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Community Research

A European Regional Path to the Knowledge Economy:

Creative societies in smart territories

Intellectual Capital for Communities in the Knowledge Economy - Session 3:

Intellectual capital for Regions

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OECD OCDE

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1. Yet entered into a Knowledge Era

2. When Local Actors should be Creative…

3. Knowledge Areas & Smart Regions!

Smart Territories for Creative Societies

Part 1

Yet entered into a new Knowledge Era…

- ***Today's advanced economies*** are ***knowledge-based***…
  This stresses the ***relevance of R&D***, for their development:

- Fast growing accumulation of S&T and knowledge ***affecting all sectors of the economy,*** with ever ***S&T content embedded in products;***

- As a consequence, need for more and better ***qualified human resources;***

- pushing world economies to focus on ***more knowledge-intensive activities.***

Preventing from looming creativity crisis?

*Against "**Eurosclerosis**" (Jeremy Rifkin, The European Dream) is it better:*

. either building walls and to prevent capitals and jobs from flowing out?

. or considering constructing creative epicentres for new jobs, magnets for global talents and attracting various investments?

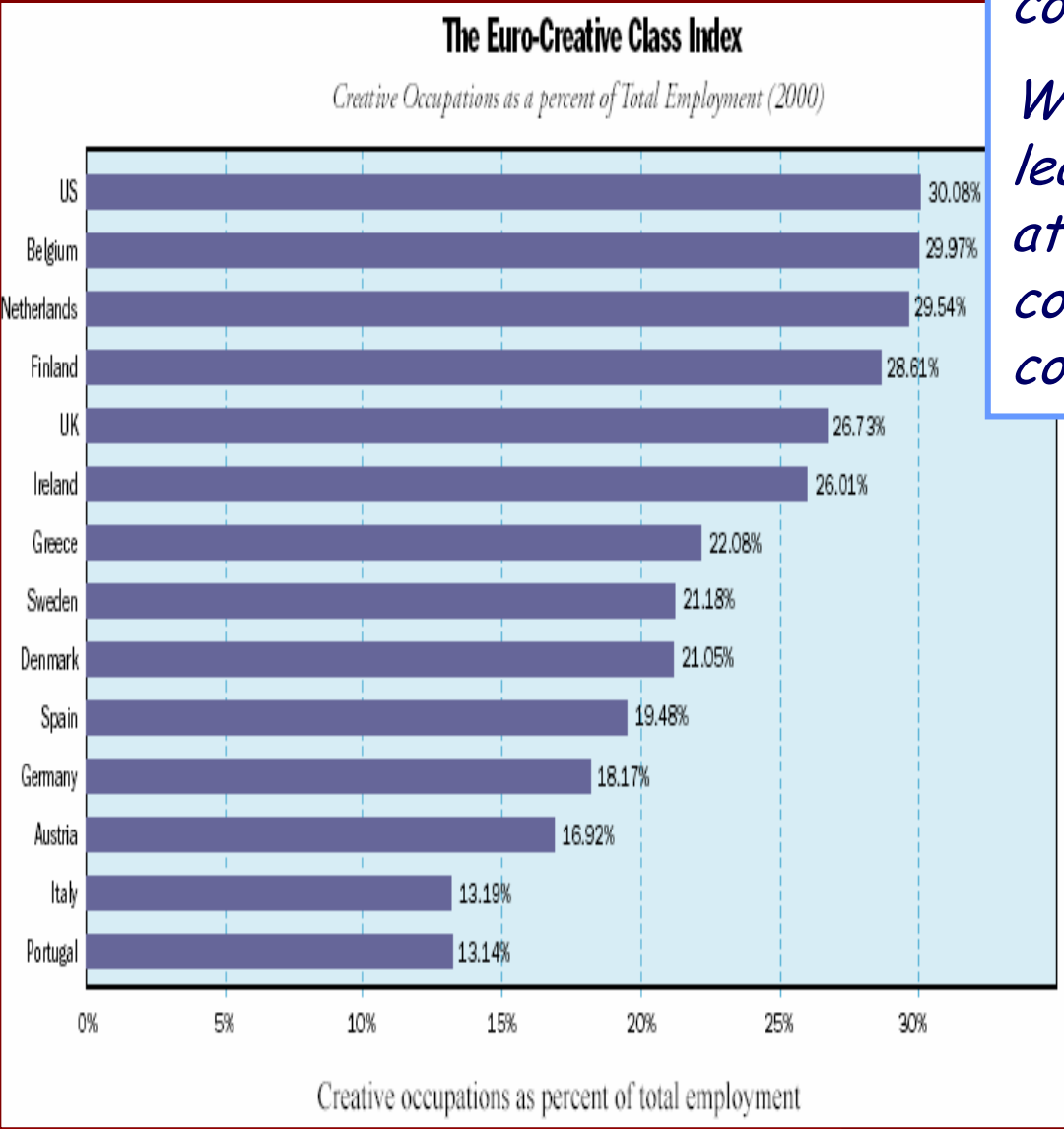
- ***Economies are fluid***
  – people move,
  leads are easily gained or lost –
- and ***Creativity*** is
  an asset that has to be
  constantly cultivated and renewed…
- Wherever creativity goes,
  economic growth is
  sure to follow!

