

Towards 2020: New Horizons for RTD and Innovation in the Western Balkan Region

WBC-INCO.NET Final Conference & Brokerage Event

Tech Gate Vienna / Donau-City-Straße 1 / 1220 Vienna / Austria

Keynote speech

How efforts on research and innovation contribute to economic development and integration into the European Union

Peter Polajnar
European Commission
DG Enlargement

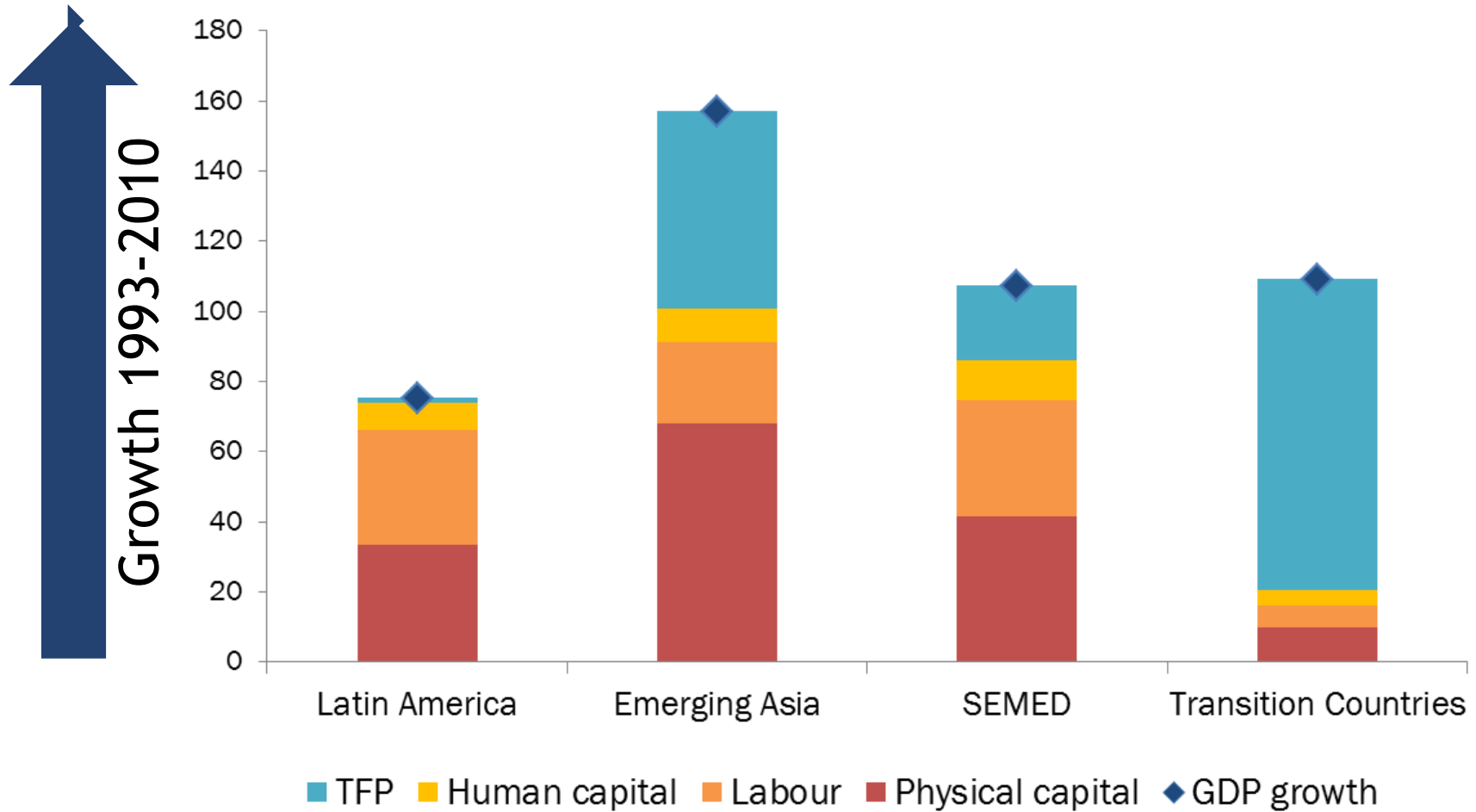
Research in accession negotiations

Days to close CH25: Science and research

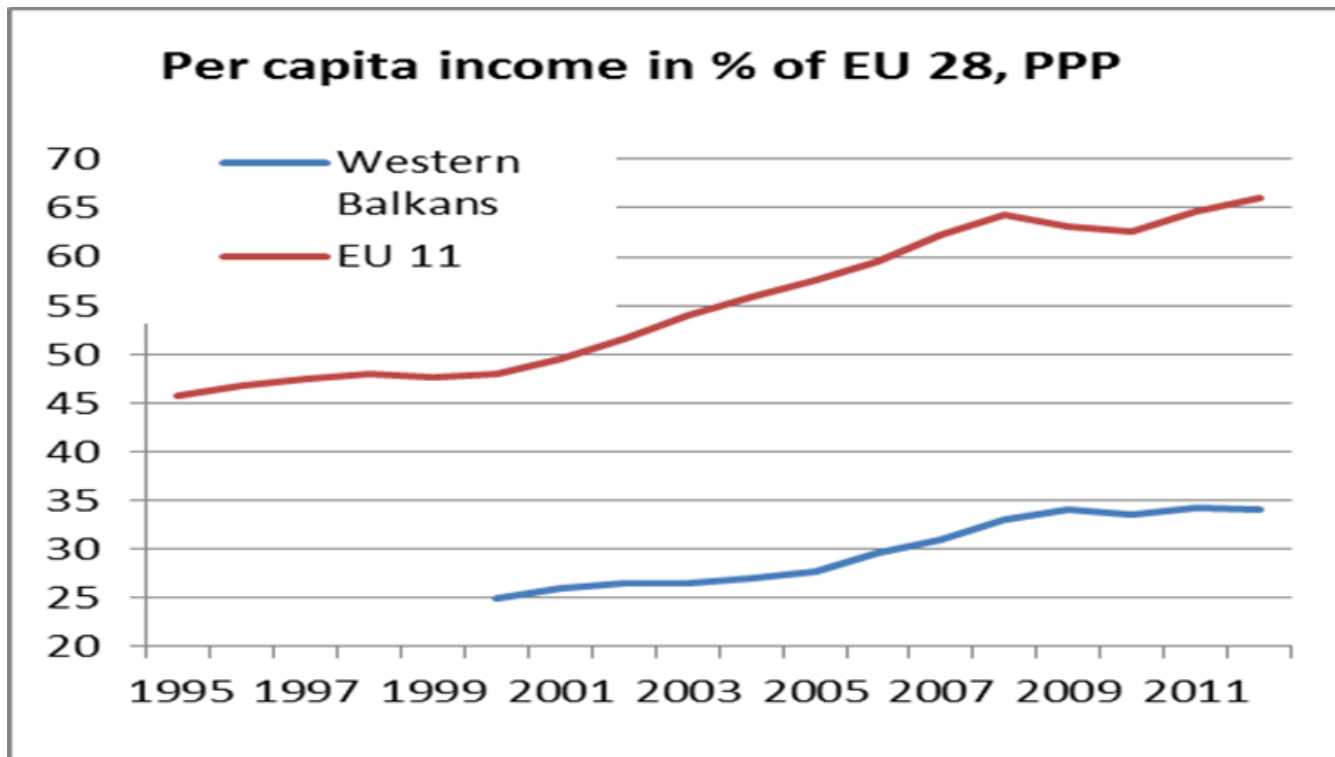
- ▶ Croatia – 251 days
- ▶ Montenegro – 173 days



