

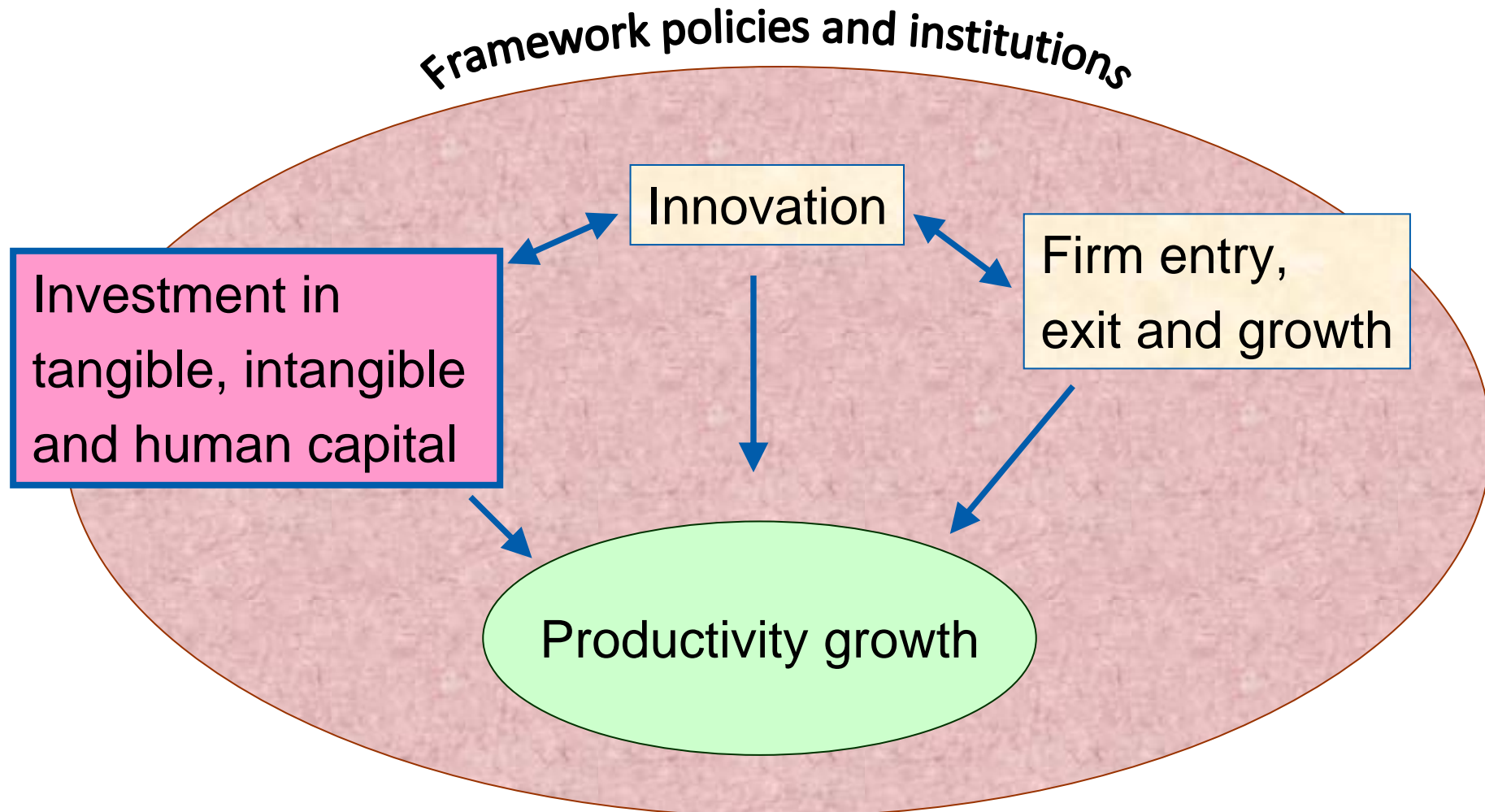


# European competitiveness: the role of non-scientific innovation, economic flexibility and adjustment

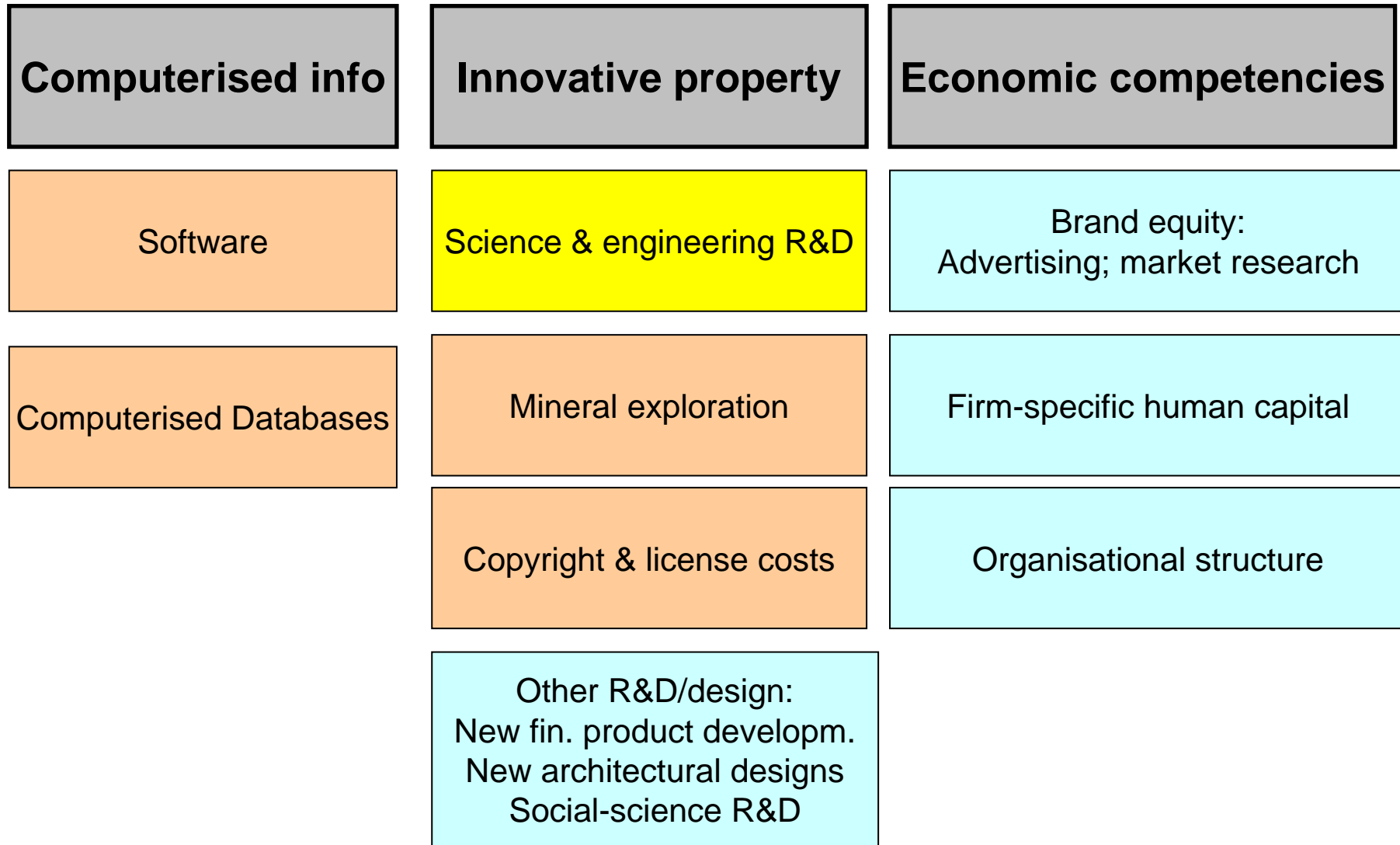
*Kristian Uppenberg*  
*Economic and Financial Studies, EIB*

