

A

HOW TO RESPOND

A.1 This consultation opened on 15th March 2004. The last date for responses is 4th June 2004.

A.2 A response can be submitted by letter, fax or email to:

Charanjit Ransi
Strategy Unit, Room 538
Department of Trade and Industry
1 Victoria Street
London SW1H 0ET
Tel: 020 7215 5169
Fax: 020 7215 6691
Email: indicatorsconsultation@dti.gsi.gov.uk

A.3 When responding please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please make it clear who the organisation represents and, where applicable, how the views of members are assembled.

Additional copies

A.4 Further printed copies of the consultation document can be obtained from:

Correspondence and Enquiry Unit
HM Treasury
1 Horse Guards Road
London SW1A 2HQ
Tel: 020 7270 4558
Fax: 020 7270 4574
Email: public.enquiries@hm-treasury.gov.uk

A.5 An electronic version can be found at www.dti.gov.uk and www.hm-treasury.gov.uk/.

Confidentiality

A.6 The DTI or HM Treasury may make your response public. If you do not want all or part of your response or name made public, please state this clearly in the response. If you do not request confidentiality in your response, this will override any confidentiality disclaimer that may be generated by your organisation's IT system or included as a general statement in your fax cover sheet.

A.7 The DTI and HM Treasury will handle any personal data you provide appropriately in accordance with the Data Protection Act 1998.

Help with queries

A.8 If you have any comments or complaints about the way this consultation has been conducted, these should be sent to:

Philip Martin
Consultation Co-ordinator, Room 723
Department of Trade and Industry
1 Victoria Street
London SW1H 0ET
Email: Philip.martin@dti.gsi.gov.uk

A.9 A list of all questions for consultation in the document is found in Annex B. A copy of the code of practise on consultation is in Annex C.

What happens next?

A.10 The last date for responses to this consultation is 4th June 2004. The Government will publish its final report in the Summer.

A.11 Over the period of the consultation the DTI and HM Treasury will invite interested parties to attend a roundtable discussion to hear the views on the consultation document. If you would like to attend please make this clear in your response.

A.12 Thank you for taking time to respond to this consultation.

B

LIST OF QUESTIONS FOR CONSULTATION

Chapter 1: Benchmarking UK productivity performance

Question 1.1: In your view, is it useful to consider relative employment performance when benchmarking productivity performance for monitoring purposes?

Question 1.2: Is 'output per person of working age' a useful indicator to monitor to assess overall UK performance on employment and productivity?

Question 1.3: What are your views of the relative advantages and disadvantages of:

- the 'current Purchasing Power Parity' approach
- the 'constant Purchasing Power Parity' approach?

Question 1.4: What, in your view, is the best way to monitor the UK's productivity performance in relation to its main competitors?

Chapter 2: Selecting a more focussed set of productivity indicators

Question 2.1: Do you agree that a focussed set of national productivity indicators is desirable to assist the Government with monitoring progress towards the productivity Public Service Agreement target?

Question 2.2: The indicators in this document, where possible, benchmark the UK's performance with that in the US, France and Germany, because these are the countries specified in the productivity Public Service Agreement target. Do you believe there is additional benefit in benchmarking UK's performance with other countries? If so, which countries are most relevant?

Chapter 3: Investment

Question 3.1: Do you agree that a focussed set of investment indicators should cover the following areas: investment environment for business, investment rates in the economy, and investment in infrastructure? Are there any other areas that should be captured?

Question 3.2: Do you agree that hurdle rates (the rate of return required for an investment project to proceed) are the best available indicator of the investment environment? If not, what alternatives would you suggest?

Question 3.3: Do you agree that indicators of business and government investment are sufficient as indicators of investment rates in the economy?

Question 3.4: In a focussed set of indicators do you believe that it would be worthwhile to break down aggregate investment measures by sector?

Question 3.5: Do you believe that the Global Competitiveness Report's survey-based measure of infrastructure quality is sufficiently reliable to indicate infrastructure quality?

Question 3.6: Do you believe that the Department for Transport's measure of transport spending is a better of measure of infrastructure quality than the Global Competitiveness Report's survey-based measure?

Chapter 4: Innovation

Question 4.1: Do you agree that a focussed set of innovation indicators should cover the following areas: sources of new technological knowledge, networks and collaboration and innovation outcomes (such as new products, processes and services)? Are there any other areas that should be covered?

Question 4.2: Do you believe that this set of innovation indicators should include:

- Business Enterprise R&D;
- Gross Domestic Expenditure on R&D;
- Business Enterprise R&D and Gross Domestic Expenditure on R&D;
- another R&D measure - please specify; or
- no R&D measure?

Question 4.3: In a focussed set of indicators do you believe that it would be worthwhile to break down aggregate R&D measures by (a) source of finance and/or (b) by sector?

Question 4.4: Do you believe that the benefits of the more comprehensive triadic patent data (patents granted in the US, and patents applied for in the EU and Japan) outweigh the benefits of having more timely data available from national patent offices?

Question 4.5: Are there any other measures that could provide similar information as patent data but on a more timely basis?

Question 4.6: What other sources of information besides the Community Innovation Survey and data relating to joint authorship of articles by universities and businesses could be used to develop indicators of the strength of network relationships?

