

Complementary Policy for ICT

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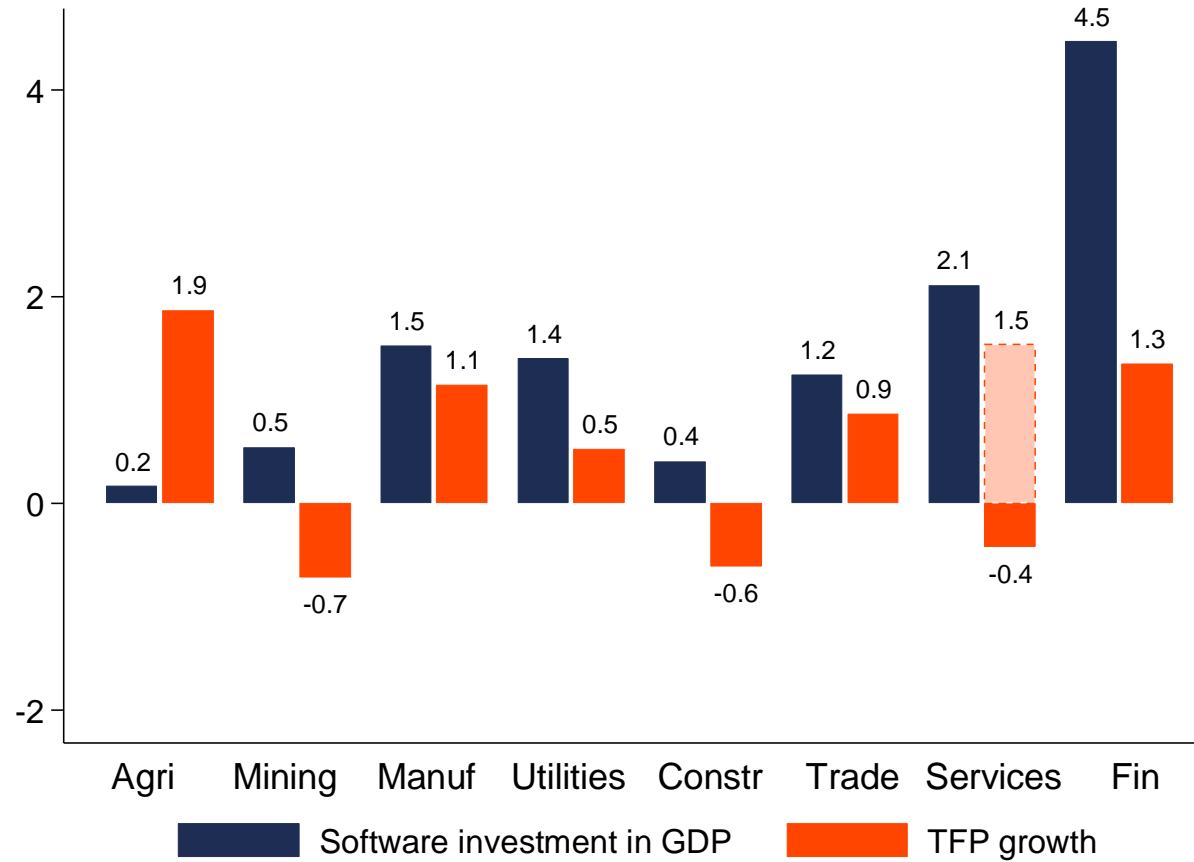
Study, two parts

- ICT / software for wider “downstream” economy*
 - Productivity
- ICT sector’s competitiveness itself
 - Value-added (traded)

