



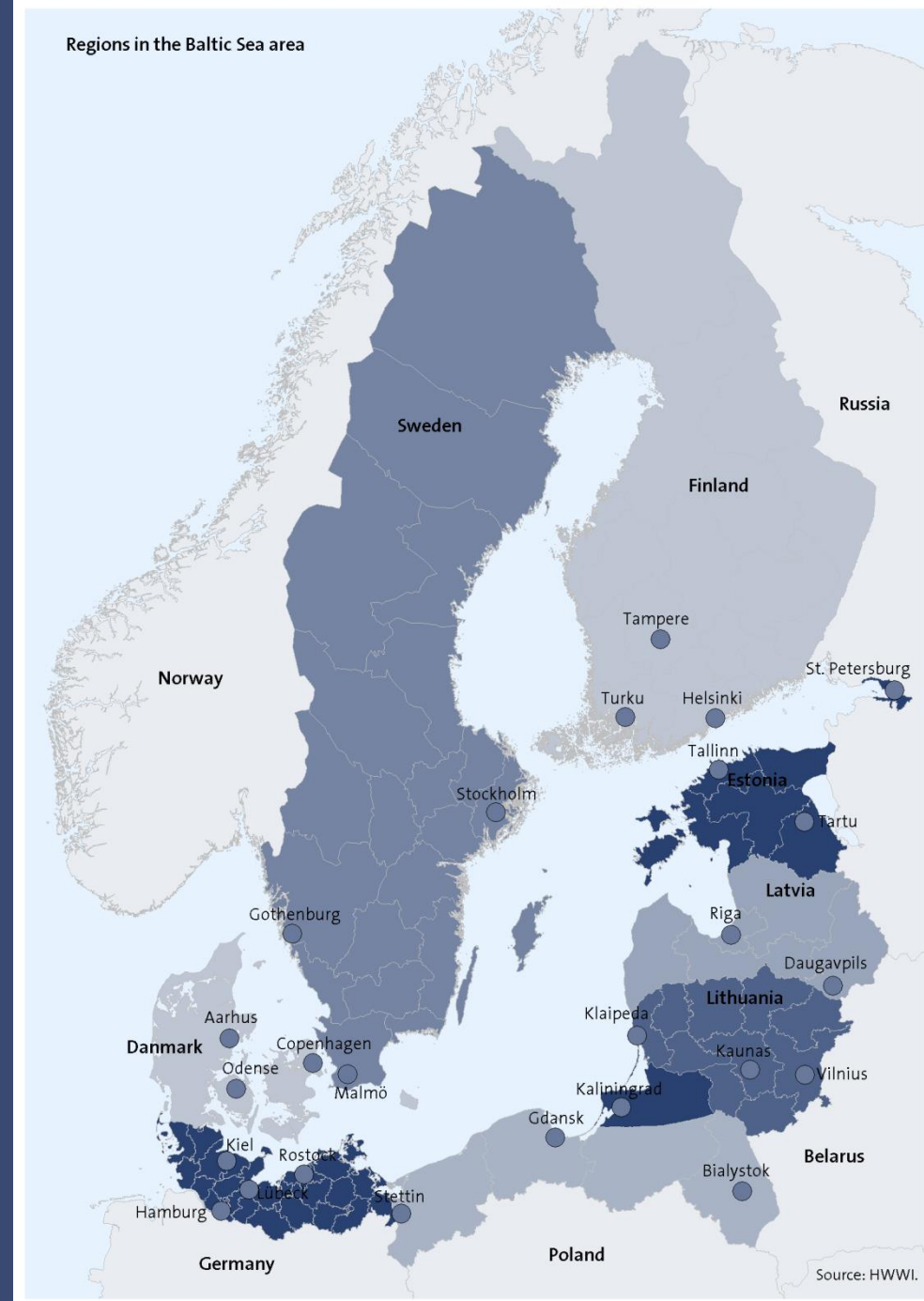
The Baltic Sea area of innovation – future potentials and challenges

