



Productivity challenges in the OECD and Ireland

Future Jobs National Summit
Dublin, Ireland

22 November 2018

Luiz de Mello
OECD

Director of Economics Department
Policy Studies Branch



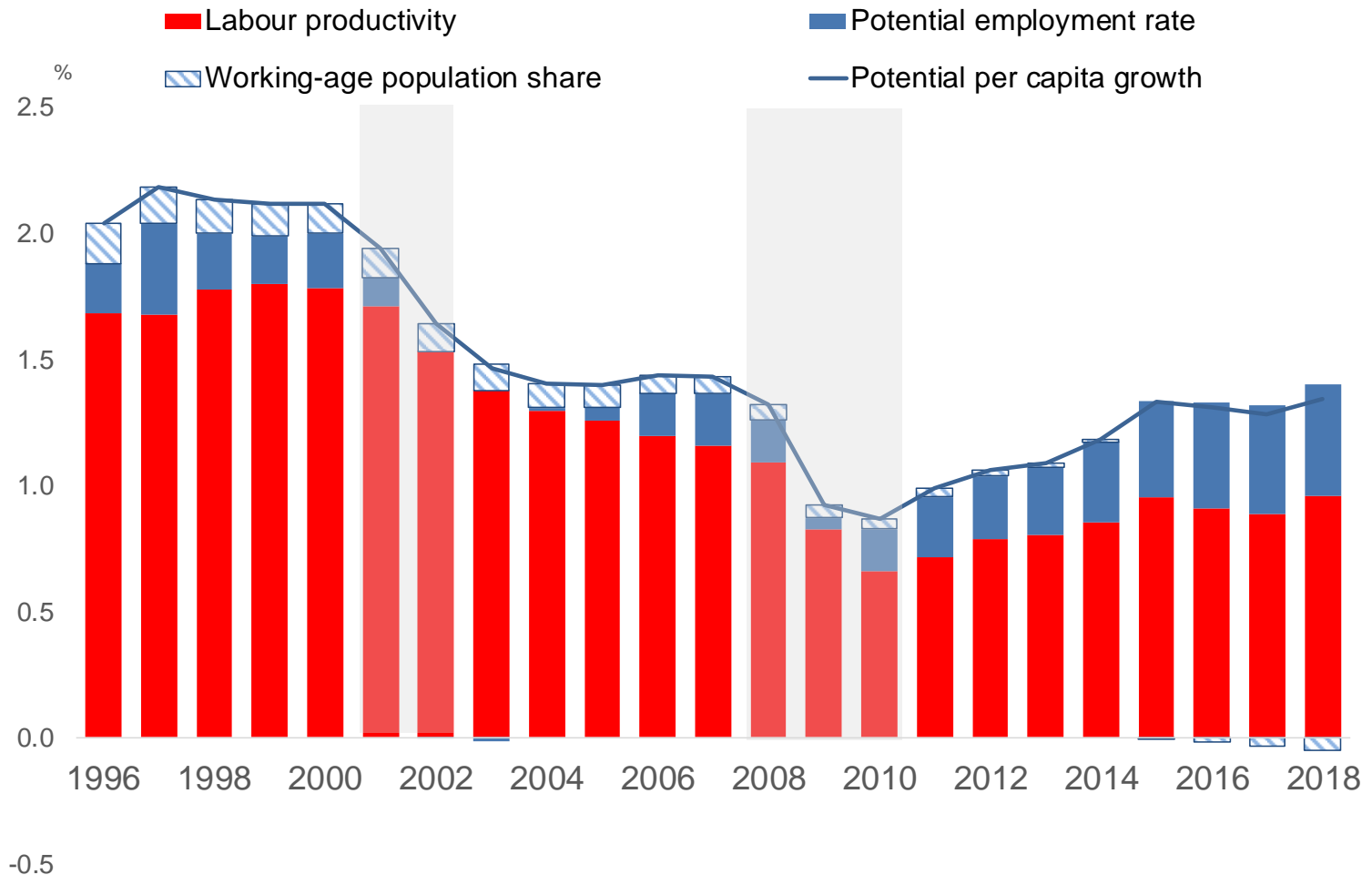
@OECDeconomy
@OECD





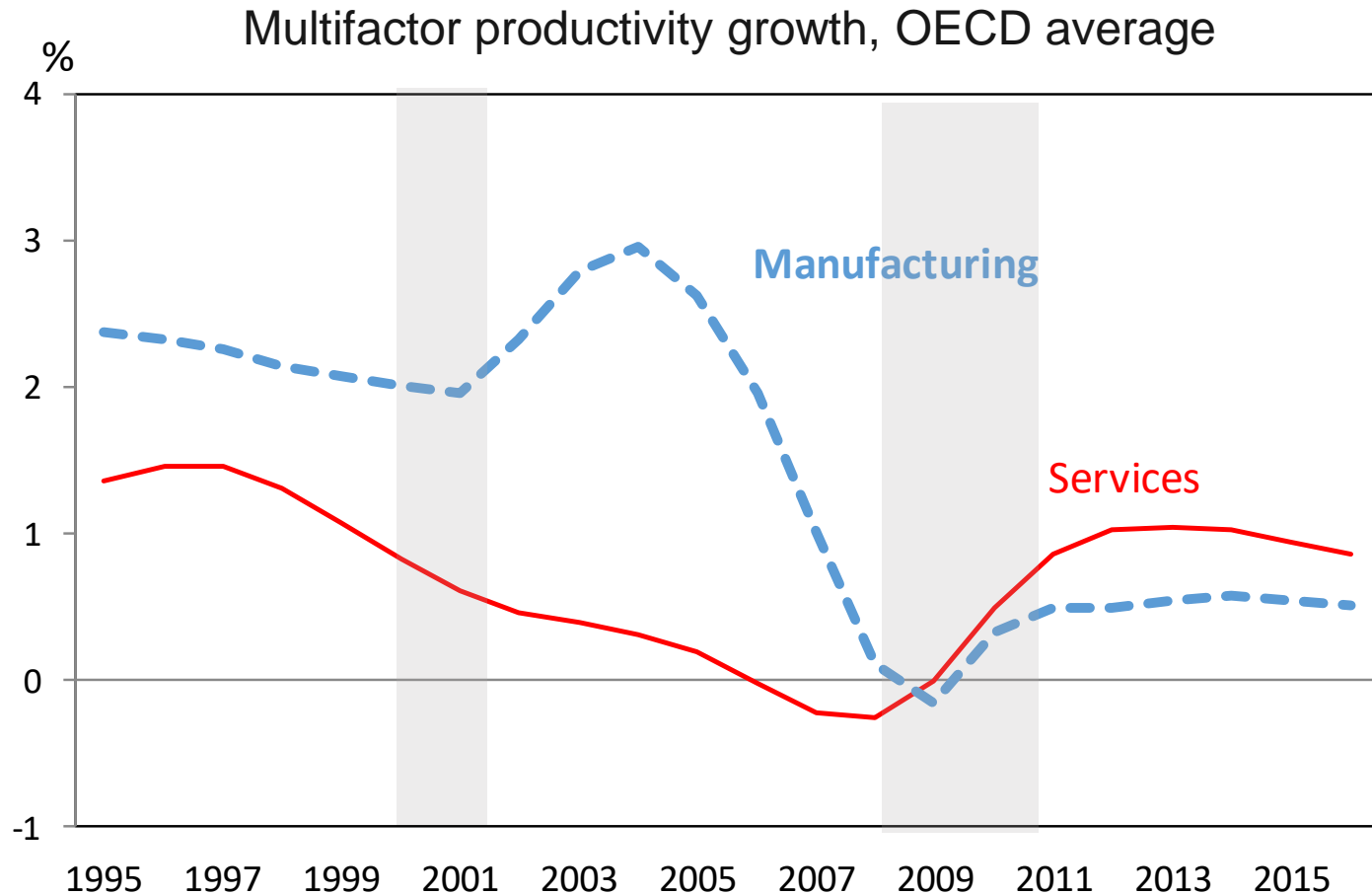
Productivity is essential for growth

Contribution to potential per capita output growth, OECD average





