



Centraal Planbureau

Visit Oman delegation

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Deputy director



History

- Founded in September 1945 by Jan Tinbergen
 - › First Nobel Laureate in economics (1969)

- Legally established on 21 April 1947
 - 'Publish regularly a Central Economic Plan (CEP)'
relevant for economic, social and financial
policymaking'*



- Confusing: CPB has never been engaged in central planning!

- Independent analyses for economic policy

**=> CPB Netherlands Bureau for Economic Policy
Analysis**



Position

- CPB is unique in the world
 - CBO in US
 - › CPB is more grounded in economic theory
 - IFS in UK
 - › CPB is less scientific and better embedded in policy making
 - German institutes
 - › CPB has monopoly in forecasting
 - › CPB has more advanced scientific methods and output
- Recent initiatives in the aftermath of the economic crisis
 - UK Office for Budgetary Responsibility (OBR)
 - EU president van Rompuy: 'all EU countries should have a CPB'



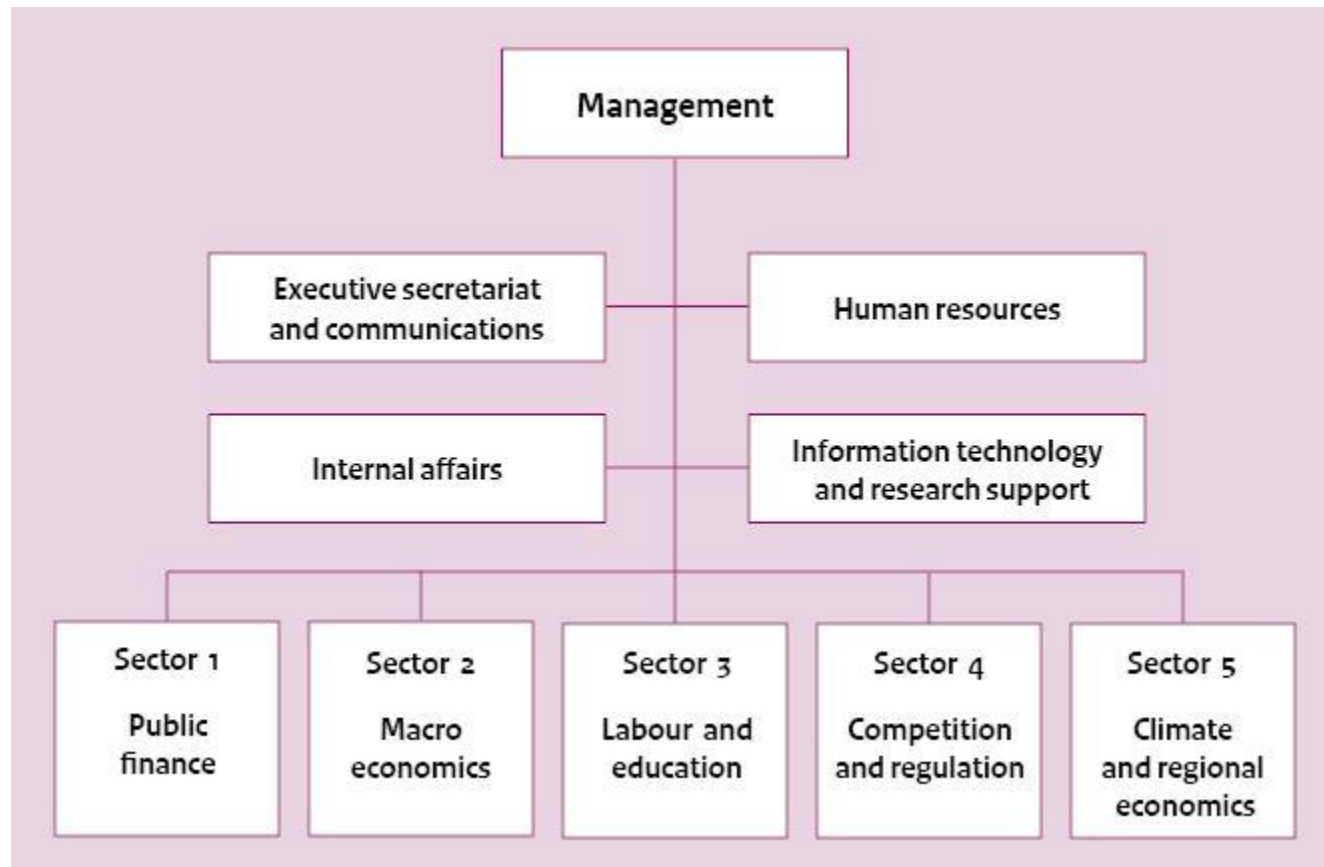
Organisation (1)