Question 4.7: In your view, which of the following serves as a better indicator of the extent to which firms are developing new commercially successful products, processes or services:

- The proportion of sales in businesses accounted for by new or improved products (goods and services); or
- The proportion of enterprises that have brought new products or services to market, or have developed new process technologies?

Question 4.8: What other sources of information besides the Community Innovation Survey could be used to develop indicators of innovation outcomes?

Question 4.9: Is the Community Innovation Survey sufficiently timely to be exploited as a data source for constructing indicators of innovation for the purposes of this exercise?

Question 4.10: To what extent does the fact that the Community Innovation Survey does not cover the US undermine its usefulness as a data source for constructing indicators of innovation for the purposes of this exercise?

Question 4.11: Should the Community Innovation Survey or other surveys be adapted, or made more regular, to provide information for the purposes of this exercise?

Chapter 5: Skills

Question 5.1: Do you agree that a focussed set of skills indicators should cover the following areas: the stock of skills, the flow of skills, and management skills? Are there any other areas that should be covered?

Question 5.2: Do you agree that the measures based on the European Labour Force Survey, the Adult Literacy Survey or the Continuing Vocational Training Survey are not currently sufficiently timely or precise to monitor lifelong learning as part of this exercise?

Question 5.3: Are there any other useful approaches or sources of information that could be used to develop a reliable, timely and internationally comparable indicator of lifelong learning?

Question 5.4: Do you believe that the International Institute for Management Development's survey of business executive perceptions of management quality adequately captures management performance?

Question 5.5: Are you aware of any other existing indicators of management skills?

Chapter 6: Enterprise

Question 6.1: Do you agree that a focussed set of enterprise indicators should cover the following areas: enterprise culture, barriers to enterprise, entrepreneurial activity and firm growth? Are there any other areas that should be covered?

Question 6.2: Do you agree that 'fear of failure' is the best available indicator of enterprise culture? If not, which other measure(s) would you suggest?

Question 6.3: Do you agree that the 'cost and time to register a firm' and 'venture capital' are the best available indicators of the key barriers to enterprise? If not, which measure(s) would you suggest?

Question 6.4: Do you agree that the Total Entrepreneurial Activity Index is a better measure of entrepreneurial activity than VAT registrations?

Question 6.5: Do you agree that an indicator of firm closure would not add value to the set of enterprise indicators?

Question 6.6: Do you agree that a measure of firm growth is important to this set of indicators? If so, do you believe the difference between the growth of small and medium sized enterprises and the growth of all firms, provided by the ONS, is suitable? What other measure would you suggest?

Chapter 7: Competition

Question 7.1: Do you agree that a focussed set of competition indicators should cover the following areas: openness, regulation and the competition regime?

Questions 7.2: Do you agree that the level of trade in goods and services is the best available indicator of openness?

Question 7.3: Do you agree that the OECD's product market regulation indicator is the best available indicator of the regulatory environment, if it were updated regularly?

Question 7.4: What other sources of information or innovative approaches could be used to develop a reliable, timely and internationally comparable indicator of the regulatory environment?

Questions 7.5: What do you believe are the relative strengths and weaknesses of the Global Competition Review and DTI-commissioned peer reviews of the competition regime?

Question 7.6: More generally, views are welcomed on how to assess the effectiveness of the UK competition framework.

Question 7.7: The Government believes that measures of structure and performance do not provide suitable indicators of the competitive intensity of national economies. Do you agree?

Question 7.8: What other evidence, or innovative approaches, can be used to help us assess the relative strength of UK competition for the purposes of this exercise?

Question 7.9: What other evidence, or innovative approaches, could be used to assess the relative strength of competition at the level of the economic market?

Question 7.10: How should the Government best assess the impact of the recent introduction of the Competition Act 1998 and the Enterprise Act 2002?

Chapter 8: Regional Indicators of Productivity

Question 8.1: Do you believe that the concept of developing productivity indicators based around the 'five drivers' framework, in order to complement analysis of the headline productivity figure, is also relevant at a regional level?

Question 8.2: Do you believe that the list of regional indicators proposed in Box 8.2 provides a useful framework for measuring the drivers of growth at a regional level?

Question 8.3: Are there any additional indicators that may be relevant at a regional level even if not at a national level?

Question 8.4:

1. Should Scotland, Wales and Northern Ireland be included in this exercise?
2. Are there additional indicators that should be considered for Scotland, Wales and Northern Ireland?

C

CONSULTATION CODE OF PRACTICE

- C.1** Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage.
- C.2** It should be clear who is being consulted, about what questions, in what timescale and for what purpose.
- C.3** A consultation document should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain.
- C.4** Documents should be made widely available, with the fullest use of electronic means (though not to the exclusion of others) and effectively drawn to the attention of all interested groups and individuals.
- C.5** Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum period for a consultation.
- C.6** Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and the reasons for decisions finally taken.
- C.7** Departments should monitor and evaluate consultations, designating a consultation co-ordinator who will ensure the lessons are disseminated. The complete code is available on the Cabinet Office's web site, address

<http://www.cabinet-office.gov.uk/servicefirst/index/consultation.htm>.

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