Gross Domestic Knowledge Product (GDKP)

Why in the news?

The Ministry of Statistics and Programme Implementation had a session on "Conceptual Framework of Gross Domestic Knowledge Product (GDKP) Measurement" recently.

- **GDKP** – Seeks to capture the contribution of knowledge-driven sectors, innovation, and intellectual assets to economic growth.
- It acknowledges that GDP, while important, doesn't fully reflect the value of knowledge and its impact on society.
- **NITI Aayog** – It is *not a new idea* and it was *discussed in 2021* when NITI Aayog presented a concept note.
- However, at that time, the *National Statistical Commission* and the *Ministry of Statistics and Programme Implementation (MoSPI)* raised concerns.
- The concerns were about the *lack of a clear methodology for data collection and calculation*, as well as the subjective nature of the concept.
- **Significance** – The government recognizes the increasing importance of the knowledge economy and the need for a metric that reflects this.
- **Informed decisions** – By developing a robust framework for measuring GDKP, policymakers hope to better understand the drivers of knowledge-based growth and make informed decisions.
- **Current status** – MoSPI is now actively working on developing this framework.
- They recently held a session on the "Conceptual Framework of Gross Domestic Knowledge Product (GDKP) Measurement."
- The goal is to move from purely economic indicators to a more knowledge-centric approach.
- **"Satellite account" approach** – MoSPI is considering using a "satellite account" approach, similar to how they account for tourism or culture, to capture the knowledge base of the economy.
- **A technical committee** – Will be formed to evaluate the proposal and guide the measurement of the knowledge economy.
- **Challenges** – Key challenges include:
    - **Methodology** – Defining a clear and objective methodology for measuring knowledge is crucial.
    - This includes identifying relevant parameters and finding ways to quantify them.
    - **Data availability** – Data on knowledge-related aspects may not be readily available, requiring the use of surveys and potentially subjective assessments.
    - **Integration with GDP** – Determining how GDKP will complement or integrate with GDP is essential.
    - The relationship between the two metrics needs to be clearly defined.
    - **Subjectivity** – The concept of "knowledge" itself can be subjective, making it

difficult to measure objectively.

Reference

The Indian express - Gross Domestic Knowledge Product (GDKP)

