Determinants Of Productivity At Firm And Industry Level  | 6c7c3cd15bb8048c3cf17843ad4f79


This volume uses the study of firm dynamics to investigate the factors preventing faster productivity growth in Latin America and the Caribbean, pushing past the limits of traditional macroeconomic analyses. Each chapter is dedicated to an examination of a different factor affecting firm productivity: innovation, ICT usage, on-the-job-training, firm age, access to credit, and international linkages—highlighting the differences in firm characteristics, behaviors, and strategies. By showcasing this remarkable heterogeneity, this collection challenges regional policymakers to look beyond one-size-fits-all solutions and create balanced policy mixes tailored to distinct needs. This book is open access under a CC BY-NC-ND 3.0 license.

Remarkably, a small fraction of firms account for most of the job and output creation in high-income and developing countries alike. Does this imply that the path to enabling more economic dynamism lies in selectively targeting high-potential firms? Or would pursuing broad-based reforms that minimize distortions be more effective? Inspired by these questions, this book seeks new explanations on the incidence, characteristics, and drivers of high-growth firms based on in-depth studies of firm dynamics in Brazil, Chile de Torres, Ethiopia, Hungary, India, Indonesia, Mexico, South Africa, Thailand, Tunisia, and Turkey. Its findings reveal that high-growth firms are not only powerful engines of job and output growth but also create positive spillovers for other businesses along the value chain. At the same time, the book delves into several myths about policies to support firm dynamism that focus on outward characteristics, such as firm size, sector, location, or past performance. Its findings show that most firms struggle to sustain rapid rates of expansion and that the relationship between high growth and productivity is often weak. Consequently, the book calls for a shift toward policies that improve the quality of firm growth by supporting innovation, managerial skills, and firms’ ability to harness the potential of their unique internal and external resources and structure policies that acknowledge the importance of firm-specific factors, encouraging Business-to-business spillovers, and strengthening firm Capabilities. This book is the third volume of the World Bank Productivity Project, which seeks to bring together thinking on the measurement and determinants of productivity to global policy makers. Policy makers often get away with the disproportionate contributions of high-growth firms to job and output growth and commit to pursuing policies that keep the potential of these firms locked away. This book separates fact from fiction addressing the need for a comprehensive analysis of high-growth firms across countries, marking a compelling argument that public policy to pick prospective winners is neither possible nor desirable. Policy makers would be wise to consult its arguments and policy advice when designing the next generation of policies to support its growth and business. Through its meticulous and thoughtful analysis, this important new book provides a tractable framework to guide policy makers to harness the growth and productivity potential of firms in the developing-country context.

Advanced economies have been witnessing a pronounced slowdown of productivity growth since the global financial crisis that is accompanied in recent years by a withdrawal from trade integration processes. We study the determinants of productivity slowdown over the past two decades in four closely integrated European countries, Austria, Denmark, Germany and the Netherlands, based on firm-level data. Participation in global value chains appears to have affected productivity positively, including through its effect on TFP whenfactoring in higher investment in intangible assets, a proxy for firm innovation. Other contributors to productivity growth are workplace age, access to finance, and firm size.

The COVID-19 pandemic struck the global economy after a decade that featured a broad-based slowdown in productivity growth. Global Productivity Trends, Drivers, and Policies presents a comprehensive analysis of the evolution and drivers of productivity growth, examines the effects of COVID-19 on productivity, and discusses a wide range of policies needed to revitalize productivity growth. The book also provides a far-reaching data set of multiple measures of productivity for up to 164 advanced economies and emerging market and developing economies, and it introduces a new sectional database of the World Productivity. The World has created an extraordinary book on productivity, covering a large group of countries and using a wide variety of data sources. There is an emphasis on emerging and developing economies, whereas the primary literature has concentrated on developed economies. The book seeks to understand growth patterns and the role of output growth and productivity growth for a broad range of emerging economies, but also provides deep insights into how increased economic productivity and growth.

In a companion study to that of Griliches and Mairesse for the United States, we have investigated the relationship between output, labor, and physical and R&D capital during the 1972-1977 period for a sample of 182 R&D performing firms in the French manufacturing industries. Our results are quite comparable to those available from studies of productivity growth in the U.S. the book provides a rich source of data on productivity growth for firms in the French manufacturing industries.

