



CPB Netherlands Bureau for Economic  
Policy Analysis



# Seminar on National Productivity Boards

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Riga, Latvia  
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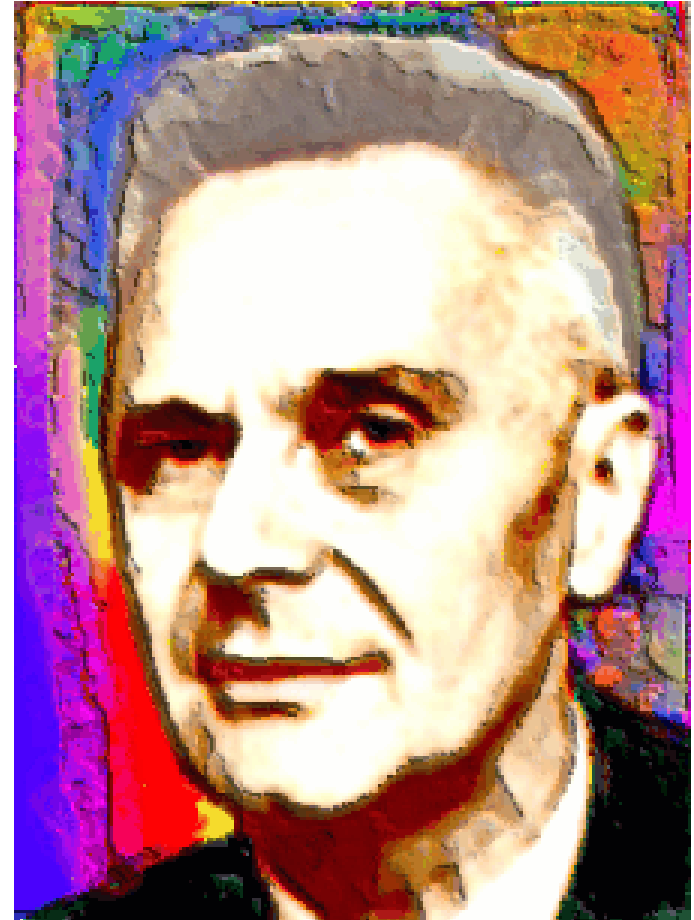


