

# Complementary Policy for ICT

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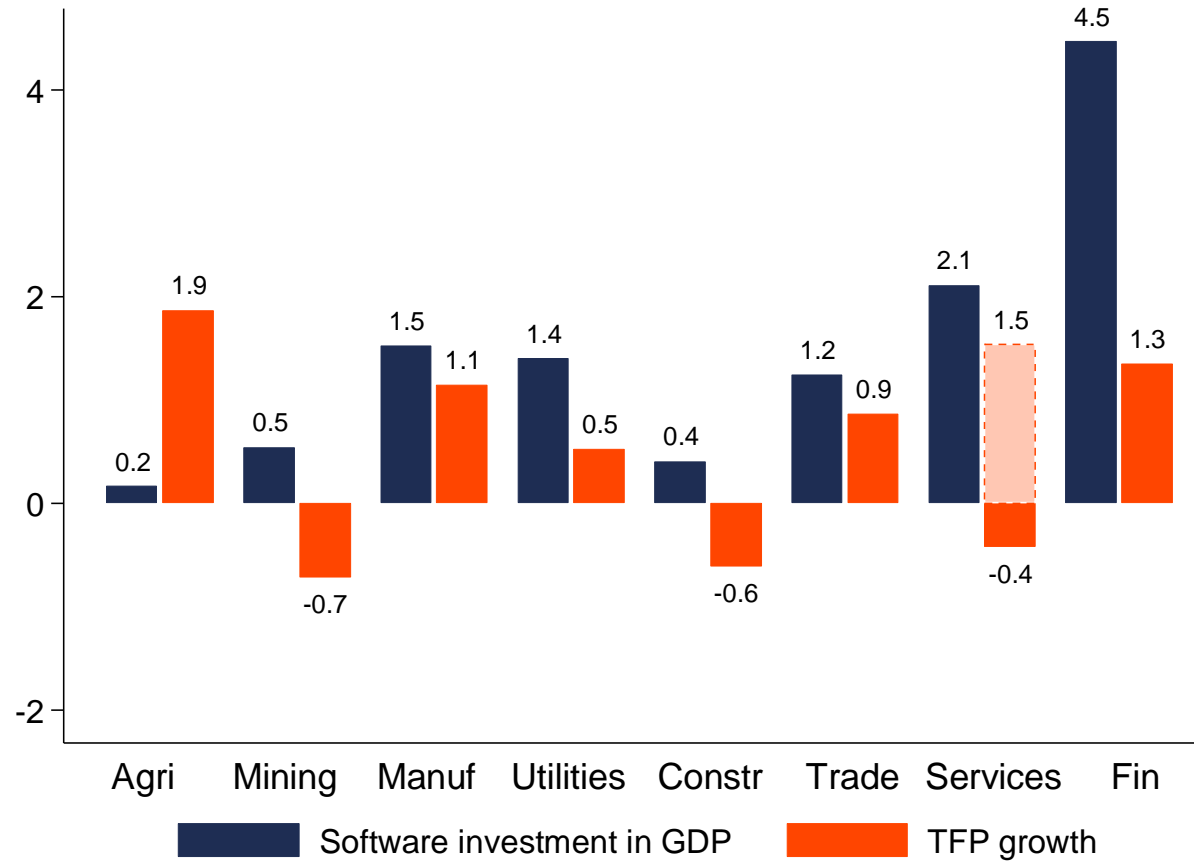
# Study, two parts