*Presentation at the IRMA Workshop:  
Dynamics of EU industrial structure and the growth of innovative firms  
European Commission  
JRC-IPTS-KfG and DGRTD-C2,  
18 November 2010, Brussels*

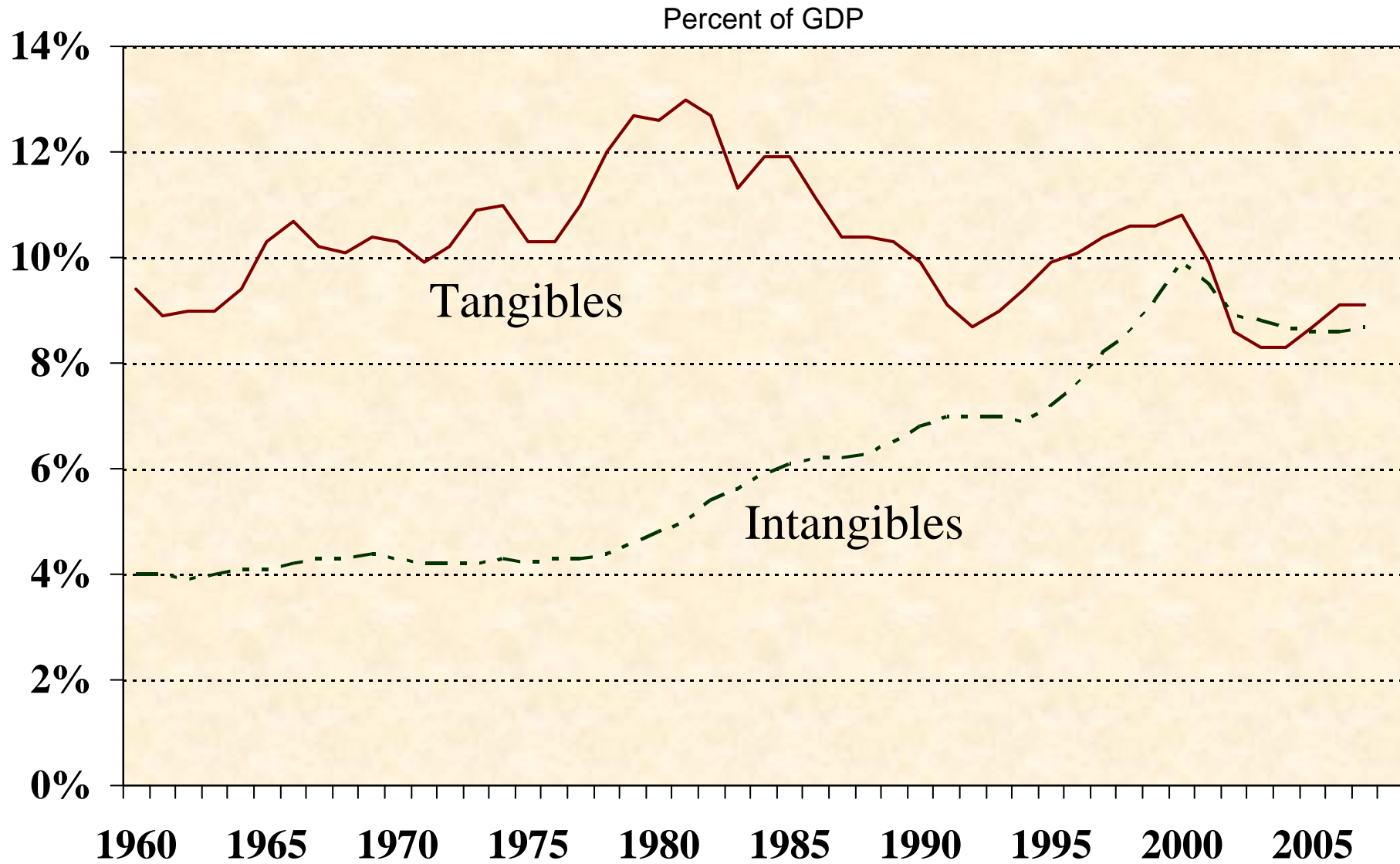
# A symbiosis of knowledge creation and economic dynamism



