





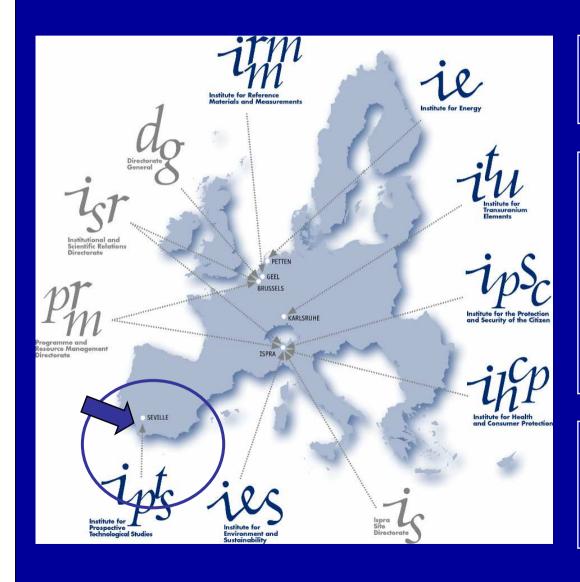
Matching local decisions and global trends Regional development in search of opportunities

Marc Bogdanowicz, Andrea de Panizza JRC, IPTS – European Commission

CITIES on INTERNET – Annual Conference – Zakopane, 25-27 June 2008







IPTS: Part of DG JRC of the EC: 7 Research Institutes across Europe

Mission: "to provide customer-driven support to the EU policy-making process by researching science-based responses to policy challenges that have both a socio-economic as well as a scientific /technological dimension"

Modus operandi: desk research, expert groups, modelling, centres of expertise,...





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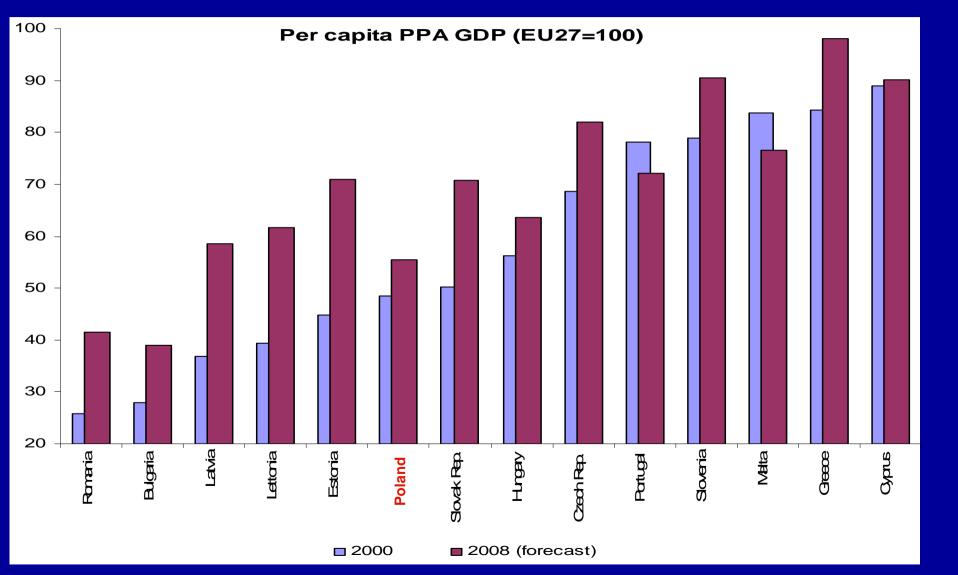


Europe...



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Inter-national convergence...

