Call for TPI Innovation Breakthrough Projects 2025

Exploring Technical vs. Economic Cost in Sectoral Productivity

Funded by The Productivity Institute's "Innovation Breakthrough" Fund

Background and Rationale

The increasing adoption of artificial intelligence (AI) across sectors of the economy has the potential to drive major shifts in productivity and competitiveness. However, firms often face a dual challenge: while certain tasks are *technically* automatable, the *economic* case for doing so is much less clear. Understanding the dual-cost framework on technical feasibility versus economic attractiveness is critical to shaping future innovation, policy, and investment decisions (see, for example, Svanberg et al., 2024).

This call invites researchers to build on this dual-cost framework, adapting it to sectoral contexts within the UK and beyond.

The Call

The Productivity Institute invites proposals for innovation research projects that examine how technical and economic costs shape the adoption of breakthrough technologies at sectoral level.

Projects should address the adoption challenges specific to each sector by applying a mixed-methods design. This might include empirical modelling, firm-level or sectoral data analysis, and qualitative methods such as stakeholder interviews or expert surveys. We particularly encourage proposals that integrate or extend the dual-cost framework articulated in recent research by Svanberg et al. (2024). We are also particularly interested in projects that focus on one or more of the eight sectors identified in the UK's Modern Industrial Strategy, although we will also consider proposals addressing on other sectors.

Expected Contributions

- Development of new evidence and conceptual framing related to technical feasibility versus economic attractiveness of AI applications at the sectoral level.
- Generation of sector-specific insights that inform industrial policy, innovation strategy, or firm behaviour.
- Delivery of both methodologically rigorous analysis that can deliver practical and implementable insights to industry and/or policy audiences.
- Strengthening of interdisciplinary collaboration and engagement with underrepresented research communities.

Project Scope and Budget

With a total budget of £250,000, the Institute aims to fund 2 to 3 individual projects within this call. **The duration is up to 12 months, and the project needs to be completed no later than 31 December 2026**.

Budgets may include costs related to research assistance, data acquisition, travel for fieldwork or dissemination, stakeholder engagement, and other justified research-related activities. While academic rigor is a priority, we also welcome experimental and boundary-pushing ideas.

Application Process

1. Applicants are required to submit a written proposal for their research activity using the application template provided and include:

i. Research aims, rationale, and alignment with this call

ii. Sectoral relevance and methodological design

iii. Description of the team and roles

iv. Timeline, milestones, and risk management

v. Budget outline and justification

vi. Intended outputs and engagement plan

2. Submit proposals to tpi-applications@manchester.ac.uk by Monday 15 September 2025 at 11.59pm BST. We encourage submissions from diverse research backgrounds, institutions, and geographies.

3. The project must be completed within a maximum of 12 months, starting no later than **1st January 2026** and finishing no later than **31 December 2026**.

4. The Productivity Institute commissioning panel will review applications in two stages. Applicants whose proposals are shortlisted will be invited to attend an interview which will be scheduled in October 2025.

5. Successful applicants will be notified by 31 October 2025. Unfortunately, we are unable to provide individual feedback to unsuccessful applicants.

6. A TPI working paper is expected as part of your project deliverables. We also encourage applicants to include blogs and policy or strategy pieces in the delivery plan, where relevant.

7. Applications from early career researchers will be looked upon favourably.

Evaluation Criteria

Proposals will be assessed based on:

- Originality and clarity of the research idea
- Fit with the call's objectives, sectoral focus, and project scope.
- Coherence and feasibility of the research design and methodology
- Capability and track record of the team
- Contribution to knowledge diversity and societal relevance

Terms and Conditions

- Successful applicants will be issued with a research grant agreement and expected to comply with The Productivity Institute's policies on research ethics, data integrity, and open access dissemination. Interim updates will be requested, with a short final report due within three months of project completion.
- All funding will be subject to ESRC/UKRI terms and conditions and additional terms as may be required by The Productivity Institute, which are non-negotiable.
- Proposals will need to be costed by the applicant's research support team. Funds can be used for a range of research costs including researcher time, travel, events and consumables.
- Proposals will need to show 100% of full Economic Cost (fEC) of the proposed research. Approved proposals will be funded at a fixed rate of 80% of this sum. By accepting the funding, the Research Organisation agrees to find the remaining 20% from their own resources.
- The proposed activity will at minimum lead to a paper that will be published as a Working Paper by The Productivity Institute. Working papers will be reviewed and authors are required to consider adjustments as requested

- All award recipients are expected to present their research results during one of the TPI Brown Bag seminars, which are held online on Wednesdays during term time, either in the first or second half of 2026.
- Funded projects are expected to contribute to other Productivity Institute seminars/events, and to inform The Productivity Institute of any research successes resulting from this award (such as subsequent grants, awards and publications).
- Applicants are expected to undertake any engagement activities which arise from the project and report on these activities to The Productivity Institute (as per UKRI terms and conditions).
- Applicants would be expected to demonstrate that the approaches and outputs adopted are robust and any research methods, case studies, data collection and so on, and meet sufficient quality standards to be representative and add to the existing evidence base.
- Applicants will need to adhere to data protection and GDPR guidelines, and to the UKRI's guidelines and procedures on research integrity, according to the UKRI's Policy and Guidelines on the Governance of Good Research Conduct, as well as the ESRC's - ethics policies and procedures.
- Funds will be paid quarterly in arrears based on actual costs incurred on the submission of a detailed expenditure report of costs incurred. The final payment will be made on completion of the project.
- **The Productivity Institute is unable to arrange for any extension of the funds past the agreed end date (31 December 2026)**

For further details or clarifications, please contact tpi-applications@manchester.ac.uk