

# **ECONOMIC COMPLEXITY AND THE WEALTH OF NATIONS**

**Pierre-Alexandre Balland**

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- Entrepreneur: data science solutions for business problems

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- As the economy becomes more complex, it grows
- New technologies and globalization allow for a deeper division of knowledge
- Trade and division of labor and this is a very efficient way to organize the economy

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- This division of knowledge also creates room for hierarchy and inequality
- Complexity makes key resources very, very concentrated (hello network effects)
- Increased interdependencies make us more vulnerable to pandemics such as Covid-19, financial, and ecological crises



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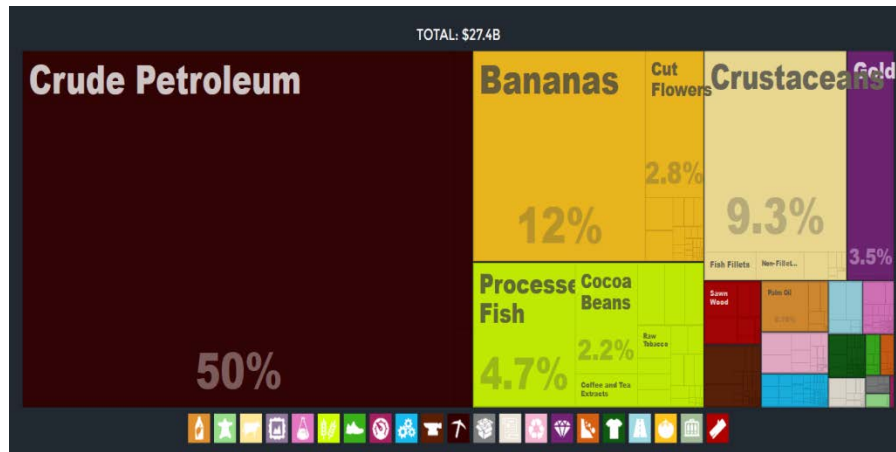
# Reframing economic development



