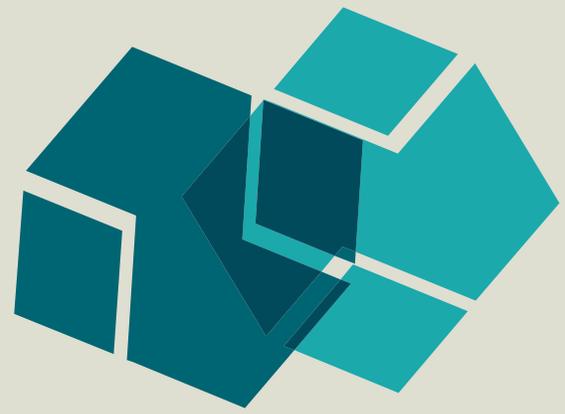




# Newsletter

# GRINCOH



**Growth-Innovation-Competitiveness  
Fostering Cohesion in Central and Eastern Europe**

*The GRINCOH international conference will take place in Budapest on 20-21 June 2013. The Conference will be held at Hotel Novotel Budapest Danube*

## The GRINCOH international conference: Budapest 20-21/06/2013

The aim of the conference is to present project results at the mid point of the project implementation. Key experts in the field of CEE development will present their papers on plenary session as well as 5 parallel workshops. Participants will be welcomed by Grzegorz Gorzelak and Károly Fazekas. During the plenary session on general course of reforms and development of CEE countries Leon Podkaminer will talk about development pattern of Central and Eastern European Countries, while Roberta Capello and Giovanni Perucca shall investigate whether eastern regions move towards an endogenous

growth pattern. Peter Havlik will discuss structural change and economic growth in the new EU member states. More detailed papers will be presented at foreseen workshops:

Workshop 1: Globalisation, Trade, FDI

Workshop 2: Labour markets, welfare and education

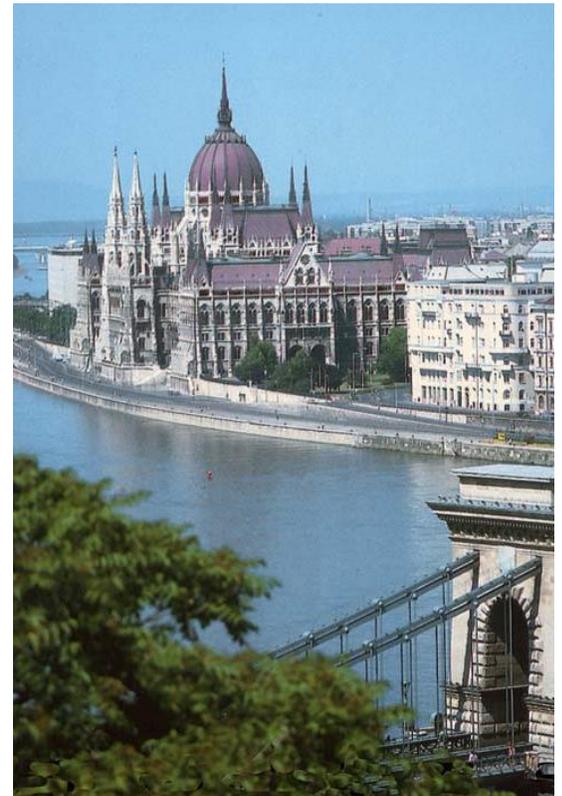
Workshop 3: Innovation, R&D cooperation

Workshop 4: Cohesion and institutions

Workshop 5: Methods, models, data

Conference programme can be found at:

<http://www.grincoh.eu/news/conference-in-budapest>

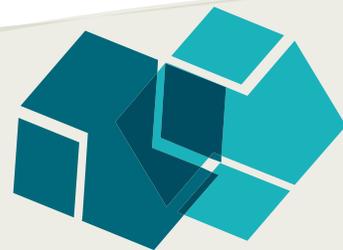


## 6th International Conference on Globalization

The conference entitled „**Political factors of economic growth and regional development in transition economies**” will take place at the University of Ostrava on September 10-12, 2013.

