



UNECE United Nations Economic Commission for Europe

Promoting competitiveness and innovative development through international cooperation

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at the Round Table on

Supply Chain Challenges for National Competitiveness through
Transport

2 December 2009



The notion of national competitiveness

- **Narrow sense: the ability of countries to compete in world markets**
 - usually focuses mainly on cost advantages or external performance
- **Broad sense: considers factors that have a positive influence in increasing per capita incomes in a sustainable way, subject to the test of external competition**
 - takes into account a wider range of factors and introduce an explicit link with raising income in a sustainable way
 - ultimately, leads to a consideration of the determinants of sustained economic growth



National competitiveness in the broader sense

■ National competitiveness implies:

- Positive economic performance, as demonstrated in terms of sustained improvement in living standards, resulting from continued economic growth
- Successful economic performance is achieved in a competitive international environment
- Sustainability of competitive advantages, which do not derive from short-term influences
- The notion of sustainability may also be widened to encompass not only economic but also social and environmental factors



Competitiveness indicators

- **Measuring national competitiveness is a very complex – and equivocal – issue**
- **Usually is based on composite indices, based on a number of variables, benchmarking competitiveness across countries**
 - The World Economic Forum (WEF)
 - The International Institute for Management Development (IMD)
 - UNIDO
 - others

