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Dear KEN Members,

Looking back at 2011 and contemplating on what is to be expected in 2012 in the context of global knowledge economy is quite intriguing.

On a most general level, it seems that the international community is better equipped to address the challenges being faced in various domains, particularly the 4 KEN domains: education, R&D, innovation and entrepreneurship.

Before attempting to comment on some noticeable achievements in the individual fields, one has to emphasize two general characteristics, first a negative one, and then a positive one: (1) during the fiscal austerity experienced by a number of European countries, the domains of education and R&D experience almost as a rule took the strongest cuts – which indicates the short-sighted approach, and lack of understanding on the part of politicians of the strategic importance of these domains for future advancement of their countries and economy; and (2) the growing trend towards a more integrated approach taken by authorities to the policy formulation, monitoring and implementation in these highly interdependent domains. The second feature has been experienced particularly in the Scandinavian countries, and that could explain their successful performance overall, and in each of the four domains.

Let us now try to look at the situation within the four KEN domains.

In **tertiary education** probably the most important development is the growing sense of urgency to better address the issues of quality and relevance of curricula. This is where many countries are now placing the highest priority, realizing that this is why so many young people remain unemployed while business keeps seeking certain profiles. It is not just the structural mismatch but also the fact that graduates often don't have the skills required. In EU alone during 2013-2020 over 20 million higher skilled jobs will be opened, while during 2007-2013 the number is 10.1 million such jobs. During the same periods the number of low skilled jobs is to shrink for 8.5 and 18.3 million respectively.

Actually in Europe this problem was supposed to be addressed already 30 years ago by the "Bologna Process" but the implementation remains weak and the resistance from both sides is rather strong. Many professors misunderstand or misinterpret the very objectives of the reform, which is to shift the emphasis from general knowledge to competencies. Therefore, they claim that this creates a decrease of academic standards. However, this can only happen if students are not equipped with adequate general knowledge and proper analytical capability enabling them to apply their knowledge to the real life situations.

On the other hand many young people wish to obtain a university, possibly a master's degree, expecting that the diploma of a well recognized university will secure them a respectable and well-paid job. Particularly during a period of crisis this cannot be farther from reality, and in countries where skills have been appreciated more than education certificates, not only the labour market, but the whole social fabric was based on different values and attitudes.



In this context it is worth quoting the President of World Economic Forum Klaus Schwab, who declared last week in Davos, that capitalism was “outdated.” “Capitalism was born when capital was the most important resource. Today, it is talent that is most important.” However, it should be added that he still believes in the market economy.

In **Research & Development** domain it seems that both the public and private sectors gradually realize that, besides the volume of their effort (expressed in Gross Expenditure on R&D, GERD) a key factor is good collaboration among the two. This can be achieved in many ways, but a realistic strategy determining the principal directions and collaboration mechanisms is obviously a precondition for success. The efficient collaboration is important particularly in the domains of setting priorities and implementation policies. The cost of advanced research infrastructure is so high, that any fragmentation or duplication of investment and of the actual research effort – particularly in basic research – presents a luxury nobody, even the biggest and the richest cannot afford.

Also, it is being realized that forecasting and monitoring of results achieved is essential to evaluate the impact of policies proposed and executed. Here too, in some academic institutions, particularly in some public ones, autonomy is (mis)understood or rather interpreted as if the only responsibility of the government is to secure the needed funding. It is usually in such institutions that collaboration with the corporate sector does not prosper – because of the same attitudinal problems on the part of these institutions. Equally wrong is of course, if authorities, national or regional, interfere in daily management of academic institutions.

Due to traditional differences in the outlook and institutional structure of academic research, and patterns of collaboration with industrial R&D, these policy shifts may differ very much from country to country, but the basic trends seem to confirm the above observations. As a consequence, the level of public R&D expenditure per researcher remains

lower than in the private sector. While in US the difference in 2008 was 26%, in EU it was even 102 %.

If one looks just at a single indicators, comparing the US and the EU in number of R&D personnel per 1,000 employed, the proportion stands at 9.2 vs. 6.3 strongly in favour of US. If the productivity of researchers is measured through publications, again the US comes much stronger than EU (across all disciplines, the proportion is almost 2:1). And the US share of publications in 10% of most quoted publications is 15.3% vs. 11.6% for EU.

Finally, the information that the US revenues from licences sold abroad as share of GDP stands at 0.64% vs. 0.21% for EU does not come as a surprise.

During the last decade China has dramatically increased its share in world’s peer-reviewed publications; according to the Scopus database: from 6.4% in 2000 to 18.5% in 2008! There is little doubt that this trend will continue, and that China will soon take its rightful position as a scientific powerhouse.

In **innovation** it may be relevant to remind that there is a major distinction in terms of the contribution of small and medium companies to innovation in highly advanced and the other economies. In the advanced economies, with the share of SMEs in BDP being less than 40% the contribution of business to R&D expenditures is between 1.5-3.0% (these are countries like: US, Germany, Sweden, Switzerland, Japan, Korea). In other economies where the SMEs contribute to their GDP between 40 and 70%, the share of business in gross R&D expenditure is less than 1.5% (typical representatives of this group of countries are: Ireland, Estonia, Czech Republic, Bulgaria, Romania). On average in EU SMEs contribute to GDP less than 40% and the share of business to GERD is also below 1.5%.

The conclusion would be that in most advanced economies the bulk of innovation activities are concentrated on the big corporations, while in others – due to lack of those – the SMEs are contributing a relatively large share of innovation. However, the present crisis is usually affecting the SMEs even



more than the big business, which means that innovation in these economies will experience a more serious drop than in the most advanced economies. When comparing the US and EU, another feature is worth mentioning: dynamic growth of innovating small companies, which become extremely successful and grow into multinational companies over a relatively short periods of time (like 10-15 years) are so far primarily the phenomenon in US. Such company explosive growth is very rare in other parts of the world, except in China, India, Brasil, South Africa, and a few other "rising economies".

In **entrepreneurship**, KEN is paying special attention to the role of women in business.

According to "Global Entrepreneurship Monitor Database" during 2005-2010 in 30 countries, the share of women among all entrepreneurs has increased in 15 countries (the strongest growth was registered in Mexico, Belgium, France, and UK), while the strongest decrease was experienced in Greece, Spain, Slovenia and Sweden. In 10 countries the share has reached 40% or more, and in Russia and Mexico already 50%. Although such

data do not exist for this group of countries, it seem pretty obvious that in many cases many women became entrepreneurs due to lack of employment opportunities.

Another aspect we look at in KEN is the role of women in corporate decision making. Here the voluntary scheme has been launched by the Vice President of the European Commission Mrs. Viviane Redding, recommending to big companies to strive for a 30% share of women in their Management Boards. If this measure will not be properly accepted, it will be transformed after 3 years - that is in 2014 - into mandatory European legislation.

Dear readers, let me at the end remind you, that the 2012 KEN Forum is scheduled for 11-12 June in Maribor, Slovenia. The topic is "Building Knowledge Economy through Partnerships", and the Forum will be preceded by a series of KEN Workshops, on which we will inform you in detail in the next Bulletin. Please check the progress at our website and register early, a draft version of the programme will be available for download next week.

Dr. Boris Cizelj

Editor



Table of Contents

Table of Contents	4
Knowledge Economy Developments	5
Articles on Key Topics	12
Towards the successful implementation of the updated OECD Guidelines for Multinational Enterprises	12
Global players in the Western region of the Arctic area - energy sources and strategic positioning	14
Recently published documents	17
Upcoming events	20
Relevant indicators, statistics and graphs	29
Annex: KEN and the ESPAC Initiative	35



Knowledge Economy Developments

News in Brief

SNSF's research database P3 is online

The Swiss National Science Foundation (SNSF) activated the research database P3 on its website (www.snf.ch) on 9 January. P3 replaces the existing project database and includes extended information on the content and, as a new feature, also on the output of projects funded by the SNSF. P3 is available in English, French and German. The research database P3 contains data on all SNSF-approved research projects and on grants awarded by the SNSF under various funding schemes since 1975.

More:

[The SNSF's research database P3](#)

\$5 Million boost to unlock Australia's science potential

Organisations and individuals across Australia can now apply for a share of \$5 million in funding to support their work. Applications opened on 16 January and close on 29 February 2012. Inspiring Australia: Unlocking Australia's Potential encourages connections between the Australian public and scientists and between researchers and their communities. The successful projects will provide a mix of innovative science activities with a variety of delivery approaches, target audiences, geographic locations and topics. These projects will deliver a strengthened, cohesive and sustainable national program for science engagement. A total of \$5 million is available across three levels of grant categories, small, medium and large, for projects to be delivered in 2012 and/or 2013 and/or 2014.

