

# Innovation, Competitiveness and Sustainable Economic Growth

Stavros A. Zenios  
Rector, University of Cyprus  
President of UNICA

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# Outline

- Competitiveness and Innovation
- The Triple Helix: *universities-government-industry*
- Social and Human Capital
- Geography is not Dead



# Competitiveness and Innovation

Ability to anticipate and adapt to external and internal changes, social and economic.

## European Competitiveness Index

- High value added from innovation
  - Natural resources
  - Energy
  - Health-aging
  - Multiculturalism and globalization



# Knowledge Regions

**Knowledge – Innovation – Economic growth**

**Knowledge workers**

**Knowledge has “mass”**

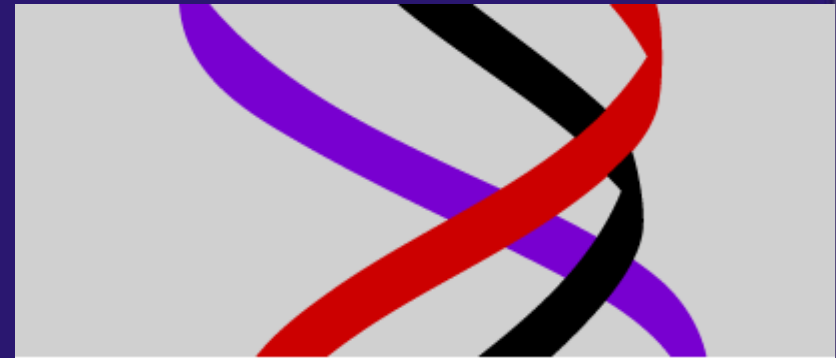
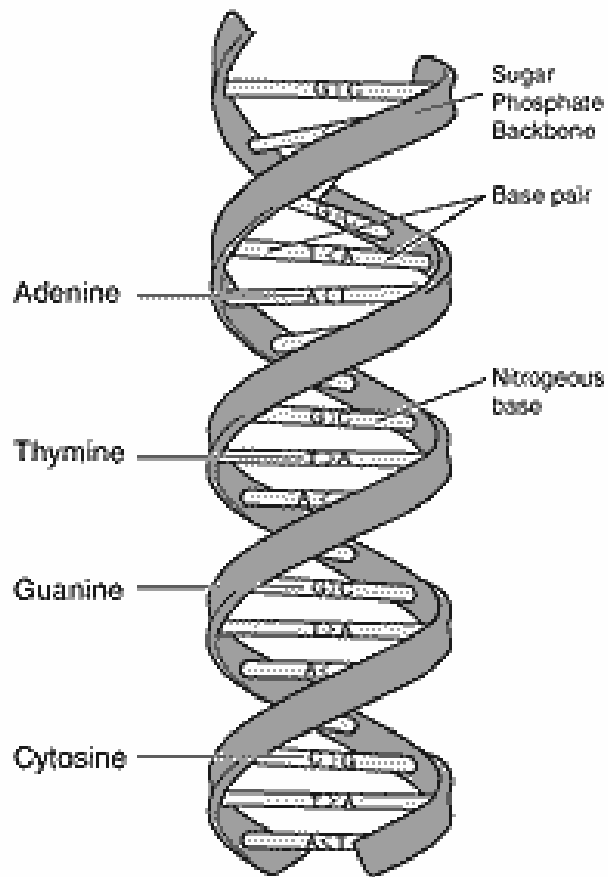
**“Constructed advantage”**

**Make it stick:**

**Knowledge Regions**



# The Triple Helix



**Universities  
Government  
Industry**

# Factors of success for knowledge regions

- Innovative sectors of economic activity
- Strong forces of innovation in all organizations
- Appreciation of a culture of knowledge
- Free flow of information
- Significant support for creative activities
- Strong ties between the arts and culture, with scientific and technological knowledge
- Significant percentage of the work force engaged in innovative activities
- Active participation of citizens in shaping the urban environment and its special character



