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# NATIONAL PRODUCTIVITY BOARDS: A REVIEW AND THE ITALIAN CASE

WORKING PAPER | NATIONAL PRODUCTIVITY BOARD

CNP N.1 -2025  
JANUARY 2025

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<sup>1</sup> The views expressed are those of the authors and do not necessarily reflect those of CNEL.

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## Executive summary

In 2016, the European Union recommended that eurozone Member States establish **National Productivity Boards** (NPBs) to analyse and address productivity challenges at the national level. NPBs aim to support evidence-based policymaking by assessing and provide insightful analysis on key productivity drivers. To fulfil their mandate effectively, NPBs are designed to operate with **functional autonomy**, **access critical data**, and **active stakeholder engagement** while producing annual reports and actionable policy recommendations. Their role is vital in navigating the political and economic barriers that often impede productivity-enhancing reforms.

Since 2016, nearly all eurozone Member States have established NPBs. These boards exhibit diverse organizational structures and operational frameworks, ranging from independent entities to those embedded within existing institutions. Despite these variations, their core function remains the same: **providing analytical insights through annual productivity reports**, thereby contributing to national and EU-wide policymaking.

Italy's NPB, launched in 2024 and hosted by the **National Economic and Labour Council** (CNEL), is a technically robust institution integrated into an established framework. This integration leverages CNEL's constitutional mandate, cost efficiency, and access to comprehensive data resources. Supported by institutional expertise, the Italian NPB is strategically positioned to engage stakeholders, provide evidence-based analysis and contribute to productivity policy design.

## 1. NPBs: Mandate, Motivations and Required Features

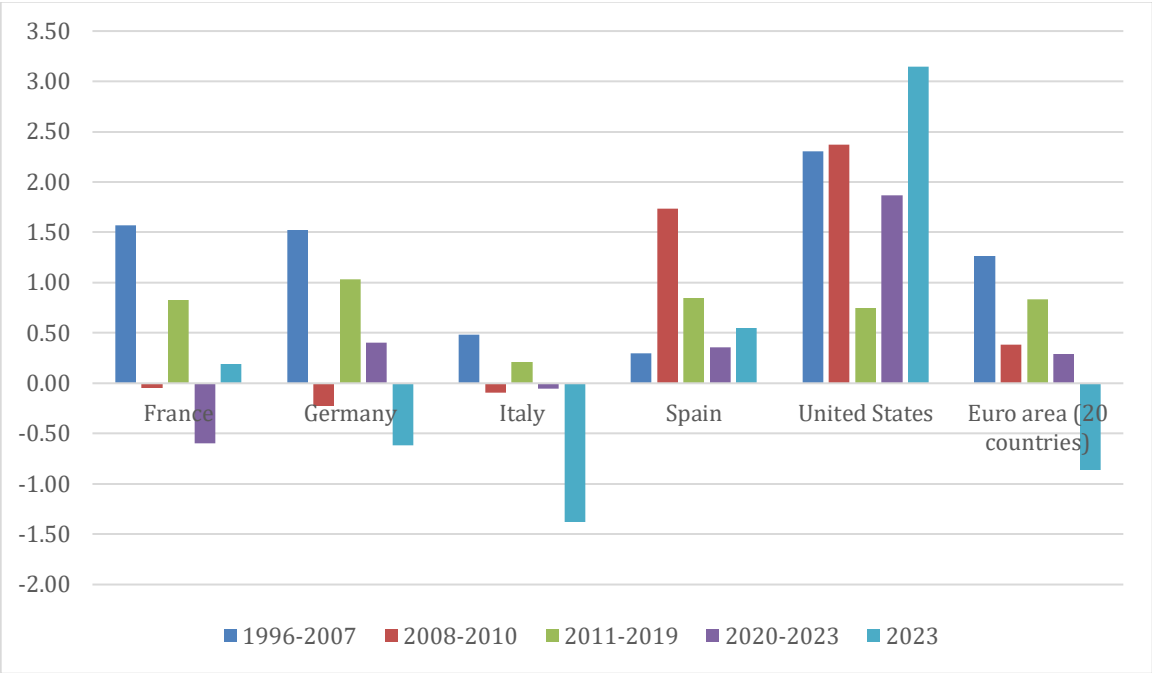
### *The European Recommendation*

Policies to **boost productivity growth** and **enhance competitiveness** are essential in European and national policymaking. Productivity is the key driver of long-term economic growth, as it directly affects the potential output of an economy. Higher productivity leads to increased incomes and more efficient use of resources, which in turn supports inclusive and sustainable economic growth. This growth is essential for achieving macroeconomic stability, including the ability to maintain welfare programs, reduce debt ratios, and ensure fiscal sustainability, thereby reinforcing the effectiveness of national and European policies. In Nobel Prize Paul Krugman's words, "productivity is not everything, but in the long term it is almost everything" (Krugman, 1994).

This is why, in 2016, the European Union invited, through the Council Recommendation of 20 September 2016 (2016/C 349/01), all Member States within the Euro area to establish a **National Productivity Board** in their institutional setting.

The EU institutions acknowledged that **slowing productivity growth** had been a crucial challenge for developed economies since 2000. In the Euro Area, this slowdown is evident in the reduction of average annual productivity growth from around 1.5% to below half a percentage point over the past three decades (Figure 1), reflecting both structural and cyclical factors (European Central Bank, 2024) and negatively affecting the potential for long-term economic growth and income generation. Additionally, within the area, the **high interdependencies create** significant spillover among Member States also in this field, and the need for adequate economic policy pushed for an increased coordinated, but domestic-driven, **ownership** of reforms to reflect national priorities.

**Figure 1 Average productivity growth rate in selected countries (GDP per hour worked)**



Source: OECD Productivity Database

According to the Recommendation, the main goal of National Productivity Boards (NPBs) is to develop a **diagnosis and analysis of productivity and competitiveness developments** in Member States. The analysis should take into consideration the Euro area and the European Union trends, as well as the **long-term drivers and enablers of productivity and competitiveness** (i.e. innovation, capital formation and capacity to attract investment, business demographics, human capital, industrial structure, etc.).

Analysis should be based on **transparent and comparable indicators** and, where appropriate, the NPB **should assess the effects of available policy options** to influence

productivity developments, making policy **trade-offs explicit**, and providing suitable *ex-ante* and *ex-post* policy evaluation.