More:

[Applicant guidelines](#)

The ERC supports another 294 senior top researchers in Europe

With a budget of just over €660 million, the European Research Council (ERC) is funding 294 top researchers in the fourth competition for its coveted Advanced Grants. These established scientists will perform ground-breaking 'blue sky' research over the coming five years across Europe. Open to all domains, the grants are worth up to €3.5 million each. The projects selected cover a wide array of topics, for instance new treatments of visual impairment (presbyopia), and a better use of sustainable fuels for automotive and aeronautic engines. The projects will be carried out in universities or research institutions in 20 countries across Europe.

More:

[List of selected researchers by country](#)

and

[Statistics Call 2011](#)

10 Outstanding young scientists awarded The Singapore NRF Fellowship to carry out cutting-edge research in Singapore

The National Research Foundation (NRF) announced today, the 5th cohort of young scientists to receive the prestigious Singapore NRF Fellowship. The aim of the Singapore NRF Fellowship is to build a pool of young, brilliant and passionate researchers in various fields of science and technology to add to Singapore's research talent pool and help advance our scientific and technological edge. The NRF Fellowship will provide each NRF Fellow with up to \$3 million in research funding support over five years to perform cutting-edge research in Singapore.



More:

[The News](#)

The Irish Government has approved the drafting of a bill to extend the remit of Science Foundation Ireland

The Government has approved the drafting of a bill to extend the remit of Science Foundation Ireland to include funding of applied research in order to support the development of research findings into commercial opportunities. The Bill will also provide for Science Foundation Ireland to focus its funding on areas of research which have the potential to deliver the greatest return to the economy.

More:

[The News](#)

Small companies create 85% of new jobs

85% of net new jobs in the EU between 2002 and 2010 were created by small and medium sized enterprises (SMEs). This figure is considerably higher than the 67%-share of SMEs in total employment. During this period, net employment in the EU's business economy rose substantially, by an average of 1.1 million new jobs each year. These are the main results of a study on the essential contribution of SMEs on job creation presented by the European Commission. With 1% annually, the employment growth for SMEs was higher than for large enterprises with 0.5%. A clear exception is the trade sector, in which employment in SMEs increased by 0.7% annually, compared to 2.2% in large enterprises. This is due to the strong increase of large trade enterprises, in particular in sales, maintenance and repair of motor vehicles. Within the SME size-class, micro firms (less than 10 employees) are responsible with 58% for the highest proportion of total net employment growth in the business economy. Secondly new firms (younger than five years) are

responsible for an overwhelming majority of the new jobs. New enterprises operating in business services create more than a quarter (27%) of the new jobs, while the new firms in transport and communication contribute least (6%). The study is part of the SME Performance Review project and based on a survey of enterprises conducted at the end of 2010 and covering the 27 EU member states and 10 other countries participating in the Entrepreneurship and Innovation Programme, namely Albania, Croatia, the Former Yugoslav Republic of Macedonia, Iceland, Israel, Liechtenstein, Montenegro, Norway, Serbia, and Turkey.

More:

[The study](#)

and

[Web page SME](#)

Supporting Women's Entrepreneurship in Nordic Sparsely Populated Areas

Looking at the statistical picture of gender and entrepreneurship in the Nordic countries we can conclude that there is a gender gap in the level of entrepreneurship; women constitute between one-fourth and one-third of entrepreneurs in these countries. Our analyses reveal that state support programmes, in the name of supporting women entrepreneurs, tend to put women in a subordinate position to men and thereby risk sustaining a male norm. In order not to sustain women's subordinate position and a male norm, we conclude that there is a need for a well thought-through perspective when formulating the goals and means for supporting women's entrepreneurship. The goals and means are not 'given' and therefore are a matter of choice. In order to determine appropriate goals and measures, as well as the premises for supporting women's entrepreneurship, we suggest a policy model for supporting women's entrepreneurship in sparsely populated and rural areas, that makes



the choices and process of formulating goals and means explicit. The model aims at making explicit the choice of perspective (VIEW) on supporting women's entrepreneurship, as well as making explicit and choosing the activities (WHAT TO DO) to be arranged.

More

[Webpage with the publication](#)

Helping SMEs go global through clusters

In European union DG Enterprise and Industry will start of a new policy in 2012, namely better promoting SME internationalisation through clusters. For many years, the main emphasis has been on supporting the emergence of new clusters and, in particular at European level, to facilitate cooperation among clusters from different regions and sectors in order to scale them up. The challenge today is to make better use of them also in support of other policy goals, such as supporting SME internationalisation and promoting the more strategic use of transnational cluster cooperation in markets beyond Europe. After one and half years of preparation, we are now ready to launch new activities at EU level that will contribute to achieving such policy goals, announced Christophe Guichard, Policy Officer at DG Enterprise and Industry, Support for Industrial Innovation Unit.

More:

[The News](#)

Australian Innovation System Report 2011

The report, by the independent economics firm, the Milken Institute, rates Australia as leading in five, and above average in two, of the seven innovation indicators used to examine the efforts of 22 countries. Commissioned by GE, the Milken Insti-

tute Innovation Report considers Australia to be a leader in facilitating collaboration as well. To help stimulate improved links between university research and business innovation, the Government announced a new \$249 million Industrial Transformation Research program last December.

More:

[The Report](#)

China Innovation and China Baoan entered into a cooperative framework agreement

China Innovation Investment Limited ("China Innovation") and China Baoan Group Asset Management Limited ("China Baoan") are intended to cooperate set up two equity investment funds in Mainland China. The two companies are intended to invest in military industry and four new industries (new energy resources, new light resources, new materials, new media). The two funds have a total scale of RMB 1 billion respectively.

More:

[The News](#)

A proposal for modernising the Professional Qualifications Directive

The European Commission has adopted a proposal for modernising the Professional Qualifications Directive. The proposal aims at simplifying rules for the mobility of professionals within the EU by offering a European Professional Card to all interested professions which would allow easier and faster recognition of qualifications. It also clarifies the framework for consumers, by inviting Member States to review the scope of their regulated professions and by addressing public concerns about language skills and the lack of effective alerts about professional malpractice, notably in the health sec-



tor. Key elements of the proposal are: The introduction of a European professional card, Better access to information on the recognition of professional qualifications, Updating minimum training requirements, The introduction of an alert mechanism for health professionals benefiting from automatic recognition, The introduction of common training frameworks and common training tests and Mutual evaluation exercise on regulated professions. The proposal builds on a Green Paper the Commission issued in June 2011.

More:

[The proposal for modernising the Professional Qualifications Directive](#)

and

[Web page on Professional Qualifications Directive](#)

and

[Green paper](#)

Commission launches debate on corporate restructuring: what lessons from the crisis?

The European Commission has launched a Europe-wide public debate on corporate restructuring and anticipating change. The consultation will run until 30 March 2012. The aim is to identify successful practices and policies in the field of restructuring and adapting to change. The results will feed into the upcoming employment package and should help to improve further cooperation between workers and employers' representatives, government, local and regional authorities and the EU institutions. The Green Paper includes several questions. In particular, it addresses the following issues: Lessons from the crisis, Economic and industrial adjustment, Adaptability of business and employability of workers, Creating synergies in the process of industrial change, Role of regional and local authorities and Impact of restructuring operations.

More:

[Consultation web page with Green paper](#)

Commission proposes a comprehensive reform of data protection rules

The European Commission has proposed a comprehensive reform of the EU's 1995 data protection rules. The Commission's proposals update and modernise the principles enshrined in the 1995 Data Protection Directive to guarantee privacy rights in the future. They include a policy Communication setting out the Commission's objectives and two legislative proposals: a Regulation setting out a general EU framework for data protection and a Directive on protecting personal data processed for the purposes of prevention, detection, investigation or prosecution of criminal offences and related judicial activities. Key changes in the reform include: A single set of rules on data protection, valid across the EU, Companies and organisations must notify the national supervisory authority of serious data breaches as soon as possible (if feasible within 24 hours), Organisations will only have to deal with a single national data protection authority in the EU country where they have their main establishment, EU rules must apply if personal data is handled abroad by companies that are active in the EU market and offer their services to EU citizens. The Commission's proposals will now be passed on to the European Parliament and EU Member States (meeting in the Council of Ministers) for discussion. They will take effect two years after they have been adopted.

More:

[Web page with proposals for reform](#)

A unique new lab seeks to help people navigate all sorts of challenging environments

If Canadian postal workers were to design the per-



fect winter boot, it would help them avoid slipping on icy walkways, stop them from missing their truck brakes while driving and keep them from getting their crampon spikes stuck in wooden porches. If the hearing impaired were looking for a hearing aid that would help them easily cross busy streets, it would respond to rapidly changing weather, traffic and visual conditions. And if seniors were struggling with mobility problems, they would look for stairway configurations that would help them safely and efficiently get to the next level. Researchers at the Toronto Rehabilitation Institute (Toronto Rehab) now have a facility to tackle all these problems. The Challenging Environmental Assessment Lab (CEAL) opened in November as part of the new \$36 million iDAPT Centre for Rehabilitation Research.

