

OECD FORUM 2006
BALANCING GLOBALISATION
22-23 May 2006, Paris

Innovation and Growth

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The changing nature of innovation – always people but now in a broader context

Old innovation different from new innovation – took place in corporations and universities and key issue was managing ideas to market. So huge effort in corporations to get good ideas to marketplace and more recently huge effort to get universities to find commercial applications to the most of their talent.

Now innovation more diffuse: Googol and pre-pay phone cards. Of course old model still very important and people still the key. But many key innovations come from self-employed (crazy frog), from artistic and entertainment stars or the financial service marketplace. And many key innovations from the BRICs, not the G7.

So question – how to promote it both more complex and more simple. More complex because you cannot simply channel resources to established places of innovation – R&D incentives to business, grants to research establishments etc. – and expect them to bring in the bacon (yes that model remains important of course, but it not sufficient). But issue is more simple because the market in talent will tell you who is doing it right.

Key policy issues for Europe: how to retain talent (exodus of science grads); how to improve quality of universities; how to increase flow of venture capital. But most of all...

... how to become a magnet for talent – pay, opportunities for the young, tax, freedom t create etc.