To achieve these goals, the Council recommended NPBs to reflect these features:

- **Functional autonomy**, *vis-à-vis* the authorities in charge of designing and implementing productivity-related policies;
- The ability to **communicate publicly and timely**;
- **Robust procedures** to nominate members based on **experience and expertise**;
- Appropriate **access to relevant information** and data;
- The capacity to **publish a yearly country report** on productivity.

The European Commission later indicated that the independent expertise of the boards and their annual reports can be used by governments and the Commission in the context of the annual policy monitoring process, i.e. the European Semester (EU, 2019).

The European Recommendation fits into a more global trend. In fact, productivity challenges are shared by all advanced economies, and several international organizations, including the OECD (Banks, 2015; Dougherty and Renda, 2017; Cavassini et al., 2022), highlighted the **role that pro-productivity institutions (PPI)** can play to help address these challenges based on global experience and suggested ways to establish and reinforce the PPIs.

#### *The rationale for establishing a National Productivity Board*

The rationale for having these institutions is straightforward. A wide range of policy measures taken by different government ministries and bodies is likely to affect productivity, either intentionally or as a side effect. This **challenges the silos division** of ministries, departments and public agencies, requiring **policy integration** to facilitate **information flows** and take into account **synergies** and complementarities across policy interventions. As illustrated in Figure 2 (borrowed from Pilat et al., 2023), the policy fields related to productivity are multiple (including fiscal, social, industrial and innovation policies) and the channels through which structural conditions and policy interventions may influence productivity outcomes are complex. This calls for across-the-board and expert assessment, which can contribute to much-needed **evidence-based policymaking**.

Importantly, productivity issues often do not have a “silver bullet” solution, and local specificities matter, requiring scrutiny at national and subnational levels (Renda and Dougherty, 2017).

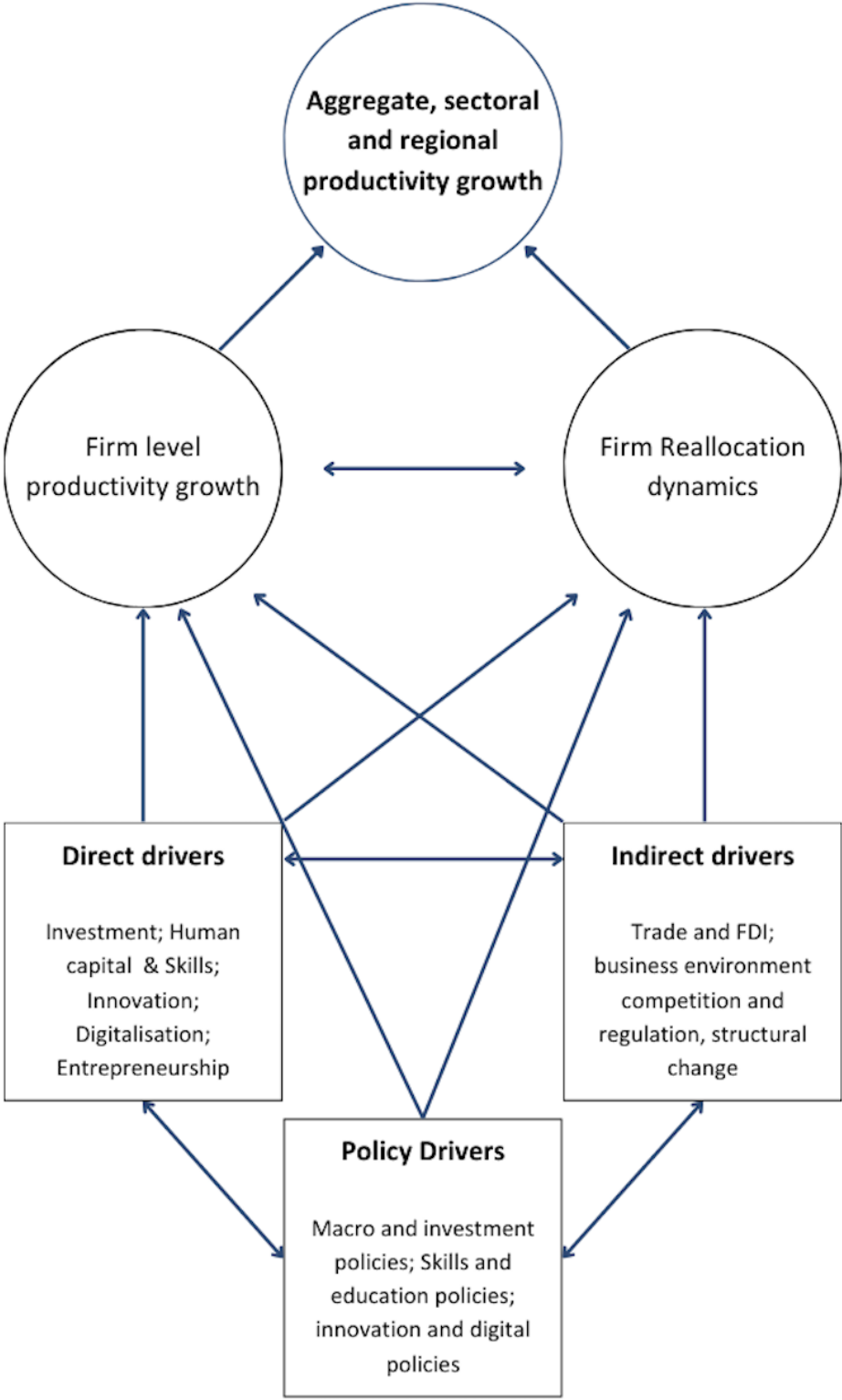


Figure 2: Policies, Structural conditions and productivity: main channels

*Source Pilat, 2024; Albrizio and Nicoletti, 2016.*

Additionally, productivity policies often involve winners and losers and therefore raise difficult political economy obstacles. Pro-productivity policies can be hard to implement because of collective action issues (Olson, 1965), whereby their costs (if any) are visible and concentrated in organized and resourceful groups (e.g. reduction of rents) while their benefits (such as lower prices of consumer and intermediate goods) are more widely diffused across the economy, making the quest for social support to the policies challenging. Indeed, the general public usually has less information about benefits than groups that are hit by the policies and faces significant constraints in organizing support due to free-riding issues, whereby individual commitment is curbed by the expectation that others will instead act (Banks, 2015). Moreover, these policies tend to deliver benefits over a lapse of time while their costs can be more immediate. Often, this exposes policy-makers to an “**anti-productivity bias**”, which NPBs can help overcome by spreading evidence-based information about the benefits and the trade-offs of productivity policies and contributing to designing policies that boost their short-term benefits and, possibly, minimize impact on losers.