More:

[The News](#)

and

[Toronto Rehabilitation Institute](#)

and

[The Challenging Environmental Assessment Lab](#)

Funding for the creation of an Economic Development Council for South West Nova Scotia

A council is being established to lead regional economic development efforts in South West Nova Scotia, thanks to an investment by the Government of Canada. An investment of \$142,240 through ACOA's Innovative Communities Fund will allow the Town of Yarmouth, in close partnership with the other municipal units in South West Nova Scotia, to establish an interim economic development council for a period of 14 months. During this time, the council's efforts will focus on providing referral services to businesses, advancing high-impact projects and stimulating tourism by attracting events during the off-season. The 14 month time period will allow the council and interested communities

to establish a long-term economic development strategy and model.

More:

[The News](#)

Rethinking Global Financial Governance Reform

In the short run, it is not feasible to substantially reform the institutions of global financial governance. The best that the developing countries and international civil society can hope for is to capitalize on opportunities for partial reform as they arise and to use these opportunities to slowly build towards a sustainable, legitimate, and effective global financial governance architecture, Daniel D. Bradlow, SARCHI Professor of International Development Law and African Economic Relations at the University of Pretoria, writes.

More:

[The Article](#)

Emerging Markets are Re-Shaping the Global Economy, But Also Shaking It

Short-term economic developments aside, we can say that over the medium- to long-run, the re-convergence of emerging markets and their economic dynamism are re-shaping the world. From global tourism to manufactured products, and from industrial processes to modern technologies order, the footprint of emerging markets will become increasingly common. I conclude with two significant caveats, George Magnus, Senior Economic Adviser, UBS, writes. Yes, Western economic power and influence are in decline. But who is to say that over the next 10 years or so, US innovation and flexibility won't again rise to the surface once, Medicare and the budget deficit have been fixed? It has, after all, managed to reboot economically several times be-



fore. Second, emerging markets are in pole position to capitalise on the Western predicament but they are being thrown new and challenging economic and foreign policy issues that are not guaranteed to end well or successfully. They are re-shaping the world, and they are simultaneously shaking it. Everything else is speculation.

More:

[The Article](#)

Microfinance India Report 2011

The NABARD Microfinance India Report 2011 report documents the progress under the SHG-Bank Linkage program over the past year along with information about the new initiatives and facilitating role played by Nabard. Nabard has been publishing data on Microfinance in India for many years along with an analysis of the data compiled from various NGO's, government departments and industry associations.

More:

[The Report](#)

Ontario missing benefits of 'nominee' immigrants

Ontario is lagging behind in reaping the benefits of a program that brings in skilled immigrants more quickly and more successfully, a new government report shows.

A review of the Provincial Nominee Program (PNP), which allows provinces to select their own immigrants based on local economic needs, found that 80 per cent of the selected immigrants are employed in the first year — most of them in their area of expertise. The program fast-tracks immigrants with the right skills, bringing them to Canada in less than a year.

More:

[The News](#)

Public-Private Partnerships to solve the climate crisis

More cooperation between government and business is the only road ahead to save the climate, according to former UN Climate Chief Yvo de Boer. He spoke at a Nordic Council seminar in Oslo on January 24, where he urged the Nordic countries to take the lead towards a global climate solution. The instrument of nationally appropriate mitigation actions (NAMAs) is particularly promising in terms of lowering emissions in a customized way fitted to individual developing economies, according to de Boer. Here the Nordic countries are also at the forefront, as they launched the Nordic Partnership Initiative at COP17 in Durban last December. The NPI sets out to find ways to reduce emissions in the waste sector in Peru and the cement sector in Vietnam, with the specific aim of finding new financing opportunities to help developing nations green their economy, including public-private partnerships.

More:

[The Article](#)

Soon it will be easier to compare higher education in the Nordic Region

Which Nordic university conducts research on epidemic diseases? How do I get an overview of Nordic universities with special international focus on North Africa? Profile comparisons between Nordic higher education institutions will be possible this year thanks to U-map, an EU classification project where the Nordic Council of Ministers has initiated Nordic participation. Almost 150 higher education institutions in the Nordic countries are expected to take part in the Nordic classification, which will



be incorporated with data from the U-map surveys which have been carried out other places in Europe in recent years.

More:

[The Article](#)

ECOPOL project: about 100 case studies of good practice published

The ECOPOL project is a transnational public partnership of eco-innovation programme owners and managers from six European countries or regions. ECOPOL's mission is to foster transnational cooperation in the development and implementation of better eco-innovation policies and instruments. Three issues in focus are Green Public Procurement as powerful demand-side instrument, Waste

& Recycling as a sector with very high CO2 footprint and high potential for business creation, and Internationalisation as means to increase productivity by enlarging the markets for eco-innovators. The initial list of best practices in innovative waste management and recycling, internationalization and green public procurement has now been published. Overall, nearly 100 good practices were found in analyses of particular countries. The work will continue by analysing in more detail the chosen practices and the current conditions in Europe.

More:

[Webpage with lists of best practices](#)

and

[The Ecopol project webpage](#)



Articles on Key Topics

Towards the successful implementation of the updated OECD Guidelines for Multinational Enterprises

Written by Tadahiro Asami, from the [Vale Columbia Center on Sustainable International Investment No.56](#)

The Business and Industry Advisory Committee to the OECD (BIAC) has accepted the updated OECD Guidelines for Multinational Enterprises (Guidelines), adopted on May 25, 2011 after a series of negotiations and consultations among members of the Organisation for Economic Co-operation and Development (OECD), adhering governments, BIAC, the Trade Union Advisory Committee to the OECD, and OECD Watch, an international network of civil society organizations. The Guidelines are the most comprehensive government-endorsed code of responsible business conduct. The Update upheld the voluntary and non-legally binding character of the Guidelines, and while the new text introduces important new elements, the Update is very carefully formulated and its changes are accompanied by extensive conditionalities.

The new Guidelines more clearly define responsible business conduct of multinational enterprises (MNEs), particularly in the area of human rights. The incorporation of a human rights chapter in the Guidelines represents a significant milestone. The OECD and United Nations Special Representative John Ruggie worked together to draft this chapter. As a result, the Guidelines fully reflect the Guiding Principles on Business and Human Rights, which were unanimously endorsed by the United Nations Human Rights Council in June 2011.

A key provision that has been newly introduced in the Guidelines states that MNEs should avoid causing or contributing to adverse impacts on the social, environmental and other interests to which

the Guidelines relate. This provision covers MNEs' activities and also the direct involvement of MNEs in activities in the supply chain. When an adverse impact occurs to which MNEs did not contribute, MNEs are expected to examine possibilities to avoid such impacts if there is a direct linkage between the impacts and the activities of MNEs as a consequence of a business relationship. However, this is not intended to shift responsibility from the entity causing an adverse impact to the MNE with which it has a business relationship: the adverse impact provision is only applicable if there is at least some form of direct involvement of the MNE in the adverse impact.

A new provision expects companies to carry out risk-based due diligence to identify, prevent and mitigate actual and potential adverse impacts as mentioned above. This new provision is applicable to all chapters, apart from those dealing with science and technology, competition and taxation. The Guidelines do not formulate any procedural requirements for due diligence, except for in the human rights field.

The procedural aspects of the "National Contact Points" (NCPs) have been substantially improved, for example by establishing an indicative time-frame, the availability of adequate human and financial resources and measures to avoid unmeritorious claims or frivolous campaigns. However, NCPs' role as mediators to resolve potential issues remains unchanged. No (quasi-judicial) prerogative to formulate a judgement on the behavior of companies was introduced.

From the business point of view, the success of the new Guidelines will depend primarily on two factors.

- First, success depends on the extent to which the Guidelines are incorporated or referred to in MNEs' own codes of conduct



for improving corporate responsibility. The Guidelines expect the NCPs to play a role in the promotion of the Guidelines and also require the OECD Investment Committee to develop initiatives for the effective implementation of the Guidelines. BIAC is willing to contribute to these efforts by cooperating with the OECD.

- Second, the extent to which emerging markets adhere to the Guidelines is fundamental to securing a global level playing field. The Guidelines are currently adhered to by the 34 OECD members and 8 non-OECD countries, but not by major emerging markets such as China, India, Indonesia, Russia, or South Africa. The OECD must undertake determined efforts to encourage emerging markets to adhere to the Guidelines.

The Guidelines form part of the OECD Declaration

on International Investment and Multinational Enterprises (Declaration). Business considers this link essential, precisely because the Declaration also assures that adhering governments promote an open and predictable investment climate by granting MNEs national treatment and avoid conflicting requirements on them. Such a commitment by governments is essential for business to promote responsible business conduct in accordance with the provisions of the Guidelines. It is these mutual commitments by governments and business that make foreign direct investment prosper.

