

Comments on

Growth Patterns in the OECD area: Evidence
from the Aggregate, Industry and Firm level

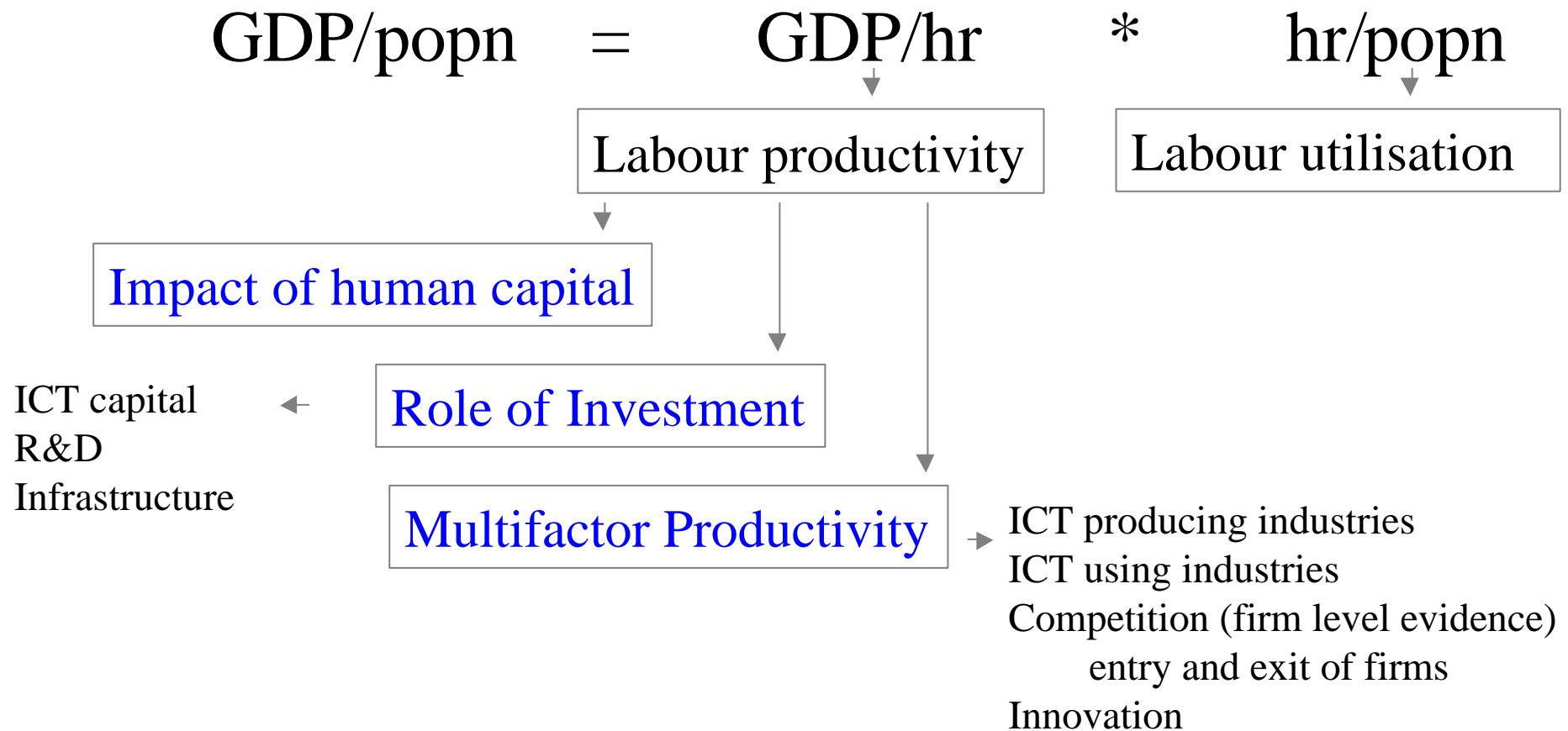
- Dirk Pilat (OECD)

S. Srinivasan (Bank of England)

Prepared for CEPII/Banque de France/IFO Conference on “Divergence in
Productivity between Europe and the United States”,
Royaumont Abbey, France 21-23 March 2004

- The paper brings together some of the recent evidence at the aggregate, industry and firm level on the factors influencing economic growth
- It highlights some of the factors affecting productivity, eg: ICT, human capital

- The paper looks at growth patterns in the OECD area



- Valuable paper for people doing international comparisons of productivity
- Brings together sources of growth data for OECD countries
- International comparison made easy; data available on OECD website
- Links firm and macro level evidence

