



Dear KEN Members,

Welcome to the September issue – hope you had a nice summer, now being ready to develop new ideas and projects. Surely, some of these could be influenced by your involvement in Knowledge Economy Network.

What happened after the Forum in Maribor on 6-7 June?

On 7th of June the first KEN General Meeting took place in Maribor and adopted the Statutes, House Rules, Programme of Activities 2011-2012, and appointed dr.Giorgio Perini (FVG – Italy) as the first Honorary Member of the Network.

Also the International Advisory Board met the first time later that day and next morning. Members elected Prof.dr.Howard Alper (Canada) as Chairman, and produced a series of strategically important ideas for the development of KEN as a global Network.

On 20-21 June a seminar was organized with Blagoevgrad municipality in Bulgaria, a member of KEN, addressing issues of engaging EU funds for regional development.

In July KEN Secretariat has been approached by the Formula Europe Institute in Brussels, which is working on a European System for Strategic Planning Capacity Assessment and certification. Unlike in US and Canada, in Europe there is no standard certification system for people involved with development projects particularly in regions and cities. Recognizing the importance of this initiative, KEN Secretariat joined the Institute and the associated member of KEN the European Association of Regional Development Agencies, EURADA in launching the ESCAP Initiative, inviting many potentially interested and willing entities and individuals to make a joint effort. Members of KEN will be informed about the progress of this initiative.

Here in the Secretariat we are currently focusing on the following four priorities:

- (1) Building membership base;
- (2) Developing Expertize Matrix;
- (3) Developing the 2012 KEN Award; and
- (4) Starting to negotiate with partners organizing KEN-2012 Workshops.

In July a KEN Presentation Brochure entitled »The Global Pursuit of Knowledge Economy« has been printed, and it will be sent to organisations responding to our mailing invitation going out this month. Before the real membership campaign has started we have 46 members, and before the end of the year we hope to dou-



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ble this number – while at the end of 2012 we wish to achieve 200. But let us emphasize, we look more for quality than quantity!

On this basis the Expertize Matrix – which we are currently developing – will reflect the strength of KEN membership, and will allow you to promote your specific expertise in various aspects of knowledge economy. Before the end of the year you will be invited to provide the information for the Matrix and early in 2012 it should become operational.

As announced at Maribor Forum the 2012 KEN Award for Good Practice in all four of our domains: education and training, research & development, innovation, and entrepreneurship, is going to be publicly announced already in January, so as to enable a wide response and good selection of winners.

During next Spring some 5-6 KEN workshops are to be organized with respective KEN Partners in vari-

ous countries. Consistent with the title of KEN-2012 Forum »Developing Knowledge Economy through Partnerships« all of the workshops will address the issue of partnership, be it between cultures, between business and academia, between generations, between venture investors and entrepreneurs, or elsewhere. By end-October you will be informed about the workshops to be organized, and you will be invited to participate at those interesting for you. Traditionally, the Secretariat prepares for the workshops all necessary documentation (bibliography, analytical compendium, and draft-recommendations), while the Partner organisation covers the respective costs, and thereby becomes one of the co-organisers of the KEN Forum for the respective year.

Dr. Boris Cizelj

Editor



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Knowledge Economy Developments

News in Brief

Top European corporate R&D investors set to increase innovation efforts by 5% a year

Top R&D investing companies based in the EU expect their global research and development (R&D) investments to grow by 5% annually from 2011 to 2013. This is more than double last year's expectations, and represents a significant upturn from the 2.6% R&D cuts in investment implemented by these companies in 2009. The companies surveyed also revealed that an average of 27% of their annual sales comes from innovative products introduced in the past three years, demonstrating again that innovation is the key to commercial success and to job creation. These figures were published in sixth EU Survey on R&D Investment Business Trends, a survey of the R&D investment expectations of the 1000 European companies which invest most in R&D. Companies surveyed expect their R&D investment inside the EU to grow 3% a year over the next three years. Although this rate is lower than the growth expected for their R&D investment in other world regions, the companies still expect to locate 75% of their investments in the EU. They expect to make the largest percentage increases in R&D investment in China (25%), Japan (17%), other European countries (8%), India (8%) and the US and Canada (5%).

More:

[The 2010 Survey on R&D Investment Business Trends](#)

and

[The EU Industrial Research and Innovation web page](#)

The EU requests WTO consultations with Canada over Ontario's renewable energy policy

The European Union has decided to request WTO consultations with Canada regarding the renewable energy policy of one of its provinces, Ontario, which provides subsidies to producers of renewable energy provided they use domestic technology. This is in clear breach of the WTO rules that prohibit linking subsidies to the use of domestic products, EU Commission says. Exports from the EU into Canada in wind power and photovoltaic power generation equipment are significant, ranging from 300 to 600 million € in 2007-2009. Japan has already initiated WTO dispute settlement in respect of Ontario's measures.

More:

[EU Commission's announcement](#)

Fast tracking patents for green technology

The Australian Government decided to help green innovators find a fast track to the marketplace by offering priority to environmentally friendly technologies in the patent application system. This initiative will provide speedy access to Australia's intellectual property system and help businesses protect their valuable assets, the government says. Patent applications can currently take more than a year to process. Accelerating the examination process could reduce the waiting time for applications to between four and eight weeks. Furthermore, fast-tracking the application involves no additional fee.

More:

[The announcement](#)

and



[The examination process](#)

Feminine entrepreneurship in Switzerland: specificities and differences

The Global Entrepreneurship Monitor (GEM), a not-for-profit academic research consortium, published its annual report which mentions in particular a difference between feminine and masculine entrepreneurship. According to these results, the typical profile of the woman entrepreneur differs from that of the man entrepreneur. In Switzerland, those differences can be situated at three levels. In the first place, a natural difference of the feminine entrepreneurship at the level of activities (service activities, low added value, low potential of job creation). Secondly, a difference of motivation / commitment (part-time work, start-up funds available, skills, received opportunities, a fear of the failure) Thirdly, a difference at the level of insertion (revealing the importance of the network, access to financing, access to structures of encouragement).

More:

[The Report](#)

The European Institute of Innovation and Technology (EIT) should play a distinctive role in 'Horizon 2020', the future EU Programme for Research and Innovation

The EIT should play a distinctive role in 'Horizon 2020', the future EU Programme for Research and Innovation, and forge closer links with other European and national efforts, is the result of a public consultation to which nearly 200 organisations and individuals responded. A majority of respondents praised the way in which the EIT ensures the participation of businesses in its work and urged the Institute to step up its outreach activities. The consultation will feed into a 'strategic innovation agenda' for the EIT which the European Commission is due to propose by the end of this year. Participants consider it equally important to consolidate the ac-

tivities of the EIT and its Knowledge and Innovation Communities (KICs), a pioneering form of cross-border public-private partnerships, by providing tangible results and concrete benefits to society. Currently, there are three Knowledge and Innovation Communities focusing on climate change, sustainable energy and information and communication technologies. Regarding the creation of new KICs, the themes respondents found most relevant were health/ageing (81%), and sustainable cities/mobility (77%). They say that the new KICs should be aligned with the priorities of the forthcoming EU strategy for research and innovation, bring about sustainable and systematic impact, and achieve a critical mass of excellent education, research and innovation stakeholders.

More:

[Report of the Public consultation](#)

and

[The Horizon 2020 web page](#)

and

[The EIT website](#)

Government of Canada will provide funds for promoting science and engineering to young Canadians

Government of Canada will provide \$2.9 million over three years to 58 organizations promoting science and engineering to young Canadians. The funding is provided through the Natural Sciences and Engineering Research Council of Canada's (NSERC) PromoScience Program. This program supports a hands-on learning experience for young students and their science teachers. The recipient organizations include universities, non-governmental organizations, museums, science centres and other groups. NSERC, a federal agency, supports some 30,000 post-secondary students and post-doctoral fellows in their advanced studies. NSERC promotes discovery by funding more than 12,000



professors every year and fosters innovation by encouraging more than 1,500 Canadian companies to participate and invest in post-secondary research projects.

More:

[NSERC](#)

The Government of Canada announced new funding in researchers and universities

The Government of Canada announced new funding in researchers and universities across Canada. The Canada Foundation for Innovation, created by the Government of Canada in 199, will invest \$53 million to create the knowledge, solutions and new products and services that Canada needs to compete globally. This investment, made under the Canada Foundation for Innovation's Leaders Opportunity Fund (LOF), will support 207 projects at 42 Canadian research institutions across Canada. Some of the projects being supported through this latest round of LOF funding are Severe weather research helps prevent the loss of life and injury, Isolated social media generation faces mental health issues, Smart materials help municipalities extend the life of public infrastructure, Healthy aging – There is much more to good quality sleep than a good night's sleep and Nurturing premature babies to ensure better health outcomes.

