



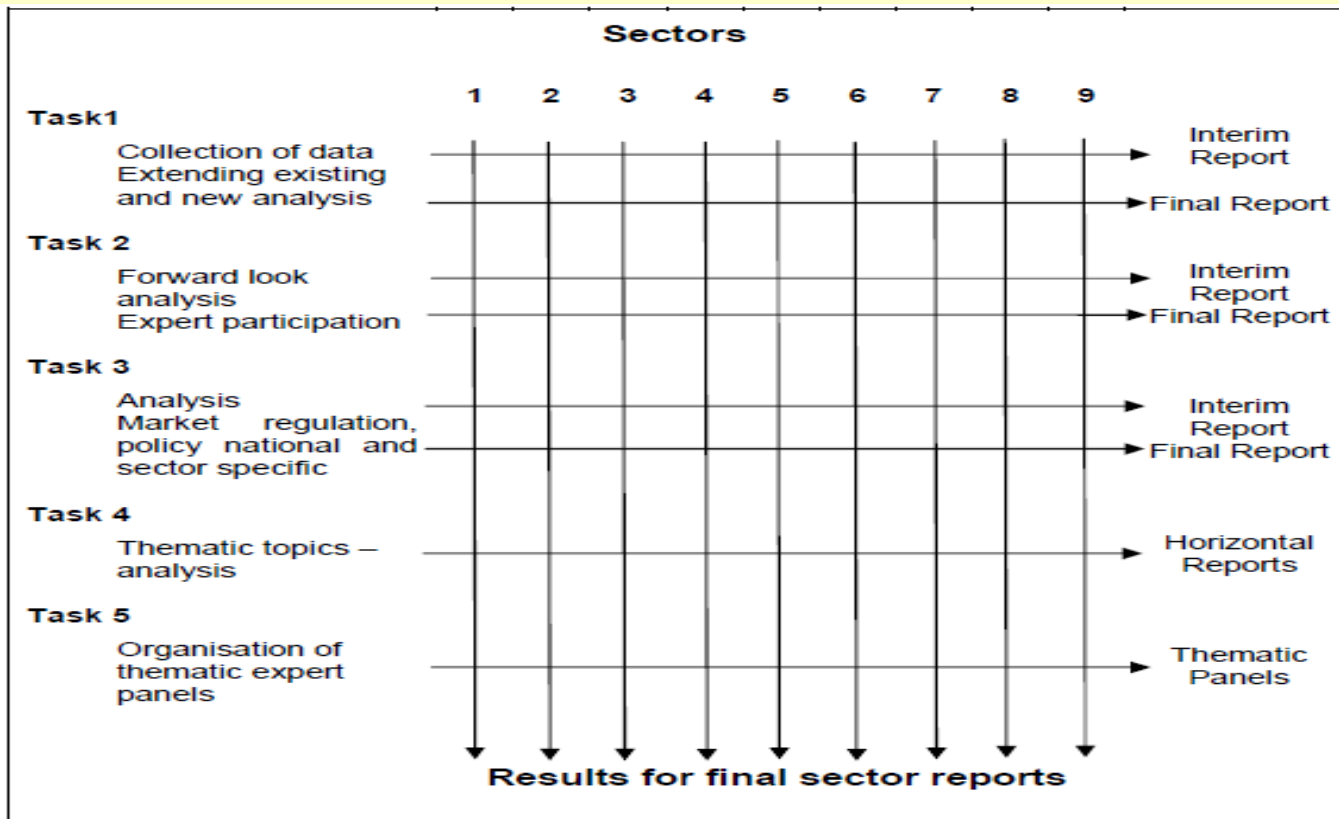
SIW, not lessons but preliminary reflexions

Carlos Montalvo
SIW project coordinator

TNO The Organization for Applied Scientific Research



- SIW Project structure
- Data infrastructures (CIS and labour force survey);
- Role of regulation on innovation;
- Role of capital on innovation (financial crisis effects?);
- Reflexion of innovation as a problem of public choice within the context of the EU 2020 Strategy.



Sector Innovation Watch – needs better data

CIS shortcomings

- Many indicators – binary data (O,I)
- Answers on factors affecting innovation pre-biased...
- Limited number of hampering factors identified and highlighted by CIS1-4 for which data is available at the EU level, especially in the case of regulatory factors
- Neglect of an inherent duality in factors affecting innovation. This is a bias towards the negative in the scales used in CIS4 concerning factors affecting innovation (mainly hampering). We have seen in several studies that many factors swing between being a barrier or a driver, this depending on the firm, sector, time and context surveyed;
- Metrics used have limited discriminatory power;
- Clustering of more than one question per item in the questionnaire. This brings the problem of not knowing to upon what aspect of the question the respondent is reacting.

