Πανεπιστήμιο Κύπρου
Innovation and Economic Growth

The Lefkosia Knowledge Region

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Outline

- Knowledge Regions: they do matter!!
- The Triple Helix: *universities-government-industry*
  - The nine factors of success
- Social Capital
- Human Capital
- Geography is not Dead
NICE ROUND THING!

I CAN SEE IT ALL. WHEELED TRANSPORT. FASTER THAN SOUND MACHINES. CIRCULAR HINTY SWEETS WITH A HOLE IN

UG WAS TO REGRET NOT SEEING THE POTENTIAL.
"First, you'll need to issue an IPO for 'wheels'."
Knowledge Regions

- **Ideas** have economic power

- **Means of production:**
  - Capital, natural resources, labor
  - Knowledge and innovation, coupled with favorable local conditions

- **High value added from innovation**

- **CER (14 Feb. 2007):** decline of manufacturing

- **PWC (18 Feb. 2007):** risk to tourism sector
Knowledge Regions

- The end of manufacturing is unavoidable? Think “The Third Italy”
- Tex Control
- Fabrica
Knowledge Regions

Knowledge – Innovation – Economic growth

Knowledge workers

Sticky business

Knowledge Regions

Knowledge regions, European Parliament, 2003
Knowledge regions, FP7, European Commission, 2007
The Lefkosia Knowledge Region

- University of Cyprus
- Open University
- Cyprus Institute
- Cyprus International Institute (Harvard)
- Cyprus Institute of Genetics
- Agricultural Research Center
- Private Universities

- 1300 researchers
- 100 million CYP p.a.
The Lefkosia Knowledge Region

- 750 million Euro from FP7
- Participate in EU initiatives
  - Renewable energy sources
    - 6% today
    - 20% by 2020
- Attractors of human capital
The Triple Helix
Factors of success for knowledge regions

- Innovative sectors of economic activity
- Strong forces of innovation in all organizations
- Appreciation of a culture of knowledge
- Free flow of information
- Significant support for creative activities
- Strong ties between the arts and culture, with scientific and technological knowledge
- Significant percentage of the work force engaged in innovative activities
- Active participation of citizens in shaping the urban environment and its special character
- Abundance of places and activities appreciated by knowledge workers
Social Capital

- Strong ties among members and organizations of a society based on a set of common values that promote collaboration:
  - Honesty
  - Keeping promises
  - Reliability in performing duties
  - Professionalism
  - Reciprocity
Social Capital: Constructive or Destructive

- Economic value added
- Free flow of information
- Based more on habits and less on logic

- “Rousfeti” (nepotism), Mafia

Government role:

- Do not reward small groups with large internal social capital
- Create a stable environment
- Do not interfere with civil society and the private sector
- Education preserves and increases social capital
Social Capital: Preservation and creation

Education:

Humanistic AND Technocratic
Human Capital

• Cities of the industrial age:
  – Cost effective production of products and services
  – Access to natural resources or transportation hubs

• Cities of the innovation age
  – Critical mass of “knowledge workers”
  – Attract the supercore of the “creative class”

• Robert Lucas, Nobel Prize in Economics, 1995
• R. Florida (2005), Cities and the creative class
Human Capital
Attractors

- Austin, TX, Dublin in Ireland, West Jutland in DK,
- Route 128 in Boston, Silicon Valley in CA
- Brescia and Como in N. Italy
- Lefkosia?
Conclusions

• Vision: The Lefkosia Knowledge Region - let us go for it.
• Mission: We can do it.
• It is tough---so let us pull our sleeves up.

• Trust our institutions.
Conclusions

God, grant me the SERENITY to accept the things I cannot change, COURAGE to change the things I can, and WISDOM to know the difference.

Damn the torpedoes! Full speed ahead.