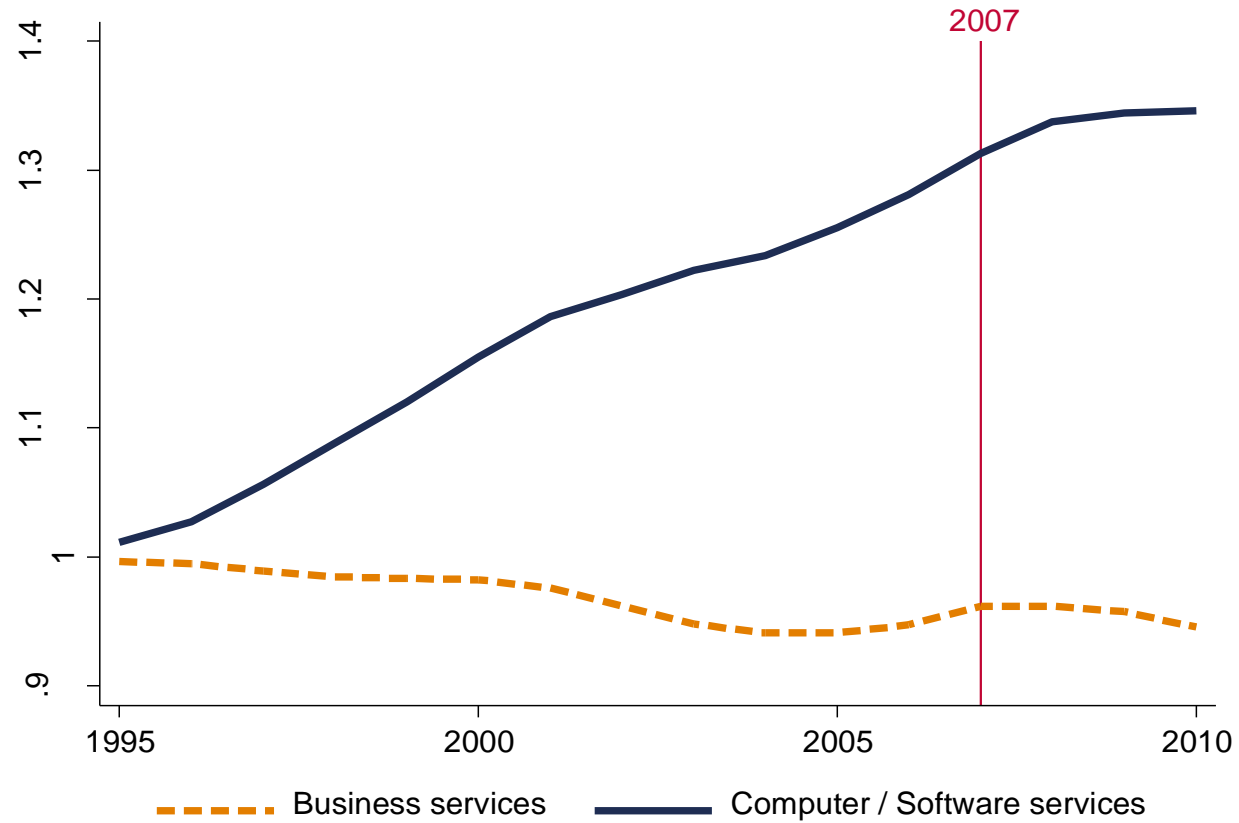
Productivity growth

- Productivity (TFP) lagging in EU
 - Particularly in Business services (Corrado and Jager, 2014; etc...)
- ICT is one of the factors that may play a role (van Ark *et al.*, 2009)
 - Intangible capital of ICT is *software* (intan-invest)
- Is there a link between ICT/software and productivity?

