

Investing on Knowledge Aiming for Production rehabilitation and Economic Growth. The Case of Greece

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Knowledge and economic growth

- Theory
 - economic development places emphasis on knowledge intensive activities, such as research, technology and innovation as an engine of growth
- Evidence
 - Developed and developing
 - Positioned at the core and at the peripheries

Greek production pattern

- Sectoral distribution

	<u>Agriculture</u>	<u>Manufacturing</u>	<u>Services</u>
1970	18	19	51
1975	19	20	51
1980	18	20	51
1985	17	18	54
1990	15	16	57
1995	10	13	68
2000	7	11	71
2008	3	9	70
2011	3	9	81
2016	4	10	80

- gradual erosion of the domestic production model

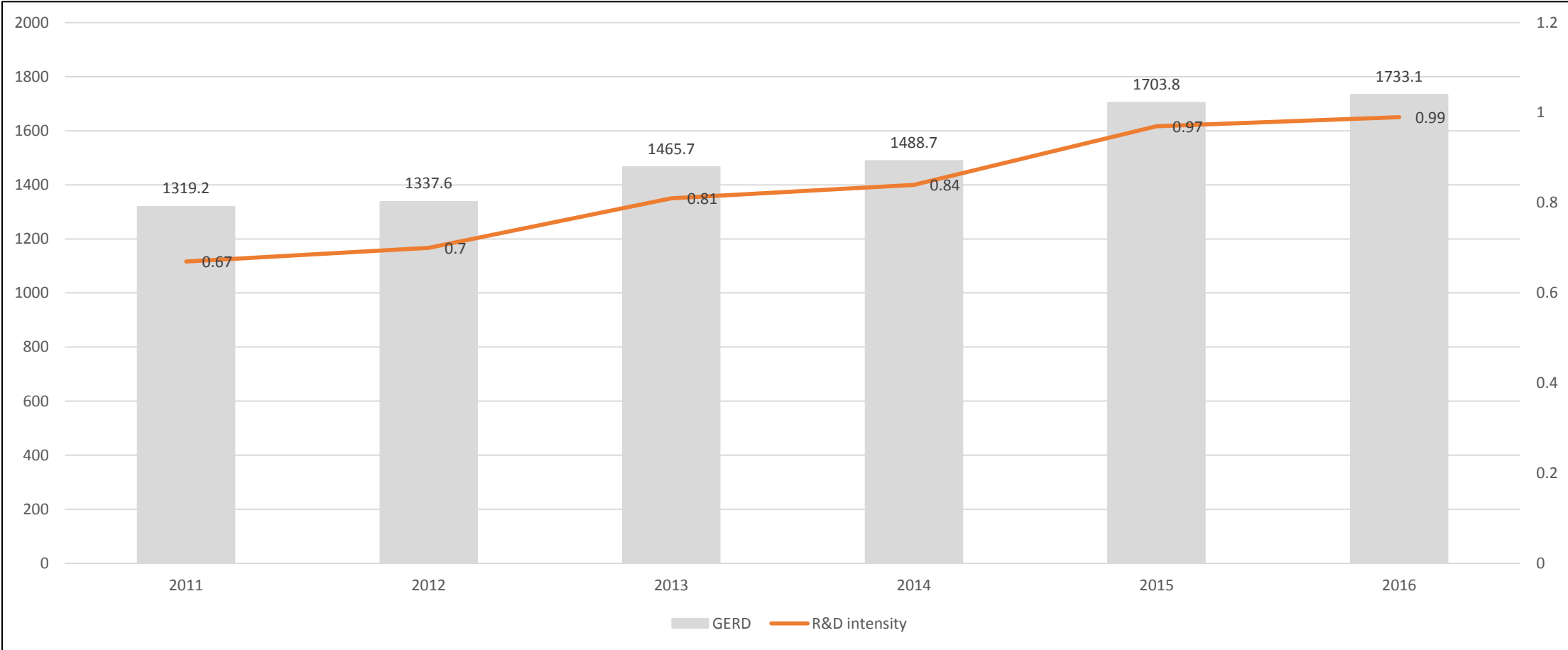
The role of the crisis

- Exposed the ill structure of the domestic production system
 - productive incapacity to balance Greece's foreign payments and adopt an export oriented productive strategy
- Devaluation as a preferred means to what?
 - it further exacerbated the already existing recession mode of the domestic economy
- Domestic firms double pressure
 - competition from both low labour and technologically advanced countries
 - Signposts
 - elidek