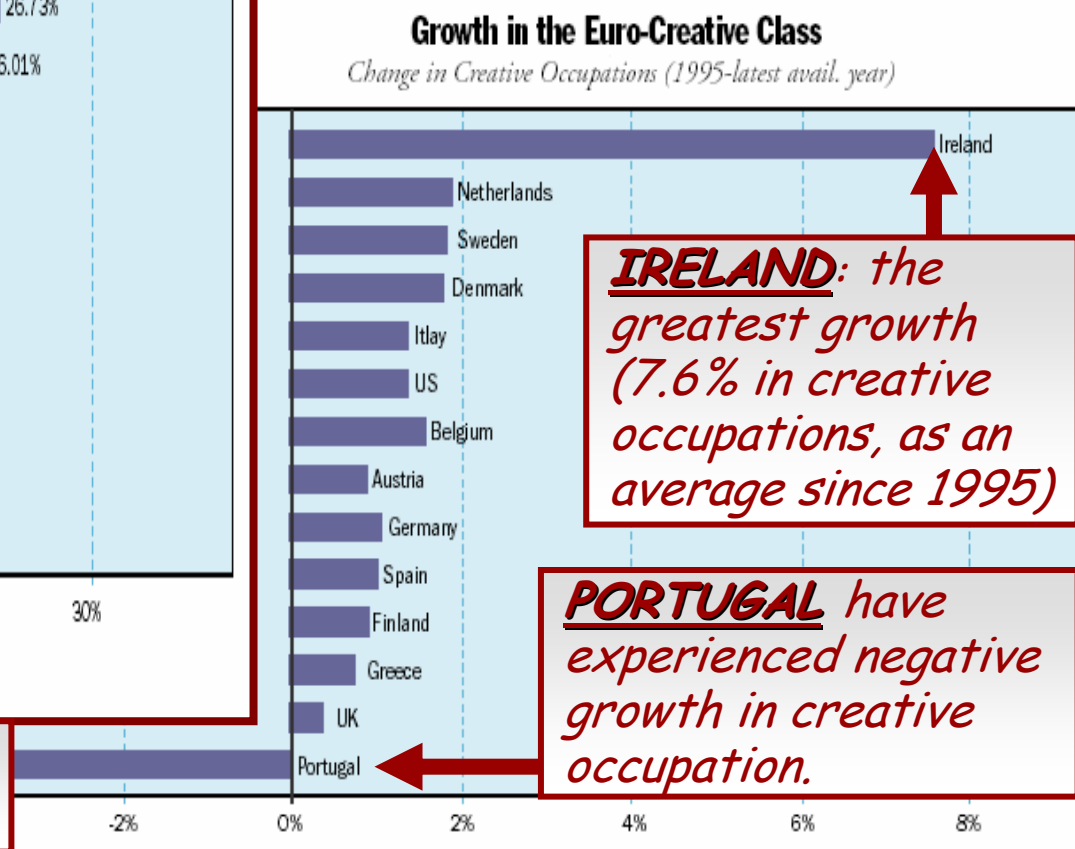
- There is growing belief that
  Knowledge can do more than
  increase economic growth…
- it can also lead to
  structural change
  . ***in an economy and,***
  . ***therefore, the whole society…***
- Today, economy, creativity
  and competitiveness
  go hand in hand.

The Creative Class

Between 1992 to 2000, in real terms, US GDP grew by 36%, compared to 19% for the UE.

While the US remains the world leader in tech & its ability to attract top talents, few European countries appear to have similar competitive assets.