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

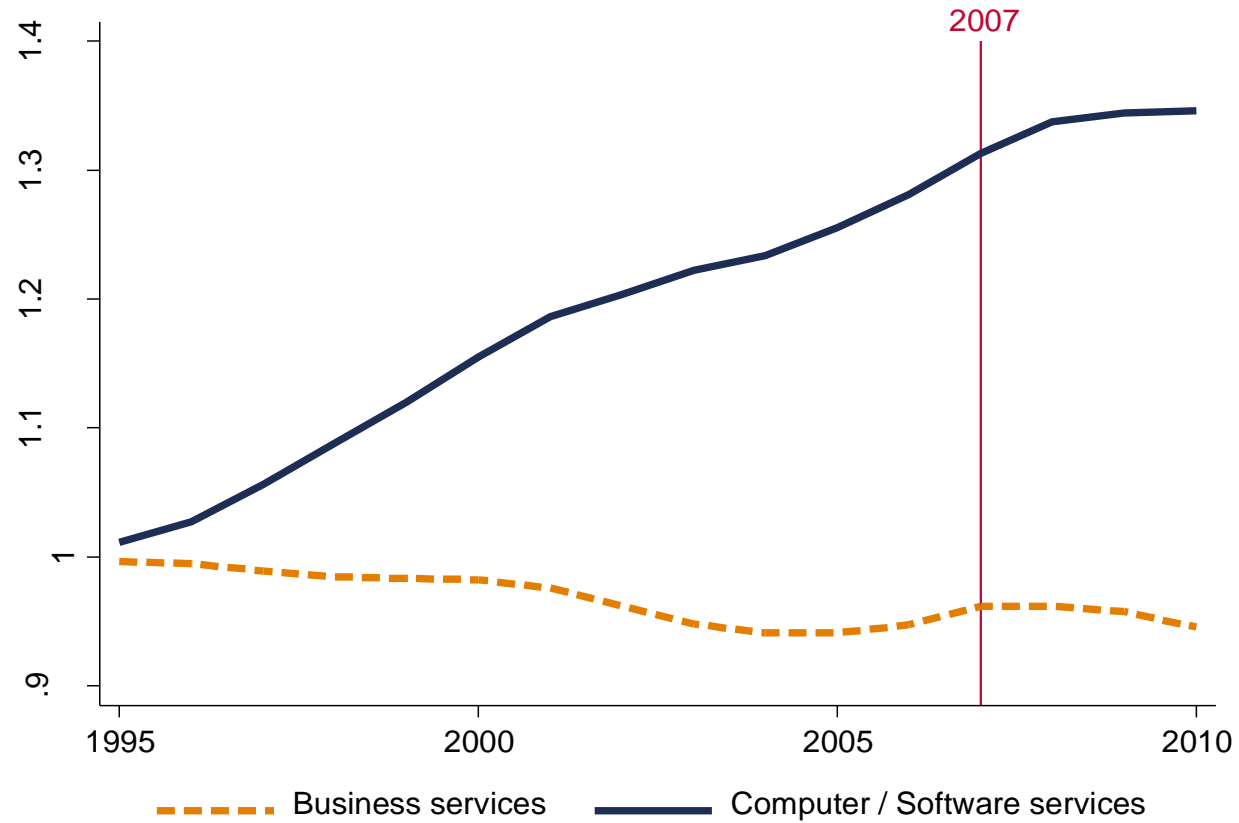
# Productivity growth

- 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