### *Effective National Productivity Boards*

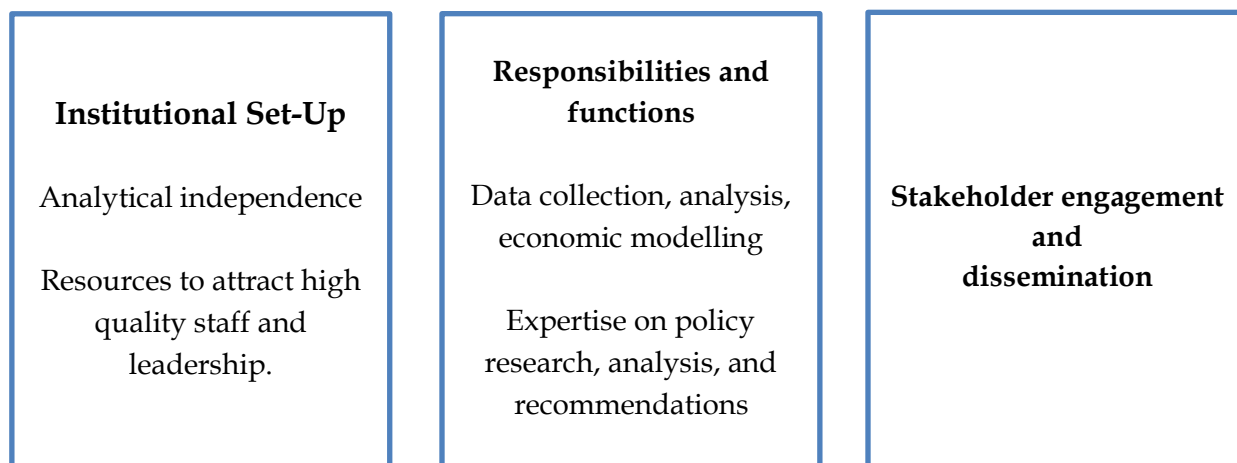
To boost the effectiveness of PPIs, the OECD suggested focusing on three dimensions (Figure 3) based on a detailed survey of their actual practices (Cavassini et al., 2022):

1. **The institutional set-up.** This should be designed to guarantee **analytical independence** and the **needed resources to attract** high-quality staff and leadership. To this end, **the mandate and legal status** should guarantee **independence** on the research agenda and the board composition, the chairperson appointment procedure, and the functioning of the secretariat, which should **attract independent, well-recognised experts** in the field.
2. **Responsibilities and functions.** These should be defined clearly and concern, inter alia, the use of the needed data sources, the support of analytical tools and expertise and the choice of the relevant deliverables. Particularly important are the ability to use appropriate information (down to granular firm-level data), rely on

a set of robust analysis and modelling resources and reach various audiences with a range of (both technical and non-technical) reports at different stages of the policymaking process (e.g. annual reports, research papers, policy briefs, press releases, etc.).

3. **Stakeholder engagement and dissemination of analysis.** Both are crucial for an influential role in policymaking. PPIs need to consult appropriate stakeholders (e.g. unions, employers’ associations, consumers, government agencies) and communicate timely and publicly to both the general public and policymakers (including legislative and executive bodies). For example, regular consultations with social partners could provide relevant knowledge and experience and be essential for both the dissemination stage and the coalition building supporting pro-productivity measures. At the same time, the ability to reach the media and communicate complex issues in a timely and non-technical way should be a key feature to boost the effectiveness of PPIs.

**Figure 3: Main drivers of NPB effectiveness**



*Source: Cavassini et al 2022*

Relying on these features, one primary added value of PPIs is that they embed **long-term perspectives** in the institutional logic and political discourse, aimed at counterbalancing

the short-termism of the political cycle and gain legitimacy and credibility in providing reliable, compelling, and rigorous analysis to inform policymaking.

## 2. Implementation of NPBs in the EU

Since the 2016 Council recommendation, 19 (plus Italy) **countries have established a National Productivity Board following the European blueprint** within and beyond the Euro area.<sup>2</sup> Two countries, Romania and Hungary, reversed their previous decision winding down their NPBs (European Commission, 2024). Across the OECD area, there are currently some 25 PPIs in operation including institutions in the UK, Australia, New Zealand, Chile and Mexico (Table 1).

**Table 1: Pro Productivity Institutions in selected non-EU Countries**

Country	Institution	Type of Institution	Relationship with government
<i>Australia</i>	Productivity Commission	Standing inquiry body	Independent research and advisory body
<i>Chile</i>	Comisión Nacional de Productividad	Standing inquiry body	Independent, reports to the Committee of Ministers of Economic

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<sup>2</sup> Not all Euro Area have yet established productivity boards, although they were invited to establish them by the EU Council Recommendation. Among them, Austria only established a board in 2022, while Italy and Spain have just recently done so and Estonia is still missing from the list. The Council also encouraged non-Euro Area EU Members to establish NPBs, but so far only Denmark has complied (based on a pre-existing institution). Hungary and Romania established NPBs for short periods. Outside the EU, Australia and New Zealand (since 2011) have well-established productivity commissions, as do Chile (since 2015) and Mexico (since 2013). Norway's productivity commission was only in operation over a short period, from 2014 to 2016. The UK Productivity Institute, which has peculiar features but is akin to a NPB, was established in 2021 (Pilat, 2024).

			Affairs and the Interministerial Committee for Social Development
<i>New Zealand</i>	Productivity Commission	Standing inquiry body	Independent Crown entity, work programme set by Ministers, with the Minister of Finance as Responsible
<i>UK</i>	Productivity Institute	Independent body, established by NIESR and The Productivity Institute	Body operating independently of government, working closely with policymakers
<i>USA</i>	Council of Economic Advisers	Government advisory council	Agency within the Executive Office of the President

Source : Cavassini et al 2022, Pilat 2023.

*Box 1. The forerunner Board: the Australian Productivity Commission*

The Australian Productivity Commission was established in 1998, replacing different existing institutions. It is considered the oldest productivity commission in the world. The body is **strongly independent**, with budgetary autonomy and an important number of **permanent employees**, 164 people in 2022. It plays two main functions: respond to annual Government requests for inquiries in economic areas, markets or sectors; and initiate own research, investigation and international benchmarking of the Australian economy in other areas. The board implements its functions through a complex process involving extensive research and stakeholder consultation, but is completely autonomous in its final recommendations. Over time, the Australian Productivity Commission has played a key role in opening up the Australian economy to international trade, reducing distortions due to industrial subsidies, lowering entry barriers into markets due to administrative costs and injecting competitive pressures in several sectors, such as utilities (Banks, 2015).