The 22nd Baltic Sea Parliamentary Conference

Pärnu, 26th August 2013
Silvia Stiller

The Baltic Sea Region

- Regions of 8 EU-countries
- 147 Million people in European BSR countries
- EU members of the BSR countries account for 29,3 % of EU population and for 30,3 % of total EU GDP



Introduction

Framework of socio-economic development will change:

- continuing integration and convergence processes
- intensified trade and labour market networking
- **demographic change**
- **structural change towards service sectors and knowledge industries**



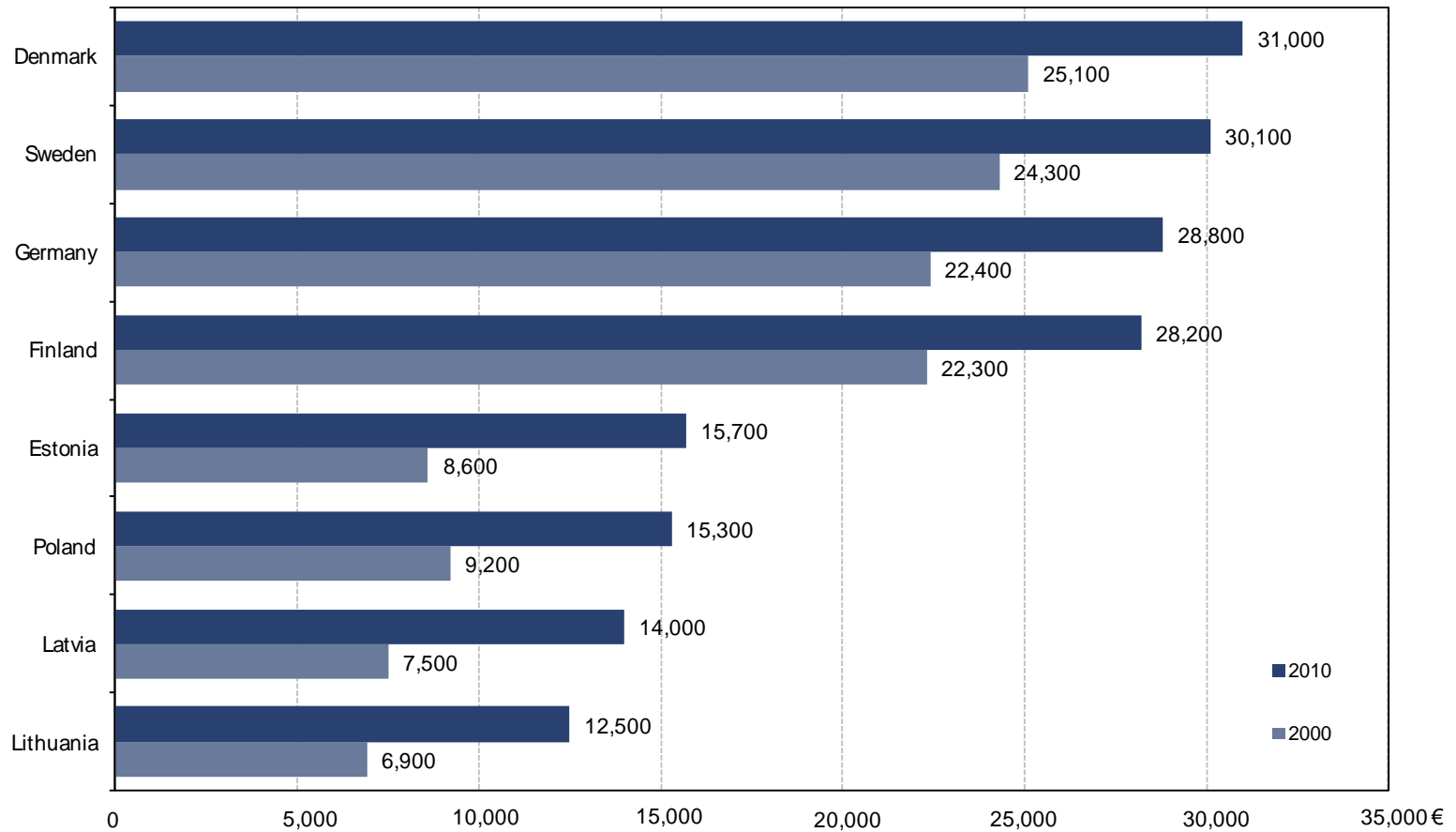
Crucial role of innovative potential

Introduction

- Still distinct disparities in per capita income in the Baltic Sea Region
- Differing potentials for innovation: private and public investments in research and development, education distinctly differ between states in the Baltic Sea Area
- Improvement of innovations plays crucial role for the whole region as driver of productivity gains