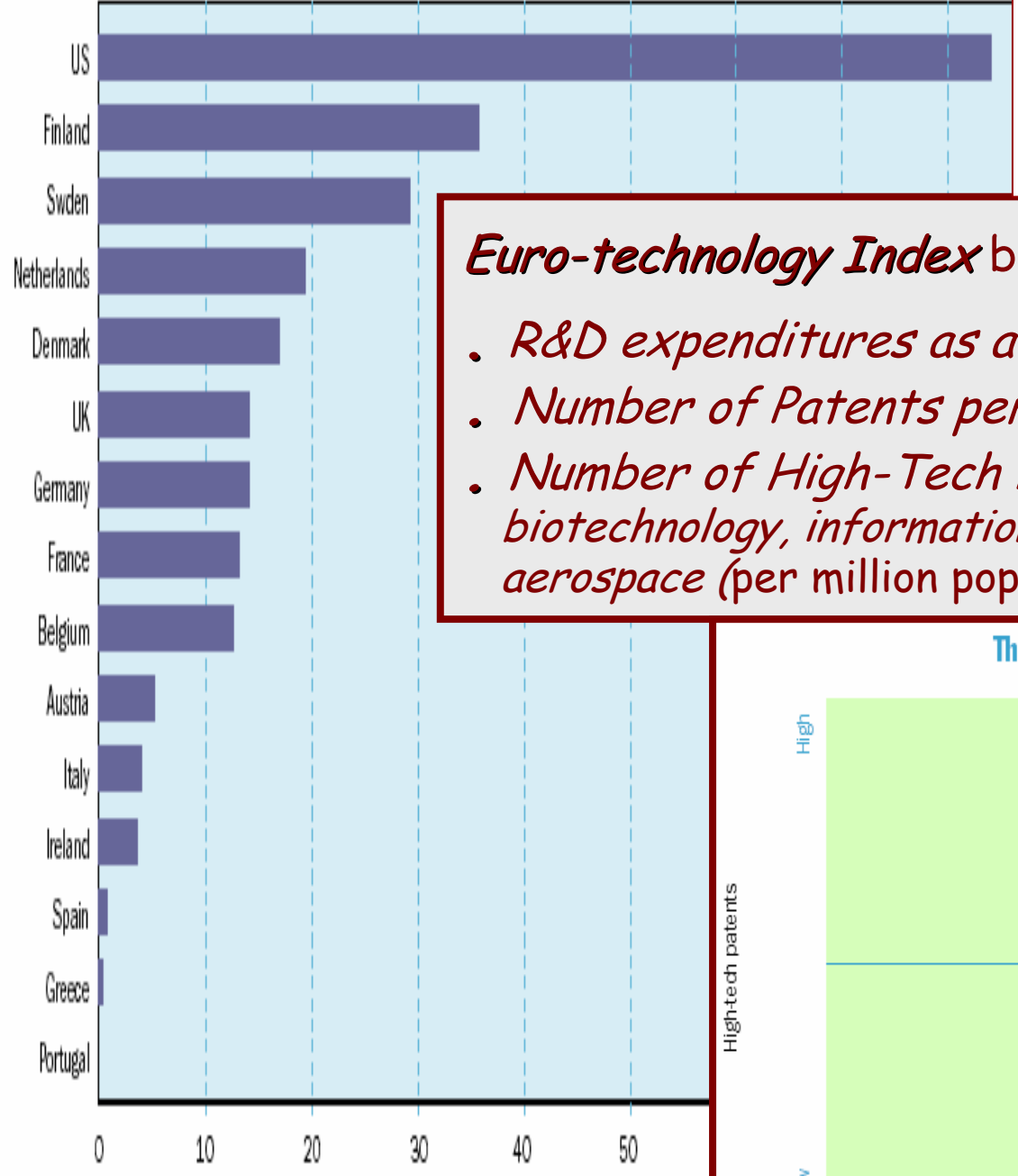


IRELAND: the greatest growth (7.6% in creative occupations, as an average since 1995)

PORTUGAL have experienced negative growth in creative occupation.

"EUROPE IN THE CREATIVE AGE"
Richard Florida & Irene Tinagli - Feb.2004

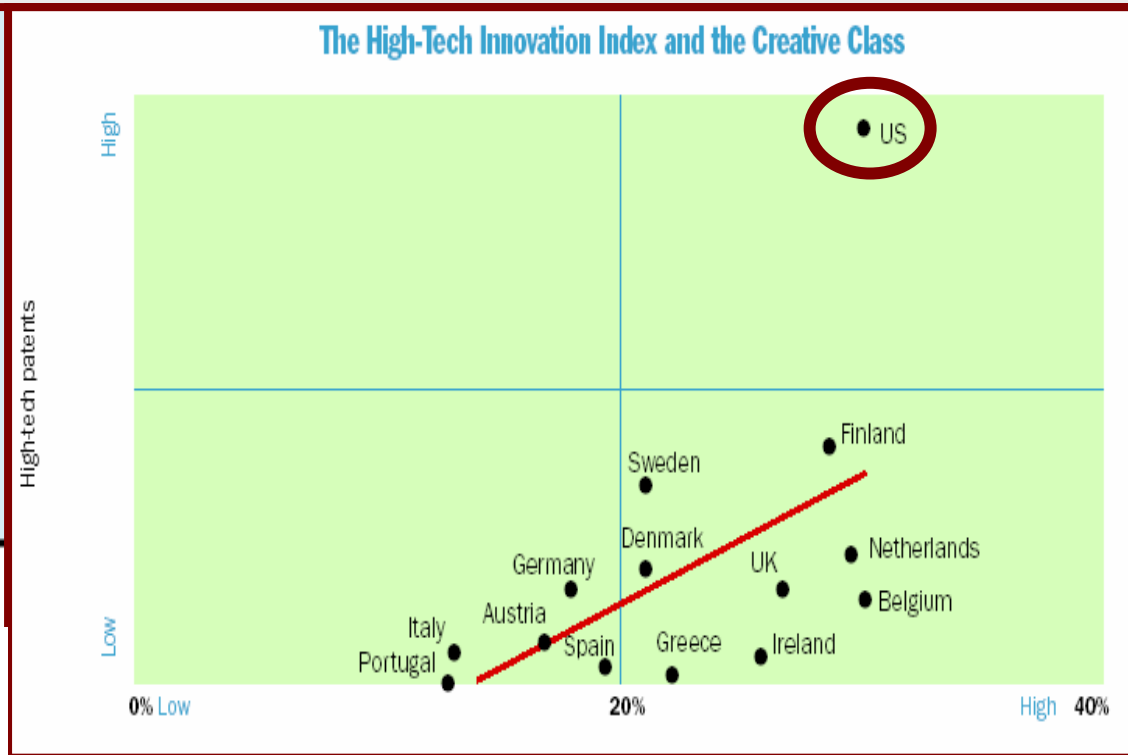
High-Tech Innovation Index



HIGH-TECH PATENTS
PER MILLION POPULATION

Euro-technology Index based on 3 separate measures:

- *R&D expenditures as a percentage of GDP,*
- *Number of Patents per million population,*
- *Number of High-Tech Patents in fields such as: biotechnology, information technology, pharmaceutical & aerospace* (per million population);



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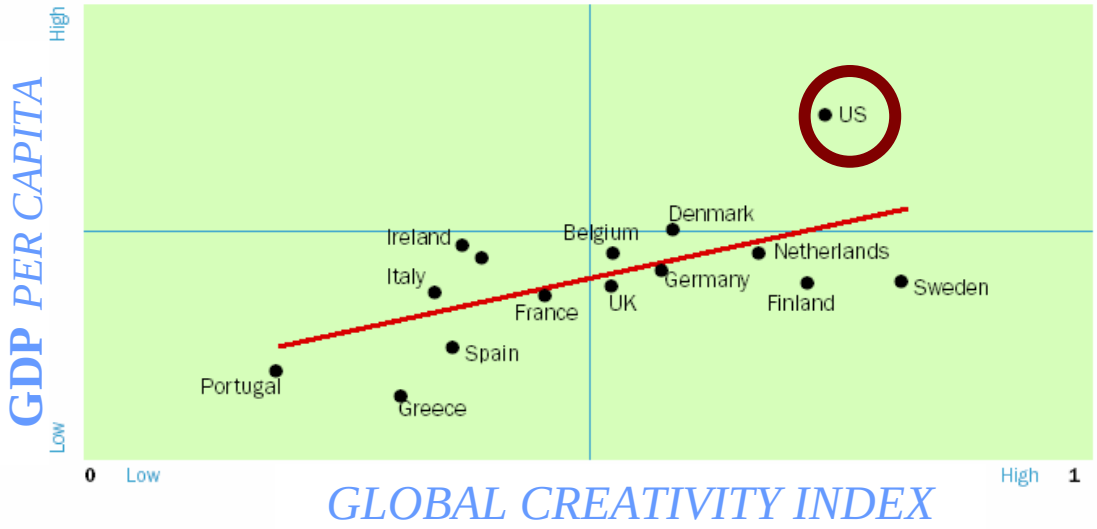
ECI & GDP per Capita



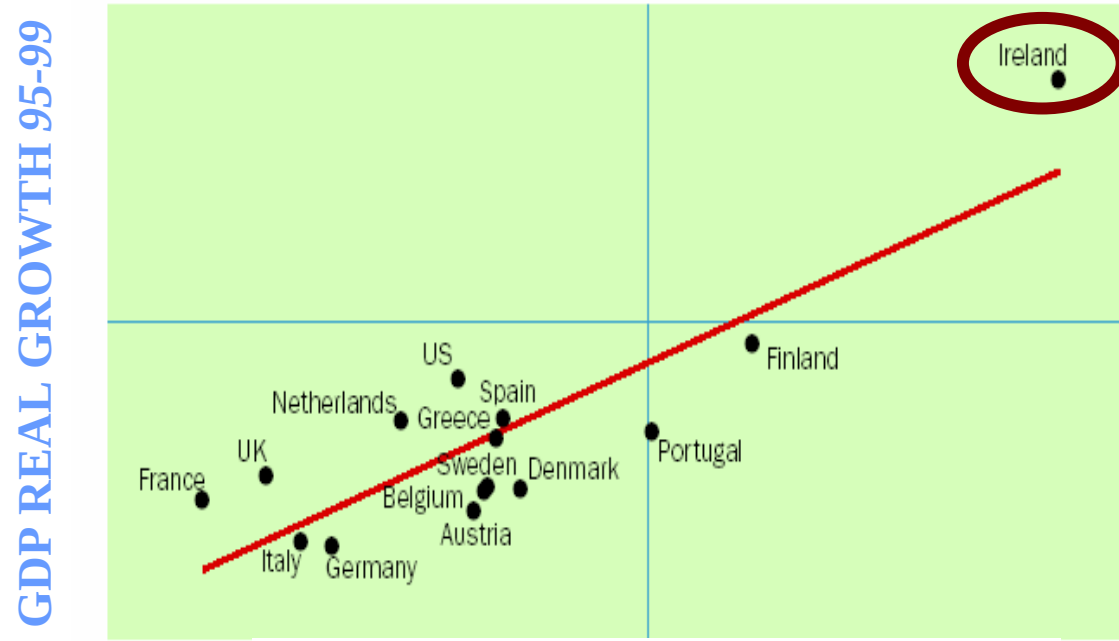
Richard Florida's studies, based on the principle of the ***3 Ts***' concept

[Technology-
Talent-
Tolerance] indicate

that the US's advantage could be shifting, in part due to

more liberalised immigration policies of EU countries,

which allow to effectively attract & retain global talent.



