National Productivity Boards

State of play

Rome, February 2020

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DG for Economic and Financial Affairs
Productivity trends

Labour productivity developments in euro area and EU28 compared to US and Japan

Labour productivity growth in EU countries, 2018 and 2015-2018 average

Source: AMECO

Source: Eurostat
Productivity premium of large firms vs. SMEs and micro-enterprises

Labour productivity

Total factor productivity

Source: CompNet Database, 6th vintage and ECFIN calculations
Analysis of productivity growth

Macro
- National and EU level; labour productivity, TFP
- Comparison between labour productivity and TFP growth helps identifying the role of capital accumulation vs. increased efficiency

Meso / Regional
- Zooming into sectors (e.g. services and manufacturing) or regions
- Helps to identify sector-specific issues and occurrence of regional convergence / divergence

Firm
- Productivity growth at firm level (e.g. large firms vs. SMEs, leading firms vs. laggards, exporting firms vs. non-exporters, zombie firms)
- Helps identifying policy challenges at firm level

Policies
- Investment, R&D&I, labour and product market reforms, access to finance, education/skills policy, business environment
National Productivity Boards, a growing network (1/2)
### National Productivity Boards, a growing network (2/2)

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<th>Member State</th>
<th>Name</th>
<th>Date of appointment</th>
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<td>🇪🇪</td>
<td>National Competitiveness Council</td>
<td>October 2016</td>
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<td>🇫🇮</td>
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<td>February 2017</td>
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<td>Netherlands Bureau for Economic Policy Analysis</td>
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<td>Ministry of Economy and Innovation</td>
<td>December 2017</td>
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<td>March 2018</td>
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<td>🇩🇪</td>
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<td>🇷🇺</td>
<td>Institute of Macroeconomic Analysis and Development</td>
<td>April 2018</td>
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<td>FR</td>
<td>National Productivity Council</td>
<td>June 2018</td>
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<td>CY</td>
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<td>LV</td>
<td>LV PEAK</td>
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What are the required characteristics?

- The Board should enjoy **functional autonomy** vis-à-vis any public authority in charge of the design and implementation of productivity-related policies.

- The Board should be **objective, neutral and independent** regarding analysis and content.

- The Board should have the ability to be **actively and timely present** in the public debate.

- The Board should have capacity to undertake its activity on a **continuous basis**, *i.e. sufficient human resources and funding*.

- The Board should have **appropriate access to information** to carry out its mandate, *ideally embedded in national legislation*. 
On the progress of the Council Recommendation’s implementation (1/2)

The design of appointed Productivity Boards appears to be broadly in line with the requirements of the Council Recommendation.

In several cases, however, some of the requirements are not explicitly embedded in national legislation (e.g. functional autonomy, continuity, appropriate access to information).
On the progress of the Council Recommendation’s implementation (2/2)

It is encouraging to see that most Boards are actively contributing to domestic discussions on productivity-related challenges, building on their detailed country-specific knowledge on a wide range of policy issues.

When available, analysis from the Productivity Boards is used in the context of the European semester by ECFIN’s geographical units.

➢ Further assessment will be undertaken in the course of 2020
Overview of the published annual reports

Monitoring sections:
• *All* annual report of 2019 contain a section on productivity developments and outlook
• *Most* of the annual reports contain a section on competitiveness developments and outlook

Productivity drivers analysed:
• Innovation; investment; human capital; business environment; competition

Deep-dives topics:
• Some Boards chose special topics, such as manufacturing, services, market regulation, labour markets
The role of the European Commission as a facilitator

Initiatives by the Commission:

- To stimulate discussions on productivity-related issues, including the euro area dimension, for example by organising workshops in Brussels and through the Productivity Dialogues
- To enhance interactions between Productivity Boards
  - Web page on National Productivity Boards
  - Restricted web-connection
- To connect the network with OECD, ECB, World Bank, IMF, ...
- To foster collaboration between the Boards and Eurostat
- To facilitate discussions with Economic Policy Committee and its technical working group LIME
Thank you

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