Productivity growth is not recovering in OECD countries...



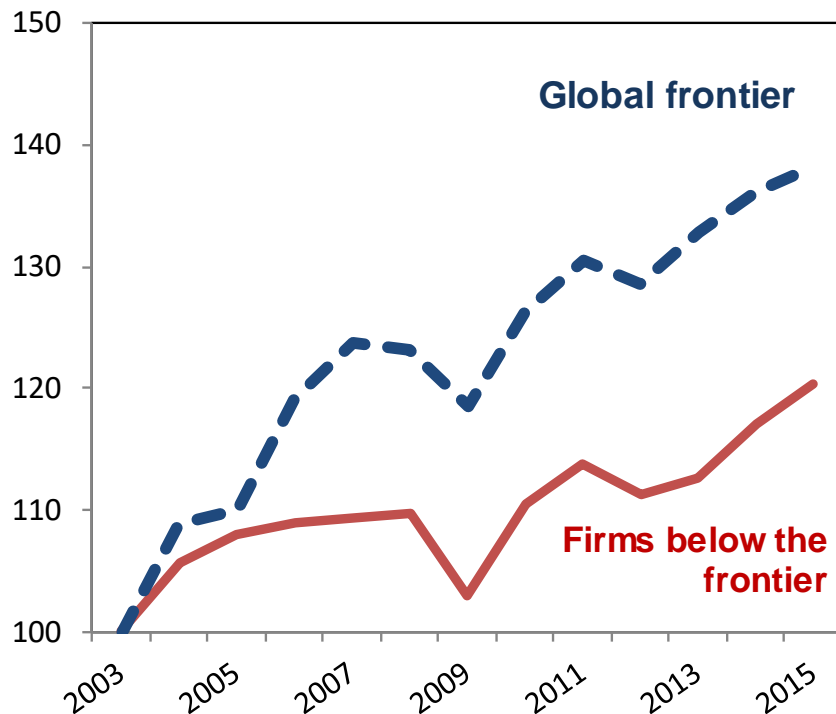
Source: Sorbe, S., P. Gal and V. Millot (2018) "Can productivity still grow in service-based economies?" *OECD Economics Department Working Papers*, forthcoming.



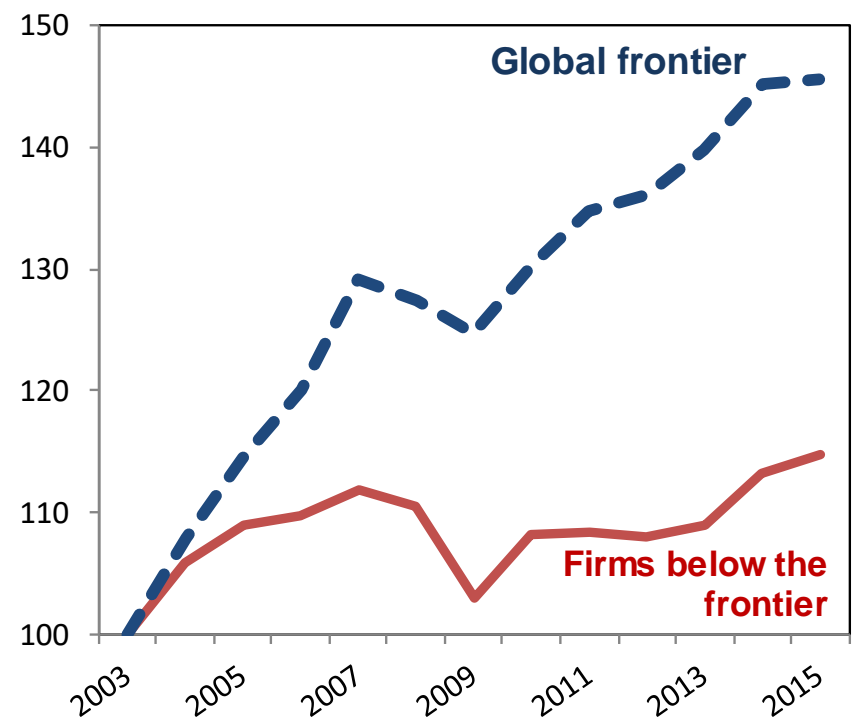
... and gaps are widening among firms...

