



Project n°: CIT5-028519

Project acronym: U-Know

Project title: Understanding the Relationship between Knowledge and Competitiveness in the Enlarging European Union

Instrument: Specific Targeted Research Project (STREP)

Thematic Priority: CITIZENS-2004-1.2.2 Understanding knowledge

**FIRST PERIODIC ACTIVITY REPORT (12 MONTHS)
- EXECUTIVE SUMMARY -**

Period covered: from 1 March 2006 to 28 February 2007

Date of preparation: 14 April 2007

Duration: 12 months

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Project coordinator organisation name: Halle Institute for Economic Research (IWH)

Revision: First draft



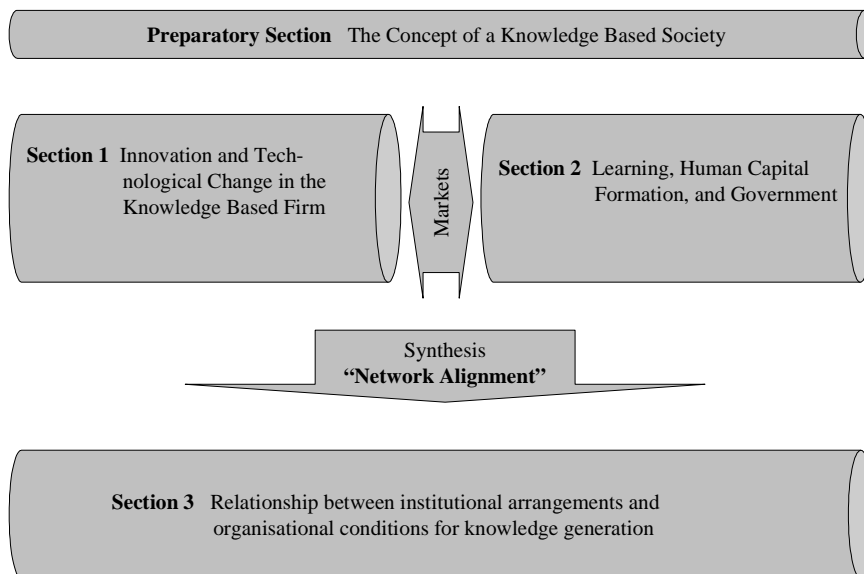
EXECUTIVE SUMMARY

PROJECT OBJECTIVES

The overarching research question, underlying the U-Know project, is to what extent are factors such as specific types of knowledge, institutional arrangements, organisational conditions, incentive systems, cognitive flexibility, as well as network alignment:

- a source of the public and private good properties of knowledge,
- fostering or hindering knowledge creation and use
- drivers or barriers to knowledge transfer and innovation
- and finally shaping new understandings of knowledge itself

The project focuses on the interrelatedness of the enterprise, public science/higher education, and governmental spheres. We apply the 'Network Alignment' approach as a tool to understand the role of knowledge for European competitiveness. Network alignment has arguably been a key ingredient for economic growth in some East Asian countries. Building on this experience, the research team undertakes comparative studies to identify missing, anti-developmental or mis-aligned networks in selected European economies as well as South Africa. Thereby, we take sectoral, regional, as well as economy wide perspectives. This constitutes a key underpinning for extensive policy development.



The overall structure of the project

The research is implemented by a three-year project (March 2006 to February 2009) involving thirteen participants from the EU and South Africa. The project is organised in three sections and twelve interdependent workpackages.

WORK PERFORMED DURING THE FIRST YEAR

The project started on 1 March 2006 with nine participating institutions involving in total some 30-40 researchers across the nations of the enlarged European Union. A web-site (<http://www.iwh-halle.de/projects/uknow/index.html>) was developed and published online to inform the greater public about the project, its objectives and its current status with publications, conferences, etc. Additionally, a flyer was designed to be disseminated to the scientific community at conferences and workshops and to the interested public (including enterprises, economic and business associations, public administrations). Finally, to enhance intra-project communication, a project intranet e-room was established that allows the exchange of preliminary versions of papers and a discussion platform for project coordination.

