St George: Winter 2013 – Economics 405: Productivity

Prof. Michael Denny,   **Phone**: 416-978-6655
Office: Rm 270 , 150 St George St   **e-mail**: denny@chass.utoronto.ca

Expanded Course Description

This is a new course that will be offered in January 2013. A complete outline does not currently exist. This expanded description should help students in considering whether to take this course.

Productivity is the driving force behind long-run economic growth in countries and in firms. Attempting to measure and understand the levels and growth in productivity is both challenging and very important. This course will explore the methods used to analyse productivity. There are several alternative methods that can be used.
There is a textbook for the course.

An Introduction to Efficiency and Productivity Analysis, T. Coelli, P Rao, C. O'Donnell and G. Battese, 2nd edition, Springer, 2005

The textbook is modestly technical. This implies that arguments using algebra and calculus will be in common use. The course will not emphasize the technical material but students must be able to understand the technical arguments. The book will provide evidence on the methods that can be used to study productivity.

A key component of the course is the empirical application of a variety of the methods used to study productivity. We will use country data from the European Union, Canada, Japan and the US to compare their productivity in different industries. In addition, the course will consider productivity at the level of branches of a bank. Students will not develop data from scratch but they will learn how to develop the data sets appropriate for particular forms of productivity analysis.

A serious problem in any empirical economic analysis is the quality of the data. The course will explore the difficulties in collecting the appropriate data for productivity analysis.

At the end of the course, a student should understand and be able to use a variety of methods of measuring productivity. They should be aware of the limitations of these methods and the difficulties in collecting the appropriate data for productivity analysis.