Multifactor productivity, average across 24 OECD countries (Index 2003=100)

Manufacturing



Services

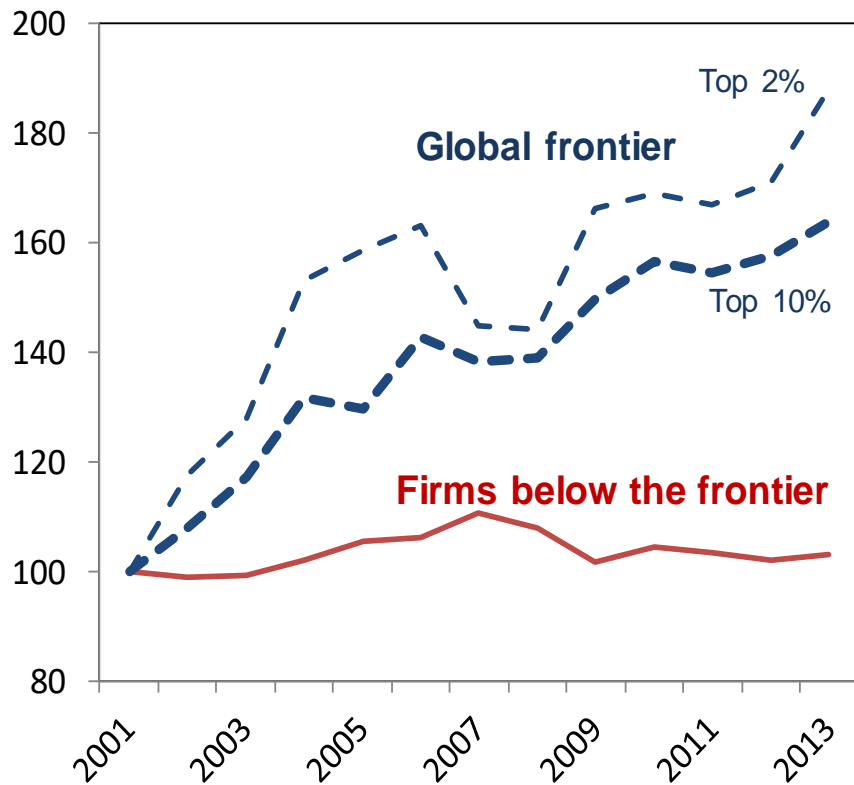




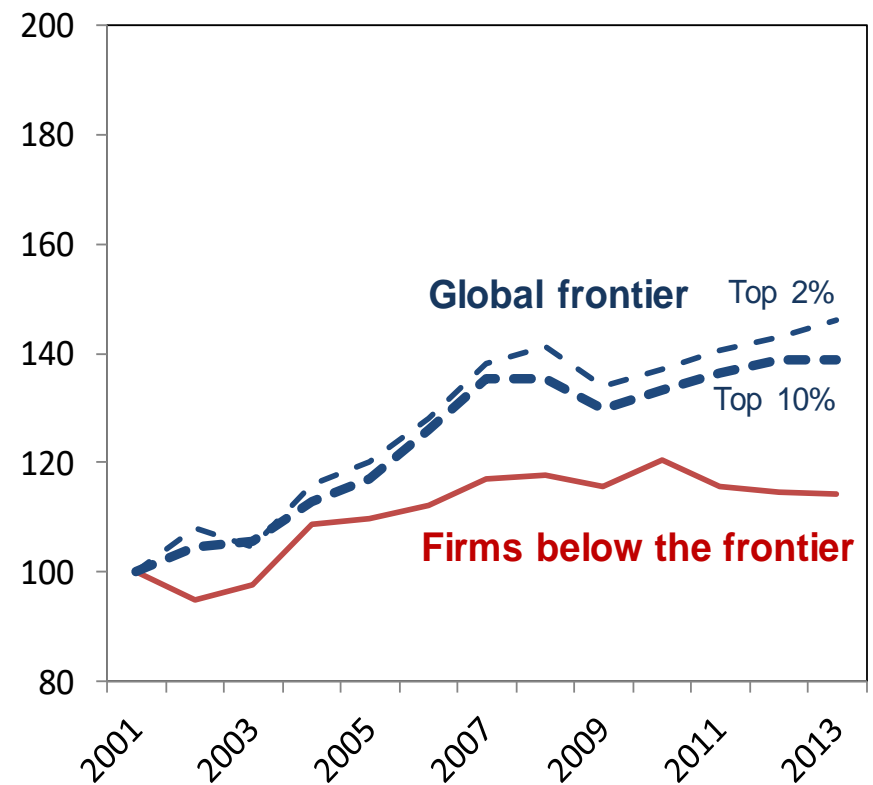
... especially in ICT services

Multifactor productivity, average across 24 OECD countries (Index 2001=100)