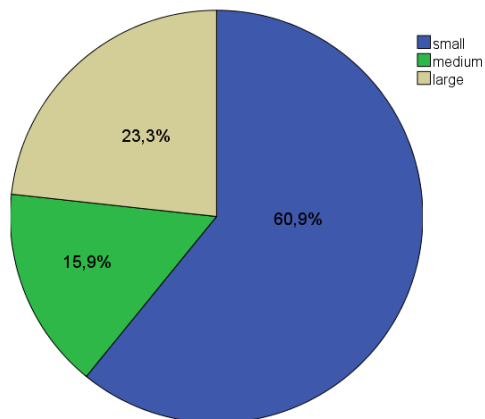
(CIS) Drivers of innovation

Drivers	Hampering factors
Increased range of goods and services	Enterprise with innovation activity abandoned at the concept stage
Entered new markets or increased market share	Enterprise with innovation activity abandoned after it began
Improved quality in goods or services	Enterprise with innovation activity seriously delayed
Improved flexibility of production or service provision	Lack of funds within your enterprise or enterprise group,
Increased capacity of production or service provision	Lack of finance from sources outside your enterprise,
Reduced labour costs per unit output	Innovation costs too high,
Reduced materials and energy per unit output	Lack of qualified personnel,
Reduced environmental impacts or improved health and safety	Lack of information on technology,
Met regulation requirements	Lack of information on markets,
	Difficulty in finding cooperation partners for innovation,
	Markets dominated by established enterprises,
	Uncertain demand for innovative goods or services,
	No need to innovate due to prior innovations,
	No need to innovate because no demand for innovations,