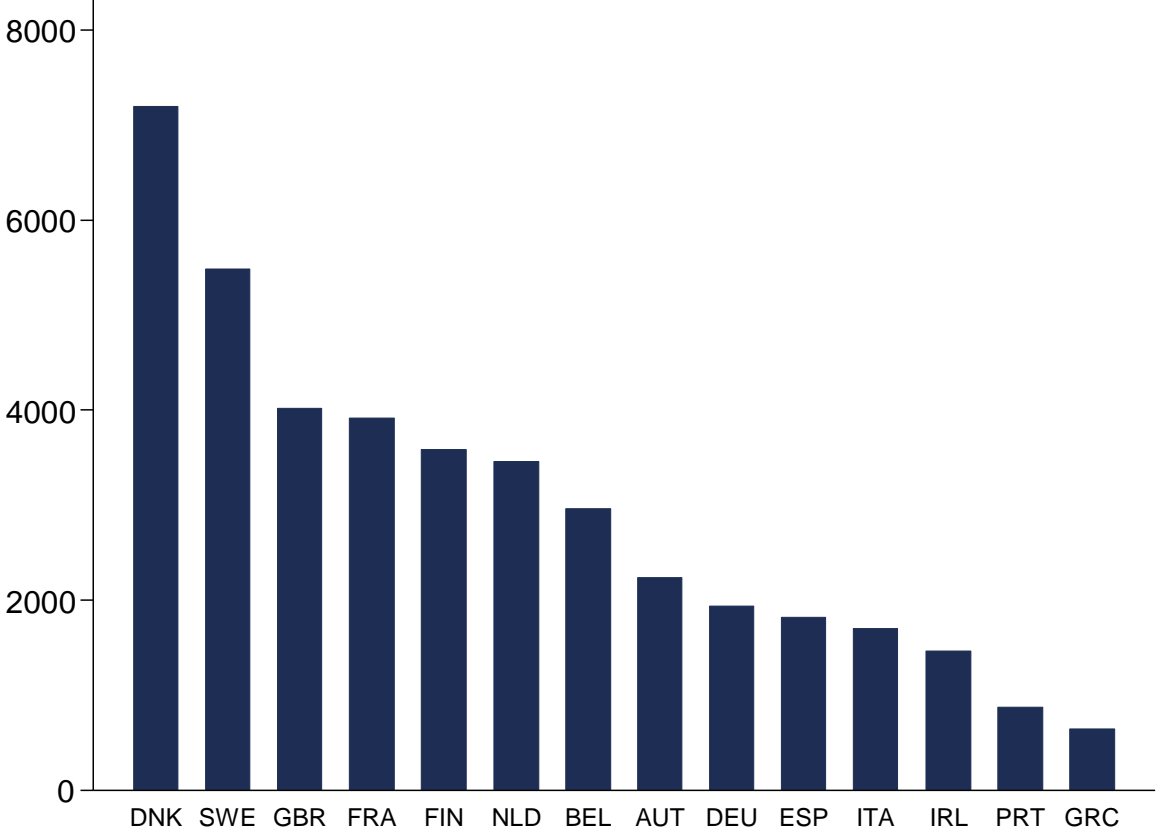
# Productivity in EU Business services



# 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

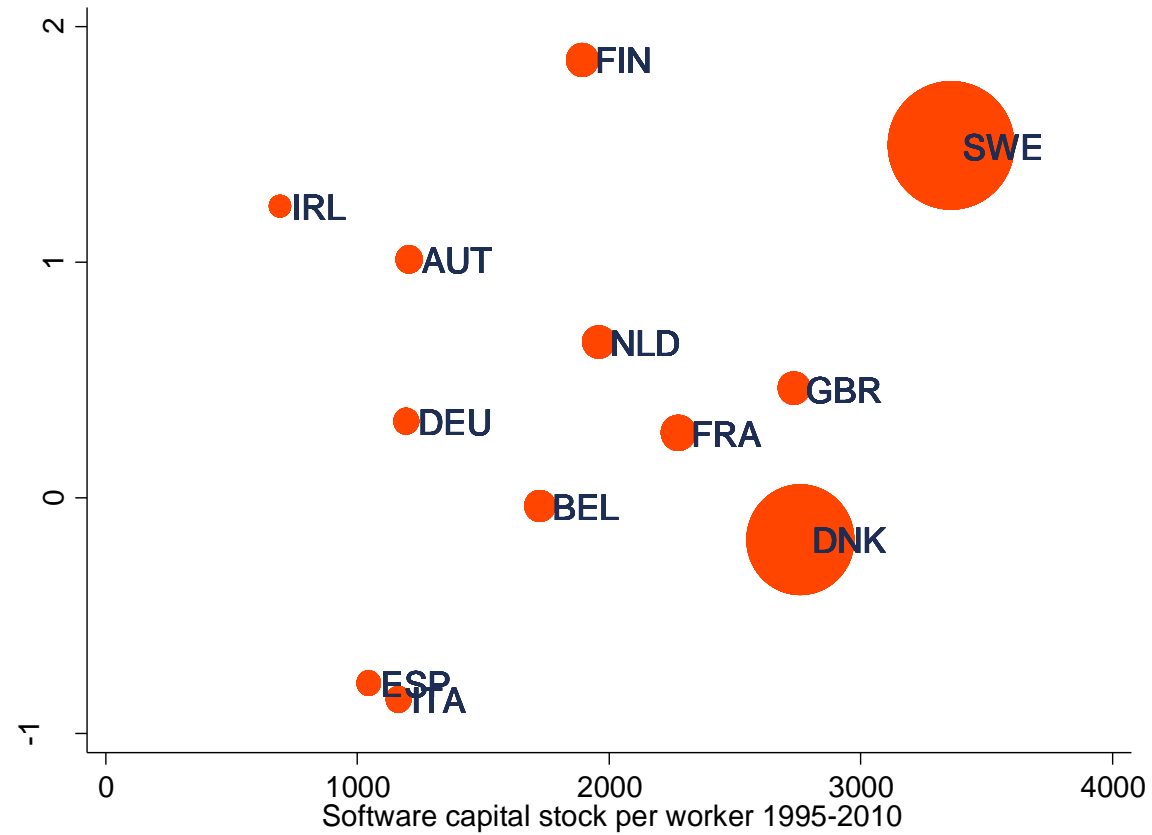