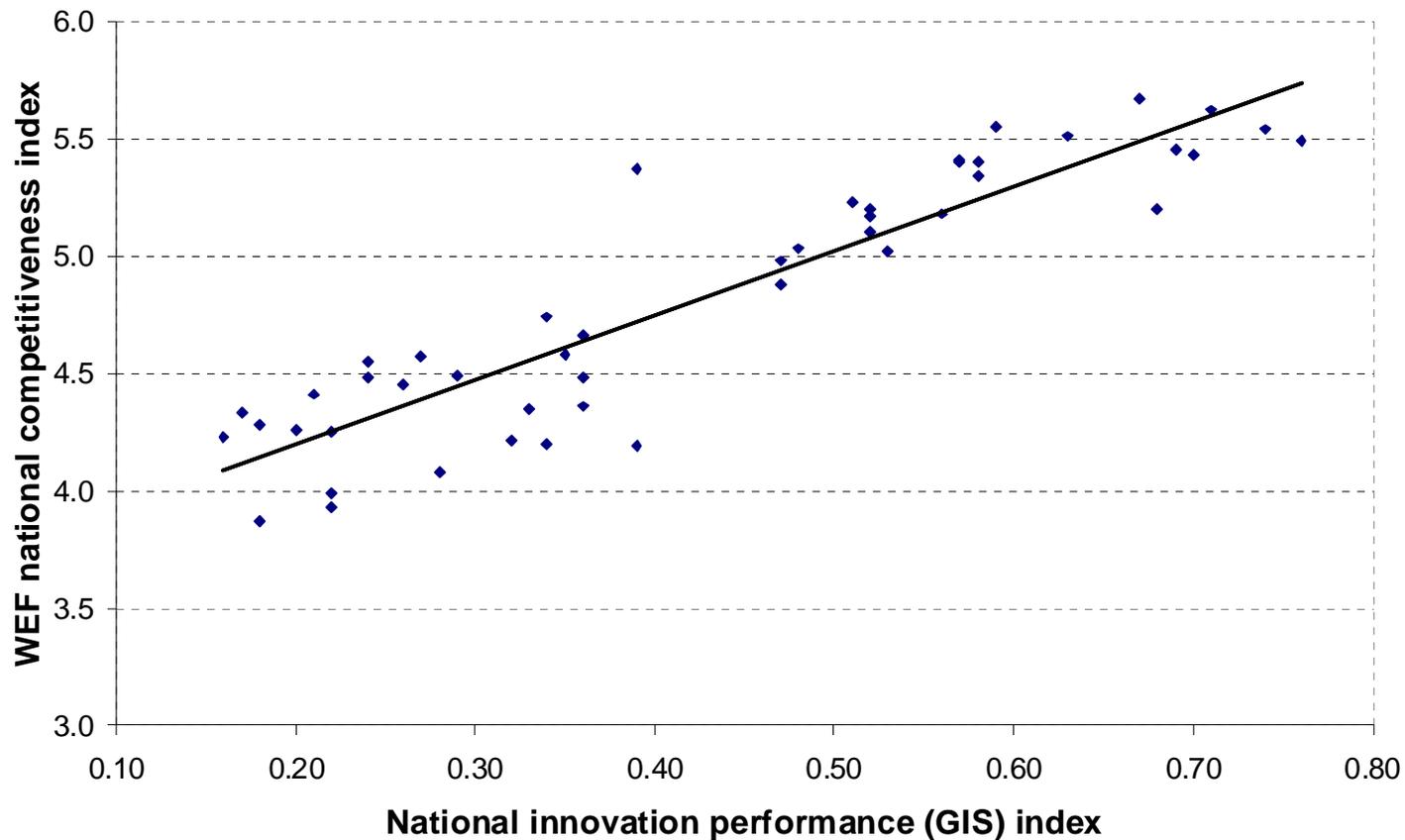


Competitiveness and innovation

- **One major way to gain or retain competitiveness is by undertaking innovation activities**
- **Innovation is a key ingredient and driver of competitiveness in the modern economy**
- **Similarly to competitiveness, there are composite measures of national innovative performance**
 - The European Innovation Scoreboard (GIS index) (European Commission)
- **There is a considerable overlap between the factors and conditions affecting innovative performance and those that determine competitiveness**