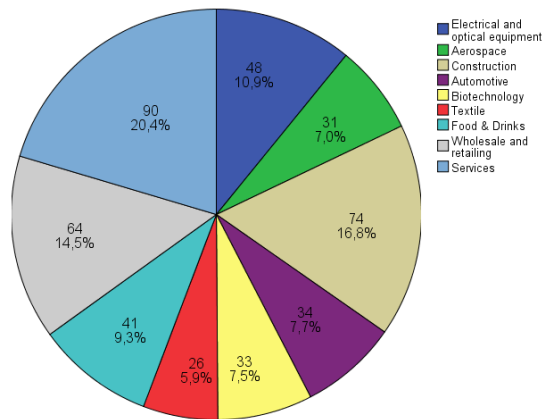
Survey

n=441/6500 – 7% Rate response

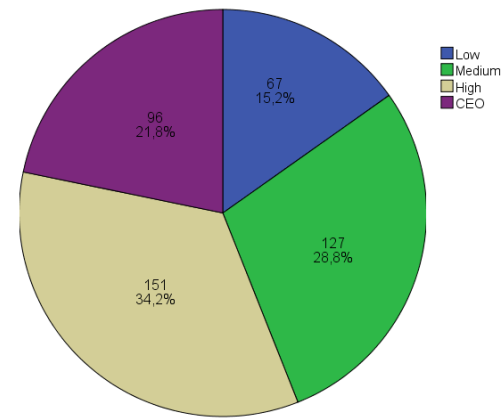
Firm size %



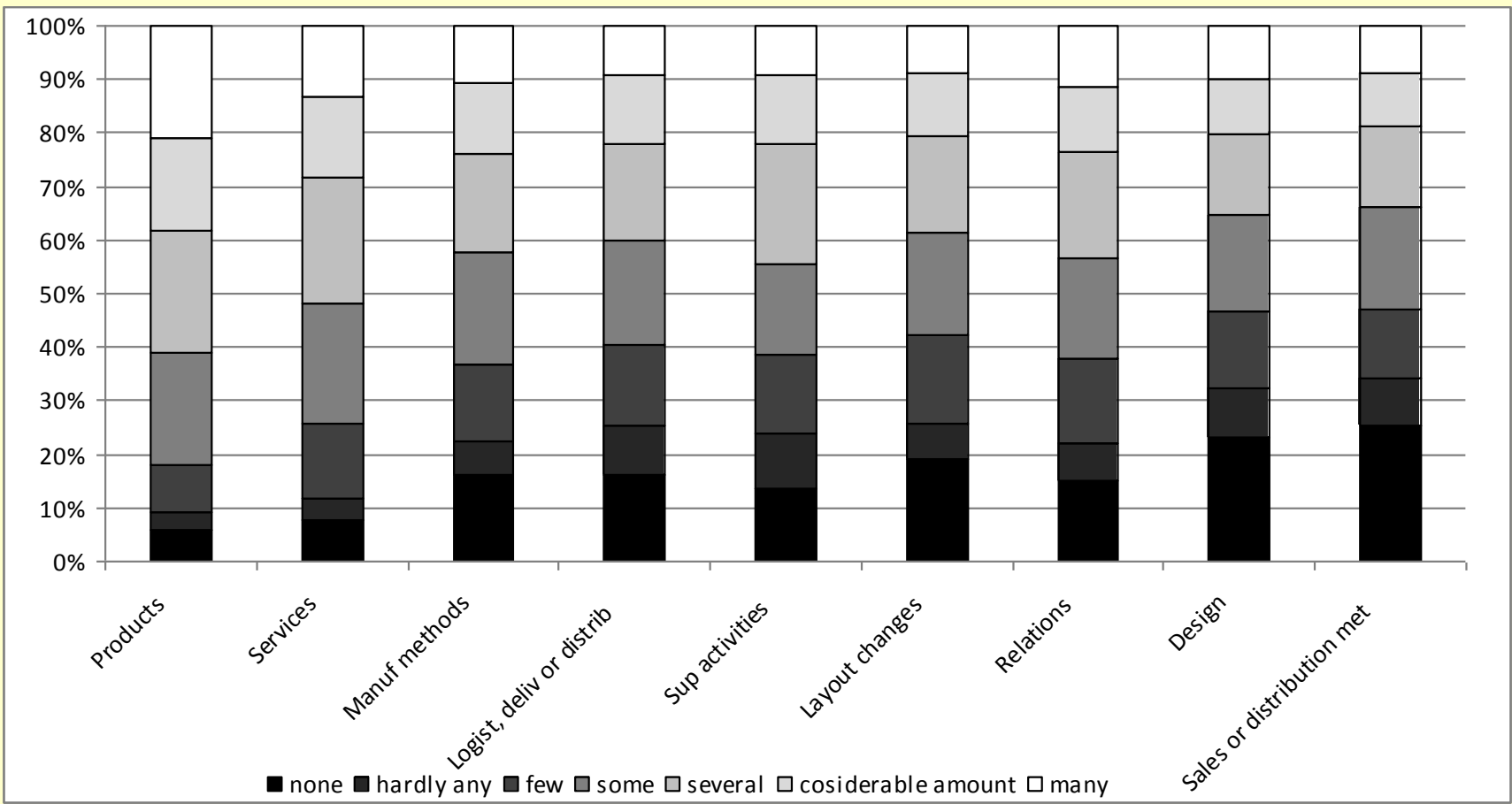
Sectors %



Respondent position

