

Insee, QuantCube, PSE, CANDRIAM and Société Générale create a new research Chair : « Measurement in Economics, Nowcasting – Beyond GDP »

A new Chair gathering five partners is created at PSE. It aims to contribute to the progress of economic statistics methods, by promoting the mobilization of new sources and the development of very short-term forecasting tools (Nowcasting), and by continuing the reflections initiated from the Stiglitz Commission on a deepening of the statistical measurement of economic performance and well-being (Beyond GDP). On these two components, the objective of the Chair is to better meet the expectations of private and public decision-makers, and more broadly of the social demand on these subjects.

AN EXCEPTIONAL PARTNERSHIP

This Chair is the result of an exceptional and original partnership, thanks to the diversity and the complementarity of the entities who are committed to sharing and carrying out their ambitions in these fields of research. It brings together the French National Institute of Statistics and Economic Studies (**INSEE**), whose work in this field is authoritative, a start-up offering macroeconomic forecasts based on Big Data and Artificial Intelligence (**QuantCube Technology**), an international asset management company (**CANDRIAM**) and a major French bank (**Société Générale**), that together intend to develop their methods of economic measurement and analysis, and a research and teaching center (**Paris School of Economics**) that has always been committed to a quantified and statistical approach in economics. The Chair will be able to develop scientific collaborations and mobilize diverse expertise. For example, it will collaborate with the OECD in the framework of its WISE (Well-being, Inclusion, Sustainability and Equal Opportunity) program.

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For INSEE, which is responsible for producing national accounts in accordance with international standards, this Chair provides a privileged forum for reflection and exchange with the academic community and professionals on growth measurement issues. The "nowcasting" axis aims to keep our cyclical diagnostic instruments at the forefront of methodological thinking, beyond the innovations tested during the health crisis. The second axis aims to pursue the reflections initiated since the Stiglitz Commission, both on the methods of national accounting ("around GDP") and on the ways in which they can be enriched in a broader vision of social progress ("beyond GDP"). The investment in this partnership thus aims to establish a concrete dialogue between practitioners of economic statistics and academic excellence.

Nicolas Carnot,
Director of Economic
Studies and
Synthesis - Insee

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We are witnessing a growing awareness of the inadequacy of economic growth as an indicator of the success of nations. Our economic model, which is entirely focused on maximizing GDP, i.e. the flow of goods and services produced each year in a state, is struggling to integrate the environmental dimensions that are now essential. By supporting this new chair, CANDRIAM intends to support the development of new indicators and new methods to better understand the stock of intangible goods over time, as well as the goods and activities that are currently excluded from the sphere of GDP but that contribute to the "wealth" of nations.

David Czupryna,
Head of ESG
Development -
CANDRIAM

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QuantCube is honoured to participate in the « Economic measurement beyond GDP » research programme in partnership with the Paris School of Economics, INSEE, CANDRIAM and Société Générale. For some time now, eminent economists across the globe have argued that we need to measure economic value and well-being beyond the production of goods and services, to incorporate social factors such as public services, people's living standards and long-term sustainability. Until now such information has only been available sporadically and there is no agreed standard for what should be measured. QuantCube is using AI and big data analytics to collect and process huge volumes of relevant data, creating timely nowcasting indicators that can be evaluated by the research team. Long term we aim to collectively agree and standardise on an approach for measuring economic value beyond GDP.

Thanh-Long Huynh,
Chief Executive
Officer - QuantCube
Technology

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We are delighted with this partnership, which illustrates Société Générale's desire to support the progress of economic and social statistics methods. The collaboration with the academic world will feed our reflections on the incorporation of the "Corporate Social Responsibility" dimension in our decision-making processes, as well as those of our clients, and will allow us to use the most modern techniques of short-term forecasting. The combination of the expertise of the different partners of the Chair should prove useful for our clients.

Michel Martinez,
Europe Chief
Economist - Société
Générale CIB

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With this Chair in "Measurement in Economics", the Paris School of Economics reaffirms its commitment to a quantified approach to economics, and its desire to be involved in the major challenges facing society. The conception of economic and social statistics must evolve in order to have real time data, particularly useful in times of crisis, and richer data to open up new fields of analysis, first and foremost that of the environmental transition. PSE is delighted to be able to gather around this project partners whose expertise and support will greatly contribute to the advancement of knowledge in concert with our researchers.

Jean-Olivier Hairault
Director – Paris School
of Economics

PROMISING RESEARCH AREAS

Nowcasting - Relevance, timeliness and speed are three major objectives in the production of economic statistics: to provide indicators that shed the best possible light on the current state and prospects of the economy, and to do so in the shortest possible time, without sacrificing the quality of the information. This dual expectation was further reinforced by the health crisis of 2020. It has increased the demand for speed in the production of the usual indicators. This axis is led by Catherine Doz, PSE and University Paris 1 Professor.

Beyond GDP - Reflections on what the "next world" could or should be reinforce questions about the limits of these indicators, mainly those produced by the national accounts. In the face of these questions, it is necessary to communicate better on what their contributions are, to work on further improving them, and to continue the search for complementary indicators, for which the same question of availability will arise. This axis is led by Marc Fleurbaey, PSE Chaired Professor and CNRS Senior Researcher.