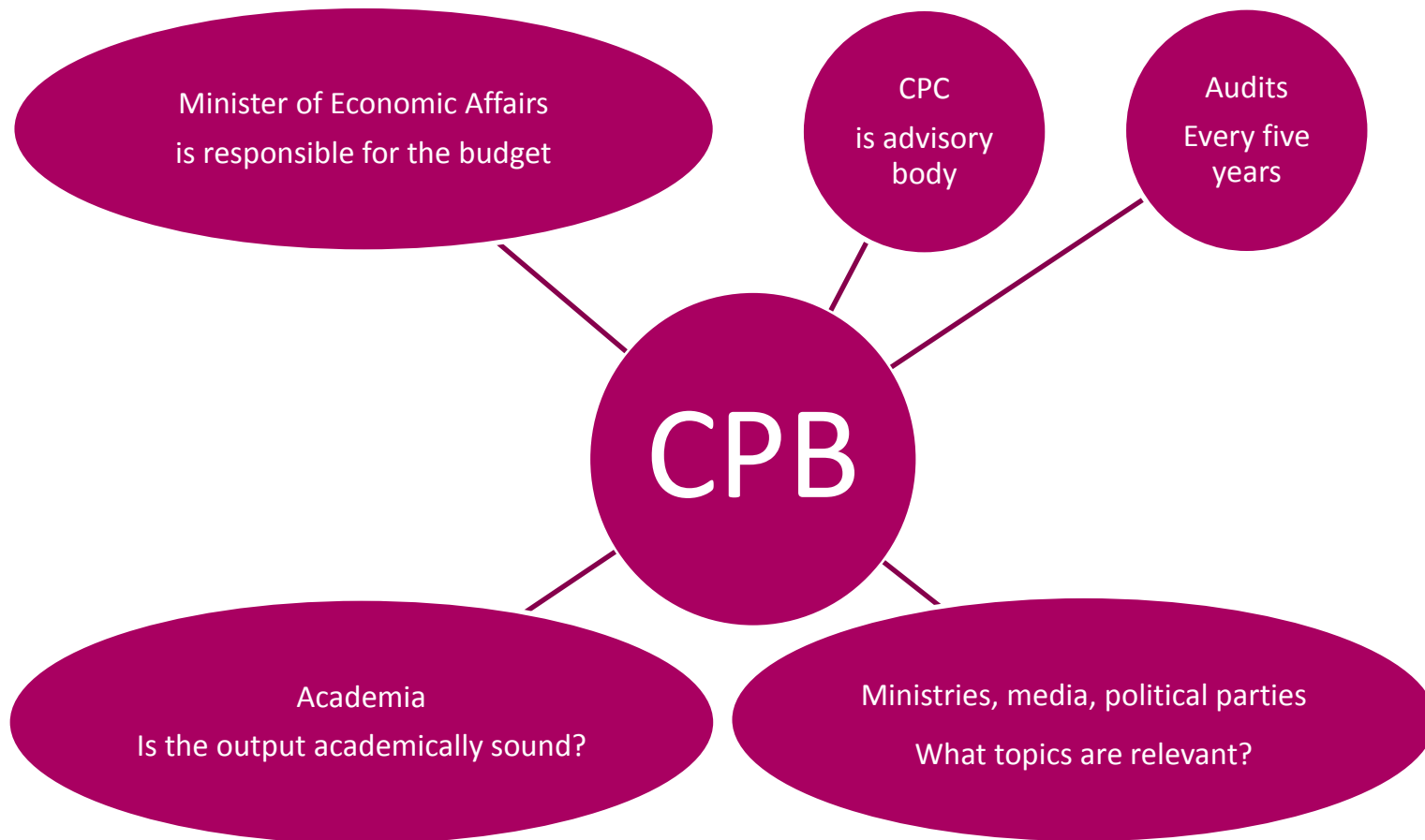
- About CPB
  - Economic forecasting and fiscal watchdog
  - Policy analyses
- productivity growth*



## A 70 year long tradition

- Founded in 1945 by Jan Tinbergen, first Nobel Laureate in economics (1969)
- Legally established as 'Central Planning Bureau'
- However, from the start engaged in policy analysis, not planning.







Laura van Geest

The  
government  
appoints the  
director

The director decides on  
the annual work  
programme, after  
extensive consultations



## The four core values of CPB

CPB's goal for the medium term is to be a widely trusted source of policy relevant economic analysis, despite a polarizing society where authority of any institute is no longer a given.

Still, CPB is — and strives to remain — the leading institute for economic policy analysis in the Netherlands, and a source of inspiration abroad.

The goal is to be an effective provider of input for evidence-based policy making in this changing society, while being **impartial**, **independent**, **policy relevant** and **academically sound**

