



What could joint European data accomplish?

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RATSWD Wiesbaden 13.01.2011

Status

- We have come a long way using micro data on individual behaviour
 - Micro data analyses are used for
 - Policy Analysis
 - Policy making
 - The main work horse is data from administrative registers
 - Or from big national surveys or more lately on large surveys conducted in several EU countries

Topics

- We have also come a long way on topics
 - Started with individual wages and incomes
 - Unemployment duration analyses (Search models)
 - Merging data into multidisciplinary data on health and labour market
 - Employer-employee data

Dimension

- A national dimension due to the nature of register data
- Also increasing European dimension but based on surveys conducted in each member country – expensive and relative small samples
 - Highly successful surveys: EHCP, ESS and others
- Access was and is a big issue
- All this were the topics of a speech I held here in Wiesbaden in 2002. Since then Germany has come a long way:
 - A new paper (Tuesday) from IZA on the limitations of register data and why we must combine register data with more qualitative survey data

The current state

- Many European countries have now registers that researchers can use without too complicated access security
- Micro analysis is increasingly being used preparing policy making
 - Fine for national studies
 - But more complicated when it comes to international concerns

International dimension

- Increasing interest in the international dimension
- Increasing research across national borders often financed by the EU framework programmes
 - Data sets – surveys covering many countries
 - Mostly done by researchers working on their own national data, surveys or register data or both
 - Advantage: each team knows their data and their limitations
 - Disadvantage: simple comparisons need a big (and often expensive) project with many countries

The gain by cross national research

- Comparison of the effects of different institutions in different countries
 - Learning from countries where there is an apparent success, say flexicurity or old age pension reform
 - The idea is to pick the best institutions and transplant them
- How?
 - Estimating the same models on different countries? Not enough because there could be other differences.
 - Ideally, you would like to make an experiment that gave the Italians the Danish institutions and vice versa.
 - This is exactly what we do when we make gender difference studies
 - Rightly done would reveal if Danes are different from Italians, so maybe it is not just the institutions

An example

- Unemployment benefit in Germany and Denmark
- Distinct features
 - Germany: 63% (+high cap) of the previous wage for the first period and a duration limit depending on past experience - gradually lowered (Hartz reforms)
 - Denmark: 90% (+low cap), used to be a 9 year period, now 2 year.
 - “Easy” to analyze the difference, the group of unemployed was in DK dominated by low wage earners, who get the relatively high benefit but that was not the case in Germany,
 - But what did we learn? Could it also be other factors: the max duration, the more flexible employment in Denmark?
 - Ideally we should make an experiment: give the Germans the Danish system and vice versa.
- So many other things are different but hard to correct for if you are not working on both data sets at the same time
- The study was never finalized because we felt there were too many omitted issues

Time for the next step

- European trans national micro datasets for individuals and for employer-employee data
- Does not need to have a physical location but rather an access system.
 - Access from authorized academic communities
- Problems:
 - Language
 - Knowledge of each particular country and its specific systems for measuring and for taxation etc
 - Maybe, there should be a system of authorization for individual researchers

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Example 2

Happiness

- Happiness research has become big in Europe. *Each time a leading politician has difficulty with low growth he tends to prove that his people have become more happy, Ex Blair and most recently Sarkozy*
- We had merged the ECHP data with Danish register data and found that employees were more happy working in a firm with more income dispersion than in firms with less.
- Is this because Danes are so equal that a bit of inequality was welcomed ? or
 - Is it because the information value dominates the envy? As we thought it was.
- We would have loved to compare our results with similar results for another country where the income distribution is different

Ex 3. Flexicurity

- Some countries have some degree of a flexible labour market, others don't, but have other institutions that may have a similar effect
- What is the impact of the flexible labour market and these other supplementing policies
 - On job creation?
 - Productivity growth?
 - The length of unemployment spells
 - The loss of wage after a layoff
- You will want to estimate these effects using data from different countries with different institutions

The present situation

- We will have to team up with somebody in Germany for example
- Do the same calculations
- Meet again and discuss results
- But still we cannot put the data in the same regressions with a country dummy
- The danger is that we are making false conclusions

Benefits of joint data

- Many more projects and cheaper research
- Better research
- Better understanding of the impact of different institutions across Europe
- Could have an impact on policies
- But also
 - Need for securing quality
 - Need for better documentation of data
 - Need for better understanding of differences in institutions among researchers

Further perspectives

- Employer-employee data
- We know about employers and employees in our own countries, but
- We have no clue of what happens with employees in other countries at a time where more and more production happens in several countries and where businesses organize in several countries
- Having employer-employee data based on national borders is not sufficient now and in the future

Conclusion

We need a **single market**
for data

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