

EU KLEMS



EU KLEMS project on Productivity in the European Union

Bart Los (University of Groningen)

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***This project is funded by the European Commission,
Research Directorate General as part of the 6th Framework
Programme, Priority 8, "Policy Support and Anticipating
Scientific and Technological Needs".***



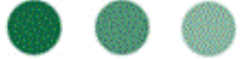
European Commission, Research Directorate General

Framework Programme 6
Priority 8

Policy Support and Anticipating Scientific and
Technological Needs

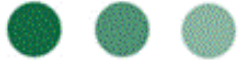
Project period:
1.9.2004 – 1.9.2007

EC contribution: 5.0 M€



Main aspects

- **EU KLEMS project is 3-year statistical and analytical research project funded by 6th Framework Programme**
- **Purpose is to create a database on productivity by industry for EU member states with a breakdown into contributions from capital (K), labour (L), energy (E), materials (M) and service inputs (S)**
- **Conduct out a number of analytical research projects in areas of:**
 - analysis of productivity, prices, industry structures, technology and innovation indicators
 - labour markets and skills
 - technological progress and innovation
 - link to productivity research using firm level databases



Participants

- Rijksuniversiteit Groningen (NL)
- National Institute of Economic and Social Research (UK)
- Centre d'études prospectives et d'informations internationales (F)
- Centre for Economic and Business Research (DK)
- CPB Netherlands Bureau for Economic Policy Analysis (NL)
- Deutsches Institut für Wirtschaftsforschung e.V. Berlin (DE)
- Federaal Planbureau (BE)
- Istituto di Studi e Analisi Economica (I)
- Instituto Valenciano De Investigaciones Economicas, S.A. (ES)
- Helsingin kauppakorkeakoulu (Helsinki School of Economics) (FI)
- Austrian Institute of Economic Research (AT)
- The Vienna Institute for International Economic Studies (AT)
- Economic and Social Institute, Free University (NL)
- The Conference Board Europe, Economics Department (BE)

Background for EU KLEMS project (I)

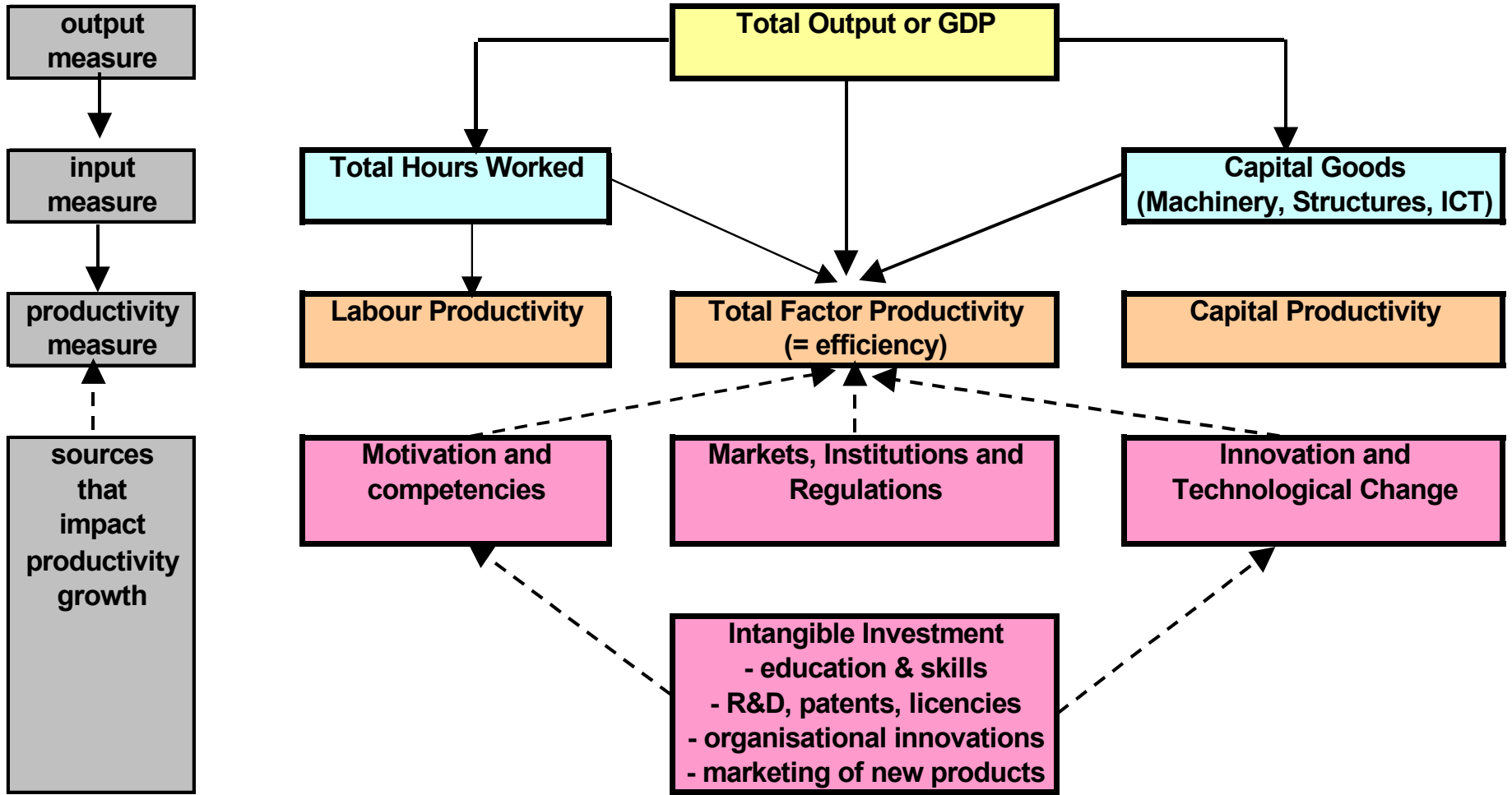
- **Policy interests:**
 - monitoring and evaluating the Lisbon and Barcelona agendas, complementary to existing indicators (e.g. Eurostat structural indicators)
 - Divergence between EU and US productivity performance
 - Impact of new entry of 10 member states on EU economic performance
- **Developments in academic world:**
 - Growth regression literature is running out of steam
 - Growth accounting methodologies have become more sophisticated
 - Need for better data to test hypotheses on, e.g., skill-biased technological change and role of non-technological innovations