- The paper uses data from the newly created
OECD Productivity Database

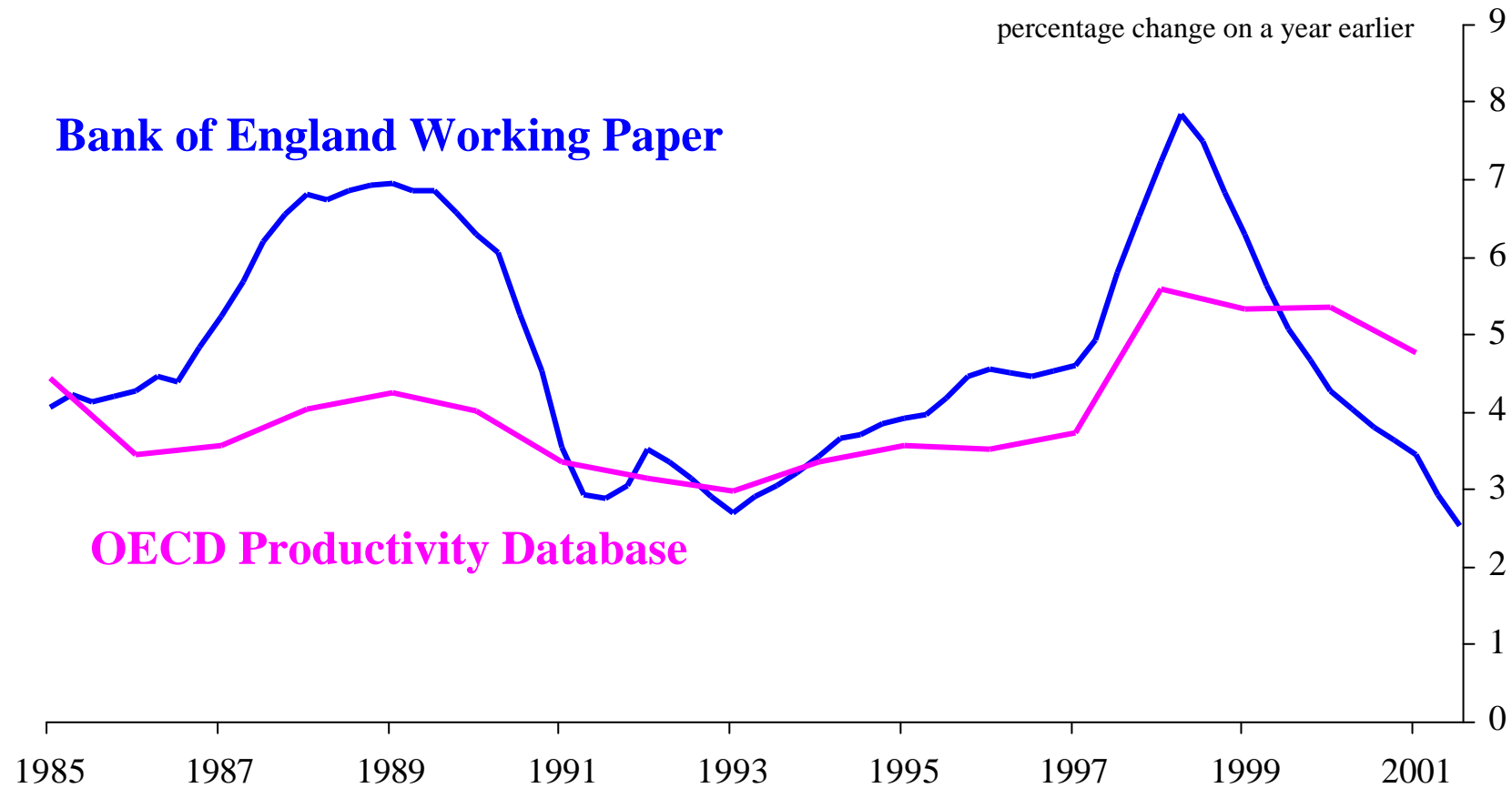
(OECD Homepage → Statistics → Productivity)

- Output;
- Labour productivity (output per hour); GDP per capita
- Labour (hours worked)
- Capital services by asset (including ICT)
- cost shares of inputs; total inputs
- Multifactor productivity
- labour productivity growth by industry