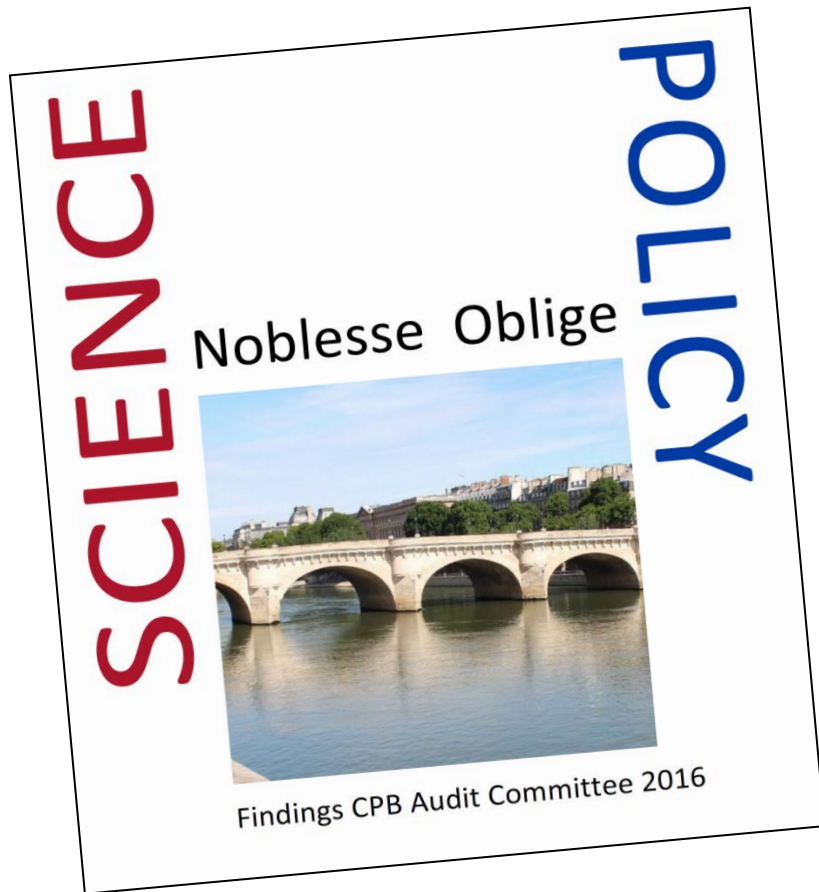


## It's all about reputation and credibility.....

OECD (2010): "The CPB stands out as an institution that has over the decades become fully integrated into the policy-making process while retaining a solid reputation for professionalism

IMF: "The CPB occupies a unique position in fiscal policy making in the Netherlands. (...) In such a situation, its independence and credibility are essential, and the IMF-mission fully supports the continuation of the current institutional set up."

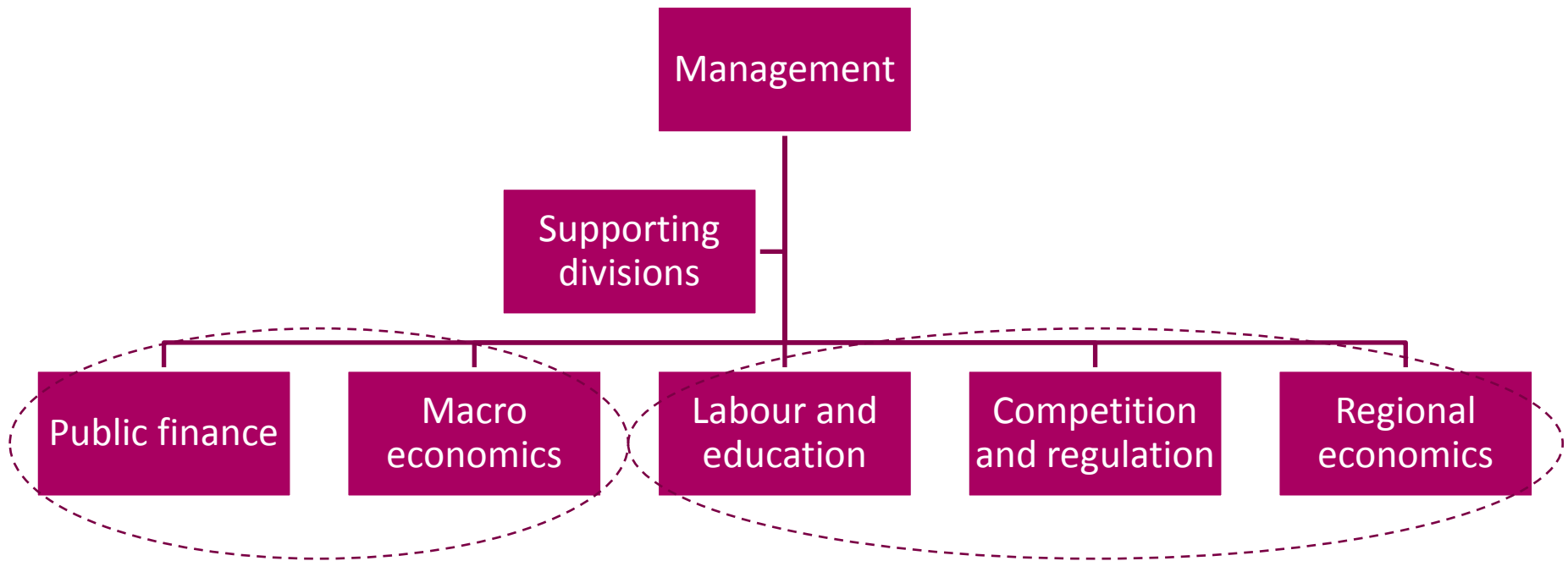
..... which takes time



The Audit Committee's appraisal of CPB:

Applied scientific research:	<i>very good</i>
Societal relevance:	<i>excellent</i>
Long-term viability:	<i>good</i>





Each sector consists of approximately 20 economists, many PhD's.  
Quite large for an institute, creating room for substantial own research



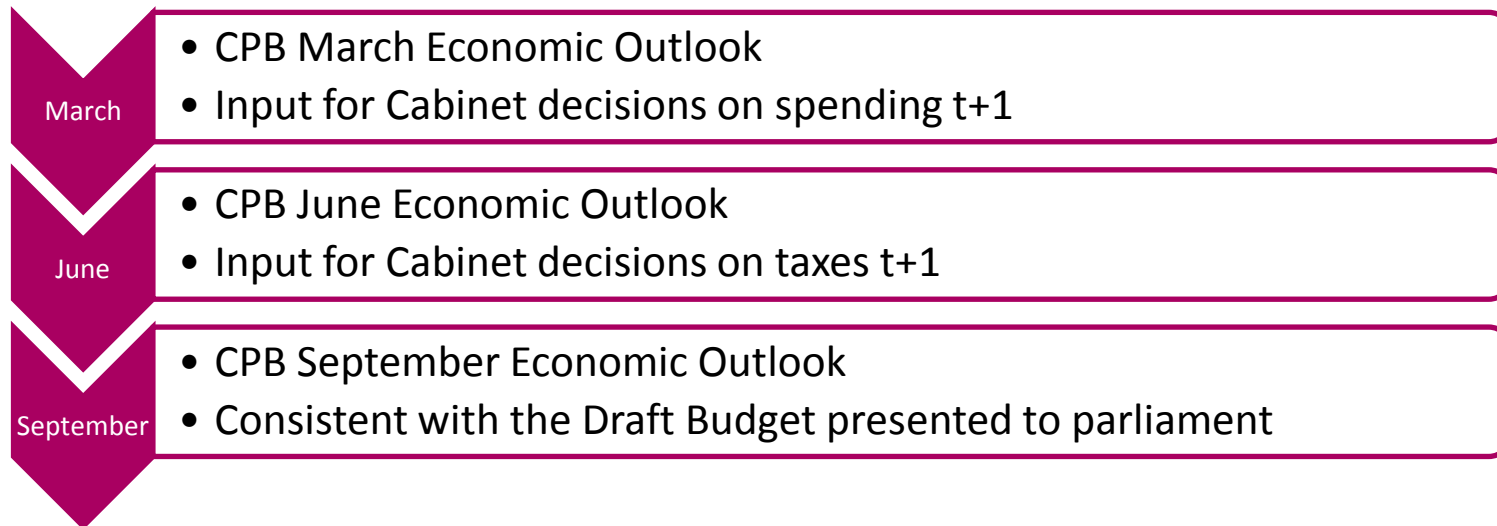
CPB makes macroeconomic forecasts...