- Agency of Ministry of Economic Affairs, Agriculture and Innovation
 - Budget and personnel policy
 - Outside requests need Minister's fiat
 - **Yet: independent research, in the interest of government & parliament**
- Access to confidential information
 - Budgets
 - Policy initiatives
- Funding
 - Bulk is funded by Ministry of Economic Affairs
 - 10-20 percent project finance by ministries, EU and others
 - No paid assignments from third or commercial parties





Organisation (2)





Organisation (3)

- People
 - 120 full-time positions (135 persons)
 - 70 percent academic economists, large share with PhDs
 - budget approximately 11 million Euro per year
 - Director appointed by council of ministers for 7 years
- Central Planning Committee (CPC)
 - Installed by law as an advisory body
 - Independent members: scientists, business men, trade unionists
- Evaluation every five years
 - *Scientific*: international (led by Hellwig [2010], Zimmermann [2005])
 - *Policy relevance*: national (led by Borstlap [2007], Bakker [2002])



Stakeholders (1)

- Government and ministries
 - Tradition of coalition governments: multi-party system
 - Policy analysis for almost all ministries
 - > Member of councils of advice on e.g. social-economic issues, environment, infrastructure, innovation, education and health
 - > CPB Director is member of the Social Economic Council
- Parliament and political parties
 - Both parties in government and opposition
 - Answering economic policy questions
 - Economic analysis of election platforms



Stakeholders (2)

- Scientific community
 - Scientific tools and models are used for policy analysis
 - Reputation depends partly on academic quality of output
 - Recruitment
- General public
 - Media
 - Tax payers
- Independence also means ...
 - Responsive to needs
 - Pro-active in formulating future needs



Forecasts and scenarios

- Short term forecasting
 - Quarterly publication of short-term macroeconomic forecast
 - › Macroeconomic Outlook ('budget day'), two-way:
 - CPB's economic forecast includes budget,
 - budget includes CPB's economic forecast
 - World Trade Monitor
- Medium term election forecast (MLT)
- Long-run scenario studies
 - *Four Futures of Europe*
 - *The Netherlands of 2040*



Research areas

- Institutional analysis of specific sectors
 - Intergenerational risk sharing in pension funds
 - Tax subsidies for formal and informal childcare
- Ex ante cost-benefit analysis
 - Improvement of major dikes, Afsluitdijk; 32 km
 - Large housing project including infrastructure in Almere
- Ex post evaluations
 - A new organisation of social assistance
 - Effectiveness of education policies
- Background studies
 - Meta-analysis of the labour-supply elasticity





CPB analysis of election platforms

- Consultation on concrete policy proposals
 - Consistency and plausibility check
- Analysis of impact on
 - Public finances, medium and long term
 - Macro economy, purchasing power
 - Topics: education and innovation, environment
- Published before elections
 - Informs public debate
 - Base for coalition negotiations after election
- Voluntary, no legal obligation!



Reputation

- Generally accepted as an independent authority
 - Policy analysis not only for government but also for opposition parties
 - Broad portfolio of activities in many branches
- Policy analyses free of charge
 - Confidential: report directly to customer (e.g., political party)
 - Publication after reference in public by customer
- Focus on quality
 - Scientific methods and tools
 - Recruitment of the best graduates (also internationally)
 - Academic and policy evaluation every five years