ICT services



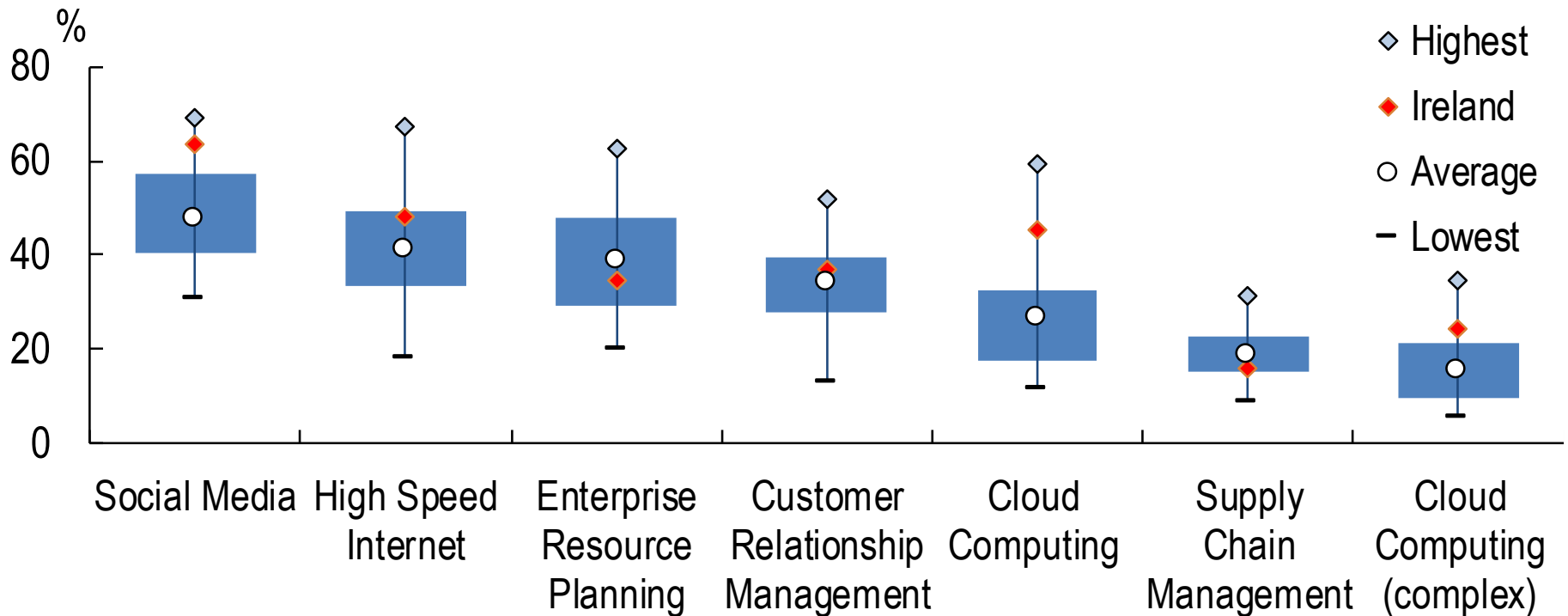
Non-ICT services





There are large differences in take-up of new digital technologies

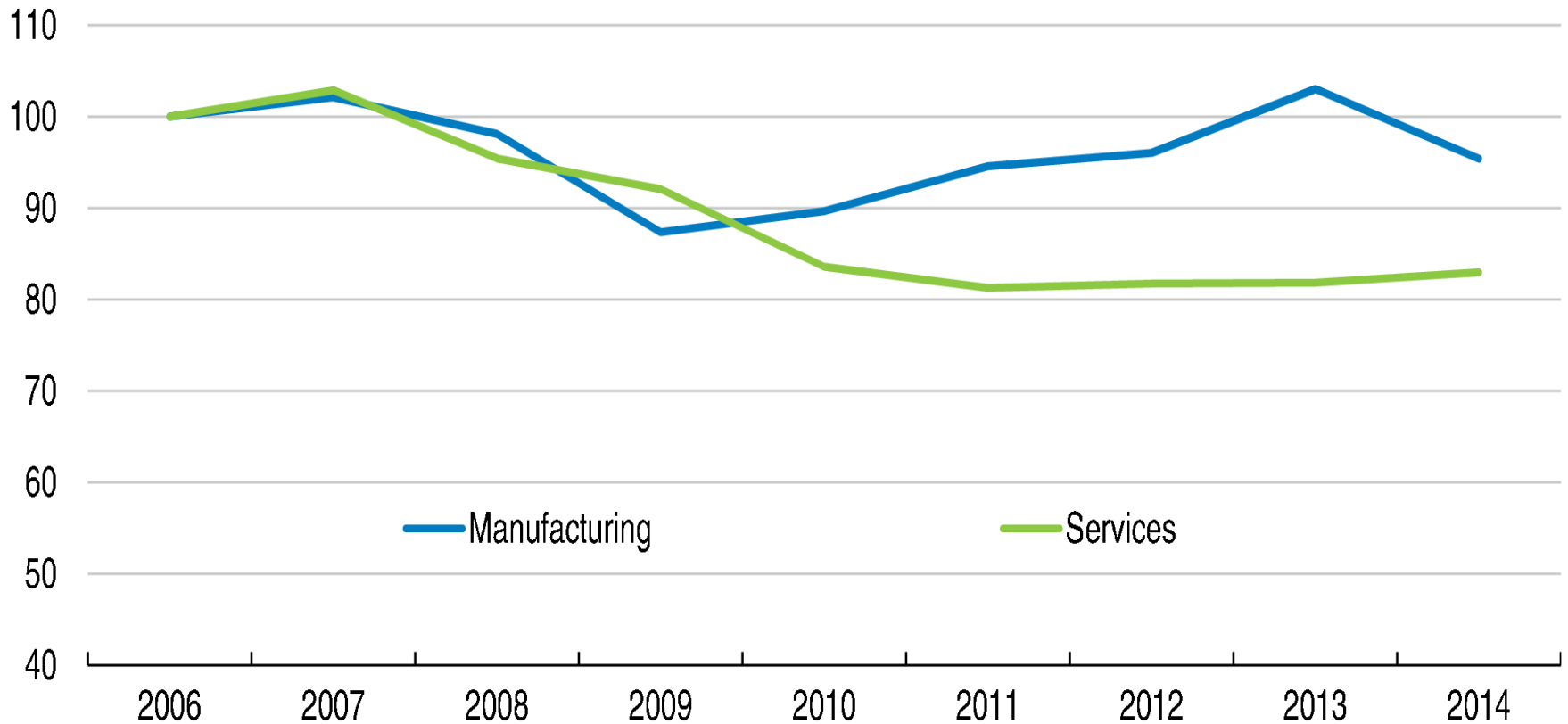
Percentage of firms adopting digital technology (2015-16)





In Ireland, productivity has yet to recover in services...

