BUSINESS STATISTICS: MEETING USER DEMAND FOR MORE GRANULAR INSIGHTS

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BETTER POLICIES FOR BETTER LIVES

Growing demand for more granular business statistics

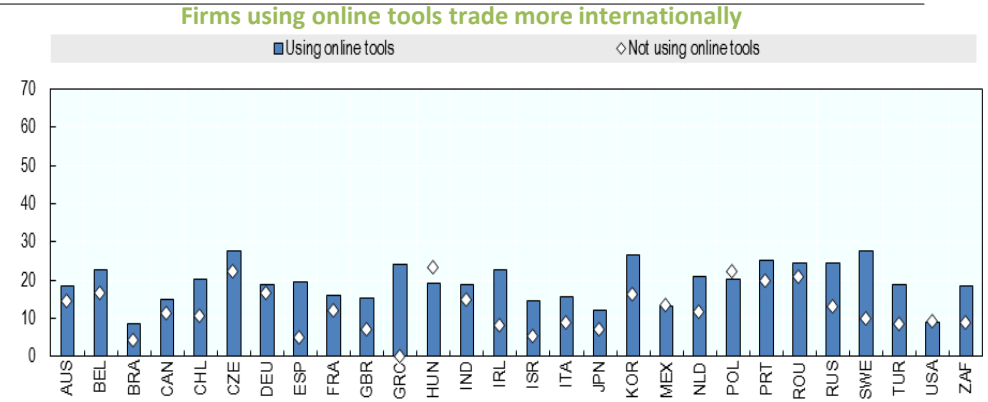
Leading to:

- Growing requests for **microdata access**:
  - *On site*; *Remote-access*; *Remote-execution*; *Coordinated networks* (e.g. DynEmp, MultiProd at the OECD)
- Use of **private sources** (e.g. ORBIS)
- Development of **national linked datasets** (e.g. BLADE in Australia)

Reflecting growing heterogeneity in firm characteristics and performance

Different firm characteristics and performance (across countries, and likely within industries):

- R&D intensivity
- ICT intensivity
- Use of digital tools
- Trading status
- Ownership
- High-growth status
- …



But with few exceptions there has been little recent innovation in standard SBS

- Trade by Enterprise Characteristics
- Business Demography Statistics

Responses to growing demand have instead focused on microdata access

Often in conjunction with the development of linked datasets (across sources and/or time)

Is this an optimal approach?

