Corporate growth and industrial dynamics: evidence from French manufacturing

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Abstract

This work explores basic properties of the size and growth rates distributions of firms at the aggregate and disaggregate levels. Using an extensive dataset on French manufacturing firms, we investigate which properties of firm size distributions and growth dynamics are robust under disaggregation. The analysis suggests the existence of regularities valid across sectors. Indeed, the growth rates distribution roughly follows the Laplace density but appears to be noticeably fatter-tailed than the corresponding distribution for Italian and US data. Growth rates depend negatively on size but the relationship does not seem to be linear, with larger firms possibly growing faster than medium-sized ones. It also appears that growth rate autocorrelation may vary with firm size: autocorrelation is negative for smaller firms, but the magnitude seems to decrease with size and becomes positive for larger firms. At the disaggregate level, we observe significant heterogeneity in the firm size distributions and the growth rates distributions across sectors.