

# Productivity Statistics User Group 2015

## Productivity measures and analysis: ONS work plan

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# Outline

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- Scope and Motivation
- Progress against 2006 work programme
- Other developments since 2006
- Future work programme

# Scope and Motivation – 1

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Productivity covers 4 broad areas:

## 1. Labour productivity and related estimates

- Includes unit labour costs, regional productivity\* and international comparisons of productivity
- Mostly National Statistics, confirmed as such by UKSA in 2013

## 2. Multi-factor productivity and related estimates

- Includes quality adjusted labour inputs (QALI) and capital services (VICS) by industry and asset
- Experimental Statistics, outside scope of UKSA, so far

## 3. Public services productivity estimates\*

- Cover health, education and total public services
- Methodologically distinct from (1) and (2), and less timely
- Reviewed by UKSA and confirmed as National Statistics in 2013

## 4. Micro-data based productivity research

- Typically in collaboration with other researchers (other NSIs, academia)

\* Some or all work carried out outside OCEA

# Scope and Motivation – 2

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- Lots of water under the bridge since the last ONS productivity work plan was published in 2006 (Camus and Lau 2006)
- Encouraged by UKSA to publish an outline of progress against that work plan
- Enhanced user interest – the “productivity puzzle”

# Progress against 2006 work programme

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- Ambitious and wide-ranging. Organised around 7 work programmes
- Some clear wins:
  - Publication of ONS Productivity Manual in 2007
  - Development of new productivity measures to meet users' needs (public sector productivity, market sector productivity, ICP etc)
- Some score draws:
  - Development of micro-data resources for productivity analysis (challenges from changes to business surveys and loss of institutional knowledge)
  - Improved measurement: R&D included in asset envelope from BB14 (challenges: software deflators, ICT investment)
- Some delayed kick-offs:
  - Improve consistency between National Accounts and labour market statistics
  - Develop growth accounting to test consistency and coherence of National Accounts
  - Embed productivity analysis within National Accounts Re-engineering Programme

# Other developments since 2006

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- **Impact of intangible investment on productivity (and growth accounting)**
  - Joint work with Imperial College, funded by NESTA
  - Two pilot surveys by ONS designed to capture information on intangibles, including 'own-account' production and asset lives
- **Micro-data based productivity analysis**
  - Joint work with other European NSIs and academics, funded by Eurostat
  - Focus on economic impact of ICT, framework generates a rich research dataset, but only to 2010
- **Labour productivity developments**
  - Industry-level unit labour costs
  - Improved estimates of hours worked and employment (work in progress)
  - Labour productivity from ABS
- **Public services productivity developments**
  - E.g. In health, changes to reflect increase in non-NHS provision

# Future work programme – 1

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## 1. Labour productivity and related estimates

- Finalise development of simplified and improved estimates of hours worked and employment
- Replace published manufacturing unit wage costs with consistent industry breakdown of unit labour costs
- Decompositions of productivity movements into within and between industry components
- Development of exploratory analysis of productivity trends between employees and self-employed (from QEF, July 2014)
- ESA2010 long time series of productivity estimates
- Improved and additional international comparisons of productivity
- Additional spatial productivity estimates

## 2. Multi-factor productivity and related estimates

- Future VICS development linked to developments in ONS capital stocks systems and GFCF source data
- Future QALI development focussed on increasing industry granularity
- Growth accounting development linked to constant price supply-use balancing, planned for ..... BB2018

# Future work programme – 2

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## 3. Public services productivity estimates

- Development of new timelier metrics using National Accounts sources
- Review method for quality adjustment in education (currently based on Average Points Scores for GCSEs and equivalent qualifications)
- NB Quality adjustments in education and health used only in production of public sector productivity estimates, not in the National Accounts

## 4. Micro-data based productivity research

- Focus on development of micro-data on capital stocks and on using micro-data at the spatial (regional) level
- Support UWE researchers who have been commissioned by ONS to rebuild core business micro-datasets used by the majority of micro-data researchers. Delivery scheduled for later in 2015



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