AGI growth rate inside ceilings derived from Erdil & Besiroglu (2023): ~20% growth a year for the best-positioned country under Gradual takeoff (AGI ~2045), ~40% under Fast (AGI ~2030); growth ramps convexly from 2027. The scenario sets the growth rates on offer; the index only decides where each country sits within them. The Modest scenario is the skeptics' baseline — a small uplift on each country's own ten-year trend. These are simulations for structured thinking, not forecasts; no probabilities are attached to any scenario.

Watch the global signals live: the METR task-horizon curve at metr.org/time-horizons · frontier-lab revenue at epoch.ai/ai-companies · AI-chip spending at epoch.ai/ai-chip-sales.

Explore further: full methodology agigrowth.org/#methodology · map & rankings agigrowth.org/#explore · country profiles agigrowth.org/#countries · policy editor agigrowth.org/#editor