GDP per capita

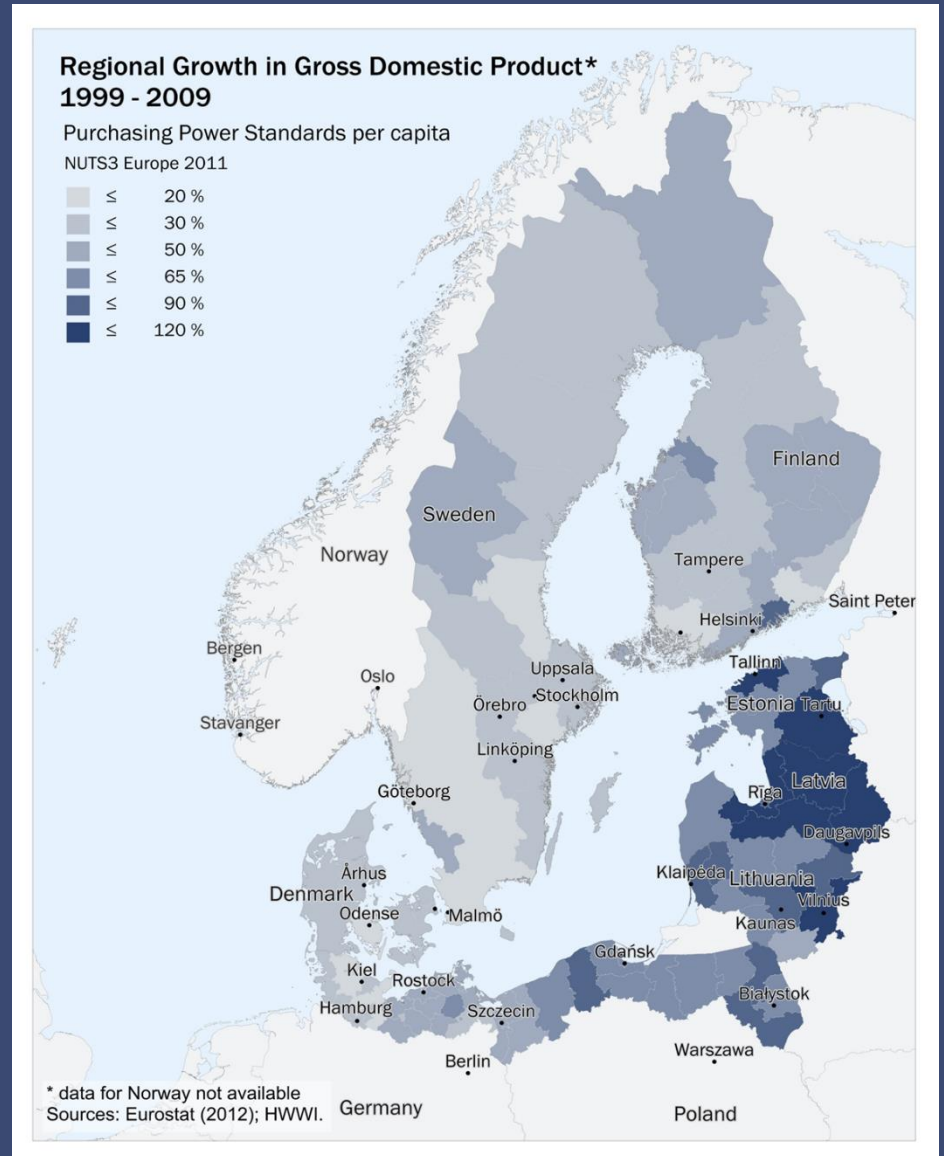
Gross domestic product per capita in purchasing power standards 2000–2010



