National Productivity Boards

State of play and next steps

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Working Group on Monitoring of the spring 2019 European Semester Cycle
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Labour productivity growth in the Union was in decline well before the crisis.

Council calls on Euro area countries to set up a National Productivity Board.
Rationale for setting-up National Productivity Boards

Why?
- Productivity is the main driver of prosperity and income growth
- Productivity growth is relevant both for the correction of macroeconomic imbalances and the adjustment of shocks
- National Productivity Boards can enhance the ownership of reforms at national level

What?
- National Productivity Boards diagnose and analyse productivity and competitiveness developments
- They produce independent analysis of policy challenges on productivity and competitiveness
- If foreseen by national legislation, they assess the effects of policy options, making trade-offs of policy explicit

How?
- Productivity Boards should produce objective, high quality and independent analyses
- They should make their analyses publicly available and interact with other National Productivity Boards taking into account the broader Euro Area and EU dimension
- They should be endowed with functional autonomy

When?
- National Productivity Boards carry out their activities on a continuous basis
- They publish an annual report

Where?
- In Euro Area Member States (but non-euro area Member States are invited to set up similar bodies)

National productivity boards are already established in a majority of euro area Member States.
The number of Productivity Boards is steadily growing

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
<th>Date of creation</th>
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<tbody>
<tr>
<td>HU</td>
<td>National Competitiveness Council</td>
<td>October 2016</td>
</tr>
<tr>
<td>DK</td>
<td>Danish Economic Councils</td>
<td>February 2017</td>
</tr>
<tr>
<td>NL</td>
<td>Netherlands Bureau for Economic Policy Analysis</td>
<td>April 2017</td>
</tr>
<tr>
<td>LT</td>
<td>Ministry of Economy and Innovation</td>
<td>Q4 2017</td>
</tr>
<tr>
<td>IE</td>
<td>National Competitiveness Council</td>
<td>March 2018</td>
</tr>
<tr>
<td>PT</td>
<td>Productivity Council</td>
<td>March 2018</td>
</tr>
<tr>
<td>SI</td>
<td>Institute of Macroeconomic Analysis and Development</td>
<td>April 2018</td>
</tr>
<tr>
<td>FR</td>
<td>National Productivity Council</td>
<td>June 2018</td>
</tr>
<tr>
<td>CY</td>
<td>Cyprus Economy and Competitiveness Council</td>
<td>June 2018</td>
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<tr>
<td>RO</td>
<td>Council of Economic Programming</td>
<td>August 2018</td>
</tr>
<tr>
<td>LU</td>
<td>National Productivity Council</td>
<td>September 2018</td>
</tr>
<tr>
<td>FI</td>
<td>Finish Productivity Board</td>
<td>October 2018</td>
</tr>
<tr>
<td>BE</td>
<td>National Productivity Board</td>
<td>November 2018</td>
</tr>
<tr>
<td>DE</td>
<td>Council of economic experts</td>
<td>On-going</td>
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<tr>
<td>EL</td>
<td>Centre of Planning and Economic Research</td>
<td>On-going</td>
</tr>
<tr>
<td>MT</td>
<td>Malta Council for Economic and Social Development</td>
<td>On-going</td>
</tr>
<tr>
<td>SK</td>
<td>Institute for Strategy and Analysis</td>
<td>On-going</td>
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State of play on the establishment of National Productivity Boards: institutional set up

**New vs. existing institution**

- **New institution**
  - HU
  - LU
  - FR
  - FI
  - CY
  - BE

- **Based on existing institution**
  - DK
  - IE
  - RO
  - NL
  - PT
  - LT
  - SI

**Organisational structure**

- Board + secretariat
- Self-standing institute
State of play on the establishment of National Productivity Boards: functional autonomy, tasks and analyses

Functional autonomy

- Some requirements are not explicitly embedded in the national legislation, e.g., as regards provisions to ensure functional autonomy and appropriate access to information
- It remains to be seen whether these factors will have an impact on the performance of the relevant Productivity Boards
- However, all Productivity Boards have reported that they decide autonomously on their work programme and consider themselves to have sufficient access to data
- Eligibility criteria can help strengthen the Boards’ functional autonomy

Tasks

- The tasks allocated to the appointed Productivity Boards are broadly in line with the Council Recommendation
- Some of the Productivity Boards’ mandates have specific features
- All Productivity Boards plan to publish annual report, with the exception of the Hungarian one

Ability to produce high quality analyses

- Productivity Boards consider they have the ability to conduct research by themselves or through their supporting institutions
The role of the European Commission

• To act as facilitator, supporting the exchange of views between the Boards

• Initiatives by the Commission:
  
  ▪ To stimulate discussions on productivity-related issues
  ▪ To enhance interactions between Productivity Boards
    ✓ Web page on National Productivity Boards
    ✓ Restricted web-connection
  
  ▪ To help Boards in disseminating analyses and annual reports
  ▪ To build a partnership with OECD
  
  ▪ To exchange views between the European Commission and the Boards
  
  ▪ To actively participate to the interactive process between Economic Policy Committee and Boards
    ✓ Joint meeting between National Productivity Boards and Economic Policy Committee on 24 April 2019
Next steps

• 24 April 2019 workshop with the appointed National Productivity Boards
  ▪ Discussion on productivity and competitiveness-related topics with high level academics
  ▪ Exchange of experiences and best practices
  ▪ Bilateral discussions between the Commission staff and the Boards

• The appointed National Productivity Board will publish throughout 2019 their annual reports

• The Commission will continue to reach out to Member States that have not appointed their National Productivity Board