

COINVEST Start up meeting

27/28 May 2008 Brussels, Belgium

Meeting Notes

Tuesday 27 May 2008

Meeting started 12.00

Present: Jonathan Haskel (QMUL) Chair, Harald Edquist (IFN), Todor Gradev (Club 2000), Pamela Harling (QMUL), Henrik Jordahl (IFN), Kirsten Labuske (TCB), Georg Licht (ZEW), Francisco Lima (IST), Jacques Mairesse (ENSAE), Pedro Martins, (IST), Ian Perry (DG Research), Annarosa Pesole (QMUL), Andrew Tank (TCB)

Observers: Agustin Diaz-Pines (DG INFSO-C2), Francesco Mureddu (DG INFSO-C2)

1. Delegates introduced themselves to the group.

2. Jonathan Haskel introduced the project and the beneficiaries. He also outlined other parties interested in the work that the project will generate: national statistical agencies, the OECD, the innovation accounting project in the USA (being run by the NSF and BEA), the UK BERR (Department for Business, Enterprise and Regulatory Reform) and NESTA groups, ECFIN and other EC FP7 projects.

JH outlined how the project grew out of the EUKLEMS project (currently finishing), the actions taken so far for the project, the current status of the grant agreement, the bilateral meetings held and the setting up of the web site at www.coinvest.org.uk (with an e-mail address at coinvest@qmul.ac.uk).

Ian Perry stressed the importance of the web site as a show case for the project and that the Commission would like to see the site remain active for at least two years after the project finishes.

3. Presentation 1 by Ian Perry from the European Commission (may be placed on the internal area of the website). This project falls under the Social Sciences and Humanities theme, activity indicators, area new and improved indicators.

IP gave a brief history of the Framework Programmes and how economics research has only slowly become part of the Programmes although statistics and indicators research goes back to FP2.

The evaluation and negotiation process was outlined – shaping a good proposal into an excellent research project. The role of the project coordinator is to ensure that high quality deliverables are available on time, that there is a high level of interaction with other projects, good communication with the Commission and good internal communication within the consortium. IP was also keen to point out that he did not want overlap with other projects.

The key messages for the project outputs are that the results are useful for policy makers, that they are disseminated widely and early in the project to encourage

feedback and input from other interested parties and that they engage a broader public.

It is useful if new policy issues that arise are reported every six months and IP will provide a format for these reports. IP will also provide the wording for acknowledging EC funding and any disclaimer that might be appropriate for outputs from the project.

4. Presentation 2 by Ian Perry. The role of the EC desk officer is to ensure that the project is carried out as envisaged in the Description of Work and that the outputs are useful to policymakers. He requested that all communications relating to the structure of the project be copied to him (putting COINVEST and the grant number 217512 in the subject heading). He expects to be invited to all project meetings (but cannot necessarily attend all meetings) and to receive reports from all meetings. He outlined the payment schedule (for COINVEST advance and final only). He requested that every scientific report to the Commission has a cover page (integral to the electronic file) and that it clearly shows that project name and contract number, date and status (draft, final, etc.) and the project logo.

The Commission prefers that the project does not have to ask for an extension but understands that sometimes this is necessary, especially as in this case some partners are held up by the delay in signing the grant agreement. If amendments to the grant agreement are necessary, this must be done formally in writing through the desk officer and should be handled in groups if possible.

IP reiterated the importance of communicating information about the project through the web site, by preparing a flyer or brochure that can be disseminated at meetings, a powerpoint presentation and through press releases (to be cleared through the Commission). EC funding should be acknowledged at all times (IP to provide a standard wording for that).

5. Administration and Finance presentation by Pamela Harling

Beneficiaries were requested to send QMUL details of meetings and papers and articles where COINVEST is presented or gets mentioned.

Grant money will be paid to QMUL and beneficiaries were asked to give a contact for financial administration in their organisations and to complete a bank details form for transfer of funds. There will be a prefinance payment and a final payment, but reporting will be done yearly.