Multifactor productivity, median across firms (Index 2006=100)

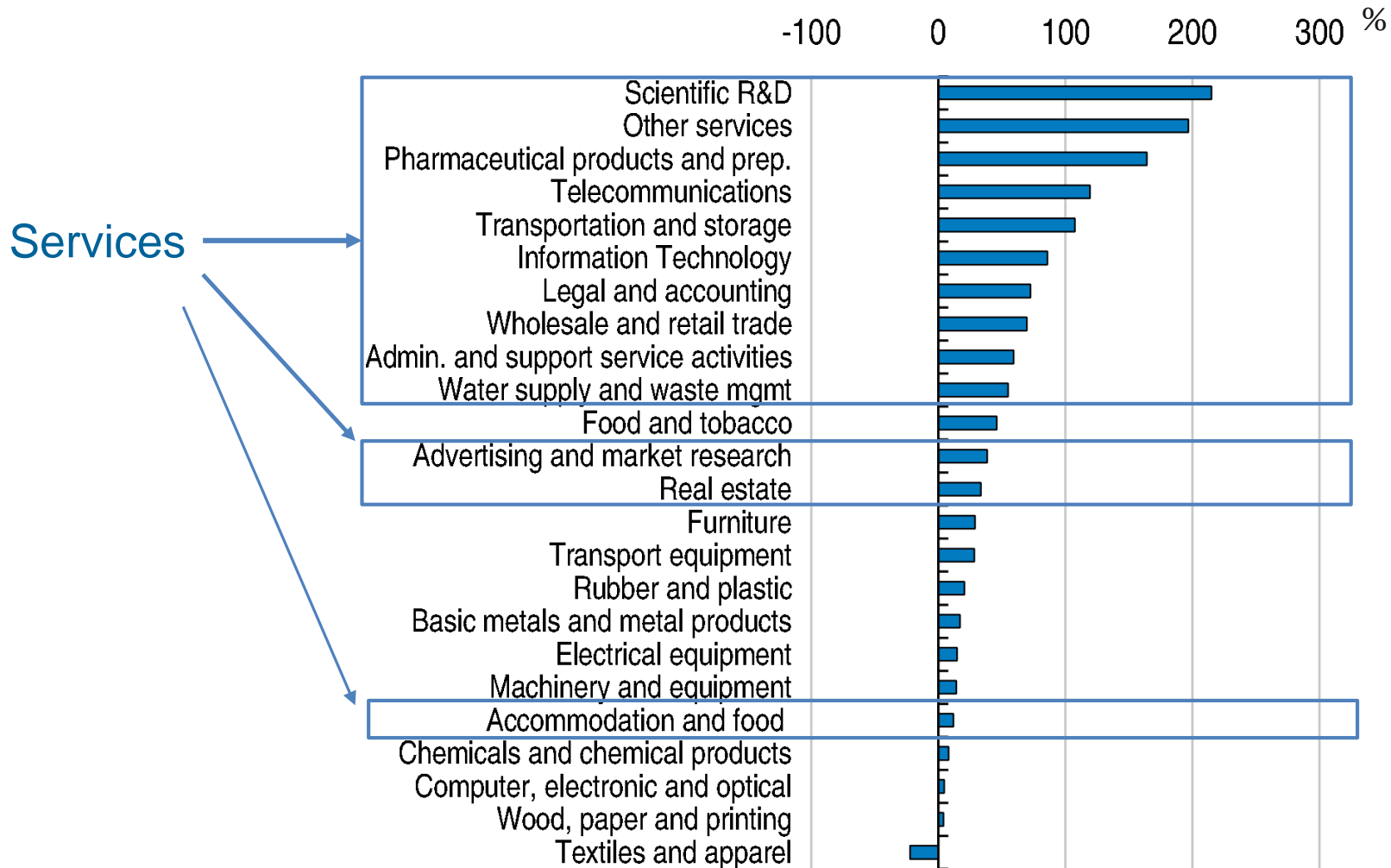


Source: Ireland Department of Finance (2018).



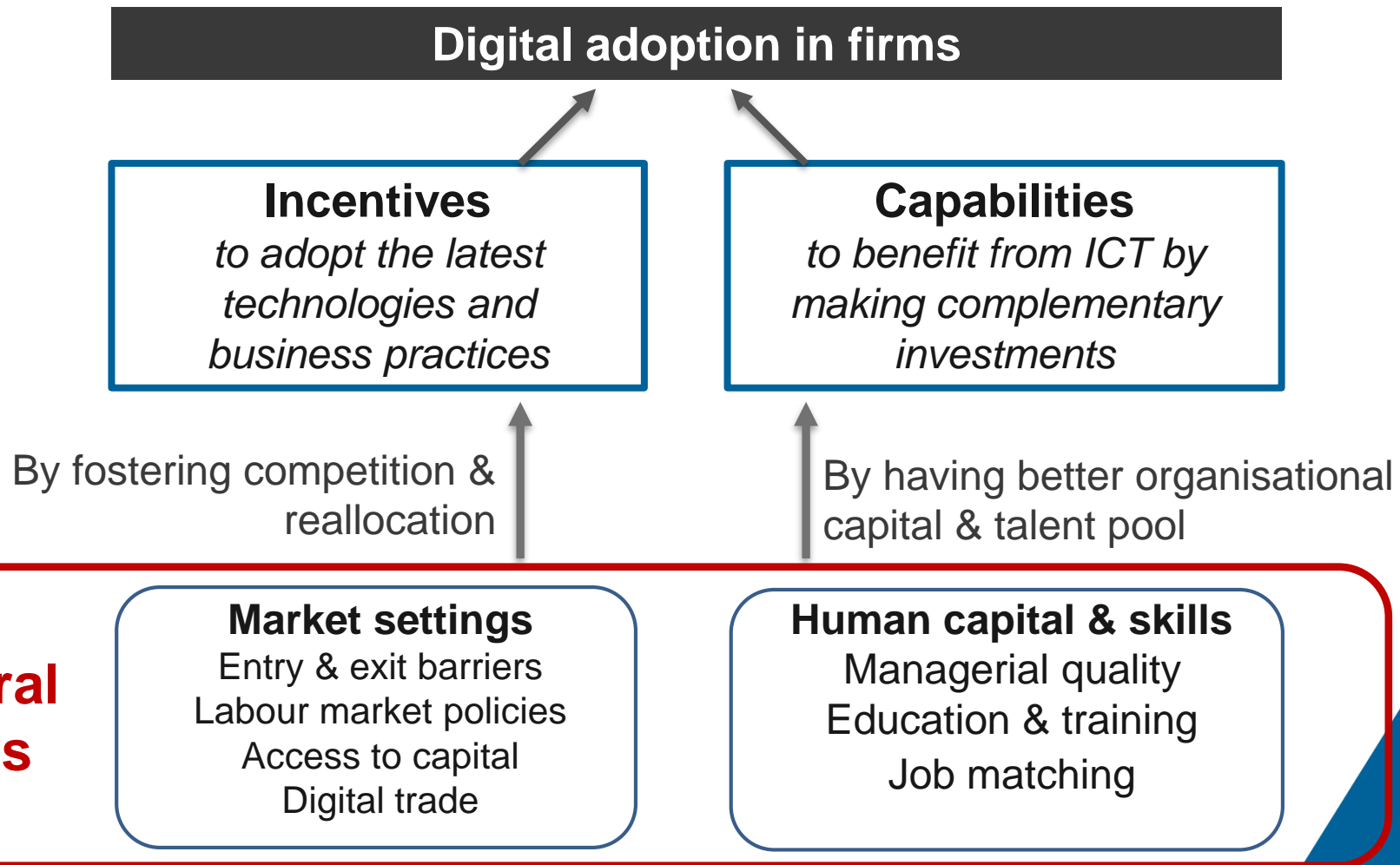
... where gaps between foreign and local firms are widest

