



Photo: Getty Images

Future Forward: The APO Perspective

The rise of Asia as a global economic powerhouse is not far off. As per APO Databook 2022, it is projected that Asian countries are going to account for almost 50 per cent of the world's GDP by 2030 on PPP basis. The Asian Productivity Organization (APO), a nonprofit, non-discriminatory, non-political intergovernmental organization, is working to facilitate and drive the 21 member Asia-Pacific countries to achieve this goal in an even shorter time span, keeping the 17 Sustainable Development goals firmly aligned



DR INDRA PRADANA SINGAWINATA
Secretary-General, APO

When the Asian Productivity Organization (APO) was established in 1961, the world was on the cusp of the Third Industrial Revolution. Products were being mass-manufactured on automated assembly lines rather than manually, and industrial productivity increased with the introduction of standardised processes and utilisation of new energy sources. Productivity tools and techniques focused on streamlining processes, improving the reliability of machinery, and limiting the number of rejects. Economies were shifting from agriculture to services, leading to urbanisation, higher wages and standards of living, and greater economic prosperity.

In past decades, key sources of productivity growth have shifted from labour to capital, management, knowledge, IT, and currently to innovation. All of these shifts have been anticipated and addressed in APO projects and programmes. During the decade of establishment (1961–70), the APO implemented courses related to machinery repair and maintenance, recognised the contributions of workers and trade unions to labour productivity, built capacity for quality control and improvement, embraced agriculture as a focus area for productivity improvement, and concentrated on capacity building of SMEs.

During its decade of consolidation (1970–80) and expansion (1980–90), the APO expanded its scope of activities to include research on productivity, commemorating its Silver Jubilee under the theme “Productivity through People in the Age of Changing Technology.” With rapid industrialisation and globalisation, enterprises were required to deliver world-class products at the lowest possible prices. In that scenario, applications of productivity tools and techniques played a vital role in enhancing competitiveness by using human resources, raw materials, and machinery systematically to achieve maximum output with the least input. Hence, productivity improvement was not an option but a necessity.

Gradually, however, the adverse effects of ill-planned industrialisation on the environment became visible. One such impact was depletion of the ozone layer in the late 1970s and 1980s. Environmental concerns such as air, water, and land pollution; toxic waste; loss of biodiversity; and greenhouse gas emissions were initially ignored under the assumption that they were local issues. That approach changed gradually as environmental quality standards were introduced.

By the mid-1980s and early 1990s, the global implications of environmental degradation were widely recognised. The Montreal Protocol of 1987 was a landmark multilateral environmental agreement regulating the production and consumption of man-made ozone-depleting substances. Similar conventions

on climate change, biodiversity, and combating desertification happened. Consumers demonstrated willingness to pay a premium for eco-friendly products. The term “eco-efficiency” was coined by the World Business Council of Sustainable Development, a coalition of international companies sharing a commitment to the environment, in 1992 during the Rio Earth Summit. Other initiatives included ISO 14000, which defined key elements of management systems to address environmental issues, and the Social Accountability 8000 standard to certify the performance of companies in areas related to workforce health, safety, and working environment.

The APO recognised the need to review the existing productivity improvement approach to address environmental concerns, integrate it with new environmental management systems, and expand the productivity concept. Inspired by the 1992 Rio Earth Summit and Agenda 21, the APO launched its Special Program for the Environment in 1994 under a special cash grant from the Japanese government. This resulted in the development of the Green Productivity (GP) concept focusing on productivity and management tools that go hand-in-hand with waste and emission reductions, energy conservation, and environmental management systems. It guides enterprises in building competitive, resilient businesses while improving their environmental performance.

The triple focus of GP is environment, quality, and profitability, which supports APO’s mission of contributing to the sustainable socioeconomic

development of Asia and the Pacific through enhancing productivity. It supports industries in strengthening their triple bottom lines and provides policymakers a framework for greener growth without compromising opportunities for future generations. The GP Framework is based on conventional productivity improvement methodologies such as the plan-do-check-act cycle and proven tools and techniques applicable at enterprise level.

As worldwide efforts to combat climate change continued through the Kyoto Protocol in 1998, UN Millennium Declaration in 2000, and Paris Agreement in 2015 resulting in the 17 UN SDGs, APO activities based on GP proved to be a pathway to decouple industrialisation and economic growth from environmental degradation. Major GP activities included the development of training manuals and handbooks; building capacity through courses, workshops, and conferences on green growth; and research publications linking GP and evolving sustainability concepts such as circular economy. The APO World Conference on GP in 1996, 2002, and 2014 confirmed the GP Program to be a driving force in achieving sustainable development and recognised the significance of green technologies, eco-products and ecoservices, and green innovations in promoting economic growth.

Looking ahead, green growth will remain at the center of socioeconomic development efforts. Net-zero emission targets and nationally determined contributions will encourage nations to explore innovative ways to create a sustainable green future. Advances in Information and Communication Technology (ICT) and computing will redefine manufacturing processes to produce items that can be reused, repaired easily, and then recycled.

Understanding the gaps in information dissemination and the capacity building needed to ensure green growth, the APO is now accrediting Certification Bodies on Green Productivity Specialists. APO-certified GP Specialists act as practitioners, implementers, and promoters of green growth and the GP Framework at the grassroots level.

To address evolving challenges related to productivity enhancement and climate change, the APO has begun to upgrade the existing GP concept to GP 2.0. This will involve mapping the status of green initiatives in APO members, identifying new green growth opportunities, expanding GP tools and techniques, and exploring emerging technologies to foster innovation and sustainable development. It is envisaged that GP 2.0 will contribute to environmental efforts at individual, organisational, and national levels for a greener, cleaner tomorrow.

SINCE 2019, APO HAS FOCUSED ON ADOPTING NEW TECHNOLOGICAL CHALLENGES TO TIDE OVER THE PANDEMIC AND HAS BEEN ADVISING ITS MEMBER COUNTRIES ON HOW TO CREATE SUSTAINABLE ECOSYSTEMS OF PRODUCTIVITY

Report card

- ▶ Two conferences, five workshops, and two training courses were implemented under the Green Productivity focus area in 2021.
- ▶ APO organized a workshop on developing a roadmap to help members assess their preparedness towards digitization at different industries and firms.
- ▶ The APO published a resource paper named ‘Measuring Public sector Productivity: A Practical Guide’ to explain the concepts and measurements of productivity and why citizens should be concerned about the productivity performance of public sectors.
- ▶ A national follow-up project in Cambodia was conducted in 2019 to formulate a general roadmap with extension programs for moving the agribusiness sector and Food Value Chains into the future.
- ▶ A national conference by APO with 150 participants in India introduced key stakeholders to the latest technologies and best practices in Food Value Chains to raise productivity as well as the safety and quality of agrifood products, especially among Subject Matter Experts (SMEs).
- ▶ APO welcomed Türkiye as the 21st member in 2020.
- ▶ APO published a total number of 20 books in 2021 including APO Productivity Data Book 2021, APO Productivity Readiness 2020, APO Productivity Index as a part of 60 years celebration of establishment.
- ▶ The APO continued collaboration with the Asia Development Bank Institute (ADBI) in conducting a joint study on the impact of COVID-19 on selected APO members.