Three main criteria grounded the institutional design and the operation of the Commission: 1) independence, with members appointed for fixed periods of up to 5 years, 2) transparency and 3) economy-wide concerns, including the interests of consumers and citizens generally.

The European Commission (2021; 2024) identified two main dimensions along which existing NPBs can be classified (Table 2):

1. **The organizational structures** -- with most NPBs consisting of a **board supported by a secretariat** and a minority of NPBs **entrusted in an already existing institution** (an independent body or a department) led by a full-time nominated director.
2. **The composition of the board** -- with a distinction between **multistakeholder** NPBs and NPBs that have a purely **technical** composition.

**Table 2: Main characteristics of existing EU NPBs**

A. Organizational structure

	Board and a Secretariat		Other NPB	
	<i>Embedded in an existing institution</i>	<i>Not Embedded</i>	<i>Embedded in an existing institution</i>	<i>Not Embedded</i>
<b>Multistakeholder composition</b>	Ireland, Croatia, Malta, Spain	Slovakia, Luxembourg, Austria, Latvia, Cyprus		
<b>Technical composition</b>	Germany	Belgium, Finland, France*	Denmark, Lithuania, The Netherlands, Slovenia, Portugal, Greece	

Source: European Commission 2024 and Consejo Economico y Social Espana (opinion 5, 2024)

\* The classification of France reflects the European Commission 2024 document. However, the French Board is de facto supported logistically and for the production of Annual reports by the pre-existing institution France Stratégie.

## B. Composition of the board

Institution	Countries (bold if newly created)
Stand-alone Productivity Board <i>Secretariat from a Government Department</i>	<b>Cyprus, Finland, Ireland, Luxembourg, Spain</b>
Stand-alone Productivity Board <i>Secretariat from another institution</i>	<b>France, Malta, Slovakia, Croatia, Austria</b>
Stand-alone Productivity Board <i>Secretariat from a mix of the two</i>	<b>Belgium</b>
NPB entrusted to an independent economic institute	Denmark, Germany, the Netherlands, Slovenia, <b>Latvia*</b> , Greece
NPB entrusted in an existing department	Lithuania, Portugal

Source: European Commission 2019 and [https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-productivity-boards\\_en#documents](https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-productivity-boards_en#documents)

\* The Latvian National Productivity Board is embedded within the University of Latvia

Looking at the organisational structure, eleven NPBs were **new entities** created within existing institutions (an example is the Portuguese NPB, which was embedded in the Ministry of Economy and Finance). Often this choice reflected the need to **contain administrative costs** and guarantee a **smooth start** of the operations. Thirteen boards chose instead the structure of a **stand alone board supported by a dedicated secretariat** (an example here is the French NPB, whose independent board is supported by a secretariat provided by France Stratégie). In six cases only, both the NPB board and functions were assigned to pre-existing bodies or institutions (an example is the German NPB, whose board and functions are ensured by the Council of Economic Advisors).

*Membership and access to information*

As regards the composition of the boards, NPBs are balanced between having an only **technical composition** (10) or multistakeholder composition (9). Nevertheless, very often in **multistakeholder boards** the technical component is predominant (with non-technical

members sometimes having only an observer position), while technical boards often embody mechanisms of consultation and engagement with relevant stakeholders.

The European Commission (2019, 2021) also assesses the functional autonomy guaranteed by statutes and legislations of these bodies according to three relevant criteria (Table 3):

- a. **the right to have access to information,**
- b. **the presence of binding rules for eligibility**
- c. **the capacity to publish an annual report without external approval**

**Table 3. Criteria for functional autonomy of EU NPBs**

A. General criteria

	<b>Access to information</b>	<b>Rules for nominating members</b>	<b>Publication of annual report</b>
Belgium	✓	✓	✓
Croatia			✓
Cyprus	✓		✓
Denmark		✓	✓
Finland		✓	✓
France		✓	✓
Germany	✓	✓	✓
Greece	✓	✓	✓
Ireland	✓	✓	✓
Latvia			
Lithuania			✓

	Access to information	Rules for nominating members	Publication of annual report
Luxemburg	✓		✓
Malta	✓		✓
Portugal			
Slovakia			✓
Slovenia	✓	✓	✓
Spain	✓	✓	✓
The Netherlands	✓	✓	
	10/18	10/18	15/18

Source: European Commission 2019, Consejo Economico y Social Espana (opinion 5, 2024)

*B. Eligibility criteria*

Eligibility criteria	Countries
Academic qualification	Germany, Greece, Ireland, Slovenia
Expertise in the field	Belgium, Denmark, Finland, France, Germany, Greece, Ireland, the Netherlands, Spain
Rules to avoid conflict of interest	Denmark, Belgium, Germany, Spain

Source: European Commission 2019

In the vast majority of cases provisions that establish NPBs require them to publish an **annual report on productivity**. Precise rules to nominate members are set in over half of existing NPBs (in four of them with explicit provisions to **avoid conflict of interests**). Over half of them are also explicitly empowered to access microdata and other relevant information, although their number might have increased since the European Commission 2019 report reflecting efforts to improve NPBs capacity.

Lastly, only a **minority of NPBs have been enshrined into legislation**, with primary law approved by votes in parliament.