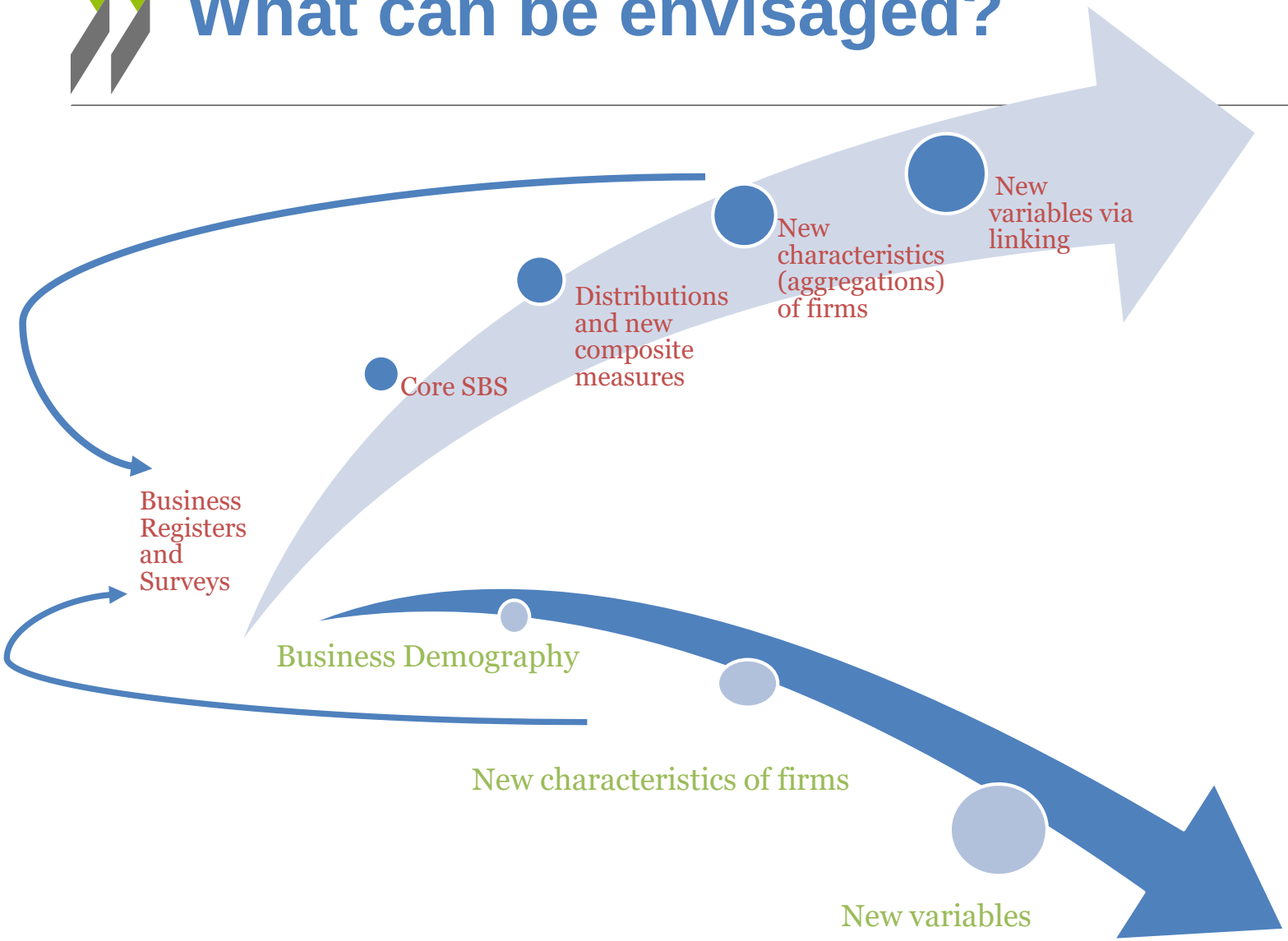
Can we capitalise on these innovations?

Many microdata requests (often from multiple users) can be standardised.

Potential win-wins for users and NSOs:

- Reductions in: user requests, NSO validation burdens, and use of private data sources.
- Improved quality – comparability and coherence.

What can be envisaged?

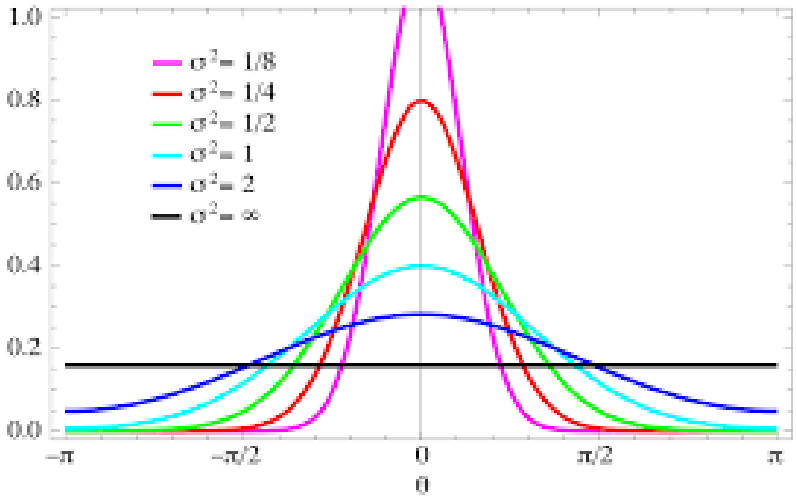


Information on Distributions

Classic SBS provide a view of the **mean**

But increasingly recognised *(breakdown in diffusion / market concentration / frontier-laggards, etc.)* that **this isn't enough**

The same mean but with different messages



Whether Census or Survey based, it is possible to provide non-disclosive descriptive statistics:

- **Median, coefficient of variation, skewness etc.**

And potentially:

- **breakdowns by distribution groups – quartiles, deciles, top 10% bottom 10% etc.**

Even if only at higher levels of industry aggregation, e.g. 3 digits rather than 4.