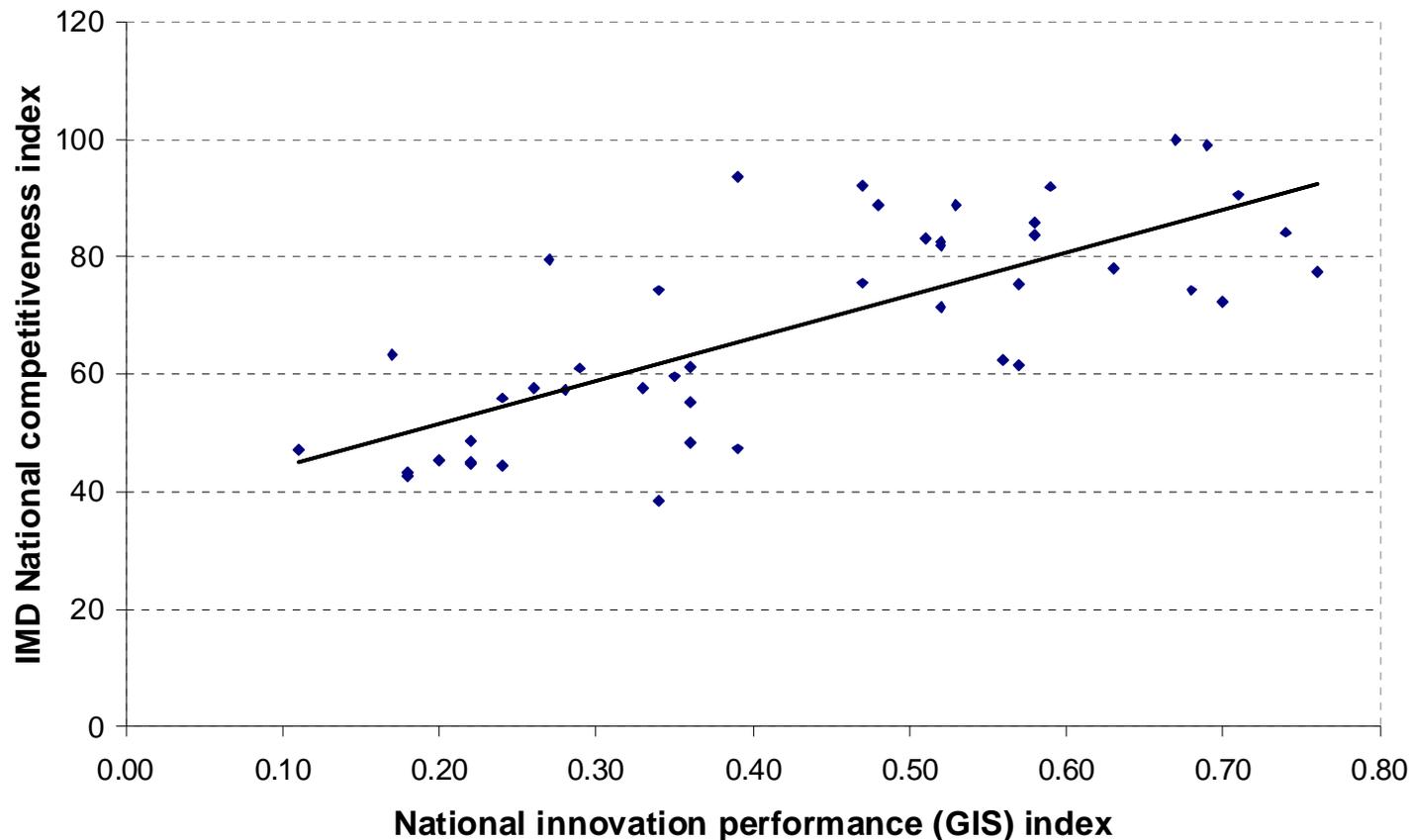


National innovation performance and national competitiveness (WEF)





National innovation performance and national competitiveness (IMD)





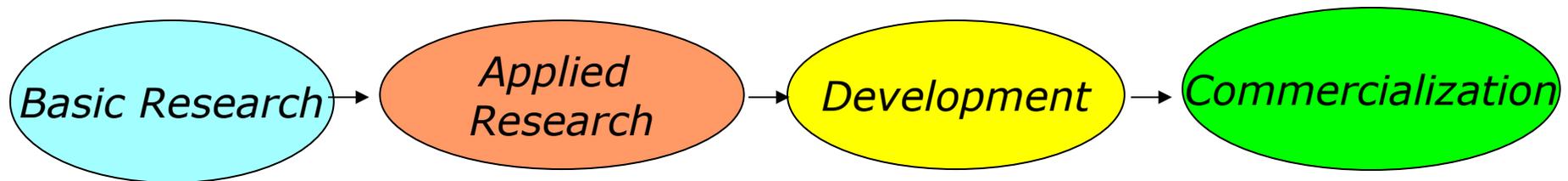
Fostering innovation by promoting collaboration and international cooperation

- Innovation in the modern economies is a complex process, resulting from the interaction of many actors and stakeholders, including universities, research institutions, industry, small businesses, government bodies, etc.
- Innovation nowadays is not possible without collaboration among these stakeholders
- Innovation also has an important international dimension such as cross-border cooperation and the participation in international supply chains and knowledge networks
- Small businesses and universities play a growing role in the innovation process; they also need special attention



Towards new models of innovation support

The traditional “linear” model of innovation ...