# Intangible investment



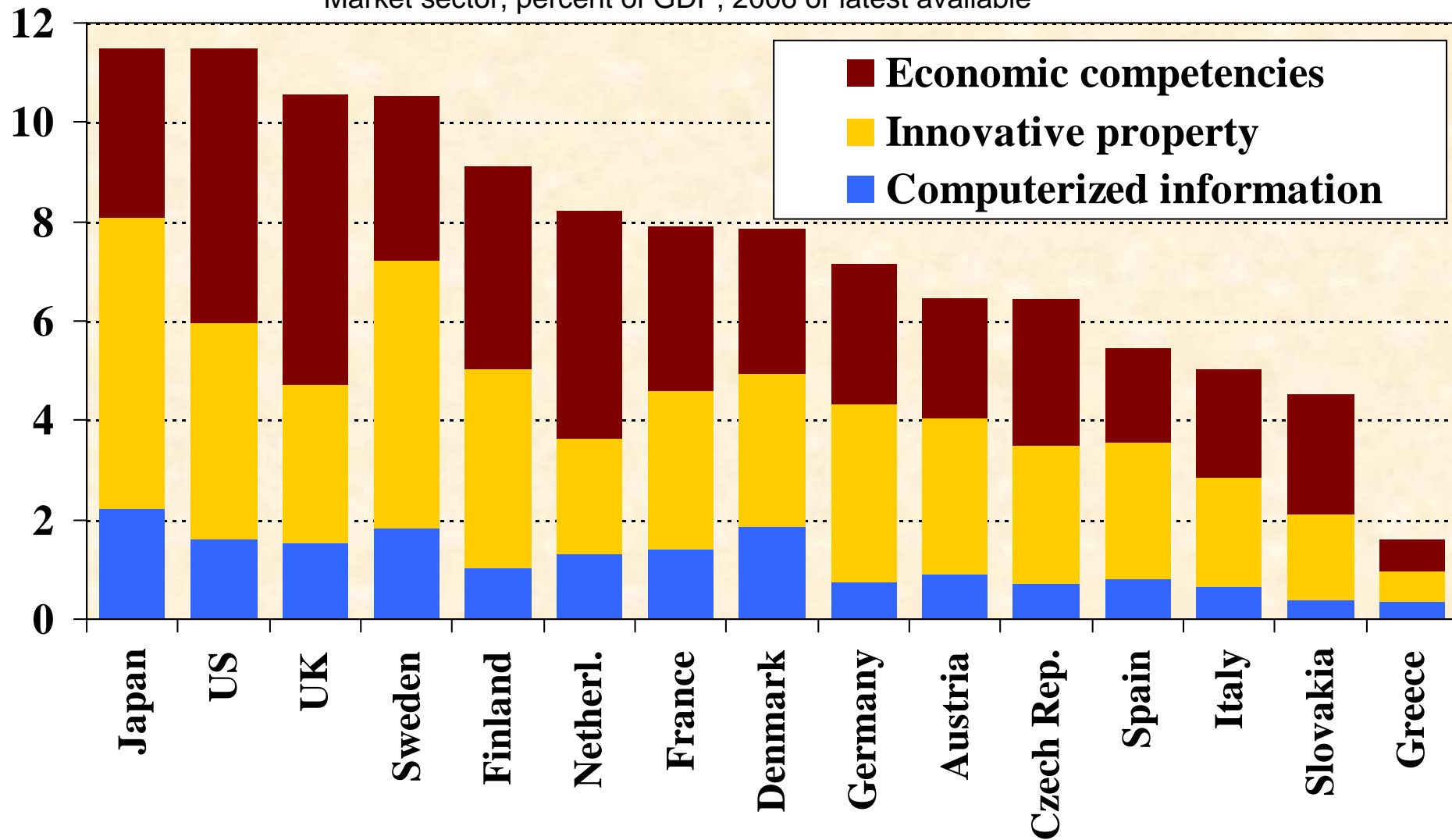
# US investment in tangible and intangible capital