GDP Growth

Catching up of lower income countries opens up new potentials for innovations and knowledge-based structural change

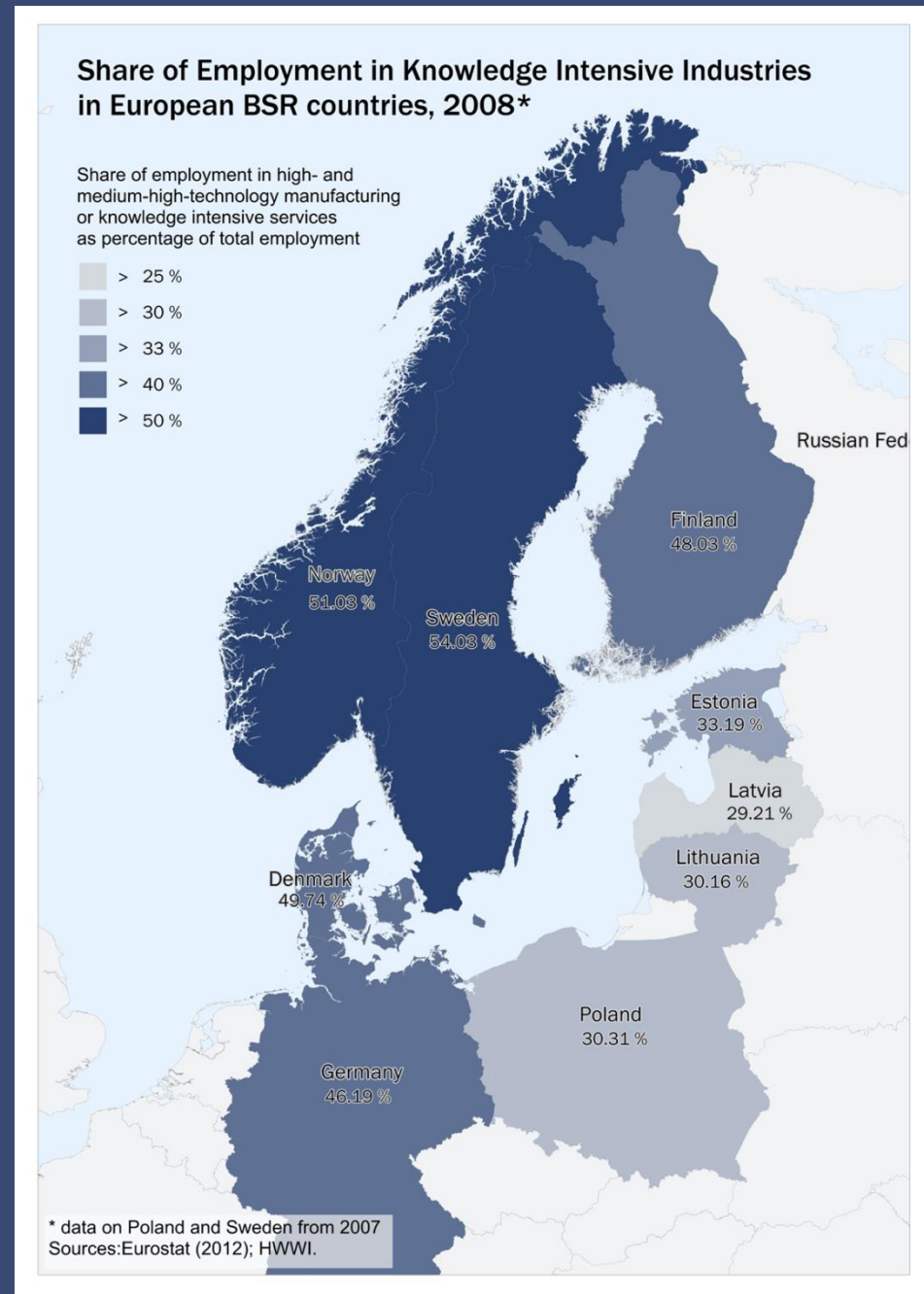
Leading role of small and medium sized enterprises