*Financing National Productivity Boards*

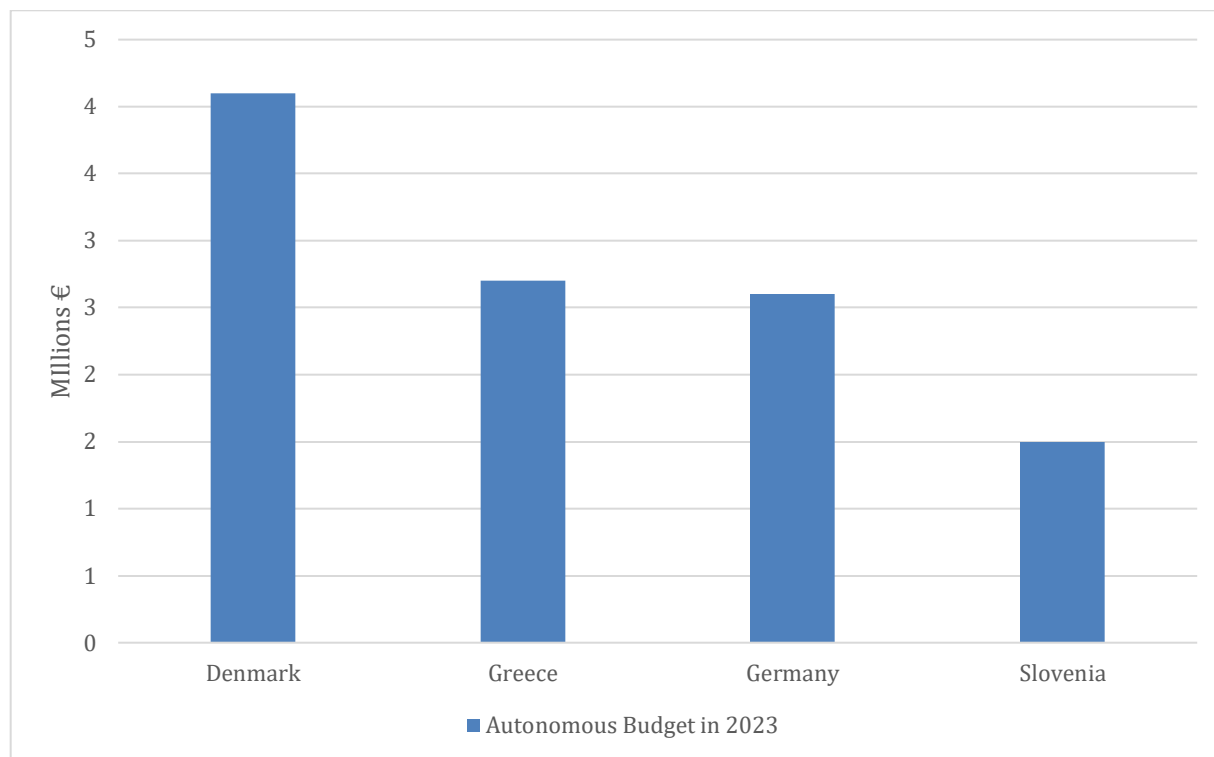
Autonomy is not solely determined by rules on eligibility; resources also play a crucial role. Among the NPBs, eight are funded through the budget of their supporting institutions, nine operate with their own budget, of which one (the Dutch NPB) generates independent revenue through fees for studies commissioned by private or public institutions (Table 4).

**Table 4: Funding channels for NPBs**

Funding channel	Countries
Mixed budget together with supporting institution	Ireland, France, Croatia, Cyprus, Lithuania, Luxembourg, Portugal and Slovakia
Separate budget allocation	Austria, Belgium, Denmark, Greece, Germany, Finland, Malta, The Netherland, Slovenia;
Funded per project	Latvia
Indipendent revenue	The Netherlands

Source European Commission, 2024.

**Figure 4: Amount of budget for selected autonomous NPBs (euro)**



Source: European Commission, 2024.

The variability of NPB features across the EU is consistent with differences existing also across non-EU PPIs and reflects institutional idiosyncrasies and national preferences. Nevertheless, all NPBs are mixing some element of technical expertise and stakeholder consultation. Overall, the European Commission considers that, despite these differences, NPB features adequately follow the spirit of the 2016 Recommendation (European Commission, 2024). However, according to the Commission further efforts are necessary in three areas:

- Guarantee and/or strengthen **formal independence** of the National Productivity Boards, thereby minimizing the risk of policy reversal;
- Guarantee the **formal access to data and relevant information**, as well as the actual capacity to manage them appropriately;
- Lay down explicit rules and procedures to guarantee **substantial independence** of the Board members and avoid conflict of interest.

### 3. What NPBs Do: An Analysis of Annual Reports

#### *NPB's Activities and publications*

The European Commission (2021) identified four primary activities conducted by NPBs across Europe:

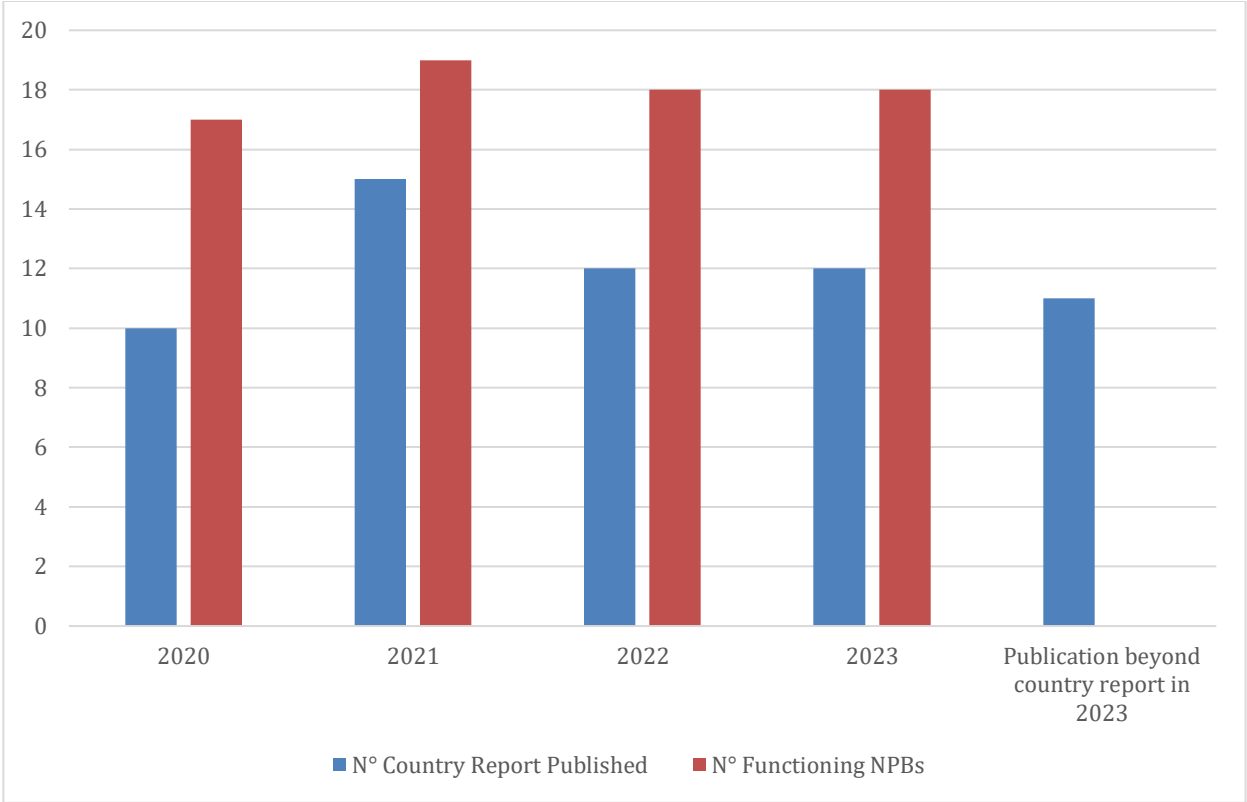
1. **Organizing events**, press conferences, specialized seminars, and workshops to foster discussions on productivity issues;
2. Contributing to the formulation, assessment, and monitoring of **National Recovery and Resilience Plans** (NRRPs) and more generally contributing to the European Semester policymaking;
3. **Publishing comprehensive annual reports** on productivity trends and challenges;
4. Producing **additional research and analysis** on productivity-related themes.