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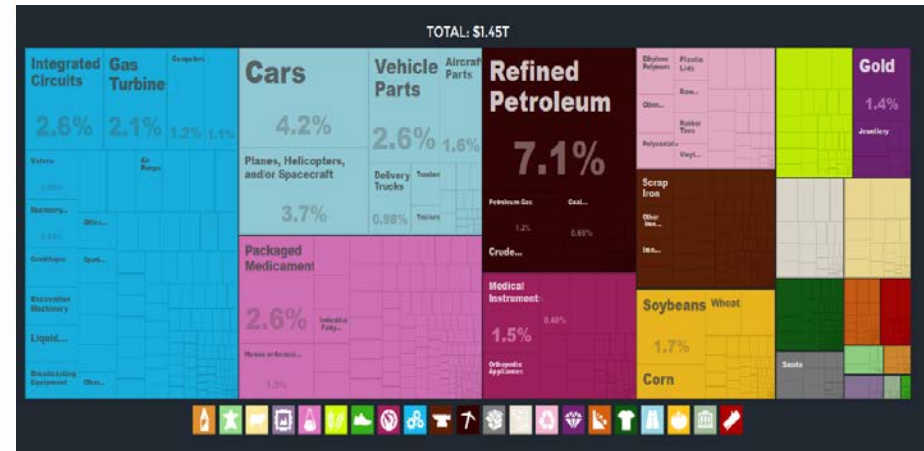
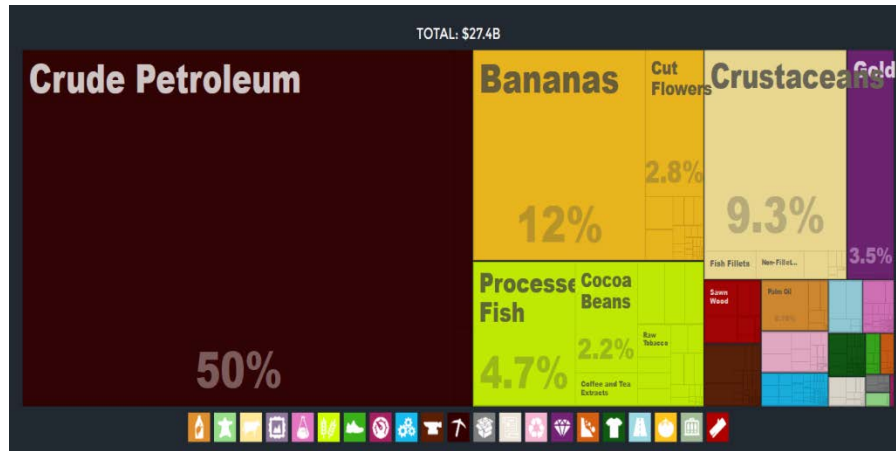