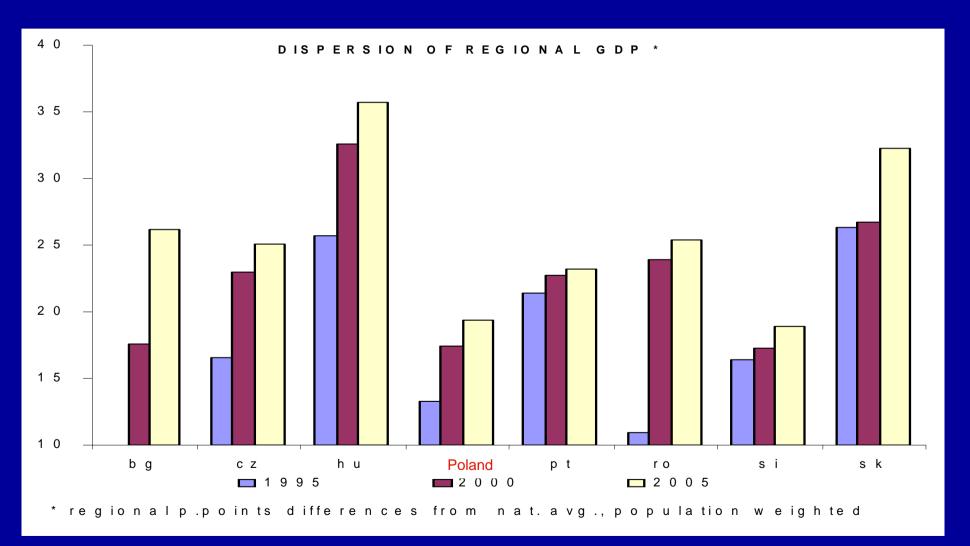


Source Eurostat





... and regional divergence



Source Eurostat. Author's calculation. The dispersion of regional GDP is measured by the sum of the absolute differences between regional and national GDP per inhabitant, weighted with the share of population and expressed in percent of the national GDP per inhabitant. The indicator is calculated from regional GDP figures based on the European System of Accounts (ESA95).

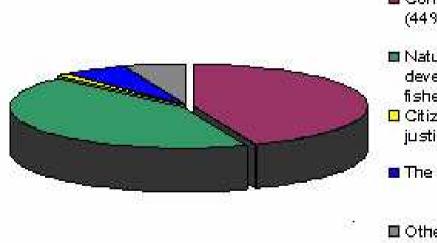




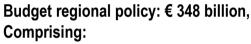
The financial instruments of EU regional policy intend to narrow the development disparities among regions and Member States

A drive for increased competitiveness and economic, social and territorial cohesion.

Distribution of EU budget 2007-2013



- Competitiveness and cohesion (44%)
- Natural resources: Agriculture, rural development, environment and fisheries (43%)
- Citizenship, freedom, security and justice (1%)
- The EU as a global player (6%)
- Other including administrative expenditure (6%)



- € 278 billion for the Structural Funds
- € 70 billion for the Cohesion Fund.

EU structural and cohesion funds 2009: € 48.4 billions (~35% of total EU budget) out of which 50% to invest in Eastern Europe



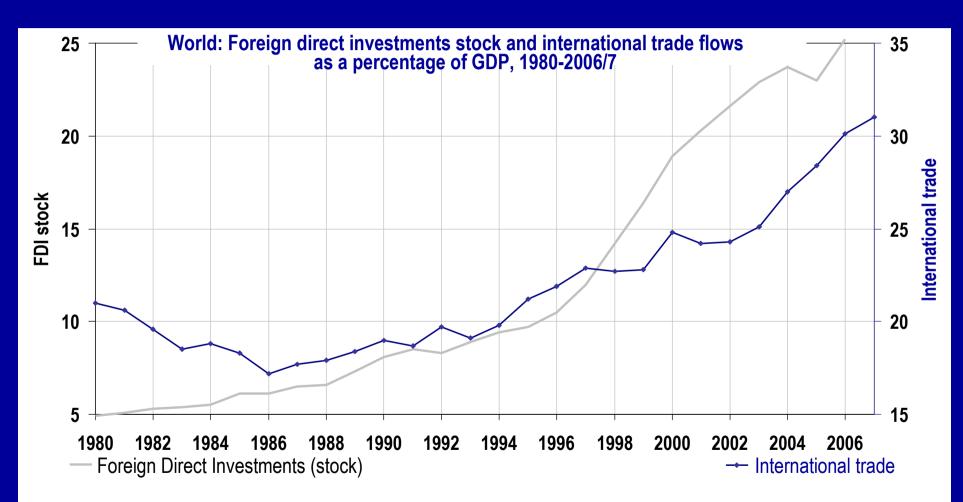


Globalisation...





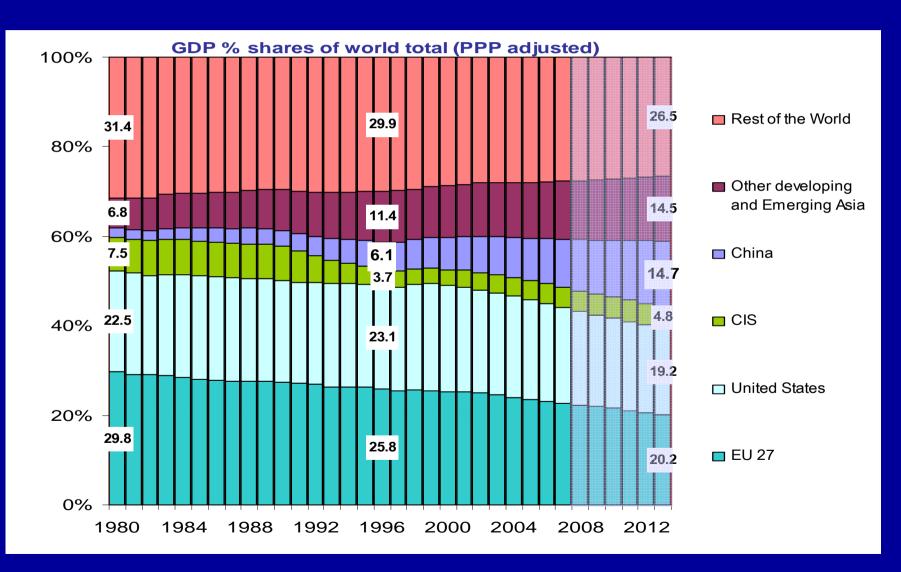
Accelerated change in international conditions since the mid '90s...







