



# **The Lisbon Process Competitiveness Vision of the European Union**

**The Competitiveness Institute's Regional Conference  
on Competitiveness and Economic Growth in Asia**

Islamabad, May 14-16, 2006

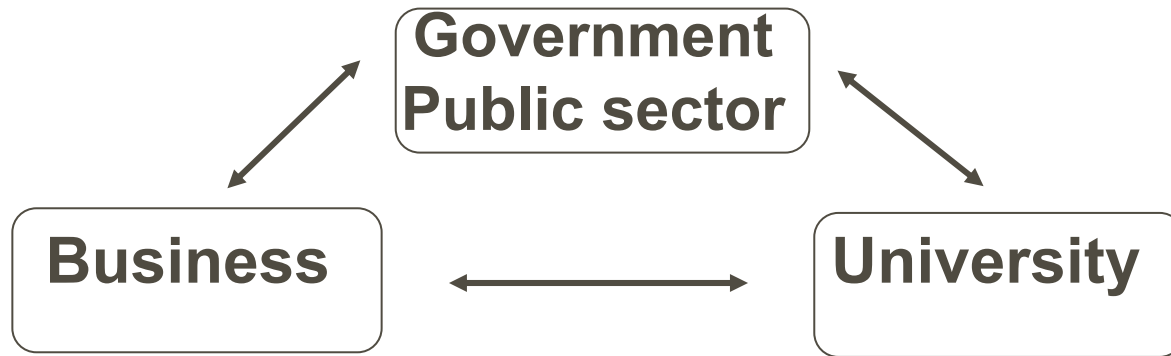
Dr. Per Eriksson

Director-General, Swedish Governmental Agency for Innovation Systems VINNOVA  
Chairman, The Association For Technology Implementation In Europe TAFTIE

## **Knowledge Based Economy and Global Competitiveness**

- **The economy is becoming more and more knowledge based and global**
- **The European Union has set the goal to become the world's most dynamic knowledge based economy**
- **This makes R&D very important, but R&D has to be strongly linked to business needs, needs-driven R&D**

# Triple Helix



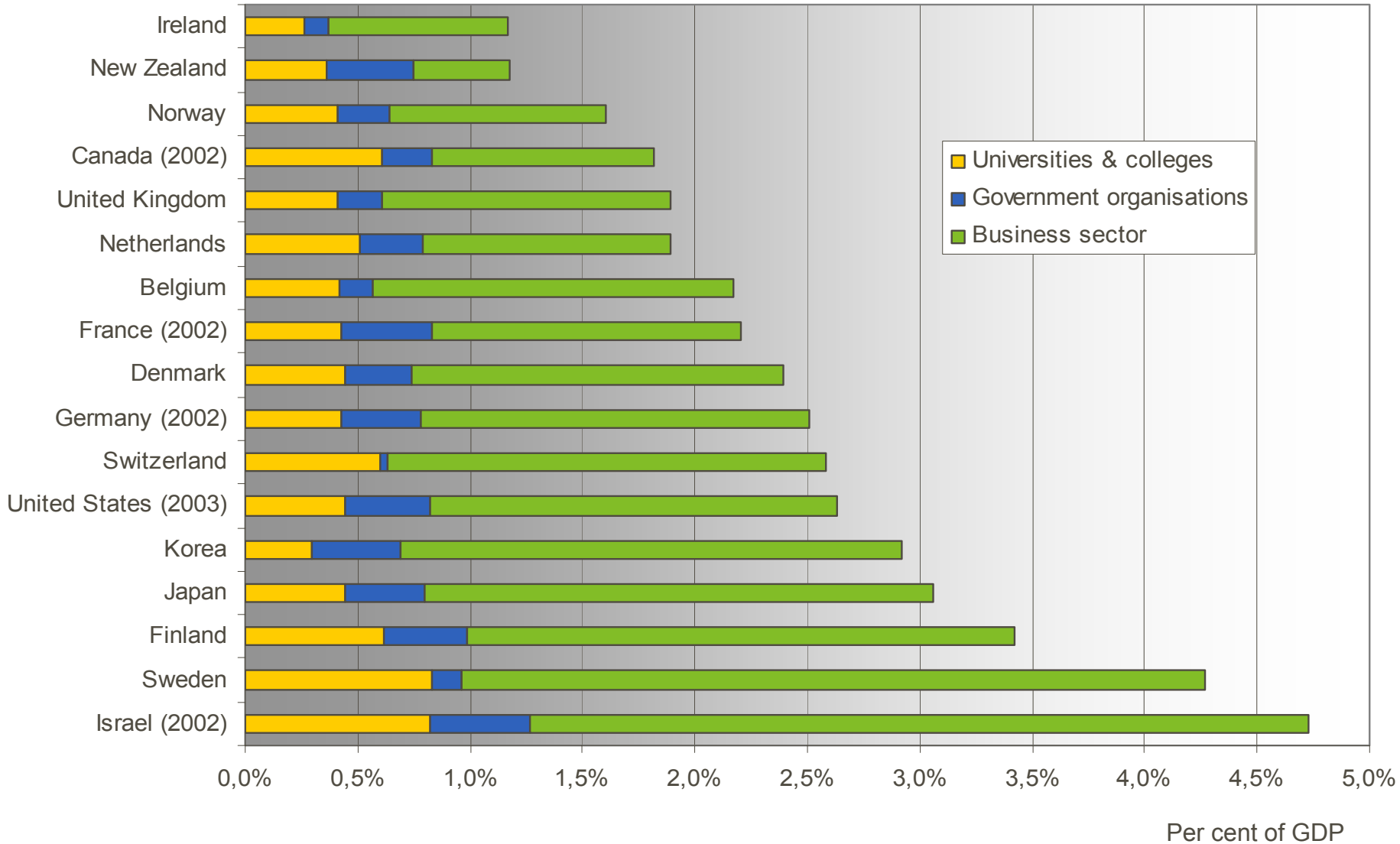
**Depending Actor Groups  
“Learning by fighting”**

