

SLOVAK REPUBLIC

The Slovak Republic has enjoyed strong GDP growth thanks to a rapid rise in labour productivity. As a catching-up economy, however, it invests little in R&D and innovation. In 2006, spending on R&D stood at 0.49% of GDP, near the bottom among OECD countries. This figure should be viewed in light of the drop in R&D spending due to the restructuring and closure of government and industrial R&D institutes during the transition to a market economy.

The government sector accounts for 56% of total R&D spending. Following recent reforms to improve research quality and relevance, the government is shifting public support towards programme-based funding, which is expected to account for two-thirds of public R&D outlays by 2015. EU structural funds aside, the scope for further public spending on R&D is limited because of the budgetary constraints associated with the planned entry into the euro zone in 2009.

The business sector accounts for only 35% of total R&D spending (compared to an OECD average of 64%) and performs around 43% of total R&D (including in private R&D institutes). The country attracts little foreign direct investment and multinationals spend little on R&D.

There has been a rapid rise in university enrolments (a 100% increase between 1995 and 2003) but tertiary education spending per student has not kept up. While numbers remain small, the share of science and engineering graduates in total graduates is above the OECD average, owing to a tradition of mathematics and science education. Still, given the low demand for research person-

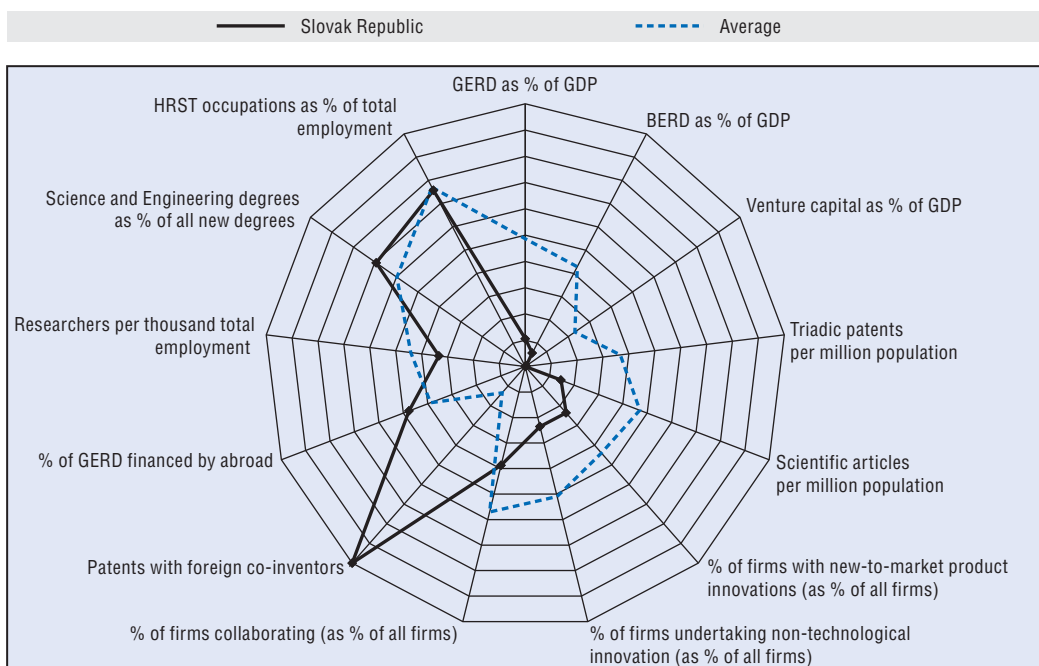
nel, the number of researchers stood at 5.5 per 1 000 total employment in 2006, below the OECD average. Indeed, growth in researchers was negative between 1995 and 2005, mainly owing to decreases in researcher employment in the business sector.

Scientific publications amounted to 170 per million population in 2005, below the levels in the Czech Republic or Hungary. Furthermore, most research is oriented towards basic research in areas such as physical sciences and there is little applied research or engineering. The academic orientation of research, the dearth of business R&D spending and weak industry-science links limit Slovak firms' capacity to innovate.

The current strategy for research and innovation is embodied in the Long-term Objective of the State S&T Policy up to 2015, which aims to improve horizontal co-ordination of policy making (via inter-ministerial committees) and the steering of research (improving co-ordination between central government agencies, regional authorities and institutions). The 2005 *Law on Organisation of the State Support of R&D* also set requirements for evaluating public R&D.

To boost business sector innovation and to support innovation, the government has created the Slovak Innovation and Energy Agency, under the Ministry of Economy. In February 2008 the government approved an innovation policy for 2008-10. It aims to strengthen links between industry and research through the creation of regional innovation structures involving municipalities, universities, academy institutes and firms.

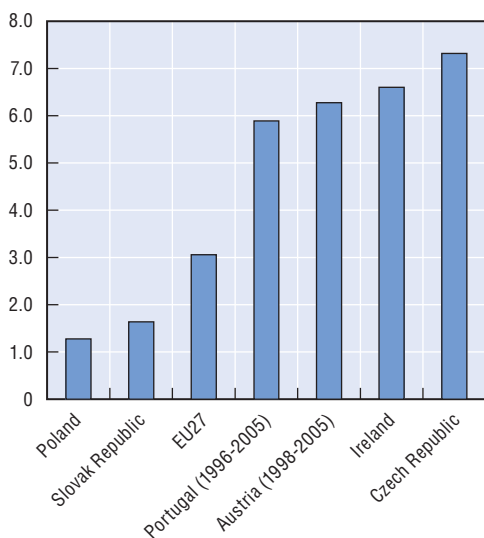
Science and innovation profile of the Slovak Republic



StatLink <http://dx.doi.org/10.1787/453751064727>

Growth in R&D personnel, 1996-2006

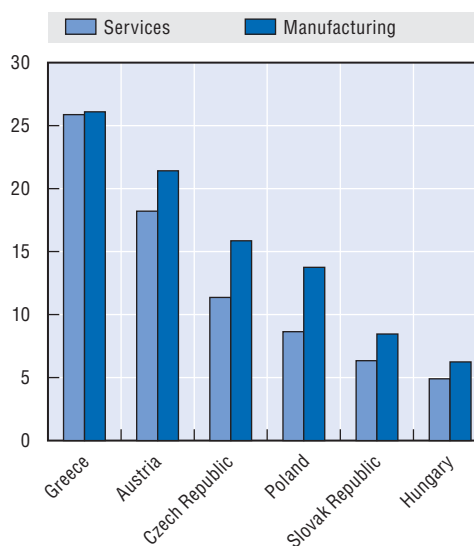
Average annual growth rate (%)



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In-house product innovation by firms, 2002-04

As a percentage of all firms



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