...and is fiscal watchdog



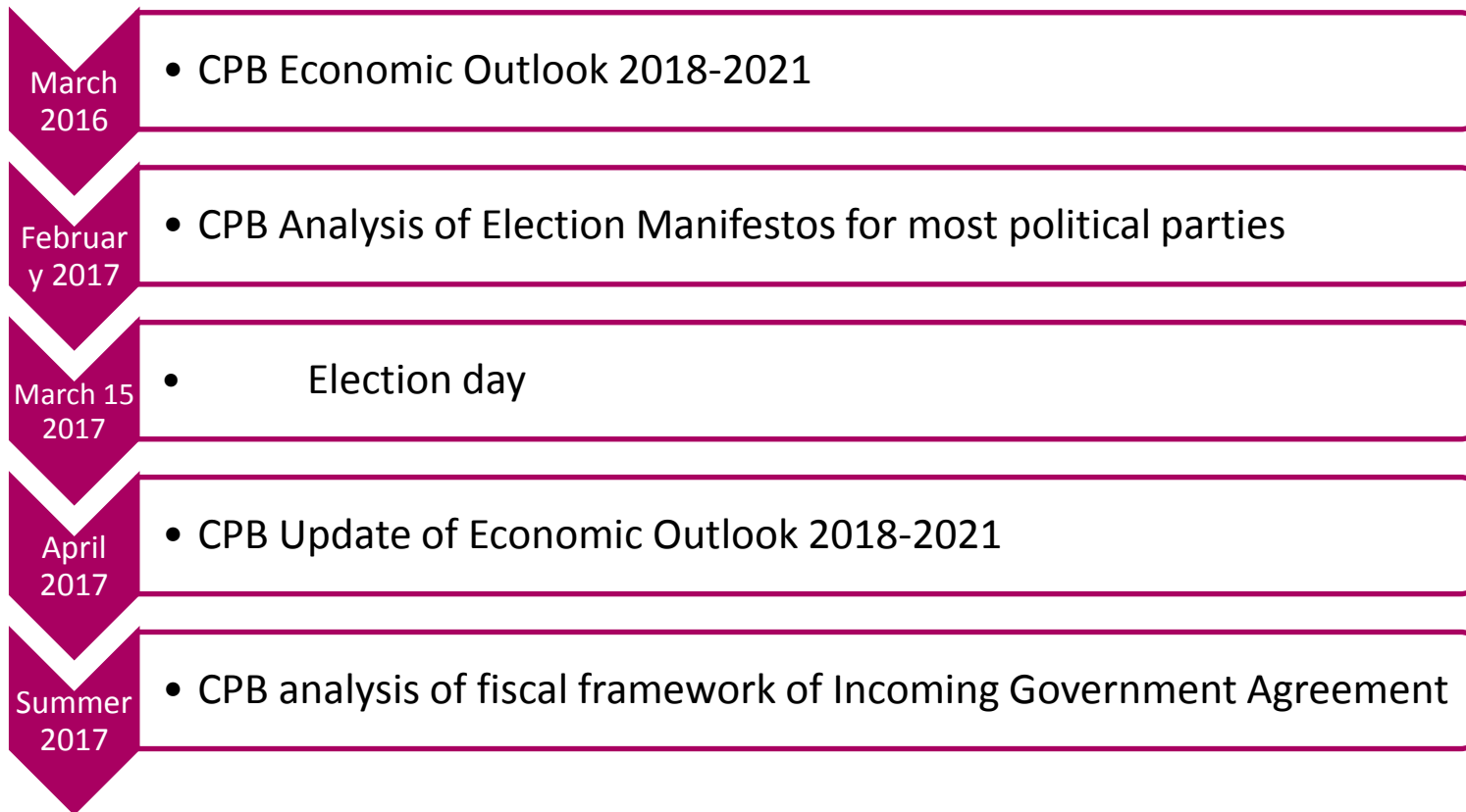
...providing inputs for the annual budget cycle ...



...publishing it's own estimates for the budget...