Productivity growth across EU



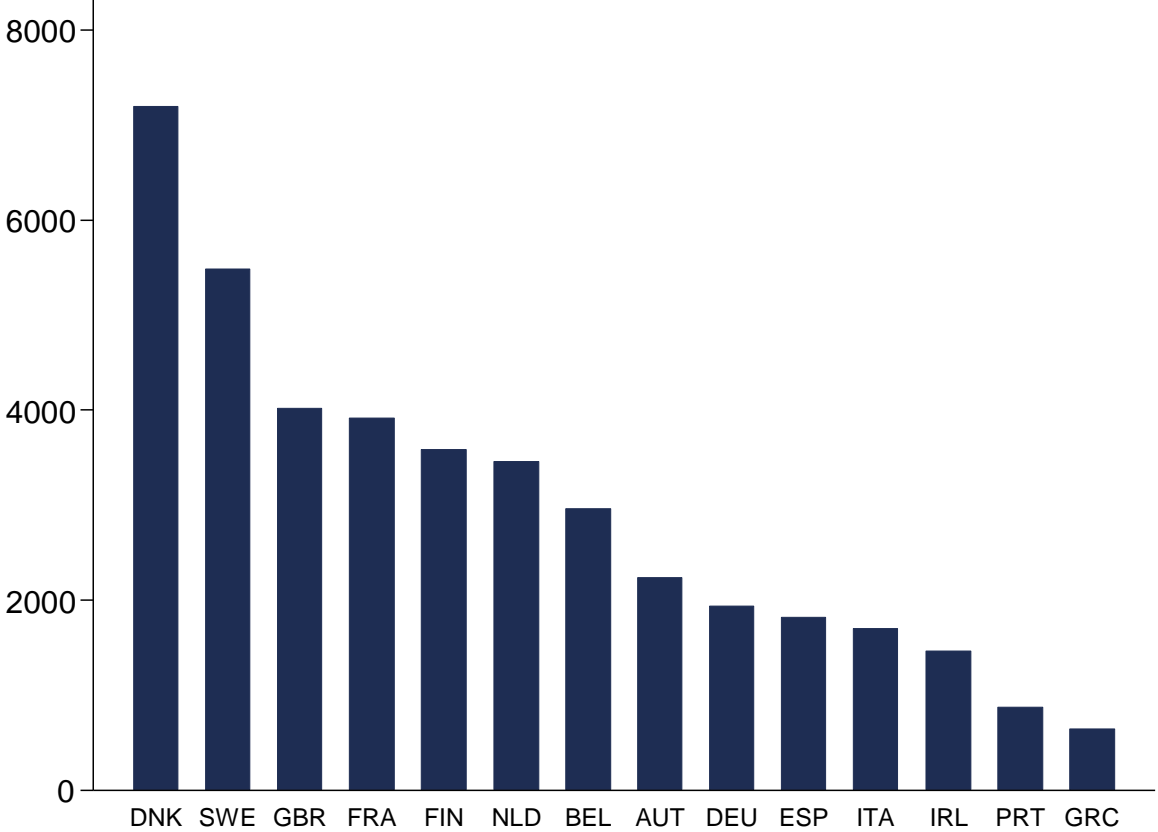
Productivity in EU Business services



Productivity growth & software

- Does ICT / software play any role?
 - Economists think yes, but how?
 - Van Ark (2014): “Third generation” of ICT diffusion
- Software stocks vary a lot between EU countries