Abstracts of 300 words in English should be forwarded through registration form by **June 30 2013**. Further information about registration, fees and papers can be found at conference website

<http://conference.osu.eu/globalization>





## Politecnico di Milano releases two papers involving new approach for analysing regional success factors

*The research of the unit focused on the economic development, structural change in the process of transition and EU membership of Eastern countries. More in details, the analysis involved the mechanisms of regional growth in Eastern Europe*

The first part of the work concerned the impact of globalization on regional economies. Globalization is certainly not a new phenomenon, and in many periods of the last century it reached very high levels, even comparable with those of today. What is new is the long-term, contemporary acceleration of many parallel integration processes, which reinforce and integrate each other in multiple ways. In 1989, when Eastern EU countries opened their markets to global capital for the first time after the beginning of the socialist era, a deep process of social and economic integration was launched. These programmes led to an intensification of trade and international investments: in the last decade of the 20th century EU countries received more than 50 percent of world FDI. The intensity of this process calls for analyses on its role in different historical periods for Eastern regions. In particular, it is interesting to understand the role that the globalization process played in different institutional periods, from the early stage of transition of Eastern Europe to the recent economic crisis.

The output of this part of the research is the paper **“Globalization and Growth Patterns in Eastern EU Regions: from the Transition Period to the Economic Crisis”**.

Based on these findings, the second part of the research was aimed at identifying the success factors fostering regional growth in Eastern countries. In the last 25 years Eastern EU countries went through a process of deep transformation, facing institutional and market

reforms which led them to become members of the EU. Few works have been devoted to the analysis of the success factors of regional growth in Eastern regions. This paper has the aim to fill this gap, by developing a diachronic approach with the intent to understand the evolution of the driving forces of growth in Eastern regions in different periods characterised by different institutional and economic reforms. Moreover, the analysis accounts for the industrial restructuring processes that took place in the most intense phase of transition. In both a descriptive and interpretative way, the results witness a clear tendency of Eastern regions to increasingly rely on soft elements, like knowledge and social capital, as elements able to explain their competitive advantage.

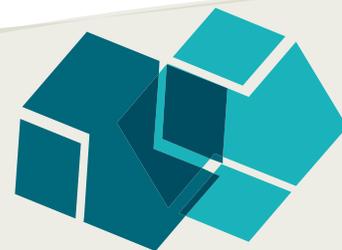
The output of this part of the research is the paper **“Do Eastern Regions Move Towards an Endogenous Growth Pattern? A Diachronic Perspective of Regional Success Factors”**.

Both papers are available at GRINCOH web page at: <http://www.grincoh.eu/working-papers>

## Insights from labour markets, skills, social dynamics and social cohesion and welfare analysis

The study of **“Labour market developments and social welfare”** by **Hermine Vidovic** gives an overview on the labour market developments in the CEECs since 1989 using EUROSTAT data and registration data. As an introductory study it is a descriptive one.

The paper **“Identifying the drivers of inequality and poverty in the CEE EU Member States”** by **Sebastian Leitner** gives an overview of the data and the methodology of his research. It covers and compares income and multidimensional inequalities all CEE countries. To identify the relative importance of different factors shaping inequalities the author applies the Shapely value approach of decomposition that is an innovative method in cross-country analysis of EU countries.





## R&D Excellence of CEE in a Comparative Perspective

by

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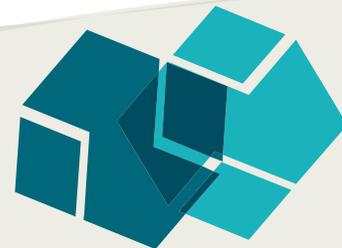
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This paper explores the changing role of world regions (CEE, EU15, South EU, Former USSR, North America, Latin America, Asia Pacific and the Middle East) in science and technology base with special reference to Central and Eastern Europe (CEE) in 1981-2011 period based on bibliometric and patent data. The bibliometric data are extracted from Thomson Reuter's National Science Indicators (2011) for 21 broad disciplines in science and social sciences. The patent indicators draw on counts of priority patent applications filed by a country's inventors (no matter in which patent office the priority patent has been filed). We use data from the Worldwide Patent Statistical Database (PATSTAT, October 2012). With the bibliometric data we investigate over time changes in descriptive indicators such as publications, citations, impact as well as scientific specialization measured by revealed comparative advantage (RCA) applied to citations and papers, in three periods – i.e. 1981-1989, 1990-2000 and 2001-2011. The patent indicators include patent counts, patent intensity and revealed technological advantage in 5 technological areas and 35 technologies. Multidimensional scaling and hierarchical clustering are used to comment on divergence/convergence of the science base among world regions. In view of common historical legacy in science and technology we are particularly interested in process of divergence within the post-socialist world as well as in the process of the EU convergence in terms of specialization in major scientific and technological fields. Bibliometric analysis results show that there is global shift in science largely in terms of quantity (papers) and much less in terms of quality (impact). Science systems are characterised by strong inertia and by long lasting historically inherited advantages and disadvantages. The major changes, in terms of RCA and RTA, have been the excessive specialization of CEE and Former-USSR in fundamental sciences that has been followed by reduced specialization of the CEE and continuous excessive specialization of the Former-USSR and its de-specialization in life sciences; excessive specialization of North America and the Middle East in social sciences (albeit for opposite reasons) that has been followed by reduced specialization of the Middle East and by continuous high specialization of North America. Within this context, even though producing 4% of world papers and 2.5% of world citations during 2001-2011 period,

