OECD, TIP Group; 17th meeting, June 2001

The Innovation Trend Chart - a policy learning tool

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The Lisbon message (March 2000)

Member States call for “Benchmarking”:
- quantitative and qualitative indicators
- translate guidelines into national policies
- guidelines for the Union with specific timetables
- monitoring and periodic evaluation
- mutual learning process through peer reviews

A modular set of scoreboards

ECFIN “Structural” (or “flagship”) indicators (02/01)

EMPL (since 1998) INNO (09/00; 09/01) ENTR (10/00) RTD (06/01; 12/01) Others
The “Luxembourg process”

A model for policy benchmarking?

- 8 indicators
- The “diamonds”
- European strategy ("4 pillars")
- Annual Council
- National action plans
- “Good practices”

The Innovation Scoreboard

16 (17) indicators in four areas:

- Human Resources
- Creation of new knowledge
- Transmission and application of knowledge
- Innovation finance, outputs and markets

http://trendchart.cordis.lu/Scoreboard/scoreboard.htm

The enterprise scoreboard

27 indicators in five areas:

- Entrepreneurial dynamism
- Regular constraints
- Capital markets / financing conditions
- Knowledge based economy
- Getting to the market

http://europa.eu.int/commin/enterprise/enterprise_policy/competitiveness/index.htm#sec1842
The “structural indicators”

36+ indicators in five areas:
- General economic background
- Employment
- Innovation & Research
- Economic reform
- Social cohesion


The “First set of R&D indicators”

15 (+5) indicators in four areas:
- Human resources in RTD and attractiveness of S&T professions
- Public and private investment in R&D
- Scientific and technological productivity
- Impact of R&D on economic competitiveness and employment

A consequence of the systems approach

From the linear model...

... to the end of the old “territories”
1. Human resources
   1.1.1 R&D graduate students
   1.1.2 Enrolment with a degree
   1.1.3 Employment of R&D personnel
   1.1.4 Employment of R&D personnel
   2. Knowledge creation
   2.1.1 R&D expenditure
   2.1.2 R&D expenditure
   2.1.1 R&D expenditure
   3. Innovation
   3.1. Innovation spending
   3.2. R&D spending
   3.3. Innovative spending
   4. Innovation output
   4.1. Innovative output
   4.2. Innovative output
   4.3. Innovative output
   4.4. Innovative output
   4.5. Innovative output
   5. Innovation performance
   5.1. Innovation performance
   5.2. Innovation performance
   5.3. Innovation performance
   5.4. Innovation performance
   5.5. Innovation performance

Note: No data for Luxembourg.
Source: EUROSTAT, R&D indicators, OCS 1996.
(1) The data is for 1996 for Denmark, Germany, France, Italy, Finland, UK, and Japan, and for 1987 for all other countries, with the exception of Austria, for which the most recent data is for 1993.
**Convergence ratios**

% ratios between the weakest and the best performer

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**The June 2001 scoreboard**

*Some new features:*
- One new indicator (life long learning)
- Increasing complementarity / modularity
- Showing and discussing trends
- Analysing convergence / divergence
- Correlation analyses

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**The June 2001 scoreboard**

*Some preliminary lessons:*
- **EU leaders are world leaders**
- They “move further ahead”
- But also rapid improvements of some “laggards”
- Large countries improve more slowly
- Strong performance differences remain
- **EU weaknesses: business R&D; patenting**
Use of the scoreboard:

- A mild form of "naming and shaming"
- to stimulate (stakeholders) debate
- to identify leading countries
- pointing at (some) weaknesses
- starting point for policy learning

The “Trend Chart on Innovation”

Three complementary components:

- European Innovation Scoreboard
  - 16 (17) indicators based on available statistics
- Database of Innovation Policy Measures
  - Currently more than schemes identified
- Workshops of "policy makers"
  - Peer reviews of policy measures

Information collected on 483 schemes:

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<th>Country</th>
<th>Count</th>
<th>Other Country</th>
<th>Count</th>
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<td>Ireland</td>
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<td>Total EU</td>
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</table>
Roster for information collection:

0. Generalities
- Coverage
- URL
- Overview
- Objectives
- Agency
- Manager(s)

1. Description
- Start/end year
- Predecessor
- Changes
- Target group
- Financing

2. Results
- Evaluations
- Other assessments
- Indicators
- Positive points
- Negative points
- Follow-up

Good practices (clusters & networks):
- NL: Most sophisticated clustering policies
- B: Active trans-national dissemination (PLATO)
- Coherence countries: New uses for structural funds
- S: science/technology interface
- D: balancing regional and national policies
**Good practices (innovation governance):**

- **FIN:** Innovation council as co-ordination structure
- **D + E:** Administrative re-organisations
- **UK + S:** Open up foresight exercises
- **IRL:** Using experimental programmes

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**Life cycle of policy measures**

1. **(Re) - Design of policy measure**
2. **Implementation**
3. **Evaluation**
4. **Improvement or new measure**

_BUT:_ Evaluations only for about 20% of measures

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**Life cycle of policy measures**

1. **(Re) - Design of policy measure**
2. **Implementation**
3. **Improvement through tacit knowledge**
4. **Evaluation for other users**
5. **Evaluation**
6. **Improvement or new measure**
Trans-national policy learning

- Implementation
- Evaluation
- (Re-) Design of policy measure
- “Decontextualisation”
- Comparison and identification of “good practices”

Peer review workshops

Investigating causalities

- Innovation policies (database)
- Innovation performances (scoreboard)

Exchanging good practices

Approach to “peer reviews”

Initiating a “closed loop” learning process:
- Facilitate exchange; paperwork is secondary
- Identify policy makers involved in similar schemes
- Prepare workshop through “matching” survey
- Identify opportunities for “twinning”
- Goal: continuity through “clubs” of policy makers
### Themes of "peer reviews":

- 9/00  Innovation policy co-ordination mechanisms
- 12/00  Supporting learning networks
- 4/01  New developments in IPR policies
- 10/01  New developments in start-up support policies
- 12/01  Guarantee mechanisms

### The “Trend Chart” tool box

- **Scoreboard**: awareness + mobilisation
- **Database**: easy access to national policy measures
- **Six-monthly “country reports”**
- **Six-monthly “thematic trend reports”**
- **Peer reviews**: trust and continuity (“clubs”)
- **Annual report**: progress and emerging trends
- **Web site**: [www.cordis.lu/trendchart](http://www.cordis.lu/trendchart)