# Complementary policies

- 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)



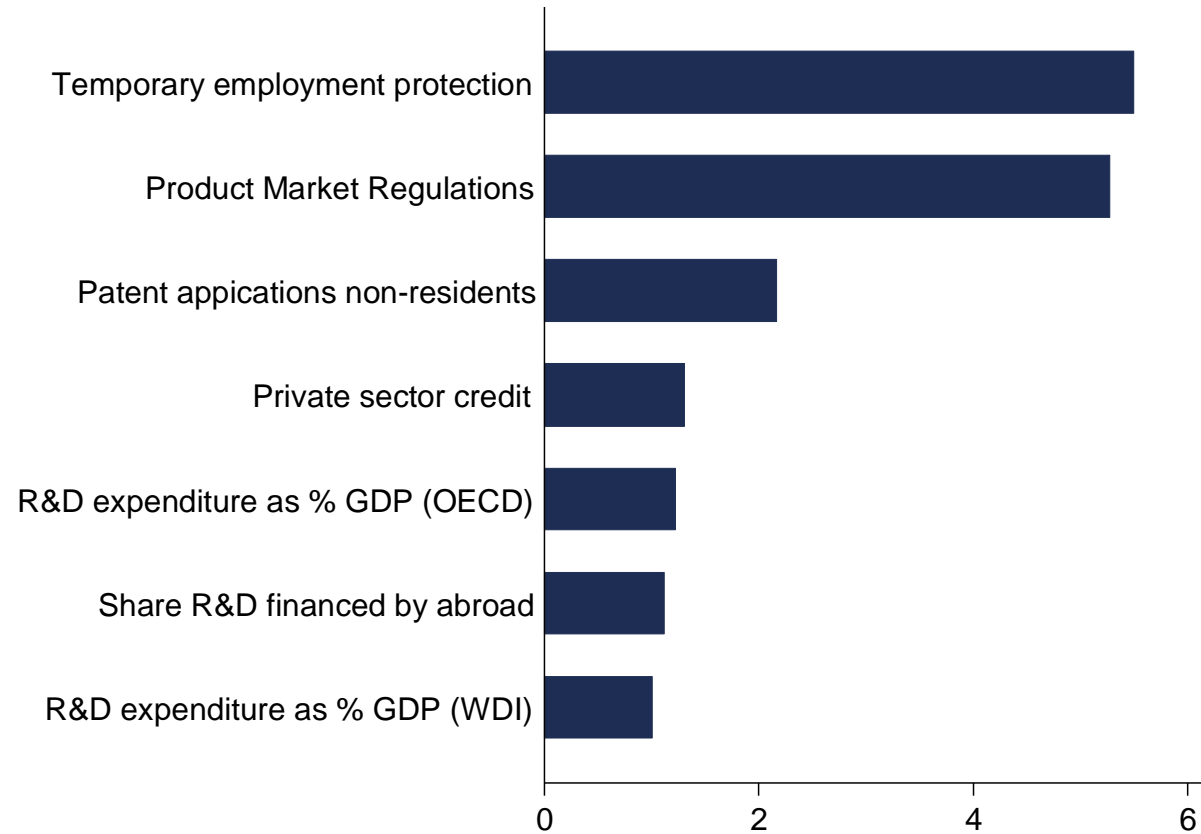
# No clear pattern between TFP and Software