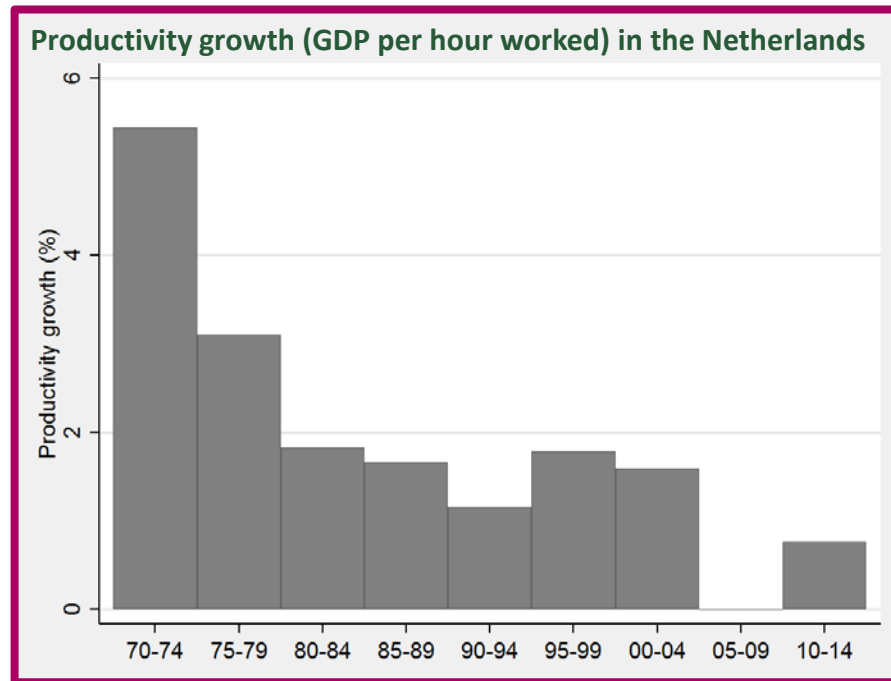
## ... and for the medium-term fiscal policy framework



However: making analyses only, not giving advice.



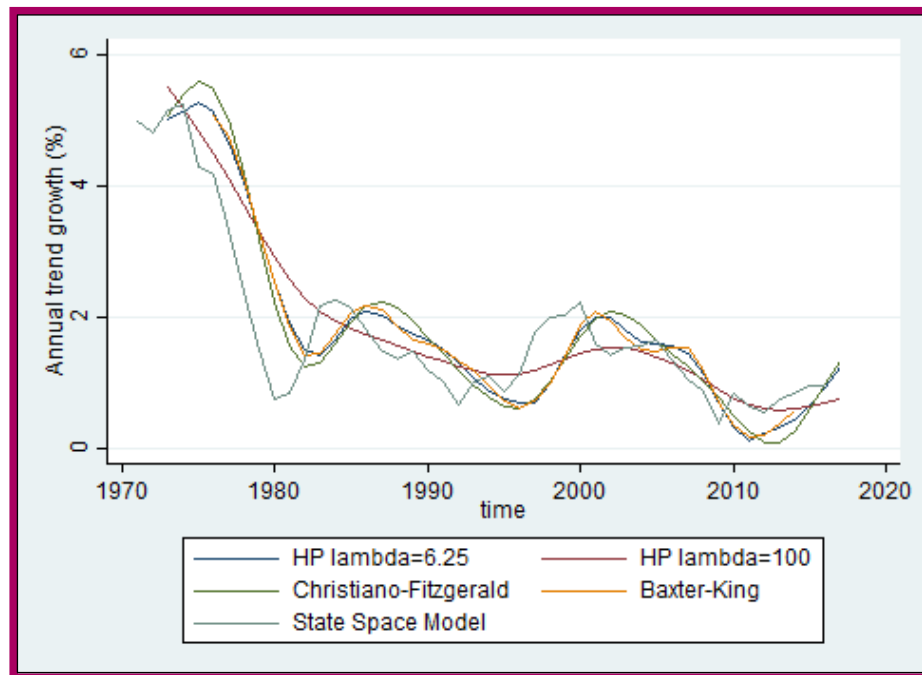
Productivity growth is a core economic variable ...



... and has been sluggish almost everywhere



# Is this is a permanent slowing down or not?





..... whatever the outcome of this debate .....



..... shouldn't productivity growth be a core issue for any economic research institute? But how?



## Recommendation by the European Council

- The (national productivity) boards will **analyse developments and policies** that can affect productivity and competitiveness. They will provide independent analyses and reinforce policy dialogue at the national level.
- This will **help reforms** aimed at achieving sustainable economic growth and convergence.
- Looking forward, economic growth will depend on increasing productivity. This requires well-balanced policies aimed at supporting **innovation, increasing skills, reducing rigidities in labour and product markets** and allowing a **better allocation of resources**.