...and new actors emerging in the world economy





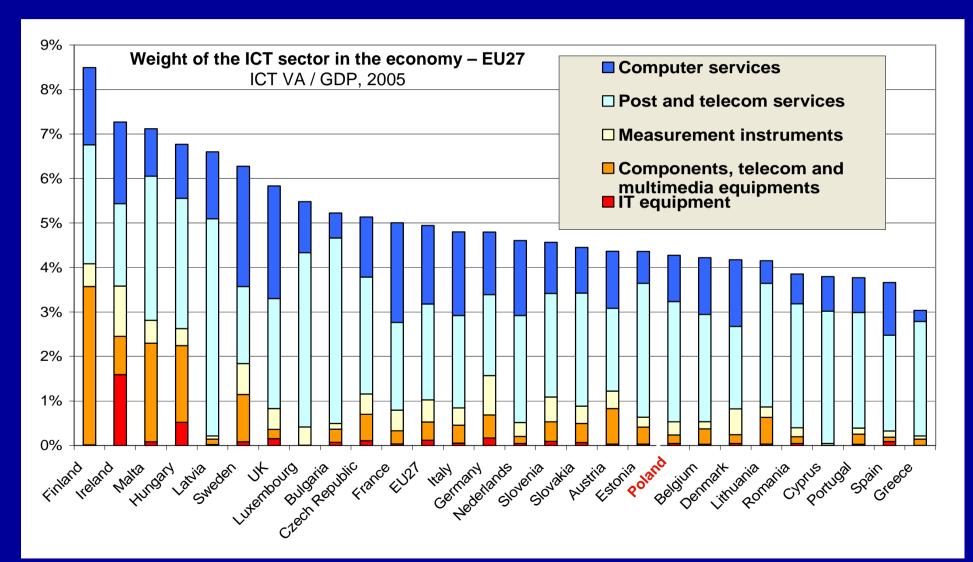


The deployment phase of Information and Communication Technologies





ICT: less the story of an industry....



Source: Annual PREDICT Report . IPTS (forthcoming) IPTS data based on data from Eurostat, OECD, EU KLEMS and national statistics

