



CLUB “ECONOMIKA 2000”

**COINVEST**  
www.coinvest.org.uk



## **COINVEST Policy Maker Briefing**

**Tuesday 13<sup>th</sup> July 2010**

This conference is organised by the [COINVEST](http://www.coinvest.org.uk) project.  
COINVEST is a European Commission Framework 7 project funded under the Socio-economic Sciences and Humanities theme.

**Hosted by Club Economika 2000, Sofia, Bulgaria**

at the [Sheraton Sofia Hotel Balkan](#).

**9:30- 10:00**

Registration & Coffee

**10:00-10:15**

Introduction

**10:15-11:10**

SPARTAK KEREMIDCHIEV, Club Economika, Sofia

**11:10-12:05**

JONATHAN HASKEL, Imperial College London, Principal Investigator, COINVEST Project

*'Intangibles, Innovation & Growth; Theory and Evidence'*

**12:05-13:00**

HARALD EDQUIST, Research Institute of Industrial Economics (IFN), Sweden

*'Intangible Investment and Productivity Growth in Sweden'*

**Organising committee:** Spartak Keremidchiev, Club Economika 2000, Jonathan Haskel, Imperial College London



## Notes on COINVEST Policy briefing , Sofia, Tuesday, 13 July 2010

All slides available at [www.coinvest.org.uk](http://www.coinvest.org.uk)

1. Attendees. Full attendance list taken and all signed in. Representatives were there from the Council of ministers, Bulgarian Patent office, academics, finance ministry, World Bank, ministry of economy, energy and tourism, ministry of Transport, ICT, business organisations.
  
2. **Opening presentation by Jonathan Haskel**  
There was a discussion of training, the EU2020 framework, and measurement of branding.
  
3. **Presentation by Spartak Keremidchiev- Bulgarian data**  
Some points arising.
  - a. Problems in consistency of data. Various surveys are used due to limited availability of consistent time series. The methodology is changed in some points to match the availability of data and local conditions.
  - b. Software. There seems a possible outlier in 2000, but this might be the dotcom bubble or the privatisation process. The in-house data are from occupational wage data for computer staff. There might be some experimentation with committed "operative" staff since they are likely not software programmers but operators of software.
  - c. There was also cross checking with a Bulgarian ICT survey. The results from that survey seem to find lower numbers.
  - d. There was also discussion of the economic competencies data. The data on copyright should be checked to make sure it corresponds to investment.
  - e. On competencies, brand equity is growing very strongly.
  - f. Organisational structure. They don't have average wage data for managers. But they do have some survey evidence on cross section on wage differences from which managerial data is described. We discussed how there might be a conservative treatment of managerial occupations, namely taking rather few and experimenting with robustness of results.
  - g. Overall investment, note public and private, is 3% of GDP in 98 growing to 7% in 2006.



- h. We had long discussion of spending as share of GDP. It was recommended to try for public/private break out, especially for public sector. Bulgarian data includes the public sector and this makes it less comparable with other data sets.
- i. The time series break out is very hard, since in the late 1990s there seem, for example to be zero employment in advertising.

**4. Presentation on Sweden by Harald Edquist**

- a. Sweden has very strong 1990s and 2000 performance. Intangibles a prime candidate for explaining this! Looks at intangible investment and growth. And looks at manufacturing and services data too.
- b. Swedish intangible investment is very strong.TFPG. Indeed explains the most in an absolute sense for all countries.
- c. Swedish data for manufacturing and services available too. Intangibles are key in manufacturing. Also a lot of investment in services.

Some additional action points.

- a. Intangibles can talk to the creative industries question, this might be a presentational device that people can relate to.
- b. Also can talk to the "servisiation" question (esp since we expand growth so we can talk about how much of output is due to services)
- c. Bulgarian stats office might benefit from using the UK micro questionnaire on intangibles.