- Productivity Database
 - * **harmonized and national ICT deflators**
 - US data is GDP per hour
 - BLS international comparisons is GDP per employed person; GDP per hour is for manufacturing
 - BLS national data on output per hour is for business sector
 - **Augment database with**
 - R&D data
 - ICT investment data
 - **Infrastructure** data
- The paper has graphs with comparisons across countries (eg, ICT investment as percentage of whole economy investment)

- How do some of the variables compare with other sources ?
- Assumptions underlying calculations are different so be careful when comparing
- As example, see capital services (including ICT) using harmonized and national accounts ICT deflators for the UK

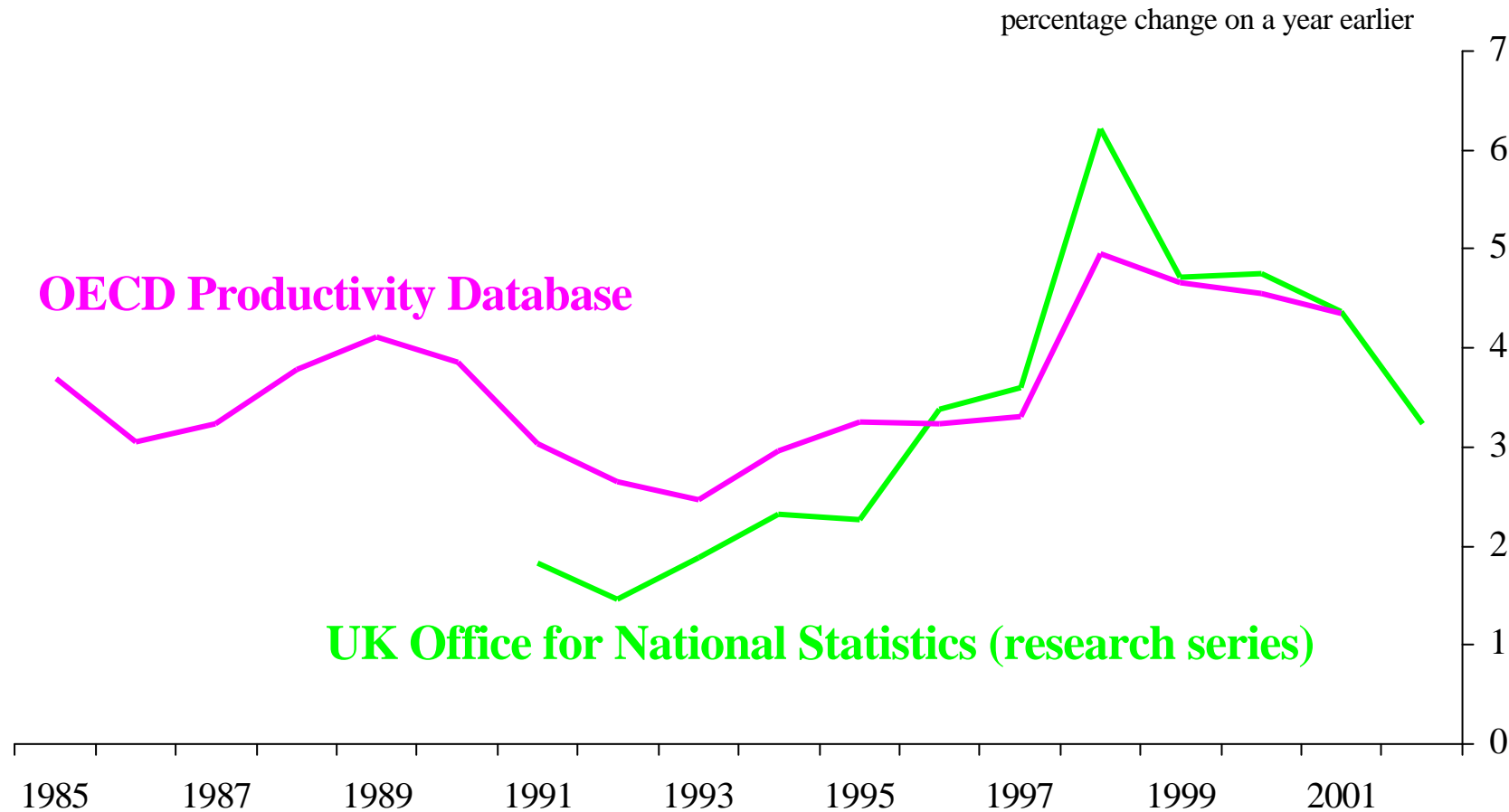
Growth Rate of Capital Services for the UK using **harmonized** ICT deflators