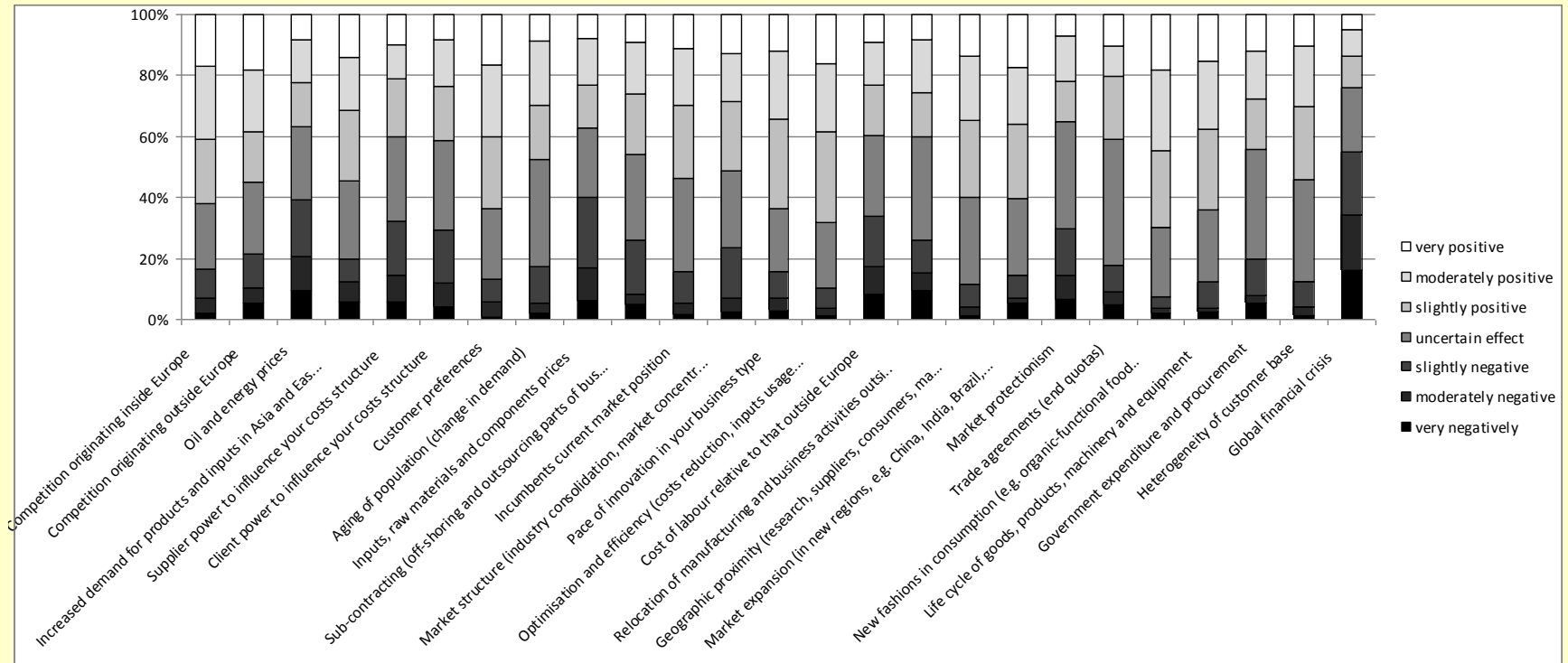


Innovation activity reported

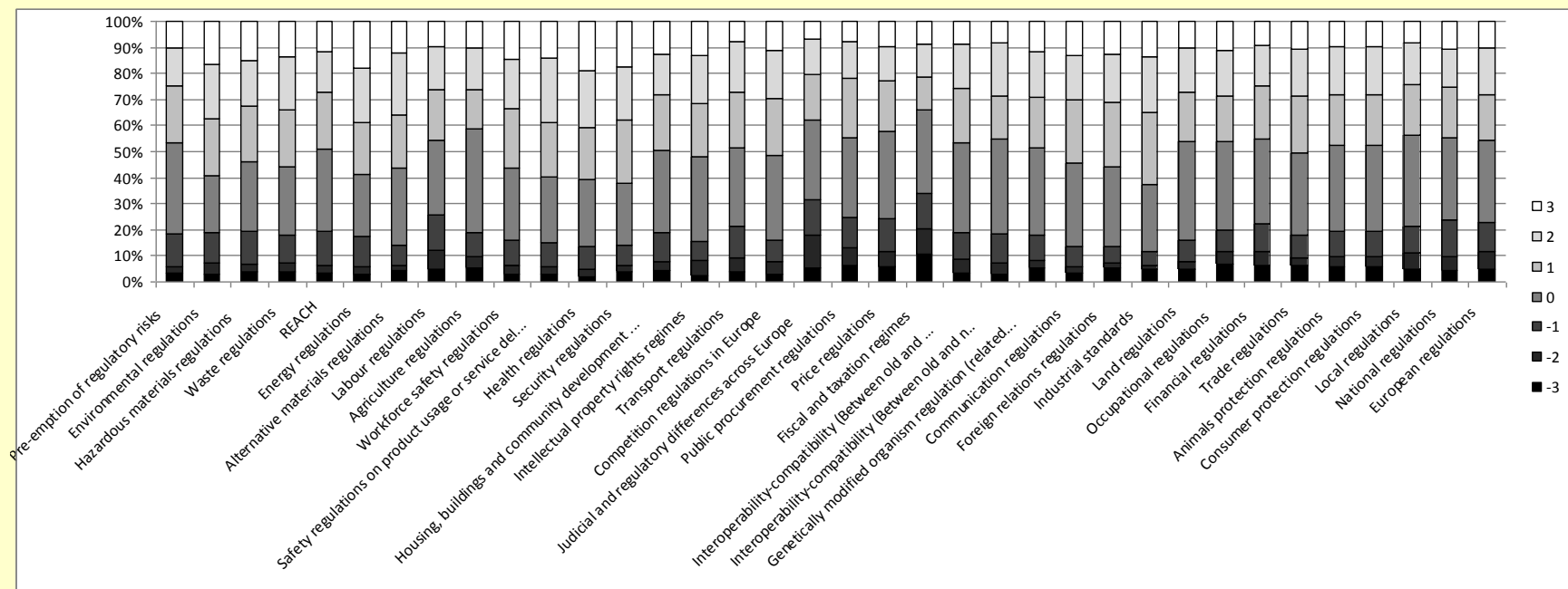


(CIS scale – differential semantic none to many innovations - Cronbach α >0.8)