EURO CREATIVITY TREND

Part 2

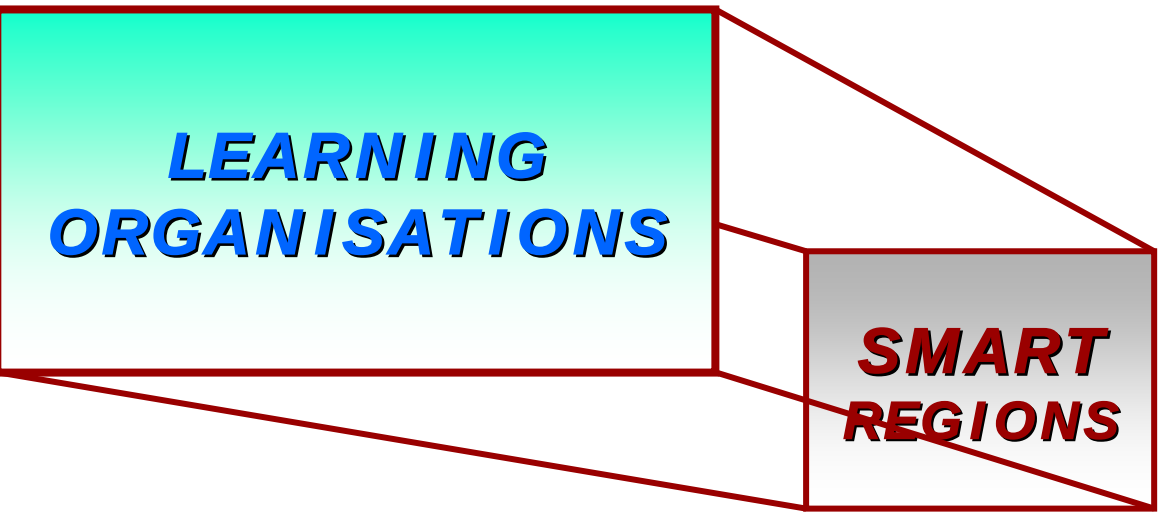
Targeted applications to be fuelled by behaviours & processes

- Scientific research, which produces new ideas and new tools that can become the foundation for tomorrow's products,
- Services and ways for doing business;
- A strong education system that equips our workforce with the skills necessary to transform those ideas into goods & services that provide regions with the researchers of the future;

and an environment that encourages entrepreneurship, risk-taking, and innovative thinking.

Open and learning Behaviours

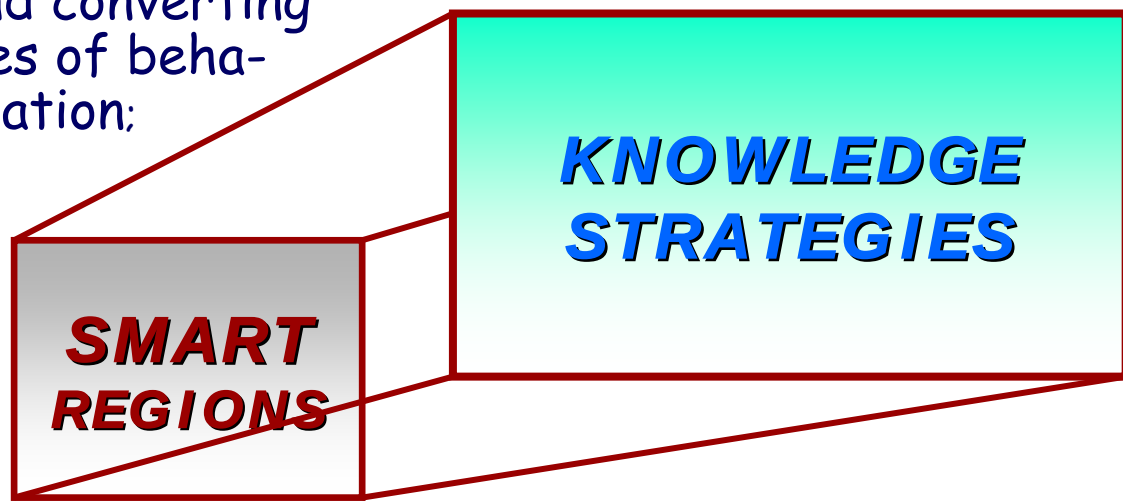
- By comparing and learning how other people do things, you can bring back ideas and knowledge to your own organisation;
- Raised level of aspiration, whereby for making a group perform better than it would otherwise have done;



- "***Cooperformance***" with an Organisation which can adapt to its actual learning mechanism, by:
  - . *Cooperation &*
  - . *Formative governance*
  - . *for Performing…*

Managing Knowledge territories

- Eager-to-learn organisation that is receptive to new knowledge and other people's experience instead of adopting smug, we-know-best, N.I.H. attitudes;
- Translating inspiration into proposals for new solutions not only at comparing with others and finding ideas for development, but also at translating and converting those ideas into new types of beha-viour in one's own organisation;



- The other puts more emphasis on circulation of knowledge and how that should be organised;
- There is a growing role for:
  - . Highly educated workers and
  - . Knowledge intensive firms…

Bursting its stubborn and locked banks

- Designing an attractive regional "Image" including a recognised and specific identity within an open society;
- Attracting talents and investments and developing the endogenous capacity of innovation;
- Adopting a systemic approach for attracting and maintaining talents & knowledge investments;

- Regional policymakers should promote their territory as *an inspiring and attractive common cultural space;*

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Vital actors and resilient territories

- Involved people are given a chance to understand the current situation, and to increase willingness & ability to accept measures which they would otherwise instinctively consider a threat;
- A societal dynamic in terms of willingness & readiness investments, help realise the potential competitiveness in re-shaping opportunities and edge.