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The author studies the determinants of total factor productivity (TFP) for manufacturing firms in Bangladesh using data from a recent survey and data collected from a primary source. She finds that: (1) firm size and TFP are negatively correlated; (2) firm age and TFP exhibit an inverse-U shaped relationship; (3) TFP improves with the presence of a well-trained workforce; (4) the use of modern technology and quality certifications have higher TFP, while more advanced technologies improve TFP only in the presence of significant absorptive capacity; (5) productivity growth firms are not only powerful engines of job and output growth but also create positive spillovers for other businesses along the value chain. At the same time, the book delves into several myths about policies to support firm dynamism that focus on outward characteristics, such as firm size, sector, location, or past performance. Its findings show that most firms struggle to sustain rapid rates of expansion and that the relationship between high growth and productivity is often weak. Consequently, the book calls for a shift toward policies that improve the quality of firm growth by supporting innovation, managerial skills, and firms’ ability to harness the potential of their unique internal and external resources and structure policies that acknowledge the importance of firm-specific factors, encouraging Business-to-business spillovers, and strengthening firm Capabilities. This book is the third volume of the World Bank Productivity Project, which seeks to bring together thinking on the measurement and determinants of productivity to global policy makers. Policy makers often get away with the disproportionate contributions of high-growth firms to job and output growth and commit to pursuing policies that keep the potential of these firms locked away. This book separates fact from fiction addressing the need for a comprehensive analysis of high-growth firms across countries, marking a compelling argument that public policy to pick prospective winners is neither possible nor desirable. Policy makers would be wise to consult its arguments and policy advice when designing the next generation of policies to support its growth and business. Through its meticulous and thoughtful analysis, this important new book provides a tractable framework to guide policy makers to harness the growth and productivity potential of firms in the developing-country context.

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This paper examines the determinants of productivity in Japanese manufacturing industries, looking particularly at the impact of product market competition on productivity. Using a newly available panel data on around ten thousand firms in Japanese manufacturing for the years 1994-2000, I show that competition, as measured by lower level of industrial price-cost margin, enhances productivity growth, controlling for a broad range of industrial and firm-specific characteristics. Moreover, I suggest that productivity, as measured by either individual firm's price-cost margin or market share, has negative impact on productivity of R&D performing firms.

This paper examines two potential channels of knowledge acquisition that underlie the firm's decision to invest in R&D and/or worker training. First, the market for knowledge and expertise gained from foreign contacts and thus an important component of the process of learning-by-exporting. Firm-level panel data from 1986, 1991, and 1996 is used to investigate a firm's decision to invest in these two activities and to assess the effects of these investments on the firm's total factor productivity. The empirical model consists of four equations. The model makes two predictions for firm behaviour under vertical integration. Firstly, foreign ownership will increase with the elasticity of substitution across product varieties. Both empirical findings are consistent with the expectation that offshoring creates productivity-enhancing effects but literature in this area has been rather limited for service offshoring until recently. This volume collects four studies that were prepared as background research to the 2018 OECD Economic Survey of Costa Rica. Using firm-level, trade and sectoral data, these studies seek to provide insights into the trends in productivity and its determinants in Costa Rica. This volume presents the theoretical foundations to productivity measurement, and discusses implementation and measurement issues.

This paper examines the determinants of productivity in the Taiwanese electronics industry: firm participation in R & D and/or worker training. We focus on the argument that a firm's own investments in R & D are necessary for the firm to assimilate knowledge or expertise gained from foreign contacts and thus an important component of the process of learning-by-exporting. Firm-level panel data from 1986, 1991, and 1996 is used to investigate a firm's decision to invest in these two activities and to assess the effects of these investments on the firm's total factor productivity. The empirical model consists of four equations. The model makes two predictions for firm behaviour under vertical integration. Firstly, foreign ownership will increase with the elasticity of substitution across product varieties. Both empirical findings are consistent with the expectation that offshoring creates productivity-enhancing effects but literature in this area has been rather limited for service offshoring until recently.