Terms of references

All researchers involved in the project started their topical collaboration by developing “terms of references” (TOR) spelling out in greater detail how to fulfil the research as planned and specified in Annex I. TORs were developed for each deliverable and their sub-sections planned in the workpackages (WPs) of section 1 and 2. The TORs additionally have the task to specify the terms of cooperation in deliverables across the nine participants of the original design of the project. The TORs were then sent out to all researchers and discussed at the first project Kick-off meeting in Halle/Germany in 7 – 8 March 2006. The finalised TORs are attached to this report in Annex 1.

Paradigms, Knowledge Concepts, and the Network Alignment Approach

Right from the start, the researchers from CEE (represented by Dietmar Paier), SPRU (represented by Nick von Tunzelmann), and NIFU-STEP (represented by Mark Knell) prepared outline papers and presentations of the theoretical framework that forms the philosophical basis of the U-Know project. Those were presented and discussed at the kick-off meeting. At this meeting, the workpackage leaders coordinated working sessions on cooperation and common research methods, all couched into the instrument of the TORs. Following the discussion of the presentations of the theoretical framework, Dietmar Paier coordinated the finalisation of those outline papers.

State-of-the-art reports

As suggested in the negotiations with the Commission, workpackages started their research by outlining the state-of-the-art in their respective fields. Following the kick-off meeting and in parallel with the finalisation of TORs, all researchers started collecting the most recent research available that would contribute to the field of their research in U-Know. The obvious idea of those is to make sure that research in U-Know would always contribute new insights and knowledge to the existing body of research. Those reports were presented and discussed in our second project meeting in Brighton in 8 – 10 November 2006, together with some of the first results of research and collaborative field work. This discussion was then included into the reports, so that all were finalised on time. Some of those reports are very large and some spell out the most important features of the academic discussion in their fields. In one case, the state-of-the-art reports for WP 1.1 (on innovation) and WP 1.2 (on technology transfer) were amalgamated. This follows the suggestion in the discussion that the project’s particular focus on foreign ownership in those two fields

justifies a combined states-of-the-art report that avoids redundancies. All those reports are attached to this activity report in Annex 2.

Inclusion of new partners from a third country with common interests

Only a few months after the project started, a representative of a group of four institutions in South Africa approached the coordinator to discuss the possibility of joining the U-Know project via the Commission's TTC-call. This was developed into a full proposal which was successful and led to an amendment of the contract in October 2006 and the inclusion of four new participants from January 2007. Researchers in this group embedded their own TORs into the existing research structure in close collaboration with the workpackage and section leaders. This enlargement of the consortium provides a very welcomed opportunity to complement the projects' research agenda with a perspective from South Africa as an emerging economy outside the EU. This is likely to enrich the academic discussion with regard to knowledge in a more developmental approach but also feeds into differentiated policy directions of importance to the EU as well as South Africa.

THE CONSORTIUM AND THEIR CONTACT PERSON

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Results achieved so far

During the first year, the researchers have been acquainted with the overarching theoretical work that forms the underlying the U-know project in the preparatory workpackage. Outline papers of the underlying analytical concepts have been prepared after the closure of the kick-off-meeting. Having established a common

starting point, research activities in each workpackage have been further detailed and coordinated by developing terms of references. Soon thereafter researchers started to compile comprehensive state-of-the-art reports (see each workpackage in section 1 and 2). This extensive review process generated the basis for first steps into the empirical analysis as well as the design and implementation of fieldwork generate primary data not yet available (WP 1.2, WP2.2, WP 3.4). With respect to the management of the project, the large and heterogeneous consortium managed to plan and conduct their research in a cooperative manner. This management and cooperation facilitated that all deliverables have been finalised and submitted on time within the reporting period. Furthermore, researcher were able to engage in dissemination of new knowledge generated in the project to the academic community in form of scientific publications and conferences as well as to the policy community via workshops and meetings.