



Symposium on Innovation and Inclusive Growth

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A framework to think about Innovation and Inclusiveness

Inclusive growth =>

- Inclusive innovation
- Inclusive effects of “standard” innovation activities and of new technology
 - ⇒ Industrial inclusiveness
 - ⇒ Social inclusiveness
 - ⇒ Territorial inclusiveness

Encouraging innovation AND inclusiveness? **Policy** trade-offs and complementarities, e.g.:

- Centres of excellence ↔ democratisation of innovation
- Market liberalisation ↔ ensuring access to key resources to the weakest players



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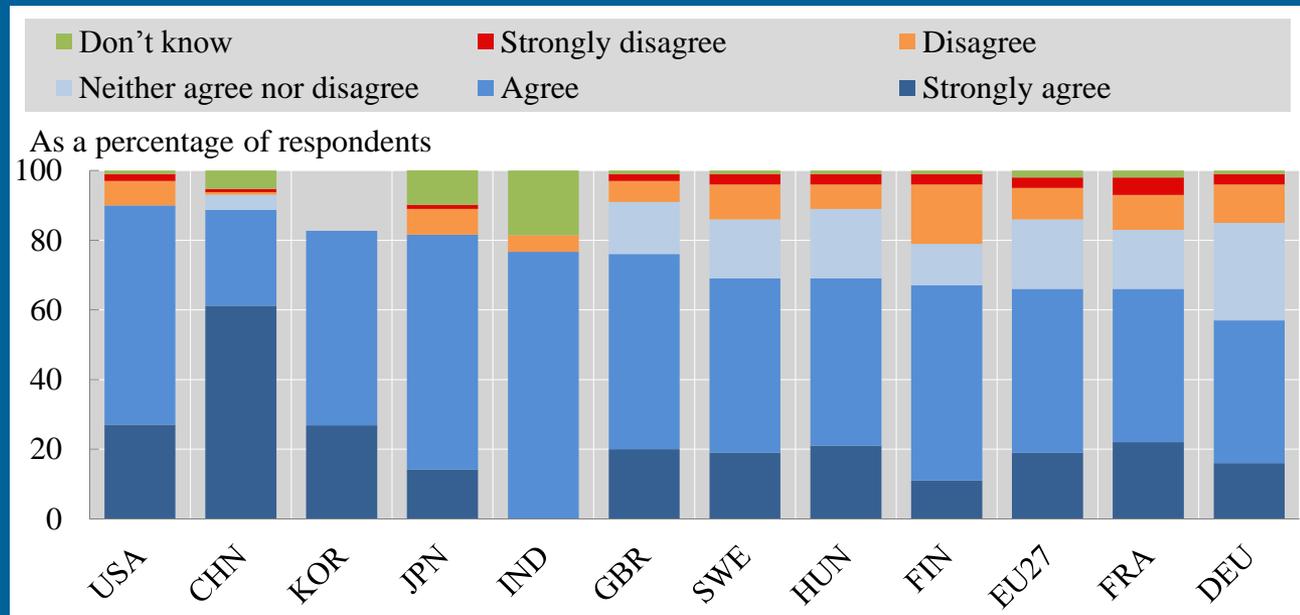


Inclusive Growth and the Contribution of Innovation

- **Inclusive Growth** > President Obama called inequality the “defining challenge of our time” & worldwide challenge with growing inequalities and persistent challenge of exclusion in the developing world ... even where growth was successful

Contributions of science and technologies to better lives

- Innovation recognized as critical for well-being for social inclusiveness





What all this is about

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Inclusive Innovation Initiatives

- Innovation in support of welfare for the poor and excluded groups:
 - Multiple success stories of appeal due to a) focus on identifying business models > more sustainable broader initiatives and b) involving the poor in roles beyond pure consumption > providing opportunities for inclusion in economic processes
- With limited budgets, opportunities and learning for OECD (e.g. health services for an ageing society and other services) ?





