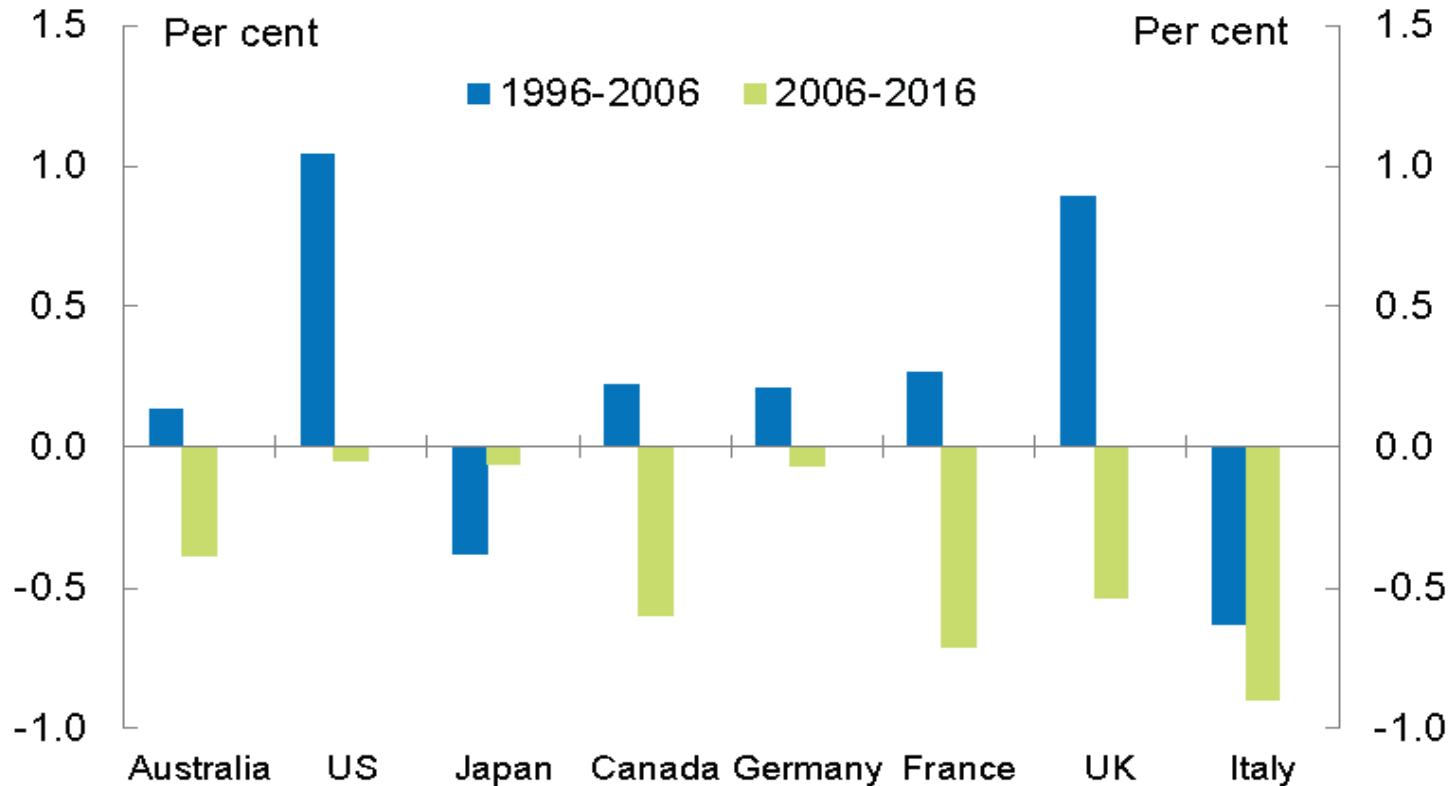


What do we know about the productivity slowdown?

