

Abstract

This paper shows that high-tech employment – broadly defined as all workers in high-tech sectors but also workers with STEM degrees in low-tech sectors- has increased in Europe over the past decade. Moreover, we estimate that every high-tech job in a region creates five additional low-tech jobs in that region because of the existence of a local high-tech job multiplier. The paper also shows how the presence of a local high-tech job multiplier results in convergence is happening at a glacial pace, and some suggestive evidence is presented that lifting several institutional barriers to innovation in Europe's lagging regions would speed up convergence leading to faster high-tech as well as overall employment while also addressing Europe's regional inequalities.