Economic structure and knowledge intensive industries

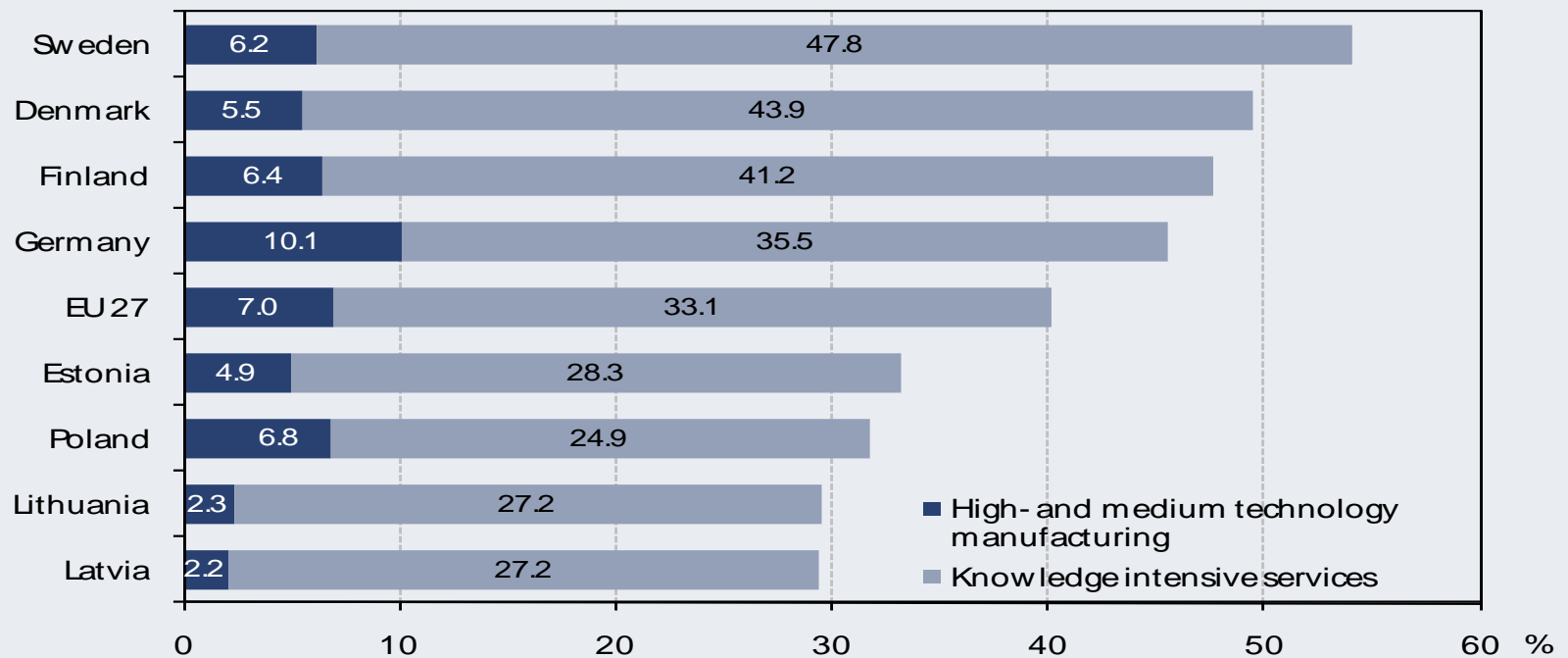
distinct gap between countries in the Baltic Sea Region as to specialisation in knowledge-intensive sectors

- catching up processes have to be fostered!



