

# Research on Globalization Statistics Netherlands

Martin Luppès & Fabienne Fortanier

Statistics Netherlands, PO Box 4481, 6401 CZ Heerlen, Netherlands, email  
[mlps@cbs.nl](mailto:mlps@cbs.nl).

**Abstract:** The societal debate on economic globalization refers to questions on determinants of globalization, their effects in terms of employment, economic growth, sustainability and developments over time. Statistics Netherlands is integrating available data at micro level from different sources in order to contribute to the societal debate on globalization. Our research program focuses on the development of statistics on business dynamics and labour market effects, on increasing the level of detail in the different integrated accounts, and on the development of globalization indicators for the Netherlands.

**Keywords:** globalization, large datasets, matching micro data

## 1. Introduction

Globalization is an explicit theme in the Working Program 2009-2013 of Statistics Netherlands, and as such a follow up of research activities started in 2007. A distinction is made between economic, social and technological dimensions of globalization, covering themes like FDI, international trade in goods and services, activities of MNE's and the role of SME's in international perspective (the economic dimension), innovation and R&D (technological dimension), employment, labour conditions and income effects (social dimension).

These dimensions are covered by the three types of micro data, i.e. business statistics, social statistics and so-called functional unit statistics. By integrating micro data from these three areas Statistics Netherlands creates unique value added for policy makers, academics and the public-at-large, since it is exactly the combination of these sources which is the heart of the development of new statistics on globalization, and that can help answering many pressing questions that surface in the debate on globalization and its effects.

This paper documents in short our progress to date, and some of our plans for future research. In section 2, we summarize the key (policy) questions regarding globalization. Section 3 describes the various sub-projects in more detail, while section 4 details the output and publication strategy of the research program.

## 2. Globalization: Demand for information and statistical answers

In 2008 the question was raised how the Dutch society can anticipate and profit from globalization; both with respect to the increased geographical scope of international economic relationships (the broadening of globalization) and the outsourcing and

offshoring processes with their significant growth of the international services (the deepening of globalization).

In statistical sense the information demand refers to questions on determinants of globalization, their effects in terms of employment, economic growth, sustainability and developments over time. Answering these questions requires integration of (micro) data from business statistics (productivity, economic growth, and open markets), social statistics (employability, labour market participation, 'life long learning') and the so-called functional unit statistics (sustainability, value chain responsibility, environmental effects of trade and transport). The challenge for Statistics Netherlands is to integrate the available data from different sources (registers and surveys).

Integration of data leads to two major approaches in the product development of appropriate statistics. At a *conceptual and methodological level* the main focus is on definition and development of indicators. This area of work comprises vertical and horizontal integration of data, and the outputs are basic publications and microdata sets for further research purposes. At the *level of presentation and dissemination* the main focus is defining regular digital and hardcopy publication on globalization issues, i.e. setting up an editorial board which defines the editorial structure of publications and will provide as much 'real time, on line' information.

These major approaches are combined within the research program on International Economic Relations. All results of the research program itself, but also already existing information on globalization issues is published on a thematic webpage ([www.cbs.nl](http://www.cbs.nl)). Specific indicators and background analysis are published in the Internationalization Monitor, which is a yearly hardcopy issue (Fortanier, Jaarsma and Alberda, 2008).

### **3. Research Program on International Economic relations: ongoing projects 2009**

The 2009 research program focuses on three major fields of research. The first area focuses on the development of statistics on the relation of business dynamics and labour market effects (outsourcing and offshoring). The second area focuses on integrating more micro level detail into the different integrated accounts (i.e. National Accounts and Labour Accounts), while the third area focuses on the publication of globalization indicators for the Netherlands.

Globalization is a multifaceted concept (Fortanier, 2008) and hence often interpreted differently depending on one's political or social perspective. Substantial research is still necessary on how the Dutch government could cope with the consequences of globalization for the Netherlands, both with respect to the economic impact as well as on the effects of globalization on everyday life of citizens. The research program of Statistics Netherlands on globalization builds on the specific questions regarding globalization provided by the Advisory Board of Business Statistics of Statistics Netherlands and other strategic partners. The final inclusion of different research projects in the research program 2009 was based on data availability, the presence of relevant expertise, and available budget.

The 2009 portfolio of research on globalization consist of two sets of projects. The first set addresses the work on publication and dissemination of the results, both analytical papers and statistical figures. The second set consists of projects at the conceptual level and methodological issues.

