

Parameter Estimates for China's TFP Growth Model

Baseline Exogenous TFP Growth Rate (g) – China (1978–present)

Table 1: Baseline Exogenous TFP Growth Rate (g)

Estimate	Source	Methodology	Pros	Cons
~3.8% (optimistic)	Perkins & Rawski (2008)	Official growth accounting	Comprehensive national coverage	May overestimate; no isolation of spillovers
~1.4% (pessimistic)	Young (2003)	Adjusted growth accounting	Rigorous bias adjustments	Excludes agriculture; early period only
~2.0% (mid-range)	Tian & Yu (2012)	Meta-analysis	Consensus view; ~20% GDP via TFP	Hides variance; no time detail

Sensitivity of TFP to Trade Openness (θ)

Table 2: Sensitivity of TFP to Trade Openness (θ)

Estimate (θ)	Source	Methodology	Pros	Cons
0.07	Lee et al. (2011)	Panel regression	Quantifies effect (10% import \rightarrow +0.7 pp TFP)	Modest effect; correlation only
0.075–0.18	Ji (2006)	Provincial panel	Captures tech spillovers	Pre-WTO data; proxies; collinearity
0.1–0.3+	Martens (2008)	Cross-country survey	Broad context; many studies	Wide range; not China-specific

Sensitivity of TFP to FDI Inflows (ϕ)

Table 3: Sensitivity of TFP to FDI Inflows (ϕ)

Estimate (ϕ)	Source	Methodology	Pros	Cons
0.08–0.09	Tseng & Zebregs (2003)	Cointegration analysis	Long-run elasticity	Early data; may not hold later
0.022	Lee et al. (2011)	Panel regression	Broad empirical	Small magnitude; capital effects
Mixed	Hong & Sun (2011); Liu (2008)	Micro panel	Micro spillovers	Mixed results; absorptive variation

Notes

- Baseline growth (g) ranges from about 1.4 % to 3.8 %, consensus roughly 2.0 %.
- Trade openness effect (θ) is positive but modest.
- FDI sensitivity (ϕ) is positive but small; micro studies vary.
- Estimates depend on period, data quality, and methodology.

References

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