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Chapter

Firm-level analysis

Firm growth

Methodological issues
Labour productivity growth
Multi-factor productivity
Productivity decomposition

Entry and exit of firms

Firm survival

Regulations, institutions and firm entry

The contribution of IT at the firm level

Key conclusions

Key questions

- What is the contribution of firm dynamics to industry-level productivity growth?
- How do firms evolve after market entry? Does this evolution differ in Europe and North America?
- What are the policy influences on long-term growth at the firm-level?



Chapter 4

Firm-level analysis

Dynamics, productivity and policy settings

This chapter takes a further step into the analysis of the micro-determinants of economic growth by focusing on the contribution of reallocation of resources within narrowly defined industries, resulting from the expansion of more productive firms, the entry of new firms and the exit of obsolete ones.

The chapter assesses the contribution of firm dynamics to industry-level productivity growth. As such, it is the first attempt in the micro-economic literature to study the role of firm dynamics for a relatively large set of countries and, more importantly, on the basis of harmonised data.