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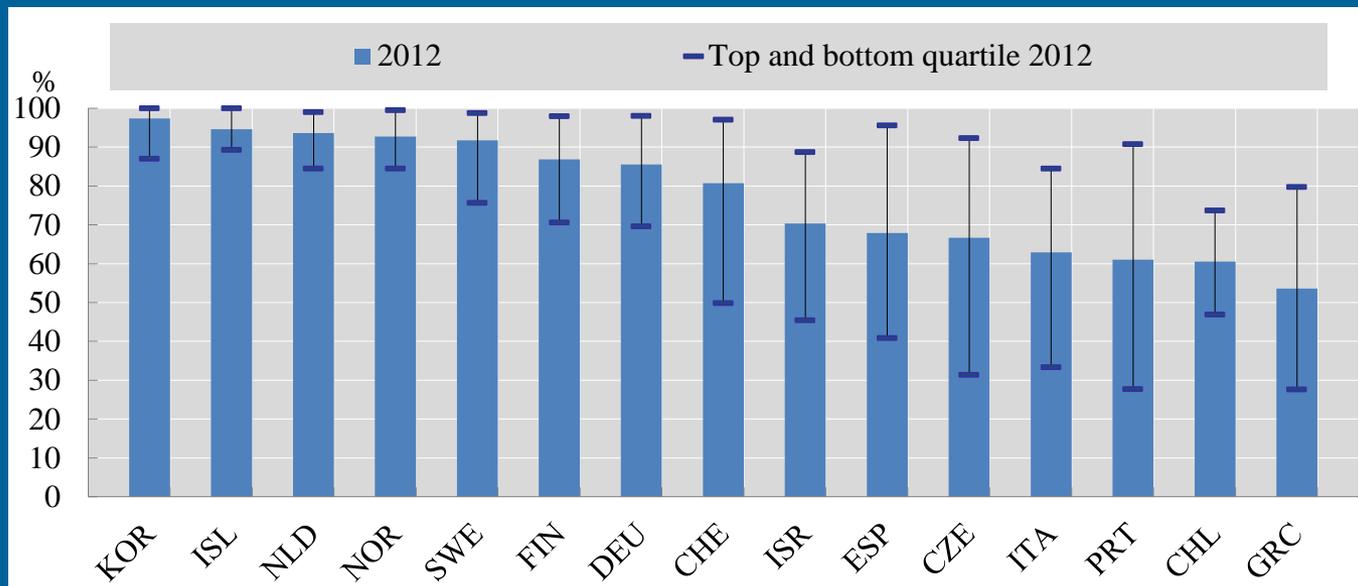
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ICTs as an Opportunity for Inclusion

- Wide uptake of Internet and mobile phones in particular across different income groups in developed and developing world – providing more opportunities for inclusive innovations

Household Internet access by income quartile, 2012



Source: OECD Science, Technology and Industry Scoreboard 2013



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- Opportunities for different businesses from large to smaller regarding performance

Impacts of ICT use on Labour Productivity across Firms in Developing and Emerging Countries

		Quantiles			
		20 th	50 th	70 th	90 th
Email Use_{ict}	1.226*** (0.263)	1.015*** (0.090)	1.267*** (0.068)	1.393*** (0.074)	1.985*** (0.158)
Observations	49,702	49,593	49,593	49,593	49,593



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Source: Paunov and Rollo (2014), Has the Internet Fostered Inclusive Innovation in the Developing World, OECD Science, Technology and Industry Working Paper [forthcoming]



ICTs as an Opportunity for Inclusion

- Wide uptake of Internet and mobile phones in particular across different income groups in developed and developing world – providing more opportunities for inclusive innovations
- Opportunities for different businesses from large to smaller performance & critical for them to innovate given key role of knowledge factors
- ICTs, however, drive wider challenges with different returns to skills ...



