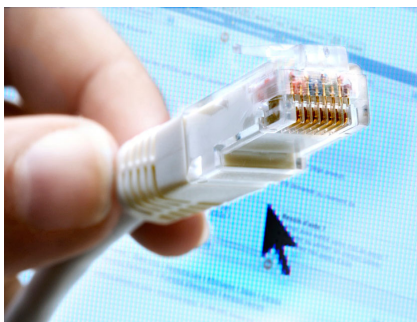




Adapting to technological change (including raising productivity)



Research and innovation help deliver jobs, prosperity and quality of life. Information and communication technology is an important driver of productivity growth and economic performance. Many euro area countries lag behind the USA in terms of technology. Some countries exhibit a reluctance to foster innovation. In part, this may be explained by the fact that technology tends to reward some groups over others (e.g. skilled workers gain more than the unskilled).

But what is...?

Technological change describes the process of technological invention, innovation, and diffusion.

Productivity measures output produced per unit of input (e.g. number of hours worked). Productivity is one of the principle determinants of a country's standard of living.

Research and development describes all activities through which firms develop new products and procedures or through which existing products and procedures are improved.

Europe 2020 is the EU's growth and jobs strategy for the coming decade. It aims to foster smart, sustainable and inclusive growth, e.g. by encouraging greater investment in R&D.

Questions? Use the Euro Challenge Forum!

- ① How can **new technology**, e.g. information and communication technology (ICT), help to boost growth and productivity?
- ② Has your chosen country been able to use new technology well and to adapt to technological change?
- ③ What does **productivity** measure?
- ④ What is the difference between the **level of productivity** and the **rate of productivity growth**? How does your chosen country measure against other countries in terms of both of these?
- ⑤ What role has **adaptation to technological change** played in the gap between **productivity growth** in the United States and in the euro area in recent years?
- ⑥ What role do the **quality of education and skills training** in your chosen country play in helping it to better adapt to technological change?
- ⑦ How does your chosen country measure up in terms of encouraging **research and development**, innovation, and entrepreneurship?
- ⑧ What role does the **Europe 2020** strategy play in increasing productivity and making better use of technology? What does your chosen country plan to do under Europe 2020? What are the relevant EU headline targets and how close is your country to meeting them?

