

Economists have long studied the efficiency of firms, industries, and entire economies. This volume brings together leading scholars to make connections between efficiency and a number of diverse areas of current interest to economists, including an examination of the efficiency of tax systems across generations that overlap, and the efficiency of firm mergers that highlights the tradeoff between the synergy of the merger and the problem of managerial oversight in the now larger firm. An empirical look at productivity growth of states uses a tripartite decomposition of labor productivity into technological innovation, improvement in efficiency, and the capital deepening brought about by new business investment, shedding light on important debates on their relative importance. The efficiency of patent laws is examined in a modern model of economic growth. These contributions are complemented by analyses of methodological problems involved in the measurement, estimation and aggregation of efficiency indices.