

THE NECESSARY COMMITMENT TO THE KNOWLEDGE ECONOMY

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The autonomous communities that have most intensely developed the knowledge economy – that is, the economy based on information, communications, and technological innovation – have better resisted the crisis in terms of income, productivity and employment, according to the report *The competitiveness of Spanish regions in the face of the knowledge economy*, by the [Ivie](#) and the [BBVA Foundation](#). [The Basque Country, Navarra and the](#)

Community of Madrid lead the ranking of specialization in knowledge, which translates into economic results above the state average, as reported by El Economista and Expansion.

In this way, the autonomous communities where knowledge-based assets have a greater weight, where the use of human capital and technological capital is greater, have higher productivity and higher per capita income. Madrid stands out in per capita income, exceeding the state average by 36%, while the Basque Country stands out in labor productivity with a level 26% above the average.

As the report explains, the endowments of human capital and the ability of companies to attract and retain talent determine the level of penetration of the knowledge economy in the regions. Along these lines, Madrid and the Basque Country (above 35%) and Navarra (close to 35%) have the highest percentages of the population of working age with higher education. As for businessmen with higher degrees, Madrid (50%) leads the list, followed by the Basque Country, Catalonia and Navarra (>40%).

Regarding investment in R+D+i, Madrid once again stands out with an investment of 3.15% of regional GDP in innovation, while Euskadi, Navarra and Catalonia are over 2%.

As a whole, Spain has increased the contribution of knowledge-based assets to its gross value added (GVA) by more than 20 points in the last quarter of a century, and already allocates more than half of the value of production to remunerate the human capital and the technological base capital that it employs. However, the percentage is much higher in advanced countries such as the United Kingdom, the United States or South Korea, where these assets contribute more than 70% to GVA. This percentage is already ten points higher than "the top of the class" in Spain, a reminder to the Basque Country, Navarra and Madrid not to become

**complacent about standing out on the Spanish scene, and to
continue paying more attention to external international
benchmarks.< /h3>**

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