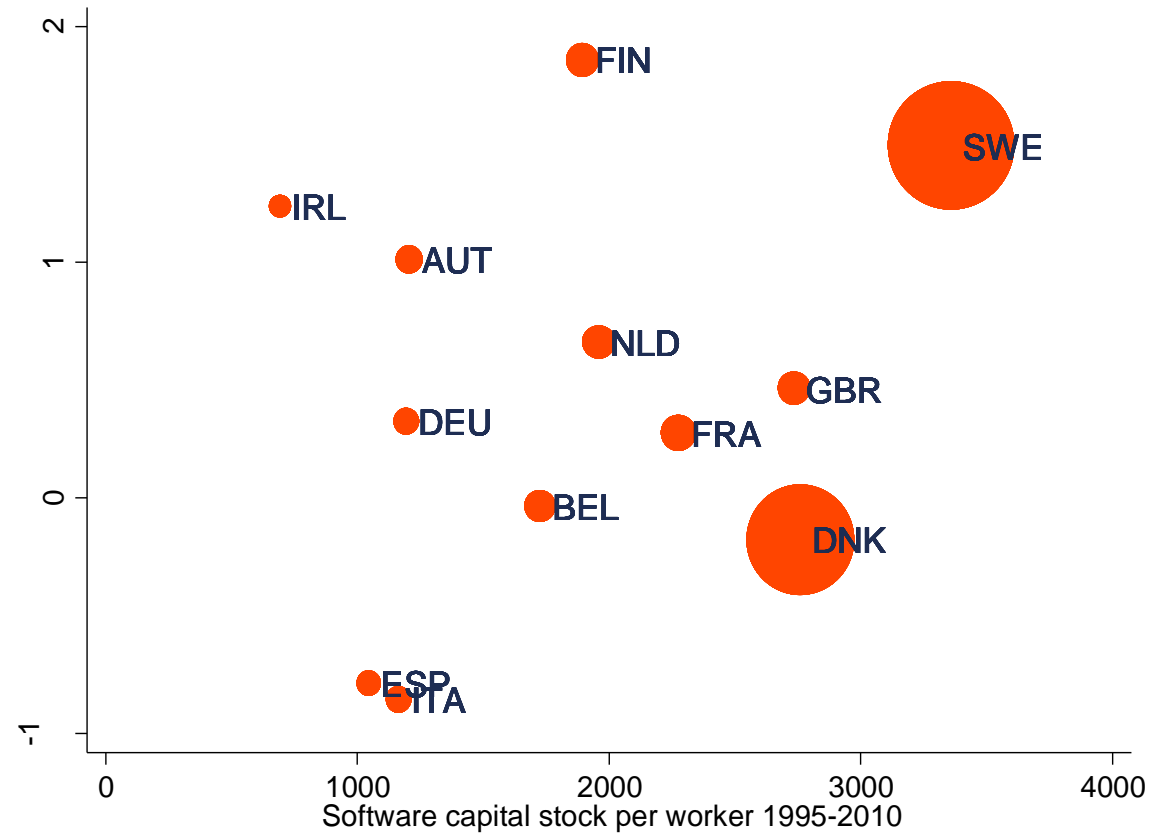
Software stock per EU country



Complementary policies

- However, software unlikely to sole factor to explain TFP
- Why is one country better able to capitalize on software?
- Have to look at other policies, so effects of software are “unleashed”
 - Bertelsman *et al.* (2010, 2008); OECD (2013)

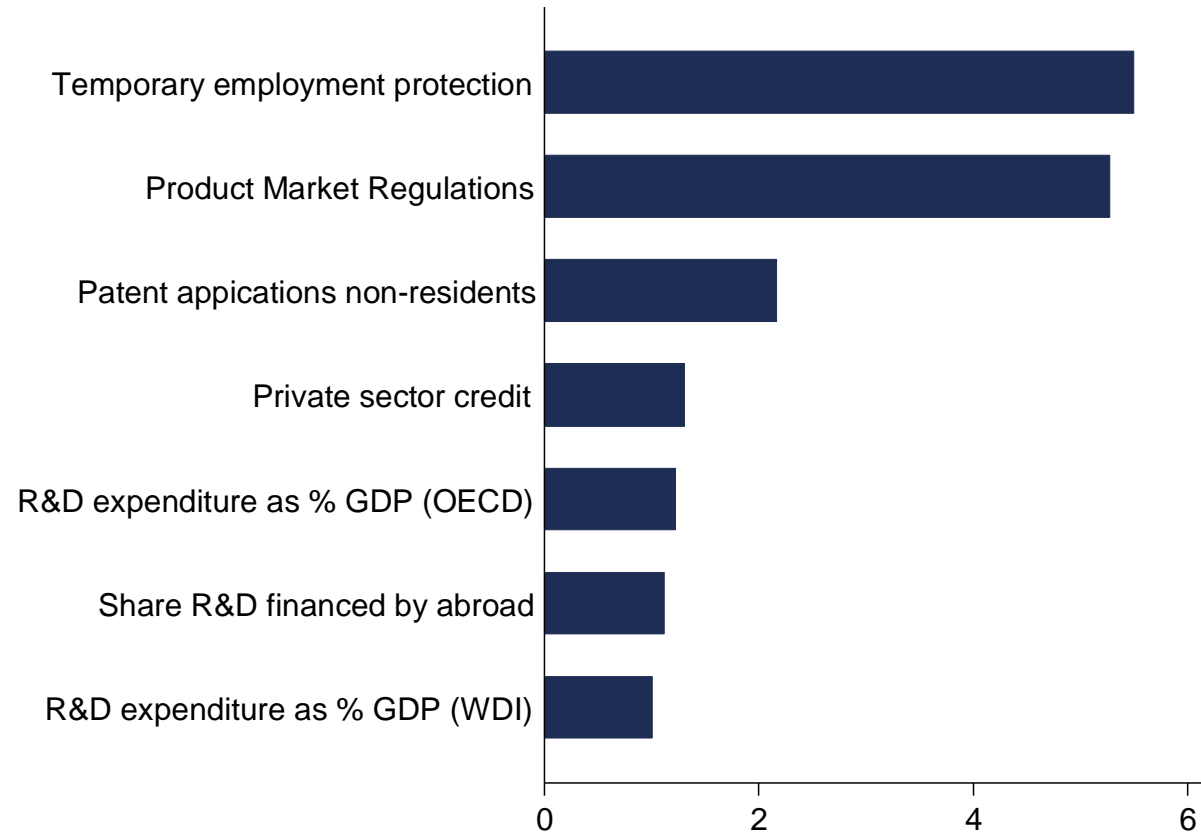
No clear pattern between TFP and Software



