R&D and Innovation Policies for the Marketplace

How to Improve Cooperation on Industry Analysis and Productivity Growth?

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Joint workshop on firms, industries and productivity

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Productivity growth is slowing down:

- Insufficient level of investment in equipment, R&D and ICT
- Slow pace of intra-sectorial knowledge and technology diffusion
- Declining birth rate of innovative firms
- Low level of knowledge-based and human capital accumulation
- Rigid labour markets and rapid ageing of the population leading to skills and labour mismatches
- Non-competitive product markets
- Inefficient allocation of resources
How to Improve Cooperation on Industry Analysis and Productivity Growth?

First, it is key to remember that:

1. This presentation solely represents the perspective of Portugal and simply aims to kick-off helpful discussions.

2. There are different organizations with non-coincident geography and separate independent bodies in each country.

   - Working-Party on Industry Analysis (OECD)
   - Global Forum on Productivity (OECD)
   - National Productivity Boards (European Union)
1 - Working-Party on Industry Analysis: 36 OECD countries

2 – Global Forum on Productivity: 19 OECD countries

Belgium    Germany    Sweden    France
Ireland    Italy      United Kingdom
Spain      Portugal   Denmark    Hungary
Australia  Canada     New Zealand
Japan      Mexico     Costa Rica  Brazil
Luxembourg (4 under negotiations)

Collaboration with non-member countries: ASEAN, Brazil
### 3 - National Productivity Boards: 15 EU countries

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- **Countries with a NPB that are not GFP members: Cyprus, Finland, Lithuania, The Netherlands, Slovenia, Romania, Greece**
- **Malta is expected to start a NPB very soon but is not a GFP member.**
Three conditions to improve cooperation between different parties:

1. A common goal
2. A convergent will
3. Sufficient means
1. A common Goal: to improve public policies for productivity growth

• To put together efforts to better understand why productivity growth is slowing down

• To improve the design of public incentives and of the institutional framework from better knowledge and policy experience
2. A convergent will requires **three principles**:

- **Non-discriminatory approach**: every country wishing to do so can participate
- **Decentralized approach**: autonomy of each country and body (WPIA, GFP, NPB) is respected
- **Personalized approach**: come and serve yourself
3. Sufficient means: going beyond scarce resources

- Improving on current status:
  - Hypothesis 1: Deepened bilateral liaisons

- Looking ahead:
  - Hypothesis 2: Joint Work on common themes
  - Hypothesis 3: Customized technical advising
Hypothesis 1: deepened bilateral liaisons

- **Fee paying GFP members**: to keep current status - proposal of themes and work to be done by the secretariat

- **GFP/WPIA non-members**: decision on policy themes based on bilateral agreement
  - Thematic work to be done in the conditions agreed between the interested country and the GFP secretariat

- **Expected output:**
  - Better understanding of the productivity slowdown
  - Focused policy recommendations for covered countries
  - NPBs to present their work at WPIA/GFP meetings
Hypothesis 2: joint work on common themes

- A limited group of countries wanting to address the same policy issues

- Policy themes chosen from:
  - Survey made to all parties or any other way
  - European Semester recommendations (EU countries)

- Thematic work to be done together by national experts and the GFP secretariat:
  - Fee paying GFP members: current status
  - WPIA/GFP non-members: in the conditions agreed

- Expected output
  - Better understanding of the productivity slowdown
  - Policy recommendations for each participating country
  - Work to be presented at GFP/WPIA (OECD) and NPBs (EU) meetings
Hypothesis 3: customized technical advising

• Most countries wanting to evaluate specific policy issues
  o Fee paying GFP members: current status
  o WPIA/GFP non-members: in the conditions agreed

• Policy themes chosen from:
  ☐ Survey made to all parties or any other way
  ☐ European Semester recommendations (EU countries)

• Technical advising by GFP secretariat supporting the work of National Productivity Boards

• Expected output:
  ☐ Better understanding of the productivity slowdown
  ☐ Policy recommendations for each country
  ☐ NPBs to present their work at WPIA / GFP meetings
Thank you!

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