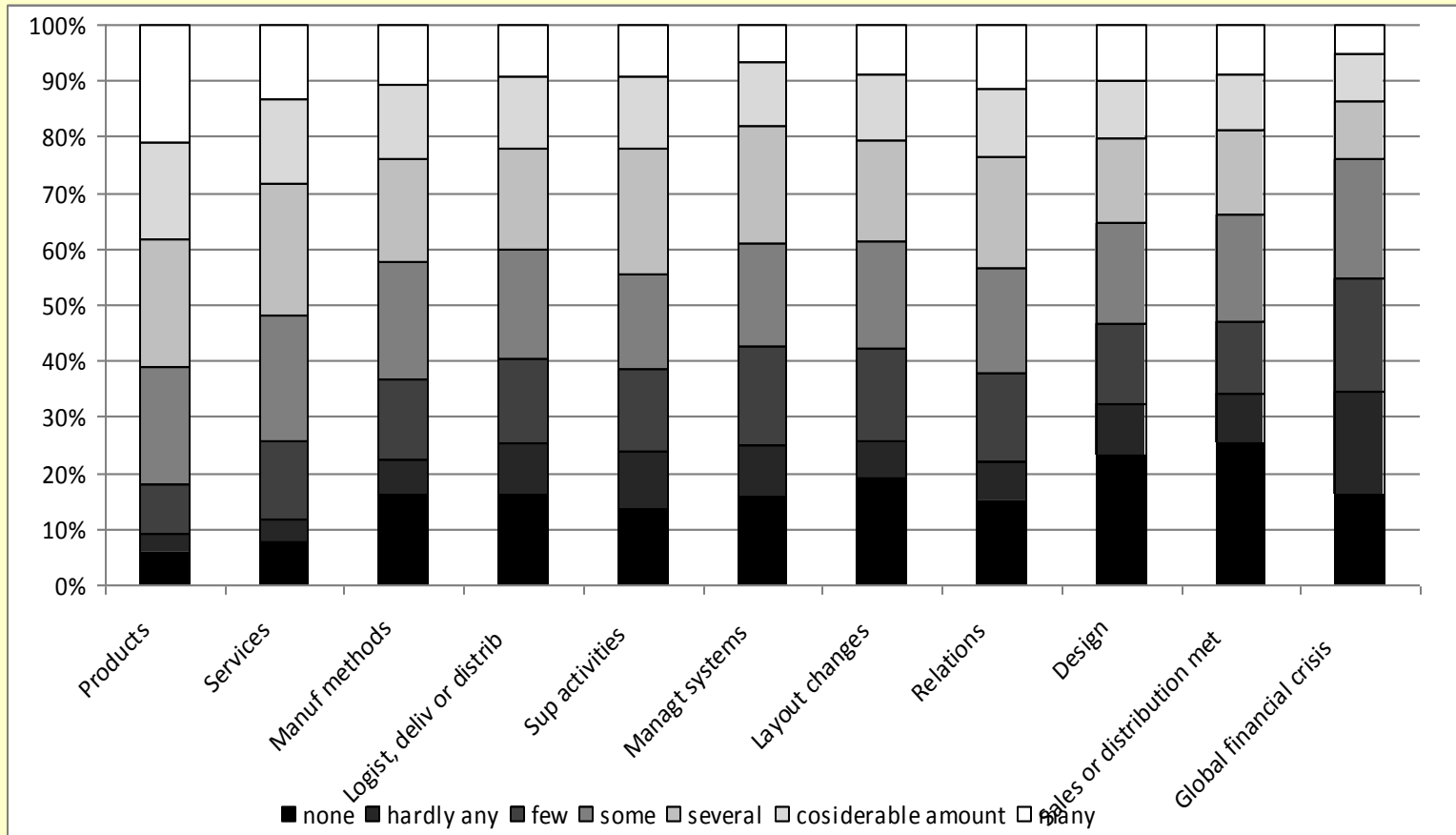
Market factors affecting innovation



Perceived effects of Regulation on Innovation



Effects of Financial crisis 2008- on innovation



	Products	Services	Manufacturing methods	Logistics	Supporting activities	Production organisation	Industrial relations	Designs	Sales or distribution methods
Fin crisis	,066	,229**	,193**	,245**	,220**	,300**	,210**	,341**	,314**

Preliminary reflexions...work in progress

- Future sector innovation research requires better data infrastructures (not only from firms but also from other actors in the system);
- Massive effect of regulation innovation;
- Role of capital - Massive effect on innovation... no effect in the short run (questions the character of innovation – radical vs incremental);
- EU 2020 Strategy makes innovation a public choice problem and opens the window for closer examination where the public money is bet.