Innovation fueled growth



The end of convergence



Research and innovation reality

AL

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|------|------|
| Spending on human resources (public expenditure on education in% of GDP) | | 3.3 | 3.5 | 3.4 | 3.5 | 3.3 | : |
| * Gross domestic expenditure on R&D in% of GDP | | : | : | : | : | : | : |
| Percentage of households who have Internet access at home (%) | | : | 3.4 | : | : | : | : |

BA

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
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XK*

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|------|------|
| Spending on human resources (public expenditure on education in% of GDP) | | : | : | : | : | : | : |
| * Gross domestic expenditure on R&D in% of GDP | | : | : | : | : | : | : |
| Percentage of households who have Internet access at home (%) | | : | : | : | : | : | : |

MK*

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|-------|-------|------|------|------|
| Spending on human resources (public expenditure on education in% of GDP) | | 3.6 | 3.3 | 3.6 | 3.7 | : | : |
| * Gross domestic expenditure on R&D in% of GDP | | 0.3 | 0.2 | 0.2 | 0.2 | : | : |
| Percentage of households who have Internet access at home (%) | | : | 29.0e | 42.0e | 46.0 | 55.0 | 58.3 |

ME

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|------|------|
| Spending on human resources (public expenditure on education in% of GDP) | | : | : | : | : | : | : |
| * Gross domestic expenditure on R&D in% of GDP | | 0.7 | 1.2 | 1.1 | : | 0.4 | : |
| Percentage of households who have Internet access at home (%) | | : | : | : | : | 51.4 | 55.0 |

RS

| Innovation and research | Note | 2001 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------|------|------|------|------|------|------|
| Spending on human resources (public expenditure on education in% of GDP) | | 3.2 | 4.9 | 5.0 | 4.9 | 4.8 | : |
| * Gross domestic expenditure on R&D in% of GDP | | : | 0.4 | 0.9 | 0.8 | 0.8 | : |
| Percentage of households who have Internet access at home (%) | | : | 33.2 | 37.0 | 39.0 | 41.2 | 47.5 |



Greater political & economic context

▶ Politics of enlargement

- ▶ Firm political but weaker public support
- ▶ Process more rigorous and longer
- ▶ Weak rule of law: without serious political and judicial reform, all public policies inefficient