CEE shows strong comparative advantages particularly in fundamental sciences and is catching up in applied sciences. This is accompanied by a divergence from the Former-USSR and a convergence towards EU15 from 1981-89 period to 2001-2011 period. However the issue remains whether these changes are sufficient to enable greater reliance on science for future growth not only in terms of generation of absorptive capacity but more in terms of innovative capability.

The patent indicators suggest that CEE has reduced its patenting activities drastically in absolute and per capita terms after 1990 and maintains now a stable level below the performance of EU15, South EU and the former USSR. The consideration of the RTA indicators in two time periods 1980-1989 and 2000-2009 suggests a strong persistency in the technological specialization of regions since 1980. "Chemicals" and "Mechanical Engineering" are traditional areas of technological specialization in Europe and Latin America while "Electrical Engineering" and "Instruments" are areas of strong specialization in Asia Pacific, North America and Middle East.

In what concerns the specialization of CEE economies, Chemicals and Mechanical Engineering are clearly areas of "Continuous Advantage" while Electrical Engineering and Instruments the areas of "Continuous Disadvantage". In the area of Electrical Engineering, CEE economies display persistently a weak specialization on Semiconductors, Audio-visual technology, and Telecommunication technologies. Finally, in terms of convergence between CEE and other European economies, the technological profile of CEE converges clearly over time with the technological profiles of EU15 and South EU and diverges with the profiles of North America and the Middle East. A slight divergence can be observed between the technological profiles of the CEE and the former USSR and a slight convergence between the profiles of CEE and Asia Pacific.



## EUROREG presents selection of ten regions for qualitative analysis

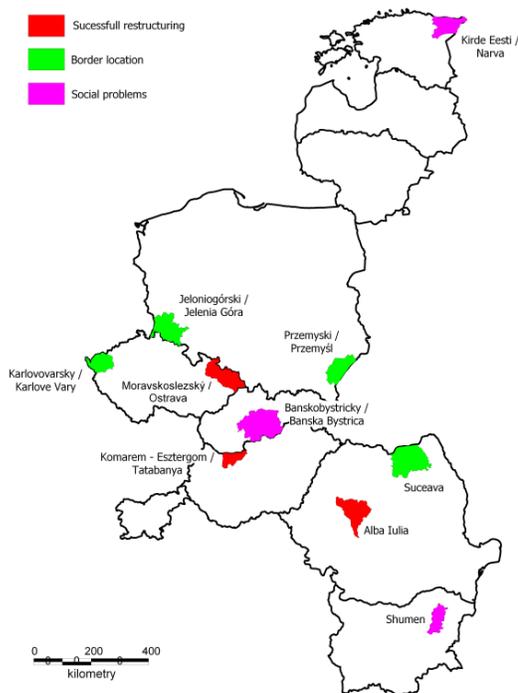
Ten regions have been selected for qualitative research according to the regional typology elaborated for 2002-2006

One of the objectives of investigating territorial dimension of EU integration as challenges for cohesion policy is to identify regional strengths and weaknesses in different types of regions with different reactions to transformation, crisis and EU membership as well as to assess the importance of different development factors for various types of CEE regions.

In-depth comparative analysis of specific territorial cases is devoted to a close examination of cases of successful economic restructuring, cross-border cooperation, impacts of infrastructure development for regional growth, and social deprivation and social pathologies as the result of sectoral restructuring and growth in economic polarisation.

Ten regions have been selected for qualitative research according to the regional typology elaborated for 2002-2006:

- successful restructuring (old industrial region, industrial-agricultural, service/industrial);
- border location (public service and productive agriculture, agriculture weakly industrialised, agricultural insignificant market service);
- social problems (agricultural insignificant market service, other, public service and productive agriculture).



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