

# Disentangling the productivity paradox in Europe: sectoral bottlenecks of technical progress

by Fabrizio Antenucci | Lelio Iapadre | Department of Industrial and Information Engineering and Economics, L'Aquila University | Department of Industrial and Information Engineering and Economics, L'Aquila University

Abstract ID: 114

Inviato: 18/04/2022

Evento: XX Workshop Annuale SIEPI

Argomento: 8. Cambiamenti organizzativi, capitale umano e produttività

Parole chiave: Aggregate Labour Productivity; Technological Change

In recent years, the rapid introduction of new technologies, potentially relevant to many industries, has once again drawn the attention of scholars to a long-standing issue, namely the productivity paradox. Specifically, the slowdown in productivity growth, a common trend in many countries, would appear irreconcilable with the revolutionary digital innovations expected to accelerate it. Yet the academic literature offers a wide range of possible explanations for how technological progress may not translate into a boost in productivity.

This paper investigates the productivity paradox through an empirical assessment, at the industry-level, in 11 European countries between 1996 and 2017. Preliminary results suggest that, among others, the lack of technology diffusion across sectors represents an obstacle to productivity. These findings are similar to those obtained by Acemoglu et al. (2020) in the United States. In Europe and the United States, the lag in technological advancement manifested in some sectors of the economy adversely affects productivity performance at the national level.