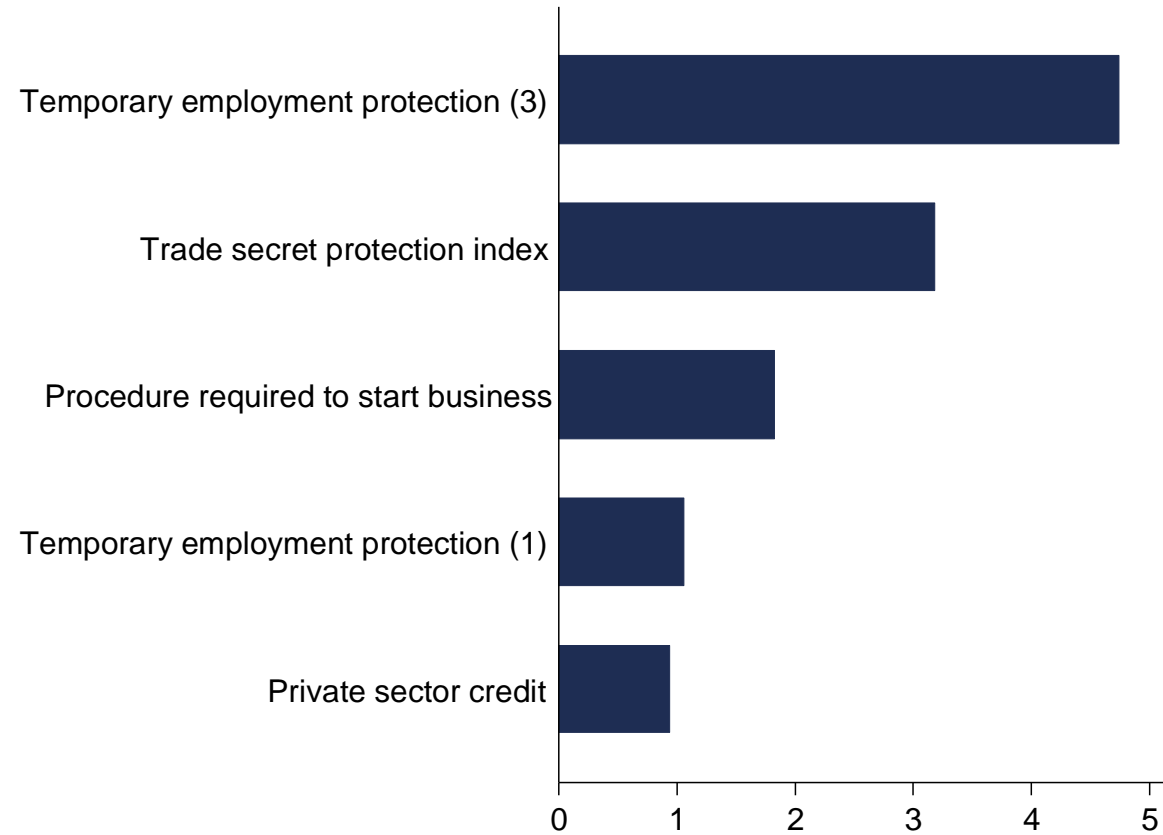
Complementary role

- Study looks at these complementary policies
- Distinguishes between levels and growth rates of productivity
 - Productivity in the “wider” downstream economy

Complementary policies: TFP level



Complementary policies: TFP growth



Conclusion

- Software in combination with other policies
 - ICT / software unleashed to be productive
 - Software as an enabler of the economy for growth
- Could enhance productivity particularly in services?
- Policy: DSM and services de-regulation