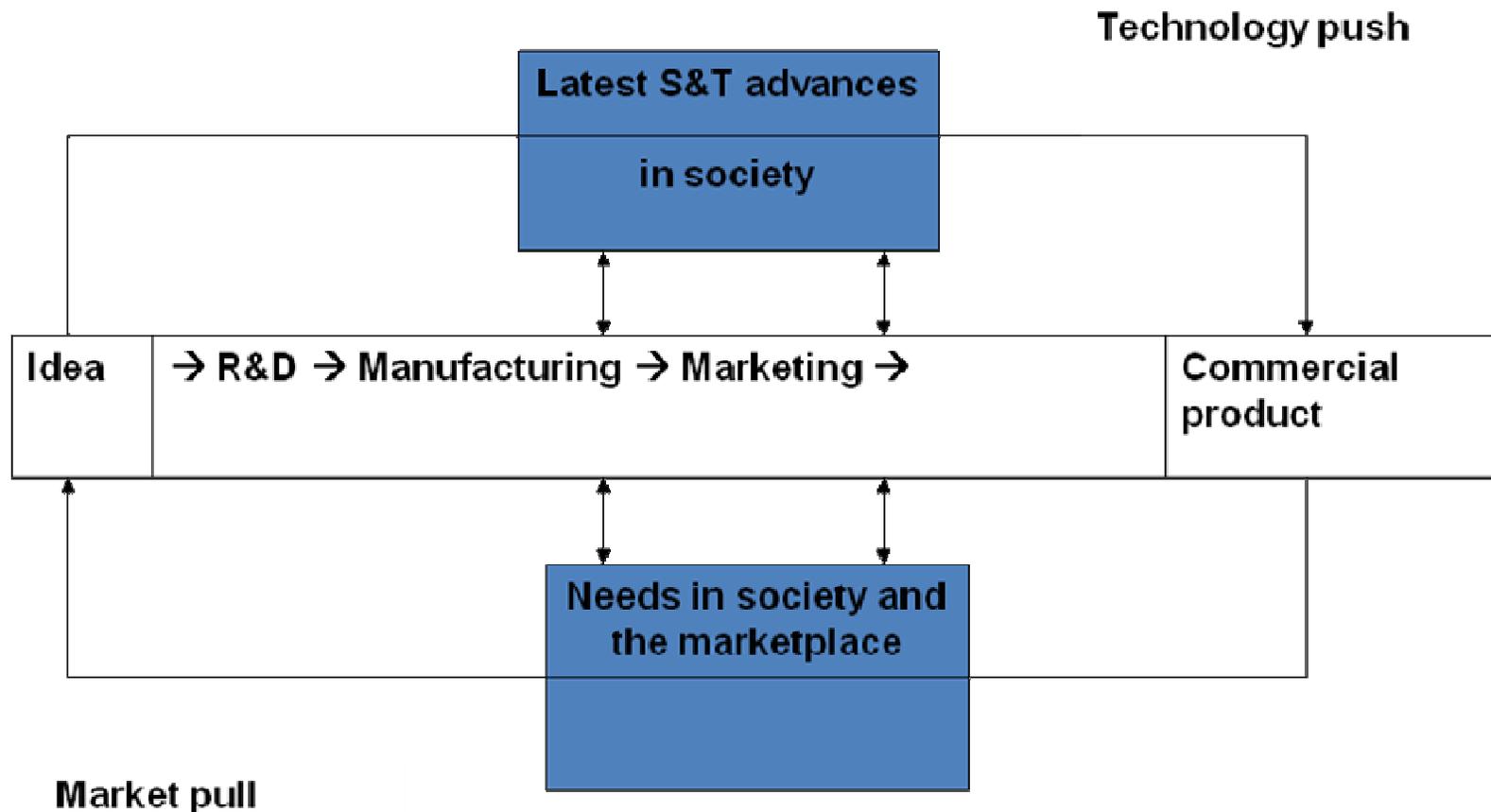


... is no longer considered adequate for the modern economy:

- Overlaps b/n basic and applied research; development and commercialization
- New sources of innovation drive: users, consumers, partners, competitors
- Many uncertainties and unexpected outcomes
- Technological breakthroughs may precede basic research