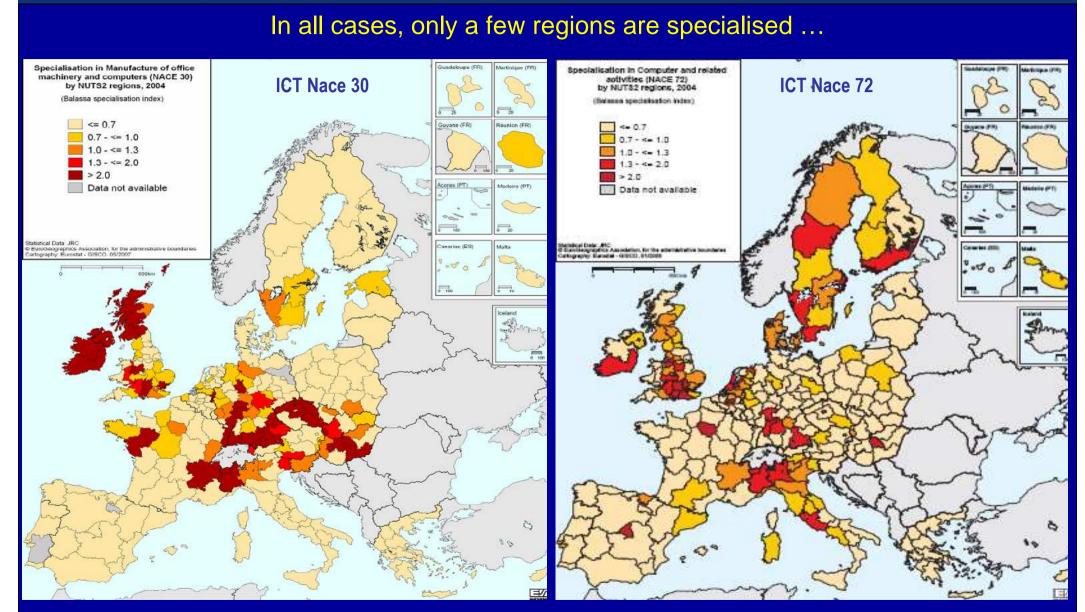


Deployment phase of a general purpose technology



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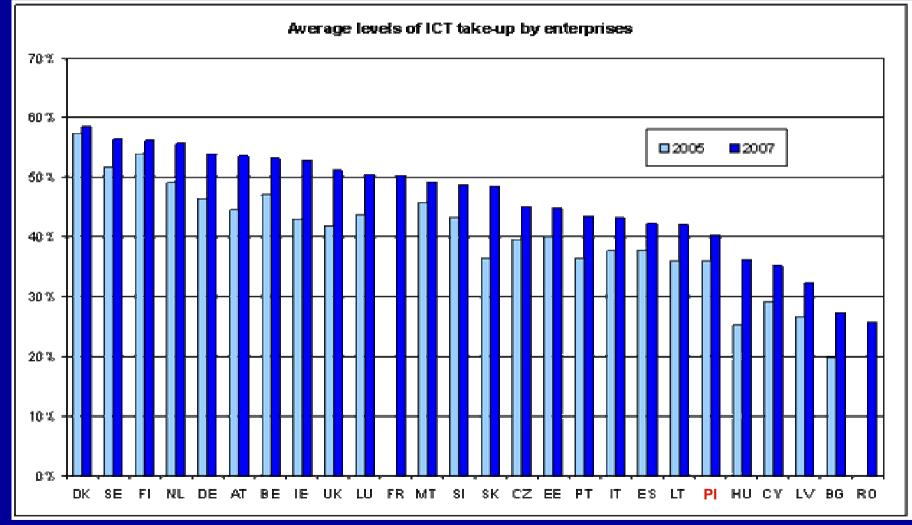
Source: Eurostat (Regional statistics)





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...than the story of a "General purpose technology" transforming the economy

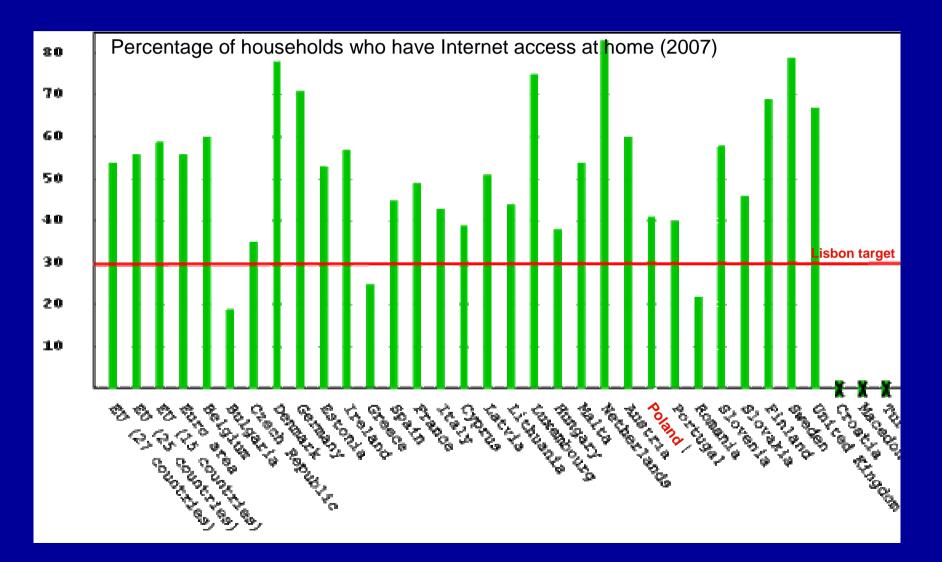


Source: i2010 MidTerm. Preparing Europe's digital future. DG INFSO 2008. Data refer to all the enterprises, excluding the financial sector. Source: Community Survey of ICT usage by Enterprises, 2007, Eurostat





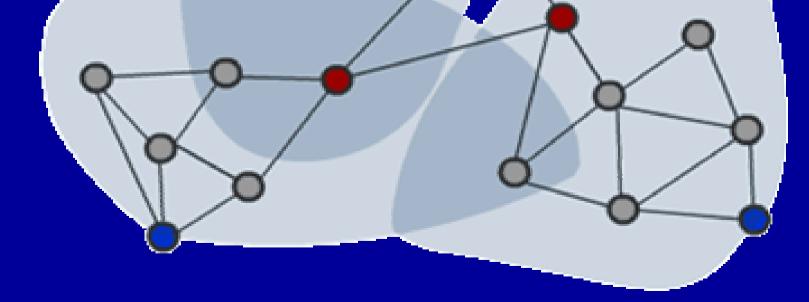
...and progressing also rapidly in peoples' private sphere







The emergence of the Knowledge Economy...