Relevant links:

- [Most recent Columbia FDI Perspectives](#)
- [OECD Guidelines for Multinational Enterprises](#)



Global players in the Western region of the Arctic area - energy sources and strategic positioning

Written by Thomas Friis Konst, KEN Vice-Chair

Introduction

This is the third and last article in the series concerning the area above the Polar Circle, and the role of the global actors with various geo-political interests. Later this year the Vice-Chair will publish a consolidated and updated article on this topic in the printed form. This will be done after a planned expedition to coastal area of Spitsbergen and the offshore areas near the Russian border in the Barents Sea.

This article concerns primarily the so called North West passage, where among others the US and Canada play a significant role. The two previous articles were about the North East Passage with emphasis on Norway and Denmark, as old traditional actors in the region. Moreover, it is obvious that China as well as Russia have increased their interests in the area. These interests concern policy issues, R&D, direct investment, and large cooperation projects which involve also the EU and many other organizations.

Scientists have recently reported that the ice area related to the North Pole is reduced for up to 16% the last year and that new species migrate across the Arctic Ocean. At the same time Statoil, ENI and Petoro have discovered a new large oil field in the Barents Sea with an estimated volume of 150-200 million barrels. This field will be called "Havis" and is positioned in the area of the earlier mentioned "Skrugard" field. [Further information.](#)

North West or North East

As shown on Illustration A, there are two different main sea routes above the Polar Circle, one in the Western direction, and one in the Eastern, observed from the European point of view. The earlier mentioned North East Passage is going from the

Norwegian-Russian border area through the Siberians coast to the Bering Strait with the length of several thousand kilometers.



Illustration A

The other sea route gives several tracks though the Arctic Archipelago of North Canada along the coast of Alaska between the Pacific and Atlantic oceans, also with a length of several thousand km, and is referred to as the North West Passage.

However, for both tracks an increasing interest has been shown in the light of the climate change. Moreover so, due to new discoveries of energy and mineral resources. Above that several international research programs provided new data which also are of interests for more commercial investments and even tourism industry in the long term.

Historical background – with several international actors

Also concerning Canada and the US the historical background is of interest. This sea route is already mentioned at the time of the Vikings.

Marco Polo mentioned Anian in one of his books in 1559. In Illustration B one can see the Strait of Anian. Already at that time, interests were international, from Spain, the Netherlands, Russia, Denmark, France, and England, among others.

Later on Captain James Cook in 1776 led an expedition in order to discover the passage, with a prize of 20.000 pounds. However, they reached 70° but did



Illustration B

not find the passage. Read more about Scott and related items by [SPRI, Scott Polar Research Institute](#), in Cambridge.

Sir John Franklin went in 1845 with a two-ship expedition to the Canadian Arctic in order to chart the last unknown swaths of the North West Passage. However, not with much success.

In 1849 Robert McClure went from England by the Atlantic Ocean via Cape Horn and entered in the Pacific Ocean. Then he sailed the Pacific North and passed through the earlier mentioned Bering Strait and reached Banks Island. Later on Mr. McClure was highly decorated for his activities in these newly discovered areas.

The earlier mentioned Norwegian explorer Roald Amundsen was the first to conquer the North West Passage by a three years expedition 1903-06 with the boat "Gjoa". After a skiing distance of 800 km to the city of Eagle in Alaska he announced his success by sending a telegram.

In 1940 the Canadian officer, Henry Larsen, was the second to sail this passage.

Canadian viewpoint concerning the territories

Canada has an enormous surface of around 1,456,700 km² and is a significant actor like Norway with its Spitsbergen and Denmark with Greenland, as mentioned in the earlier article.

The Canadian government considers the main part

of the North West Passage to be under their juridical system. The results of the last political elections have even strengthened the sovereignty movement. United States and several EU member states however argue that the strait should be under international jurisdiction.

Recently Canada had talks with Russia in order to resume the so called Arctic Bridge. This is a seasonal sea route linking Murmansk in Northern Russia with Churchill in Hudson Bay, Canada. This arrangement will give both parties market access Eastwards as Westwards.

Read more about these topics from works of the [Arctic Institute of North America, Calgary](#).

Parallel with this policy of the Canadian side it is announced that the country will invest around 33 billion £ in the coming years for 25-30 vessels in order to strengthen their cost guard. Around 30 vessels like the frigate "Toronto" of the Halifax-class will be build which makes the shipbuilding sector boosting. See here the photo of the frigate "Toronto" in illustration C.



Illustration C

US – a global player also "on ice"

As mentioned earlier, one of the global players keen on future prospects of the North East as the West Passage is the United States. In this respect the United States Coast Guard went with 2 vessels in 1957 through the passage in search for hydrographic information.



In 2007, Admiral McGee of the United States Navy announced that the United States Coast Guard will increase its ability to patrol the Arctic! Please see illustration D which gives an impression of the US Navy.

Read more about these topic from the [Arctic Institute, Center for Circumpolar Security Studies](#) in Washington.



Illustration D

It will be of great interest to follow the United States policy and operational activities in the North East and the North West Passage after the outcome of the upcoming presidential elections later this year.

The future: a combination of environmental and commercial interests

In 1986 the US and Canada have signed a so-called “Arctic Cooperation Treaty” concerning the more practical issues, but did not solve the question of sovereignty. As late as in 2005 the US nuclear submarines seem to have been going unannounced through Canadian waters. A year later Canada referred to the area as “Canadian Internal Waters”.

The effect of the ice melting makes opportunities for more traffic in the area, but it requires significant investments in escort vessels and staging ports.

Besides the formal national twists the future is also interesting due to potential commercial developments. Already in 2006 the cruise liner MS “Bremen” went through the straight using satellite systems for the ice indications. [Read more about it.](#)

In this respect other actors like the EU can play a role, for instance via the ESA, European Space Agency, which released a report concerning the climate impact assessment in 2007. Within 7th Framework Programme (FP7) there are already 46 projects concerning the Arctic.



Recently published documents

To access any of the following publications, simply click on the title or cover page of the publication. Additional Mmmmmm 20YY publications can be found on [the KEN website](#).

[The Global Competitiveness Report 2011–2012](#)



[2011 High-Impact Entrepreneurship Global Report](#)



[Global Entrepreneurship Model: 2011 Global Report](#)



[OECD Science, Technology and Industry Scoreboard 2011](#)



[Energy Roadmap 2050](#)



[Kauffman Index of Entrepreneurial Activity: 1996 – 2010](#)





Restructuring and anticipation of change, what lessons from the economic crisis



Macro Strategy Theme for 2012. US Economy: Back to Bust



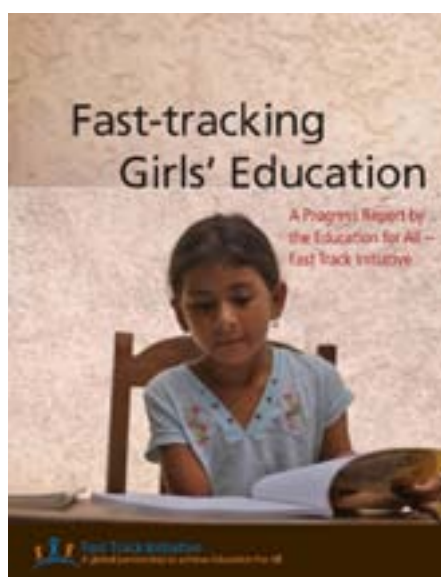
Innovation, Trade, and Technology Policies in Asia-Pacific Economies: A Scorecard



Education for All Global Monitoring Report 2011: A Gender Review



Fast-tracking Girls' Education: A Progress Report by the Education for All – Fast Track Initiative



Entrepreneurial Orientation and Innovation Performance: The Mediating Role of Knowledge Management





Talent Edge 2020: Redrafting talent strategies for the uneven recovery

Deloitte



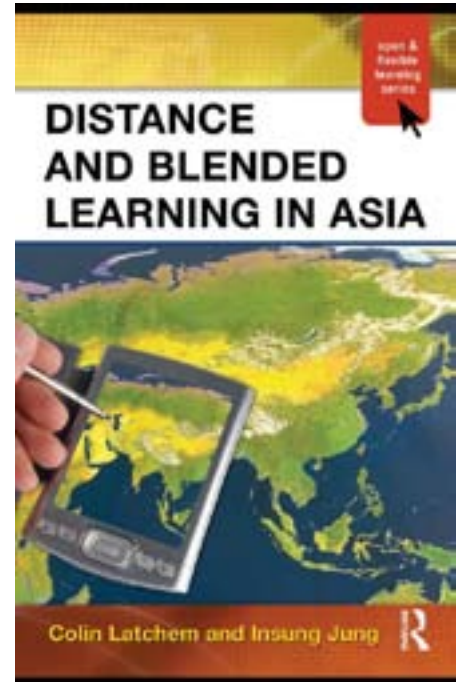
Talent Edge 2020:
Redrafting talent strategies
for the uneven recovery

January 2012

Gender Inequality and Economic Growth: A Time Series Analysis for Pakistan



Distance and Blended Learning in Asia



Stimulating Innovation: Building the Digital Advantage for MENA Countries



Green Growth, Technology and Innovation



Product Innovations for Financing Infrastructure: A Study of India's Debt Markets





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](#).