**Knowledge based economy**

**From PPP, Public Private Partnership,  
To Public Private Univ. Partnership,  
i.e. Triple Helix**



# R&D expenditure in relation to GDP



Source: OECD MSTI, 2004

# The EU budget

- ~ 160 Billion €
- Has passed 1% of the European GDP
- Stagnated for the first time last year
- Heavy on agriculture and cohesion >50%

# **EU Response: Development of Existing and New Initiatives**

- Framework Programs for Research
- Technology Platforms
- European Research Area
- Open Coordination method
- Cluster Learning Platform
- Innovation Learning Platform for Regions
- Refining the use of Regional and Social Funds
- National Competitiveness & Innovation Strategies
- Attractiveness

# Aho's critique 2006: Creating an Innovative Europe

- Efforts towards the revised Lisbon Agenda should be continued and reinforced
- But - are not enough
- A **Pact for Research and Innovation** is needed to drive the agenda



# Research and Innovation

**Research:** Money transformation to  
Knowledge & Competence

**Innovation:** Knowledge & Competence  
transformation to Money

Developing innovation system is to make above efficient, i.e. to make investment in R&D profitable. Identify bottlenecks and possibilities.

# **The European Pact for Research & Innovation**

- **innovation friendly market for its business**
- **increase resources for research & innovation**
- **far greater mobility is needed**

## **Increased resources**

- **To excellent science, industrial R&D and science-industry cooperation**
- **Increase productivity of R&D**
- **The proportion of structural funds spent on research and innovation should be tripled**

# **Urgency of the Situation**

**Europe and its citizens should realize that their way of life is under threat but also that the path to prosperity through research and innovation is open if large scale action is taken now by their leaders before it is too late**

# Forerunners and Laggards

- Hot Spots/Networks vs hierarchies/red tape
- Globalists vs Protectionists
- North vs South



