

# Comparative Analysis of Enterprise Data: Industry Dynamics, Firm Performance, and Worker Outcomes

## COST Action IS0701

Start date: 13 February 2008

End date: 12 February 2012

**Stefan Bender**, Chair  
Institute for Employment Research (IAB) / Germany

# Motivation I

- Ten years ago, an economist leafing through the major professional journals would have been hard-pressed to find many articles using firm-level data.
- Particularly unusual were studies using comprehensive panel data on all enterprises in a single economy, and
- still rarer, practically unknown, were analyses of such data for multiple countries
- and consequences for workers.
  
- Last crisis!!!

## Motivation II

- The aim of the COST action was to promote scientific research using enterprise micro data.
- The COST action should have been a unique meeting point for producers and users of these data, such as statisticians, economists and econometricians, but also an opportunity for policymakers.

# Scientific context and objectives (1/2)

- Research using firm-level information still at an early-stage
  - little cross-national comparative research
  - Network of researchers and data suppliers necessary to overcome these barriers
- Main COST objectives:
  - to enhance international collaboration
  - to produce cross-country comparative research
  - to improve and exploit existing micro-data
  - to study the firm-level sources of economic growth and consequences for workers

# Scientific context and objectives (2/2)

## Research activities of the COST Action:

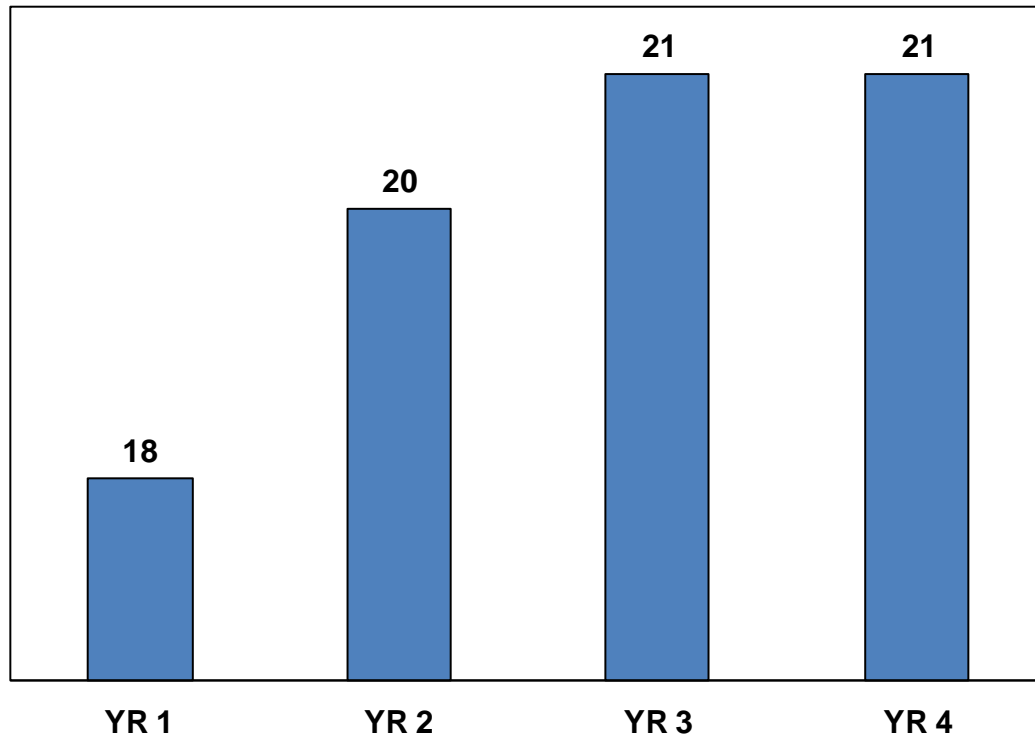
- Bring together academics, policy makers and data providers from National Statistical Institutions
- Share and advance econometric methodologies among researchers from different COST countries
- Share methods of data collection, variable definitions, and access and confidentiality among data providers
- Collaborate on cross-country comparative research exploiting data on micro behavior and variations in policy and the institutional environment