The Council Recommendation required NPBs to publish yearly country reports that include:

- An analysis of **productivity and competitiveness developments**, including comparisons with global competitors.
- Insights into **long-term drivers and enablers** of productivity and competitiveness, such as innovation, investment capacity, business dynamics, and human capital.
- An assessment of **cost and non-cost factors** influencing the quality and price of goods and services.
- An **evaluation of policy options**, highlighting trade-offs explicitly.
- Consideration of **Euro-area** aspects and interdependencies.

Over the period 2016-2023, almost every National Productivity Board have published at least one productivity report. The Dutch NPB, during its initial years, released a series of studies and analyses on related topics instead of publishing a single comprehensive annual report. Additionally, by 2023 eleven NPBs had supplemented their country reports with further thematic analyses.

Figure 5: Publications by NPBs, 2020-2023



Source: European Commission 2024

The European Commission has highlighted recurring themes in NPB reports. For instance, many NPBs have focused on opportunities to **accelerate digital and green transitions**, particularly in response to challenges posed by the COVID-19 crisis. Other common themes include removing barriers that prevent the exit of unviable businesses and the call for **joint European efforts** to enhance productivity policymaking.

*Macroeconomic analyses and productivity recommendations*

In terms of analytical scope, all reports until 2021 assessed labour productivity and total factor productivity from a multi-annual macro perspective, benchmarking against EU peers. Sectoral productivity analyses are frequent: twelve reports analysed labour productivity by sector, while five focus on total factor productivity. Firm-level

productivity was discussed in twelve reports, but regional dimensions remain underexplored, with Greece being the sole example of a regional focus.

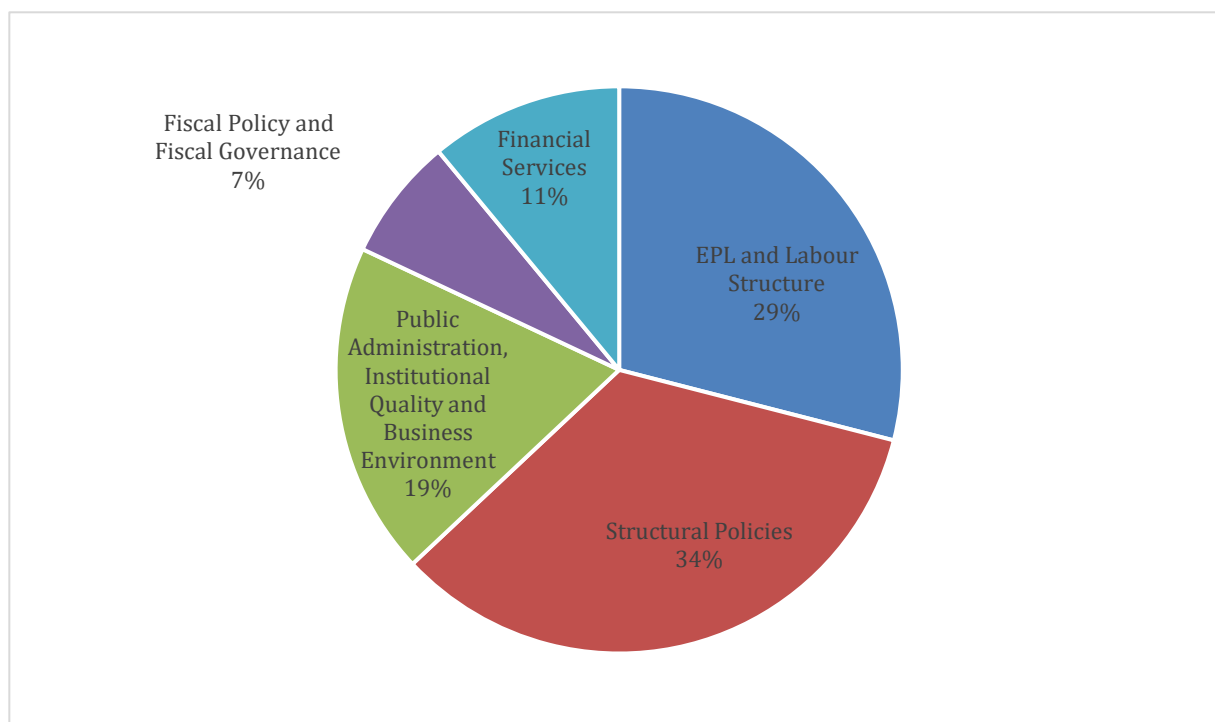
Many NPBs have also focused on the **productivity context** and its link to national competitiveness based on a mix of macroeconomic indicators:

- **External Imbalances:** Metrics such as the current account balance and net international investment position.
- **Domestic Imbalances:** Indicators like the net lending/borrowing ratio and debt-to-GDP ratio.
- **Competitiveness:** Both price-based indicators (e.g., unit labour costs) and non-price factors (e.g., export market shares and value chain participation).

In this connection, some NPBs (such as for example the French one) interpreted their mandate of “taking into consideration the Euro area and the European Union trends” including in their report an analysis of **internal imbalances of the euro area**. The debate remains open on whether this theme should fall within the remit of NPBs’ annual reports.

However, the policy recommendations in NPB reports focused predominantly on **structural policies** (innovation, competition, energy, transport), **labour market regulations**, public administration, and the business environment.

