

Abstract for “The Dynamics of Productivity Change: A Review of the Bottom-Up Approach”

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This paper considers the relation between (total factor) productivity measures for lower level production units and aggregates thereof such as industries, sectors, or entire economies. In particular, this paper contains a review of the so-called bottom-up approach, which takes an ensemble of individual production units, be it industries or enterprises, as the fundamental frame of reference. At the level of industries the various forms of shift-share analysis are reviewed. At the level of enterprises the additional features that must be taken into account are entry (birth) and exit (death) of production units.