Multifactor productivity difference between foreign and domestic firms (2014)





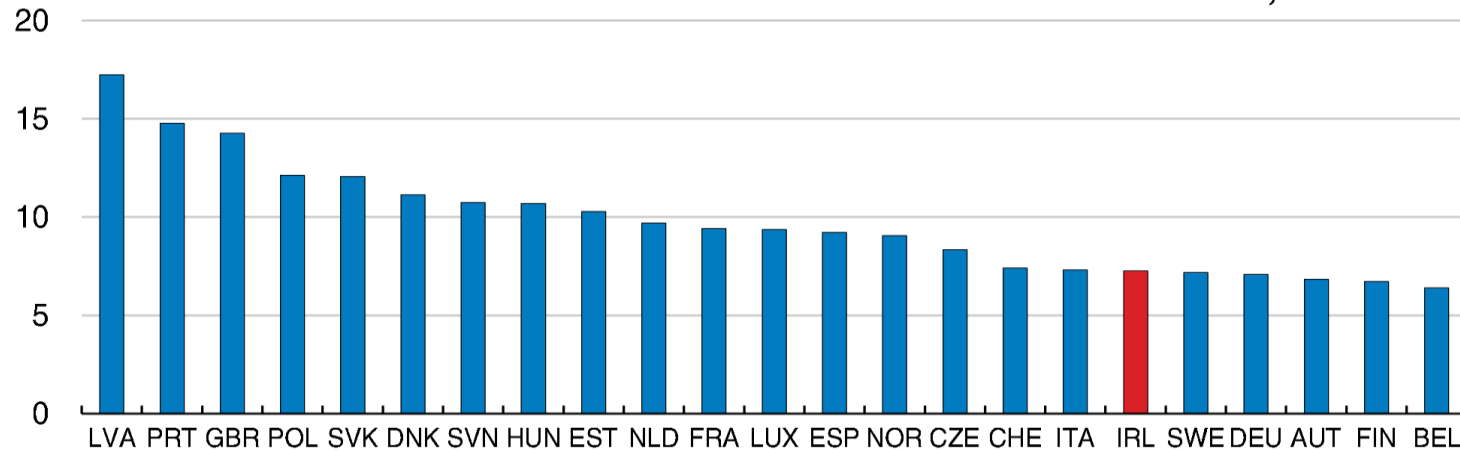
Policy can foster digital adoption through incentives and capabilities



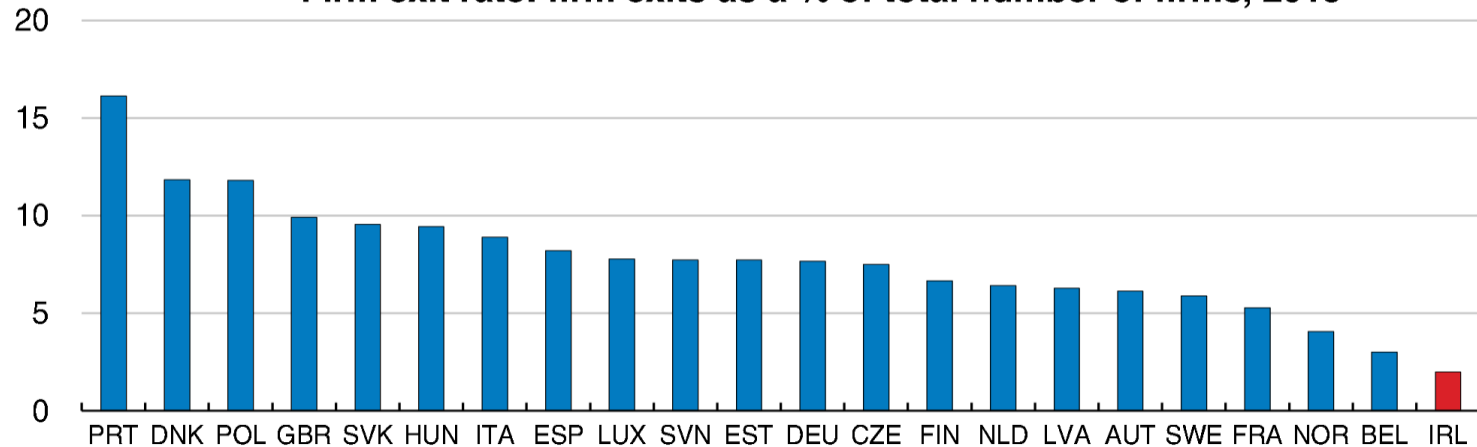


Business dynamism can improve...