# Social Capital

- Strong ties among members and organizations of a society based on a set of common values that promote collaboration:
  - Honesty
  - Keeping promises
  - Reliability in performing duties
  - Professionalism
  - Reciprocity
- Economic value added
- Free flow of information



## Social Capital: Role of authorities

- Do not reward small groups with large internal social capital
- Create a stable environment
- Do not interfere with civil society and the private sector
- Education preserves and increases social capital

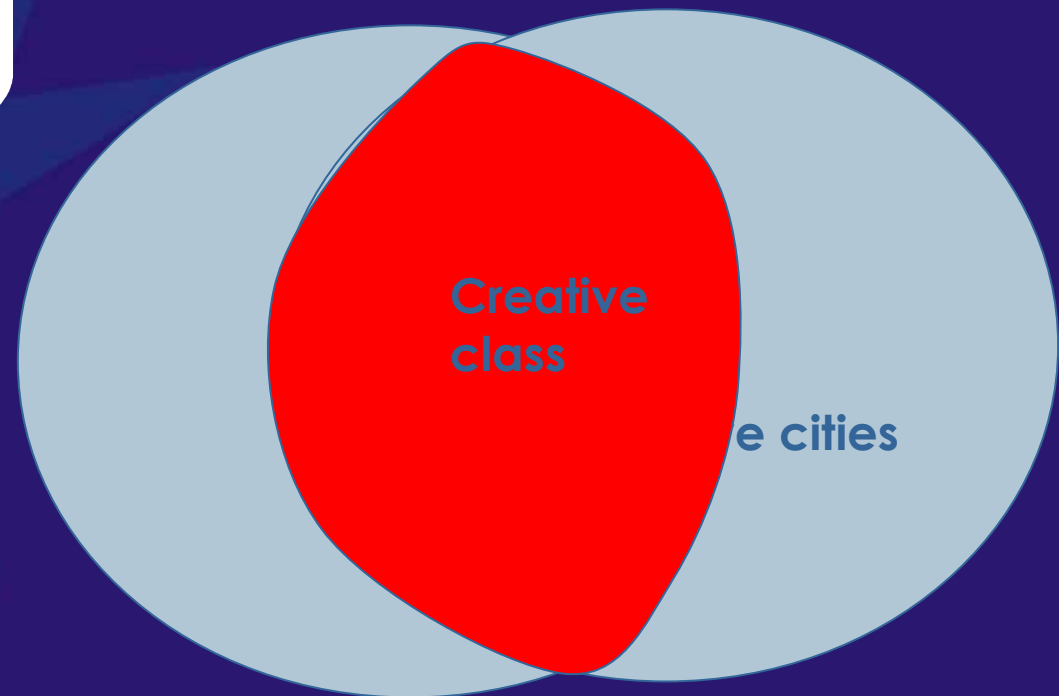


# Human Capital

- Cities of the industrial age:
  - Cost effective production of products and services
  - Access to natural resources or transportation hubs
- Cities of the innovation age
  - Critical mass of “knowledge workers”
  - Attract the supercore of the “creative class”
- Robert Lucas, Nobel Prize in Economics, 1995.
- R. Florida, Cities and the creative class, 2005.



# Human Capital Attractors



- Austin, TX, Dublin in Ireland, West Jutland in DK,
- Route 128 in Boston, Silicon Valley in CA
- Brescia and Como in N. Italy
- Lefkosia



# Geography is not Dead!

- Free flow of information:
  - “Intellectual rights cross streets and corridors more easily than highways or oceans”
- Attract specialized suppliers
- Attract labor pool
  - “For what other reason would people pay the high rents in New York and Chicago than to be near other people”
- Reach critical mass at supercore!



# Conclusions

- Innovation leads to competitiveness
- And sustainable economic growth
- Capital cities have an advantage
  - Seat of government
  - Infrastructure
  - Size
- Concerted efforts of Triple Helix