Towards new models of innovation support: The interactive innovation model





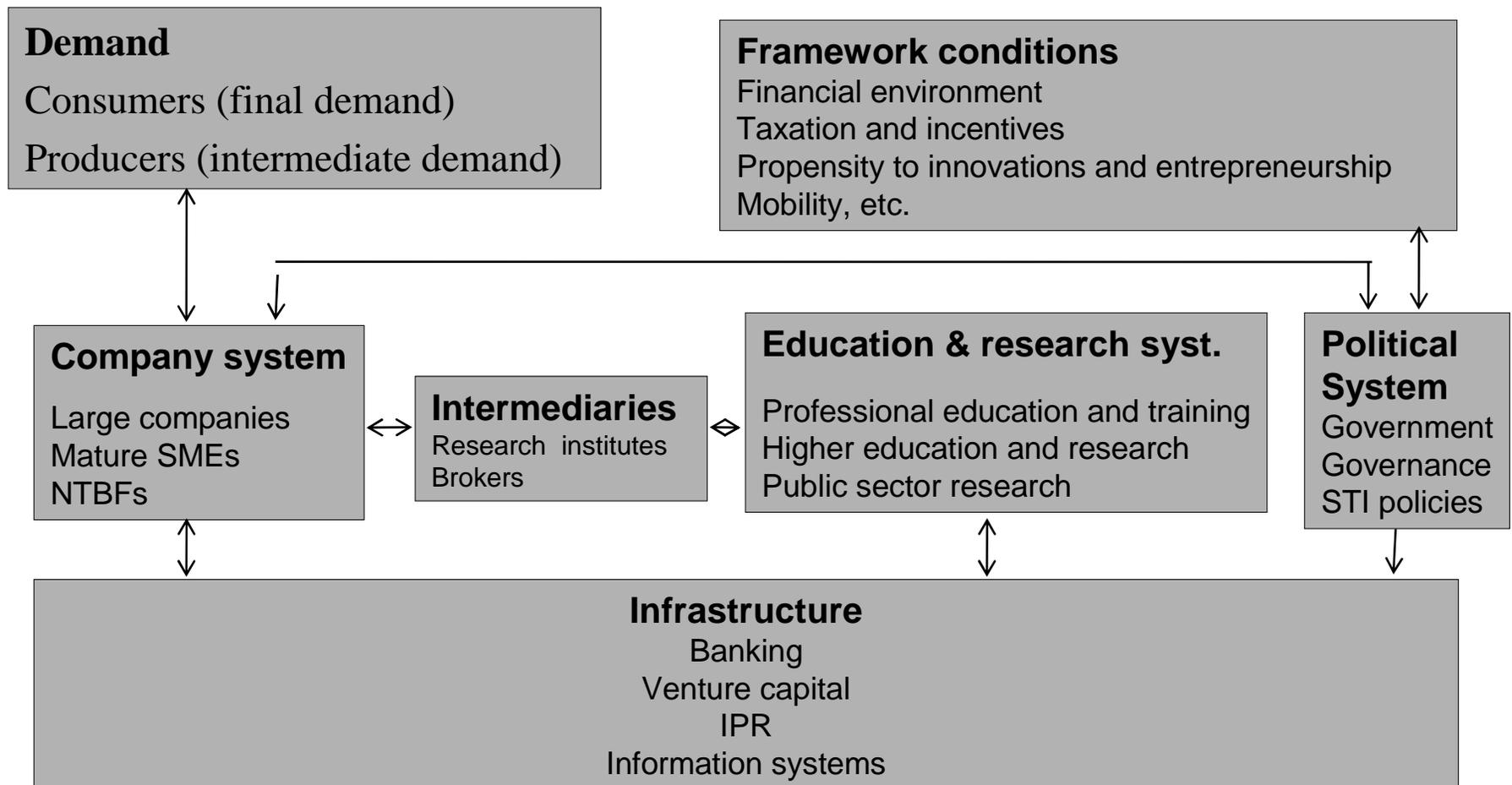
The National Innovation System (NIS)

▪ What is the NIS?

- The network of agents whose activities and interactions generate, import, modify and diffuse new technologies and products as well as government policies, institutions and financial resources devoted to knowledge and innovation
- NIS agents include, but are not limited to, knowledge institutions (universities, research institutes, technology-providing firms), firms and government bodies
- The interactions and linkages between the elements of the NIS are also part of the system
- The flows of ideas and knowledge, as well as the ability to learn are also part of the NIS



NIS structure





UNECE activities in support of innovative development

- **The UNECE Subprogramme on Economic Cooperation and Integration established in 2006**
- **Mission: To promote a policy, financial and regulatory environment conducive to economic growth, innovation, knowledge-based development and higher competitiveness of countries and businesses in the UNECE region**
- **Main thematic areas:**
 - innovation and competitiveness policies
 - entrepreneurship and enterprise development
 - financing innovative development
 - promoting public-private partnerships
 - commercialization and protection of intellectual property rights