Nowcasting & Beyond GDP - The link between the two approaches of the Chair lies in their joint contribution to the effort to increase the relevance of available statistics and data for decision-makers and the public, whether in the temporal dimension (speed, visibility) or in the field of measured objects (economic activity, well-being, sustainable development). In short, it is a question of producing advanced indicators on the one hand, and of making progress in the construction of relevant indicators for society on the other.

A WIDE RANGE OF ACTIVITIES

The « Measurement in Economics » Chair leads the following activities:

- **Organization of scientific or general public events**

Research seminars, international conferences and thematic workshops will punctuate the scientific life of the Chair, bringing together an academic audience and professionals with expertise in these issues. Each year, a major conference bringing together researchers and partners, but also a wider public, will report on the latest work (including a round-table format conference).

- **Invitations of researchers**

The Chair brings together researchers from all over the world, for short or long periods, in order to enrich the work carried out and initiate new collaborations. These guests participate in the events and/or teachings of the Chair.

- **Funding of doctoral and postdoctoral grants**

On topics specific to the Chair and defined by the partners, doctoral and post-doctoral fellowships are regularly offered through an international call for applications. After review by an appropriate jury, the selected candidates will join the doctoral program or the PSE scientific community.

- **Implementation of Executive Education sessions**

Based on the most recent developments in research, the Chair can contribute to the strategic thinking of professionals and help them respond to the challenges they face through short, tailor-made training sessions, either face-to-face or through distance learning. For example, through a "mini-course" on dynamic factor models or on the equivalent income approach.

- **Exchanges with partners**

The Chair is a place for reflection and exchange between the partners. A transversal seminar is organized, bringing together all the researchers involved and the employees of the partners interested in the work in progress. Regular collaborations can be set up between the different people involved, on specific subjects or longer term projects.

PARTNERS INVOLVED

The mission of **Insee** is to collect, analyze and disseminate information on the French economy and society throughout its territory. It conducts its work in complete professional independence. With a nationwide presence through its establishments and regional offices, INSEE conducts population censuses in partnership with municipalities and draws up an economic and social overview of France each year through some fifty surveys. In the macroeconomic field, INSEE is responsible for producing annual and quarterly national accounts in accordance with international standards. It prepares and disseminates cyclical information and periodically summarizes it. INSEE conducts studies aimed at shedding light on trends in the French economy and its prospects, and promotes the development of methods and statistics in the fields within its competence.



Mesurer pour comprendre

Learn more at: www.insee.fr

QuantCube Technology uses artificial intelligence and big data analytics to deliver real-time macro-economic insights. The firm operates one of the largest alternative data lakes in the world, processing more than 14 billion data end points. Sources encompass news, social media, satellite data, professional networks and consumer reviews, as well as international trade, shipping, real-estate, hospitality and telecoms data. QuantCube's macro nowcast indices, on variables including economic growth, inflation, employment and international trade, correlate highly with official data and significantly beat the consensus. Financial institutions using QuantCube data benefit from real-time insight, often ahead of official numbers, which they can use to inform their investment strategies. Headquartered in Paris, QuantCube employs a diverse international team of data scientists with expertise in multilingual NLP, deep learning and machine learning techniques. The company's shareholders include Moody's and Caisse des Dépôts and its R&D in computer vision has been partially funded by the European Space Agency (ESA) and French government space agency CNES.



Learn more at: www.quant-cube.com

The Paris School of Economics is a research and training center in economics at the level of the best institutions in the world: in 2021, it ranks first among economics departments in Europe and in the top five in the world according to the RePEc ranking. Founded in 2006 as a Fondation de Coopération Scientifique by the CNRS, the École des Hautes Études en Sciences Sociales (EHESS), the École Normale Supérieure (ENS-PSL), the École des Ponts ParisTech, the INRAE and the University Paris 1 Panthéon-Sorbonne, the Paris School of Economics brings together a community of nearly 140 researchers and 150 doctoral students. It covers a wide range of topics and is active in most areas of economics. Its mission is to strengthen the dialogue between academic research and private or public companies through its partnership program and research chairs.



Learn more at: www.parisschoolofeconomics.eu

CANDRIAM, which stands for "Conviction AND Responsibility In Asset Management", is a European multi-specialist asset manager. A pioneer and leader in the field of sustainable investment since 1996, CANDRIAM manages approximately €150 billion of assets and relies on a team of more than 600 professionals. The company has management centers in Luxembourg, Brussels, Paris, and London, and its client managers cover more than 20 countries throughout continental Europe, the United Kingdom, the United States, and the Middle East. CANDRIAM offers innovative and diversified investment solutions in several key areas: bonds, equities, absolute return strategies and asset allocation, a broad and innovative range covering all its asset classes. CANDRIAM is a New York Life company. New York Life Investments ranks among the world's leading asset managers.



Learn more at: www.candriam.com

Société Générale. Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 133,000 members of staff in 61 countries and supports on a daily basis 30 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses: French Retail Banking which encompasses the Societe Generale, Credit du Nord and Boursorama brands - each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation; International Retail Banking, Insurance and Financial Services to Corporates, with networks in Africa, Russia, Central and Eastern Europe and specialised businesses that are leaders in their markets; Global Banking and Investor Solutions, which offers recognised expertise, key international locations and integrated solutions. Societe Generale is included in the principal socially responsible investment indices: DJSI (World and Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe).



Learn more at: www.societegenerale.com