

The objective of the project is to assess the impact of volatility of the amount of credit on productivity. The analysis will be conducted at the sectoral and aggregate levels in a broad group of developing and developed countries observed over a 50-year period. The Polish case will be scrutinized using aggregate data spanning two decades. The proposed research will fill the gap in existing literature that focuses on the productivity-enhancing role of the mean value of credit extended to the private sector. The project hypothesizes that the volatility of credit supply has sizable effects on productivity growth.

The project complements the existing research on the role of financial development in growth and technological progress. The literature focuses on the impact of the level of financial development proxied by the stock of credit to the private sector. The project innovativeness consists in examining the long-run consequences of credit volatility for productivity.