- The group's analysis of the problem and its choice of relevant examples lay a firm foundation for:

  . ***ABSORPTIVE CAPACITY***

- Social competence is developed, both with relevant examples & within the group itself through:

  . ***DOUBLE INTERACTION***

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What is wrong with potential European K-performers?

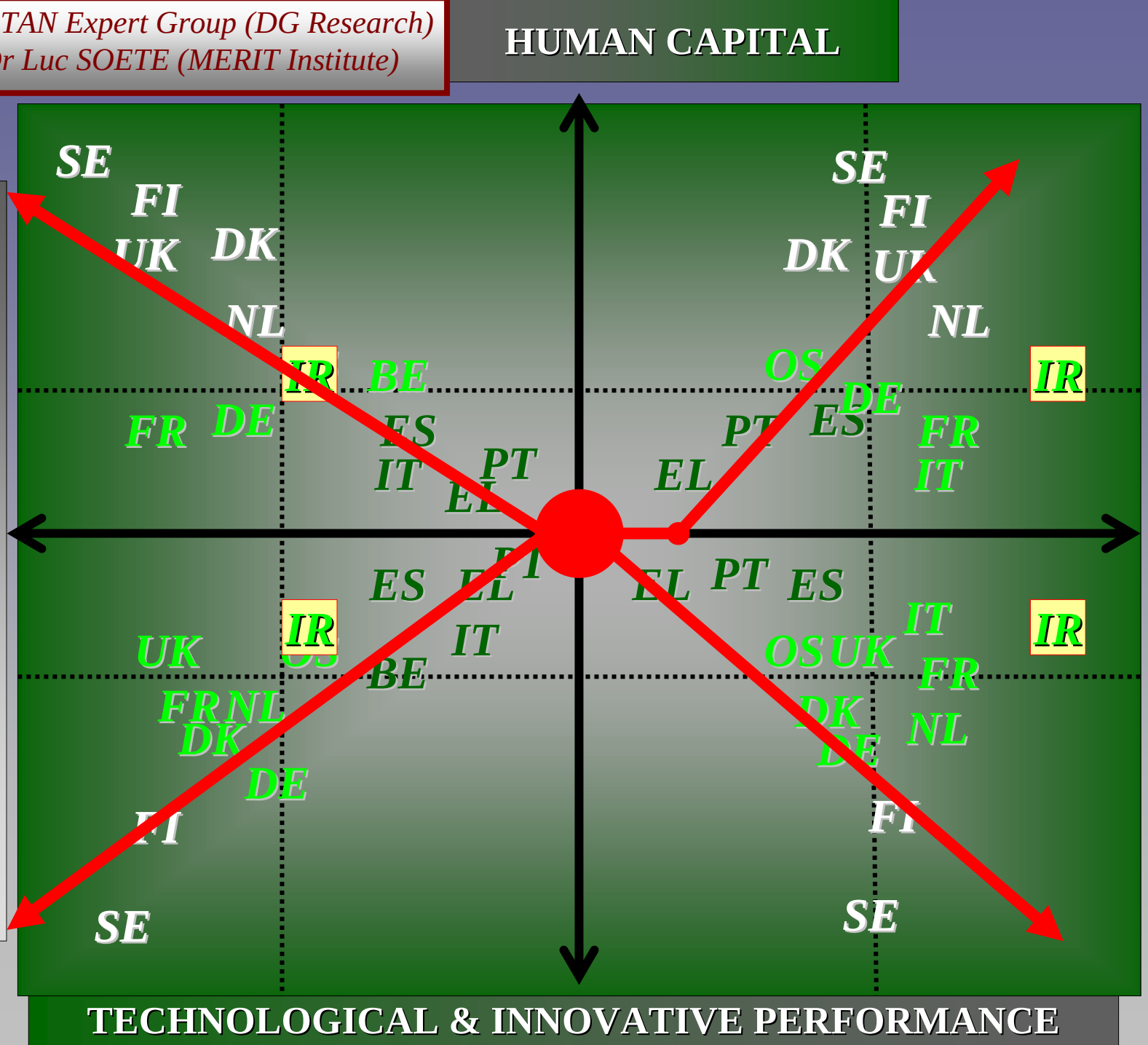
- *The Europe's largest weakness compared to the USA, lies at the door of their SMEs, while increasing the innovative strength of such a category is the key to qualitative growth and new jobs.*

- *If you compare large European and American companies,* you will be struck by the fact that the amount of research they do… is more or less equivalent.

