



## **PRESS RELEASE OF WORKING PAPER 4.20**

### **Emerging Knowledge Networks: EU-ENC Patent Citation Links**

#### **OBJECTIVE**

A significant element of the EC's intention in pursuing a robust European Neighbourhood Policy (ENP) is to raise the standards and capabilities of neighboring states as active regional partners which are able to expand trading opportunities, engage in broader intellectual exchanges, pursue enhanced knowledge-intensive investment possibilities and to do so by more fully exploiting a modern technological base of innovative practices. This paper investigates the possibilities of such a scenario by examining the historical record of ENC country linkages with recognized sources of patent-worthy knowledge.

#### **MAIN RESULTS AND POLICY IMPLICATIONS**

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This research paper tends to reinforce the findings of other studies that highlighted potential limitations of ENCs in relying on innovative knowledge flows from FDI or their surprising incapacities to capitalize upon such flows. While EU accession countries quickly established important links to patent knowledge bases in the EU15, the ENC regions appear to have

steadily lost such linkages over a 30 year period with the EU15, with North America, with Japan, and even within ENC regions. The sole exception is a very slow growth of knowledge linkage with the EU accession countries from an extremely small base. Much more effort will be required to enable ENCs to adopt and incorporate external patent knowledge into the design and production of important goods and services. ENCs appear to have steadily withdrawn from the orbit of advancing innovations just as the EU hopes to implement its ENP. The difficulties ENCs face in getting engaged with appropriate knowledge bases are highlighted by our additional findings that it is the most modern and advanced technological centers in Europe and worldwide that continue to attract disproportionate knowledge link shares over time, effectively dominating the attention of all other regions, whether the innovative technologies are regionally suited or not or whether ENC absorptive capacities are sufficiently capable. ENP policies will need to consider better matching of appropriate knowledge bases and ENC needs, but also find ways to help ENCs improve their capacities to absorb a wider and more sophisticated range of innovative practices.