

**An Empirical Estimation of Total Factor Productivity
Growth for Australia from 1960 to 2010**

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This thesis is presented for the Bachelor of Economics with Honours
at Murdoch University 2012.

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Full Name of Degree: Bachelor of Economics with Honours

Thesis Title: An Empirical Estimation of Total Factor Productivity Growth for Australia from 1960 to 2010.

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Year: 2012

Declaration

I declare that the research and work on this thesis is my own and has not been submitted to any other institution.

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Acknowledgements

I would like to thank Dr Ranald Taylor for having the patience and time to help me complete this thesis. Most of all I would like to thank Ranald for first suggesting growth theory as a topic of research for my thesis. It has been a rich and rewarding field of research.

Thanks must also go to my mother, Denise, and sister, Hannah, for giving me the encouragement and confidence necessary to complete this work.

Abstract

Australia's economy has shown resilience and flexibility to deal with challenges over the past century. Krugman (1997) has claimed that the long run growth of a country is almost entirely dependent on productivity. The subject of this thesis is total factor productivity (TFP), which is based on the neoclassical growth model pioneered by Solow (1956). This thesis has two objectives. The first is to review the literature on the Solow growth model. The second is to empirically estimate TFP growth in Australia from 1960 to 2010 and in doing so, attempt to update the literature. The results suggest Australia experienced a decline in productivity growth during the latter half of the 2000s, however, policy makers recognise the challenges facing the economy.

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