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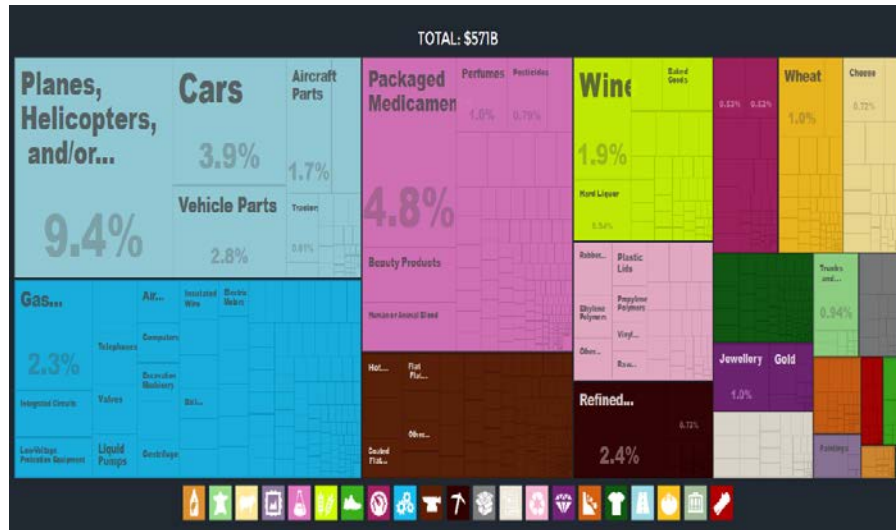
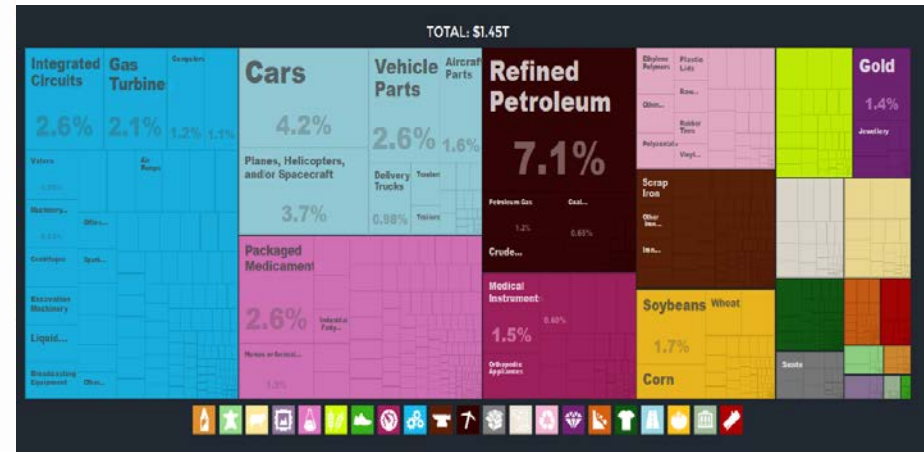
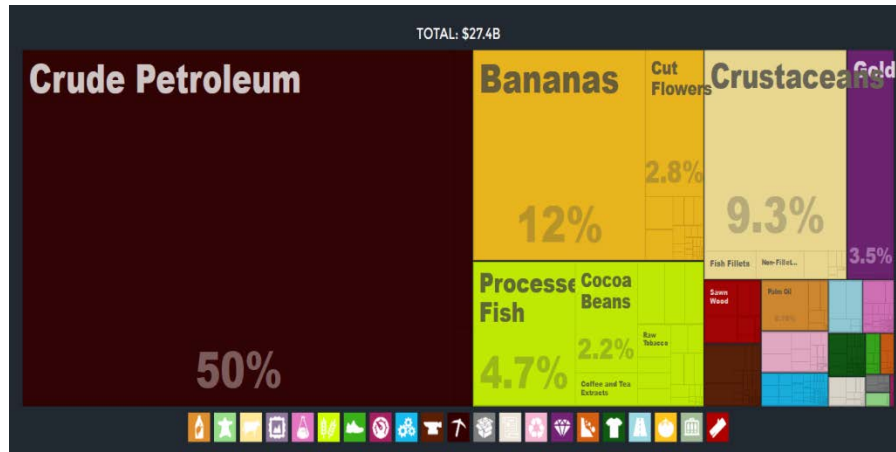


