

Mapping Competitiveness with European Data

Workshop on 28th Nov 2014, Atrium Science 14b, Brussels

Since competitiveness is at the heart of policy making at the Union level, definition of new country-level competitiveness indicators is an essential task and it will be the topic of an upcoming Bruegel Blueprint.

In particular, during the workshop a fruitful discussion on how to map competitiveness with European data was opened, in particular related to the future potential of matching data in Europe within and across countries.

After the presentation (uploaded on the event webpage) of main findings and policy recommendations of Blueprint by **Davide Castellani** (LdA) and **Andreas Koch** (IAW), comments followed by the two speakers, **Lauro Panella**, DG Enterprise, European Commission, and **Jan Hagemejer**, Central Bank of Poland.

Mr. Panella started his intervention pointing out the importance of clearly understand competitiveness and reasons behind the heterogeneity across countries. For instance, data say that Spanish productivity has recently increased. Although it might seem a positive achievement at first glance, it is mostly due to a rise in the number of fired employees, and not to bigger magnitude of R&D expenditures or skilled labour force. This is why ranking countries is not enough; there is a strong need for more exhaustive comprehension of the drivers of changes in competitiveness, especially through micro-level data. The EC prescribes political and budgetary indications based on forecasts: if data are incorrect or badly managed, dangerous policy recommendations might follow.

A more complete and clear framework for the use of micro-level to measure competitiveness would be useful to answer many different questions, fuelling the debate: is the measure for competitiveness the same in labour-intensive as well as in capital-intensive sectors? If not, how to capture it across different sectors? Should the investments in R&D in chemical vs creative industries amount to the same level? Since it is not only a matter of financial numbers, how to measure capacity of a mind or creativity of an employee?

Turning to Mr. Hagemejer's intervention, he made a personal review of the upcoming Blueprint and, more broadly, of MapCompete project. He began assessing the difference between macro and micro indicators in terms of computability and accessibility of the data to build them: while the first ones are almost everywhere available and computable, the latter display lower levels of both characteristics. Indeed, the problem for micro-level data becomes even more pressing and frustrating when we realize the data are there, collected and ready for computations, but the access is restricted.

The conditions are not the same everywhere: there is a strong heterogeneity across countries, with only some countries - Sweden, Finland and France - being a model for best practice in terms of access for researchers. Hence, the report is a useful reminder and eye-opener for policy-makers around Europe.

A clear constraint on data accessibility comes from the law and legal impediments, even if common sense suggests that there still are solutions such as anonymization, rescaling, or safe data. However, it is always easier to refuse to intervene and to decide not to provide data to researchers: it is cost-efficient, responsibility-free but, above all, it is a way to protect monopoly of National Statistical Offices.

The suggestions Mr. Hagemejer eventually proposed was to use knowledge and experience that NSO have, combining it with researchers' efforts, in order to have harmonised and exhaustive data.

Then, comments were made then by scholars actively involved within MapCompete project. Carlo Altomonte underlined that the strength of this project comes from locating appropriate data sources, stating where data are and when it is

possible to use them. The suggestion to the European Commission would be to intervene, starting from the awareness of data computability and accessibility.

Giorgio Barba Navaretti states again the need for fine-tuned information: some countries might seem easily accessible and then it is hard to get data, as Poland and Italy, while others have lots of data which allow for fruitful studies and research, as France. The process of harmonisation should be done in an interactive way, working constantly with NSO, and, even though it might take time, it would allow to have ready-to-use data for all kind of research analysis.

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