

Knowledge Economy (KE) in European regions

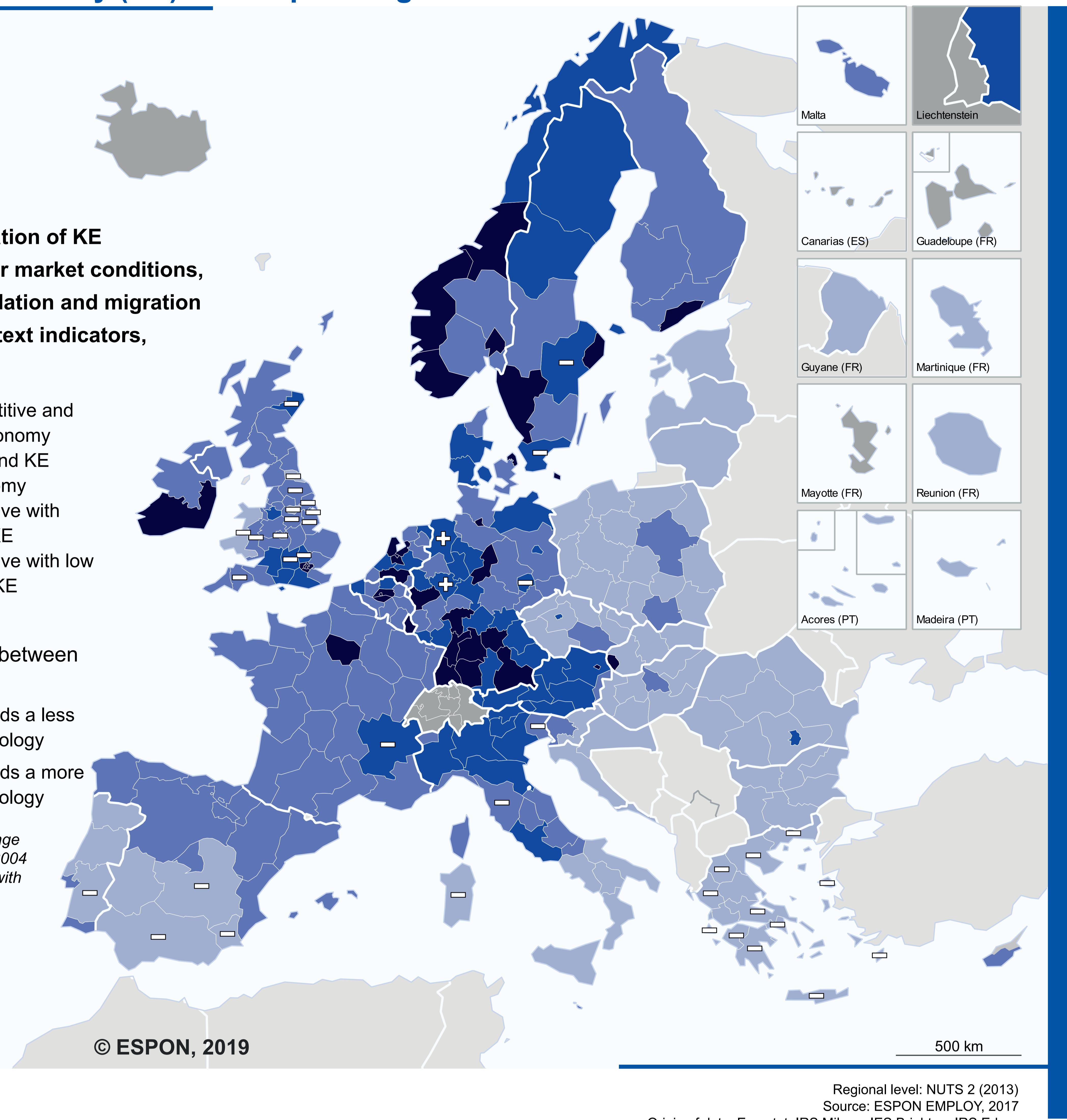
Regional classification of KE according to labour market conditions, KE potential, population and migration dynamics and context indicators, 2012-2015

- █████ highly competitive and KE based economy
- ████ competitive and KE related economy
- ███ less competitive with potential in KE
- ██ less competitive with low incidence of KE
- █ no data

Change in typology between 2004 and 2015

- change towards a less KE based typology
- + change towards a more KE based typology

* Regions that did not change the KE typology between 2004 and 2015 are not marked with a symbol



After the economic crisis, KE has become a more significant driver of regional imbalances

The KE follows a clear core-periphery polarisation, with highly competitive and competitive regions located mostly in northern European regions or large cities (e.g. London or Brussels).

Less competitive regions with low incidences of KE are mostly found in the Mediterranean and eastern European countries. They are characterised by weak labour markets and economic conditions, a low performance of KE indicators and have been typically severely affected by the economic crisis.

Compared to the pre-crisis period, less competitive regions with KE potential improved their performance in KE indicators (e.g. R&D expenditure), while also experiencing a high and growing old-age dependency ratio. These regions are mainly found in the Mediterranean, France, Eastern Germany, Finland and the UK.

Successful strategies to support the development of a KE in advanced and lagging regions present some common features:

- A careful assessment of territorial resources as a basis for setting up specific KE strategies,
- Availability of funding to support development strategies,
- The capacity of local institutions and actors to define and implement effective place-based growth strategies relying on the identification and valorisation of existing assets and on multilevel institutional cooperation.

Further reading: KIT - Knowledge, Innovation and Territory (ESPON 2013); EMPLOY - Geography of New Employment Dynamics in Europe (ESPON 2017).