# Intangible investment by type



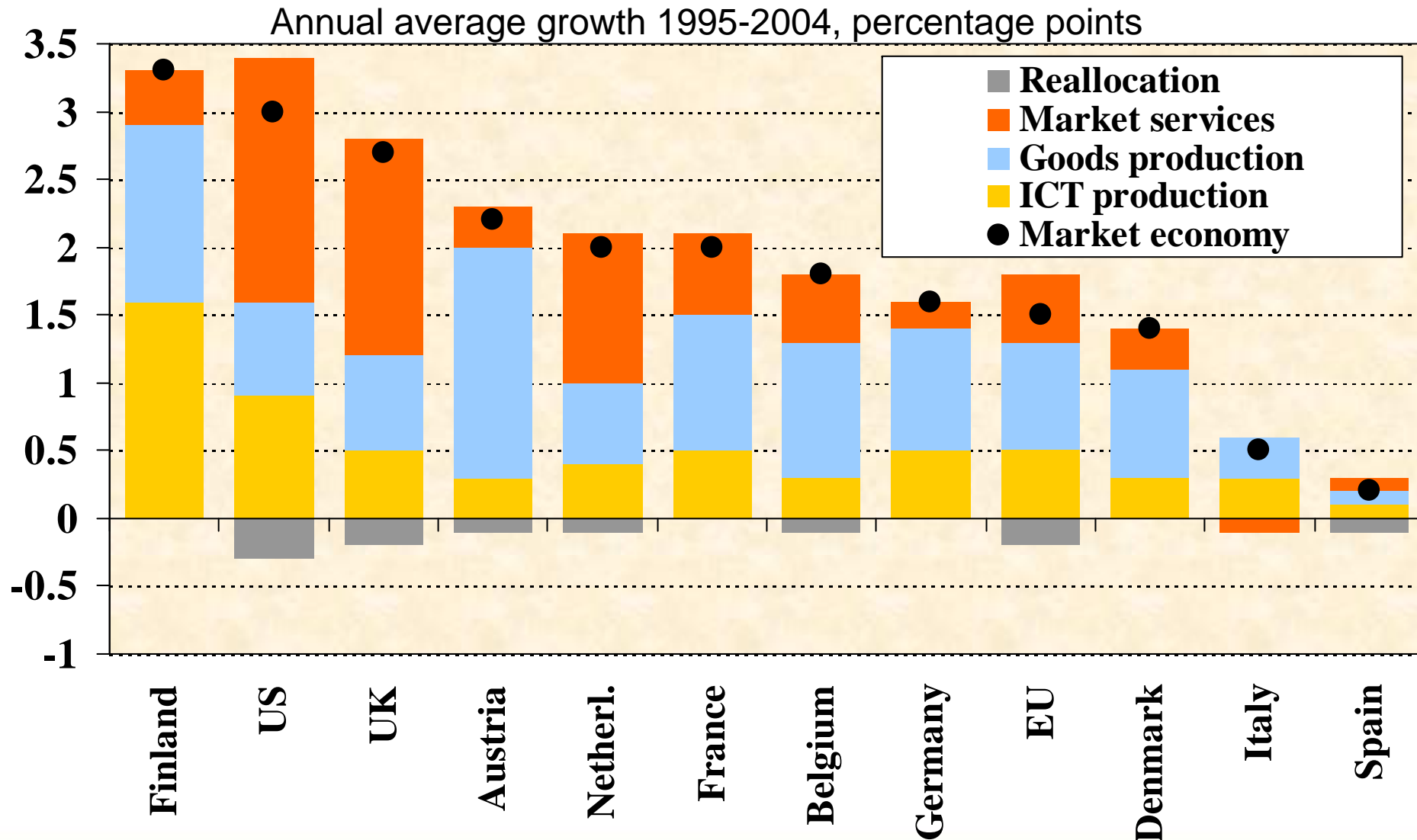
Market sector, percent of GDP, 2006 or latest available



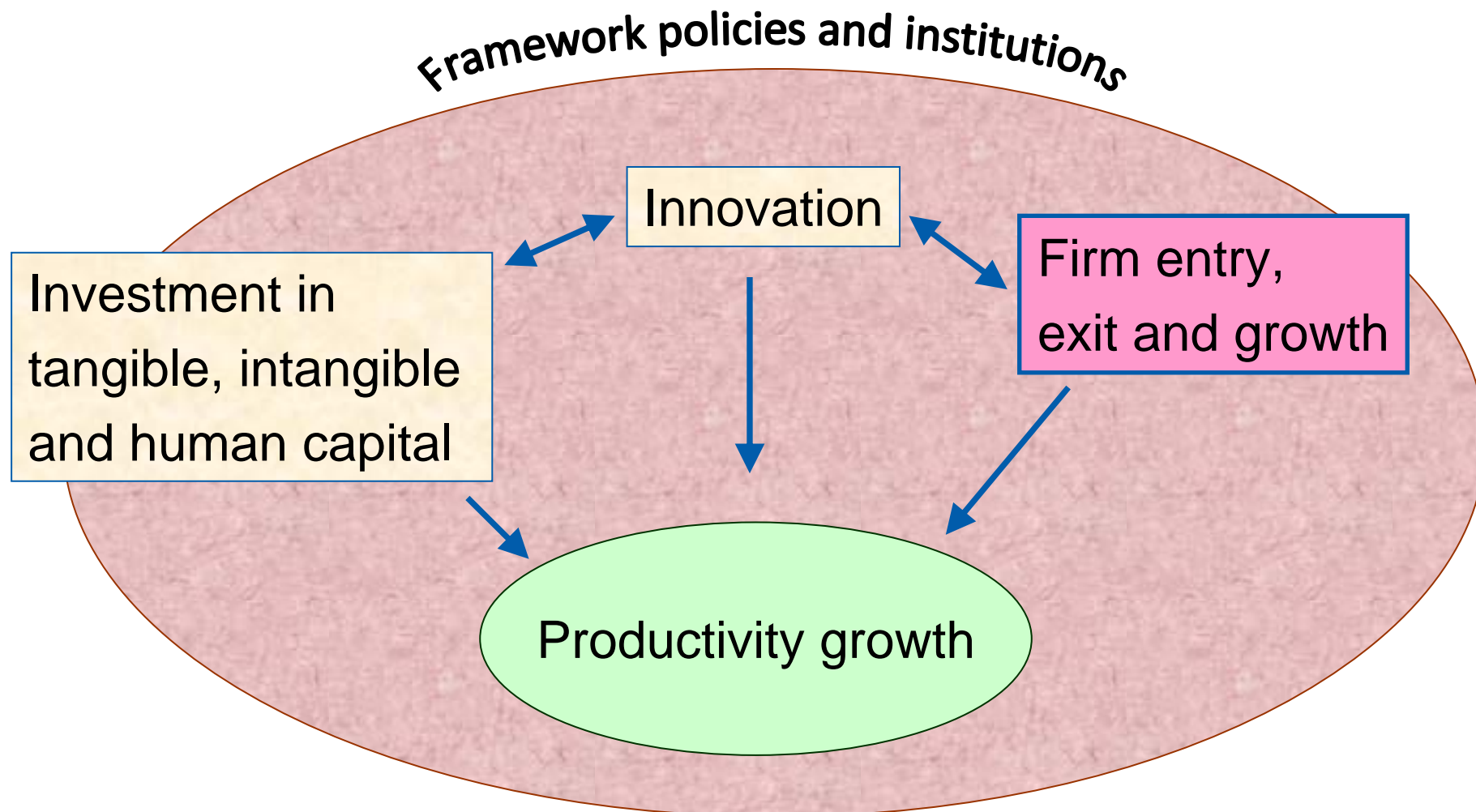
Source: van Ark et al. (2009); Edquist (2009); Fukao et al. (2009); Jalava et al. (2007); Van Rooijen-Horsten et al. (2008)