More:

[Announcement](#)

Consultation on the European Research Area

The European Commission has launched a public consultation to find out how the European research environment can be radically improved. The goal is to achieve the European Research Area (ERA) by 2014, creating a genuine single market for knowledge, research and innovation. This will enable researchers, research institutions and businesses to circulate, compete, and co-operate across borders,

increasing growth potential, the Commission says. The consultation runs until 30 November 2011. Some of the questions the European Commission wants to tackle are: are researchers looking for new opportunities, but finding themselves locked behind national borders; are scientists in need of new research infrastructures to perform and test ideas; does the research community need more opportunities to share views, realise new projects and create new products and services?

More:

[The consultation document](#)

and

[The consultation webpage](#)

OECD Report on education trends worldwide was published

The 2011 »Education at a Glance« report, which gathers comparable statistical data on access to education, investment in education, student-teacher ratios, teaching hours and graduation rates, was published. On average across OECD countries, 37% of 25-34 year-olds have completed university-level education. Korea, Canada and Japan are in the lead, along with the Russian Federation, all with more than 50% of 25-34 year olds with tertiary qualifications. Among people with a tertiary level of education, unemployment rates have stayed at or below 4% on average across OECD countries during the recession, study says. For those who failed to complete upper secondary education, by contrast, unemployment rates have repeatedly exceeded 12%. More students are looking beyond their home countries for university education, the collected data show. In 2009, the last year for which complete figures are available, more than 3.7 million tertiary students were enrolled outside their country of citizenship, an increase of 77% from 2000. Europe urgently needs to address the social dimension of higher education more forcefully and coherently, particularly in view of the economic downturn. This



is the conclusion of a new Commission report looking at national policies on access to higher education, funding and student support.

More:

[The Highlights of the report](#)

and

[The OECD report](#)

and

[The EU Commission report](#)

The ERC awards €670 million to 480 emerging research leaders

The European Research Council (ERC) is supporting some 480 early-career researchers over the coming five years with grants worth up to €2 million each. In this fourth 'ERC Starting Grant' competition, just over €670 million is allocated to top talent to carry out their pioneering research in any domain throughout Europe. The number of applications increased by 42% compared to last year. The projects selected cover a wide variety of topics: from studying the exceptional properties of biological nano-materials to the health impact of exposure to traffic noise and the role of economic media in financial crises. The European Research Council (ERC) is in charge of the newest, pioneering component of the EU's Seventh Research Framework Programme (the "Ideas" specific programme) and has a total budget of €7.5 billion (2007-2013). Set up on the initiative of the European Commission in 2007, the ERC aims to stimulate scientific excellence in Europe by supporting and encouraging the best creative scientists, scholars and engineers of any nationality in any field of research, to work in European host institutions.

More:

[List of all selected researchers by country](#)

and

[List of selected researchers Social Sciences and Humanities](#)

and

[List of selected researchers Life Sciences](#)

and

[List of selected researchers Physical Sciences and Engineering](#)

and

[Starting Grant call 2011](#)

The health of men in Europe

A report published by the European Commission puts the spotlight on the health of men in Europe. Its purpose is to inform policy makers, health professionals, academics and the wider population of the health challenges men face. The report provides a comprehensive overview of the state of men's health across 34 countries. It analyses conditions that specifically affect men, as well as how universal challenges such as cancer, cardiovascular diseases, tobacco and alcohol impact on men's health. Patterns emerging from the data show large disparities in men's health outcomes between and within European countries. This variability demonstrates that men's health disadvantage is not a biological inevitability. The report leads to the conclusion that the high level of preventable illness and death amongst men can be addressed by targeted action.

More:

[The Report](#)

EU funded research helps astronomers

A groundbreaking technique to produce real-time, high-resolution images of distant galaxies has been developed by astronomers thanks to EU-funding.



Radio telescopes around the world can now simultaneously observe the most remote objects in the universe and create high resolution images – a level of detail equivalent to identifying a football on the moon. The technique, called Electronic Very Long Baseline Interferometry (e-VLBI), helps to reveal clues on how galaxies are formed by allowing astronomers to receive and process data in near real-time as an experiment is running, thanks to high speed optical networks. This allows multiple radio telescopes throughout the world to work together to simulate one giant telescope. This not only improves the quality of observation results but also helps to maximise the return on investment in radio telescopes. Two high- capacity electronic communications networks projects, EXPReS and NEXPReS, which have received €7.4 million in EU funding, are supporting the development and use of e-VLBI astronomy.

More:

[The EXPReS project](#)

and

[The NEXPReS project](#)

and

[The e-Infrastructures](#)

EU funded project aims to make self-service terminals more accessible for all

An EU-funded project is aiming to make self-service terminals, such as public transport ticket vending machines or public information kiosks and cash dispensers, more accessible for the one in six Europeans who have a disability or the 87 million Europeans aged 65 and over. According to an EU study, only 38% of bank cash machines (automated teller machines or ATMs) across the EU provide voice capabilities to customers with disabilities, far behind the US (61%) and Canada (nearly all ATMs). The European Commission is contributing €3.41 million, half of the overall budget, to the »APSiS4All«

project which aims to design and validate personalised interfaces, including contactless cards, to help overcome existing accessibility barriers. Trials begin in cash dispensers in Barcelona, Spain from September 2011 and at ticket vending machines in Paderborn, Germany from January 2012, and will run for three years.

More:

[The APSiS4All project](#)

Joint Programming Initiative on ageing populations in research areas

The main message of a Recommendation adopted by the EU Commission entitled »More years, better lives - the potential and challenges of demographic change« is to develop and pursue a common vision on how to coordinate research at EU level in the field of ageing. The Recommendation urges Member States to participate in a Joint Programming Initiative on ageing populations in research areas such as how to retain people in the labour market, how to help older people remain active for as long as possible, in good health and with a better quality of life and how to make our future care systems sustainable. The initiative complements ageing related research activities in the Seventh Framework Programme (FP7), the Ambient Assisted Living Joint Programme and the Competitiveness and Innovation Programme. The European Commission will provide financial support for the coordination of the initiative; which is expected to start delivering concrete results after 2012, such as science based recommendations for adapting pension systems based not only on age, as is currently the case, but on people's capacity to work. The initiative is led by the German Ministry for Research and Education. Twelve additional countries have agreed to participate so far (Austria, Denmark, Finland, France, Italy, The Netherlands, Poland, Spain, Sweden, Switzerland, Turkey and the UK) and three countries are observers (Belgium, Ireland, Norway).



More:

[The initiative web page](#)

and

[Commission's recommendations](#)

and

[Pilot European Innovation Partnership on Active and Healthy Ageing](#)

and

[Programme FP7](#)

and

[Ambient Assisted Living Joint Programme](#)

and

[Competitiveness and Innovation Framework Programme](#)

First EU sustainability schemes for biofuels approved

The sustainability of biofuels used in EU needs to be checked by Member States or through voluntary schemes which have been approved by the European Commission. The Commission already recognised seven such voluntary schemes: ISCC, Bonsucro EU, RTRS EU RED, RSB EU RED, 2BSvs, RSBA, and Greenergy. This recognition applies directly in 27 EU Member States. Such a scheme verifies where and how the biofuels are produced. If the rules of the voluntary scheme have been met, the scheme can issue a certificate for that product.

More:

[Web page Sustainability schemes for biofuels](#)

The Commission and the Inter-American Development Bank team up on economic and social development in Latin America and the Caribbean

The European Commission and the Inter-American Development Bank (IDB) signed a Framework Agreement to expand cooperation between the two institutions on economic and social development in Latin America and the Caribbean. This is the first ever Framework Agreement to be signed by the Commission and a Regional Development Bank. This follows the Memorandum of Understanding which was signed on 19 November 2007. The Memorandum identified several areas of shared priority: social cohesion and poverty reduction; regional integration and trade development; renewable energies and energy efficiency; climate change; and collaboration on statistical information. The new agreement will establish the guidelines under which resources from the European Commission would be administered by the Inter-American Development Bank.

More:

[Memorandum of understanding](#)

and

[The Framework Agreement](#)

A proposal for new Europe-wide preservation order to ease the recovery of cross-border debts

Procedures for recovering debts from another country's jurisdiction are complex, multiplying the costs for businesses that wish to trade across EU borders, EU Commission says. Typical problems range from differences in national law to the costs of hiring an additional lawyer and translating documents. Individuals face similar difficulties when seeking to get their money back from a rogue trader or maintenance defaulter in another EU country. New legislative initiative aims to facilitate these cross-border claims. It will allow creditors to preserve funds in bank accounts under the same conditions in all Member States of the EU. There will be no change to the national systems for preserving funds. The Commission is simply adding a European procedure that creditors can choose to use to recover claims



abroad in other EU countries. The European Account Preservation Order will be available to the creditor as an alternative to instruments existing under national law.