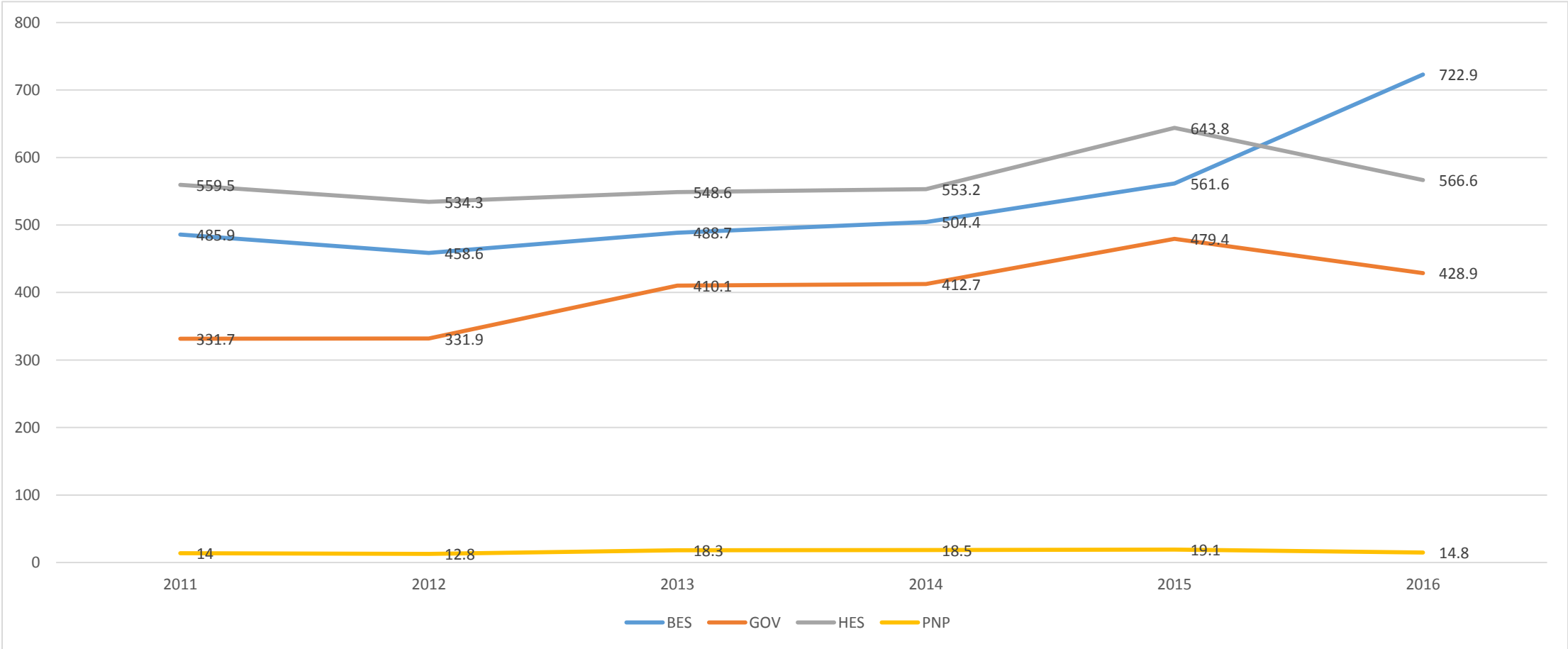
The role of the crisis (2)

- Renewed emphasis on the importance of the contribution of research and technology on economic development
- The crisis as an opportunity to substantially boost the significance of the domestic science, technology and innovation system and transform the country into a knowledge-based economy
- Optimistic signposts
 - Institutionalization of a Deputy Minister explicitly responsible for matters of research and technology
 - The creation of the Hellenic Foundation of Research and Innovation (ELIDEK) with € 240 million
 - The creation of EquiFund, a € 260 million fund-of-funds
 - Allocation of + € 1 billion of the National Strategic Reference Framework (2014-2020) to R&D-related activities