Firm birth rate: firm births as a % of total number of firms, 2015



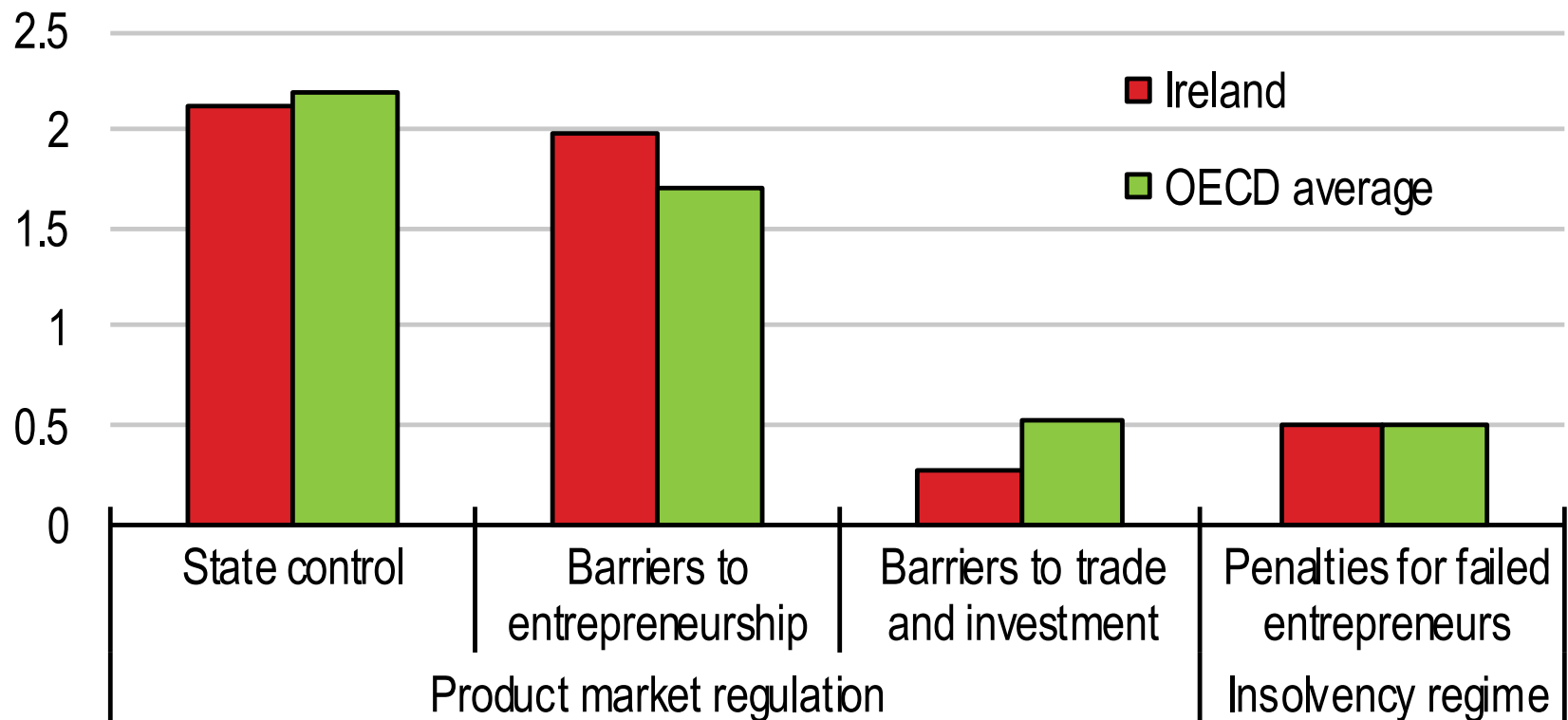
Firm exit rate: firm exits as a % of total number of firms, 2015





... by removing barriers to entry and exit

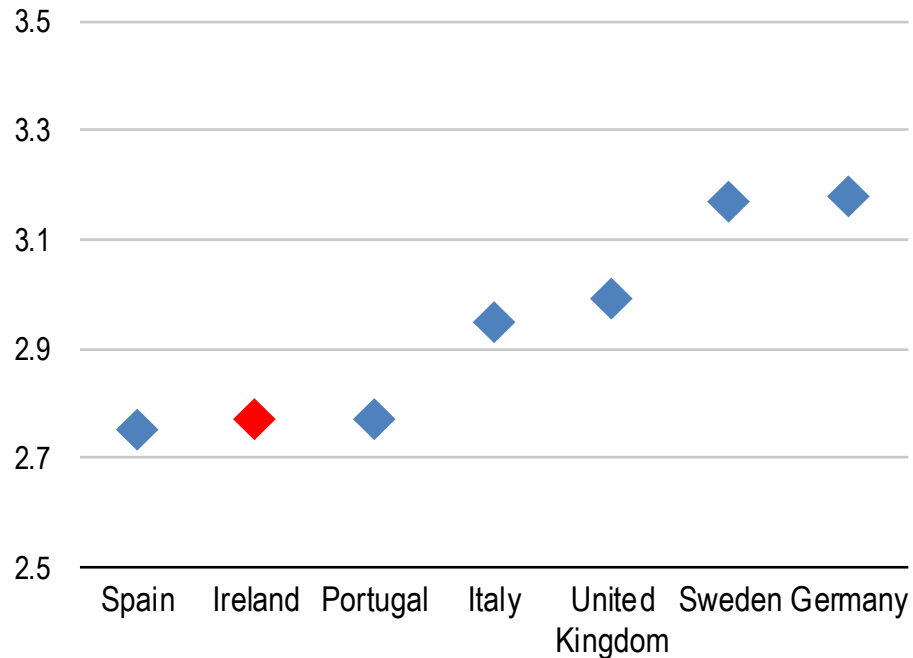
OECD indicators of Product Market Regulations and Insolvency Regimes
(a higher score denotes stronger barriers)



