**Research Grants Council** 研究資助局

General Research Fund and Early Career Scheme - Principal Investigator [cholz] (Change Scheme / Role)

## VIEW COMMENTS FROM EXTERNAL REVIEWER

**Project Number :** 16601519
**Project Title :**     Physical Capital Measures for China (1952 - 2017)
**PI Name :**           Prof Holz, Carsten A.

## Section A : Detailed Comments

### 1. Please comment on the objective(s) of the proposal, and whether the research agenda adequately addresses the objective(s)?

| Excellent | Very Good | Good | Fair | Poor |
|---|---|---|---|---|
| ○ | ◉ | ○ | ○ | ○ |

**Comments:**

I think the objective to calculate the annual capital service and wealth capital values for 1952-2017 is sound. It is not going to be a highly visible project, but it is worthwhile. The research agenda of using the BLS and ABS approach withour using "shortcuts" is commendable. But as the project discusses, there will be no new addition to our understanding of the existing literature on capital theory. Perhaps the longer term project should focus and highlight more why China can pose an interesting new case. Given the manpower in the Chinese government, one may then ask, can the Chinese equivalence of BLS not perform this project?

### 2. Please comment on the Research Design and Methodology.

| Excellent | Very Good | Good | Fair | Poor |
|---|---|---|---|---|
| ○ | ◉ | ○ | ○ | ○ |

**Comments:**

The project proposes to use the complete methodology as used by BLS and ABS, including using a hyperbolic age-efficiency profile and deriving the age-price profile from the age-efficiency profile to calculate the annual capital service for China. It is a sound research design and adds some new data calculation to the literature. Depending on one's evaluation, one may argue that the project is merely very careful "calculations" and not entirely original. Is there something that we need to know specifically about the Chinese data? Why is the number of sectors changing (50 to 100) over the years?

### 3. Please comment on the feasibility of the proposed research.

| Excellent | Very Good | Good | Fair | Poor |
|---|---|---|---|---|
| ◉ | ○ | ○ | ○ | ○ |

**Comments:**

I think with the author's experience in this area and with a RA, this is quite feasible.

### 4. What do your consider to be the most original or innovative aspect of the proposed research? What advances would the research result bring about to the related field if the proposed research is successful?

**Comments:**

I am not sure if this project is innovative or original enough. It does add to the data calculations and one can easily argue that the calculations are important. But it does not add to the existing capital theory, nor does it ague that something new (new procedure, for example) is needed for the special case of China, a large, developing and transitional economy.

### 5. Please comment on the reasonableness of the proposed budget and manpower planning and project duration.

**Comments:**

The budget is reasonable, with a RA needed. It may be useful also to get in addition, an undergraduate involved in the project to make a stronger case for educational purposes.

### 6. Overall Comments

Overall Comment : I think this is a reasonable proposal. It will add to the availability of important data. But the project is not very original nor innovative. It does not add to the existing literature of capital theory, nor does it add an important contribution of arguing that the case of China requires additional procedures.

Strength: The author has substantial experience in this area. It may spur more work in the understanding of productivity in China. The project expresses what is needed to be done and it is quite clear. The author seems like someone who is quite careful.

Weaknesses: The project is not innovative or original enough. I think it will not generate significant academic attention.

Suggested improvements: Get the data done and then re-estimate productivity and economic growth of China to argue that our view of Chinese growth may be quite wrong.

## Section B : Summary of Assessment

### The project :

| Scientific/scholarly merit | Excellent | Very Good | Good | Fair | Poor |
|---|---|---|---|---|---|

| | Too Long | Appropriate | Too Short | | |
|---|---|---|---|---|---|
| | ○ | ◉ | ○ | ○ | ○ |
| **Duration Proposed** | **Too Long** | **Appropriate** | **Too Short** | | |
| | ○ | ◉ | ○ | | |
| **Impact of Research** | **High** | **Moderate** | **Low** | **None** | |
| | ○ | ◉ | ○ | ○ | |

## The principal investigator :

| | Excellent | Very Good | Good | Fair | Poor |
|---|---|---|---|---|---|
| **Ability to undertake the proposal** | **Excellent** | **Very Good** | **Good** | **Fair** | **Poor** |
| | ◉ | ○ | ○ | ○ | ○ |
| **Track record in field** | **Excellent** | **Very Good** | **Good** | **Fair** | **Poor** |
| | ○ | ◉ | ○ | ○ | ○ |

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