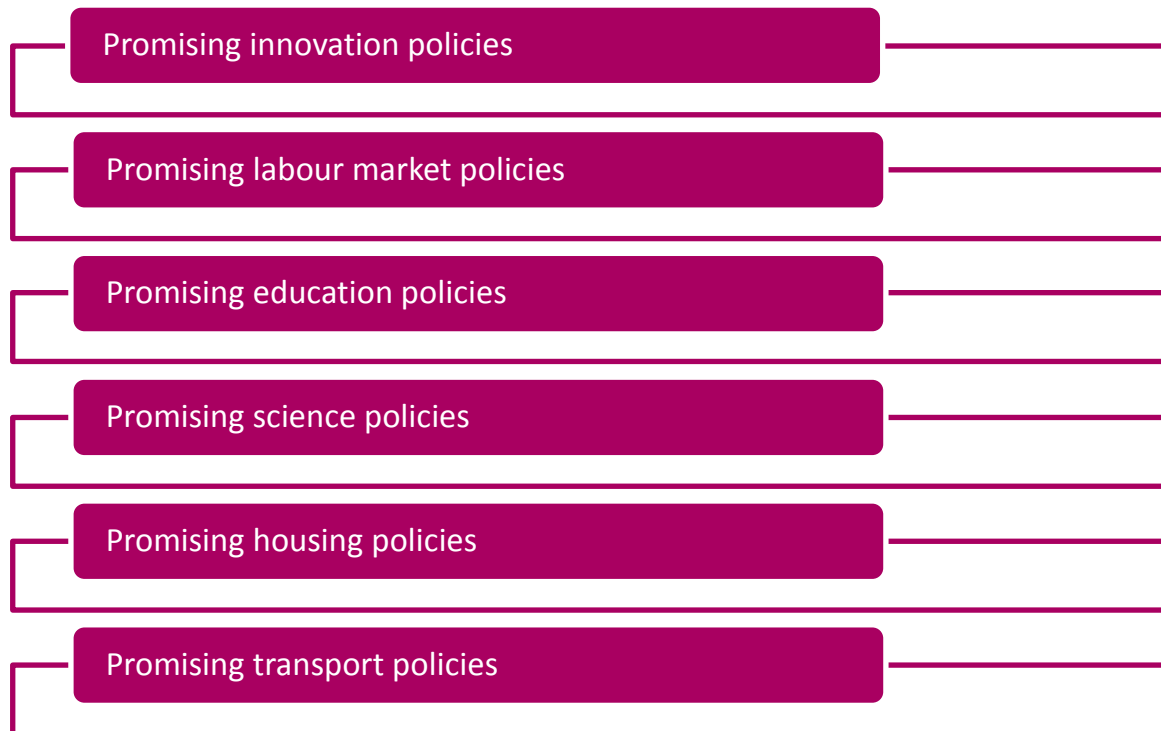


# Analyses of specific policies





## CPB's 'promising' series in 2016:



## Preparing for the elections in March 2017



## E.g. Promising innovation policies

Team of 4 staff members, spending altogether 2 fte

Consulting almost 200 (inter)national publications

Feedback by 20 academicians and civil servants





# Fiscal policies: taxes, subsidies, grants

## 1) Tax break for R&D expenditure

- Fiscal impact: –
- R&D impact: +
- Productivity: +

## 2) SME innovation credit

- Fiscal impact: +
- R&D impact: +
- Productivity: +

## 3) .....

- Fiscal impact:
- R&D impact:
- Productivity:



# Other policies: sectoral, procurement, awards

## 1) Smart specialisation

- R&D impact: ?
- Productivity: –

## 2) Grace period of 1 year for patenting after scientific publication

- R&D impact: +
- Productivity: +

## 3) .....

- R&D impact:
- Productivity:



## Wrapping up

CPB is candidate to serve as the Dutch Productivity Board

### Our four core values

Independent	also from the Ministry of Economic Affairs
Impartial	-serving the government <i>and</i> the opposition
Policy relevant	through extensive consultations
Academic standard	by publishing in scientific journals

### Experience shows

Building up reputation takes time  
Own academic research adds to reputation  
Restraint by providing analyses, not advice



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Thanks for your  
kind attention