# Basic Facts

- Chair:
  - 2008-2011: John Sutherland Earle (Central European University / Hungary)
  - 2011-2012: Stefan Bender (Institute for Employment Research (IAB) / Germany)
- Vice-Chair:
  - J. David Brown (Heriot-Watt University, Scotland)
- WP-heads:
  - Eric Bartelsman (VU University Amsterdam, the Netherlands)
  - Jonathan Haskel (Imperial College, UK)
  - Almos M. Telegdy (Central European University)
  - Stefan Bender (IAB)

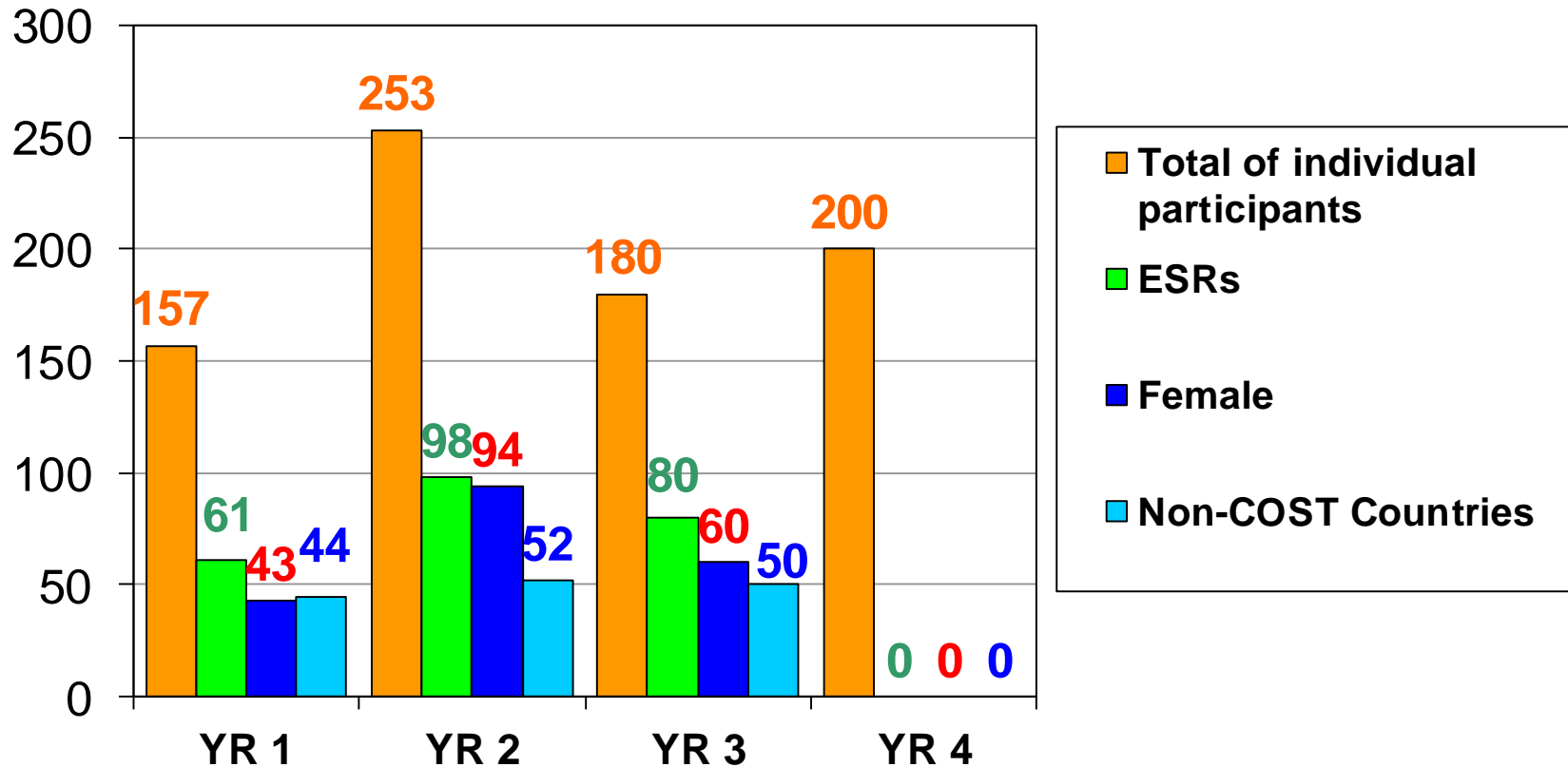
# Action Parties

Action Members



**Non-Cost Party:  
Russia**

# Action participants





# COST Action Working Groups

## **Working group 1: Industry Dynamics**

measure entry, growth, decline and exit  
analyze policy determinants (adjustment costs)