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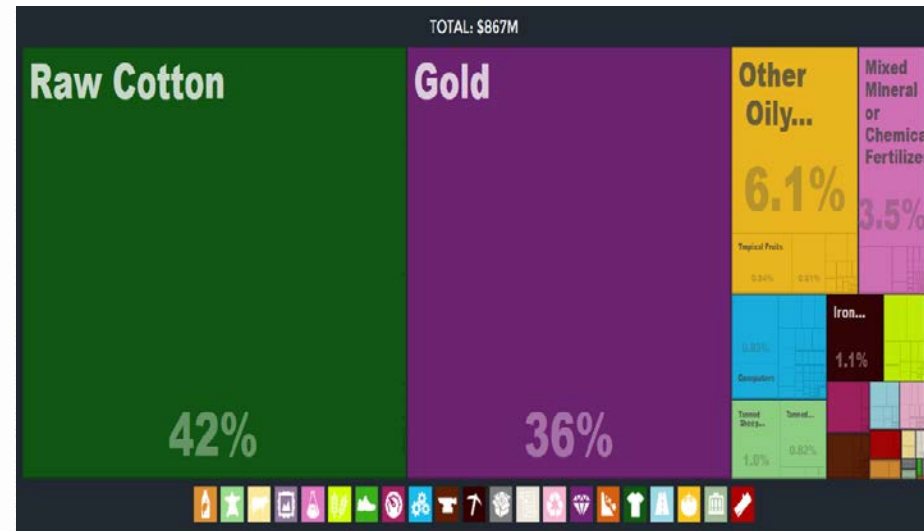
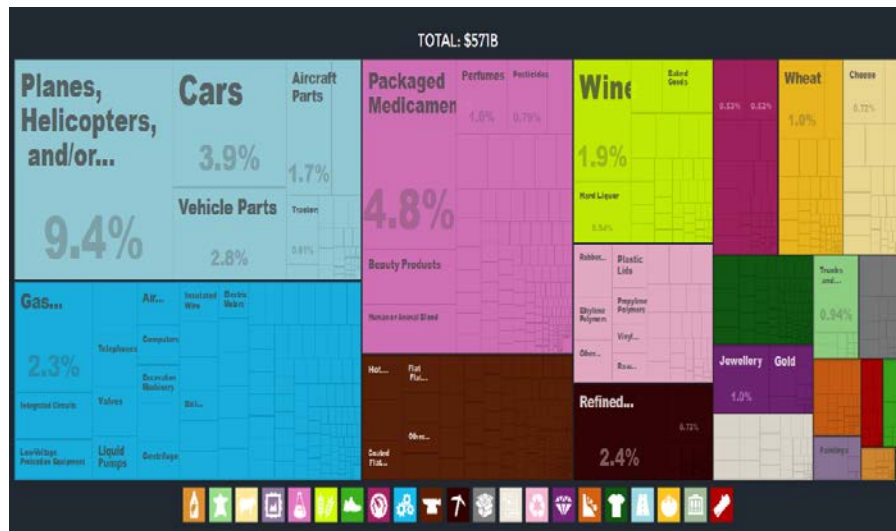
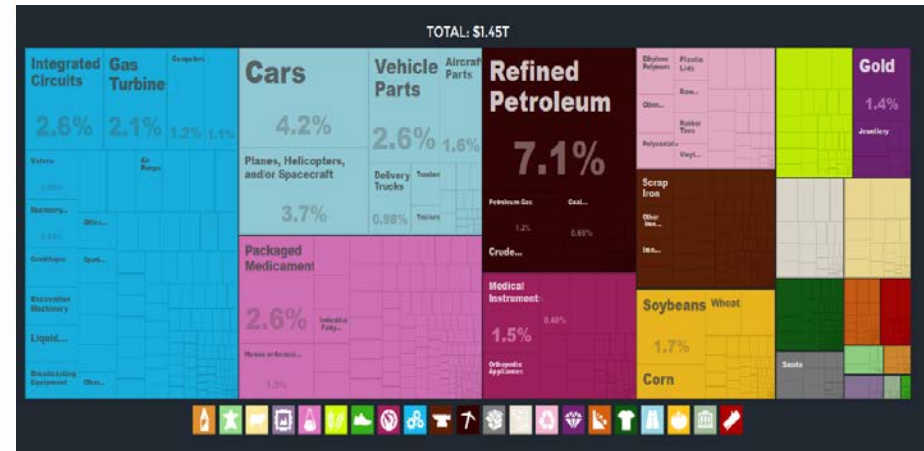
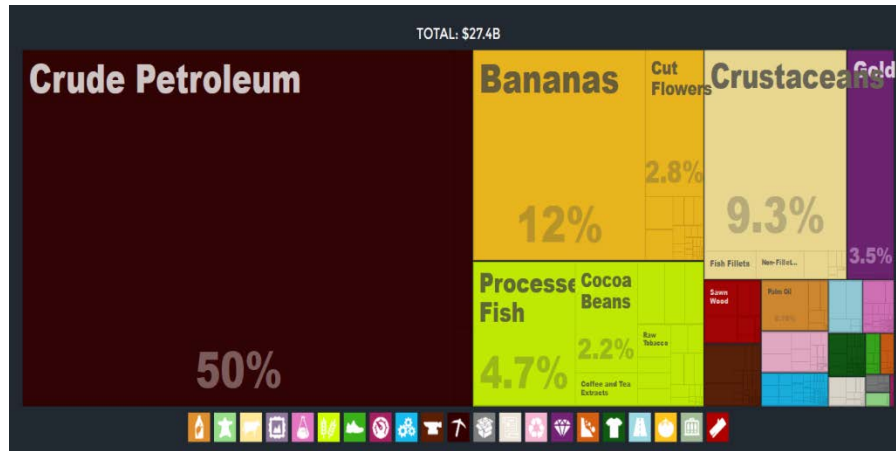
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# On smart specialization