★ indicates a recently added event

February 2012

International conference on health informatics

Date: 1 February 2012

Venue: Algarve, Portugal

[Further information](#)

★ **Improving your Anti-Corruption Measures in the Public Sector**

Date: 6 - 7 February 2012

Venue: Berlin, Germany

[Further information](#)

★ **Stakeholder consultation for the candidate European Innovation Partnership on Water**

Date: 1 February 2012

Venue: Brussels, Belgium

[Further information](#)

Eighth Italian Research Conference on Digital Libraries

Date: 9 February 2012

Venue: Bari, Italy

[Further information](#)

★ **The Art of Decision Making**

Date: 2 February 2012

Venue: London, United Kingdom

[Further information](#)

★ **Financial Management for FP7 Projects**

Date: 9 – 10 February 2012

Venue: Berlin, Germany

[Further information](#)

8th AGSE International Entrepreneurship Research Exchange

Date: 1 - 4 February 2012

Venue: Melbourne, Victoria, Australia

[Further Information](#)

★ **Eco-Innovation in the Channel Ports**

Date: 9 February 2012

Venue: Port de Calais, France

[Further information](#)



Workshop on developing intelligent user interfaces for e-accessibility ★

Date: 14 February 2012

Venue: Lisbon, Portugal

[Further Information](#)

Public Procurement for EU Funded Projects

Date: 23 -24 February 2012

Venue: Berlin, Germany

[Further Information](#)

★ **European Year for Active Ageing and Solidarity between Generations**

Date: 14 February 2012

Venue: Brussels, Belgium

[Further Information](#)

★ **European Platform of Universities Engaged in Energy Research, Education and Training**

Date: 23 – 24 February 2012

Venue: Delft, the Netherlands

[Further information](#)

Clean Energy Solutions for Sustainable Environment

Date: 16 February 2012

Venue: Beirut, Lebanon

[Further information](#)

★ **Tackling Unemployment in Europe through Social Inclusion and Training Programmes**

Date: 23 February 2012

Venue: Brussels, Belgium

[Further information](#)

18th Annual HBS Venture Capital and Private Equity Conference

Date: 17 - 18 February 2012

Venue: Massachusetts, United States

[Further Information](#)

Second International Conference on Pervasive and Embedded Computing and Communication Systems

Date: 24 February 2012

Venue: Rome, Italy

[Further Information](#)

2012 European Business Ethics Forums

Date: 22 - 24 February 2012

Venue: Paris, France

[Further Information](#)

First International Conference on Sensor Networks

Date: 24 February 2012

Venue: Rome, Italy

[Further Information](#)



Conference on self-adaptive networked embedded systems

Date: 24 February 2012

Venue: Rome, Italy

[Further Information](#)

Architecture of computing systems

Date: 28 February 2012

Venue: Munich, Germany

[Further Information](#)

★ **Mobile World Congress**

Date: 28 February 2012

Venue: Barcelona, Spain,

[Further information](#)

★ **March 2012**

Use of Social Media in the Public Sector

Date: 12 - 13 March 2012

Venue: Berlin, Germany

[Further information](#)

★ **Business in the Community's Responsible Business Convention 2012**

Date: 12 - 13 March 2012

Venue: Berlin, Germany

[Further information](#)

PerCol 2012: Pervasive Collaboration and Social Networking

Date: 19 March 2012

Venue: Lugano, Switzerland

[Further information](#)

International conference on industrial technology

Date: 19 March 2012

Venue: Kos, Greece

[Further Information](#)

★ **7th European Annual Symposium: EU Funds 2012**

Date: 19 - 21 March 2012

Venue: Berlin, Germany

[Further Information](#)

★ **The Sustainability of European Universities**

Date: 22 - 23 March 2012

Venue: Warwick, United Kingdom

[Further Information](#)

The International Entrepreneurship Conference-Baltic Spark 2011

Date: 25 - 27 March 2012

Venue: Riga, Latvia

[Further Information](#)



Planet under Pressure: New knowledge towards solutions

Date: 26 March 2012

Venue: London, United Kingdom

[Further information](#)

International Conference on Entrepreneurship and Development

Date: 27 March 2012

Venue: Dhaka, Bangladesh

[Further Information](#)

★ **The 3rd International Nanotechnology Conference & Exhibition**

Date: 26 – 27 March 2012

Venue: Tel Aviv, Israel

[Further information](#)

★ **Global Compliance Symposium: Winning Strategies for Navigating Rapid Change**

Date: 27 – 28 March 2012

Venue: Washington D.C., United States

[Further Information](#)

Second International Workshop on Protocols and Applications with Multi-Homing Support

Date: 26 March 2012

Venue: Fukuoka, Japan

[Further information](#)

Conference 'Save the Planet'

Date: 28 March 2012

Venue: Sofia, Bulgaria

[Further information](#)

European e-skills Week 2012

Date: 26 March 2012

Venue: Several EU Member States

[Further Information](#)

★ **Produrable: People, Planet, Profit**

Date: 28 – 29 March 2012

Venue: Paris, France

[Further information](#)

★ **Innovation Awards Europe 2012**

Date: 27 March 2012

Venue: Paris, France

[Further information](#)

★ **Investing in a Sustainable Future**

Date: 29 March 2012

Venue: New York, United States

[Further information](#)



★ **Business Intelligence and the WEB**

Date: 30 March 2012

Venue: Berlin, Germany

[Further information](#)

Tenth Workshop on Quantitative Aspects of Programming Languages

Date: 31 March 2012

Venue: Tallinn, Estonia

[Further information](#)

April 2012

Workshop on task-based and aggregated search

Date: 1 April 2012

Venue: Barcelona, Spain

[Further information](#)

Fourth International Symposium on Agent-Based Modeling and Simulation

Date: 10 April 2012

Venue: Vienna, Austria

[Further information](#)

Building the urban future and transit-oriented development

Date: 16 April 2012

Venue: Paris-Marne-la-Vallée

[Further information](#)

Ninth International Cross-Disciplinary Conference on Web Accessibility

Date: 16 April 2012

Venue: Lyon, France

[Further information](#)

★ **Successful Combination of PPP and EU Funds**

Date: 16 – 17 April 2012

Venue: Berlin, Germany

[Further information](#)

IICE-2012: Ireland International Conference on Education

Date: 16 – 18 April 2012

Venue: Dublin, Ireland

[Further information](#)

Second European Energy Conference

Date: 17 April 2012

Venue: Maastricht, the Netherlands

[Further information](#)

Workshop on privacy and security in online social media

Date: 17 April 2012

Venue: Lyon, France

[Further information](#)



★ **Excellence 2012: Excellence Revisited – The Value of Excellence**

Date: 18 - 20 April 2012

Venue: Aarhus, Denmark

[Further information](#)

Cloud Computing and Services Science

Date: 18 – 21 April 2012

Venue: Porto, Portugal

[Further information](#)

★ **The 4th Annual Global CSR Summit & Awards 2012**

Date: 19 – 20 April 2012

Venue: Boracay Island Aklan, Philippines

[Further information](#)

★ **EU Financing for Energy Efficiency and Renewables in Public Projects**

Date: 23– 24 April 2012

Venue: Berlin, Germany

[Further information](#)

Transport Research Arena

Date: 23 April 2012

Venue: Athens, Greece

[Further information](#)

Workshop on applications of tree automata techniques in natural language processing

Date: 24 April 2012

Venue: Avignon, France

[Further information](#)

First International Conference on the Design, Construction, Maintenance, Monitoring and Control of Urban Water Systems

Date: 25 April 2012

Venue: New Forest, United Kingdom

[Further information](#)

★ **The University Revolution: Markets, Regulation and Strategies in Higher Education**

Date: 25 – 26 April 2012

Venue: London, United Kingdom

[Further information](#)

May 2012

★ **Responsible Business Summit**

Date: 8 – 9 May, 2012

Venue: London, United Kingdom

[Further information](#)

Changing Spatial Patterns in a Globalising World

Date: 9 – 12 May, 2012

Venue: Timisoara, Romania

[Further information](#)



World congress on water, climate and energy

Date: 13 May 2012

Venue: Dublin, Ireland

[Further information](#)

