

Large disparities remain in the rates of growth across the OECD countries

Along with rapid growth in average rate of agricultural TFP, large disparities remain in the rates of growth across the OECD countries. This contributes to differences in relative levels of TFP across countries (Figure 1). As is shown in Figure 2, the cross-sectional coefficient of variation of agricultural TFP declines rapidly in the 1970s, but held constant in the 1980s and the 1990s. The variance declined again in the 2000s, but at a decreasing rate.

The remaining large gap in cross-country differences of relative levels of agricultural TFP across the OECD countries has aroused increasing public concerns. It is contrary to the intuition that globalization is making technological innovation more accessible to these OECD countries which are in similar economic development stages (Gardner, 1996) and suffer less from institutional barriers and market distortions relative to their developing country counterparts (Gollin, Lagakos and Waugh, 2014b). It is even more puzzling that the remaining large gap in relative agricultural TFP levels in recent years also coincides with slowdowns in growth of agricultural productivity (Ball, Schimmelfennig and Wang, 2013; Alston, Anderson and Pardey, 2015).