The Bertelsmann Stiftung (Bertelsmann Foundation)

- Think tank based in Gütersloh (Germany)
- Staff of around 380
- 70 projects in various areas (democracy, health, education, culture, economy, society)
- Conduct and commission studies
- Our project:
  - Started in 2018
Our Project: Productivity for Inclusive Growth

- Twin Challenge: Low Productivity Growth ↔ High Inequalities (People, Firms, Places)
- Our Model:
SMEs vs. Large Enterprises

- Spending on innovation is becoming more concentrated.
- Large companies now spend more than twice as much on innovation as SMEs.

### Innovation Expenditure, in Billion €

- **Large Companies**
  - 2006: 138.9
  - 2019: 149.0

- **SMEs**
  - 2006: 27.9
  - 2019: 26.8

### Innovation Expenditure, in % of Revenue

- **Large Companies**
  - 2006: 4.0
  - 2019: 1.5

- **SMEs**
  - 2006: 1.0
  - 2019: 1.0

ZEW (2019)
SMEs vs. Large Enterprises

- Productivity increases with firm size.
- Divergence of productivity (growth) between SMEs and large Enterprises since the crisis

Dienes et al. (2019) - Forthcoming
Regional Innovation in Germany
Patent Applications in TL3-Regions

Nüse et al. (2019) - Forthcoming

Data: Concentration of Patent Applications per Million Inhabitants in TL3-Regions, 3 Year Average, Germany (1997-2014), OECD Regional Database
Regional Productivity in Germany

Gornig et al. (2019)

- Productivity levels amongst German regions are homogenous relative to other countries.
- No single “Superstar Region“
- Metropolitan areas are more productive than rural areas.
- East-West gap: East Germany produces only 80% as efficiently as West Germany
Regional Productivity in Germany

- Population density largely explains East-West German productivity gap.

Gornig et al. (2019)
Productivity and Demographic Change

- Demographic change is a driver for long-term standard of living.
- Declining labor force → remaining workers must work more productively (ceteris paribus)
- Graph: Required increase of average productivity growth to keep GDP/capita constant

**Required TFP growth to keep GDP per capita constant until 2035**

- Schleswig-Holstein
- Thuringia
- Germany
- West Germany
- East Germany

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Further Projects/Papers

- Clustering firms around different milieus based on their innovation model and output
- Effect of market power on innovation activities on the firm level
- Digitalisation and geographic concentration of innovation (w/ OECD TIP)
  - How does the digital transformation affect the regional inclusiveness of innovation?
  - Empirical approach based on regional patent data

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Thank You!