## Sector composition of labour productivity growth



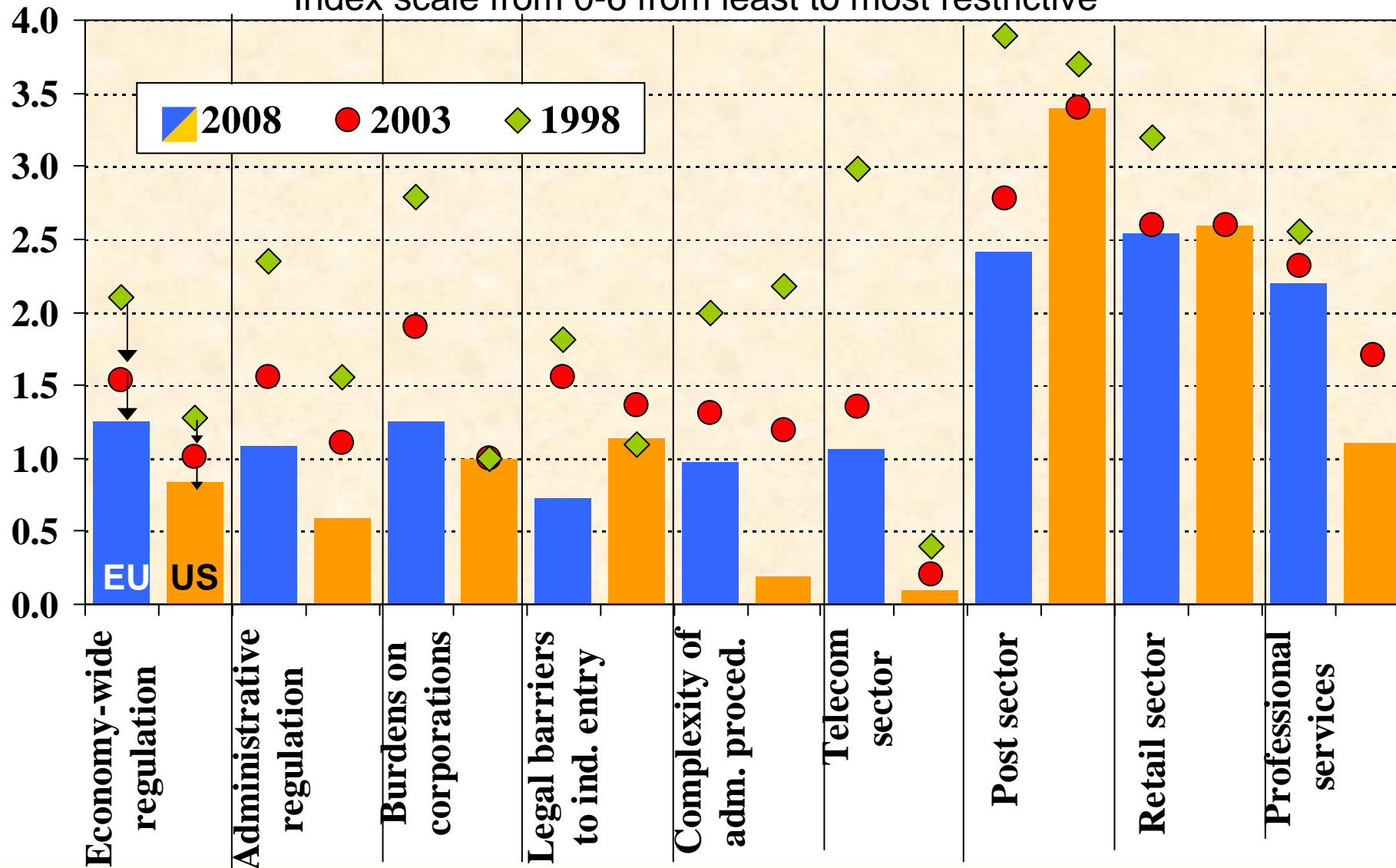
# A symbiosis of knowledge creation and economic dynamism



# Product market regulation



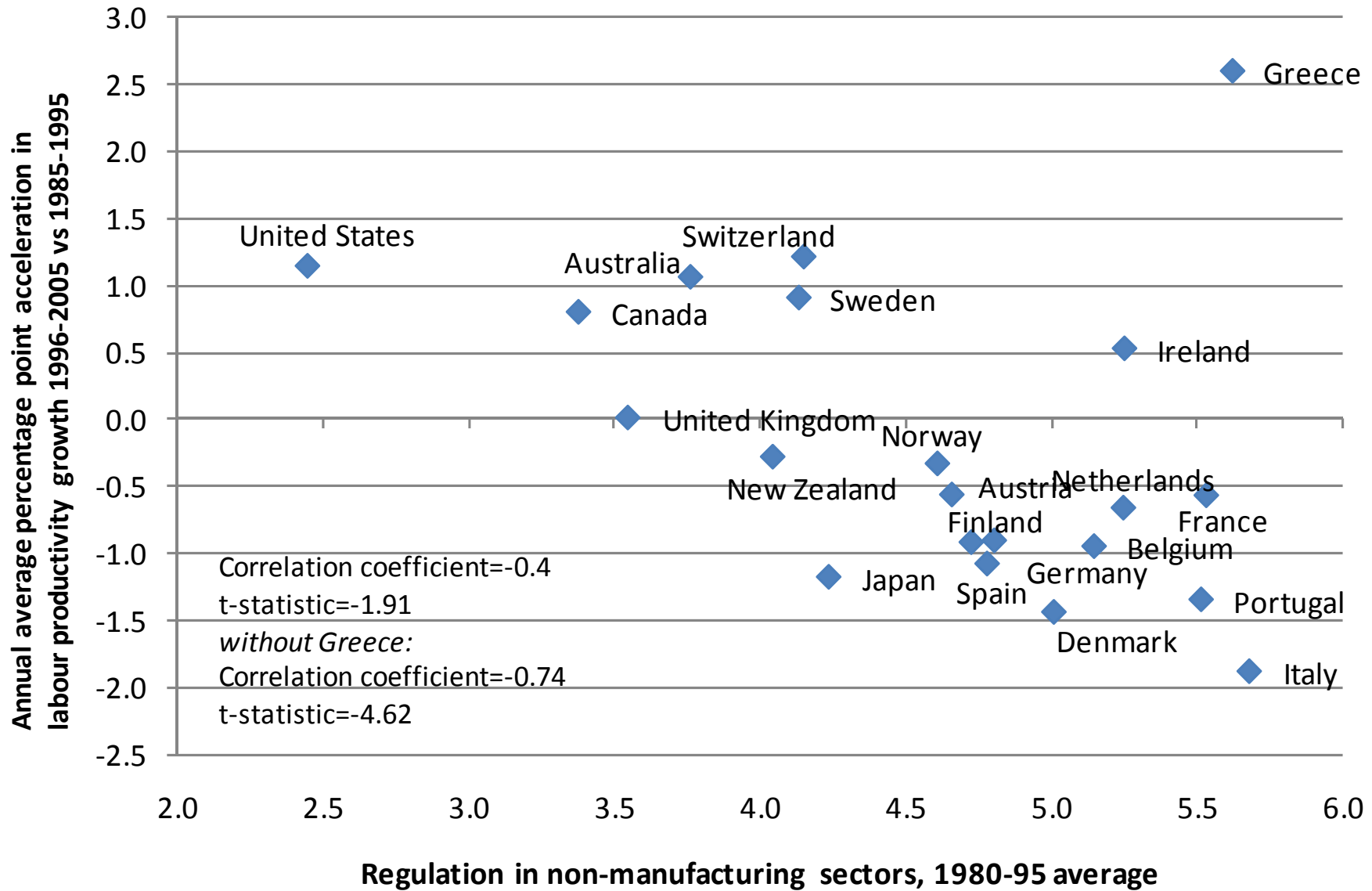
Index scale from 0-6 from least to most restrictive