**Figure 6: Focus of NPB policy recommendations**



*Source: European Commission, 2021.*

Specific structural policy topics included:

1. **Education and skills:** quality of initial education, STEM graduates, addressing skills mismatches, and upskilling in digital and management competencies.
2. **Research and innovation:** investments in R&D, efficiency of public R&D spending, and knowledge transfer mechanisms.
3. **Infrastructure networks:** digital, transport, and energy infrastructure.
4. **Business environment:** streamlining business licensing, reducing bureaucratic red tape, and reforming regulated professions.

In a recent study Bergeaud and Mazet-Sonilhac (2024) identify five key dimensions that have been addressed in productivity reports<sup>3</sup>:

1. **Skill levels and matching:** inadequate skills, poor managerial quality, and job mismatches hinder digital technology adoption and efficiency gains.
2. **Labour market regulations:** excessively stringent barriers to worker dismissal and over-reliance on temporary contracts limit workforce reorganization, job reallocation and labour market dynamism in the wake of rapidly changing technology.
3. **Declining business dynamics:** barriers to startups (including excessive administrative costs and limited financing opportunities) reduce entry and growth of new firms constraining their contribution to aggregate productivity growth.
4. **Population ageing:** inability to cope with demographic shifts (e.g. via adequate training) curbs potential output and threatens welfare sustainability.
5. **Digital infrastructure quality:** inadequate deployment of optic fibre and insufficient broadband coverage hamper network effects and productivity gains.

The study also finds that NPB reports often use common indicators to measure policy areas that are relevant for productivity outcomes across countries. These include the stringency of employment protection legislations (as reflected in the OECD EPL indicator) and the friendliness of the business environment (based on the World Bank "Doing Business" reports) to assess the influence of **labour market regulations** on productivity; the extent of broadband access, connection speed and other composite measures (such as the index produced by the European Investment Bank) to assess the appropriateness of **digital infrastructure**; and patents and R&D investment ratios to GDP to assess **innovation** efforts. From the analysis of the NPB reports (and the broader literature), the study calls for an increased joint European effort to boost **R&D**

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<sup>3</sup> They analyse the NPB reports of Belgium, France, Germany, and Greece.

**investments** and greater investment in **digital infrastructure**, especially in lagging behind regions.

Moreover, the study highlights the need for a more structured **dialogue among NPBs** to foster a stronger European focus in their reports. To support a Euro area perspective and the sharing of best practices, the Commission has facilitated the **exchange of views** between NPBs through bi-annual workshops as well as by hosting an annual meeting of the NPB network back-to-back with the EU's Economic Policy Committee. In parallel, the **Technical Support Instrument** is available for NPBs to improve institutional capacity related to access and micro data management. However, ultimately the impact of the Commission's initiatives depends on the coordination efforts made by NPBs themselves.

Looking also beyond the EU NPBs, Pilat (2024) surveys ten annual productivity reports.<sup>4</sup> The study identified several common features across these reports: they often analyse productivity growth trends at both aggregate and sectoral levels, across time and geographies; they frequently utilize growth accounting to identify key drivers of productivity -- such as skills, investments in tangible and intangible assets, and technological progress; they often rely on firm-level data; and they employ economic modelling to estimate the potential aggregate impacts of policy proposals and measures.

What insights can be drawn from the Commission's and other surveys of NPB activities and reports? First, the surveys highlight an increasing—but still insufficient—**dialogue** between National Productivity Boards (NPBs). Further exchanges, comparison of results and collaboration in data collection (and, possibly, empirical analysis) among NPBs are desirable to foster synergies, learn from mutual experiences and boost impact at the EU level. Second, many NPBs demonstrate a growing emphasis on the use of **firm-level microdata**. Therefore, easing access to these data and facilitating cross-country micro-based analyses could significantly enhance the understanding of the causes of the productivity slowdown, potentially improving EU countries' ability to find effective policy remedies.

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<sup>4</sup> Australia, Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, New Zealand, and Portugal.

*Institutional activities: targeting the recommendations and communicate with a broader public*

Research on the activities of PPIs underlines how **reaching a wide public** is a key element for enhancing the effectiveness of these bodies (Cavassini et al., 2022). European National Productivity Boards used a range of approaches to maximize their audience.

Targeting the public, more than 2/3 of NPBs organized events after the publication of the Annual productivity report to enhance communication. Most NPBs have a website (almost 90%), and half of them have social media accounts.

To maximise the visibility and effectiveness of their recommendations, more than half of NPBs have a dedicated section in their reports. A similar number of NPBs monitor and follow up the implementation of their recommendations during the year. A minority of NPBs use also other techniques, such as addressing recommendations to specific institutions, ministries or departments or establishing priority lists in terms of economic relevance of the different recommendations.

*The policy impact of NPBs*

An open question concerns **the impact** NPBs have had on policymaking to date and their effectiveness in shaping policy content. While a systematic analysis is still lacking, some cases have been highlighted as successful in shaping the policy debate on productivity.

Outside the EU, the long-standing Australian Productivity Commission has played a significant role in influencing the policy agenda on issues such as import tariffs, industrial subsidies and regulations in various areas and sectors (see Box 1), substantially contributing to making the Australian economy more productive. This success can be attributed to several factors: a political culture that supports evidence-based policymaking, the commission's strong funding and reputation, robust political commitment, excellent access to government data, and a **broad conceptualization of productivity**, spelling out its linkages to standards of living and the sustainability of social welfare. By focusing on citizens' long-term well-being, the commission has garnered public support for productivity-related initiatives.

Within the EU, **Denmark** established its Productivity Board in 2012 on a temporary basis. In just two years, the board became a **key reference point** for economic policy discussions within the country and across the Scandinavian region. During this time, it issued 123 recommendations on a wide range of topics, including competition, internationalization, better regulation, transport, digital and energy infrastructure, research and innovation, public expenditure and taxation, public sector governance, and public-private cooperation. The country's strong performance in many productivity-related areas is closely linked to policy interventions inspired by the board's work. Inspired by the Danish experience, the Norwegian Productivity Commission took a similar course over the 2014-2016 period, also having a strong influence on the national policy debate. Finally, several NPBs, including the Belgian and French ones, have actively participated in the drafting of the Recovery and Resilience Plans providing advice and assessment to their respective governments.