## **Working group 2: Firm Performance**

measure firm-level productivity  
estimate policy-relevant determinants

## **Working group 3: Worker Outcomes**

estimate effects of policies on workers

## **Working group 4: Data Quality and Access**

address data availability & comparability problems

# Results vs. Objectives

- Stage 1: Extensive focus of action.
- Stage 2: Focus of action on intensive development:
  - Start of research projects, initiation of mentoring relationships
  - First results: working papers and accepted publications
- Stage 3: Assessment of the results. Expansion of the network to new countries and researchers.
  - Large COST-CAED conference in London
  - Final COST-CAED conference in Nuremberg
  
- Collaborative cross-country research (the focus of this Action) *would have not been possible without COST*

# Significant highlights: Stage 1

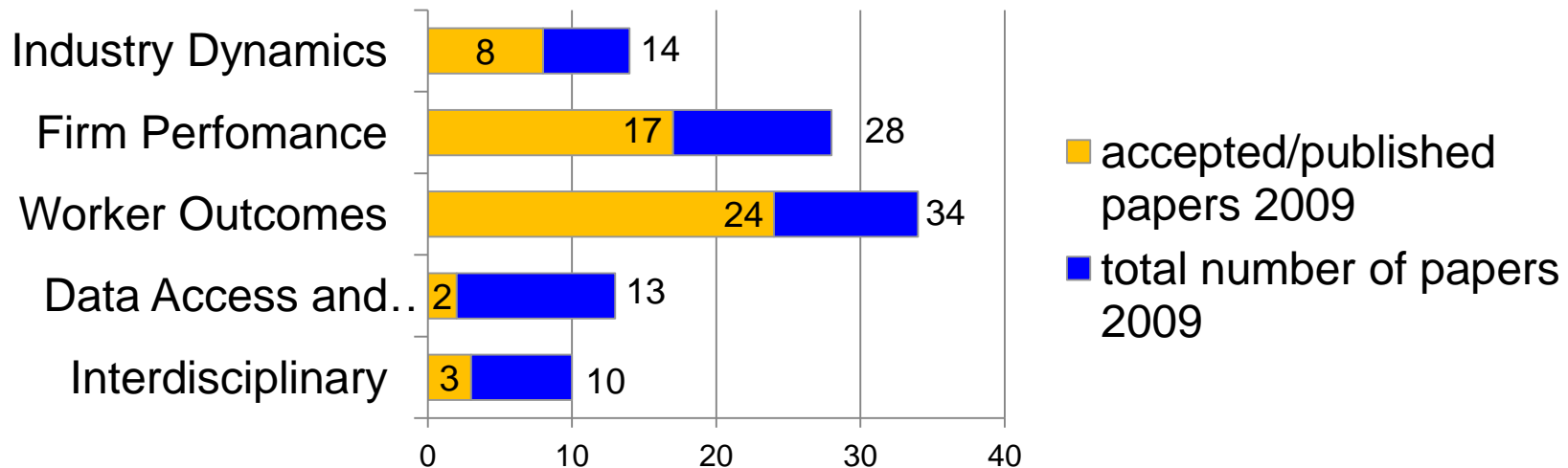
Inaugural (“jump-start”) Conference in Budapest

- Open international call
- 260 submissions received, 110 papers selected
- Established COST network
  - participation of 15 European countries
  - links to leading scholars from around the world
  - many ESRs – start of mentoring
- Developed sub-networks in focused fields

Workshops with different thematic focus took place in  
Edinburgh, Rome, Nuremberg, Budapest, London