More:

[The proposal](#)

European Commission to present list of health claims by the end of the year

The European Commission will present by the end of the year a list of permitted health claims on food products for all substances other than the so-called “botanicals,” after the European Food Safety Authority (EFSA) published a sixth and final set of opinions on the matter. At the beginning of the process, the Member States submitted, in total, to the Commission more than 44,000 health claims. The Commission consolidated these into a list of approximately 4,600. The six sets of opinions published by EFSA cover about 2,760 health claims of the approximately 4,600 submitted for scientific advice (1550 claims on “botanicals” have been placed on hold by the Commission).

More:

[Health claims web page](#)

European Commission moves to support take-up of e-procurement

The European Commission announced a series of measures to boost the take-up of e-procurement in the EU. E-procurement is the use of electronic communications and transaction processing by governments and other public sector organisations when buying supplies and services or tendering public works.

More:

[Green Paper on expanding the use of e-Procurement in the EU](#)

and

[Evaluation Report](#)

and

[Summary of the responses to the Green Paper](#)

Online database on unfair commercial practices

An online database to make legal data on unfair commercial practices publicly is now available. The website provides an overview of national laws transposing the Directive 2005/29/EC, jurisprudence, administrative decisions and references to relevant literature. EU legislation on unfair commercial practices aims at facilitating cross-border trade by creating a single set of rules in the field.

More:

[Web page of The database](#)

EU funds new research project to respond to unexpected epidemic threats such as E.coli

The European Commission has decided to allocate an additional €12 million from the EU’s Research Framework Programme to reinforce Europe’s capacity for tackling pathogens like the virulent Escherichia coli (E.coli) bacteria that recently infected close to 4,000 people in Europe and killed 46. This autumn, a cross-border consortium called ANTI-GONE will start work on research aimed at getting as full a scientific picture as possible of the new E. coli strain – to which approximately €2.1 million will be specifically dedicated - and of a range of other virulent pathogens that could pose a threat to human health. By better understanding these pathogens, scientists can go on to develop ways to tackle them - the research will focus on ways to prevent future epidemics and deal with new outbreaks. The consortium will work in close collaboration with another project selected for funding earlier, PREDEM-ICS.



More:

[Announcement of the EU](#)

The European Corporate Governance Report 2011 is published

In the European Corporate Governance Report 2011 we can read, that despite rigorous efforts to raise governance standards, insufficient attention has been paid to the behavioural as opposed to the technical challenges in boardrooms, such as the evolving role and required style of an effective chairman, team dynamics, optimising delicate and complex relationships (especially as between the independent and executive directors), enhancing diversity and above all, the creation of a positive and thriving culture in the boardroom. It is for this reason that 2011 report draws upon the insights of a wider group of European opinion leaders, to explore these challenges, as well as continuing to provide an update on progress in the structural / process aspects of governance.

More:

[The Report](#)

Qatar Foundation for Education, Science and Community Development (QF) will hold its second edition of the annual research forum entitled the Globalization of Research.

The forum reviews the latest researches done in the State of Qatar and how they may benefit the country as well as developing countries too. A QF press statement said that the title of this year's edition was inspired from Sheikha Moza bint Nasser speech in the first edition where she said it was time to acknowledge globalization exists in the field of research.

Participating in this year's forum are Noble Prize winners, international policy makers, students and scientists from the most prestigious research institutions from around the globe. The forum takes

place from November 20-22, 2011.

More:

[Further information](#)

and

[More about the Qatar Foundation](#)

A guide to Venture Philanthropy for Venture capital and private equity investors

The new EVPA Knowledge Centre publication »A guide to Venture Philanthropy for Venture capital and private equity investors« explores three possible models of venture philanthropy engagement for private equity firms, ranging from direct support of Social Purpose Organisations, investing or co-investing in a Venture Philanthropy Organisation (VPO) to establishing a separate VPO. The paper identifies a number of motives for private equity firms to become involved in venture philanthropy, including the desire to give back to their communities, to help employees develop skills such as judgement, resilience and social competences, and establishing them as a positive social actor.

More:

[The webpage with the publication](#)

Few Indian universities in QS World University Rankings

Indian universities have fared modestly in the 2011-12 QS World University Rankings.

No Indian university figured among the top 200 universities in the world by academic reputation, which accounts for 40 per cent marks in the rankings. IIT Bombay, which has figured on 187th rank last year, has slipped to 225th position. This highlights the poor perception of Indian universities' research performance and capabilities.

However, four Indian universities were ranked



among the top 100 by employers. Employers' ranking, which carries 10 per cent marks in QS rankings, is a measure of the perception of skills imparted by a university.

More:

[Further information](#)

and

[More about QS World University Rankings](#)

India to topple Japan as world's 3rd-largest economy

India might become the world's third largest economy in 2011 by overtaking Japan in terms of gross domestic product (GDP) measured according to the

domestic purchasing power of the rupee, otherwise called purchasing power parity.

India is now the fourth-largest economy behind the US, China and Japan. Numbers from 2010 show that the Japanese economy was worth \$4.31 trillion, with India snapping at its heels at \$4.06 trillion. But after March's devastating tsunami and earthquakes, Japan's economy is widely expected to contract while India's economy will grow between 7% and 8% this fiscal. "India should overtake Japan in 2011 to become the third-largest economy in the world at purchasing power parity," said Sunil Sinha, head of research and senior economist at Crisil.

More:

[Further information](#)



Recently published documents

To access any of the following publications, simply click on the title or cover page of the publication. Additional September 2011 publications can be found on [the KEN website](#).

Supporting sustainable, competitive and secure energy in Europe



The EU and China's engagement in Africa



ICT for Societal Challenges



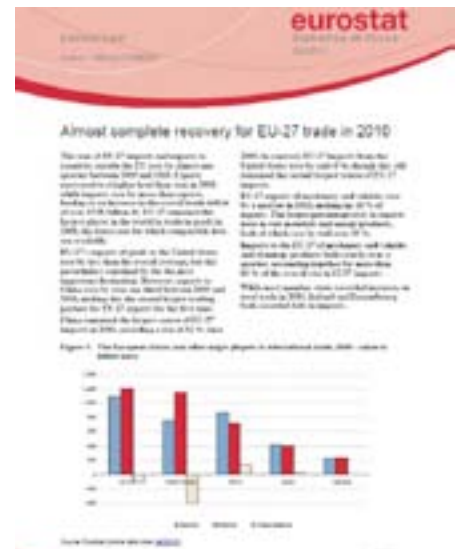
The territorial dimension of environmental sustainability



Industrial relations in Europe 2010



Almost complete recovery for EU-27 trade in 2010





INNOVATION: How Europe can take off



Partial sovereign bond insurance by the eurozone: A more efficient alternative to blue (Euro-)bonds



Slower growth in China. How much of a drag on the global economy?



Germany: No longer the island of the blessed



Improving Access and Quality in the Indian Education System



Can India Achieve Double-digit growth?





European Corporate Governance Report 2011: Challenging board performance



Global Innovation Index 2011



Innovation, Competitiveness, and Growth: Korean Experiences



Australian Innovation System Report 2011



The African Manifesto for Science, Technology and Innovation



Game 2012 Changers: Ideas, Innovation, Inspiration





Articles on Key Topics

Norway-Denmark-Greenland: geopolitics of the Polar circle and Spitsbergen in view of the potential of new logistics and energy sources

Written by Thomas Friis Konst, KEN Vice Chairman

Introduction

As announced earlier in the Bulletin, Thomas Friis Konst - the Vice-Chair of the Network - will present a series of three articles concerning the Arctic area round the North Pole. This is following his recent visit in the Ice Sea, as he did consistently for the last 25 years. The trip in August included also a visit to the "Arctic Capital", the Norwegian city of Tromsø. This included a visit at the FRAM Center where among others the Norwegian Polar Institute is situated.

The recent interest in this large geo-political area is related to the melting of the ice. This makes it possible to use a short maritime route from Europe directly to Asia via Siberia in Russia. Moreover, the latest indications of huge energy and other resources on- and off-shore make it hugely important particularly in the time of economic crisis and diminishing energy supplies. Ongoing research indicates also presence of other marine resources which may be of interest on the longer term.

This issue is related to Norway and Denmark, once a joint kingdom with large influence in the Baltic Sea and in the high North near by the Russian border. Today Norway has a solid economy mainly based upon the huge oil and gas production the latest decennia's. Lately there are indications that the surface which belongs to Norway in the Arctic area also contains valuable energy sources. As Denmark has the formal jurisdiction over Greenland they are direct partners in this new geo-political situation.