# Product market regulation and labour productivity acceleration

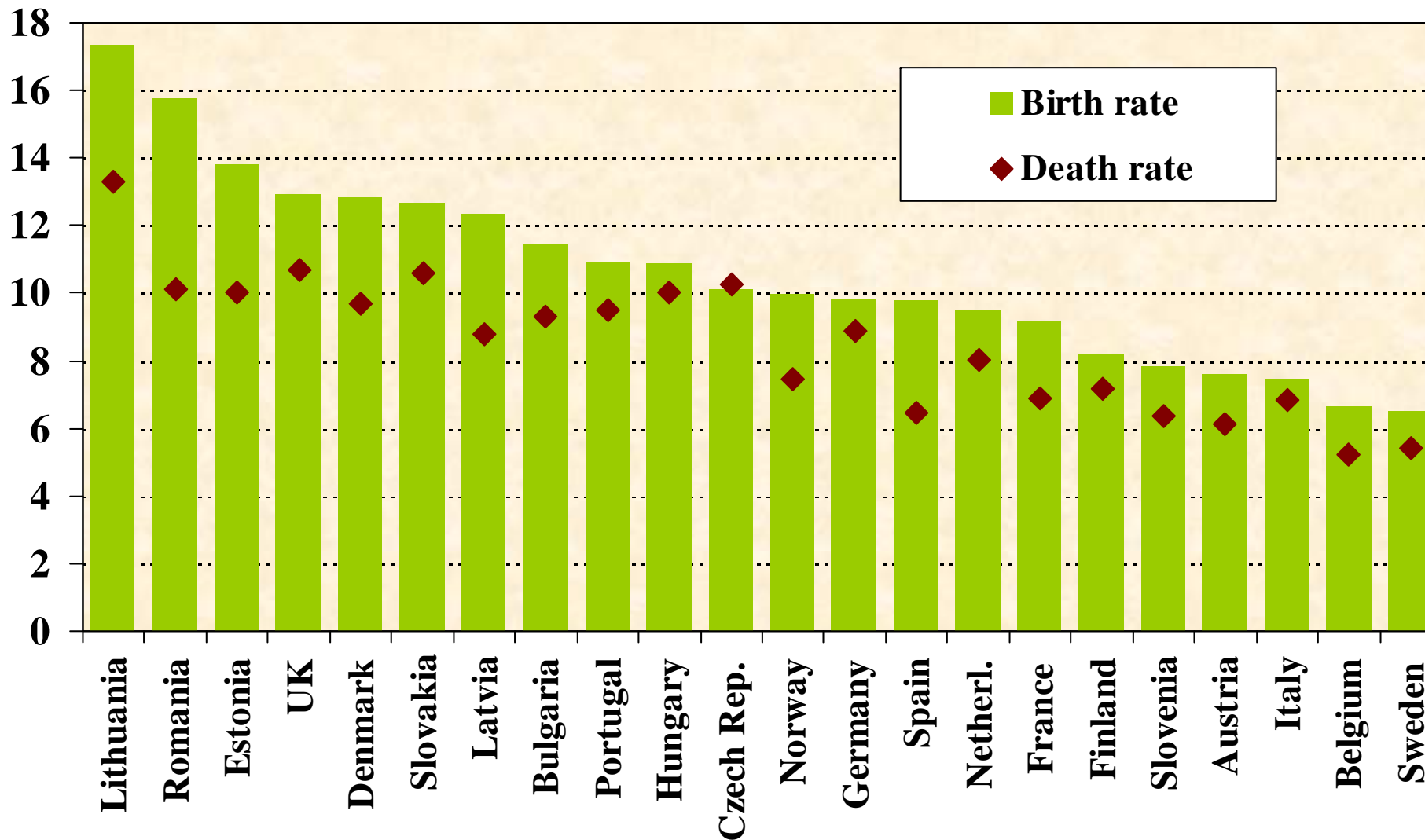




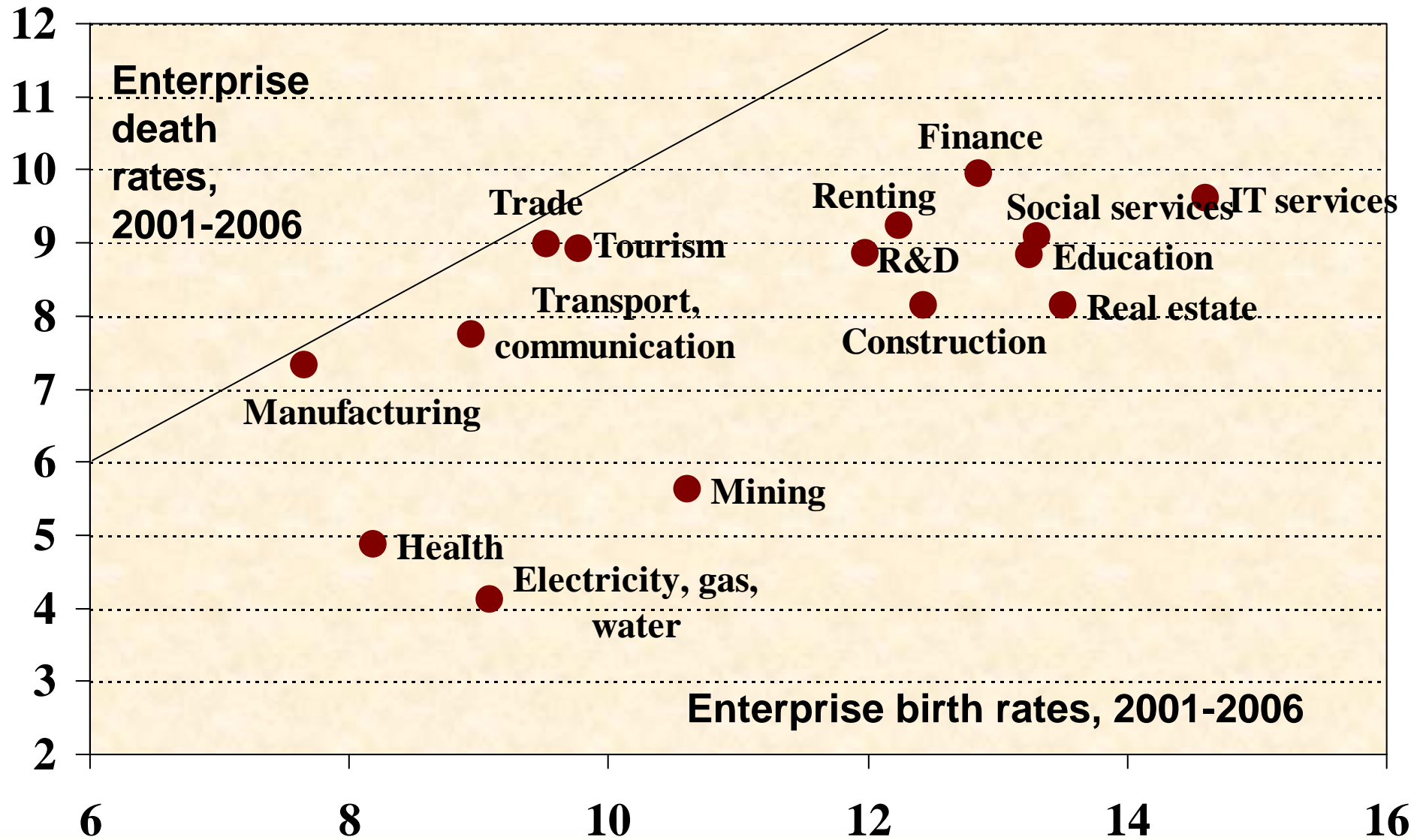
## Enterprise birth and death rates



Percent