# Significant highlights: Stage 2

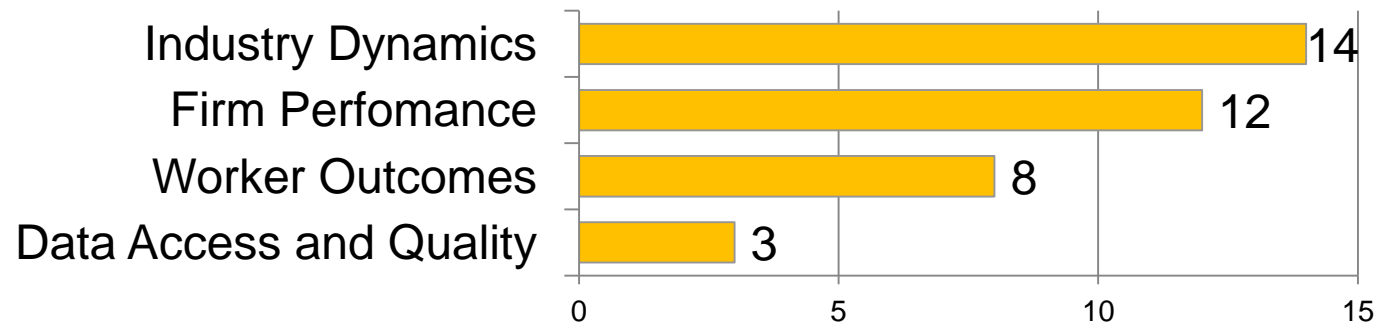
## ❖ New research produced 2009 by all WGs - topics:



- ❖ Large number of small workshops
- ❖ Success in opening up data access sources
- ❖ New grant applications, interactions with other EU programs

# Significant highlights: Stage 3

- ❖ New research produced 2010 by all WGs.  
(# based on the Management Committee Members)



2011/12: additional ca. 70 papers

- ❖ Large COST-CAED-conference in London
- ❖ “Methods for Studying firm restructuring and the impact on workers”, April 2011.
- ❖ “Economics of Innovation and Patenting & Final Conference COST Network STRIKE”, May 2011.

# Impressions of London



## ... not only work



# Last years activities

- Workshop “Innovation. From Europe to China“, Kiel (coordinated with IS0905 “The Emergence of Southern Multinationals and their Impact on Europe”)
- Final conference April 2012 in Nuremberg (April 26-28)
- One exchange of a researcher (Kiel), others were planned.

There would have been another workshop, but...

- 2<sup>nd</sup> Workshop “Structural Approaches to Industry Dynamics, Trade and Productivity”, Rome.



# Final COST-Conference

- Open international call
- 100 submissions received, 67 papers selected
  - participants from 19 European and 5 Non-European countries
  - links to leading scholars from around the world
  - many ESRs
- Involvement of ESSnet and OECD with invited sessions.

CAED-workshop in Rome

# To sum up: Conferences and Meetings

- CAED Conference and MC/WP meeting (Budapest),
- Workshop on industry dynamics (Rome)
- Workshop on intangible investment (London)
- Workshop on firm-level data analyses in transition and developing economies (Edinburgh)
- Workshop on studies of wages using linked employer employee data (Budapest),
- Workshop on innovation and globalization and MC/WP meeting (Nuremberg)
- Meeting of the WP on Industry Dynamics and MC meeting (Amsterdam)
- CAED Conference and MC/WP meeting (London)
- Workshop on methods for studying firm restructuring and the impact on workers (Leuven)
- WP meeting on economics of innovation and patenting during final conference of COST network STRIKE (Mannheim)
- Workshop on innovation from Europe to China (Kiel)
- Final conference and CAED conference (Nuremberg)

# To sum up: Interactions

- Only two exchanges of researches (too few),
- High interaction with COST Network STRIKE
- Coordination with IS0905 “The Emergence of Southern Multinationals and their Impact on Europe” (in 2011)
- OECD, ESSnet, Census Bureau and many more ...

# Significant highlights: Outreach and Partners

- COST Action attracted funding and sponsorship partners (example COST-CAED conference):
  - G -COE Hi -Stat Program, Hitotsubashi University - <http://gcoe.ier.hit-u.ac.jp/english/>
  - Institute for Employment Research [www.iab.de/en/](http://www.iab.de/en/)
  - NESTA, [www.nesta.org.uk/](http://www.nesta.org.uk/)
  - UK-IRC [www.ukirc.ac.uk](http://www.ukirc.ac.uk)
  - US Census Bureau, [www.census.gov](http://www.census.gov)
  - Kauffman [www.kauffman.org](http://www.kauffman.org)
  - OECD - [www.oecd.org](http://www.oecd.org)

# Sustainability of the network I

- Some action members have or plan to have EU or national projects to continue the COST activities
- WG2 Firm performance
  - Work on intangibles is carrying on, construction of EU consistent data proceeding (support from OECD)
  - Likewise co-ordination of intangibles questionnaires
  - Large Essnet-project co-ordinated by Eva Hagsten, with Eric Bartelsman and European NSIs (session in the morning), also WG1

# Sustainability of the network I

- WG4: Data Quality and Access
  - FP7 “Data without Boundaries”
  - FP7 “Blue-ETS”
  - European Network for Better Establishment Statistics (ENBES)
  - Developments in some countries (for example Belgium, France)
- Very tight budget situation in most countries has squeezed research grants very hard.