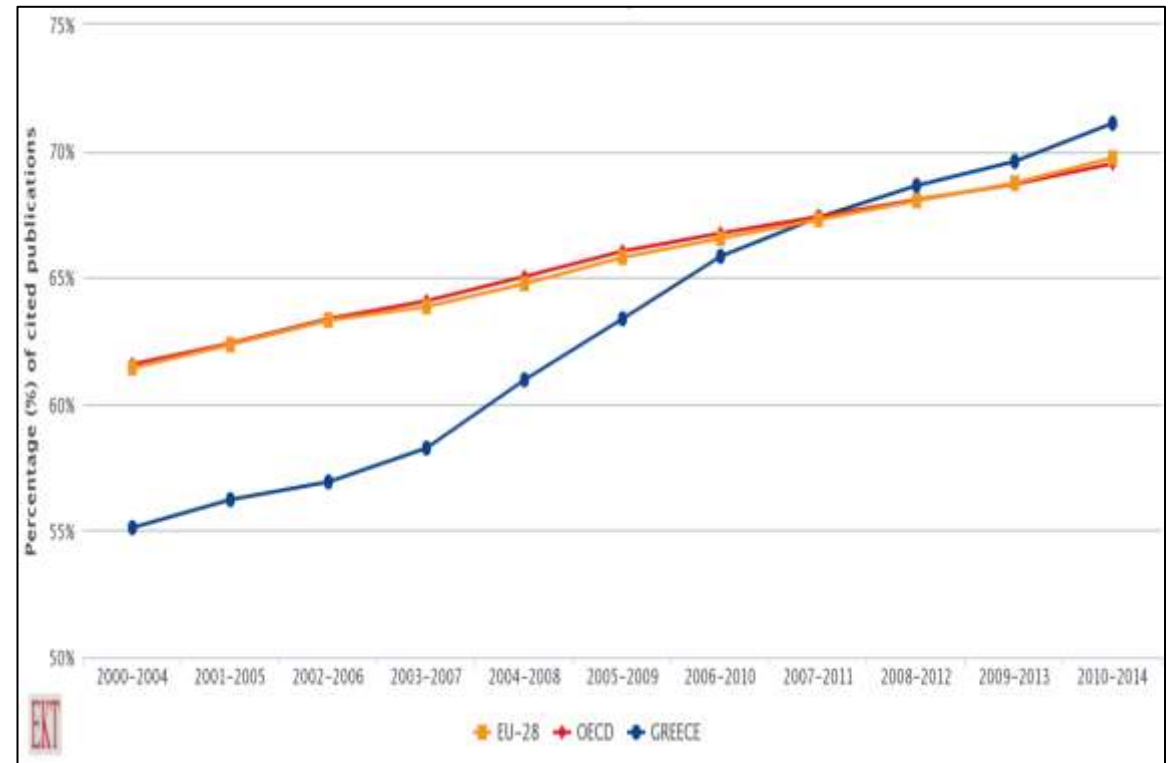
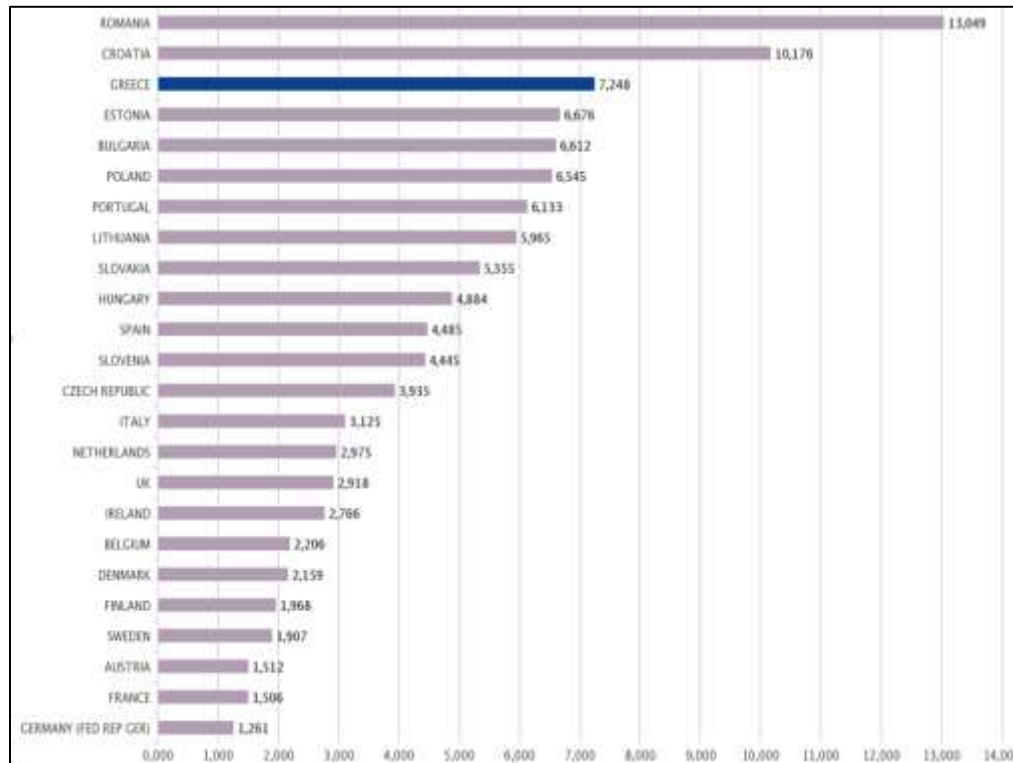
Aspects of turnaround (1)



