

## **The Solow Residual, Domar Aggregation, and Inefficiency: A Synthesis of TFP Measures**

Topic: Productivity and efficiency and economic growth

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We consolidate and interrelate the four main approaches to the measurement and decomposition of total factor productivity growth, namely Solow's residual analysis, the index number approach, Data Envelopment Analysis, and Domar aggregation. Two new results link the general technology TFP growth measure to the industry Solow residuals and inefficiency.