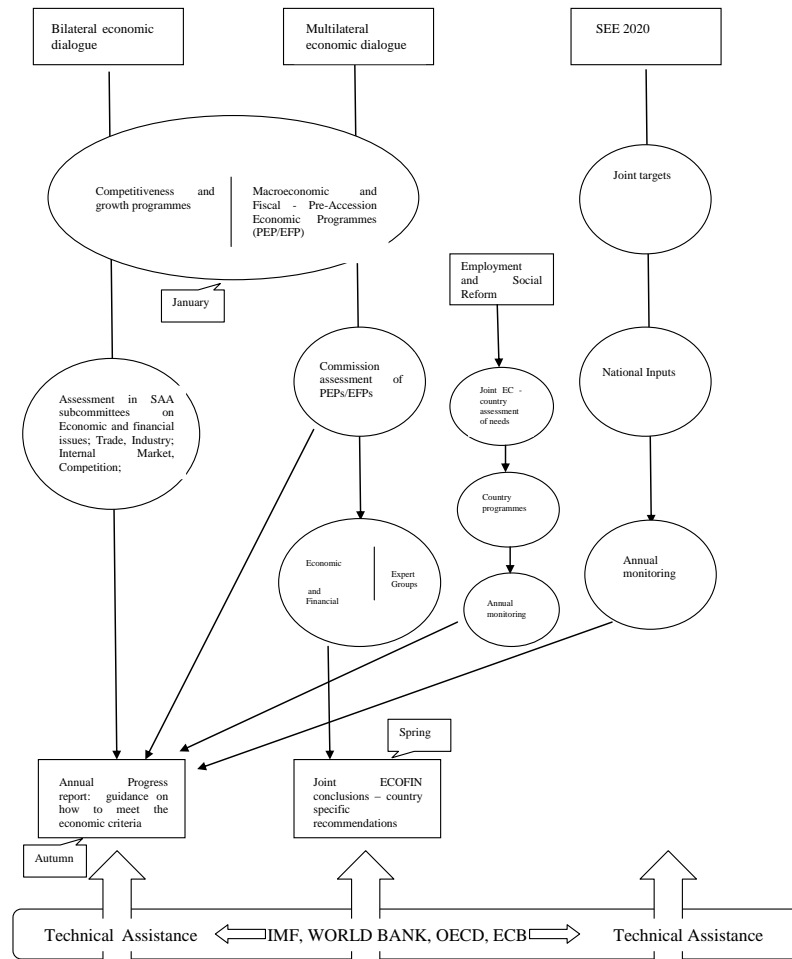
▶ Economics of enlargement

- ▶ Countries poorer
- ▶ Unemployment on average above 22%
- ▶ Narrow productive base
- ▶ Low investment rate, "problematic" FDI structure, large external imbalances

New reality in the accession process

- ▶ During the eurozone crisis, the EU has changed – new coordination mechanisms, new rules (e.g. European semester)
- ▶ None of the Western Balkan countries is a functioning market economy (1st economic accession criterion)
- ▶ None is considered to have the capacity to compete in the Single market (2nd economic accession criterion)

Architecture of economic governance



Other positive spillovers on research policy

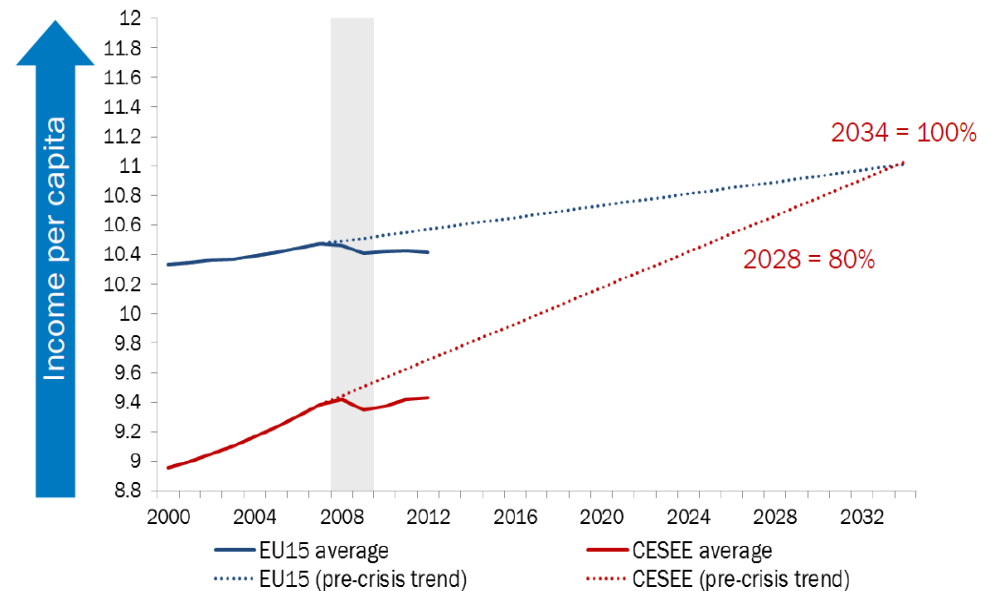
- ▶ Ch8: Competition/State aid
 - ▶ Ch5: Public procurement
 - ▶ Ch10: Information Society
 - ▶ Ch23-24: Judiciary&rule of law

 - ▶ Ch20: Enterprise and industrial policy
 - ▶ Ch25: Science and reserach
 - ▶ Ch26: Education and culture
- } COSME
HORIZON 2020
ERASMUS +

Reformed research policy

- ▶ Track record of credible reforms
- ▶ Investment in the sector and prevention of brain drain
- ▶ Responsible and not politicised management of funds

▶ Convergence



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Thank You For Your Attention!

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