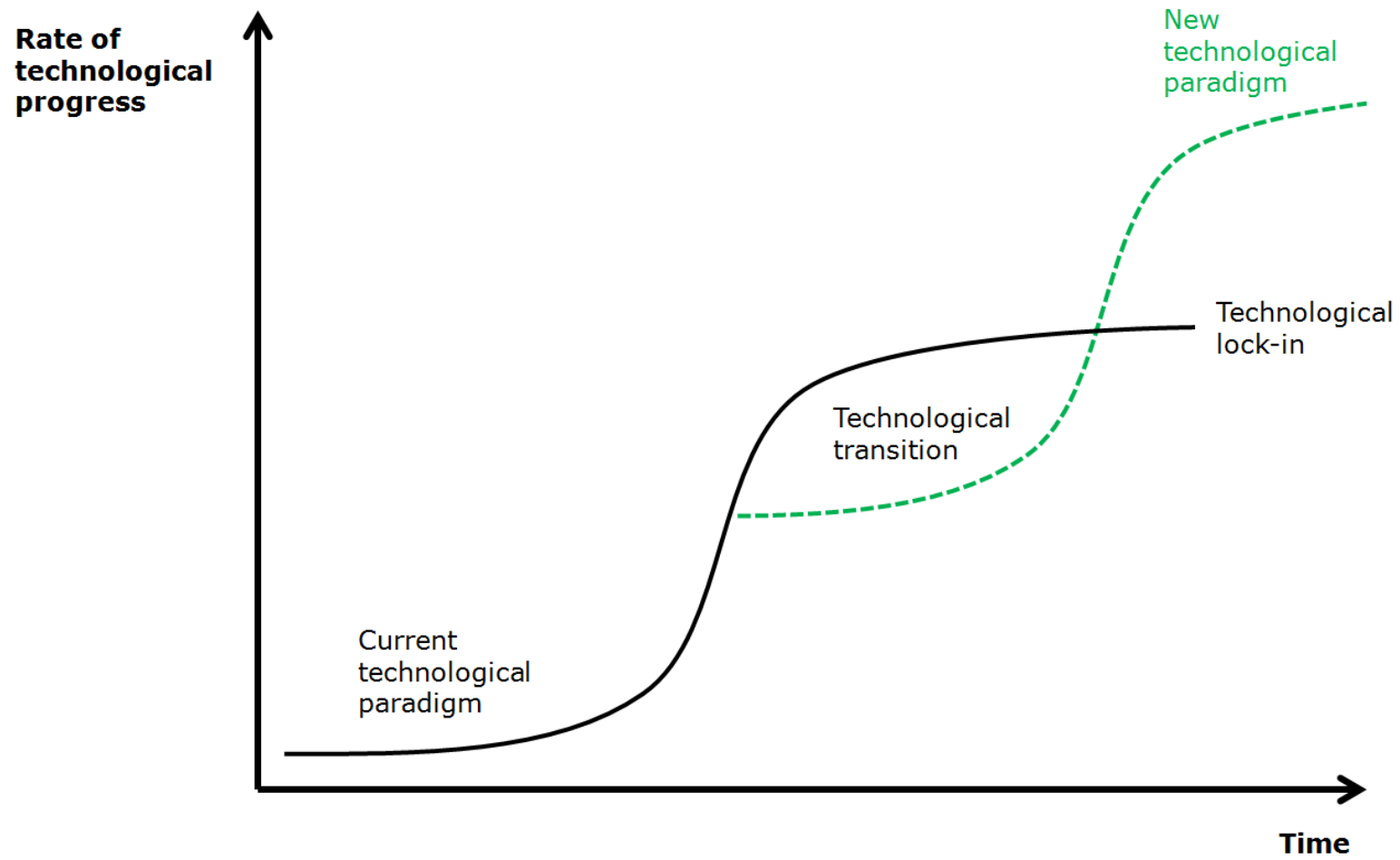


## Smart specialisation

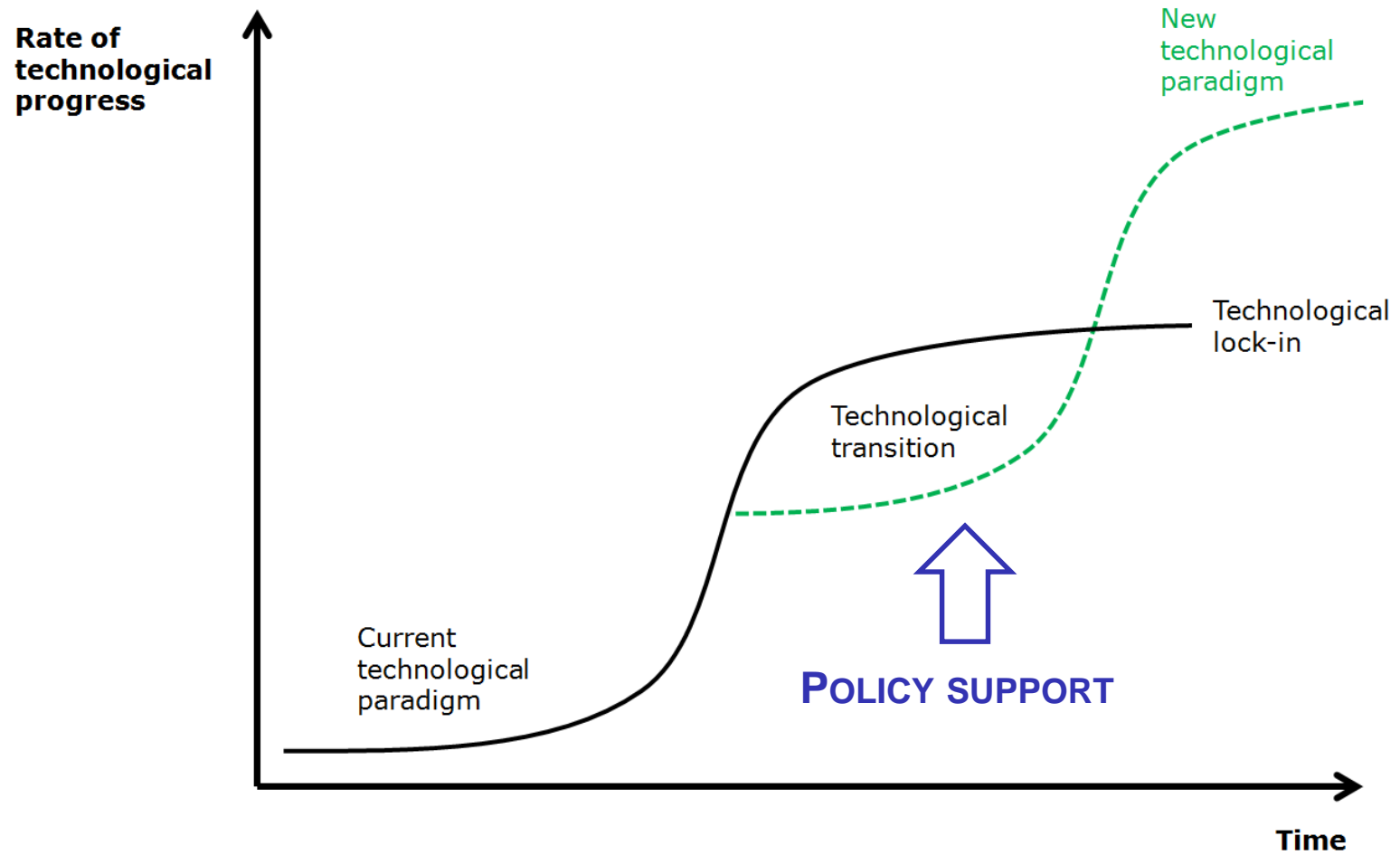
Smart specialisation is a new innovation policy concept designed to promote the efficient and effective use of public investment in research. Its goal is to boost regional innovation in order to achieve economic growth and prosperity, by enabling regions to focus on their strengths. Smart specialisation understands that spreading investment too thinly across several frontier technology fields risks limiting the impact in any one area.

A smart specialisation strategy needs to be built on a sound analysis of regional assets and technology. It should also include an analysis of potential partners in other regions and avoid unnecessary duplication. Smart specialisation needs to be based on a strong partnership between businesses, public entities and knowledge institutions – such partnerships are recognised as essential for success.