- *However, in the case of SMEs,* the ratio is *1 to 3*, sometimes *1 to 8* (depending on the indicators), i.e. *American SMEs (only 45% of GDP)* have on average between 3 to 8 times *more resources available to them for R&D than their European competitors* (*whereby SMEs account for 65% of GDP*).

Europe needs a new initiative to turn its **SMEs** into
High-Innovation Companies & Small Serial Creatives!

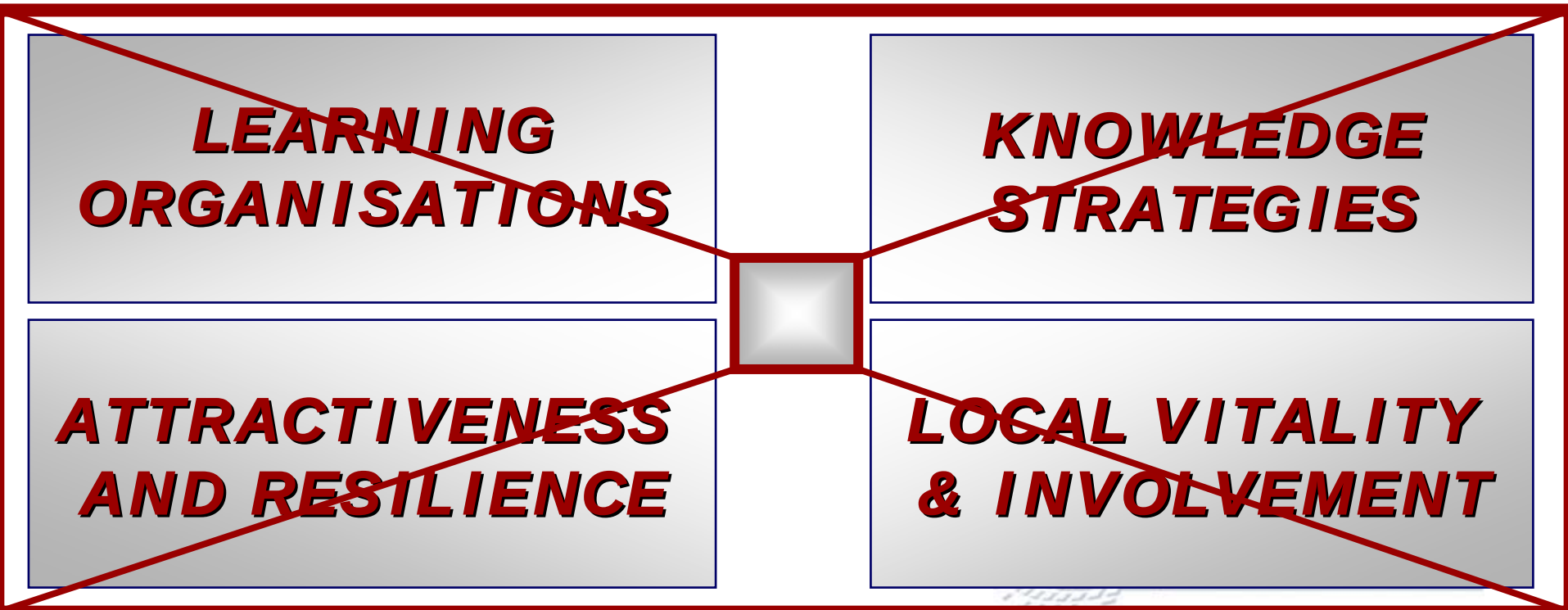
STRAT-ETAN Expert Group (DG Research)
Prof Dr Luc SOETE (MERIT Institute)

