

PSF MLE on business R&D grant schemes

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Some thoughts

- Latest Research Policy ("Three frames for innovation policy: R&D, systems of innovation and transformative change")
- Two SPRU authors examine the STI conceptual framework
 - (1) Post-WWII **institutionalisation** of government support for STI
 - (2) 1980s - on **national R&I systems for knowledge** creation and commercialisation, and: building links, clusters and networks
 - (3) Now: new call for **transformative STI policy** with focus on:
Anticipation, Experimentation, Participation and Directionality
- MLE's work is a first step into that direction:
 - Evidence-based input
 - A glimpse at experimentation issues
 - Getting results from policy mutual learning
 - Aiming at influencing decisions (of participating countries and beyond)
 - Value of "bad practice" and behind-the-door discussions

Trends

- Despite recent positive developments, high **gap in business R&D intensity** EU vs. main competitors:
 - EU business R&D intensity 1.32% GDP in 2016
 - 1.99% in US, 2.58% in Japan and 3.28 % in South Korea
- **Policy response:** increase in public support for business R&D, notably via R&D tax incentives and grants
- **Landscape** of national and European public policy instruments to support (business) R&D ... complex
- Raises a number of challenges in **evaluation**: skeweness, lags, paucity of data, attribution, etc.

Issues to consider

- **Design**: how to improve impact, notably vis-à-vis **key target groups** (e.g. start-ups, innovative firms)?
- **Appropriateness** vis-à-vis economic and R&I structure, e.g. share of high-tech activities, services/manufacturing
- **Balanced** R&D policy mix, incl. direct support measures and ***not*** at the expense of the public science base!
- More and more critical to have **adequate monitoring and evaluation tools** to assess short and long-term impact:
 - Increase the evidence-base policy
 - Political accountability (and impact)
 - Tune policies to changing landscape: AI, open inno, disruptive

A few key achievements

- Deep analysis and exchange of practice around data enhancement techniques to capture changes in firm R&D activity induced by public support:
 - tracking of complex behavioural change
 - pioneering attempts to make use of big data
 - need to exploit all available micro-data but complex
- Intangibles
 - Country visits to Oslo, Stockholm and London
 - Stimulating debates
 - Network for policy exchange
- Way forward
 - ERAC: from MLE to actionable policy

Big thanks!

- Panel (Marzenna, Martijn, Paul and Pim)
- 12 countries participating
- Eva
- Nikos (TG) and Kimmo (quality review)
- All of you