Kevin J. Fox

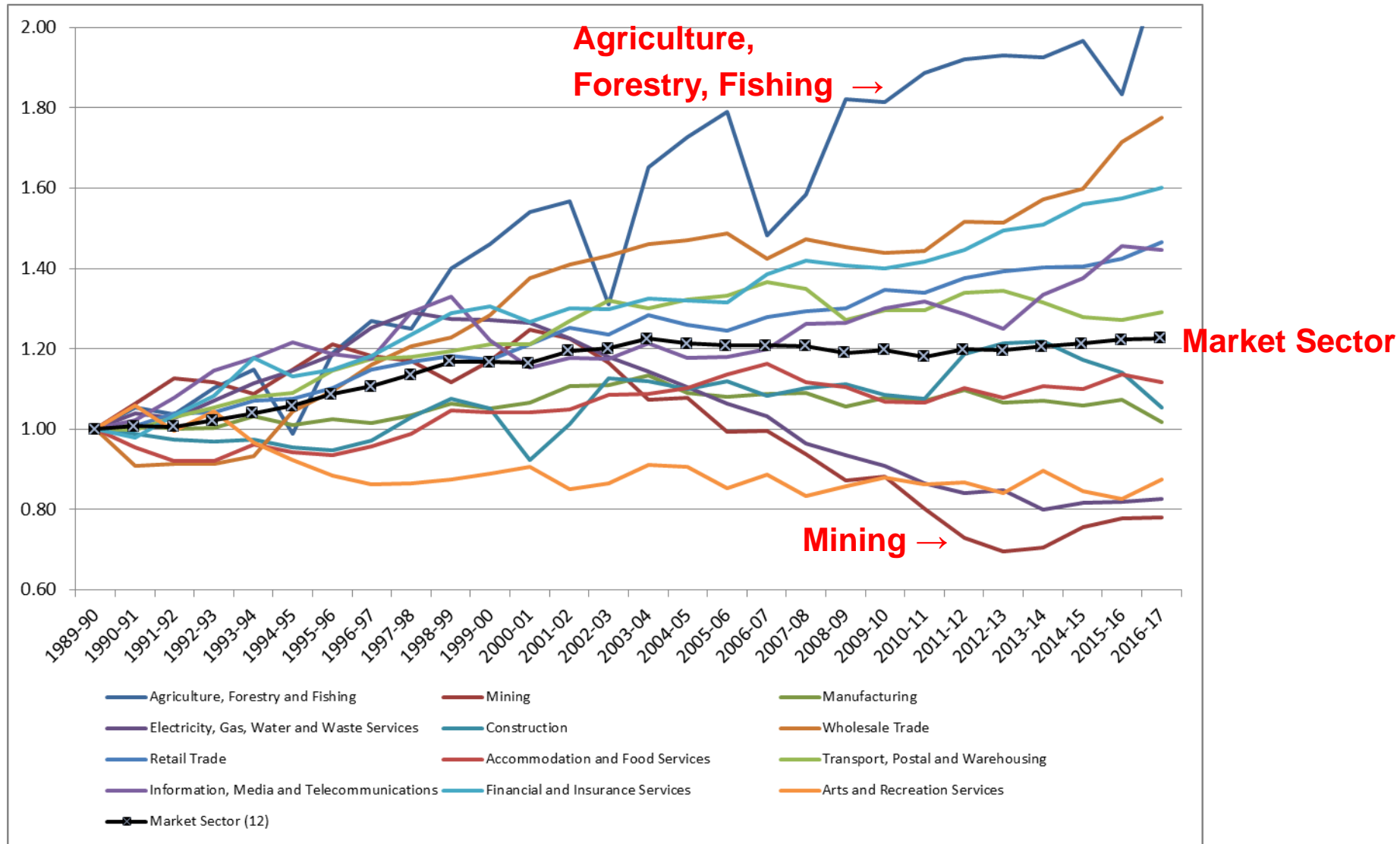
OECD Global Forum on Productivity
Ottawa, 28-29 June 2018