Regional Studies Association European Conference 2012 ★

Date: 13 - 16 May 2012

Venue: Delft, the Netherlands

[Further information](#)

★ How to Establish Financial Engineering Instruments with EU Funds

Date: 14 May 2012

Venue: Berlin, Germany

[Further information](#)

20th International Conference on Modeling, Monitoring and Management of Air Pollution

Date: 16 May 2012

Venue: A Coruña, Spain

[Further information](#)

Inclusive Learning Technologies Conference 2012

Date: 22 – 25 May 2012

Venue: Queensland, Australia

[Further information](#)

Role of research in sustainable development of AGRICULTURE AND rural areas

Date: 23 May 2012

Venue: Podgorica, Montenegro

[Further information](#)

Knowledge for Growth 2012

Date: 24 May 2012

Venue: Ghent, Belgium

[Further information](#)

★ European Seminar: Environmental Audit

Date: 28 - 29 May 2012

Venue: Berlin, Germany

[Further information](#)

Fourth International Conference on Monitoring, Simulation, Prevention and Remediation of Dense and Debris Flow

Date: 29 May 2012

Venue: Dubrovnik, Croatia

[Further information](#)

June 2012

★ Tenth International Conference on Wired and Wireless Internet Communications

Date: 4 – 5 June 2012

Venue: Berlin, Germany

[Further information](#)



Measuring Tools and Evaluation Techniques for

EU Funds

Date: 29 May 2012

Venue: Dubrovnik, Croatia

[Further information](#)

Third International ICST Conference on Sensor Systems and Software

Date: 4 June 2012

Venue: Lisbon, Portugal

[Further information](#)

Seventh International Conference on Persuasive Technology

Date: 6 June 2012

Venue: Linköping, Sweden

[Further information](#)

Future of Education Conference

Date: 7 June 2012

Venue: Firenze, Italy

[Further information](#)

Developing Knowledge Economy through Partnerships

Date: 11 – 12 June 2012

Venue: Maribor, Slovenia

[Further information](#)

★ EUA Funding Forum

Date: 11 – 12 June 2012

Venue: Salzburg, Austria

[Further information](#)

Knowledge, Innovation and Sustainability: Integrating Micro and Macro Perspectives

Date: 13 – 15 June 2012

Venue: Matera, Italy

[Further information](#)

Tenth International Conference on Smart Homes and Health Telematics

Date: 13 June 2012

Venue: Artimino, Italy

[Further information](#)

6th annual World National Oil Companies Congress

Date: 18 June 2012

Venue: London, United Kingdom

[Further information](#)

25th Annual Conference on Learning Theory

Date: 25 June 2012

Venue: Edinburgh, United Kingdom

[Further information](#)



**2012 Wireless Innovation Forum European
Conference on Communications Technologies and
Software Defined Radio**

Date: 27 – 29 June 2012

Venue: Brussels, Belgium

[Further information](#)

Security in information systems

Date: 28 June 2012

Venue: Wroclaw, Poland

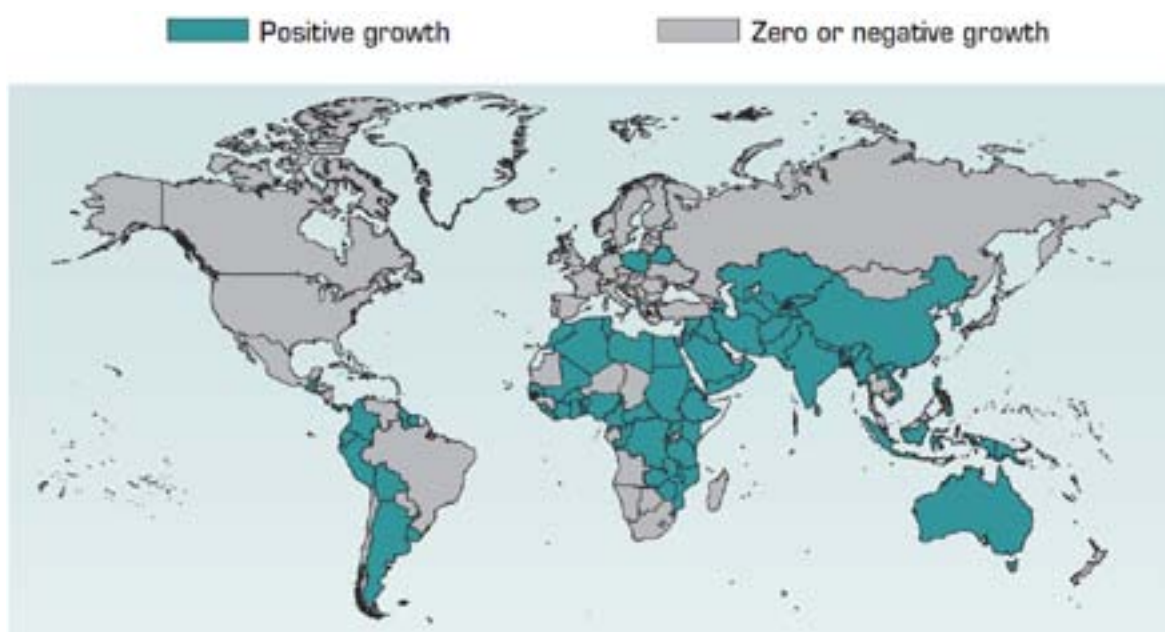
[Further information](#)



Relevant indicators, statistics and graphs

Varying Fortunes: Change in real GDP

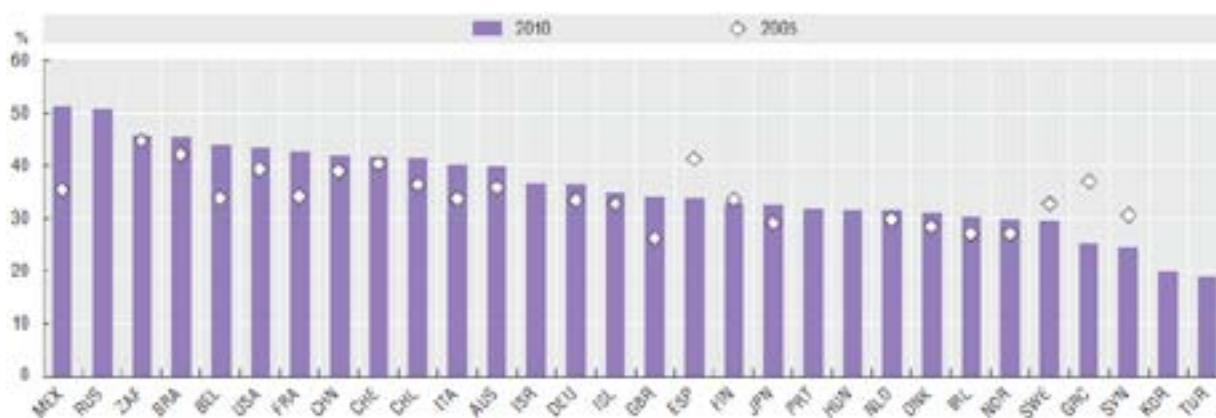
Although there was a worldwide economic slowdown, many developing and transition economies managed to avoid falling into actual recession.



Source: [From Crisis to Recovery: The Causes, Course and Consequences of the Great Recession](#)

