



University of Twente
The Netherlands

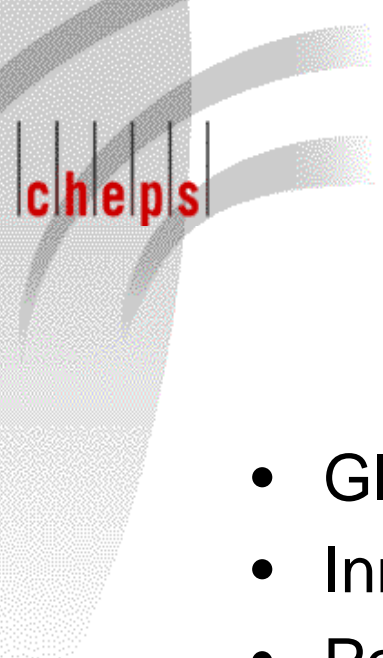


NATIONAL INNOVATION POLICIES AND THE NEW INFORMATION INSTRUMENTS

Frans van Vught

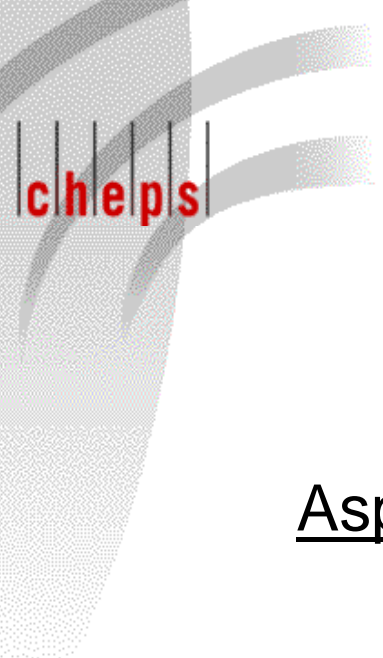
19-20 June 2008

Berlin



OVERVIEW

- Globalisation
- Innovation policy strategies
- Policy instruments
- A new policy strategy?
- A new role for information instruments?



GLOBALISATION

Aspects:

- Markets becoming increasingly interconnected
- Capital, labour and also knowledge increasingly mobile

Factors:

- Decreasing costs of mobility and communication
- Leveling barriers for cross-border activities



Globalisation and “Geo-Regionalisation”

	1990		1995		2000		2005	
	total	%internal	Total	% internal	Total	% internal	Total	% internal
Ecowas	18	8	21	9	36	8	59	9
Sads	35	3	39	11	47	9	84	9
Mercosur	47	9	70	20	89	20	164	13
Nafta	547	41	853	46	1.214	56	1.478	56
Asean	144	19	324	25	427	23	629	26
Asean+	563	27	1.048	35	1.326	35	2.271	35
EU25	1.526	67	2.098	66	2.409	67	4.012	66

Trade volumes in billion dollars



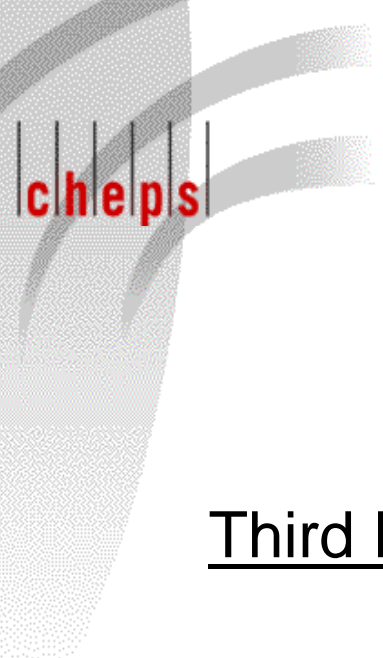
Historical Phases of Globalisation

First Phase (19th century):

- Dominance U.K in global trade system
- Growth U.S because of emigration from Europe
- Increasing intra-European trade

Second Phase (since 1945):

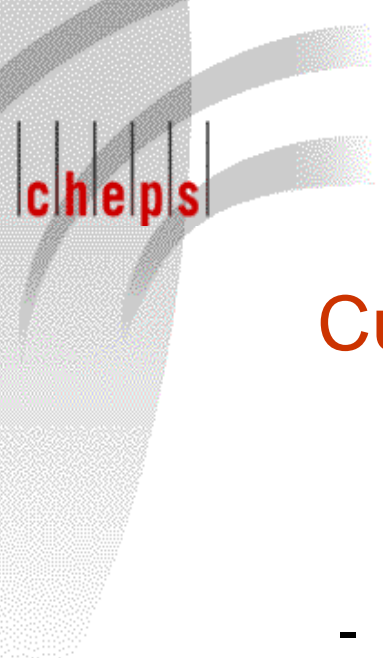
- Leading role U.S
- Building up of international institutions (GATT, WTO, World Bank, IMF, UN)
- Rise of multinationals
- European integration