Illustration A

Moreover, some Chinese interests are negotiating with Iceland over the purchase of a huge area of land since the Chinese billionaire Huang Nubo is planning a huge investment at the island.

Recently professor Lawrence C. Smith from US published a book where he indicates how the power balance will change due to the climate change and demand for more energy sources. He predicts a new role and future challenges for Norway. Read more about it at www.geog.ucla.edu

Senior Advisor at the Norwegian Polar Institute in Tromsø, Sebastian Gerland, underlines that the environmental changes around the North Pole are significant and that a lot of research is still to be done. Moreover, it is rather difficult to predict the clear future due to rather short time period of scientific measuring of the ice layers and related issues. Read



more about it at www.framsentret.no.

The historical background

The Dutch played an important role in discovering new parts of the world in the 16th century. With their intensive trade and activities in their colonies worldwide, they were looking for new maritime routes to Asia also via the so called “North East passage”. In this context the marine explorer Willem Barents went already with his first expedition to the North in 1587. Later in that period the Dutch whaling station in Smerenburg at Spitsbergen was a lively village with thousands of residents. During an attempt to get through the new seaway Willem Barentsz stranded in the ice in the winter of 1597 and died there.



Illustration B

Source: Willem Barentsz (d. 1597): *Deliniatio cartæ trium navigationum etc.* (414 x 563). Drawn by Barentsz, and adapted and published by Cornelis Claeszoon of The Hague 1599. <http://www.ub.uio.no/northernlights/images/map06d.jpg>

The Netherlands were not alone to have these geo political interests at the time. The combined kingdom of Denmark and Norway also had significant interests in the ice-free ports next to Russia. King Christian IV of Denmark travelled with a convoy in 1599 to inspect the new fortifications at Vardö and to proclaim the taxation interest of the area which

was of high importance for Sweden as a upcoming actor in Northern Europe.

Also the famous Danish admiral Jens Munk played an important role in the new strategies . He travelled several times to the North in order to find a new way westwards. However, he lost his way and ended up more at Nova Scotia, and had to sail back to Denmark in 1620 via the Atlantic Ocean, which was considered a great triumph. The Jens Munk Island in Canada is renamed after him.

Later on, 1910-20, the Norwegian hero Roald Amundsen who was the first person to reach both the North and the South Poles. Read more about it at www.roaldamundsen.no.

The famous Norwegian researcher Fridtjof Nansen did several discoveries in the North and later at the South Pole. Here fore he was decorated with the Nobel Price in 1922 for his input and initiatives in the society. In 2011 two anniversaries with great significance for Norway coincide: it is 150 years since the birth of Fridtjof Nansen, and 100 years since Roald Amundsen, accompanied by four of his man, arrived as the first to the South Pole. Read more about it at www.fni.no.

Norway and Spitsbergen with new energy sources

Based on the centuries long tradition the sovereignty of Spitsbergen was documented in 1921. This area was rich of coal and the production of coal is still going on today. The administration on the island group is done from Longyarbyen where the “sysselemand” (governor) is headquartered. Spitsbergen has been more and more in focus the last years due to increasing tourism which also demands more environmental and administrative regulations. The Store Norske Spitsbergen Kull Company has last month purchased a huge area of extra land at Spitsbergen due to indication of gold resources there. Read more about it at www.spitsbergen-svalbard.nl.

After new discoveries of oil and gas reserves above the Polar Circle a long and intensive political debate



has been going on concerning the environmental and social impact of the future operations. Moreover, the last field which was discovered is called “Skrugard” and the first estimation of its value is above 12-13 billion Euro. In the three most Northern counties of Norway, including Spitsbergen, the total population is not more than approximately 270,000 inhabitants.

In relation to recent reforms within the Norwegian defense policy several operational units have been moved more North wards, like the F-16 service-base which is now located in Bodö, in the county of Nordland. This deployments are interpreted as a manifestation of increased awareness by the national authorities concerning the new and challenging development in the Northern part of the country. Parallel with this the bilateral discussions with Russia concerning the dividing line in the Barents Sea has finally come to an end after more than 40 years of negotiations.

The bilateral relations with Russia are, as mentioned above, based on a long tradition for the Norwegian actors in this area. The North Center in Bodö, founded three years ago, has among others a joint MBA degree with the University of Moscow, the program is called NAREC. Read more about it at www.narec.no.

The official inauguration of the center in Bodö was done by the Norwegian Minister of Foreign Affairs, Mr. Stein Gahr Störe. North of Bodö, in the city of Tromsö, the well known Norwegian Polar Institute is situated where important research and observations are done since a long time. During a recent visit Mr. Gunnar Sander, Senior Advisor, stated that it will take some time before the North East Passage is open for regular transit traffic. The recent vessels can be seen as destination traffic with goods into and out of the area, and not as regular one way transit through the passage. Read more about it at www.npolar.no.

Gunnar Sander also mentioned that the City of Tromsö is carrying its nick name as “The Arctic Capital”, thanks to the fact that the city has gained

several new actors which are involved in the Arctic and Antarctic matters. One of them is the Arctic Council, where representatives from all the 8 Arctic states have a seat. Read more about it at www.tromso.no.

Another institute in this respect is the Fridjof Nansen Institute in Oslo where the focus is more related to geo-political matters. In other words there is a significant environment of scientific and traditional interests in the Arctic and Antarctica area in Norway. Moreover, it is also obvious that there is a plenty of readiness to share this knowledge and to cooperate with other actors worldwide. Read more about it at www.fni.no.

The melting ice in the area makes it possible for the shipping routes to keep a longer distance from the onshore of Siberia which means less involvement of the Russian authorities. Several times the argument of problematic Russian administrative proceedings have been mentioned as a hindering factor for the opening of the new maritime route for regular traffic.

A representative of the Tschudi shipping company in Oslo recently stated that it will take some time before it will commercially viable to use the North East passage. The new shipping route has already had its debut by the M/S “Nordic Barents” which last year travelled with 41,000 ton iron from Narvik in Norway to a port in China. More recently the M/T “Galuga Sea” did the same with 210,000 ton of oil from Japan to Murmansk.



Source: New York Times Online



Within this context it is not only the maritime route which is receiving increasing interest. Also a new rail link between the ice-free port of Narvik in Norway to China is under investigation. The project is called N.E.W, - North East-West Freight Corridor, and will be presented in a later article here after a visit to the Futurum Institute in Narvik this autumn. Read more about it at www.futurum.no.

Denmark and Greenland within the EU context

By the decision of the international court in The Hague in 1927 Denmark got the formal jurisdiction over Greenland. As one can see on illustration A and B, the surface of Greenland, makes the island - together with Denmark - an important player in the area.

Like Spitsbergen which is mentioned above, Greenland has significant environmental issues to handle if new drilling activities will take place in the future. To a certain extend there have been several social problems among the inhabitants of Greenland. Denmark is at the moment the chair of the Arctic Council in the period 2009-11 where several actors within the society regularly meet. Commercial Danish interests are well represented in the above mentioned M/S "Nordic Barents" together with the Norwegian and Russian capital.

The Danish Ambassador to Norway, H E Mr. Hugo Östergaard Andersen, recently stated that the High North is not the Wild North. He stressed the future importance of the IMO, International Maritime Organization, in this respect. Peace, stability and cooperation seem to be key words in this context.

Like Norway, Denmark has several institutions which do research and observations in the North. One of them is the Danish Arctic Institute in Copenhagen. Read more about it at www.arktiskinstitut.dk.

The European Union and its Member States as partners in the North

The EU Ambassador to Norway, H E Mr. Janos Herman, has recently commented the new develop-

ments in the North with respect to the significant interests of the European Union. He says that Member states of the European Union have a long-standing tradition in exploration and research, notably concerning climate and environmental issues.

The upcoming 8th Framework Program for Research and Development will hopefully offer new opportunities for joint activities for the North. The EU and its member states are already involved in the Arctic environmental monitoring, research and assessment, and since several decades Norway and Iceland have the possibility to participate in the RTD framework programs. Besides that the EEA (European Economic Area) and Norway Grants offer interesting funds for cooperation also outside the European Union area.



EU member states like Sweden and Finland obvious have significant interests in the North, especially due to their long and traditional contribution to the so called "Nordkalotten" cooperation. This cooperation is not only scientific but also has a strong socio-cultural dimension, which has strengthened after the Second World War.

There are ongoing talks between Finish and Norwegian authorities in order to plan a new railway line between Kolari in Finland and the Lyngen fjord in Troms, Norway. The purpose of this transport line is to carry the iron from the Finish production area



to the ice-free port in Lyngen.