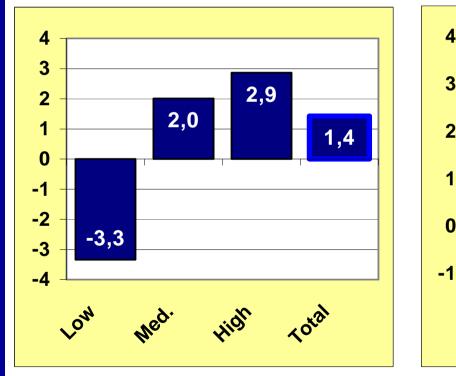


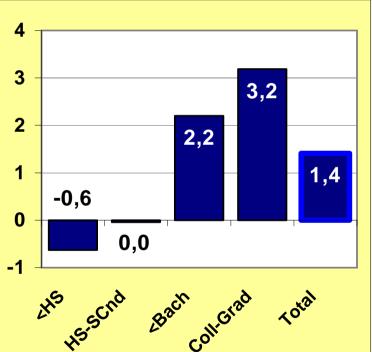




The rise of qualified employment in Europe and the USA...

Average annual growth of employment per educational level USA - 1996-2003 USA - 1992-2002





Source: Eurostat LFS

Source: Coomans, 2005. Edit.: IPTS.

* For the USA, : « <HS » comes for « Less than High School », « HS-SCnd » for « High School, some College (no degree) », « <Bach » for

« Less than Bachelor degree », « Coll-Grad » for College Graduates.

US BLS (Bureau of Labor Statistics)

The emergence of the knowledge economy



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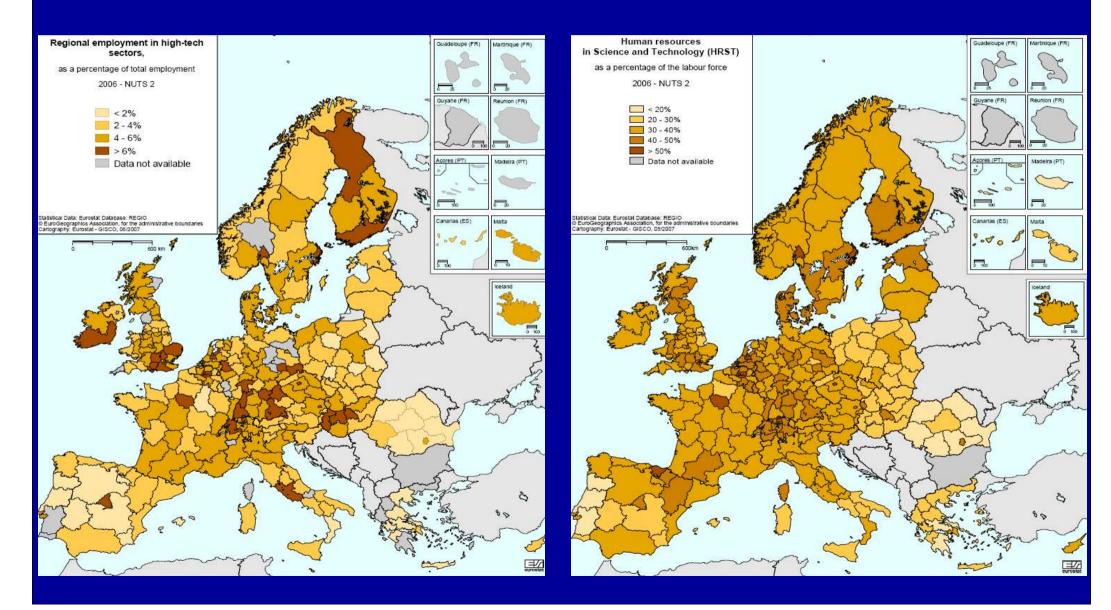
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(Highly) qualified at work