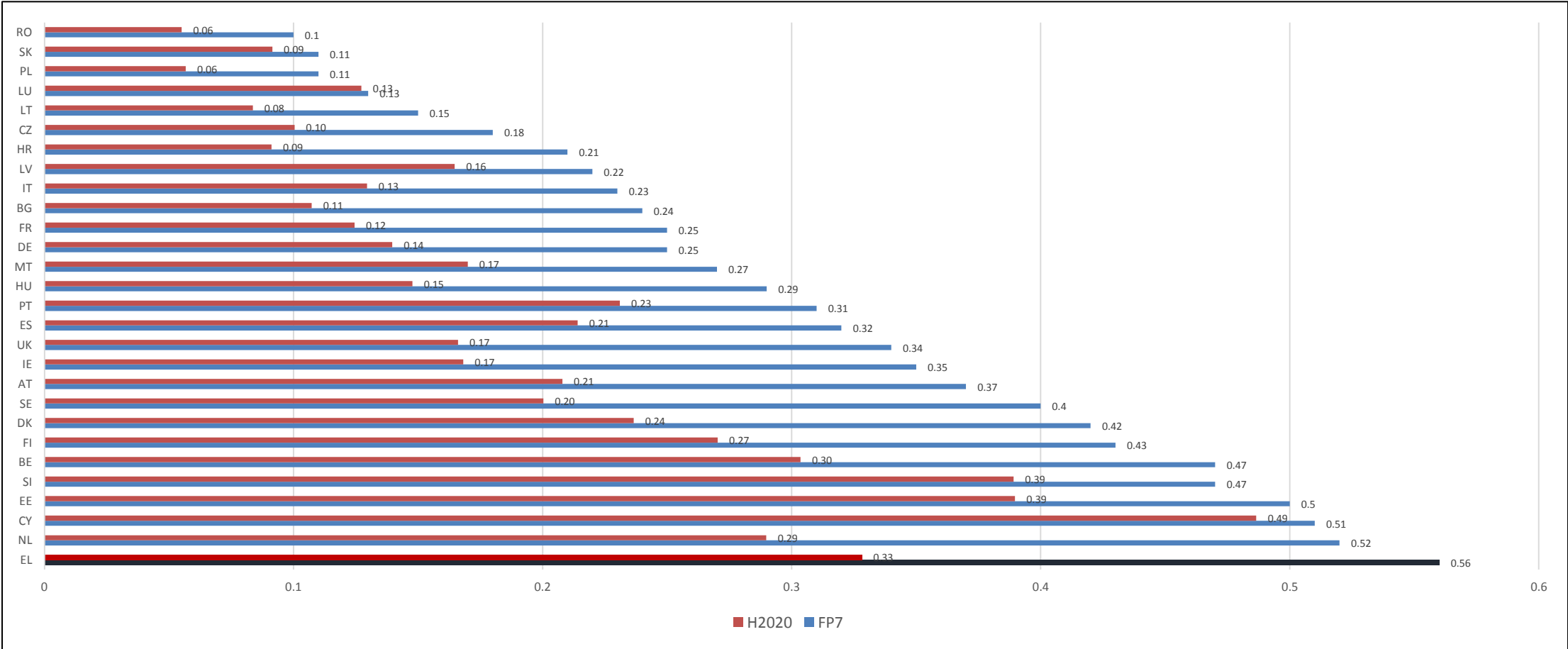
Aspects of turnaround (2)



Aspects of turnaround (3)



Aspects of turnaround (4)



Conclusion

The realization that a range of

- Virtuous elements are already there (highly educated human capital)
- in addition to
- Increased R&D performance by firms
 - The role of the crisis as a wake up call
-
- Lead to a new Greek industrial policy based on knowledge.

Thank you!

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