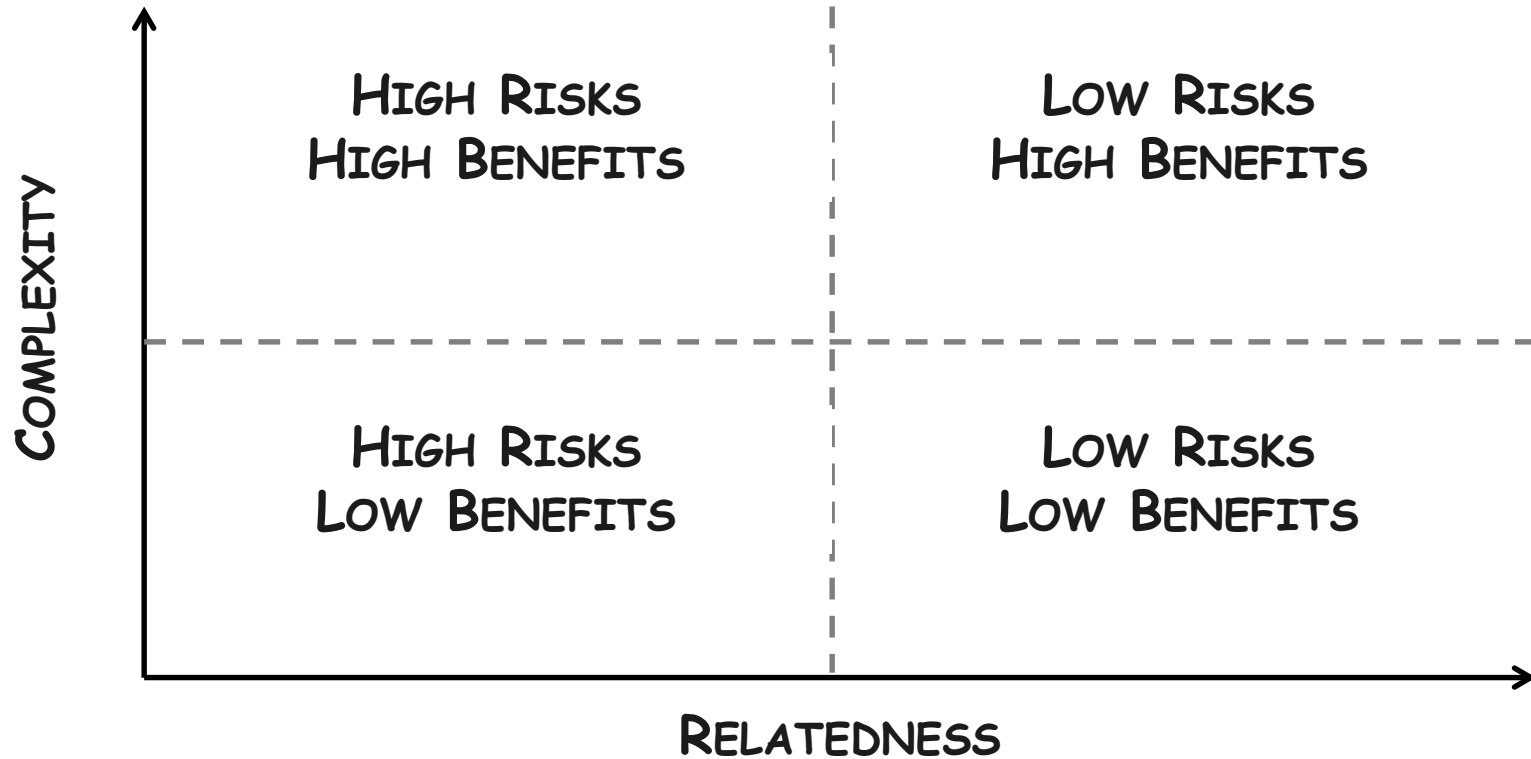
To push forward the smart specialisation concept, the Commission announced the setting up of the S<sup>3</sup>Platform in a 2010 Communication entitled 'Regional Policy contributing to smart growth in Europe 2020'. This platform aims to assist regions and Member States in developing, implementing and reviewing regional smart specialisation strategies, and help regions identify high-value added activities which offer the best chances of strengthening their competitiveness.







# Smart Specialization



Balland et al. (2019)

**Q&A**