

Abstract:

Sustainable economic development requires a strong support of effective productivity enhancing policies. As the human capital gains importance in terms of its role in the production process, the link between labour productivity and economic growth becomes important. However, concentrating on the effect of productivity on economic growth and other macroeconomic outcomes and ignoring the root causes of productivity differentials at more micro levels is not likely to lead to effective policy making. Measuring and analysing productivity at the firm, region and sector level seems to be the key to a sustainable and comprehensive economic development.