Source: OECD Productivity Database

Oulton and Srinivasan (2003), Bank of England Working Paper 192

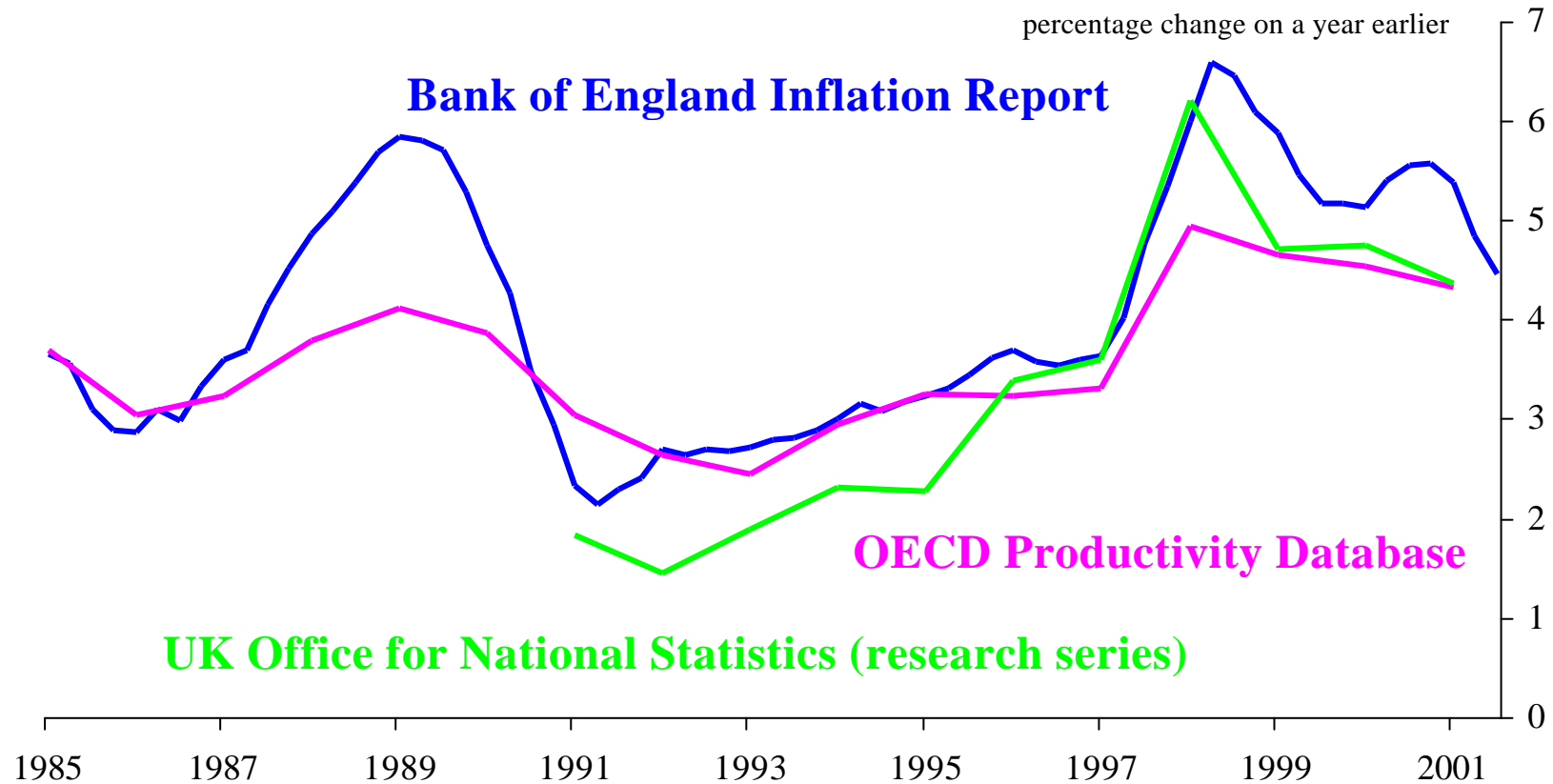
Growth Rate of Capital Services for the UK using **National Accounts** ICT deflators



Source: OECD Productivity Database

Vaze, P (Nov 2003), "Estimates of the Volume of Capital Services", Economic Trends,
Office for National Statistics, UK