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⇒ **Social inclusiveness**

⇒ Industrial inclusiveness

⇒ Territorial inclusiveness

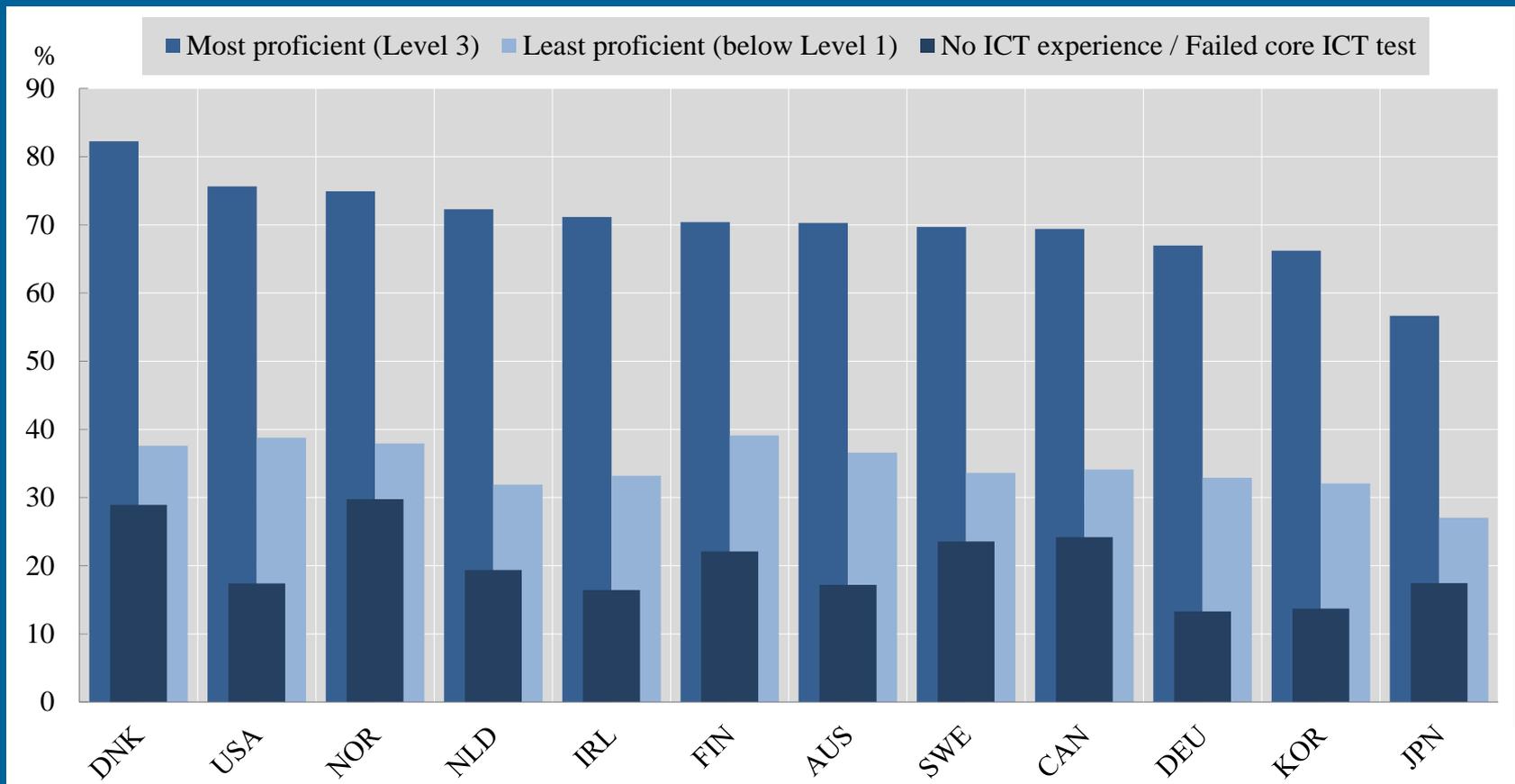
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The Skills Imperative for Inclusive Growth

Participation in job-related education and training by level of problem solving in technology-rich environments, 2012



Source: OECD Science, Technology and Industry Scoreboard 2013 based on the PIAAC Survey