New composite measures

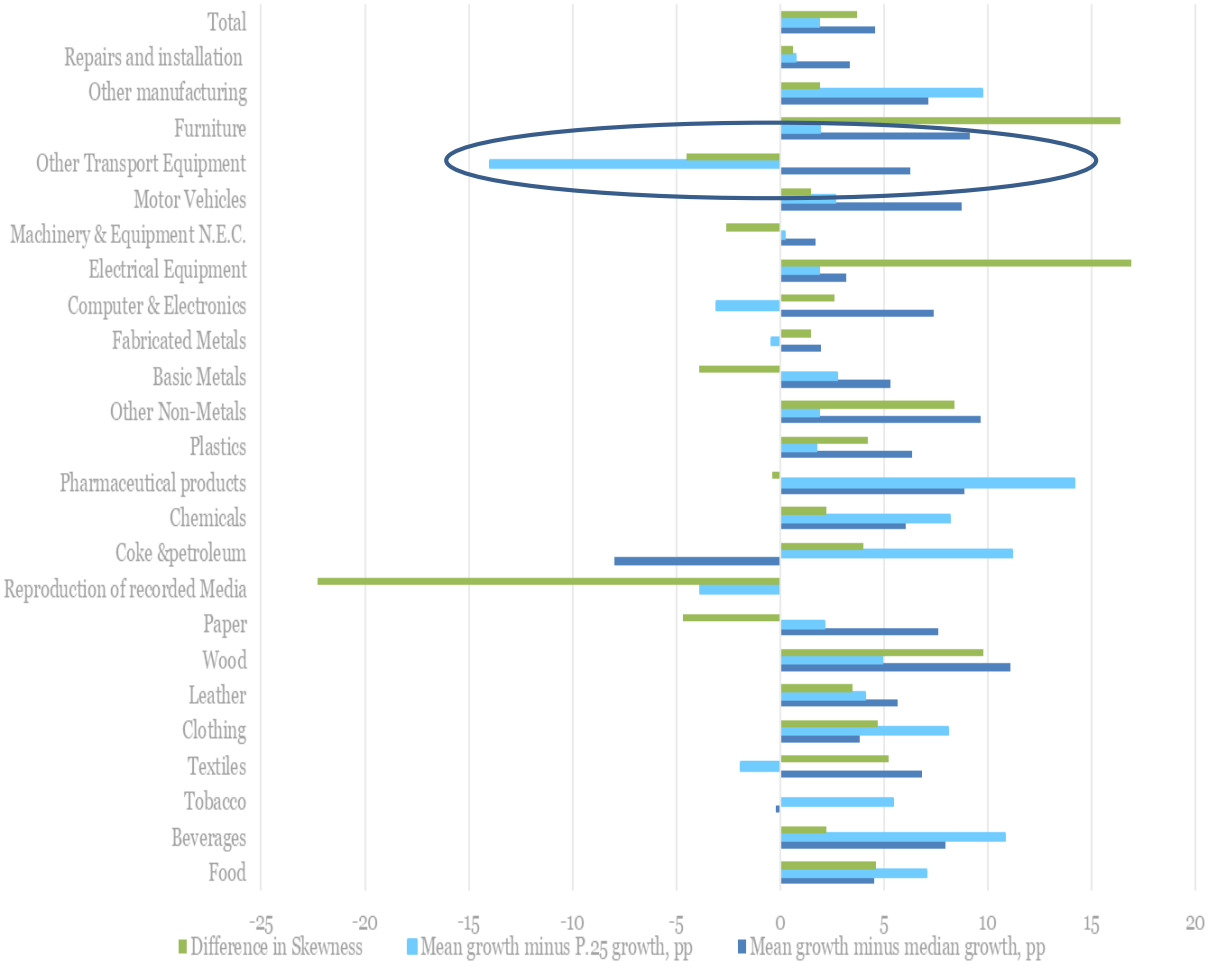
Some **composite measures** are important for economic analysis. They also allow to produce distributions while limiting risks of breaching statistical confidentiality.