Growth Rate of Capital Services for the UK using **National Accounts** ICT deflators

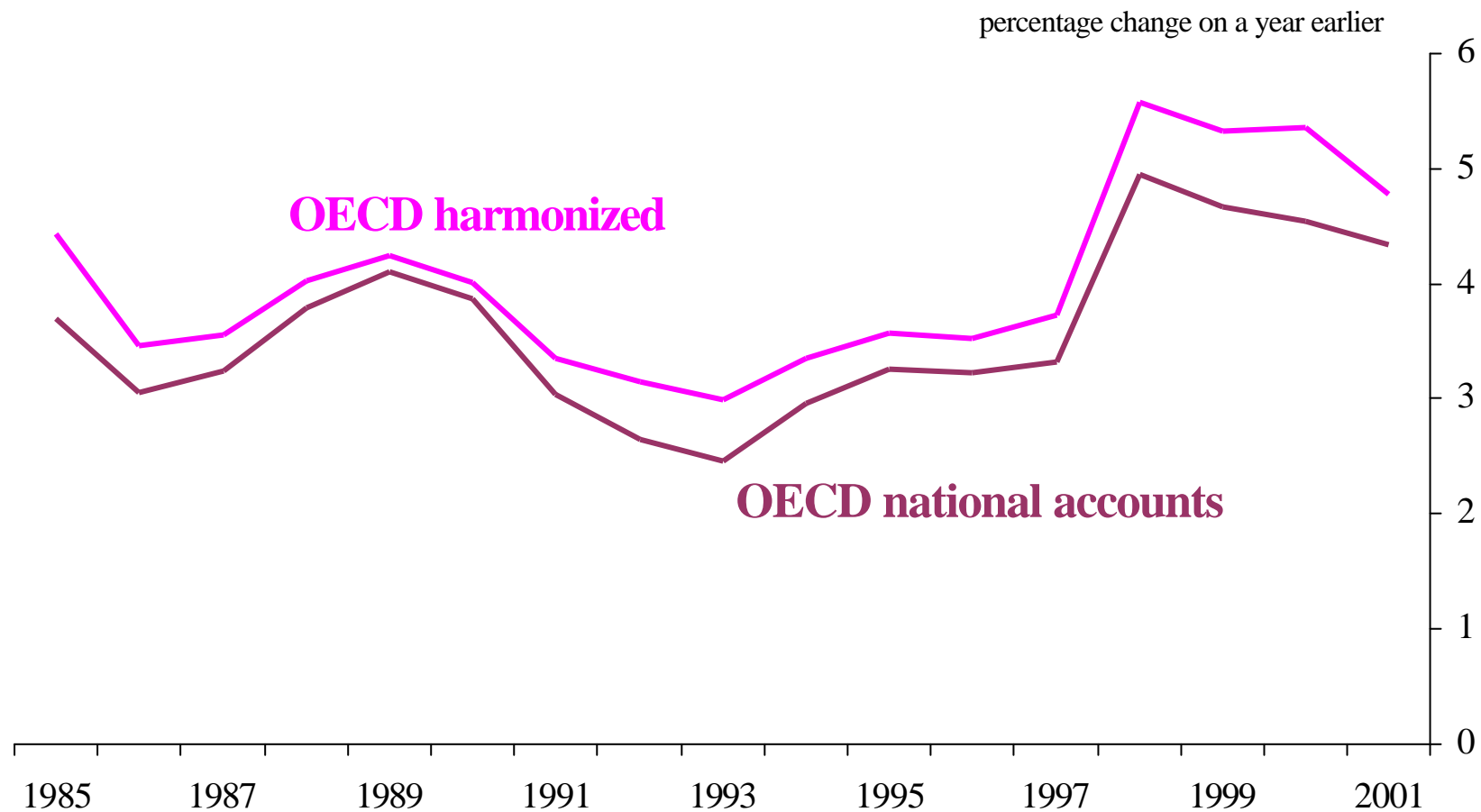


Source: OECD Productivity Database

Vaze, P (Nov 2003), "Estimates of the Volume of Capital Services", Economic Trends,
Office for National Statistics, UK

Bank of England Inflation Report, February 2004

Growth Rate of Capital Services for the UK using OECD dataset



Source: OECD Productivity Database

- The end-user

UK: HM Treasury, Budget Report 2004

(Box 3.1, pg 49, 17 Mar 04)

“New data shown in Chart (a) suggest that since 1997, the UK productivity has grown much faster than its main competitors”