...and still potential qualified labour force

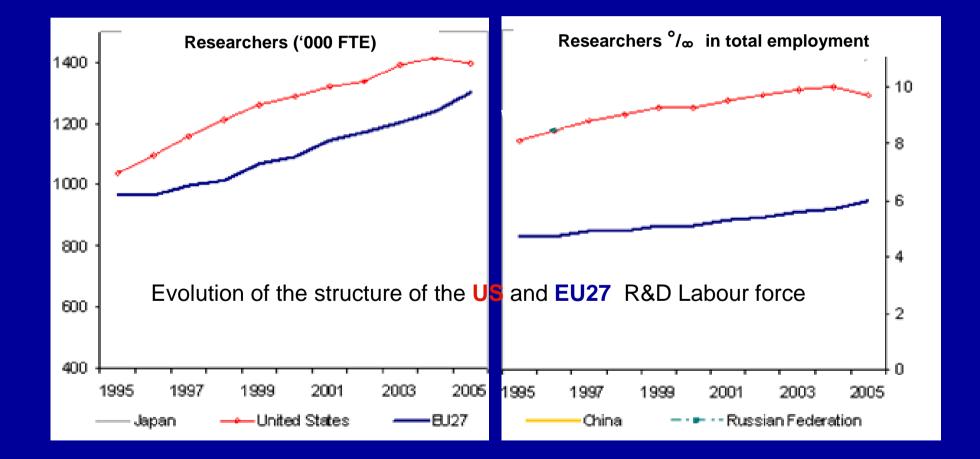






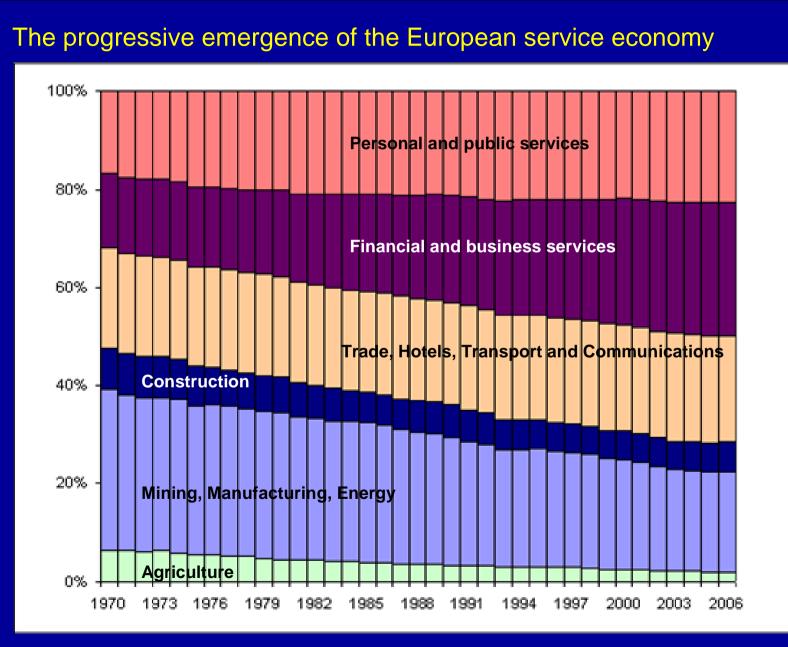
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... and the reinforcement of an innovative knowledge base