Chart 2: Multi Factor Productivity (MFP) growth

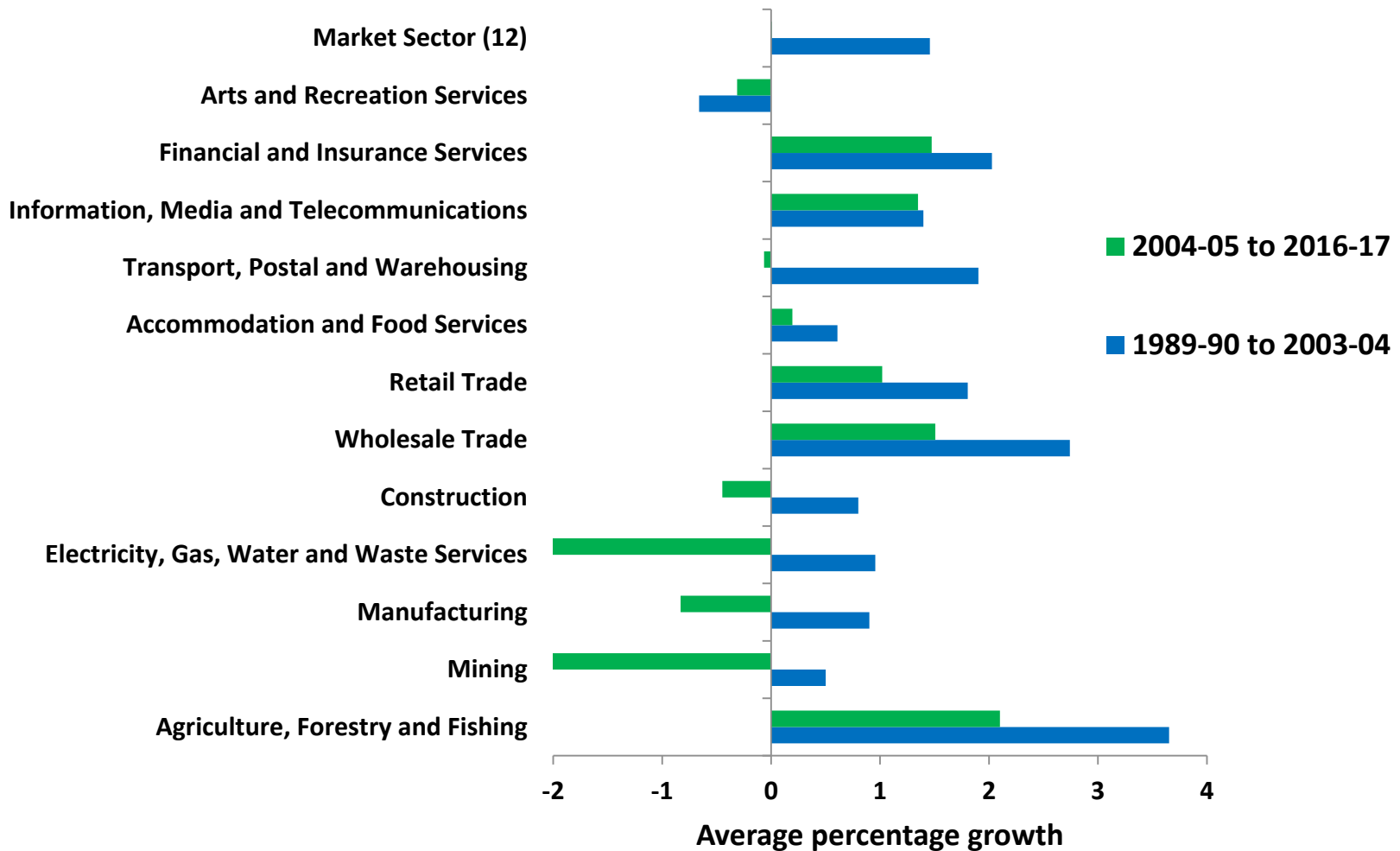


Source: "Firming up Productivity in Australia," Australian Treasury 2018
https://static.treasury.gov.au/uploads/sites/1/2018/05/Productivity-dashboard_V2_03.pdf