Specialisation in knowledge-intensive branches

Share of employment in knowledge intensive industries 2008¹

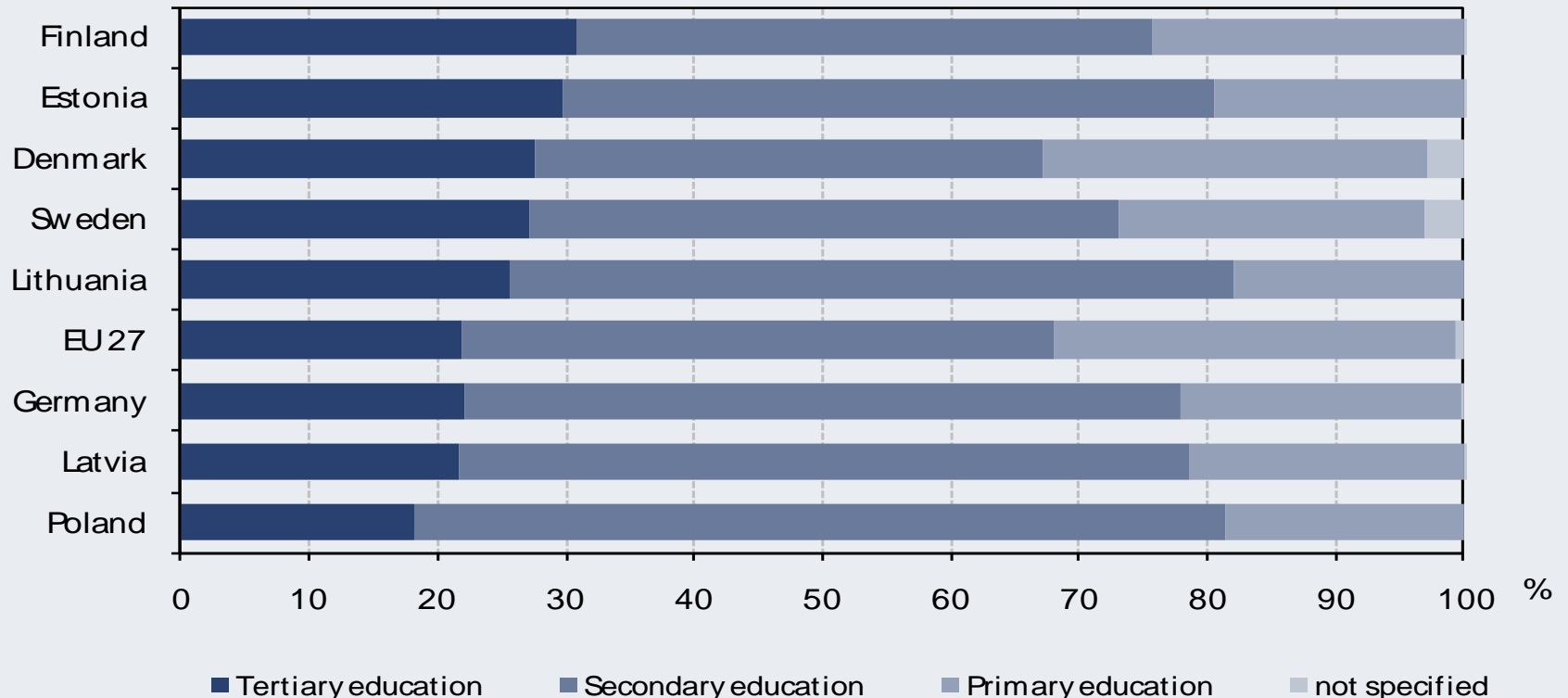


¹ EU27, Poland and Sweden 2007; data for Russia not available

Sources: Eurostat (2010); calculations HWWI.

Innovations, Research and Development decisive role of qualified labour for innovations