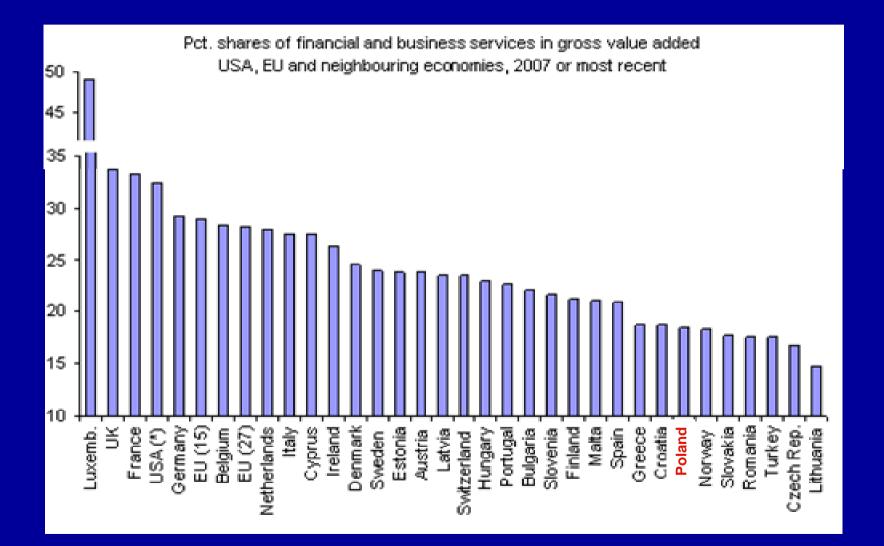








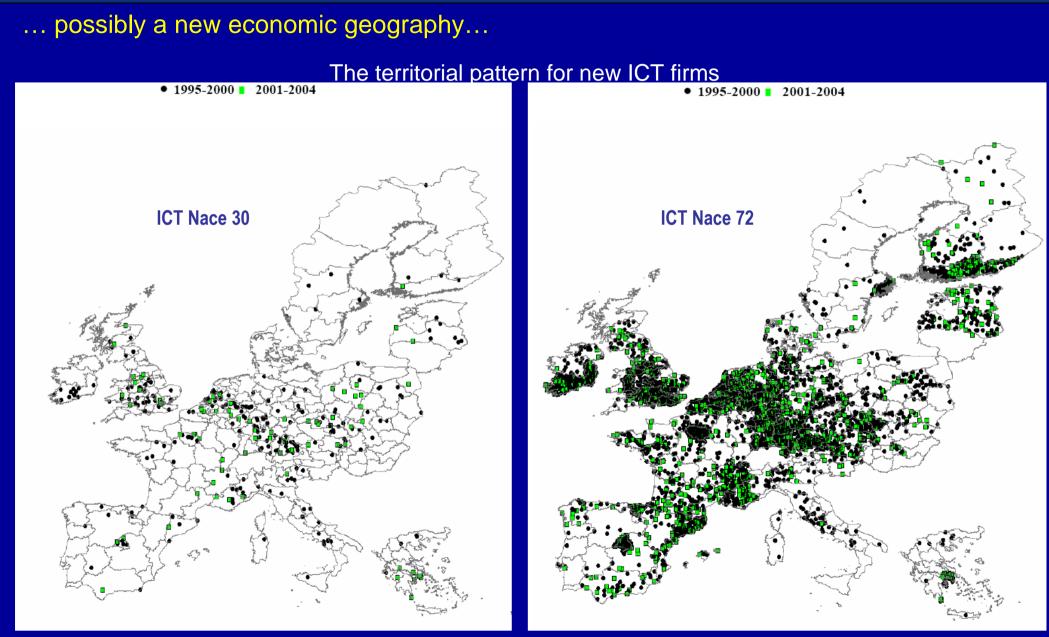








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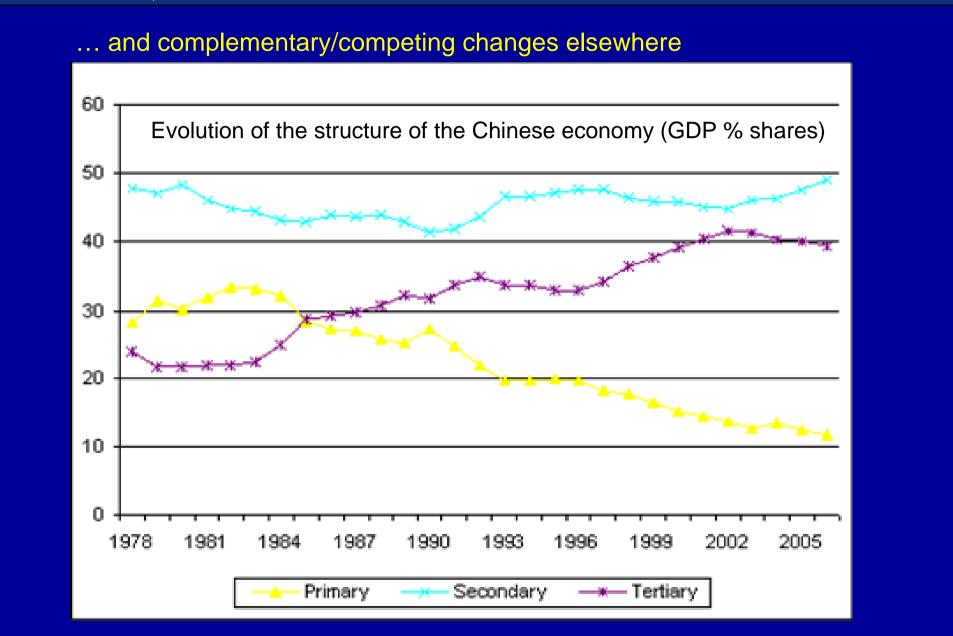


Source: computation by Barrios and Navajas (2007) on Amadeus database





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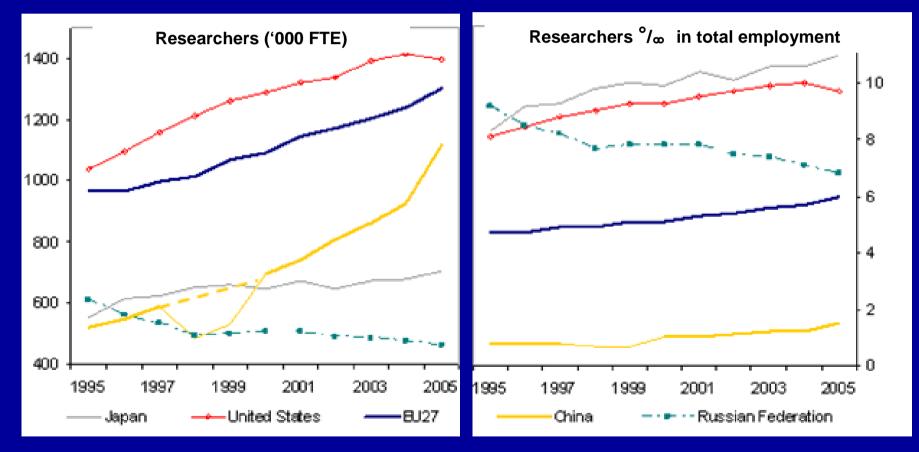




