

The productivity paradox: policy lessons from MICROPROD

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PRODUCTIVITY GROWTH IN the US has been remarkably strong since the early 1990s. This is in sharp contrast to the productivity growth in other major industrialized countries, which has been relatively weak. This paper examines the reasons for this productivity paradox and discusses the policy implications. The paper is based on the results of the MICROPROD project, which is a major research effort in the area of productivity measurement and analysis.

SOME EXPLANATIONS FOR the productivity paradox in the US are discussed. These include the role of technological change, the role of capital deepening, and the role of changes in the composition of output. The paper also discusses the role of institutional factors, such as the structure of the labor market and the role of unions.

THE OBJECTIVE OF this paper is to provide a comprehensive overview of the productivity paradox in the US and to discuss the policy implications. The paper is organized as follows. Section 2 discusses the productivity paradox in the US. Section 3 discusses the reasons for the productivity paradox. Section 4 discusses the policy implications. Section 5 concludes.

IN PARTICULAR, THE paper discusses the role of technological change, the role of capital deepening, and the role of changes in the composition of output. The paper also discusses the role of institutional factors, such as the structure of the labor market and the role of unions.

MICROPROD RESEARCHERS HAVE conducted a major research effort in the area of productivity measurement and analysis. The results of this project are presented in this paper. The paper is based on the results of the MICROPROD project, which is a major research effort in the area of productivity measurement and analysis.

THIS POLICY CONTRIBUTION is to provide a comprehensive overview of the productivity paradox in the US and to discuss the policy implications. The paper is organized as follows. Section 2 discusses the productivity paradox in the US. Section 3 discusses the reasons for the productivity paradox. Section 4 discusses the policy implications. Section 5 concludes.

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1 See [\[faint URL\]](#) and [\[faint URL\]](#).

2 The papers are listed in the references section.

3 Solow (1987): $a_{t+1} = \lambda a_t + (1-\lambda) a_t b_t a_t c_t$, $ca_{t+1} = \lambda a_t a_t c_t c_t + (1-\lambda) a_t a_t c_t c_t$, $a_t b_t a_t c_t = \lambda a_t a_t c_t c_t + (1-\lambda) a_t a_t c_t c_t$, $Y_t = ca_t + G_t + \lambda a_t + (1-\lambda) b_t + \lambda c_t + a_t c_t$.

... *et al.* ... *et al.* ...

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Imports from low-income countries are typically relatively simple; R&D cannot compensate for the cost disadvantages faced by high-wage domestic producers of such products

„...und die in demselben Jahre am 1. März 1955 in der DDR geborenen Kinder von Staatsangehörigen der DDR, die zu dem Zeitpunkt ihrer Geburt in der DDR geboren sind, sind als DDR-Bürger zu betrachten.“

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While COVID-19 might have had an acceleration effect on digitalisation, it will, in all likelihood, have a dampening effect on globalisation

... digitalisation, and the resulting increase in digitalisation, is not a new phenomenon. It has been going on since the late 1990s, when the Internet became a mass phenomenon. The rise of the Internet, and the resulting increase in digitalisation, is not a new phenomenon. It has been going on since the late 1990s, when the Internet became a mass phenomenon. The rise of the Internet, and the resulting increase in digitalisation, is not a new phenomenon. It has been going on since the late 1990s, when the Internet became a mass phenomenon.

... *The Hype Machine* | *The day the offline world stood still, the online world ignited like a digital forest fire. Demand for social media skyrocketed. Facebook Messenger, WhatsApp and Facebook Live saw 50 percent increases in usage overnight.* ... *As movie theatres closed, Netflix crashed under the weight of the surge.* ... ⁴

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⁴ See [The Hype Machine](#).

⁵ See for instance anecdotal evidence for the United Kingdom: [The day the offline world stood still, the online world ignited like a digital forest fire](#).

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