Promoting knowledge-based development through international cooperation

- International cooperation can support knowledge-based development through the cross-border pooling of joint efforts
- Providing a forum for high-level international policy dialogue and exchange of experience and good practices supporting knowledge-based development
- Promoting international cooperation on equal footing between all stakeholders: governments, the business community, academic institutions, NGOs, etc.
- Developing practical solutions (practical guidelines, policy recommendations, toolkits) to important policy issues related to knowledge-based development
- The main focus of these activities is on countries with economies in transition



Organizational Framework

- Committee on Economic Cooperation and Integration (CECI)
- Work organized through Teams of Specialists (on Innovation and Competitiveness Policies; on Intellectual Property and on PPPs) and expert networks
- A broad multi-stakeholder policy dialogue through expert meetings, policy seminars, conferences, etc. with the participation of government experts, business and academic communities and NGOs:
- “Soft” regulatory work: synopses of good practices, guidebooks, policy recommendations and guidelines, etc.
- Technical cooperation activities in requesting countries

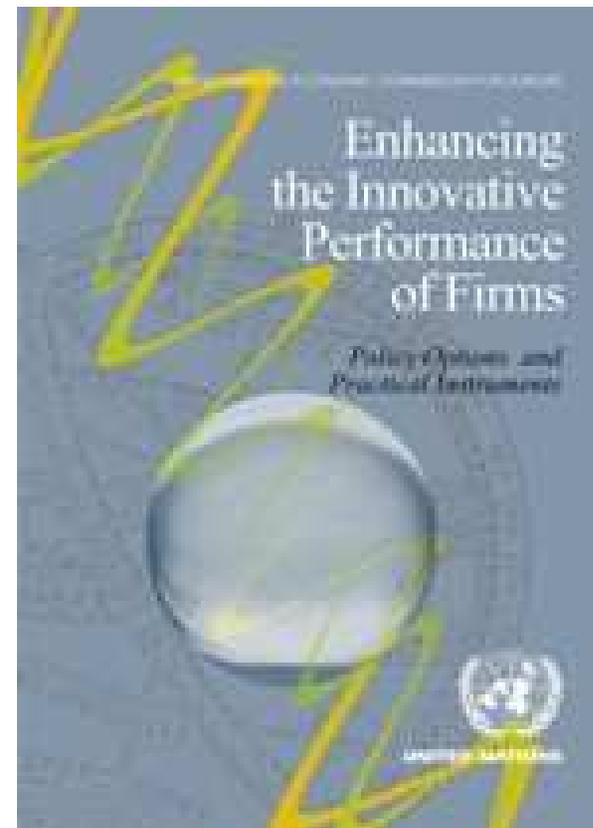
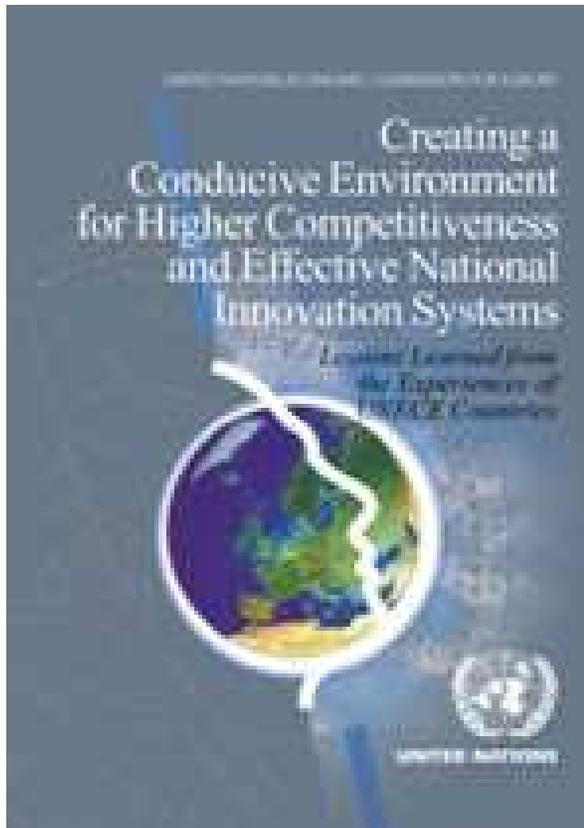