Besides the EU interests in the North worldwide operation actors are perfectly aware of this “new geopolitical” situation. Recently the President of the WNF, World Natural Fund, H M Crown Prince Willem-Alexander of the Netherlands, visited Greenland. A statement after his visit concluded that a joint effort worldwide should be achieved in order to explore the natural resources there, in the way to secure environmental and societal impact in the area.

Last month the CEO of a large Chinese investment group, Mr. Huang Nubo, announced their interest in purchasing a huge area of land on Iceland, a re-

quest which has been welcomed by the Icelandic authorities after struggling with economic problems. Mr. Huang Nubo who made his fortune in the real estate sector seems to have large scale plans for a luxury resort at the 300 km² land in the North East of the island for which he paid 70 million Euro. The reactions towards this strategic development has been seen by several as a movement of more geo-political character, as the actual land area is larger than the entire City of Amsterdam!

In the next issue of the KEN Bulletin you will read more about the US and Canada, as important players within the Arctic context.

Upcoming events

Below you will find a selection of the most pertinent events taking place in the coming months. For more events, please visit [our online interactive calendar](#).

September 2011

Launching 2012 SIRG - Regions for Active Ageing

Date: 21 September, 2011

Venue: Brussels, Belgium

[Further information](#)

4th European Conference: “Innovations in the Environmental Sector” (INES) Competence Models, E-Learning, Social Communities

Date: 21 September, 2011

Venue: Brussels, Belgium

[Further information](#)

European Conference: “Competence Modelling for the Water Sector”

Date: 21 September, 2011

Venue: Brussels, Belgium

[Further information](#)

Green, safe, cheap. Where next for EU energy policy?

Date: 21 September, 2011

Venue: Brussels, Belgium

[Further information](#)



Learning later in life – uncovering the potential of investing in an ageing workforce

Date: 21 – 22 September, 2011

Venue: Brussels, Belgium

[Further information](#)

Local steps towards Innovation Union

Date: 22 September, 2011

Venue: Brussels, Belgium

[Further information](#)

6th Dubrovnik Conference on Sustainable Development of Energy, Water and Environment Systems

Date: 25 – 29 September, 2011

Venue: Dubrovnik, Croatia

[Further information](#)

Information Day on Call 8 of FP7: Cloud Computing, Internet of Services and Advanced Software Engineering

Date: 27 September, 2011

Venue: Brussels Belgium

[Further information](#)

Advances in Business Education, Research and Practices

Date: 27 – 28 September 2011

Venue: Valleta, Malta

[Further information](#)

JRC Conference on “Scientific support for Food Security and Global Governance”

Date: 28 September 2011

Venue: Brussels, Belgian

[Further information](#)

Ethical Issues in FP7 Security Research – A practical approach

Date: 29 September, 2011

Venue: Brussels, Belgium

[Further information](#)

Infosession: Roadmap for a Resource efficient Europe

Date: 29 September, 2011

Venue: Brussels, Belgium

[Further information](#)

October 2011

Science for the environment - environment for society

Date: 5 – 6 October, 2011

Venue: Aarhus, Denmark

[Further information](#)

Making Progress and Economic Enhancement a Reality for SMEs: New Approaches Towards RTDI Programmes

Date: 6 October, 2011

Venue: Brussels, Belgium

[Further information](#)



Open Days 2011: Regions and cities delivering smart, sustainable and inclusive growth

Date: 10 – 13 October, 2011

Venue: Brussels, Belgium

[Further information](#)

European Innovation Summit 2011

Date: 10 – 13 October, 2011

Venue: Brussels, Belgium

[Further information](#)

ePractice Event: Addressing evolving needs for cross-border eGovernment services

Date: 11 October, 2011

Venue: Brussels, Belgium

[Further information](#)

Future and emerging technologies FP7 CALL 8 Information day

Date: 12 October, 2011

Venue: Brussels, Belgium

[Further information](#)

European Conference on Public Communication 2011

Date: 19 – 20 October, 2011

Venue: Brussels, Belgium

[Further information](#)

International Conference on Leadership, Technology, and Innovation Management

Date: 21 – 23 October, 2011

Venue: Antalya, Turkey

[Further information](#)

ePractice Event: Collaborative production of eGovernment services

Date: 27 October, 2011

Venue: Brussels, Belgium

[Further information](#)

Infoday Lifelong Learning Programme 2012

Date: 28 October, 2011

Venue: Brussels, Belgium

[Further information](#)

November 2011

5th European Conference “Competence Modeling for European HR and Policies: Bridging Business, Education, and Training” (COME-HR)

Date: 9 – 10 November, 2011

Venue: Brussels, Belgium

[Further information](#)

Knowledge Cities World Summit

Date: 14 – 17 November, 2011

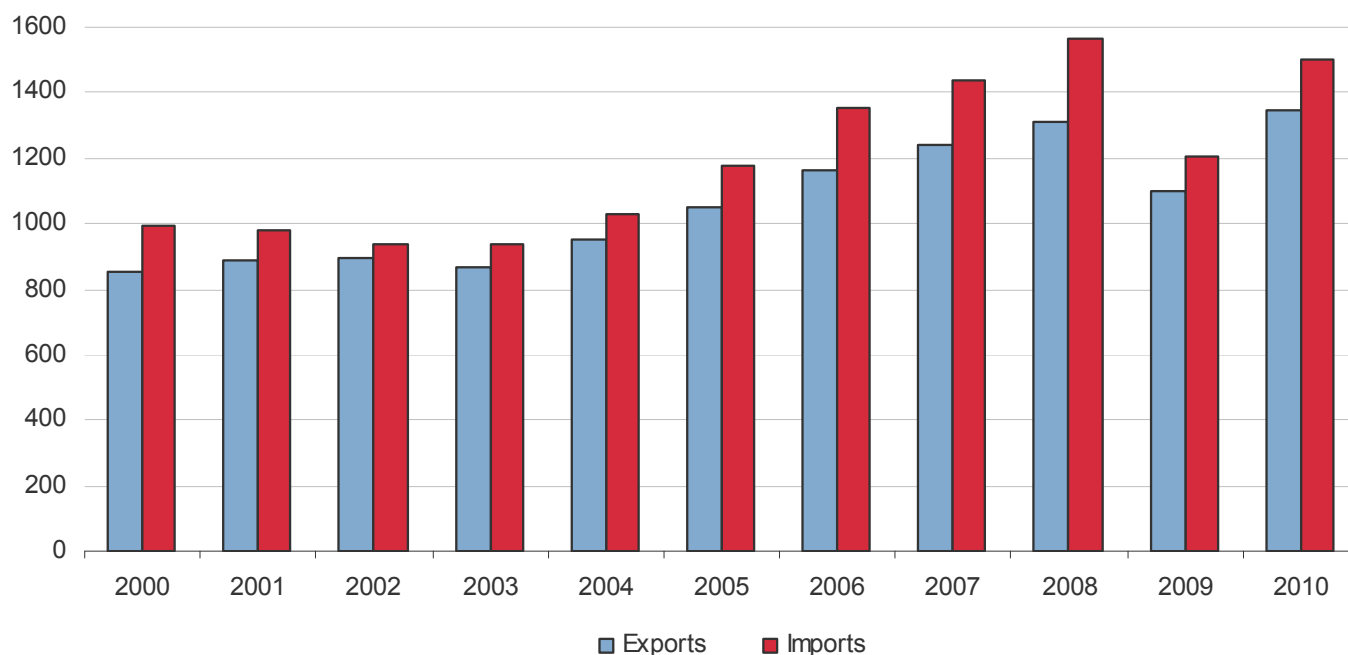
Venue: Holon and Galilee, Israel

[Further information](#)



Relevant indicators, statistics and graphs

Evolution of extra EU-27 trade, 2000-2010 - value in billion euro



Source: [Eurostat](#)

