

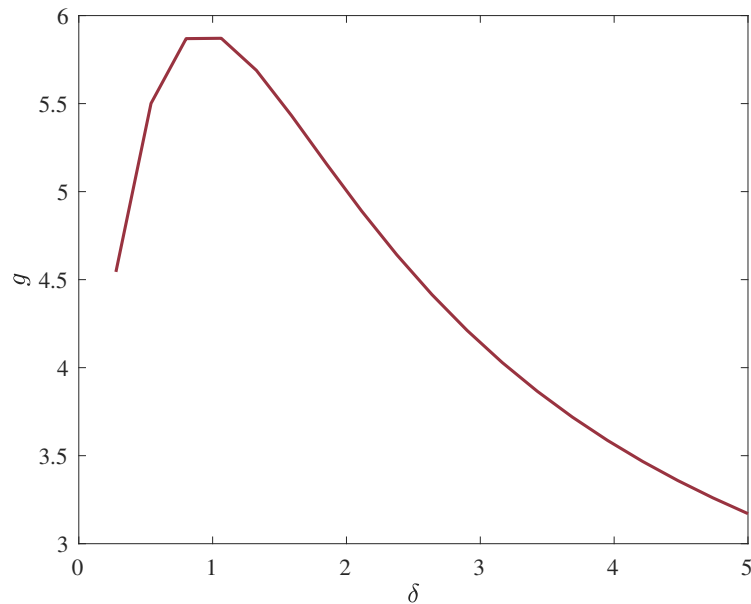
# Firm Dynamics and Economic Growth

## Problem Set II

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The figure is presented here The figure is indeed an inverted U and the value used in



the paper  $\delta = 0.0278$  is in the upward part of the U-shape. The decline in the parameter  $\delta$  as suggested by the paper explains why growth and U.S business dynamism has fallen over time.

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\*Full replication code can be found at <https://github.com/jmquintero925/FD-EG-Ufuk>