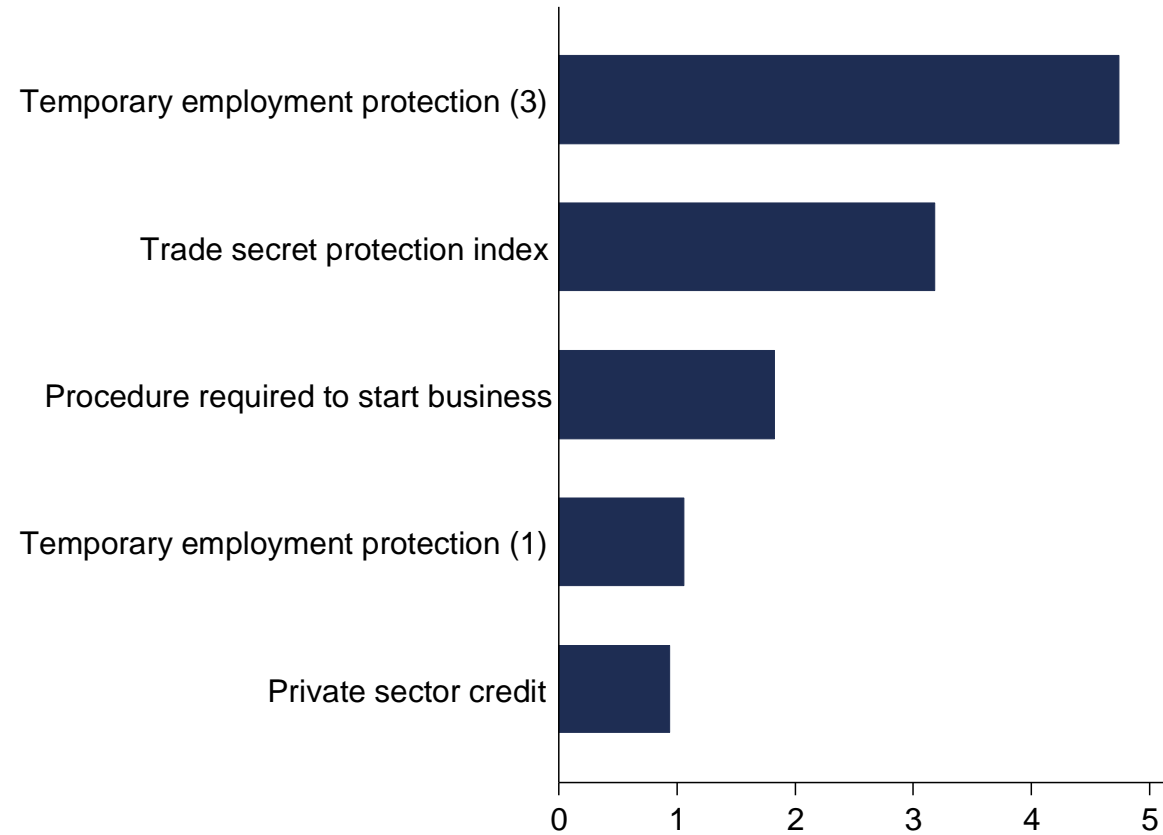
# Complementary role

- 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