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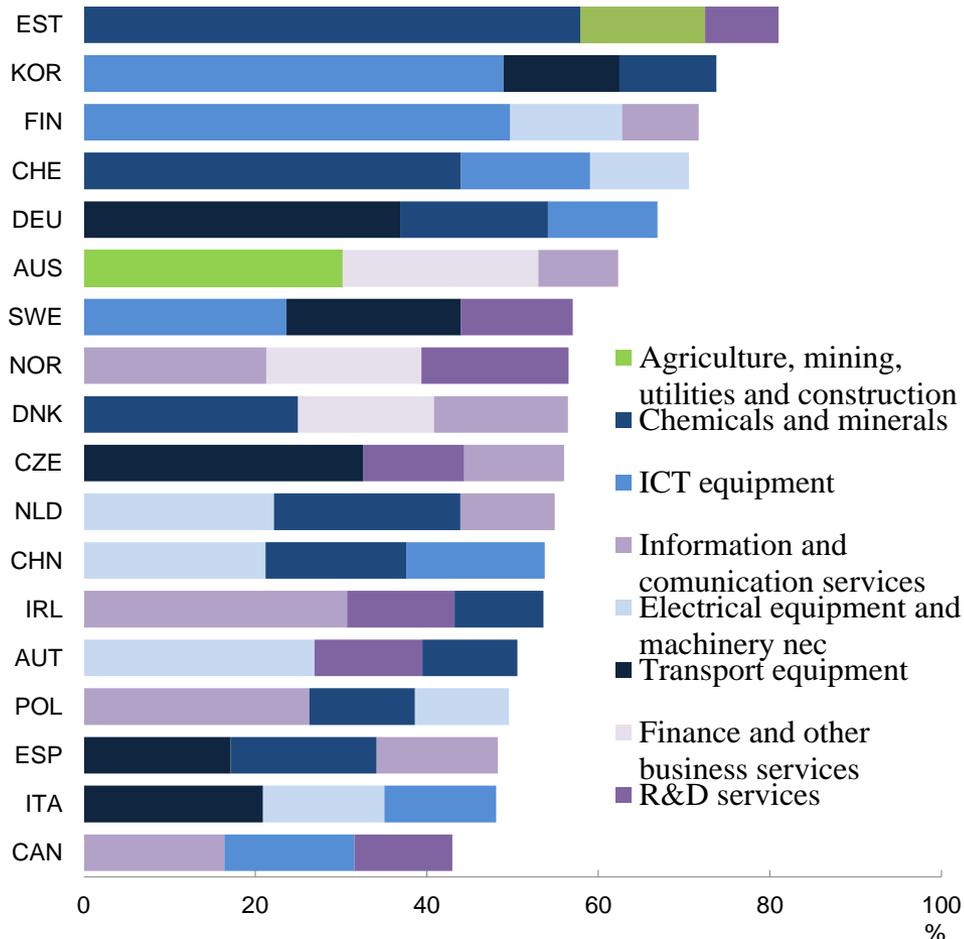
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Innovation and Industrial Inclusiveness: The Importance of Sectors