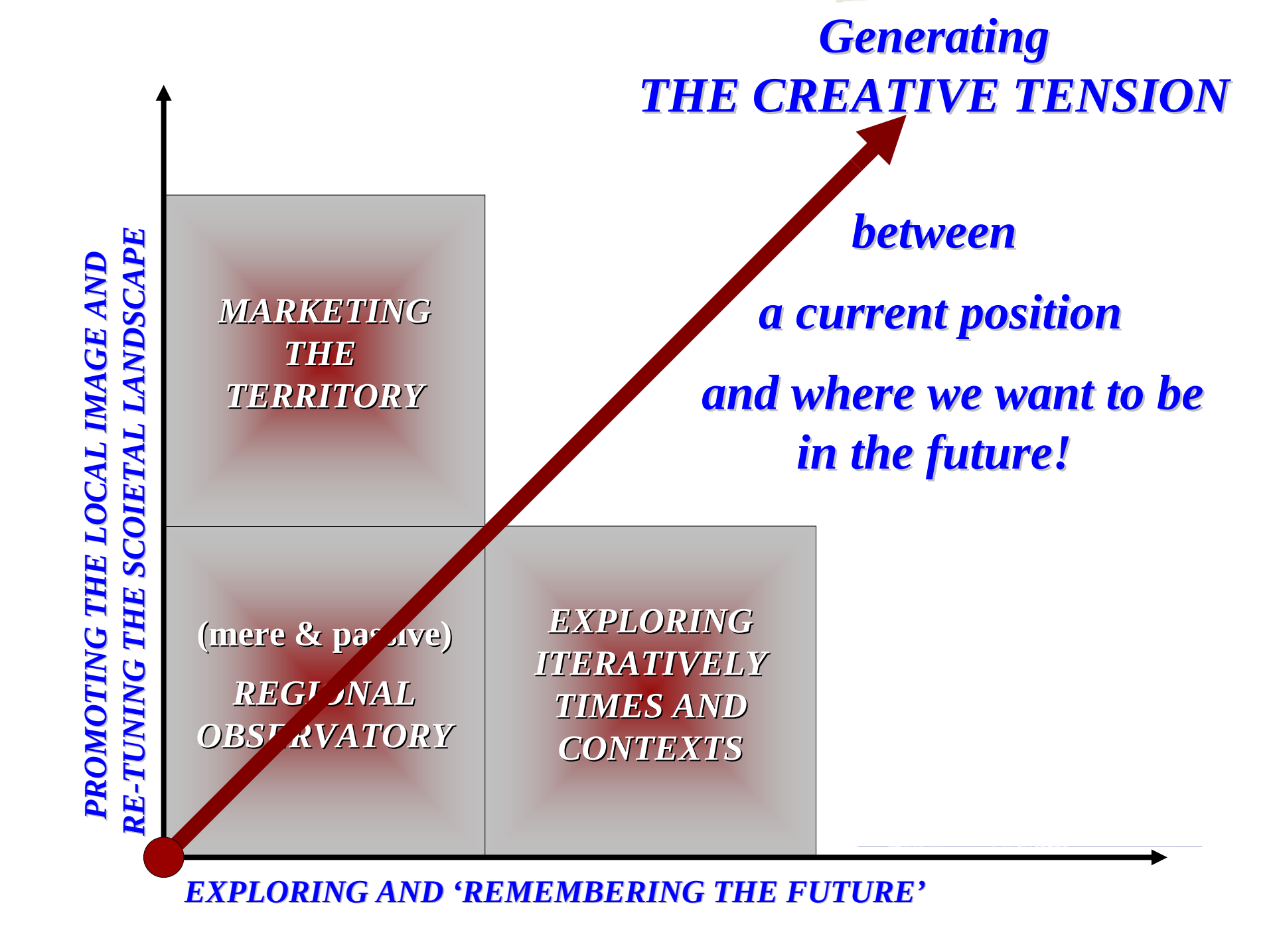


Part 3

BUILDING BLOCKS FOR SMART CONSTRUCTIONS

- It is necessary to go far beyond the mere "Showcase" of the region, and then address and adjust behaviours and expectations;
- As a result, such a keystone, leaning on four pillars, will be likely to be consolidated and confirmed in its constructed local advantage;




Generating
THE CREATIVE TENSION
between
a current position
and where we want to be
in the future!
MARKETING
THE
TERRITORY
(mere & passive)
REGIONAL
OBSERVATORY
EXPLORING
ITERATIVELY
TIMES AND
CONTEXTS
PROMOTING THE LOCAL IMAGE AND
RE-TUNING THE SCOIETAL LANDSCAPE
EXPLORING AND 'REMEMBERING THE FUTURE'

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Regions of Knowledge: Experimental 2003 Version

- ***14 Projects selected out of 53 applications;***

- Implemented outside of the 6th FP,
  it aspires to develop experimental activities involving;

- Networks of European regions (with the active involvement of universities, research centres and the business community)…

- to create "*Knowledge regions*",
  able to provide model regional implementations of the Lisbon strategy, that is, demonstrate…

  - ***the central role of knowledge***
  - ***in driving regional development.***

Regions of Knowledge: A welcome initiative

- Such an initiative covered two basic strands:
  - ***Integrated Regional Technology Initiatives;***
    They are sub-divided in 3 parts:
    - (a) *Technology audits* and *Regional Foresight*,
    - (b) *University Driven Actions for Regional Development*,
    - (c) *Mentoring Initiatives*,
      where advanced regions would cooperate with less advanced regions (*Obj. 1*) in a kind of "mentoring" partnership, for a more efficient transfer process;
  - Projects had to have at least 3 partners from 3 different Member States.

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"Regions of Knowledge 2"

Critical role for regions in the ERA process whereby ***KnowREG-2*** was embedded in ***FP6*** *Specific Programme 1* (*Integrating and Strengthening the ERA – Coherent Development of Policies*) with 18 Projects selected out of 117 applications by 2005 for:

- Enhancing endogenous research potential,
- Networking at a trans-national level.

- As regions investing in RTD and capitalisation of knowledge tend usually to achieve higher economic performance,
  regional actors in activities stimulating the knowledge-based economy;
- Need for guidance in research and technology policies;
- Need for exchange of information and experience…

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S&T Clusters for FP7

- **Development of regional 'research-driven clusters**

  - Knowledge through investment in R&D,
    a key driver for economic growth and employment;

- European R&D, as an essential of the knowledge process:
  - contributes to the creation of
    new markets or production processes
  - leads to incremental improvements in conventional industries and
    increases the capacity of the regions to absorb new technologies
  - facilitates emergence of
    creative companies and innovative breakthroughs;

- **Two objectives for European regions**:

Strengthening their capacity for investing in RTD and carrying out research activities	Maximising their potential for a successful involvement of their operators in European research projects