Women entrepreneurs, 2005 and 2010

As a percentage of all entrepreneurs

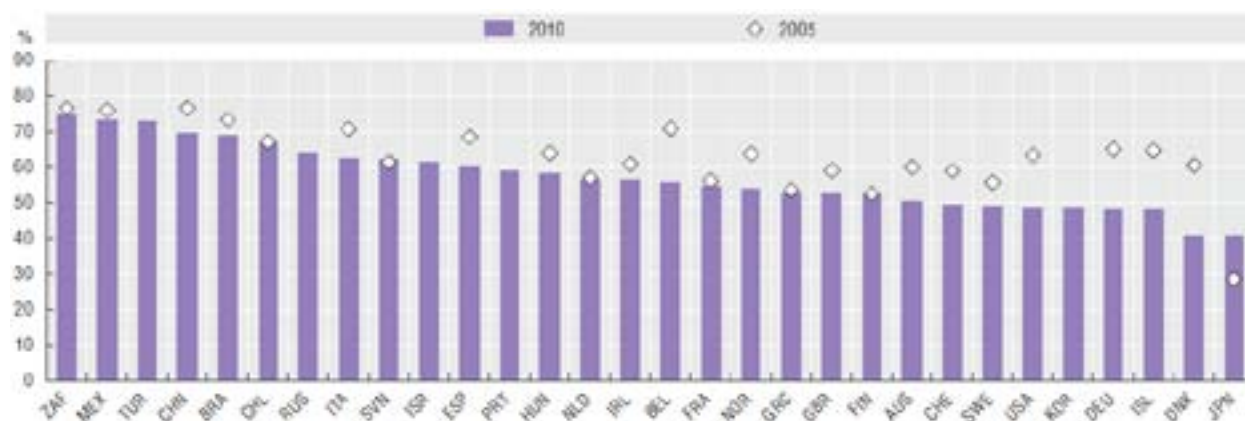


Source: Global Entrepreneurship Monitor Database



Entrepreneurs aged less than 45 years-old, 2005 and 2010

As a percentage of all entrepreneurs



Source: GEM, Global Entrepreneurship Monitor Database

Global Distribution of R&D Expenditure (GERD), 1973 to 2007

Table 1 Global Distribution of R&D Expenditure (GERD): 1973 to 2007

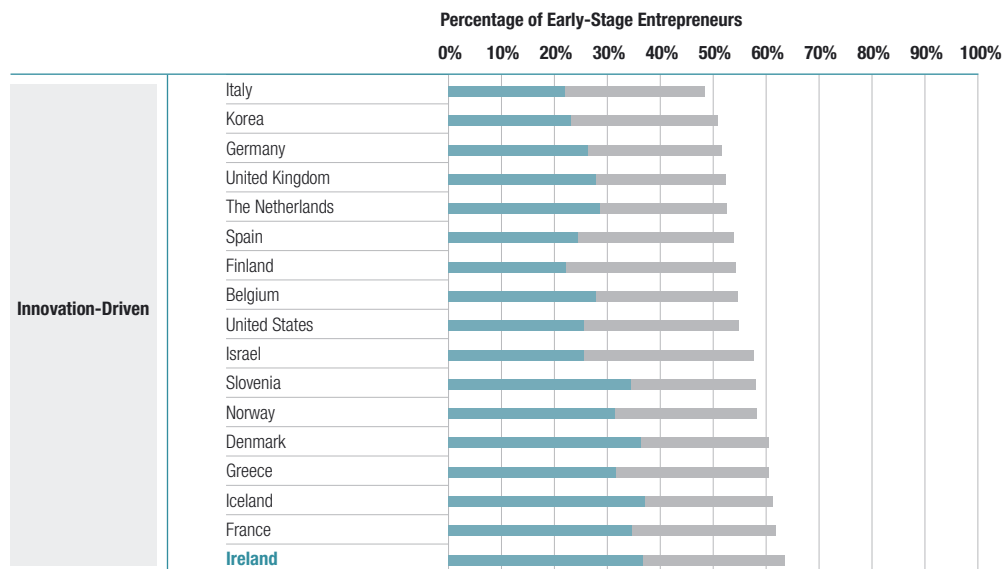
	1973		1980		1990		1999/2000		2007	
	Share	GERD/ GDP	Share	GERD/ GDP	Share	GERD/ GDP	Share	GERD/ GDP	Share	GERD/ GDP
	%	%	%	%	%	%	%	%	%	%
Developed Countries	97.2	2.4	93.4	2.3	89.8	2.3	79.0	2.3	75.9	2.3
North America	33.7	2.3	31.0	2.2	38.2	2.6	37.2	2.7	34.7	2.6
Japan	7.9	NA	10.2	NA	16.3	3.1	13.0	2.9	13.0	3.4
Others	55.6	NA	52.2	NA	35.3	NA	28.8	NA	28.2	NA
Developing Countries	2.8	0.4	6.6	0.4	10.2	0.7	21.0	0.9	24.1	1.0
Asia	1.8	0.4	4.0	NA	6.2	0.8	17.4	1.1	18.9	1.2
China	NA	NA	NA	NA	3.0	0.8	6.7	1.0	9.2	1.5
India	NA	NA	NA	NA	0.6	0.8	2.6	0.7	2.2	0.8
Korea	NA	NA	NA	NA	1.8	1.8	2.3	2.3	3.7	3.5
Taiwan	NA	NA	NA	NA	NA	NA	1.1	2.0	1.5	2.6
Singapore	NA	NA	NA	NA	NA	NA	0.3	1.9	0.5	2.6
Hong Kong	NA	NA	NA	NA	NA	NA	NA	NA	0.2	0.8
Others	NA	NA	NA	NA	NA	NA	NA	NA	1.6	NA
Latin Americas and Caribbean	0.8	0.3	1.7	0.5	2.8	0.5	2.8	0.6	2.9	0.6
Others	0.2	NA	0.9	NA	1.2	NA	0.8	NA	2.3	NA

Source: the author's construction based on Annex 1 of Arnod and Bell (2010).

Source: [A New Geography of Innovation: Opportunities and Challenges Facing the Asia Pacific Region](#)

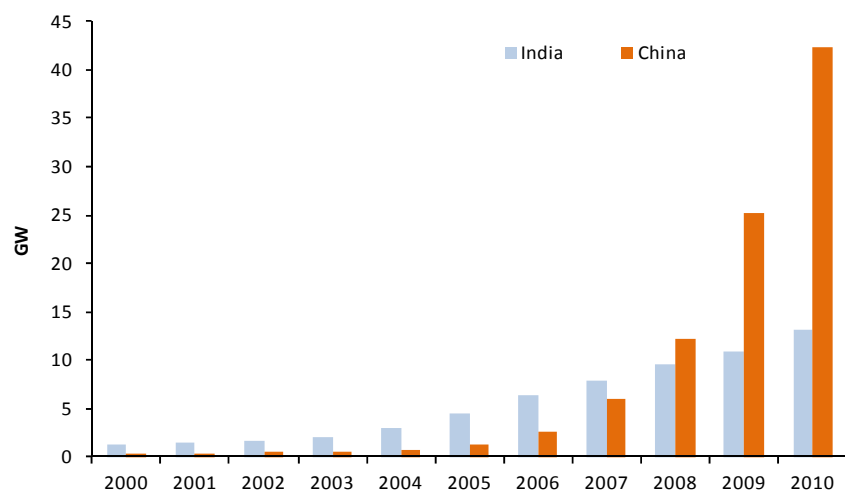


Innovation for Early Stage Entrepreneurship Activity 2008 – 2010



Source: [Entrepreneurship in Ireland, the Annual Report](#)

China and India's growth in wind power capacity

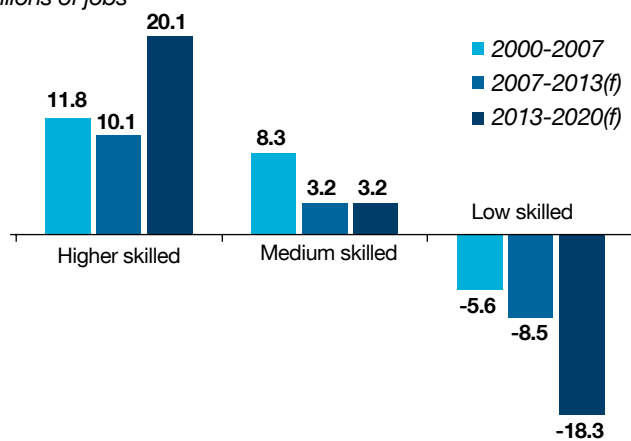


Source: [International Energy Agency, Clean Energy Progress Report](#)