Share of Top 3 Industries in Total Private R&D



Source: OECD Science, Technology and Industry Scoreboard 2013

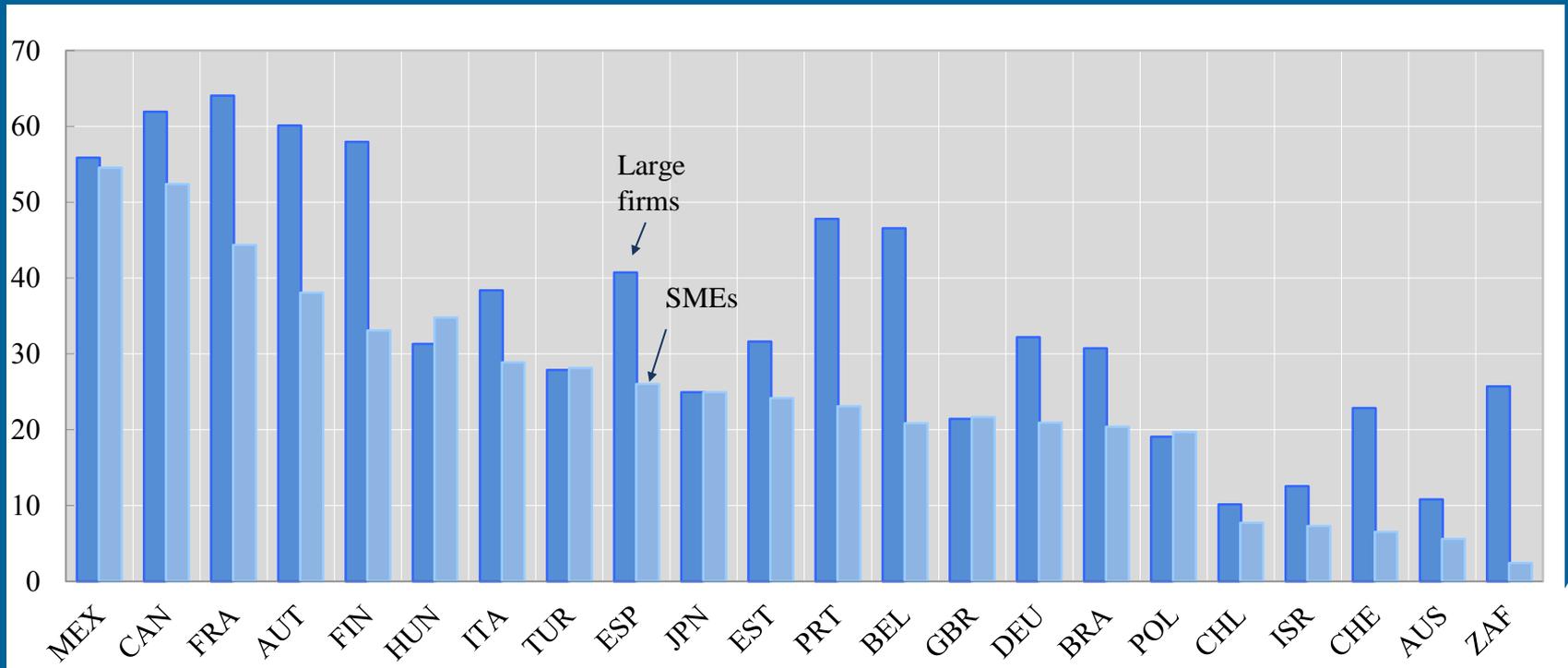
- Sectoral specialisation / policy choices (industrial policy) have corresponding effects on industrial and social inclusiveness
- Shaping skills needs, sectoral linkages, competitiveness & growth prospects



Innovation and Industrial Inclusiveness: Policy Choices by Firm

- Policy instruments are not distributionally neutral in their choice of firms, industries and regions