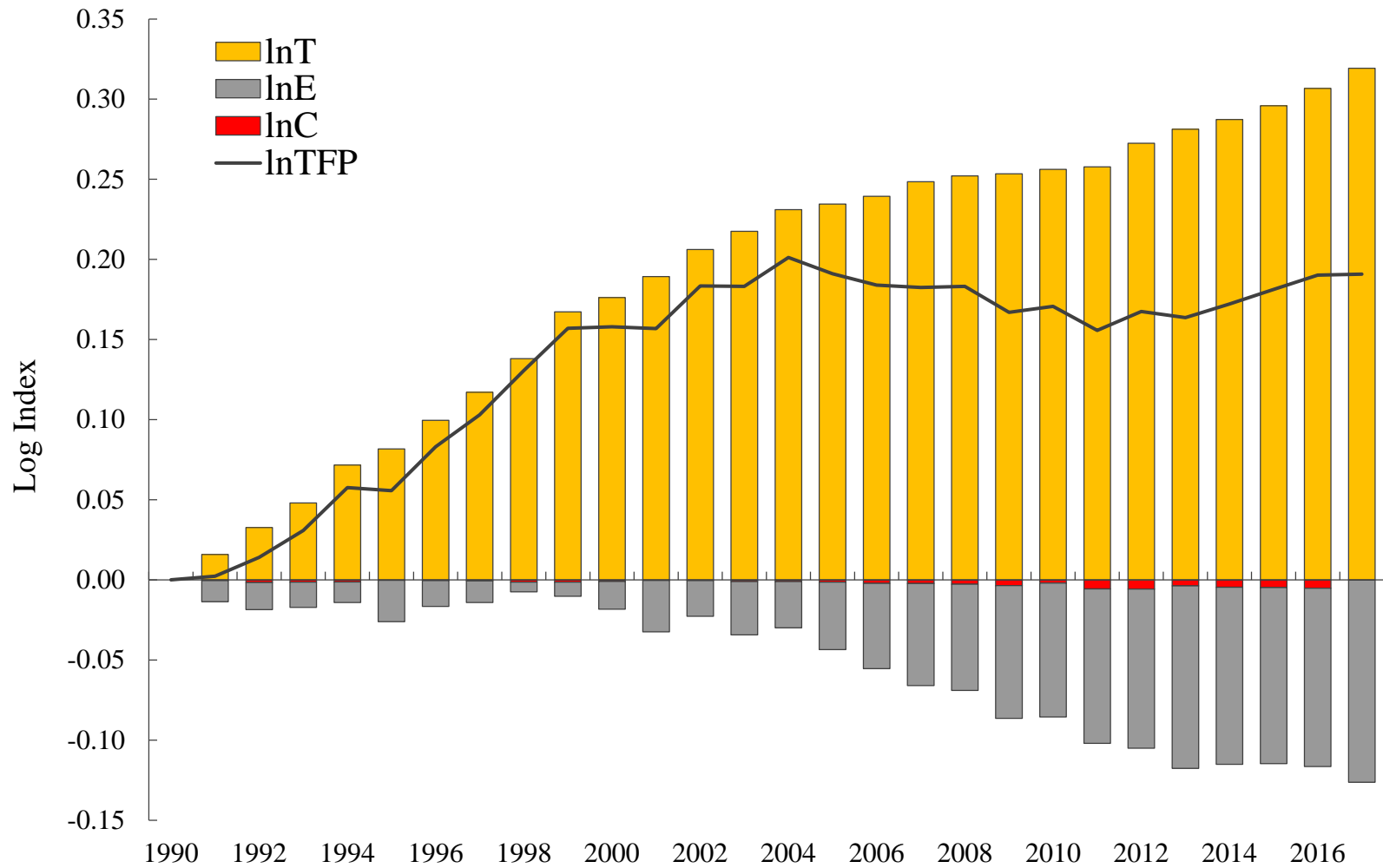
Australian Official Market Sector Multifactor Productivity Statistics



Average Industry MFP Growth Across Sub-periods



Weighted Industry TFP, Technical Progress (T), Inefficiency (E), Input Prices (C) Zeng, Diewert, Fox (2018)



Mismeasurement or....?

Australian evidence is consistent with Syverson (2017); too much “missing” output for mismeasurement to be the complete answer to the slowdown.

But, we can still try to make progress in our understanding:

1. Statistical agencies are typically unable to appropriately measure new and disappearing goods; evaluate biases.

– The Digital Economy, New Products and Consumer Welfare (Diewert, Fox, Schreyer, 2018):

2. Valuation of new free goods and services → GDP-B

– The Digital Economy, GDP and Consumer Welfare: Theory and Evidence (Brynjolfsson, Diewert, Eggers, Fox, Gannamaneni)

3. Better Time-Use Data

– Facebook and the Opportunity Cost of Time

– Last survey in Australian was 2006

4. Firm-level Data (LEED, Trade data, Machine Learning for linking)

– Digital world allows opportunities for better understanding micro-drivers of the macroeconomy