**AFTER**

This article presents a new approach for determining the types of economical production specification. The Cobb-Douglas specification was effective for the economies of the industrial era. However, currently, the post-industrial economy, which is referred to as the economy of knowledge, requires additional factors to transform the predicted principles of economic effects. These principles have been actively discussed theoretically but have not been implemented in practice. There is a proposal for constructing production specification that assumes non-linear effects and may provide formal methods for economic forecasts. The specification formula is illustrated using diagrams and theoretical conclusions.

We are presenting a new production specification that has non-linear elasticities and demonstrates the effects of an optimal balance of knowledge assets and traditional economic factors. Furthermore, the risks for the exact estimation of the current conditions are significant.

The economic crisis emphasized the growing role of its virtual part, specifically, the financial markets. The economic crisis has been influenced by hard-to-predict effects of new social communications and by the use of knowledge-based production.

In the politico-economic theory, the proposed cause of these phenomena is attributed to the new economic force concept, specifically, the "knowledge and innovations". This new force is becoming comparable to the traditional forces of labor and capital, especially if it is used expeditiously and skillfully.

However, the well-known Cobb-Douglas production specification and other production functions do not account for this new force. Therefore, an adequate production function is necessary that accounts for this force. Otherwise, any economic analysis is unproductive. We need a new production function that satisfies the following limiting conditions. Specifically, the effect of the new force on production can be disregarded if the innovation input is small. However, the force decreases production to zero for an innovation portion that is too large when the innovation consumes all funds.