Changes in demand for skills in European Union

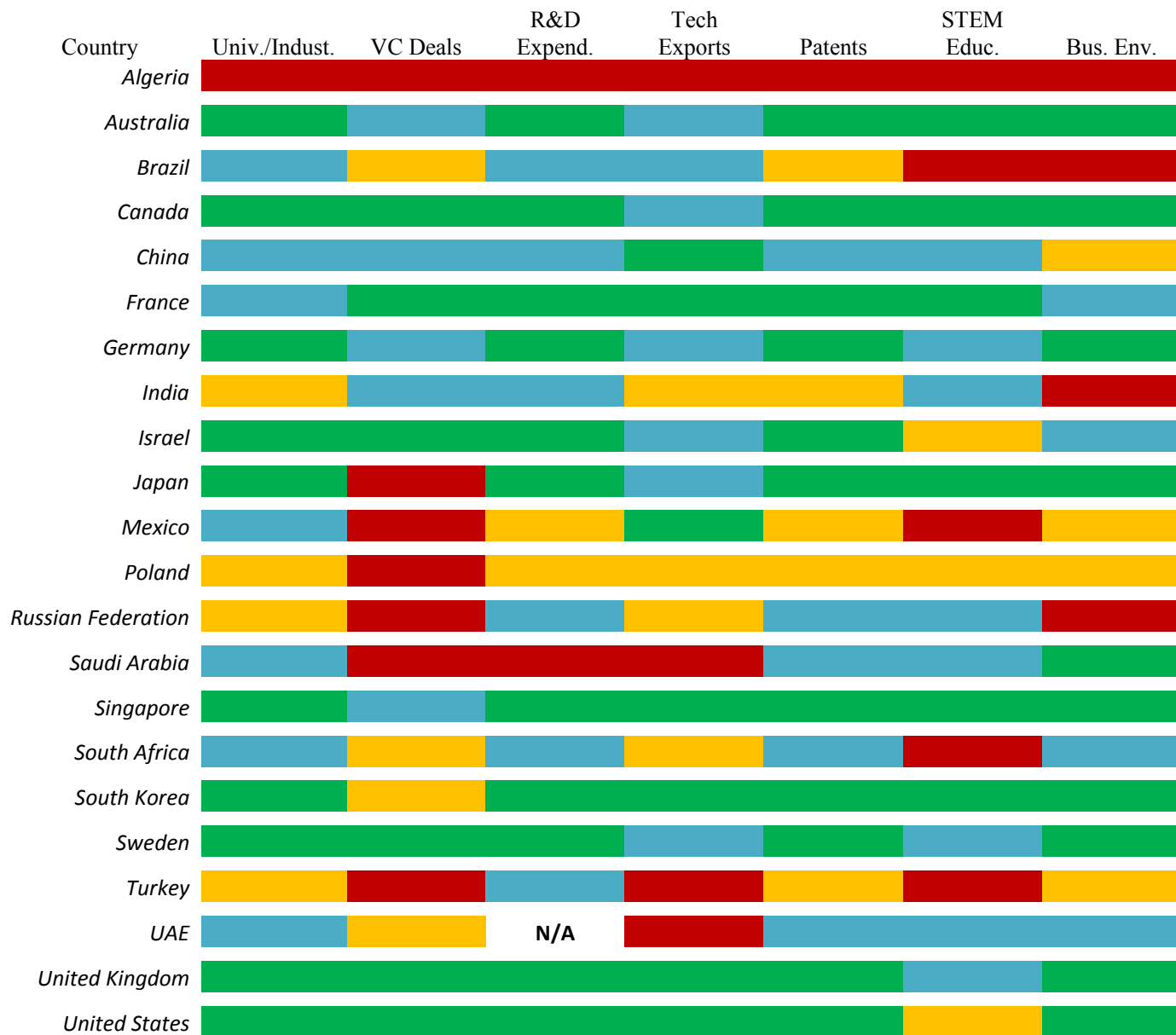
Millions of jobs



Source: [IBM, Smarter cities for smarter growth](#)



Innovation Scoreboard



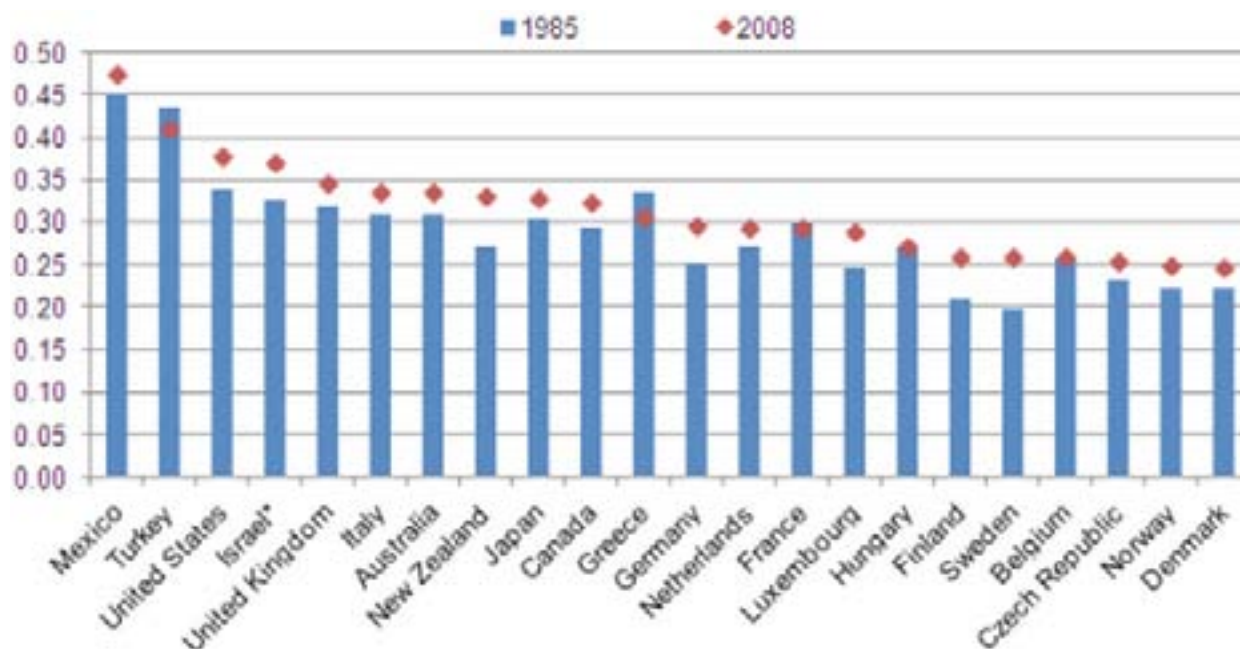
Scorecard Legend



Source: [Milken Institute's Innovation Scorecard](#)



Income inequality increased in most, but not all OECD countries (Gini coefficients)



Source: [OECD](#)



Annex: KEN and the ESPAC Initiative

<http://www.formula-europa.eu/espac-initiative/>

Towards adequate worldwide standardization of quality development management

At a meeting on December 9, 2011, Prof. Dr. Boris Cizelj, President of the Knowledge Economy Network and Chairman for the ESPAC Initiative Strategic & Programming Committee, authorized by the ESPAC Initiative Founders, signed with Mr. Carlos Gadsden, Executive Secretary for FIDEGOC (International Foundation for the Development of Reliable Governments), a Memorandum of Understanding (MoU) for further collaboration between the ESPAC Initiative and FIDEGOC. The signature of this document paved the way towards the institutionalization of the ESPAC Initiative and opening it the opportunity to participate and influence the IWA4 standardization process.

The present economic crisis in Europe and some other parts of the world confirmed the need, to determine and secure the optimal capacity for strategic planning which each national, regional and local government should develop as a prerequisite for competitive economic development. The economic growth should use the same amount of resources more efficiently (productively) and manage them more professionally so that the globalization process would be turned for them into advantage. Nowadays, attracting investment, job creation and development of human capital has been even more than in the past dependent on nationally, regionally and locally specific knowledge, that, in search for investors, could represent a globally competitive advantage for certain territory in comparison with others. However, in order to facilitate the decision making process of investors and governments on various levels in such direction, a world-wide model of quality management should be built and an adequate quality system standardized. By, based on relevant indicators, states, regions and local communities would be encouraged to apply the best development strategies in serving to their customers – voters and taxpayers which trusted to them the public authority and public funds.

Among KEN members, there are also local and regional governments, which are directly involved with policy & decision making process, and should be motivated to promote Knowledge Economy based on Human Capital. Therefore, many actual

and future KEN members could be actors of future changes on national, regional and local levels, to develop and implement the system for strategic planning capacity assessment and certification, called ESPAC Initiative, in which KEN, EURADA and Formula Europe Institute collaborate as co-founders and strategic partners. The above mentioned Memorandum of Understanding between FIDEGOC and ESPAC Initiative is aimed at establishing the collaboration towards the advancement of government performance in economic development and job creation, aiming in improving national, regional and local competitiveness. The ESPAC Initiative would be able to promote a more result oriented criteria for assessing Local Governments Quality Management System in the field of Economic Development Strategic Planning. The Memorandum has set up the framework for further cooperation on a global scale, as well as opening avenues for the creation of the European System for Strategic Planning Assessment and Certification.

The FIDEGOC has already created the framework for the official standardization of the current guidelines for Quality Management Systems on local governments. The main aim of IWA4 is to provide local governments with guidelines for the voluntary application of ISO 9001:2008 on an integral basis. The standardization of this IWA, however, will significantly strengthen its impact and application on local governments.



However, the cooperation between ESPAC Initiative with FIDEGOC - based in Mexico, where also the International Secretariat Headquarters of the International Workshop Agreement 4 "Guidelines for the Application of ISO 9001 in Local Governments" (IWA 4) is located - will take place not only in the field of standardization, but also disseminating new knowledge - designing and implementing training programmes as educational tools for improving regional and local governments' capacity for economic development planning. Both parties will also mutually promote themselves through publications, web sites and public events.

The ESPAC Initiative aims to further the goals and

objectives of its Work Program, as well as becoming increasingly involved with the standardization process of the IWA4. As such, the ESPAC Initiative will strive for the eventual incorporation of the European Union in IWA4 standardization process. It will, therefore, explore the eventual creation of training programs, create a network of experts and information to participate in eventual working group, to create knowledge, become involved with the national standardization bodies, as well as create added support within the member states (through the national standardization bodies), in order gain their understanding and support for the IWA4 standardization.

