

In the name of God

A Survey of Productivity in the Iranian Economy

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Abstract

One of the key macroeconomic objectives of most countries is attaining sustainable economic growth which needs to be achieved through enhancing productivity. Concepts of productivity are both implicitly and explicitly mentioned in the 4th FYDP Law. According to the mentioned Plan, 31.3 percent of GDP growth is projected to be financed through enhancement of productivity. However, removal of impediments to achieving this objective is of crucial importance. In the present paper, at the outset some general points regarding the definition of productivity and its indices are presented and then its role in the economic growth of selected countries is seen into. Later, a glimpse is cast on productivity in Iran and its significance in development plans and estimations are provided on Total Factor Productivity (TFP), Productivity of Labor, and Productivity of Capital during 1976/77-2003/04. In the concluding section, the most important impediments to productivity along with factors that could strengthen it are mentioned.