Costs covered by the budget were outlined and beneficiaries were reminded to keep ALL receipts (including flight boarding passes).

There was a discussion of subcontracting. This would be feasible in particular if the statistics office were to be involved (since they would likely be the only agency who could undertake the work and so this would simplify the tender process i.e. there would be no need to tender).

Time sheets are to be filled out by all staff paid directly by the project. These should be the usual timesheets used in each institution.

NB. That from 18 June 2008 the project administrator at QMUL will be Catherine Edlin.

6. Management issues

The meetings schedule. Participants had an opportunity to discuss the budgeted plan for project meetings.

It was agreed to hold the October 2008 Steering Group meeting in Mannheim at ZEW, probably running from a midday on Wednesday/Thursday to about 16.00 Thursday/Friday. GL to check meeting room availability. JM only available 9 to 19 October due to other commitments (conferences outside the EU). Probable dates then 15/16/17 October. JH may apply for COST money to invite guest speakers.

The April 2009 Steering Group meeting will take place with the mid-term review. JH to investigate the possibility of holding the meeting at OECD in Paris. If not, ENSAE could host. Easter is 12 April. JM suggested inviting accounting speakers to this meeting. Chuck Hulten would also be invited to this meeting.

The September 2009 Steering Group meeting will take place in Stockholm.

It was suggested that the academic conference scheduled for March 2010 should be a larger meeting than originally proposed and that the policy makers briefing in Brussels could be smaller than proposed (but this should still take place). Possible venues Foundation Universitaire, national contact offices.

The possibility of holding some meetings in conjunction with other conferences was suggested. Beneficiaries to let the administrator know of relevant meetings.

The project web site, www.coinvest.org.uk.

Suggested items:

- Powerpoint presentation about the project (about 6 slides)
- Project outline and Description of Work
- Funding acknowledgement
- Links to partners web sites (logos)
- Meetings schedule
- Partners/beneficiaries
- Links to other relevant groups and projects (OECD, NESTA, NESTI, EUKLEMS etc)
- Protected area WIKI (partners will be sent a login and password) for project documents and EC presentation.

Sharing data.

JH outlined his STATA software file that manipulates data. He will send everyone instructions for running this program.

Has everyone got licensed copies of STATA software? Annarosa Pesole to circulate her STATA command that reads specific worksheets on Excel.

Using Skype.

It was suggested that all beneficiaries set up Skype on their computers for informal meetings. Skype names will be placed on the protected are of the website. Pamela to collect Skype names.

7. Presentation by Jacques Mairesse

Intangible capital and productivity – case study of Italian manufacturing firms. A number of points arose from the presentation. It would be useful to find out just what procedures are followed for intangible accounting in the accounting literature; all partners might inquire on this in their own countries. In addition, we might also find out how R&D is treated e.g. some sectors capitalise D but not R. JH would talk to Yoshi Tojo about how the multinational transfer pricing relates to this.

8. Discussion about micro-data.

There then followed a more general discussion about the micro data and the following points were raised.

1. What are the accounting rules in each country? And how much information can these provide? What is the feeling from each country represented? It was agreed that it would be profitable to spend some time on this question.
2. What kind of data sets, which include intangibles, are available? For example, the 1992 EU Directive encouraged reporting of intangibles and Italian companies have followed this.
3. Which data sets capture information on R&D, advertising, software and licensing spend? The Community Innovation Survey (CIS) was discussed. Although the information is micro-aggregated for EUROSTAT, some countries can obtain the data from national stats offices. It would be helpful to review availability of these data. It was pointed out that many figures for spending on intangibles in the CIS data relate ONLY to spend on the introduction of new products. It is extremely difficult to get figures for companies that say they do not innovate (introduce new products to the market).
4. The OECD has undertaken some work about the transfer pricing and reporting of R&D spend in multinationals. JH would contact Yoshi Tojo at OECD, and Alessandra Collechi on this.
5. In France figures for personnel training is available through labour statistics because firms have to spend a certain amount each year on this and this is recorded. Spain collects data on spend for marketing, reputation building and training. The PITCAH marketing data was mentioned as a possible source. Portuguese data are quite good – there are production surveys that can be matched with innovation surveys etc. Sweden productivity data was said to be quite good, re work by Hans Olaf Haagen.
6. It was agreed that the project should be pragmatic and use the highest quality of data in each area, even if these are not available across all countries.
7. There was discussion of datasets from company balance sheets eg. ORBIS, FAME, AMADEUS. Portugal discussed using these data. We asked if anyone measures management time use, such as consultants for example. FL to find out if such data is available
8. Georg Licht kindly agreed to provide a paper for the Mannheim conference on what intangible categories are and are not included in the Oslo manual.

