EU KLEMS and Beyond
Productivity Accounts and Europe’s Productivity Growth Performance

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European slowdown hypotheses

1. End of convergence

2. Slower growth at the frontier “Are ideas getting harder to find?” (Bloom et al. 2017)
   – Incentives for innovation
   – Improved measurement of gains from digital services
   – ‘Outsourced productivity gains’: functional specialisation

3. Losing ground to the frontier “The best versus the rest” (Andrews et al. 2016)
   – Increased market power
   – Increased intangibility
   – Increased misallocation
A European productivity research agenda

• Improved data collection, compilation & assessment:
  – Up-to-date industry productivity data, tracing growth and relative levels
  – Integrated measurement of productivity, production fragmentation, intangible investment, and the workforce composition
  – Consideration and comparison of measurement practices & problems

• The right story for the right country
  – Misallocation, market power, measurement problems, etc. vary across countries
  – Industry-level analysis will be crucial