



### PROJECT NOTIFICATION

<b>PN Issue Date</b>	6 June 2019
<b>Project Code</b>	17-RP-21-GE-RES-B
<b>Title</b>	Research on Knowledge Productivity
<b>Timing and Duration</b>	July 2019–June 2020 (one year)
<b>Venue</b>	APO Secretariat
<b>Arrangement of Experts</b>	Team of individual and institutional experts in a research collaboration platform

## **1. Objectives**

To examine the interrelationship between knowledge-based capital accumulation and the structural dynamics of productivity growth as an effort to provide solutions to the global productivity slowdown.

## **2. Background**

Productivity remains the most important factor explaining the growth performance and improved well-being of global economies. Strangely, the apparent worldwide productivity slowdown is occurring when the Internet allows seamless, low-cost flows of scientific and technological knowledge and ideas. One of the most cited explanations for this is that the pace of technological progress has decelerated, meaning that we are not innovative enough in outpacing previous innovations and inventions. Apart from the insufficient level of innovation, many also point out that knowledge-based capital accumulation is not occurring at the required level to accelerate and sustain productivity growth. In addition, structural factors seen to hamper the spread of knowledge and innovation.

Those issues are of concern to the APO, since they affect productivity improvement. As a way to resolve the problems, the APO has recently developed the concept of sustainable productivity. It is obvious that investment in knowledge and efforts to increase the stock of knowledge-based capital are essential to maintain productivity increases. Technological advances, including digital technologies and platforms, have changed almost every aspect of our lives, but the current methodology for measuring productivity does not adequately capture the benefits stemming from those technologies. The APO is attempting to improve its productivity measurement methodology by focusing on two interrelated elements: the benefits of the growing digital economy; and the complexity of measuring long-term changes in the economy (future-proof productivity improvements). Those two elements combined define the Sustainable Productivity Index (SPI). Economists are beginning to find ways to construct measures such as the SPI by exploring the statistical and conceptual issues related to measuring a dynamic economy. However, while recent research findings offer insights on the feasibility of constructing the SPI, more conceptual work is needed, along with the collection of national data on the digital economy. This present research project is planned to support the development of the new SPI and clarify the role of knowledge-based capital in raising productivity.

## **3. Scope and Methodology**

### **Scope**

- a. Productivity growth and knowledge-based capital investment and accumulation;
- b. The role of knowledge capital in technological progress;
- c. Indicators of long-run productivity growth; and
- d. Statistical measurement/database on the SPI.

### **Methodology**

The APO will establish a collaborative platform comprising a team of APO-assigned experts and another team of institutional experts to undertake the research work. Qualified research partners will be appointed to conduct the project through a collaboration contract.

Using this methodology, there is no need to select a team of national experts from member countries.

### **Experts' tasks**

- a. Formulating and, in collaboration with the APO experts, leading the development of the research agenda including supporting the formation of the research platform;
- b. Working with other experts within the research collaboration platform to achieve the intended objectives;
- c. Managing the research team and agenda in line with the overall research agenda;
- d. Attending the research coordination meetings and contributing based on the agreed upon arrangements;
- e. Maintaining regular communication with the APO regarding project implementation and updating the APO on its progress;

- f. Preparing the final report for publication; and
- g. Contributing to the dissemination phase of the research project.

#### **4. Qualifications of the Experts**

The members of the research collaboration platform must have demonstrated the necessary experience, educational background, qualifications, and professional contributions to the topic of the research project. The experts should be an experienced specialist in productivity and economic activity measurement and data analysis, particularly on the relationship between the digital economy and productivity, preferably with experience in developing national and/or international economic indexes and/or statistical work on productivity.

#### **5. Financial Arrangements**

The APO will bear full honoraria and related travel costs for the experts to be paid upon completion of the final research report or upon the delivery of agreed project milestones.



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