Background for EU KLEMS project (II)

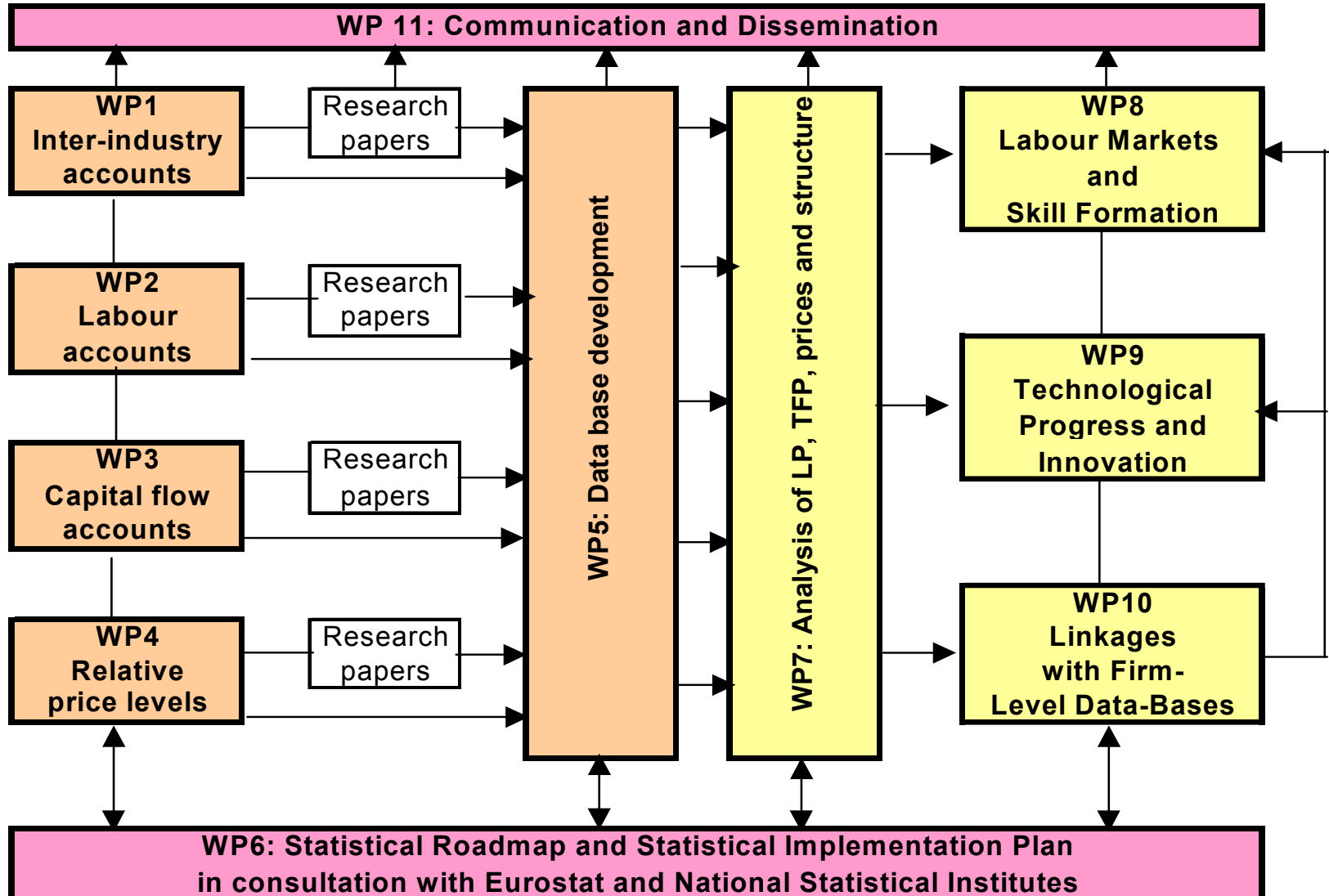
- **Statistical developments in productivity measurement and national accounts**
 - Publication of Eurostat Handbooks on Price and Volume Measures and Input-Output Manual
 - Publication of OECD Productivity and Capital Measurement Manuals
 - Developments in light of implementation of present SNA and steps towards next SNA version (e.g. role for intangibles - Canberra II group)
 - Increased availability of firm level databases for productivity measurement

Productivity is the Key Variable of Economic Performance

Measures of Productivity, Input Variables and Sources of Growth

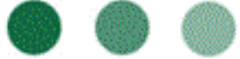


Setup of project: Workpackages



Main deliverables from EUKLEMS project

- **One database with two modules**
 - Statistical module:
 - for future implementation in official statistical practice
 - SNA and ESA-compliant elements
 - Analytical module:
 - satisfies demands for economic and policy research
 - fills all gaps in the data
 - uses alternative techniques and assumptions
- **Analytical research from analytical module**
 - analysis of productivity, prices, industry structures, technology and innovation indicators
 - labour markets and skills
 - technological progress and innovation
 - link to productivity research using firm level databases



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