#### 4. The Italian NPB in a comparative perspective

Italy joined other Euro-area countries in establishing an NPB in July 2024. The Italian NPB operates within the **National Council for Economy and Labour** (CNEL), and it is composed of **eight professional experts**. These experts are supported by representatives from the **Bank of Italy** and the **National Institute of Statistics** (ISTAT), ensuring a robust combination of technical expertise and institutional representation. Moreover, representatives of CNEL Presidency and the Ministry of Economy and Finance are attending the board's meeting as observers. The board's secretariat is provided by CNEL, which facilitates administrative and operational support and also provides some research assistance.

CNEL is a unique institution, with a strong constitutional mandate dating back to 1948. This includes the right to formulate law proposals on economic and social matters and to provide a locus of permanent consultation between social partners and representatives of civil society. CNEL's proactive and consultative activities can originate autonomously or upon request from the Government, Parliament or territorial bodies. Since 1986, CNEL also plays a role in the context of the definition of the national budget laws and the European Semester. Finally, CNEL is both hosting important databases (such as complete data about labour contracts) and having access to data collected by other public institutions (such as ISTAT).

##### *Positioning the Italian NPB in the European Context*

When compared to other European experiences, the institutional setting of the Italian NPB shares features with both the German and French ones: a board with a **technical composition** linked to **an existing institution**, independent from the Government. However, the Italian NPB differs from these in various ways. Differently from Germany, the board does not *coincide* with an existing independent institution (the German Council of Economic experts) entrusted by law and, differently from France, the board and its composition are not directly decided via a Decree of the executive branch. Moreover, while the Italian NPB is not entrusted by law, the Italian host institution that generated the NPB has a strong constitutional mandate and is a consultative body for multiple stakeholders. These characteristics distinguish the Italian NPB from other NPBs across

Europe, which vary in organizational structure and stakeholder engagement as illustrated in previous sections of this paper.

**Table 5: The Italian NPB in the European context**

	Board and a Secretariat		Other NPB	
	<i>Embedded in an existing institution</i>	<i>Not Embedded</i>	<i>Embedded in an existing institution</i>	<i>Not Embedded</i>
<b>Multistakeholder composition</b>	Ireland, Croatia, Malta, Spain	Slovakia, Luxembourg, Austria, Latvia, Cyprus		
<b>Technical composition</b>	Germany, Italy	Belgium, Finland, France	Denmark, Lithuania, The Netherlands, Slovenia, Portugal, Greece	

*Key Features of the Italian NPB*

**Table 6: Italian NPB criteria for functional autonomy in European perspective**

	Access to information	Rules for nominating members	Publication of annual report
Belgium	✓	✓	✓
Croatia			✓
Cyprus	✓		✓
Denmark		✓	✓
Finland		✓	✓
France		✓	✓
Germany	✓	✓	✓
Greece	✓	✓	✓
Ireland	✓	✓	✓
<b>Italy</b>	✓	✓	✓
Latvia			
Lithuania			✓
Luxemburg	✓		✓
Malta	✓		✓
Portugal			
Slovakia			✓
Slovenia	✓	✓	✓
Spain	✓	✓	✓
The Netherlands	✓	✓	
	11/19	11/19	16/19

*Key Features of the Italian NPB*

The regulatory framework that established the Italian NPB provides it with several critical powers and attributes, including:

- **Access to Data:** the board is granted the authority to access data from CNEL and other institutions, including the national statistical system, ensuring the necessary information is available for comprehensive productivity analysis.
- **Stakeholder Consultations:** the board has the mandate to gather views from various stakeholders.
- **Membership Criteria:** membership is based on principles of **independence** and **expertise**, ensuring that only qualified and unbiased professionals contribute to the board's operations.

### *Strengths and Opportunities*

The Italian NPB benefits from being embedded in CNEL, which offers a well-established institutional framework and access to existing networks and expertise. This setup ensures **cost-efficiency**, and a **smoother** operational start.

Additionally, the participation of the Bank of Italy and ISTAT strengthens its analytical capabilities, particularly in **accessing granular data** for productivity analysis. The technical composition of the board allows for a focused and evidence-based approach to productivity issues.

The Italian NPB will also benefit from direct linkage with CNEL's consultation and proactive roles that are characteristics and prerogatives of the CNEL's Council to which the NPB will report. This could enhance the NPB potential to create consensus and legislative impact around its recommendations concerning pro-productivity policies, especially in the context of the national budget law, the European Semester and other EU-related processes (e.g. the implementation of Recovery and Resilience Plans).

## 5. Conclusion

Among the main European countries Italy is the one suffering most from **slow productivity dynamics**, an unpleasant feature that dates back to (at least) the mid '90s. The reasons for this dismal record are well studied in the literature (e.g. Greco, 2023) and can be originally reconducted to several structural characteristics of the Italian economy: e.g. prevalence of micro and small companies, large coincidence between family ownership and family management, excessive reliance on bank credits, rigid labour markets, insufficiently competitive service markets, regional imbalances and lack of skills, especially digital ones. Those factors have generated a generalized under-capitalization of companies, inadequate managerial practices, lack of intangible capital and investment in innovation, limited adoption of new technologies and misallocation of human resources.

**The financial and debt crisis of 2008-2012** with the ensuing restriction of cheap credit, as well as the labour reform of 2014 (Jobs act), have 'shaken the tree' of the Italian productive system, leading to positive reallocation and selection effects, especially in manufacturing, with a better performance of TFP compared to previous years. The latter has allowed Italy to partially close the negative output gap emerging after the crisis, mainly through the good performance of exports. However, productivity in services continued to underperform.

**The Covid-19 pandemic** has then severely hit the Italian economy during the first half of 2020, but the set of policies put in place by the national and European institutions have generally allowed the productive system to hold tight, with a non-distortive allocation of the granted support (Altomonte et al., 2021). At the same time, early evidence of the post-pandemic behaviour shows a mixed picture. Productivity in the business sector is growing, albeit at a slower pace, in 2022 (after the recovery of 2021), but negative signals are recorded for 2023. On the contrary exports are over-performing.

The question hence arises of understanding to what extent the **post-pandemic recovery**, complicated by the energy crises and the adjustment to real wages following the inflation shock, is changing the structure of the Italian productive system and the related drivers

of productivity. Having clear evidence of these trends is of paramount importance in order to design appropriate structural policy reforms that could sustain the dynamics of productivity, and hence growth, in the country, allowing it to navigate efficiently the ongoing green, digital and geopolitical transitions.

**Highlighting the structural weaknesses** affecting Italian productivity growth and proposing appropriate policy remedies that could boost productivity performance, while ensuring the **inclusiveness and sustainability of the growth process**, is the challenging mission set out for the new Italian productivity board.

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