### **3.1. Projects on publication**

*Project Annual Internationalization Monitor and Webpage.* As well as the selection of annual topics for the Monitor (defining the chapters) and the final editing process is carried out in this project. Products of this project are the 2009 version of the Monitor (Dutch and English version), an annual user conference, and additional articles and updated tables on the webpage. Contributions are made by members of the projects within the research program, as well as by colleagues outside the research program, including (external) strategic research partners. Background articles and tables for the 2009 issue of the Monitor will address globalization and environment, international trade and transport modalities, characteristics of foreign direct investors, and the establishment of head offices in the Netherlands.

*Project Manual of the Joint Working Group on the Impact of Globalization of National Accounts (WGGNA).* The purpose of the Joint UNECE/Eurostat/OECD WGNNA is to review the distortions in the compilation of the National Account caused by globalization and to propose ways to deal with these distortions and to improve the quality of the data. The outcome of the WGGNA's work will be compiled in a manual. The publication of this manual is planned in the beginning of 2010. Statistics Netherlands is chairing the leadership group that steers the work of the WGGNA.

### **3.2. Projects on conceptual level**

*Project Dynamics of Enterprises and Job Career of Employees.* The main research question of this project is: to what extent do firm characteristics – in particular those related to globalization, such as foreign ownership, international orientation, engagement in trade – affect the employment, labour conditions and careers of employees? Careers of employees are described using information on the inflow and outflow of employees, taking advantage of the time-series data that are available. Strategies of outsourcing and off-shoring are explored as potential determinants of these inflows and outflows of employees. All employment variables are broken down according to the various internationalization characteristics of firms, so that the consequences of globalization-at-large for employment can be explored. The project creates and uses an integrated employer-employee dataset that combines information from both business and social surveys and registers.

*Project Internationalization of SME.* The goal of this project is to give a more complete view on the effects of international behaviour of the SME's in terms of international trade, investments and enterprise structures. Analyses are based on matched micro data from International Trade Statistics, the Business Register and Statistics of Finances of Non-financial Enterprise.

*Project Effects of Economic Globalization.* This project aims at identifying, combining, analysing and publication existing information of Statistics Netherlands with regard to the theme ‘effects of economic globalization’. It is a broad theme which is divided in the description of effects in terms of economic growth and productivity, the share of foreign controlled enterprises in the national economy, and the foreign assets of households and income transfers.

*Project Internationalization of R&D.* This project analyses the question of the significance of internationalization of R&D for the Dutch economy and for the innovative power of the Netherlands. Structural and coherent information on trends in Internationalization of R&D, the determinants and their effects (both the positive as well as the negative effects), is essential for the public and the political debate.

#### **4. Generating the output**

First, the analysis of issues on globalization requires the definition of indicators at the national level, using the concept of ‘international orientation’ (Van Brummelen & Luppens, 2008). Secondly, we need to match micro data from business statistics and social statistics at the level on different statistical units, i.e. the enterprise group, enterprise, jobs and persons (Van der Veen, 2007). Thirdly, it also requires connecting the levels of analysis of globalization issues at micro and macro level. This implies matching the indicators within the frameworks of integrative accounts (National Account, Labour Accounts).

Depending upon the analytical design and the topic, the projects generate different kinds of output. Most of it will be published in the Internationalization Monitor in the form of analytical papers and annotated tables, or made available on the website (Dossier Globalization on <http://www.cbs.nl> ). External papers form also part of the output plan of the project. Two invited papers on productivity and National Accounts will be presented at the ISI 2009. Contributions are also made to workshops, seminars and conferences. Three workshops will be organised in 2009, based on the projects Dynamics, the project Effects and the project Internationalization SME.

#### **References**

- Fortanier, F.N., (2008), Multinational Enterprises, Institutions and Sustainable Development, PhD Dissertation, Vlaardingen.
- Fortanier, F.N., M. Jaarsma and A.P. Alberda, (2008), The Internationalization of the Dutch Economy, Chapter 1, Statistics Netherlands, Den Haag/Heerlen.
- Van Brummelen, M. and M. Luppens, (2008), Business Registers and the Concept of International Orientation, paper forthcoming for OECD Working Group on Business Registers.
- Veen, G. van der, (2007), Integration of microdata from business surveys and the social statistics database, Paper ten behoeve van de DGINS Conferentie Budapest, 6-11 September 2007, Voorburg/Heerlen.