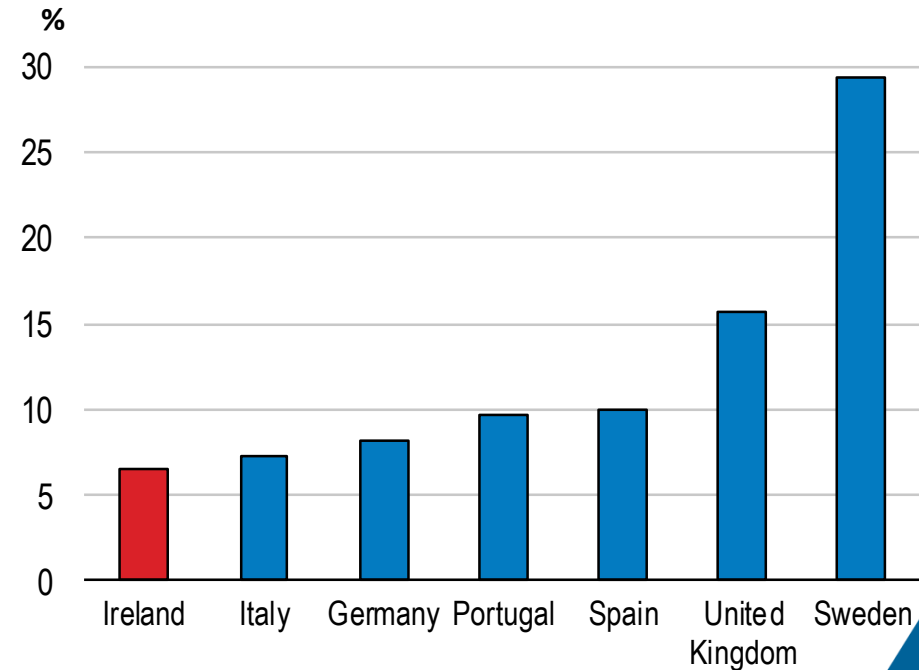


Managerial skills can improve through lifelong learning

Management skill survey scores, 2014



Percentage of the population aged 25 to 64 participating in education and training, 2015



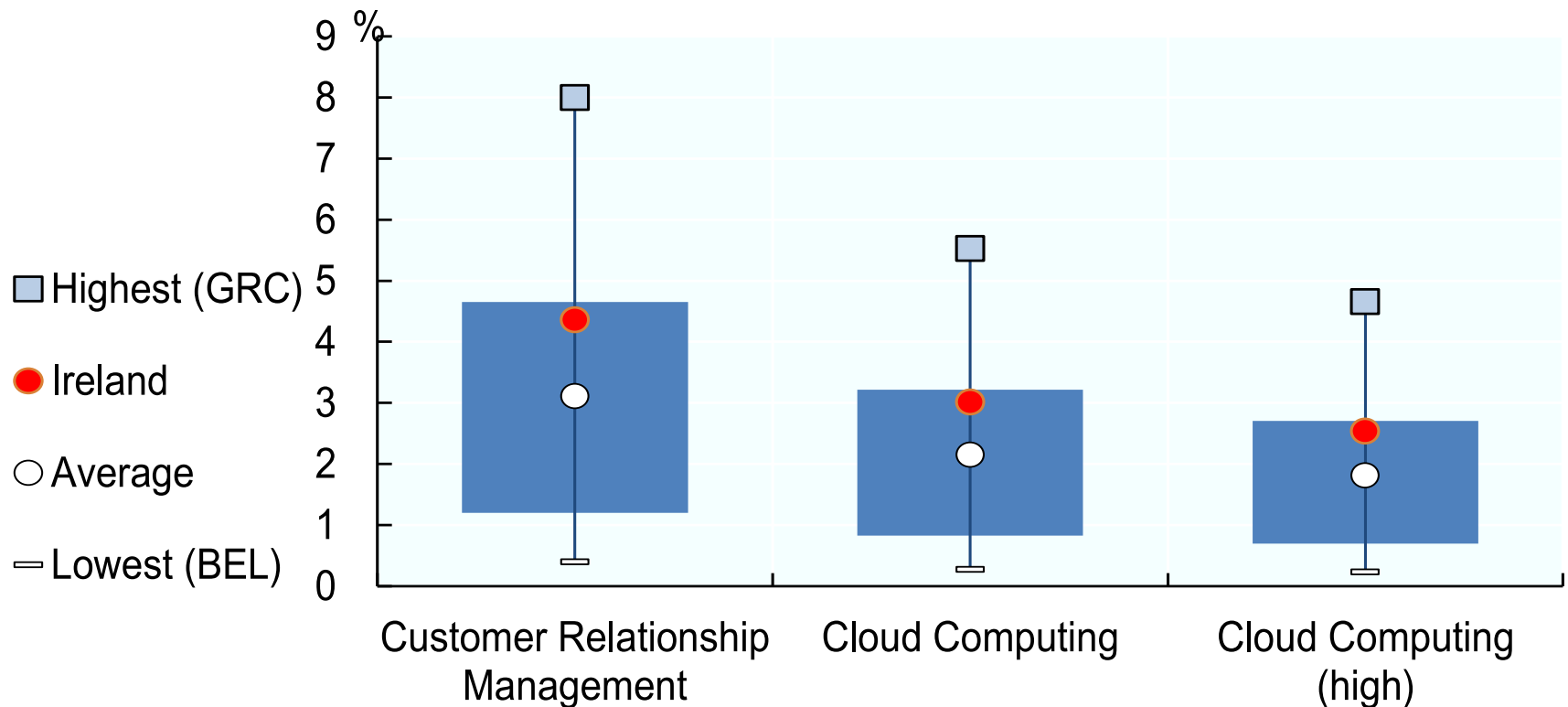
Source: World Management Survey.

Source: Eurostat.



Reducing skill mismatches facilitates adoption of digital technologies

Percentage increase in the adoption of digital technologies by firms in response to lower skill mismatches
(difference between more and less exposed sectors)





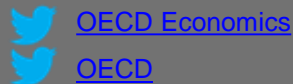
THANK YOU

For more information, please visit:

<http://www.oecd.org/global-forum-productivity/>



<http://www.oecd.org/eco/surveys/economic-survey-ireland.htm>



Disclaimers:

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.