Population between 15 and 64 by educational level 2009¹



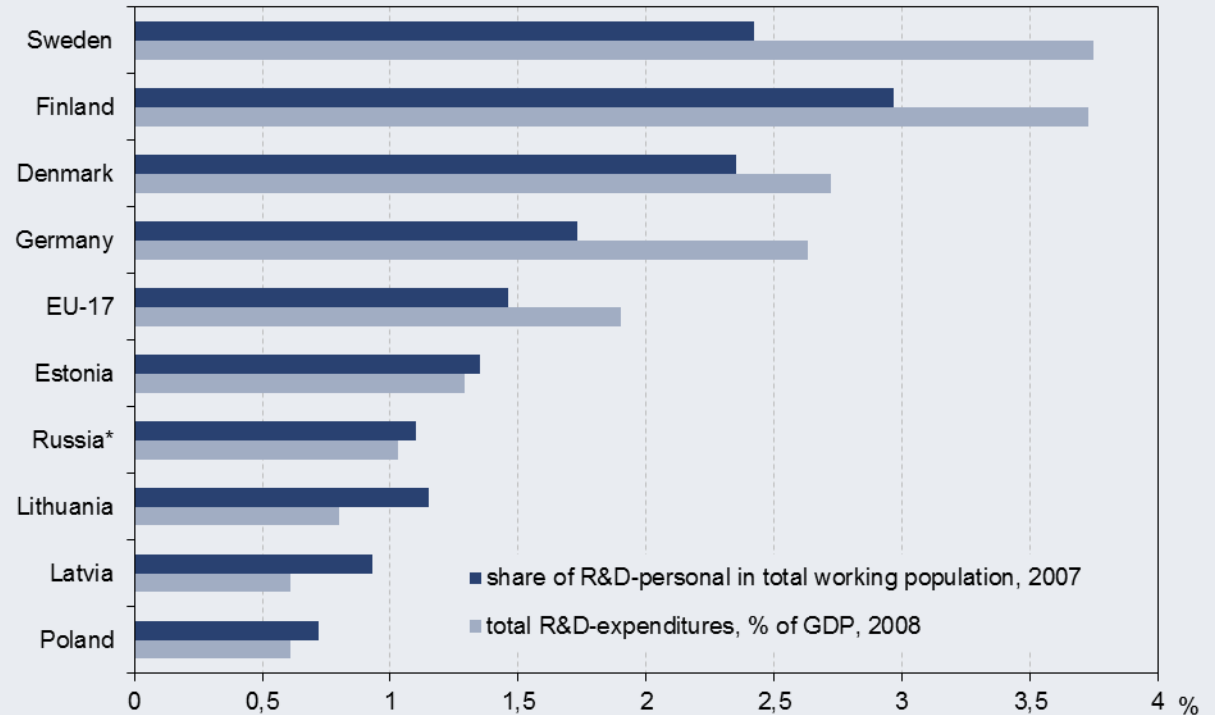
¹ Data for Russia not available

Sources: Eurostat (2010); calculations HWWI.

Innovation, Research and Development

Sweden and Finland invest more than 3 % of GDP in research and development

R&D-personal and R&D-expenditures



* declaration of share of R&D-personal from 2005

Sources: Eurostat (2010); HWWI.

Innovation Indicators

	Innovation Union Scoreboard ¹	share of R&D expenditures in GDP	share of R&D personnel in total employment	Patent applications to EPO ²	share of HRST ³ in total employment
	2011	2010	2009	2010	2010
	Rating	%	%	per 1 mill. inhabitants	%
EU 27	–	2.0	1.7	109.2	40.9
Sweden	2	3.4	2.6	308.3	48.9
Denmark	3	3.1	2.9	243.8	47.1
Germany	4	2.8	2.0	267.5	45.5
Finland	5	3.9	3.2	218.1	48.3
Estonia	16	1.6	1.7	38.2	47.9
Norway	17	1.7	2.6	84.2	47.2
Poland	27	0.7	0.8	8.1	36.9
Lithuania	30	0.8	1.3	6.5	47.1
Latvia	33	0.6	0.9	11.7	41.1
Russia	–	1.0	1.4 ⁴	1.5	–