Historical Phases of Globalisation

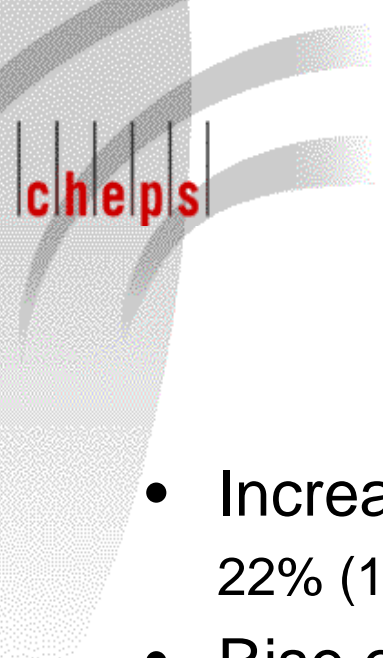
Third Phase (since 1980):

- Quintupled world trade
- Rise of new actors (China, India)
- Integration former Eastern Bloc countries
- International segmentation production processes
- Increasing mobility capital, labour, knowledge



Current characteristics of Globalisation

- Broadening
- Deepening



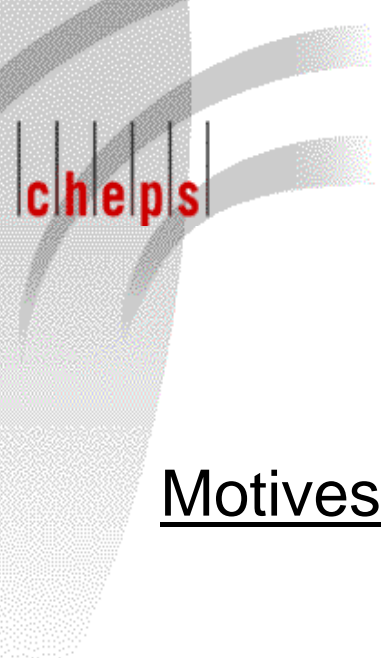
Broadening of Globalisation

- Increase share developing nations in world trade:
22% (1960) → 32% (2005) → 45% (2030)
- Rise of new multinationals
(Samsung, Tata, Ping An)
 - Growth surpluses current accounts and valuta reserves in rapidly growing economies (valuta reserve China: 1.333 billion dollars)
 - Growing influence 'Sovereign Wealth Funds'



Deepening of Globalisation

- International segmentation business processes (off shoring, out-sourcing)
- Also: administration, logistics, R&D
- Reallocation headquarters



Deepening of Globalisation

Motives

- Cost differences
- Market access

Effects:

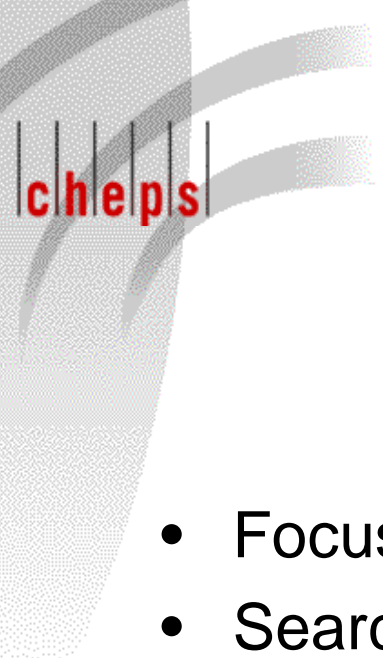
- Increasing national and 'geo-regional' specialisations
- Adaptation costs (changing employment conditions, social security, upgrading qualifications)
- Insecurity, social and political unrest



National and 'Geo-regional' specialisations

Looking for international comparative advantages:

- Emphasizing location attractiveness
- Attracting mobile production factors
- Increasing innovation capacity



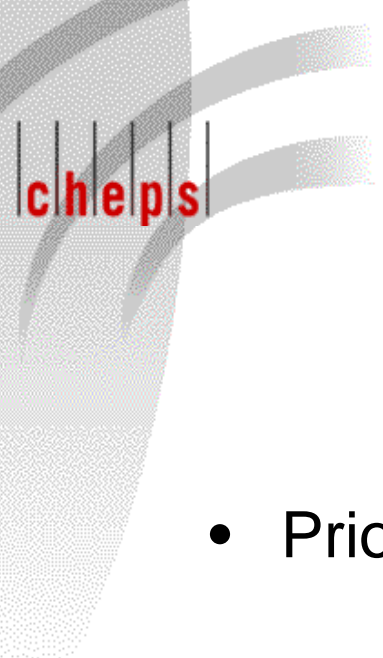
Western Industrialised Nations

- Focus on knowledge-intensive goods and services
- Search for new policy-strategies and – instruments
- Higher education institutions and research organisations increasingly object of policies



