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Prof. Dr. Alari Purju is currently Chair of the Economics Department of the Estonian Business School and Research Associate in the Economics Department of Tallinn Technical University. He graduated from Tartu University with a specialization in economic cybernetics and received his Ph.D. at the Economic Institute of the Estonian Academy of Sciences. He earned his Master’s degree in Economic Sciences in 1995, from the Central-European University and the State University of New York in Albany. He has also studied at the Central European University in Prague and Bentley College in the USA. Since 2001, He has been a member of the Estonian Council of Scientific Competence of the Ministry of Education and Sciences and since 2002 a member of the Social Commission of the Academic Council of the President of the Republic of Estonia.

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Entrepreneurship, Growth and Public Policy Group
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The Structural Change of Economy and Innovation Policy in Estonia

The target of current paper and presentation is to analyze the interconnections between the structural change and different aspects of innovation in economy. The structural changes in Estonian economy occurred due to several reasons. The political reasons related to regained independence and introduction of institutions typical for market economy had a great role. The ownership reform and foreign direct investments were another source of big impact. The EU integration and achieved in 2004 membership was accompanied by harmonization of institutions and further increase of credibility of economic institutions. Also access to structural funds and other sources of EU funding plays a big role. At the same time, the creation of innovation policy and respective organizational structure has been one target for Estonian economic policy. What are the main factors of innovation and how are they related to changes in different industries is evaluated in the current paper. The empirical part of the paper is based on a research project “Research policy linkages in the Baltic States: comparative analyses of a natural experiment” realized in the framework of the Bridging Research and Policy (BRP) Network.