¹ 34 European countries compared

² European Patent Organisation

³ Human Resources in Science and Technology

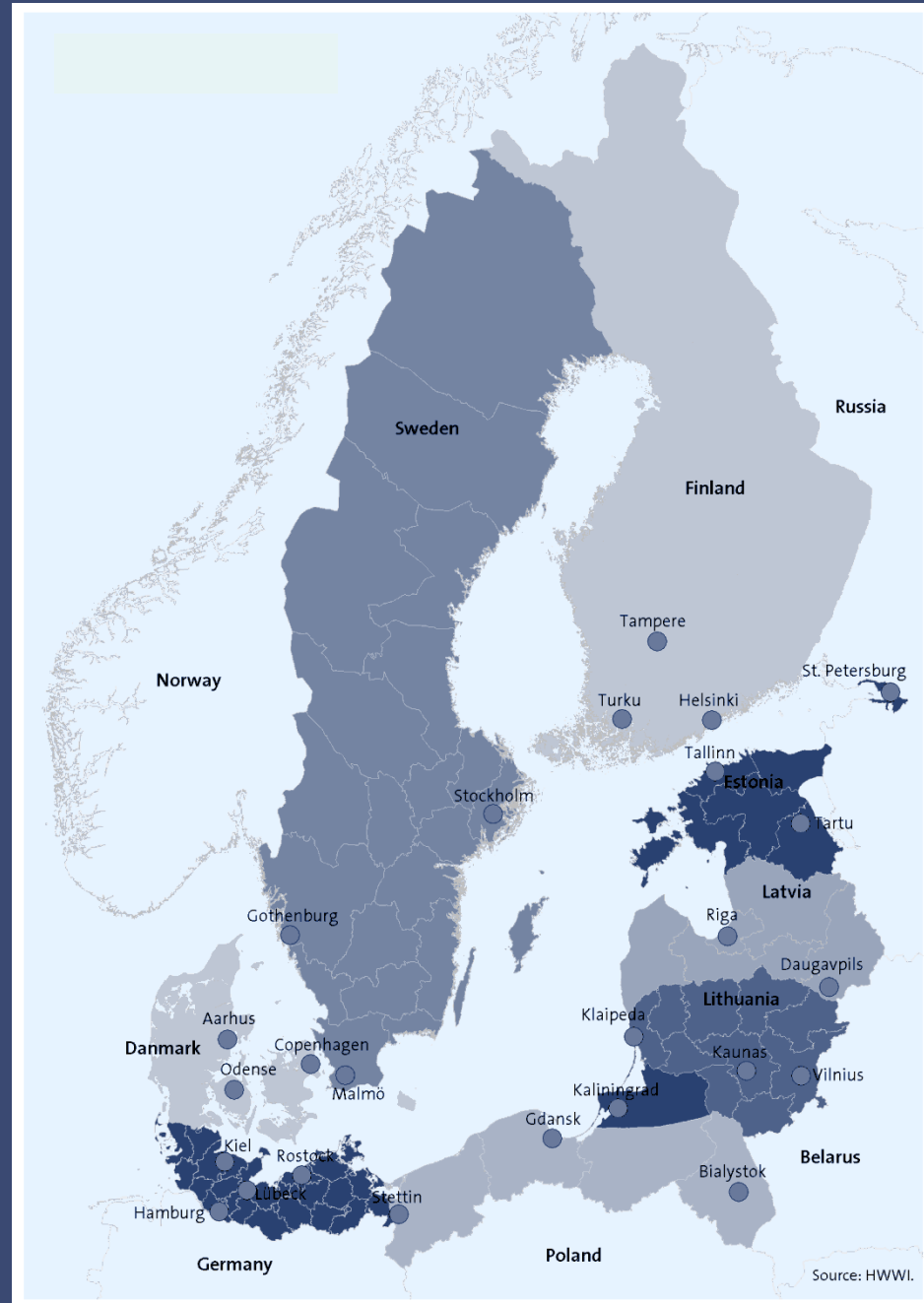
⁴ from 2005

Sources: Eurostat (2012); HWWI.

Outlook

The BSR is marked by substantial structural and developmental differences regarding innovative potential

➔ different challenges arise for its regions in the coming years for promoting structural change and competitiveness



Outlook

High potential for knowledge-based structural change –
but catching up as to innovations still necessary for low
income countries

Crucial: Strengthening of research and development
activities in the public sectors and in firms

- Fostering cross-border integration and cluster building,
e.g. by supporting migration of labour, infrastructure etc.
- focus on cities as engines of regional development in
knowledge societies

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