# Summary

- We have had a lot of workshops/meetings which were not possible without the support of COST
- We have made progress on the topic “Comparative Analysis of Enterprise Data: Industry Dynamics, Firm Performance, and Worker Outcomes”
  - New countries (East Europe)
  - Young researchers
  - New topics
- In our view COST Action IS0701 was a huge success.
- Sustainability, because of ongoing projects (in other networks) and CAED conference in 2013 (US).
- but...

# Some critics

- We could have been more efficient (for example last workshop in Rome was too late)
- Maybe we should have had more
  - summer schools
  - researcher exchanges
  - projects with comparable data sets (one of the next steps after COST)



# Example: Kiel workshop



- Over 80 emails just for approving a small workshop
- Took too long for the payment procedures (Sept.-Feb.)
- The organizers had to ask the COST office about the developments of the payment (more than ones).
- COST is in a sense close to reputational damage for the local organizers

# Example: Plans of the last year

-----Original Message-----

From: Bender Stefan [<mailto:Stefan.Bender@iab.de>]

Sent: 28 November 2011 15:35

To: Geny Piotti

Subject: AW: RE: COST: Payments

Dear Geny,

Hope this email finds you well, too.

The final conference of our action will be end of April in Nuremberg. In spring there will be another conference in Rome. So, our action had/will have three meetings in the last COST year: Kiel, Rome and Nuremberg.

Will send you the call of the Nuremberg final conference in the next days.

All the best

Stefan

**Von: Julia Stamm [mailto:Julia.Stamm@cost.eu]**  
**Gesendet: Freitag, 8. Juli 2011 09:45**  
**An: Bender Stefan**  
**Cc: Solène Droy; Geny Piotti**  
**Betreff: RE: RE: Budget for final year of IS0701**

Dear Stefan,

Re the final budget of your COST Action: I am pleased to inform that I can allocate 65.000 EUR (instead of the previously allocated 60.000 EUR) to your COST Action. (...)

Best wishes,  
Julia

**From: Bender Stefan [mailto:Stefan.Bender@iab.de]**  
**Sent: dimanche 3 juillet 2011 18:46**  
**To: [ahi@hi.is](mailto:ahi@hi.is); Julia Stamm**  
**Cc: Solène Droy; Sebastien Spirito**  
**Subject: WG: COST Action (IS0701): Plans for our last year**

FYI  
Stefan Bender

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**Von: Bender Stefan**

**Gesendet: Sonntag, 3. Juli 2011 18:41**

**An: 'earlej@ceu.hu'; 'j.d.brown@hw.ac.uk'; 'telegdy@econ.core.hu';  
'ebartelsman@feweb.vu.nl'; 'j.e.haskel@qmul.ac.uk'**

**Betreff: COST Action (IS0701): Plans for our last year**

**Hi,**

**(...) As every COST year we need to establish our last activities. After my last email to all action members, we came up with two workshops.**

**A workshop on "Innovation. From Europe to China", which will be in Kiel and is related to WP2. (...)**

**2. A workshop on "on Structural Approaches to Industry Dynamics, Trade and Productivity", which will be the second of its kind and will be held in Rome. (...)**

**3. Our end conference in Nuremberg. (...)**

**4. We haven t got any suggestions for sommer schools or exchanges. Would be great to have one (any comments would be welcome).**

**5. It would be great, if we agree on the allowance for the action chair again (as we did the last year). It is 2,000 Euro.**

# Final personal thoughts

- COST is per se a good idea, but ...
- Discussion about Country representatives
- Too much bureaucracy:
  - too much work for too little money
  - too much uncertainty
  - too much time between decisions, reimbursement
- Maybe, the relationship between responsible person in the COST office and projects could be better.

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  - Young researchers
  - New topics (especially in the workshops)
- In our view COST Action IS0701 was a huge success.
- Sustainability, because of ongoing projects (in other networks) and CAED conference in 2013 (US).
- but...