Firms receiving public support for innovation, by firm size, 2008-10





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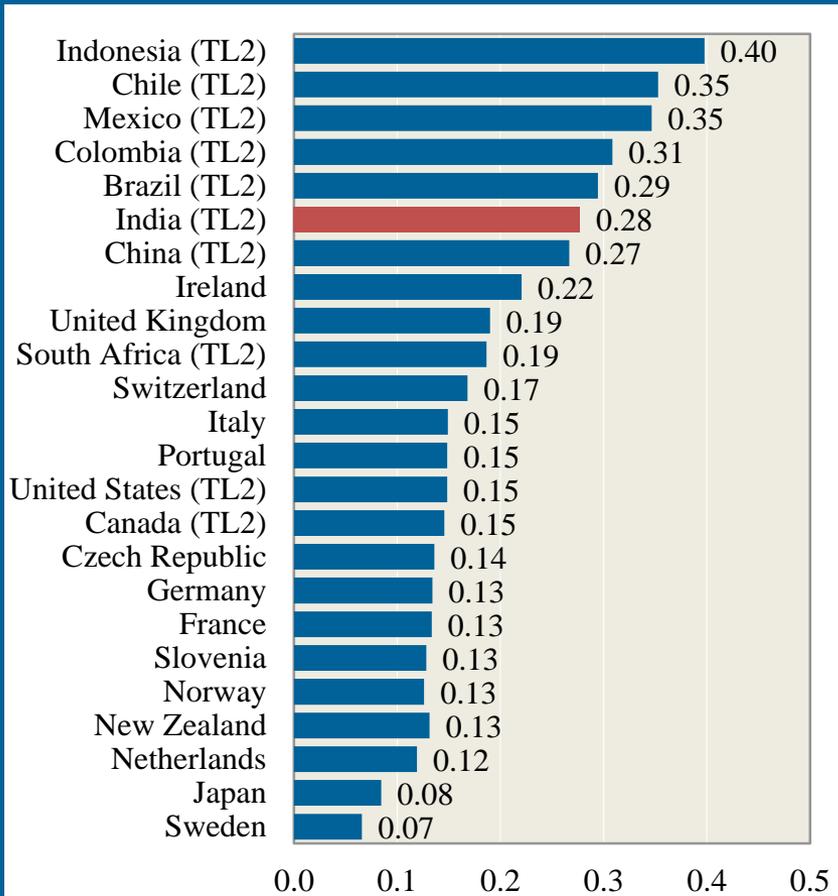
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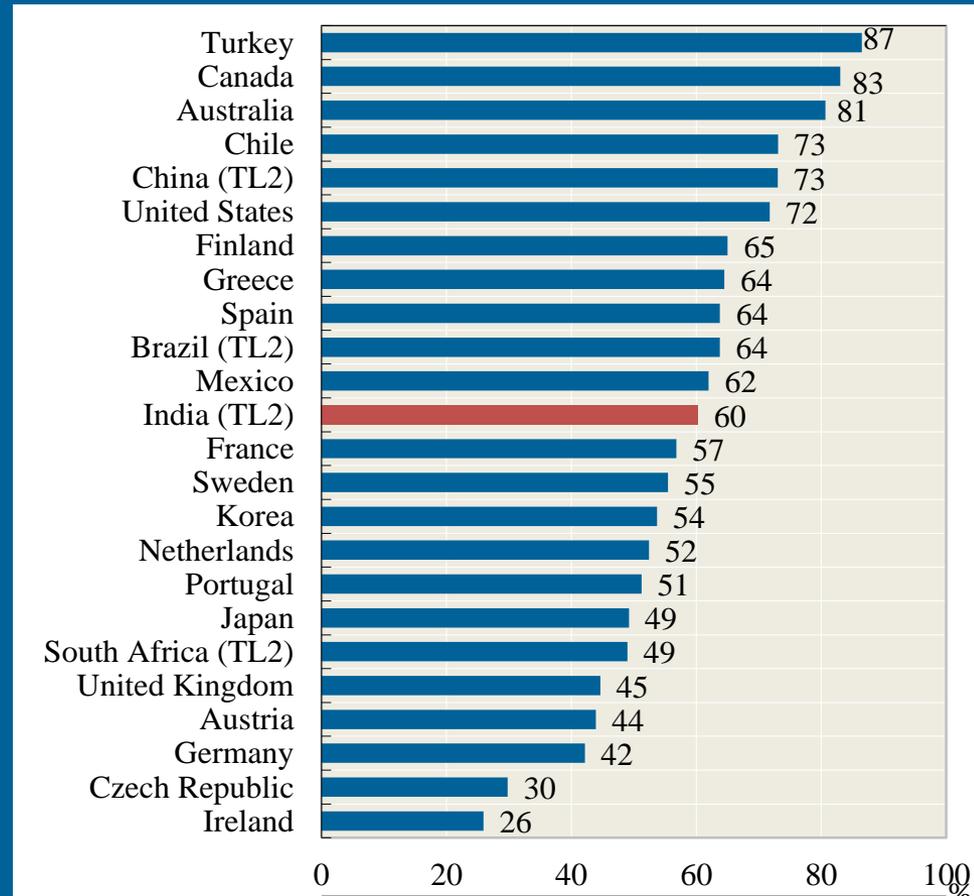
Regions, Innovation and Inclusive Growth

Gini index of inequality of GDP per capita across TL3 regions, 2010



Source: OECD Regions at a Glance 2013

National patent concentration by top 10% of TL3 regions, average 2008-10



Source: OECD Regions at a Glance 2013



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OECD Project: Innovation for Inclusive Growth

- **Component of OECD-wide Inclusive Growth Initiative**
- **Project Objectives:**
 - Provide evidence on innovation impacts on inclusive growth
 - Develop policy solutions reconciling innovation and inclusive development agendas, also for OECD countries

Country Focus:

- Colombia, China, India, Indonesia and South Africa, and other relevant policy experiences
- Exploring wider relevance including for OECD

Analysis:

- Background Document. / Comments most welcome!



Questions for Today and Tomorrow

1. What are the impacts of innovation and innovation policy on industrial, social and territorial inclusiveness?
2. How can inclusive innovation initiatives be expanded to improve welfare and facilitate the democratisation of innovation?
3. What are the policy trade-offs and complementarities? What can be done to support innovation-based, inclusive growth?