9. It was agreed that part of the micro work would be to try to see what survey evidence there was to back the macro work.

17.30 meeting closed.

Wednesday 28 May 2008

Meeting started 09.00

Present: Jonathan Haskel (QMUL) Chair, Agustin Diaz-Pines (ECFIN), Harald Edquist (IFN), Todor Gradev (Club 2000), Henrik Jordahl (IFN), Kirsten Labuske (TCB), Kieran McMorro (ECFIN), Francisco Mureddu (ECFIN), Ian Perry (DG Research), Annarosa Pesole (QMUL)

Presentations were given by Vlad Manole and Annarosa Pesole.

A number of comments were made on VM's presentation and the following matters arose.

1. Do Apple include design in their R&D data? If they are on the Conference Board this would be of interest to ask them.
2. There is a Canadian project on intangibles: JH would write to John Baldwin for information.
3. Should the coefficients on spending and investment be the same across countries? This would have to be investigated.
4. On software, is the own-account information consistent across countries?
5. Some doubt was raised about the film production data that seemed to greatly understate the US results. This would need to be investigated.
6. IP suggested the results could usefully split out intangibles into software related and non-software related intangibles.
7. VM suggested that AP could usefully provide some key ratios that might be applied to the overall industry design data for those countries that had only these data and not the detailed Input/Output tables.

Meeting closed 12.30

ACTIONS

Item 5: PJH to get bank details from beneficiaries.

Item 5: Everyone to let administrator Catherine Edlin (CE) know about meetings they attend and papers and articles they write where the project is mentioned.

Item 5: Secretariat to produce a brochure about the project and get the web site (www.coinvest.org.uk) fully operational.

Item 6: GL to investigate meeting rooms for the October Steering Committee meeting to be held in Mannheim, Germany probably around 15/16/17 October 2008.

Item 6: JH to apply for COST money to invite speakers to the October meeting.

Item 6: JH to approach OECD about holding the mid-term review meeting in Paris, France in April 2009.

Item 6: JM to invite accounting speakers to the mid-term review. Chuck Hulten (TCB) to be invited.

Item 6: HJ to arrange September 2009 meeting in Stockholm, Sweden.

Item 6: Everyone to let administrator CE know about conferences and meetings where project meetings might be held in tandem.

Item 6: JH to send everyone instructions for running his STATA software file. AP to circulate her STATA command that reads specific worksheets on Excel.

Item 6: Everyone to set up Skype on their computers for informal meetings and send Skype names to PJH.

Item 7: Everyone to inquire what procedures are followed for intangible accounting in the accounting literature in their own countries. Also find out how R&D is treated e.g. some sectors capitalise D but not R.

Item 7: JH to talk to Yoshi Tojo about how the multinational transfer pricing relates to this.

Item 8: see points raised.

Papers presented on Wednesday morning: see points raised.

First Deliverables:

1. A pan-European scoping of exemplar countries to determine nature of intangible investments – due Month 2 May 2008.
2. Using data from the above scoping exercise, a paper that provides cross-section estimates of intangible assets for all countries represented in the consortium – due Month 4 July 2008.

In Month 8, November 2008 papers quantifying figures on time-series estimates dating back to 1970 for each country in the project are due, with a database to hold the cross-section estimates to 2005 and time-series data.