China became the EU-27's second largest export market for the first time

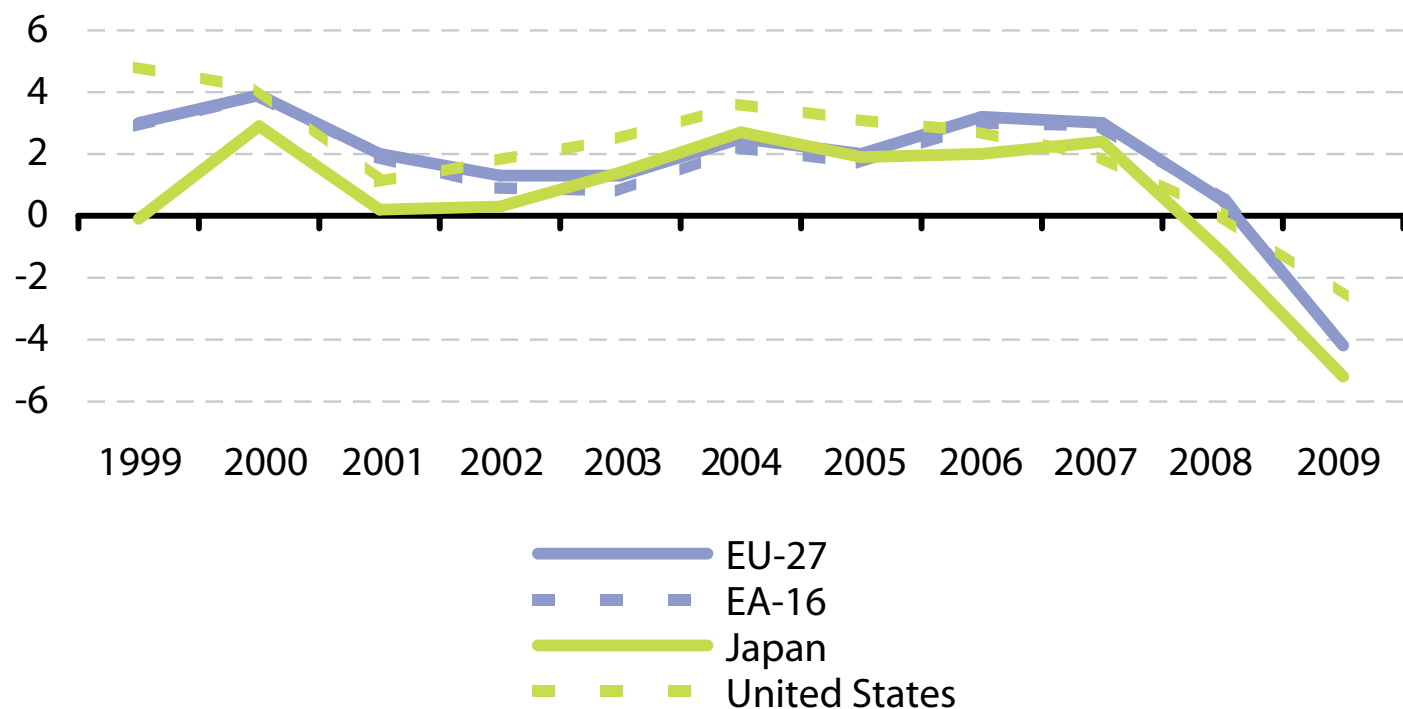
Extra EU-27 trade by main partners, 2008-2010 - value in billion euro

	Exports					Imports					Trade balance		
	2008	2009	2010	Growth 2009-2010	Share of extra-EU-27 exports 2010	2008	2009	2010	Growth 2009-2010	Share of extra-EU-27 imports 2010	2008	2009	2010
Extra EU-27	1 310	1 097	1 349	22.9%	100.0%	1 566	1 206	1 502	24.5%	100.0%	-256	-109	-153
United States	250	206	242	17.8%	17.9%	187	159	169	6.4%	11.3%	63	46	73
China	78	82	113	37.2%	8.4%	248	214	282	31.7%	18.8%	-170	-132	-169
Russia	105	66	87	31.8%	6.4%	178	118	158	34.5%	10.5%	-73	-52	-72
Switzerland	98	89	105	19.1%	7.8%	80	74	84	13.9%	5.6%	18	15	21
Norway	44	38	42	11.5%	3.1%	96	69	79	14.9%	5.3%	-52	-31	-37
Japan	42	36	44	21.3%	3.2%	75	57	65	14.4%	4.3%	-33	-21	-21
Turkey	54	44	61	38.7%	4.5%	46	36	42	16.4%	2.8%	8	8	19
India	32	28	35	26.1%	2.6%	30	25	33	30.3%	2.2%	2	2	2
South Korea	26	22	28	29.3%	2.1%	40	32	39	19.7%	2.6%	-14	-11	-11
Brazil	26	22	31	44.6%	2.3%	36	26	32	25.6%	2.2%	-10	-4	-1
Others	555	466	561	20.2%	41.6%	551	396	517	30.6%	34.5%	4	70	43

Source: [Eurostat](#)



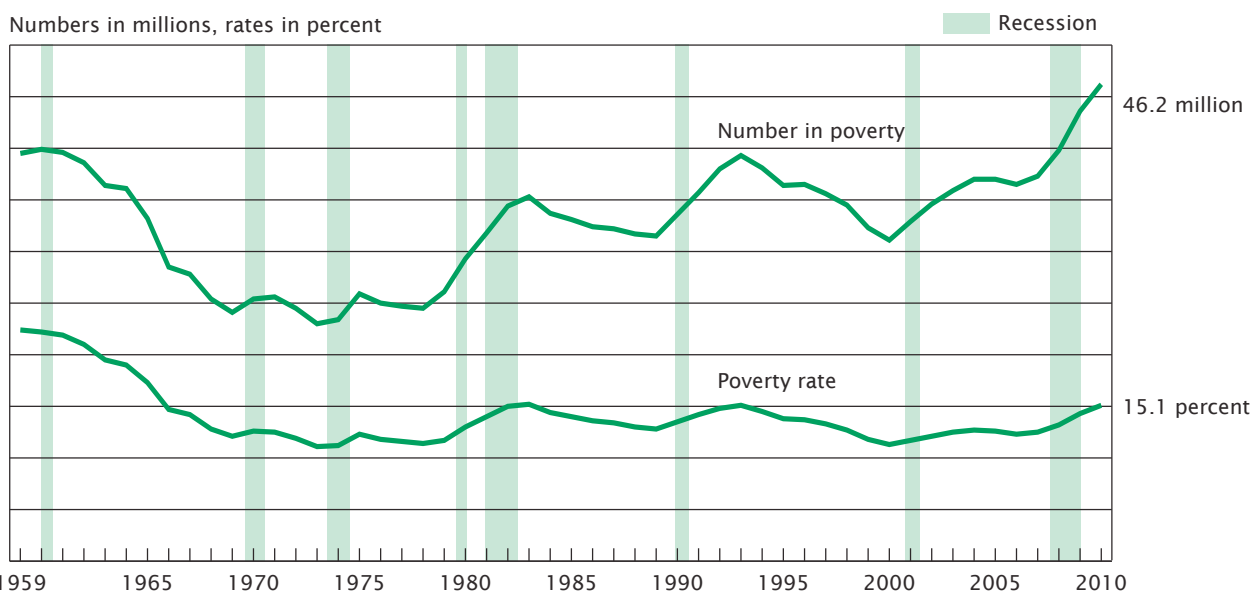
Real GDP growth (% change compared with the previous year)



Source: [Eurostat](#)

Number in Poverty and Poverty Rate in the United States: 1959 to 2010

Figure 4.
Number in Poverty and Poverty Rate: 1959 to 2010



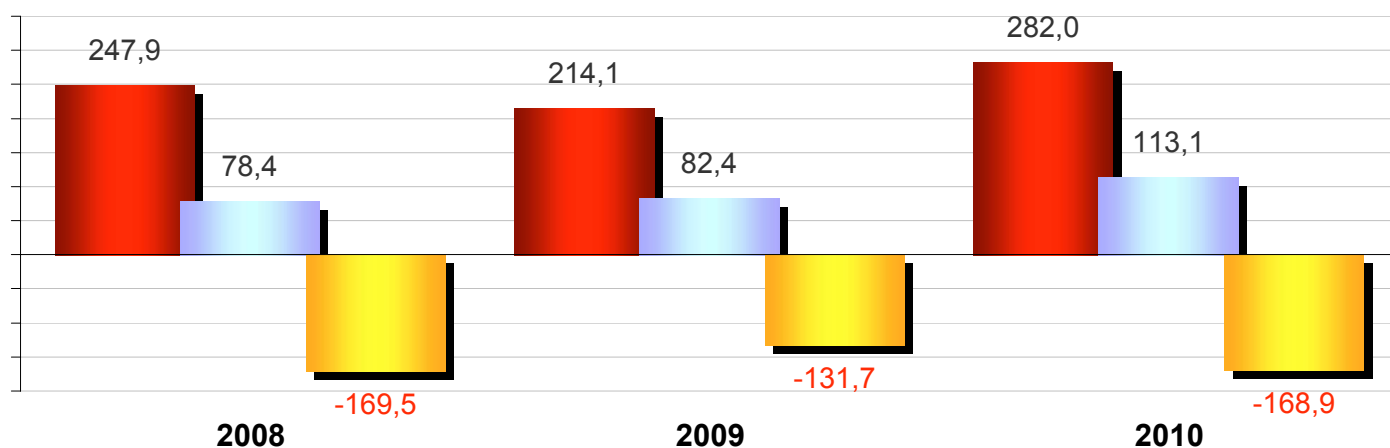
Source: [US Census Bureau](#)