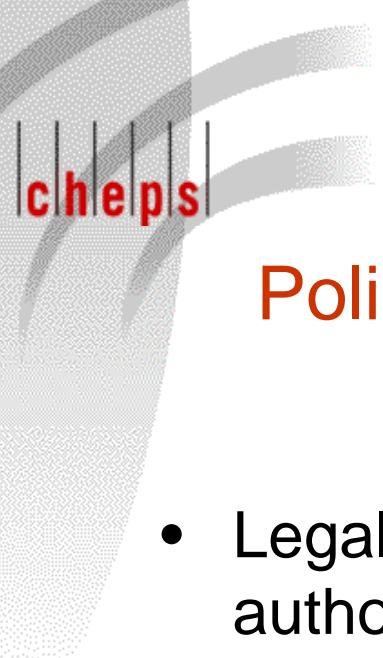
General Policy Models

- Market coordination
- Central planning
- 'Third way' (state supervising model)



Innovation Policy strategies

- Prioritisation strategy
- Competition strategy



Policy Instruments: the 'tools of government'

- Legal instruments: to assert formal governmental authority
- Financial instruments: the power of treasure
- Information instruments: the power of communication



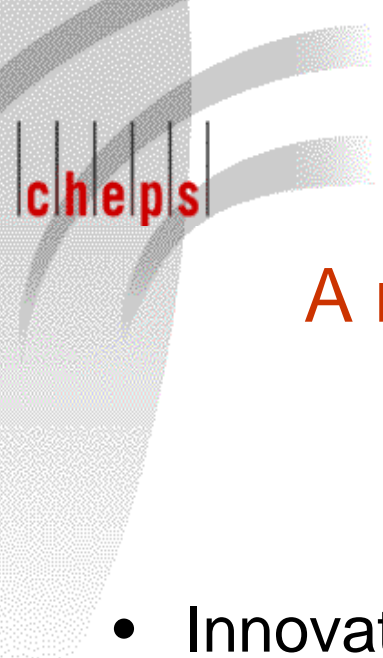
Impacts of Policy Instruments: Trends

- Legal instruments decreasing: deregulation, 'remote control'
- Financial instruments increasing: contracting, performance based funding
- Information instruments increasing: quality assessment, accountability assurance



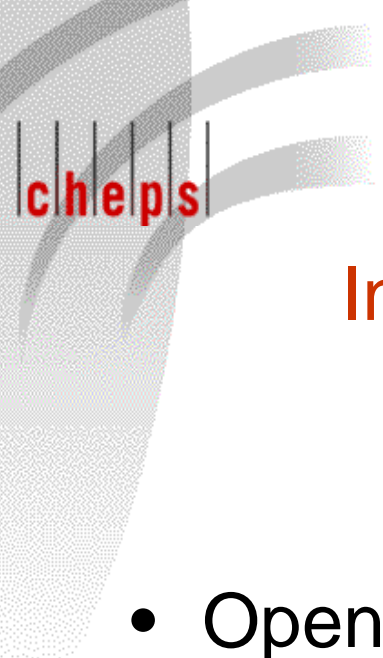
Information Instruments in Innovation Policies:

- Prioritisation strategy: Identification of priority areas (centers of excellence, focus areas, etc.)
- Competition strategy: Providing information to clients and competitors (rankings, client surveys, etc)



A new Policy Strategy: the Strategy of Mutual Learning

- Innovations as the results of collective experimentation
- Focus on policy learning (finding and disseminating 'good practices')



Information Instruments: New contexts, New users?

- Open Method of Coordination (EU)
- Fiscal/Laboratory Federalism



Information instruments: Operationalisation of the Mutual learning Strategy

- Heterogeneity of policies
- Implementing and comparing different policies
- Agreeing on objectives and performance indicators
- Identifying and disseminating good practices



National Innovation Policies and the Instruments of Information

- CHE Centrum für Hochschulentwicklung: crucial role
- CHE ranking: conceptually and methodologically strong information instrument
- Future challenge: adapt to new policy strategy of mutual learning



“Counting (pots of Honey) is difficult Pooh said, ‘unless you have them in a straight line. Even when they are all in line, it is sometimes hard because all the pots are not the same size, and the question is if you should count two small pots as one big pot?’”

Winnie-the-Pooh on Management,
P.107