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We See Data Everywhere Except in Productivity Statistics

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Humankind has always sought to acquire knowledge from items, or records, of information. What has recently changed is the scale and ubiquity of that activity. Recent developments in information and communication technology (ICT) mean that far more data is being created, stored, combined and aggregated in more systematic ways with more opportunities to exploit richer and more complex analysis. According to former CEO of Google Erik Schmidt as much data is being created every two days as was created from the dawn of civilization to 2003.

Knowledge acquisition from firms based on data provides an economic return, either in the form of higher revenues or lower costs. Thus, there is a clear case for considering data as an asset as far as it contributes to production longer than one year. Since 1993, databases have been classified as an economic asset in the System of National Accounts (SNA). However, it is only the supporting software and database management system that are capitalized. The embodied data is considered a non-produced asset.

In a series of papers, Goodridge and Haskel (2015a; 2015b; 2016) document fast growth in UK employees engaged in the transformation and analysis of data, and thus fast growth in UK investment in data assets. In this paper, we seek to build on that work, by a) comparing estimates of the volume of data across EU countries in the context of the SNA and b) studying what that implies for the contribution of data assets to economic growth in a growth accounting context.