One example: the International Conference “Promoting Innovation-based Entrepreneurial Opportunities in the UNECE region”

- **Held in Geneva, 28-29 September 2009**
- **Attracted more than 120 participants including high-level policy-makers, senior corporate executives, top academics and other distinguished experts from over 40 countries**
- **Objectives:**
 - To contribute to the debate on new and more efficient policies and business practices to promote innovation and knowledge-based development
 - To discuss ways and means of integrating these policies and practices into the anti-crisis responses by governments and firms

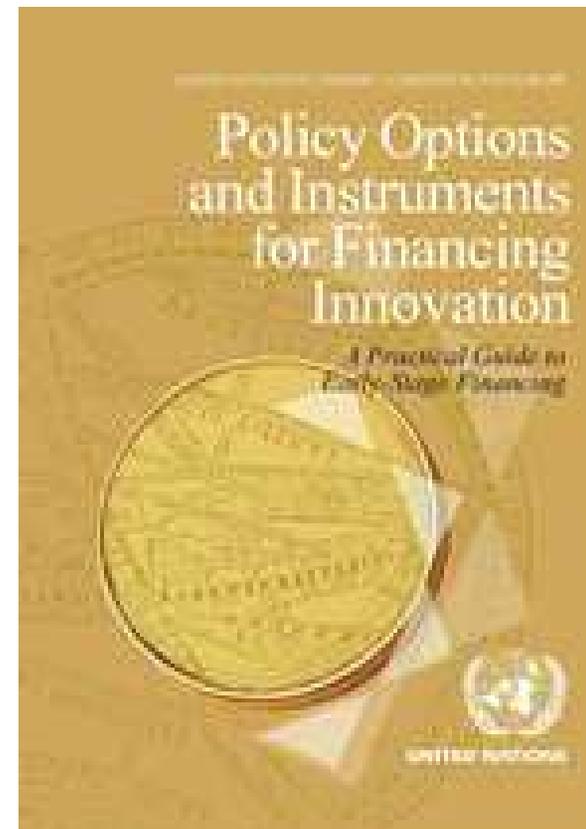
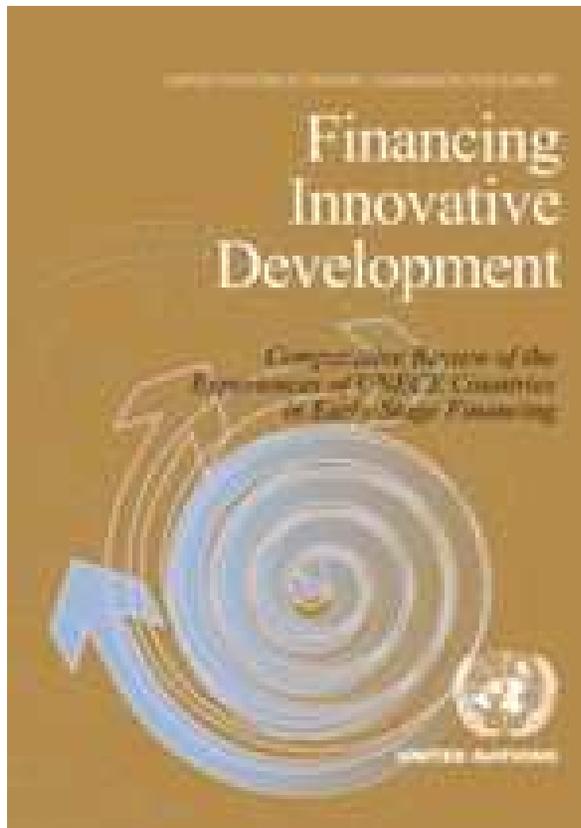


UNECE products: Innovation and competitiveness policy





UNECE products: Financing innovative development





UNECE products: Entrepreneurship; PPPs

