

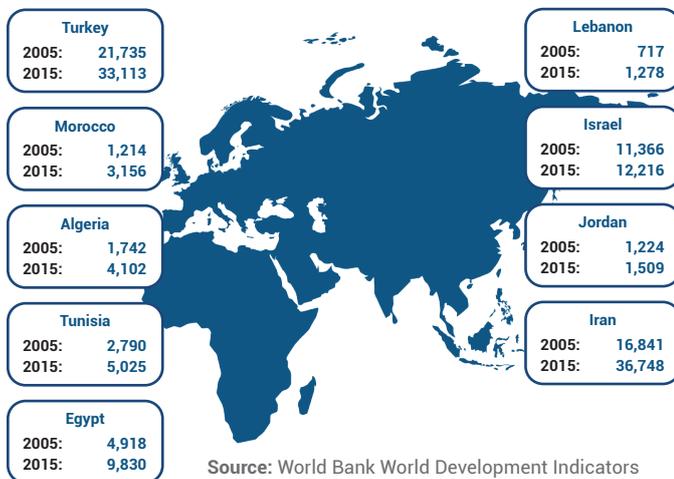
Science, Technology and Innovation (STI) as Drivers for Economic Development in Southern and Eastern Mediterranean Countries (SEMCs): What Role for the EU?

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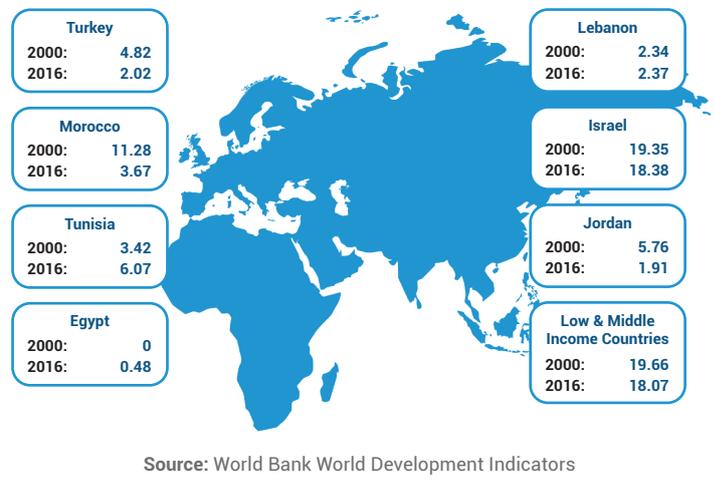
Critical Issue:

STI benefitted thousands of researchers from the EU and SEMCs, but focus has not progressed beyond "performance" of research into "utilisation" of knowledge to expand economic development in the region.

Number of scientific and technical journal articles



High technology exports (% of manufactured exports)



Obstacles to more effective STI cooperation between EU and SEMCs

Supply and demand for knowledge in SEMCs

-  Weak linkages between researchers and entrepreneurs.
-  No adequate protection for property rights.
-  Universities focus on teaching rather than research.
-  Environment is not ideal for knowledge creation and utilisation.
-  Industrial entrepreneurs have short-term vision and are risk-averse.

Asymmetry between EU and SEMCs

-  **Institutional asymmetry:** STI systems in both regions are incompatible in terms of governance structures, number of researchers, research infrastructure, etc.
-  **Financial asymmetry:** No real partnerships have developed given disparity in financial contributions to projects between the two regions; an unbalanced relationship.
-  **Unequal terms of trade:** Large trade surplus in favour of EU and lack of adequate access to EU markets.

Measures to enhance the supply and demand for knowledge



- Create an enabling environment that can establish and reinforce linkages between research and business sectors.



- Develop and implement a robust industrial policy, focusing on carefully selected strategic sectors.



- Improve educational systems on all levels, encouraging and fostering STEM (Science, Technology, Engineering and Mathematics) education and linking education to the jobs market.

Measures to reduce asymmetry between STI systems in EU and SEMCs



- The EU needs to encourage regional cooperation in the Mediterranean.



- Create a Trans-disciplinary Academy for the Future of the Mediterranean.



- Build on current bi-regional EU-supported initiatives, like the PRIMA initiative.



- Capacity building, technical assistance and financial support, provided by the EU for creating a dedicated group of science and innovation managers in relevant SEMC institutions.



- Modify free trade agreements with SEMCs to help protect strategic industrial sectors.