

**GDKP MODEL:** *is a two steps procedure*

*The Center will be glad to provide all needed clarification to research centers, government agencies, financial institutions, and individual scholars on GDKP model and assist them for the calculation of different Country's GDKP.*

**1<sup>st</sup> step. Preliminary calculation based on GDP data.** Making a disaggregation of recorded GDP in 3 areas so that knowledge content can be isolated:

- Knowledge Production
  - Research and Development (R&D) and Technology o
  - Computer Infrastructure
  - Infostructure
  - Education and Training
- Knowledge Transmission
- Knowledge Transfer

Those calculations are extremely important for several reasons:

- a. They provide a pretty good notion of knowledge economy
- b. Once the acceptable algorithm has been elaborated it can be used for GDP of all countries to establish basic comparisons. (see tables organized)

**2<sup>nd</sup> step. Final GDKP Calculation.** From classical Knowledge Economy we move now to a modern notion of knowledge production, instruments, distributions at mass level, strongly dominated by IT revolution. We summarize here the moments:

- a. Identification of modern Knowledge Items. (not only books, but dvd, TV programs, Movies, Newspapers, and of course software, computer, cell phones, ipad, etc). We suggest making a series of "standard" 90 distinct knowledge items to be reduced in 9 categories
- b. Identification of 10 local distinct culture Knowledge Items. To be reduced in 1 large category. This will permit for a nation to protect local cultural items in their notion of wealth.
- c. Identification of Knowledge producers (Government, private operators, household etc.) and distributors (school, satellite, fiber knowledge conveyers. etc). we suggest 10 great knowledge producers.
- d. We create the CKPM, the Country Knowledge Producing Matrix, 10 by 10 which will represent the Country under the Knowledge producing system.
- e. We create the CKUM, Country Knowledge Users Matrix, which will represent the economy of the country as derived from GDP in terms of Knowledge users. That will permit the calculation of K sector multiplier
- f. We calculate on individual level the cost of learning based on distinctions from 1. Urban or rural place; 2. Bracket age; 3. Status of employment or non employment. This will permit the special nation education program based on cost of learning

**GDKP Coefficient of diffusion and coefficient of multiplication of knowledge**

- a. *D, Coefficient of Diffusion.* In a GDP calculation the production of one car doesn't make a difference if it will carry 2 people or 7 people. In the notion of GDKP it makes a lot of difference if a book is produced for a single person or for a school library.
- b. *M, Coefficient of multiplication.* In the GDP calculation if we produce a car for one year use or for 5 years use doesn't make any difference. IN GDKP if a software is made for one year use and its updating is made free for five years it makes a lot of difference. (application of M multiplier on K items)

- c. *National Knowledge Commission*. It is the national institution which will define proper D and K coefficient for Knowledge items

*Therefore we have two notions of GDKP*. One standard (for instance USA GDKP Standard, India GDKP Standard) with no coefficient whatsoever. One national (USA GDKP national, India GDKP national) with the applications of coefficients decided by the Nation Knowledge Commission. The divergence is a measure very rich of political meanings which we do not need to analyze here, but we recognize that on Gov't level GDKP introduces by far the most practical innovations in budgeting.

#### FORUM AND TESTIMONIALS

The Indian team and Prof. Sulpasso will be glad to host articles, discussions, and comments on GDKP India. Please contact any of them on of those email

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it would be interesting to view in youtube the two public presentations of GDKP made Dr. Rajiv Kumar, Secretary General of FICCI that made the first formal agreement with Professor Sulpasso for the calculation of GDKP India

- a) at a conference at the University of Tor Vergata in Rome with the AD of ISTAT
- b) a the round table at TRECCANI with former Italian Prime Minster Giuliano Amato, presently Constitutional Judge, and AD of Treccani, Dr. Franco Tato

**[www.youtube.com/darwinomics](http://www.youtube.com/darwinomics)**