Measuring tomorrow's economy: which tools for measuring and analyzing circular and collaborative economies?

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Measuring tomorrow’s economy...

Why are we concerned?
Because it is a research field at IWEPS...

... embedded in its more general mission

To develop knowledge useful for decision-making at the Walloon level

- Collection, centralization, storage, development, processing and dissemination of statistics on the Walloon region;
- Harmonization and development of concepts and methodologies;
- Applied research in the fields covered by the economic, social, political and environmental sciences;
- Evaluation of public policies;
- Short-, medium- and long-term forecasts;
- Foresight analysis.
So IWEPS is interested in:

Developing, measuring and analyzing indicators

So IWEPS is interested in:

Macroeconomics
...So IWEPS is interested in:

Foresight analysis

Illustration by Andrew Rae

Digital file available at www.houstonforesight.org or by scanning the QR code.

...So IWEPS is also interested in:

Measuring tomorrow’s economy

Illustration by Andrew Rae
Tomorrow’s economy: what is it all about?

- Sharing economy
- Civil economy
- Robots economy

Tomorrow’s economy: what shall I talk about?

- Sharing economy
A new challenge for IWEPS

- Development of these forms of economy
- High expectations held by civil society:
  - Emergence of a new economic paradigm
  - Opportunities for new behaviours
  - Growth of alternative markets
- High expectations held by the government:
  - Opportunities for growth (GDP)
  - Opportunities for new incomes (taxes)
  - Tool to fight unemployment

HOW TO MEASURE THESE NEW ECONOMIES?

HOW TO COPE WITH:
- social and political expectations
- complexity and newness of these economies
- validity and reliability criteria?
In order to answer these questions, IWEPS developed an original collaborative process based on workshops.

How did it work?

December 9, 2016: “methodological conference” organised by IWEPS (Namur, Belgium)

Subject: “Measuring circular and collaborative economies”

- 120 people took part in the conference

**Aims:**

1. A state of the art of existing knowledge, through a panel of speakers who presented tools and methods used today
2. A debate with important stakeholders, in thematic workshops, to address the major challenges for measuring tomorrow’s economy

**THE AIM WAS NOT TO DESIGN INDICATORS**
4 WORKSHOPS:

1. How to deal with circular and collaborative economies in future public policy evaluation?
2. How to report on the macroeconomic dynamics generated by these economies?
3. How to develop collaborative strategies amongst stakeholders so as to promote and manage new communities of information and data sharing?
4. The use of qualitative and quantitative methods in the analysis of these economies.

WHAT DID WE LEARN?

PLENARY SESSION: tools and methods used today
Money is less central in these economies, so economic flows and transfers are more difficult to observe and measure.

Diversity of values: e.g. what are the benefits? Material, immaterial?

Producing, trading, consuming have to be considered as social activities and cannot be analyzed only in economic terms and with economic theories.

The market, as explanatory model, cannot be the only reference.

Need for taking social relations and environmental impacts into account.

The scales (of analysis and phenomena) have to be considered.

Limits of monodisciplinary approaches.
WHAT DID WE LEARN? THE WORKSHOPS...

WORKSHOP 1: dealing with CE and CE in future public policy evaluation
Need for defining the political framework and aims of each evaluation.

Concepts have to be defined.

Evaluation is becoming more complex as the diversity and the number of stakeholders are increasing → what about resources (budget time)?)

Need for more bottom-up approaches → need for developing new, more participatory methods.

Need for multidisciplinary teams.

Better balance between quantitative and qualitative.

Externalities have to be taken into account, as well as the actors involved.

Evaluations: why? For whom?

WHAT DID WE LEARN?

WORKSHOP 2: reporting on the macroeconomic dynamics generated by these economies
First, concepts have to be (re-)defined (e. a. value)

Difficult task because
(1) of the complexity and diversity of CE and CE.
(2) of the number and types of (new) stakeholders
(3) of suspicion by some of them
(4) some concepts are really difficult to measure (e. a. utility)
(5) some concepts are deeply impacted because of new forms of activities and regulations, which are outside the traditional/institutionalized framework (e. a. work, employment, labour market...)

Quality criteria must be met > what about comparability of data in space and time (e. a. for international comparison)?

How to design adequate and high quality indicators/concepts and collect data in a rapidly changing environment? How to prevent these new sets of concepts and data from becoming quickly outdated?

In these new forms of economy, some actors do not have the same relationship with money and accounting as “classical” economic agents → how to measure their economic activity?

Why measure economic activity?
WHAT DID WE LEARN?

WORKSHOP 3: developing collaborative strategies amongst stakeholders so as to promote and manage new communities of information and data sharing

- Stakeholders and skills → training, education, tools are required → need for time

- The importance of defining a common vision, despite the diversity of people and objectives

- Cultural change is taking place but (public) institutions have to step in too
• Give room to non-traditional actors (besides companies, experts, the state, institutions…) → importance of coordinating citizen initiatives with technical and expert support.

• Importance of transversalising expertise, creating transversality, getting experts out of their silos and getting them to collaborate → need for more transdisciplinary and interdisciplinary approaches

• Trust between actors is obviously really important.

WHAT DID WE LEARN?

WORKSHOP 4: using qualitative and quantitative methods in the analysis of these economies
Need for more "bottom-up" and collaborative approaches → qualitative methods are more relevant.

Some characteristics, dimensions and dynamics of CE and CE are difficult to understand with quantitative methods (towards a sociology of the economy?)

CE and CE have to be considered in a systemic way (e. a. in relation with territorial dynamics) → qualitative methods are more relevant.

When dealing with economies with fuzzy borders, it seems important to use qualitative methods to clarify them and to understand the situation and how it evolves (with a more inductive/exploratory approach) → this will help conceptualization and the setting of new categories

CE and CE are interesting objects for foresight → in this sense, quantitative methods are not very relevant (“we cannot measure the future”).

In the new forms of economy, some actors do not have the same relationship with money and accounting as “classical” economic agents → qualitative methods are useful.
CONCLUSION

As regards the measure of CE and CE
- Complexity: new behaviours, new values, new stakeholders,…
- Measuring the economy: for research or for administrative needs?
- Concepts have to be (re)defined
- New tools must be considered, taking into account the particularities of CE and CE as well as contextual opportunities
- A double objective for foresight: the economic system and how to measure future economies

Regarding the conference
- Innovative experience but it raised more questions than it gave answers
- Satisfaction of the people who took part
- The work must go on...

THANKS FOR YOUR ATTENTION

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