

Stronger Innovation Linkages for Global Growth



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In recent months, policy discussions about how to reignite confidence in the world economy have questioned the focus on austerity measures. The economic policy debate is placing renewed emphasis on achieving an appropriate policy mix that fosters growth and employment while promoting sustainable public finances.

Policies to promote innovation should feature prominently in these discussions—even if innovation cannot cure the most immediate financial difficulties, it is a crucial element of sustainable growth. Future generations will ask whether the stimulus programmes of 2009 and any upcoming initiatives successfully married short-term demand stimulus with longer-lasting growth objectives. They will also ask whether policy makers seized the opportunity presented by the current crisis to put forward-looking measures in place to lay the foundations for future prosperity. Finally, they will judge whether firms and other innovation actors invested appropriately in the future, and attempt to determine why some emerged from the crisis more strongly than others.

To support this debate, metrics are required to assess innovation and related policy performance. In this light, we are pleased to present the 2012 edition of the Global Innovation Index (GII). The GII helps to create an environment in which innovation factors are under continual evaluation, and it provides a key tool for refining innovation policies.

The importance of linkages and the right infrastructure for innovation

Collaboration, the flow of ideas between different innovation actors, and access to knowledge are all increasingly important ingredients of innovation. So-called *innovation ecosystems* have become more complex and are now built on more internationalized, collaborative, and open innovation models and knowledge markets.

This year's GII report underlines the importance of linkages and of supporting the optimal infrastructure for these innovation ecosystems.

This is an important field of innovation policy, and one that garners increasing attention. The World Intellectual Property Organization (WIPO), for example, contributes to fostering the innovation infrastructure by focusing on knowledge diffusion. Among its other recent initiatives, WIPO's Access to Research for Development and Innovation programme increases the availability of scientific and technical publications in developing countries. Its Technology and Innovation Support Centers are designed to provide local innovators with access to high-quality technology information, including patent documents.

Challenges to promoting linkages

While there is broad agreement that linkages among innovation actors are key, we face two interrelated challenges:

First, experiences and lessons in designing effective policies that foster innovation linkages are still scarce. Modern innovation policies aim to support science-industry collaboration, the formation of innovation clusters, and knowledge diffusion, for example. Yet creating innovation linkages is perhaps the most complex innovation policy area, and there are no easy recipes for achieving tangible outcomes and benefits. For years, many economies have sought to foster collaboration between universities and firms, or to create successful technology clusters—often to no avail.

Second, measuring the existence and impact of innovation linkages remains dauntingly difficult. This is why the GII puts particular emphasis on measuring not only innovation inputs and outputs, but innovation linkages as well. For instance, it includes measures of the number of joint ventures, or patents filed jointly by a domestic and foreign inventor. However, most of the existing

variables capture innovation linkages only imperfectly, and improved metrics are sorely needed. The theme of this year's GII puts a spotlight on this important future measurement agenda.

Continuing the journey for better innovation metrics and policies

INSEAD began its journey to find better ways to measure innovation in 2007, increasingly helped by its Knowledge Partners. WIPO joined INSEAD as one of the Knowledge Partners in 2011 and is now co-publisher of the GII. Over the years, the GII model has evolved in response to our growing understanding of innovation parameters. We take pride in continually adapting the model to better reflect the modern dynamics of innovation and the better availability of data. The 2012 edition, for instance, places greater emphasis on measuring economies' ecological sustainability and online creativity.

We thank the GII's Knowledge Partners—Alcatel-Lucent, Booz & Company, and the Confederation of Indian Industry—for bringing true enterprise perspectives to our debates.

Last but not least, we welcome two new members to our eminent Advisory Board who have greatly strengthened its ranks: Sibusiso Sibisi, President and Chief Executive Officer of the Council for Scientific and Industrial Research in South Africa; and Rob Steele, Secretary-General of the International Organization for Standardization.

From the outset, we said that measuring innovation, identifying its main drivers, and fostering adequate policies would be a multi-year journey. INSEAD and WIPO, along with our partners, look forward to continuing this journey.

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