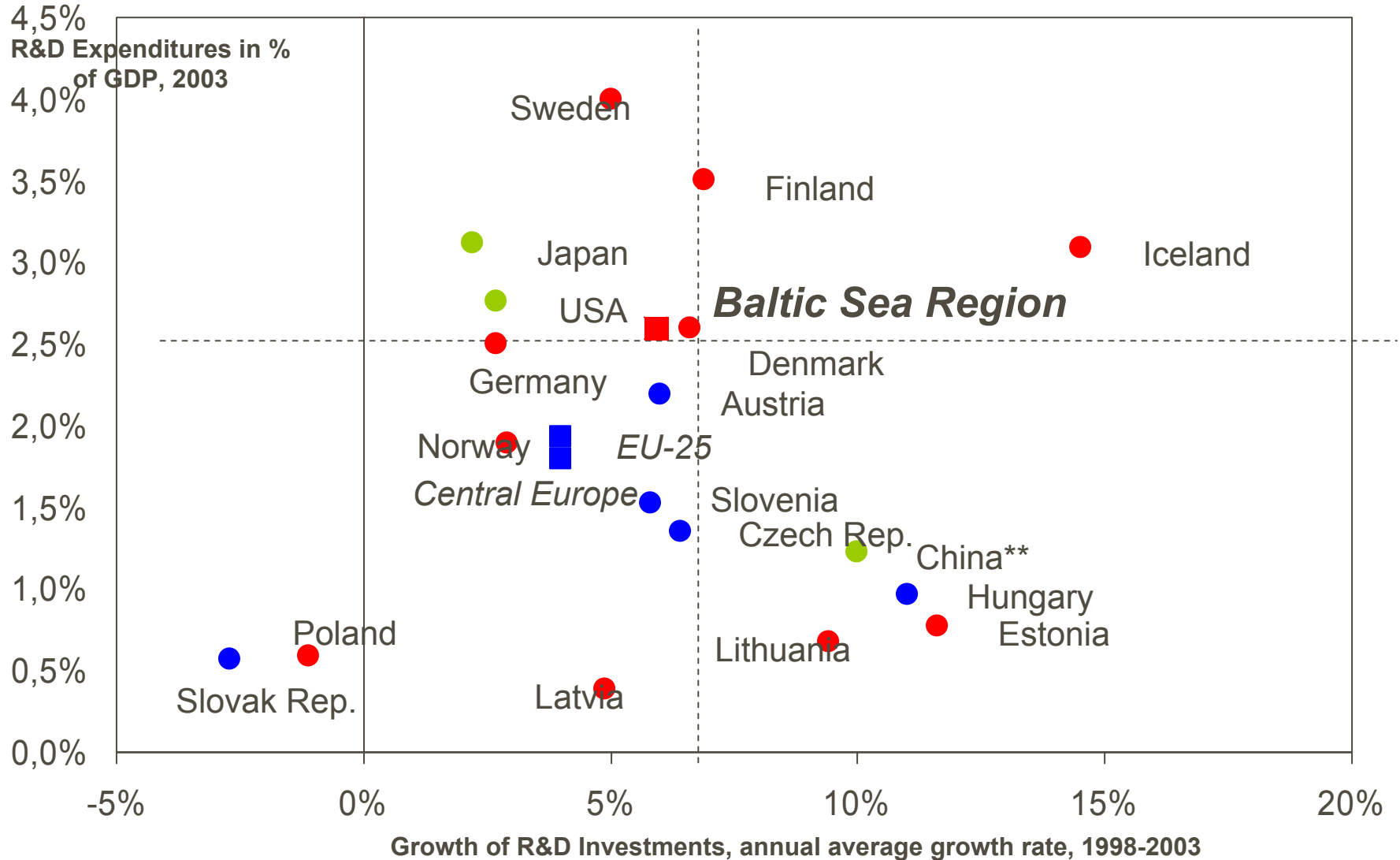
# The Competitiveness of the Baltic Sea Region



Download from [www.VINNOVA.se](http://www.VINNOVA.se)



# R&D Expenditures Selected Regions and Countries



Source: Eurostat (2005), DG Research (2005), World Bank KAM, authors' calculations

\* data for China, Japan, Iceland and EU-25 from 2002

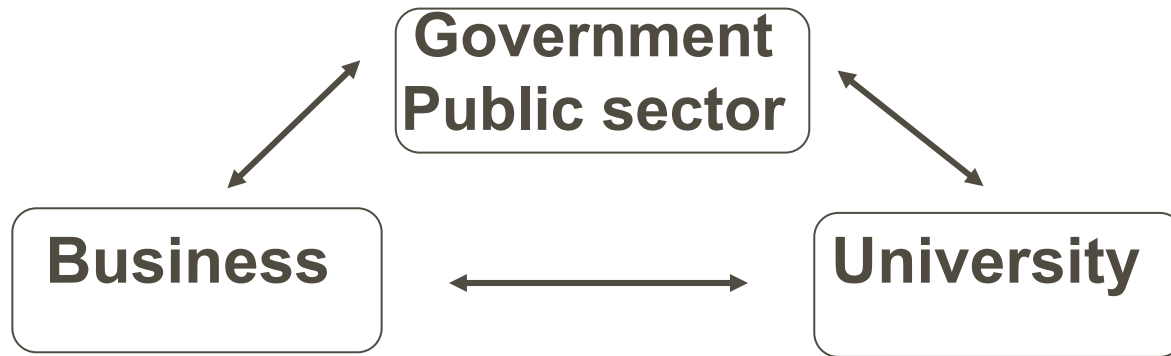
\*\* annual growth rates in China have exceeded 10%; total R&D expenditures, in real terms, have grown by almost one-fifth each year



# **Key messages from Northern Europe**

- **Triple Helix i.e. Public Private Univ Partnership**
- **Excellent cooperation univ – industry – gov**
- **Excellent knowledge and R&D**
- **Simple instruments for R&D funds, competition and market pull, needs-driven R&D**
- **Evaluation & Measurement**
- **High quality process implementation**
- **Media**

# Triple Helix



**Depending Actor Groups  
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# **Mission for VINNOVA**

**Promote sustainable growth  
by financing needs-driven R&D and  
developing innovation systems**



# **National Research & Innovation System Programs**

**Center of Excellence in Research & Innovation  
VINN Excellence Center**

**Co-financed: VINNOVA – Industry – University**

**SBIR, Small Business Innovation Research**

**Incubators & seed financing, start-ups**

**Universities in Innovation Systems, Key Actors pr.**



# **Programs for Regional Research & Innovation Systems**

**VINNVÄXT (WIN Growth) a new program**

**Competitive Regions** (by letting the regions compete)

**Cooperative, Triple Helix and regional based, R&D**



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