of all firms, industry and services (average for 2001-2006 or latest available)



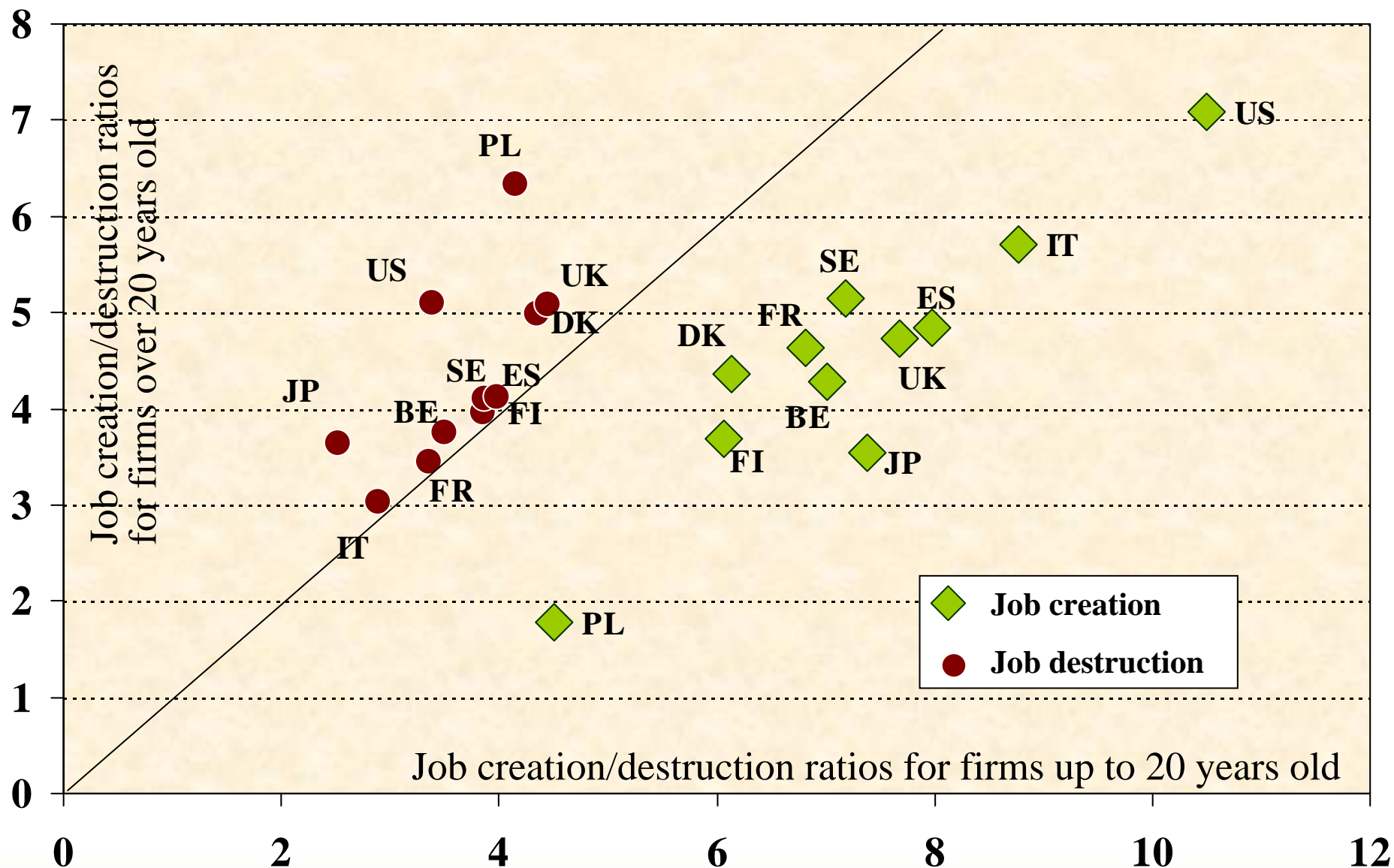
Sectors with high birth rates also tend to have high death rates





