

### Abstract

In this paper we review a number of analytical methods and issues related to identifying and estimating the source of productivity growth. The two major methods used in measuring productivity growth-- index number and econometric estimation approach-- are briefly discussed. Substantive issues such as the contribution of R&D capital and R&D spillovers, infrastructure capital, allocative distortions, nature of the market structure and technological advancement on productivity growth at various levels of aggregation are examined. The attributes of the static and dynamic factor demand models used to estimate the contribution of different inputs to productivity growth are described and the evaluation of the production process changes in response to exogenous factors and their impact on productivity growth are discussed. Econometric issues and data considerations for proper estimation of the underlying structural models are noted briefly as well.

Key Words: Productivity, Industrial Organization, R&D, Technical Change

JEL Classification Numbers: L<sub>1</sub>, L<sub>6</sub>, L<sub>8</sub>, O<sub>3</sub>, O<sub>4</sub>

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