EU-27 trade deficit in goods with China

Billions of euros

Imports Exports Balance

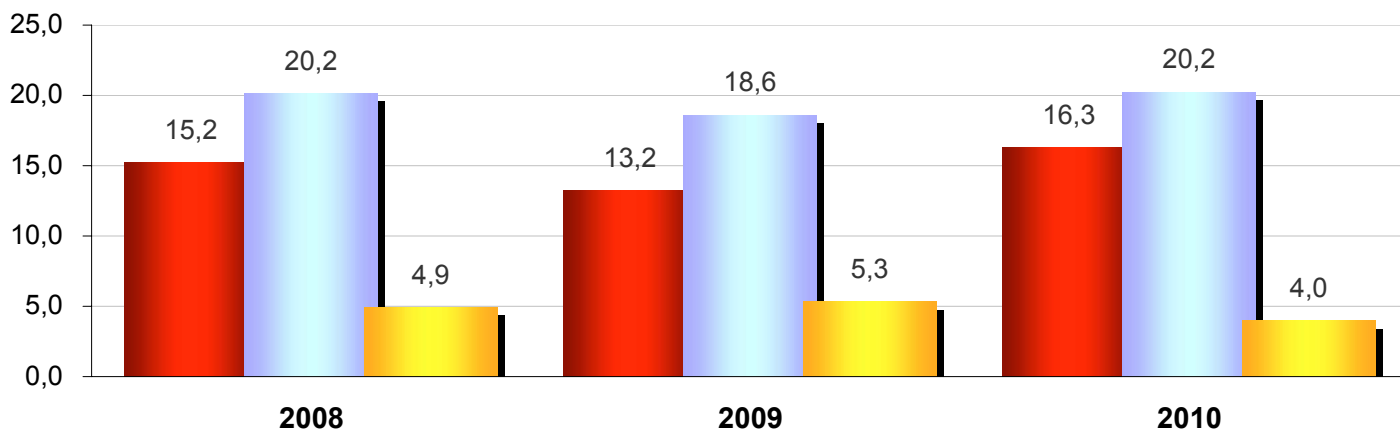


Source: [European Commission, DG Trade](#)

EU-27 trade surplus in commercial services with China

Billions of euros

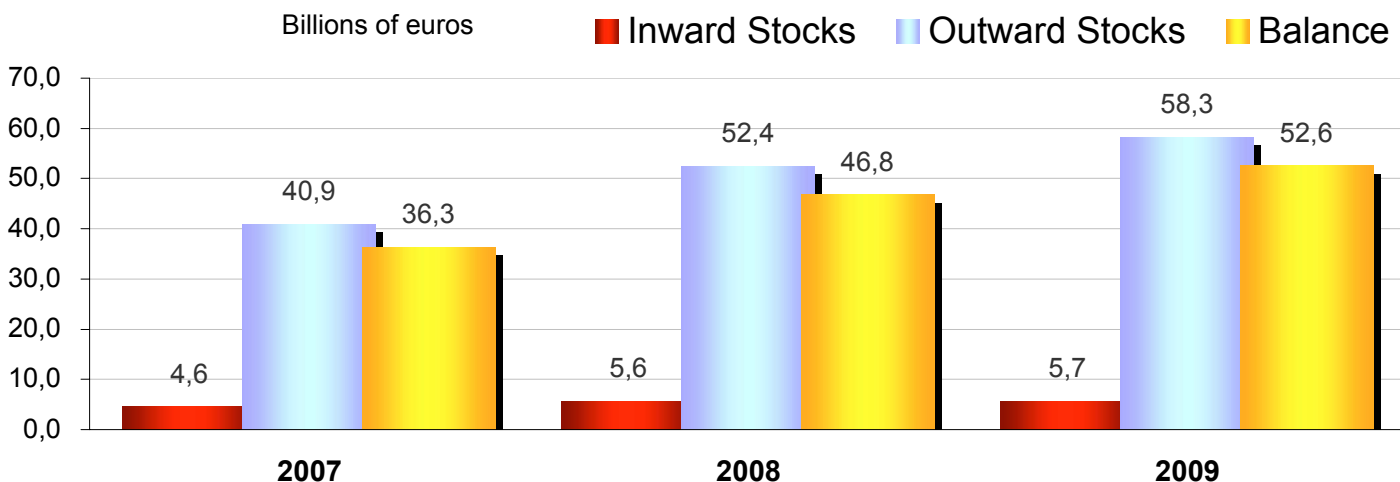
Imports Exports Balance



Source: [European Commission, DG Trade](#)



EU-27 FDI with China



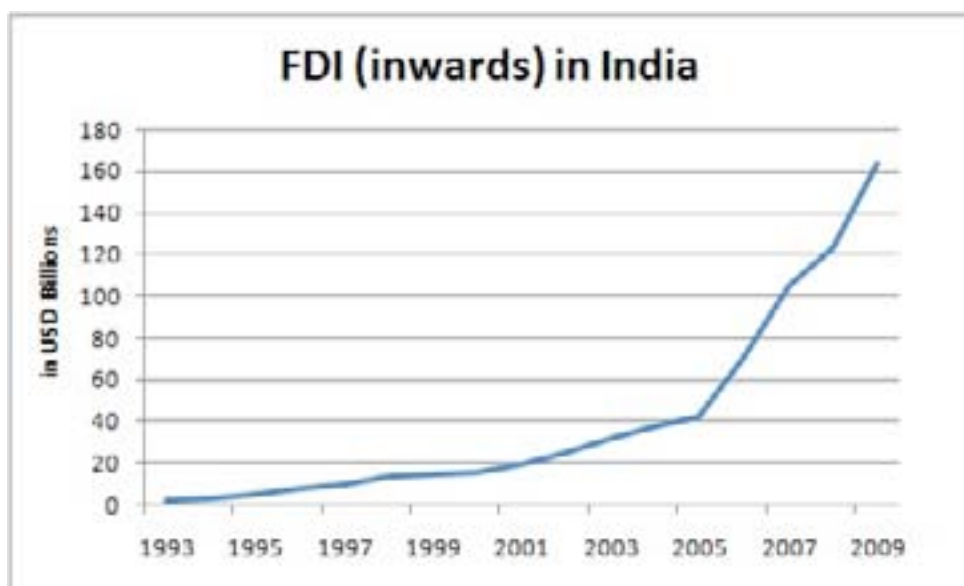
Source: [European Commission, DG Trade](#)

Canadian Indirect Government Support through R&D Tax Incentives



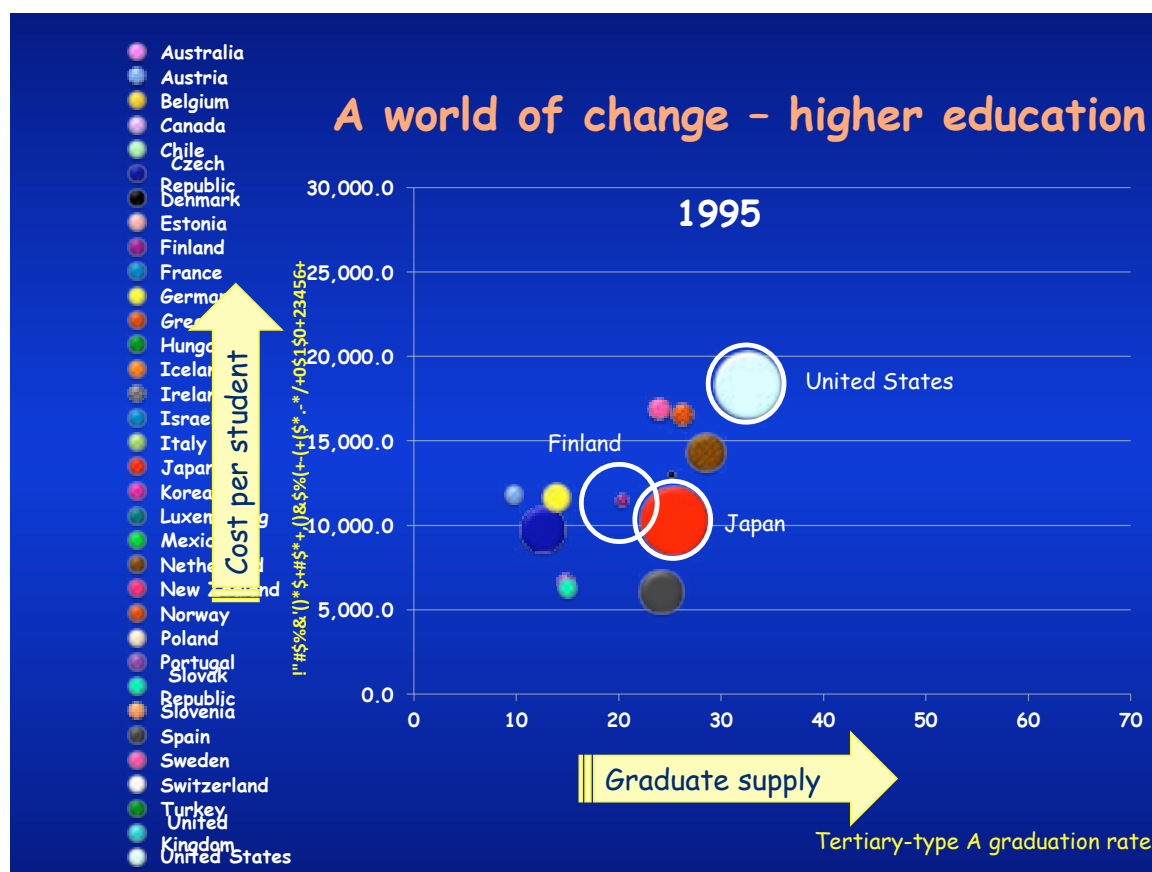
Source: [OECD, 2010](#)