Examples:

- **Labour productivity**
- **Value-added/capital/GOS to output ratios**
- **Labour/profit shares**
- **Herfindahl-Hirschman (concentration) indices**

Is it feasible/useful?

Differences in Labour Productivity Growth and Skewness in Levels (Italy, 2012-2016)



- Total economy: mean productivity growth > growth at the median of the productivity distribution.
- Overall broadening of the productivity distribution (in line with the productivity divergence story across firms).
- But this conclusion does not hold for all industries.

Source: OECD/ISTAT collaboration

Introducing new firm level characteristics in registers

Currently available:

- **Ownership structure**
- **Age**

And *potentially* (including through linking):

- Trading status
- Business model (e.g. factoryless goods producer, digital platform)

-> Could assist efforts in the compilation of Extended SUTs and Digital SUTs.

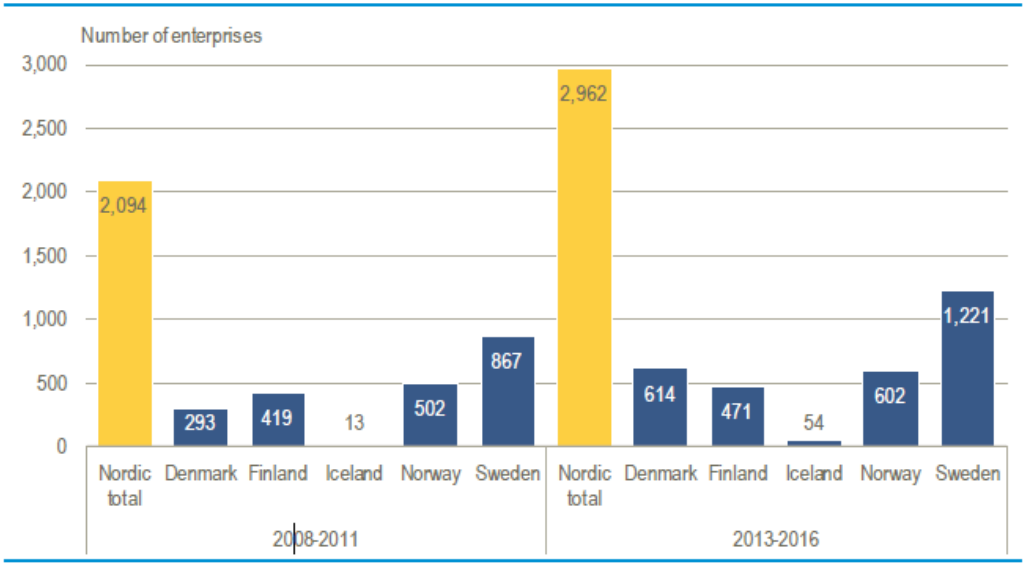
- Intensities: capital, R&D, etc.

New variables in BD statistics

Mainstreaming commonly requested indicators

- **Average turnover/employment growth** between t and t-x for distinct cohorts of firms (entries, expanding, etc.).
- **Distributions of turnover/employment growth** between t and t-x.
- **Number of jobs created/destroyed** between t and t-x for distinct cohorts (entries, existing , etc.)
- **High-growth enterprises (scale-ups) by age**

Scale-ups in the Nordics – Statistical Portrait 2008-2016 (2019).



Linking

Over time

(easier for Census based SBS)

To develop:

- longitudinal core SBS data (e.g. output, employment)
- Distributions of growth

Across datasets

- Tax data
- E-commerce surveys (digital ordering)
- Employment

Way forward

- Not everything is feasible!
- Some tasks are easier than others (depends on country).
- Ongoing collaboration with ISTAT on a range of indicators to illustrate feasibility/utility.
- We would like to expand the range of countries and experiences.
- Voluntary **questionnaire** to be sent to countries in the coming months, with the idea of organising a **dedicated workshop in 2020**.

Thank you