# Job creation and destruction rates by firm age and country

(average for 2000-06)

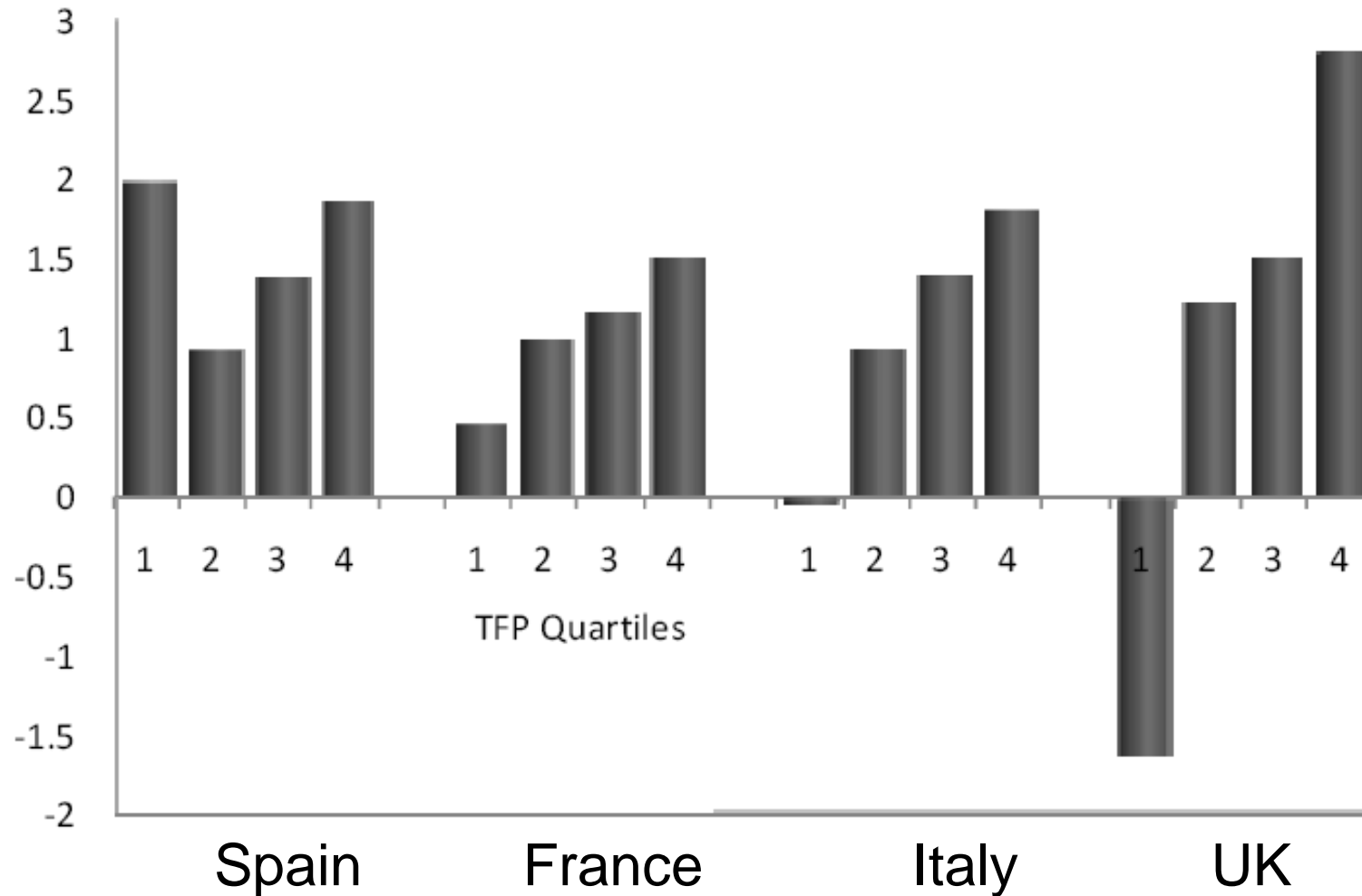




## Value-added growth\* by quartiles of the MFP distribution of firms (percent)



\* relative to the median of the sector and country for which it was estimated





## Policy implications

- ❖ Promoting firm entry and exit
- ❖ International trade in services
- ❖ Educating entrepreneurs + venture capital and bankruptcy

## Further research

- ❖ Intangible investment by sector/industry
- ❖ Mapping investment in new technologies and intangibles against firm dynamics