

Wednesday 16 August 2023



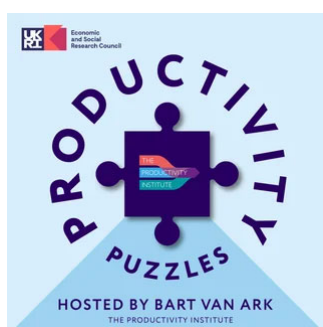
## Trends in firm-level total factor productivity

Understanding the UK's productivity performance since the financial crisis is complicated by the well-known challenges of estimating total factor productivity (TFP) using revenue data. A [new working paper](#) from The Productivity Institute uses a novel framework to estimate quality-adjusted TFP based on a firm-level revenue function. Authors: Diane Coyle, John McHale, Ioannis Bournakis and Jen-Chung Mei.



## Minimum wage and skills

What effect did the increase in the UK national minimum wage (NMW) have in April 2016? Elodie Andrieu and Malgorzata Kuczera's [TPI working paper](#) uses detailed online job postings data in England to find that the higher NMW resulted in an up-skilling effect – an estimated 11-percentage point decrease in the proportion of non-graduate vacancies and a 21-percentage point decline in the share of low-tech job adverts.



## What can the UK learn from Turnaround Cities?

What can the UK's urban areas learn from overseas cities that have fought to become successful? The latest [Productivity Puzzles episode](#) features Philip McCann, Susanne Frick and Ian Taylor discussing the unique strategies adopted by cities worldwide to transform their economic fortunes. Subscribe [wherever you get your podcasts](#), read the [companion blog](#), or view the [episode transcript](#).



## Diane Coyle to give lecture on healthcare productivity

In the 75th year of the NHS, Professor Dame Diane Coyle will explore the key drivers of healthcare productivity and look ahead to its 100th anniversary in the REAL Challenge annual lecture hosted by the Health Foundation on Thursday, 9 November. For more information and to book on the hybrid event, visit the [Health Foundation website](#). Diane and Health Foundation chief executive Jennifer Dixon discussed productivity in the NHS during the COVID-19 pandemic in our [Productivity Puzzles podcast series](#).



## The future of Investment Zones and Freeports

A number of Freeports and Investment Zones are now being developed across the UK. Despite the policy churn, there is a case for them to be retained by whoever forms the next government, write TPI's Andy Westwood and Jack Shaw in [a blog](#) for the Bennett Institute for Public Policy. TPI's Richard Jones was quoted in a [Financial Times article](#) (paywall) about investment zones, stating that there needs to be a “considered and thought-through approach” to connect knowledge-intensive businesses stemming from Rochdale's Atom Valley innovation project with future manufacturing jobs.



## Inward investment and the UK's decoupling from the EU

The effects of Brexit have been profound for the UK and have led to a changing climate of inward foreign direct investment (FDI). Nigel Driffield and Xiaocan Yuan identify four policy implications in [a blog for LSE](#). Along with Fernando Gutierrez Barragan, they have also written an [FDI series](#) for TPI.



## Productivity Commission: call for written evidence

The Productivity Commission is seeking submissions on topics related to business investment, public investment and foreign direct investment and their connection to productivity. Submissions should be sent to [productivity@niesr.ac.uk](mailto:productivity@niesr.ac.uk) by **Wednesday 6 September**. Visit [NIESR's website](#) to read the terms of reference.



## Productivity Matters 2023 Conference

Productivity Club Scotland is hosting its annual conference on Friday 29th September in partnership with the Scotland Productivity Forum. The free hybrid event will be held at the Advanced Research Centre, University of Glasgow and will feature speakers including Professor John Tsoukalas, who leads the forum. [Book your place](#).



## TPI expertise

- Chair of the Scotland Productivity Forum Carolyn Currie featured on [BBC Good Morning Scotland](#) talking about the necessity of getting businesses engaged to foster a successful and productive economy.
- Anton Muscatelli has written [a piece](#) for the Conversation about what the writing of Adam Smith could tell us about solving the UK's current skills gap. Sir Anton is a commissioner on the Productivity Commission.
- TPI's partner the National Institute of Economic and Social Research has released its [quarterly economic review](#), which finds that the UK is heading towards five years of lost economic growth. Low economic growth and stagnant productivity is increasing the financial vulnerability of households in the bottom half of the income distribution and the incidence of destitution at the poorest end.
- Matthew Agarwala has been awarded an [honorary professorship](#) at Scotland's Rural College to support them in delivering a sustainable and prosperous economy. Matthew has written a [TPI working paper](#) about environmentally-adjusted productivity measures for the UK.



## 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

Find out about capital measurement and productivity growth across international databases in the 44th edition of the IPM on [our website](#). Reitze Gouma and Robert Inklaar's article demonstrates that differences in the measurement of capital input can account for one-third of the range of multifactor productivity growth rates across databases.

## Upcoming Events

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

**9 November** Diane Coyle speaking at the REAL Challenge annual lecture. [Register](#).

## TPI Publications

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

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