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... and again complementary/competing changes elsewhere

Evolution of the structure of the world R&D Labour force





ATT THE REAL POINT



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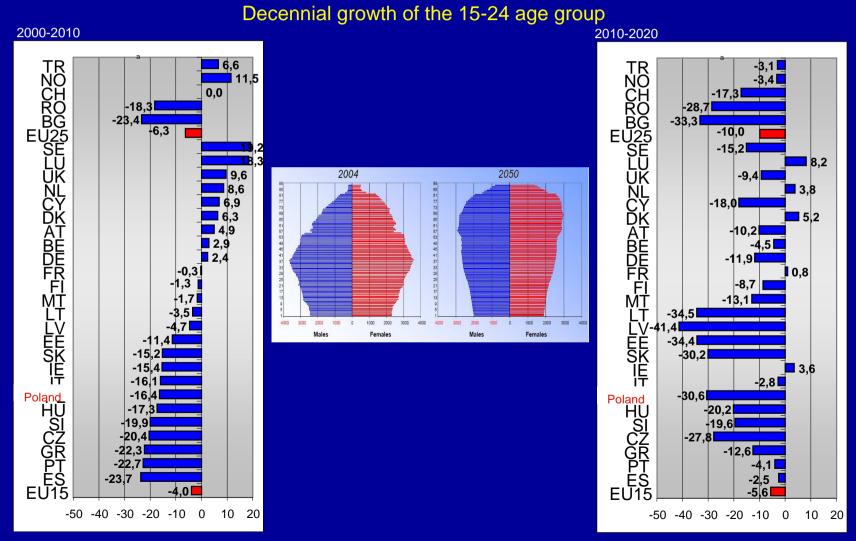
Education/ Demography squeeze...

and the second





While the share of youngsters declines....



Source: Coomans, 2005. Ed. IPTS. Eurostat 2004 Demographic Projections. Baseline scenario. Medium Variant - 2002 Revision. For CH, NO, TR: UN World Population Prospects

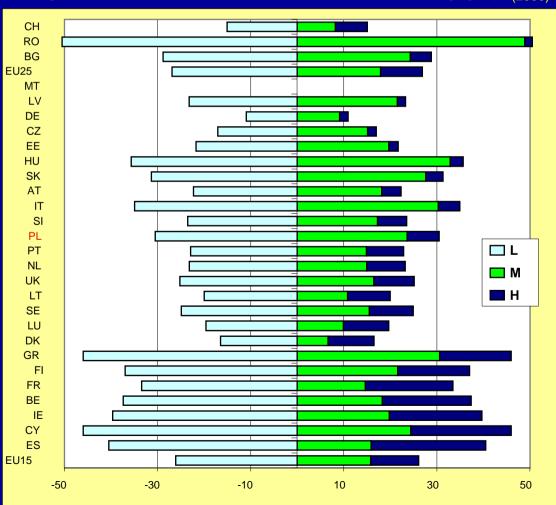




...the share of qualified workers needs to increase rapidly

The need for an "Educational transition" to reduce the "Education/Demography squeeze"

Change in the educational distribution between the 55-64 and the 25-34 age group (2000)



Source: Coomans, 2005. Ed. IPTS. Eurostat Labour Force Survey

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Concluding...



stitute for espective chnological Studies

Facing the Convergence / Divergence dynamics of Growth in Europe Investing for tomorrow's regional growth and cohesion

- Taking in account...
- a) Globalisation and the rise of Asia
- b) Information and Communication Technologies in the deployment phase
- c) The emergence of the knowledge economy
- d) The Demography/Education squeeze

And emerging trends... Energy, Food, Climate change, WEB 2.0?

Think 30 years ahead...





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Thank you

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Major references used

ICT Diffusion, Innovation Systems, Globalisation and Regional Economic Dynamics: Theory and Empirical evidence C.Karlsson, G.Mayer, M.Trippl, I.Siedschlag, R.Owen, G. Murphy, 2008 ESRI Working paper, Report to IPTS

Mapping the ICT in EU Regions: location, employment, factors of attractiveness and economic impacts S. Barrios, M.Mas, E. Navajas, J. Quesada, 2008 IPTS, Sevilla. EUR 23067 EN

The Demography/Education Squeeze in a Knowledge-based Economy Coomans G., 2005. IPTS, Sevilla. EUR 21573 EN

All three papers are freely available on the website of IPTS and of ESRI.