



PROJECT IMPLEMENTATION PLAN

Ref. No. 20-RP-01-GE-RES-C-AP01-PP2000025-009

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| PIP Issue Date | 28 August 2020 |
| Project Code | 20-RP-01-GE-RES-C-AP01 |
| Title | Regional Study on Labor Productivity |
| Reference | Project Notification on Program Development Fund dated 11 December 2019 |
| Timing and Duration | 1 September 2020-31 December 2020 (4 months) |
| Venue | N/A |
| Implementing Organization(s) | APO Secretariat, ASEAN Secretariat |
| Number of Participants | N/A |
| Closing Date for Nominations | N/A |

1. Objectives

The research will examine current labor productivity and analyze factors responsible for its growth. It will also make policy suggestions to help sustain that growth in the future. The research will be jointly conducted between the APO Secretariat and the Association of Southeast Asian Nations (ASEAN Secretariat), as part of the APO's ongoing efforts to expand strategic partnerships with other international organizations. In line with the partnership with ASEAN, this study will focus on analyzing the trends and factors of labor productivity in the ASEAN countries. Follow-up research will cover the other APO member countries and the findings of the current research will serve as a baseline. The main components of the research are: 1) analyzing the trends in labor productivity in ASEAN members; 2) reviewing the concepts of labor productivity used in ASEAN and examining the factors contributing to its growth; 3) providing recommendations at both national and regional levels to maintain and/or improve labor productivity taking into account the changing socioeconomic environment; and 4) exploring the feasibility of developing a regional labor productivity index for ASEAN. It is expected that the research will be a useful opportunity for policymakers to better understand labor productivity within ASEAN and then develop recommendations for increasing it in the region.

2. Background

Labor productivity growth is one indicator of whether an economy is meeting the UN Sustainable Development Goals (SDGs), in particular SDG 8 (Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all). High labor productivity is associated with high levels of human capital. The use of technology and level of innovation are also factors contributing to improving labor productivity.

Productivity is a key determinant of national economic growth and competitiveness. Changes in the world of work resulting from technological advances, demographic transitions, rise of the green economy, and growing recognition of and commitment to decent work will shape the concept of labor productivity in the future. In a spirit of cooperation and for the benefit of tapping into each other's experiences and know-how, the APO and ASEAN agreed to conduct a joint study looking into the current situation and concept of labor productivity in the ASEAN region and develop a common vision and set of measures of labor productivity that are encompassing and forward-looking.

3. Scope

The APO-ASEAN research will investigate trends in labor productivity growth in ASEAN over the past several decades and examine the factors contributing to it. It will also review the relevant literature on labor productivity growth to derive policy implications. Combining the results of data analysis and the literature review will enable policy recommendations for sustainable labor productivity growth in ASEAN.

4. Methodology

The methodology will include data collection and analysis, literature review, and statistical analysis. The data will include labor productivity levels in ASEAN and factors in its growth such as capital, human capital, R&D, globalization, and institutional variables. This research will employ regression analysis to investigate the relationships between labor productivity growth and contributing factors. The empirical analysis will be supplemented by a literature review to derive policy recommendations for the improvement of labor productivity growth in ASEAN members.

5. Time frame

The research will be launched in August 2020 and be completed by the end of December 2020. An inception report and a final report will be submitted. The approximate schedule of the research is summarized below.

- Research launch & Inception report by the end of September 2020
- Data collection and literature review by the end of October 2020

- Drafting final report by the end of November 2020
- Revision of final draft and submission of final report by the end of December 2020

6. Experts' Responsibilities

One chief expert will be appointed by the APO to lead the research with the supporting expert. The chief expert will assume management, advisory, and supervisory roles in the research and be responsible for producing a research report on 'Regional Study on Labor Productivity.'

The chief expert will organize the overall structure of the research based on the proposal and allocate tasks between him/herself and the supporting expert. The chief expert will also lead the writing of the inception report and final report. In terms of research, the chief expert will focus on statistical data analysis and deriving policy implications.

The supporting expert will conduct research assigned by the chief expert. He/she will also participate in writing the inception and final reports. The supporting expert will mainly focus on the development of policy recommendations for ASEAN members as a whole.


7. Financial Arrangements

To be met by the APO

- Honoraria for the chief and supporting experts to be paid upon completion of the research; and
- All assignment, and relevant research costs, including data collection and purchases if necessary.

To be met by the ASEAN

- Review of the findings by the regional experts; and
- All travel costs for the chief expert and the supporting expert, arrangements for virtual workshops for dissemination, if any.



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