FDI Inflows into India - as of 2009 (in USD) - increase in FDI (inwards) since 2005, the year when India opened up the innovation economy



Source: [BlogInnovation](#)

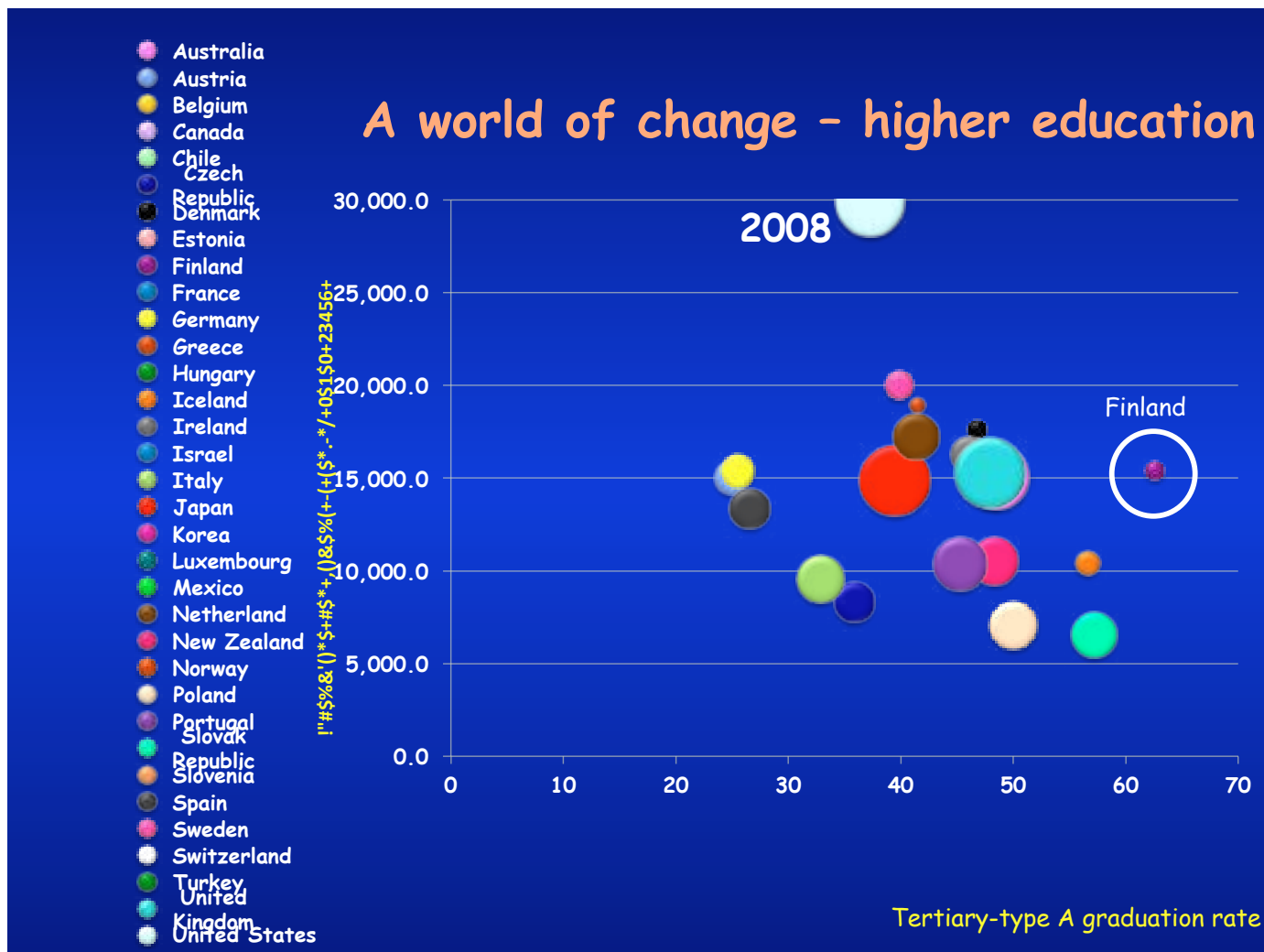
Higher education in 1995...



Source: Andreas Schleicher, presentation to the Lisbon Council on "Translating better skills into better economic and social outcomes", 15 September 2011



... and in 2008.



Source: Andreas Schleicher, presentation to the Lisbon Council on “Translating better skills into better economic and social outcomes”, 15 September 2011



Annex: All money is not the same! What for whom?

Below you will find the foreword of EURADA's (European Association of Development Agencies) publication, originally written in 2007, with recent amendments as of September 2011.

[Further information](#)

Access to finance often remains one of the key factors in setting up and developing SMEs. It is an issue that is common to all European Union Member States, and possibly one that also affects a number of States in the USA. It is increasingly recognised that SME access to finance is hampered by a number of market failures. In the document entitled "EU 2020 Flagship Initiative: The Innovation Union", EU Commission services indicate that the US invest €15 billion more than Europeans annually.

Europe is characterised by its very diverse cultural context. This diversity is also apparent in the fields both of entrepreneurship and corporate finance. Clearly, the European Union can currently be described as a dual world with an Anglo-Saxon and a Latin component. Differences are measurable in terms of:

- a preference for subsidies;
- the degree of acceptance among businesspersons of third-party investment in their company;
- the variety of funding sources available;
- the level of maturity of the different market segments that constitute the business finance value chain;
- the physical and cultural proximity of investors and entrepreneurs;
- the absence of public schemes helping innovative SMEs secure their first order (SBIR, public procurement, etc.).

Public authorities in Europe also share issues relating to the formulation of programmes that actually address genuine equity gaps, and the lack of sufficiently varied funding procurement channels available to SMEs. This was highlighted by Professors C.

Mason and Harrison in a paper already published in the October 2003 issue of *Regional Studies*. Indeed, they argued convincingly that when the UK's DTI (Department of Trade and Industry) and RDAs (Regional Development Agencies) set up regional public venture capital firms using a supply-based approach, they did not manage to address the very real equity gap issue because they overlooked a number of aspects relating both to the demand side and to value chains. To be really effective, the programme should also have considered:

"initiatives to improve the demand side of the market, including a programme which helps business to become investment ready, better funding of the present system of business angels networks to enable them to more effectively address the inefficiencies in the informal venture capital market and extending eligibility for co-funding to organized angel syndicates in order to access classic venture capital skills".

For entrepreneurs, it is important to understand that all forms of finance do not have the same aims. Similarly, the motivations and criteria of different funding parties will vary according both to the type of product presented and the level of risk linked to it. Therefore, business plan quality and content, as well as its presentation to potential investors need to be adjusted to their respective specific requirements. This explains the Anglo-Saxon expression "all money is not the same". Appropriate ways of addressing potential investors' expectations is something would-be investees can prepare for by attending an investment readiness programme or by passing through an incubator, hoping that some of them will one day become SME growth accelerators.



To mention but a few recent “overnight” SME success stories, one may wonder whether developers such as Andrew Mason (Groupon), Mark Zuckerberg (Facebook), Jack Dorsey (Twitter) and Mark Pinkus (Zynga) would have met with the same degree of success if they had been financed by EU venture capital firms. It is doubtful since that the top three French e-commerce hits (Vente Privée, Price Minister and Meetic) did not!

Despite many reports underscoring the structural weakness of the European venture capital industry and the lack of financial resources for start-ups trying to market innovative ideas, national public policies still support traditional businesses in crisis rather than investing in financial engineering. France and the UK for instance, each spent more than €1 billion in 2 years on old car scrapping premiums, i.e. the same as CIP spent in 7 years financing seed capital under instruments MIC1 & 2!