

# MICROPROD

## Raising EU Productivity: Lessons from Improved Micro Data

### Policy Conclusions

#### *WP2 – Globalisation and Productivity*

Given their centrality in the global economy and in facilitating knowledge growth and innovation, a better understanding of the way GVCs function is crucial. Better microdata is fundamental to building this knowledge.

#### *WP3 – Innovation, Digitalisation, and Productivity*

R&D and adoption of digital technologies contribute to efficiency and provide higher quality new products/services. High-quality labour skills and openness to international R&D skills and services are complementary to technology adoption and growth, the latter showing a trend towards polarisation.

#### *WP4 – Factor relocation and Allocative Efficiency*

Enabling the efficient allocation of labour and capital is key to solve the issue of EU stagnant productivity. Active policies in the labour market addressing skill shortage and labor market frictions are crucial.

Shortening the supply chains in EU might have negative effects on productivity.



Urgency of making progress on the EU's capital market union to prevent the inefficient allocation of financial resources.

#### *WP5 – Distributional Consequences of Globalisation and Technical Progress*

Technological change could have been a major driver of increased income inequalities and support for nationalist and radical-right parties in Europe.

Worker participation in decision-making is beneficial for firm performance and wages, e.g. in the case of German work councils. It might also mitigate the adverse impacts of structural changes on labour incomes and income inequality.