

Wednesday 26 July 2023



## Why productivity is so weak at UK companies

Bart van Ark says that there is a “missed opportunity in the boardroom” to address the tensions between different departments’ understanding of productivity in a [Financial Times piece](#). This echoes the recommendations of our briefing paper [Strategic Productivity for the Leadership Team](#); senior business leaders need to work within and across boardroom functions to address productivity as a critical component of a firm’s growth strategy.



## Reassessing the production function from micro to macro

Are we mis-measuring productivity change? What should we measure in the interest of developing evidence-based policy solutions to support productivity growth? The Productivity Institute’s Measurements and methods [scoping paper](#) from Josh Martin and Rebecca Riley reviews some of the recent and emerging developments in productivity measurement and methods of analysis.



## Capital shocks and UK regional divergence

The recovery of investors' confidence in London's recovery was rapid following the 2008 financial crisis. In contrast, other UK regions shifted rapidly into junk bond territory, and have remained there ever since. A new [TPI working paper](#) uses uniquely-detailed large-scale commercial real estate investment data to examine how financial markets perceived the attractiveness of investing in UK regions during the last two decades and finds that the asymmetric capital shocks led to profound and adverse impacts on the subsequent productivity growth of the UK regional economies. Authored by Michiel Daams, Philip McCann, Paolo Veneri and Richard Barkham.



## UK FDI position post Brexit and COVID: Briefing

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While there has been a good deal of focus on the volumes of Foreign Direct Investment (FDI) that this country attracts, there has been less attention on the motives for the investments entering into the UK. This [third briefing](#) in the series, by Nigel Driffield, Xiaocan Yuan and Fernando Gutierrez Barragan, explores the motives of inward greenfield FDI and illustrate the changes in the distribution of motives over time. Also, read the companion [FDI explainer blog](#) and the [Orbis database blog](#).



## Productivity Commission: international investment

International investment, and in particular FDI, plays a significant role in productivity growth. Last week's Productivity Commission evidence session examined this connection in detail. Re-watch the evidence session on the National Institute of Economic and Social Research's [YouTube channel](#). You can also read about the role of public investment in growth, which was reviewed in March's Productivity Commission evidence session, on [our website](#).



## Upcoming podcast on "Turnaround Cities"

What are turnaround cities and how can the UK's urban areas learn from them? Tomorrow will see the release of a new Productivity Puzzles episode featuring Philip McCann, Susanne Frick and Ian Taylor talking about how some troubled cities overseas turned themselves around and became desirable places for companies and people again. Subscribe [wherever you get your podcasts](#) to listen to the episode as soon as it's released. Or read Philip McCann's [TPI blog](#) on Turnaround Cities as a primer.



## The role of productivity in an industrial strategy

Research by The Productivity Institute has been widely cited in a policy paper by the CIPD, titled [An industrial strategy for the everyday economy](#). The report notes that TPI is one of the actors "that needs to be engaged" in the agenda to boost productivity and references the Institute's work on [organisational capital](#), [human capital](#), [small business leadership](#) and more.



## The UK's political institutions and boosting productivity

Four research papers from The Productivity Institute were cited in [A good life in all regions: uniting our country to end poverty](#) produced by the think tank The Fabian Society. The report references our work on [the politics of productivity](#), [Levelling Up](#), [spatial inequality](#) and [industrial policy](#), while Andy Westwood and Philip McCann were also thanked specifically in the paper.



## TPI opportunities

- Sheffield University Management School is seeking to appoint a Research Associate to support The Productivity Institute's Regional Productivity Forum in Yorkshire, Humber & the North East. Closes **11th August 2023**. [Apply online](#).
- Queen's Business School is looking to hire a Productivity Research Associate to support the work of the Northern Ireland Productivity Forum. Closes **14 August 2023**. [Apply online](#).



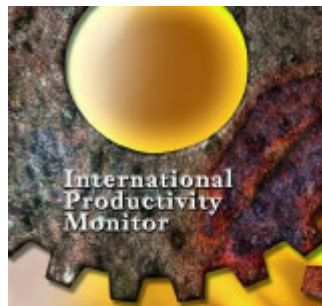
## TPI expertise

- Dame Diane Coyle is quoted in a [BBC article](#) that asks the question: Why is technology not making us more productive? "There is nothing that doesn't use digital now, but it is difficult to see what is going on because none of this is visible in the statistics."
- Bart van Ark discusses whether Brexit has hurt the UK's exports and investments in [an article](#) (paywall) from the German weekly business news magazine WirtschaftsWoche.
- Jagjit Chadha suggests that the UK's high inflation rate is largely a product of the short-termism that governed investment decisions by businesses, the financial sector and government, in an [Observer article](#).
- Chander Velu's paper [How to introduce quantum computers without slowing economic growth](#) is the subject of a [Times article](#) (paywall) about how quantum computers may lead to a dip in GDP before adoption offers a competitive advantage.
- Richard Jones looks to pinpoint when the UK's productivity slowdown began in [a post](#) on his blog Soft Machines. He suspects the roots of the malaise were already in place in the early 2000s.



## NIER call for papers: Impact of Brexit

The National Institute of Economic and Social Research (NIESR) is hosting a [one-day workshop](#) on the "Impact of Brexit" on Friday 17 November for the National Institute Economic Review (NIER). Submissions for the workshop should be sent to [h.low@niesr.ac.uk](mailto:h.low@niesr.ac.uk) by **Thursday 31 August**. Read the call for papers on [NIESR's website](#).



## New edition of International Productivity Monitor

The 44th issue of the International Productivity Monitor includes lessons learned from a career in productivity research by Martin Neil Baily. The article was reviewed by Timothy Taylor in [Conversable Economist](#). Read Martin's overview of 50 years in productivity research and more articles from the IPM on [our website](#).

## Upcoming Events

**29 September** Productivity Matters conference with the University of Glasgow. [Register](#).

## TPI Publications

Working Papers and Productivity Insight Papers can be [found on our website](#).

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