



Competition, Innovation and Growth

Jørgen Elmeskov

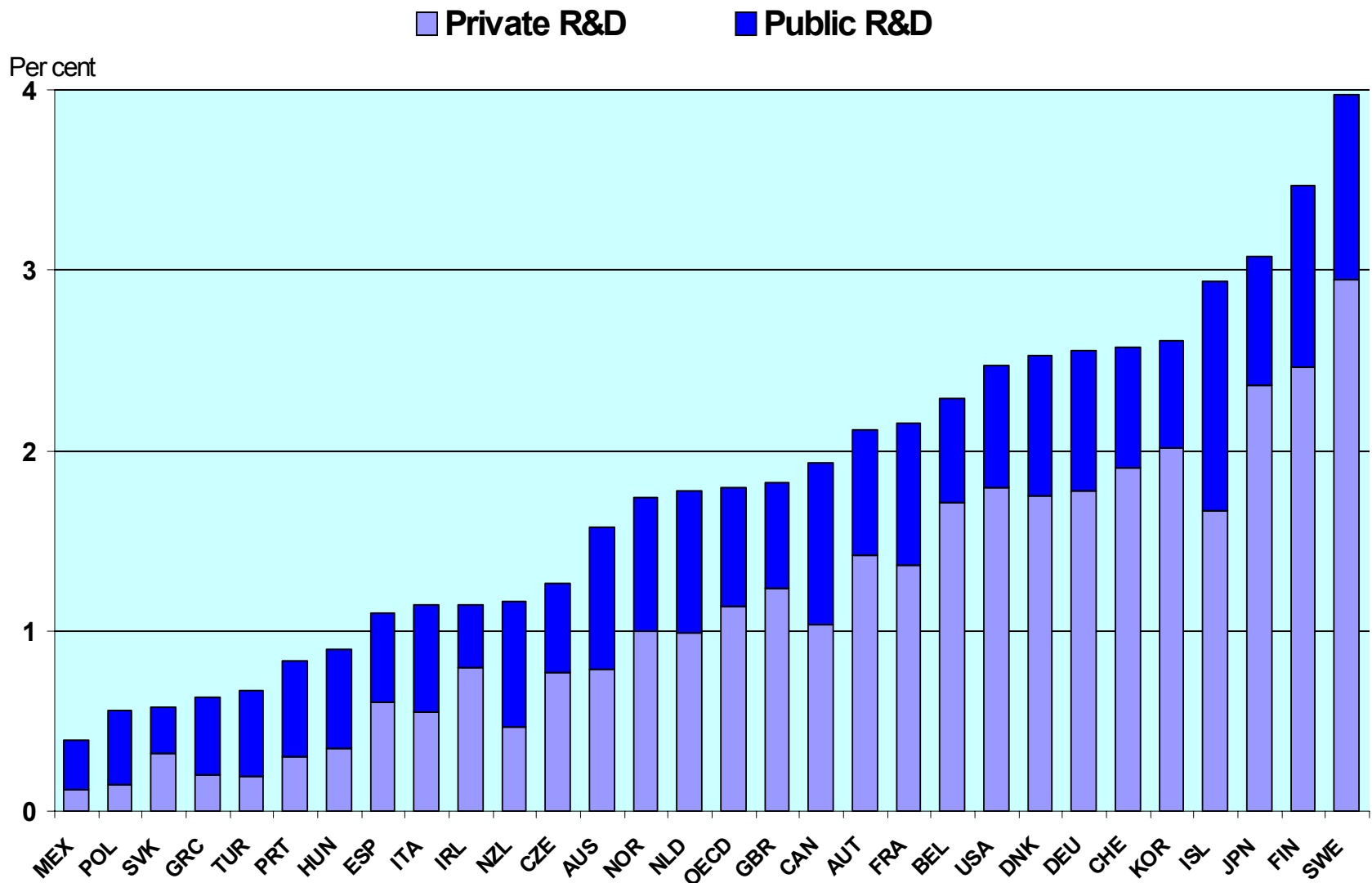
OECD Economics Department



Main points

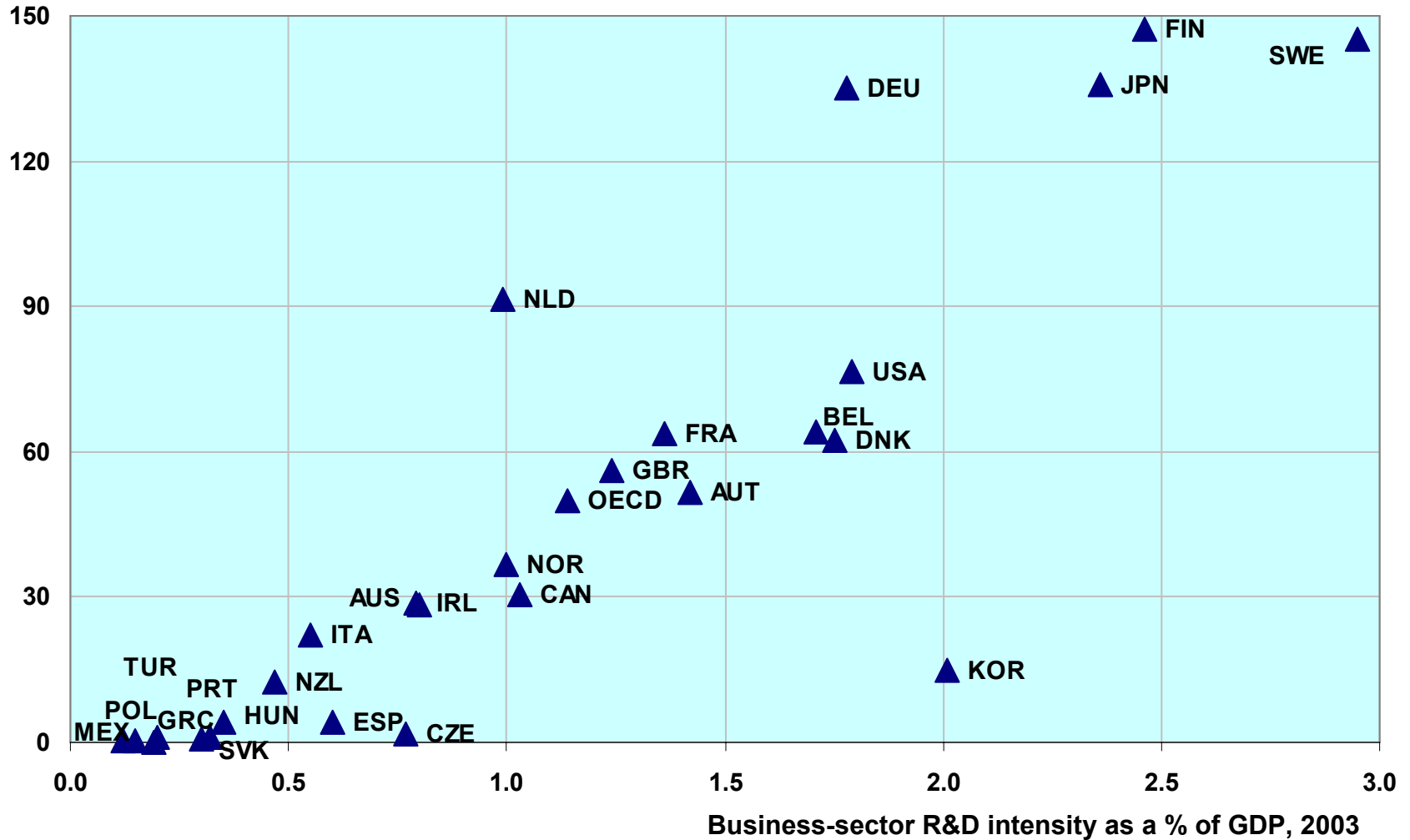
- Europe's innovation performance
 - Main determinants of innovation performance
 - The role of competition for innovation
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- The link between innovation and growth is for some other time

R&D spending as a share of GDP, 2003



Business sector R&D spending and patenting

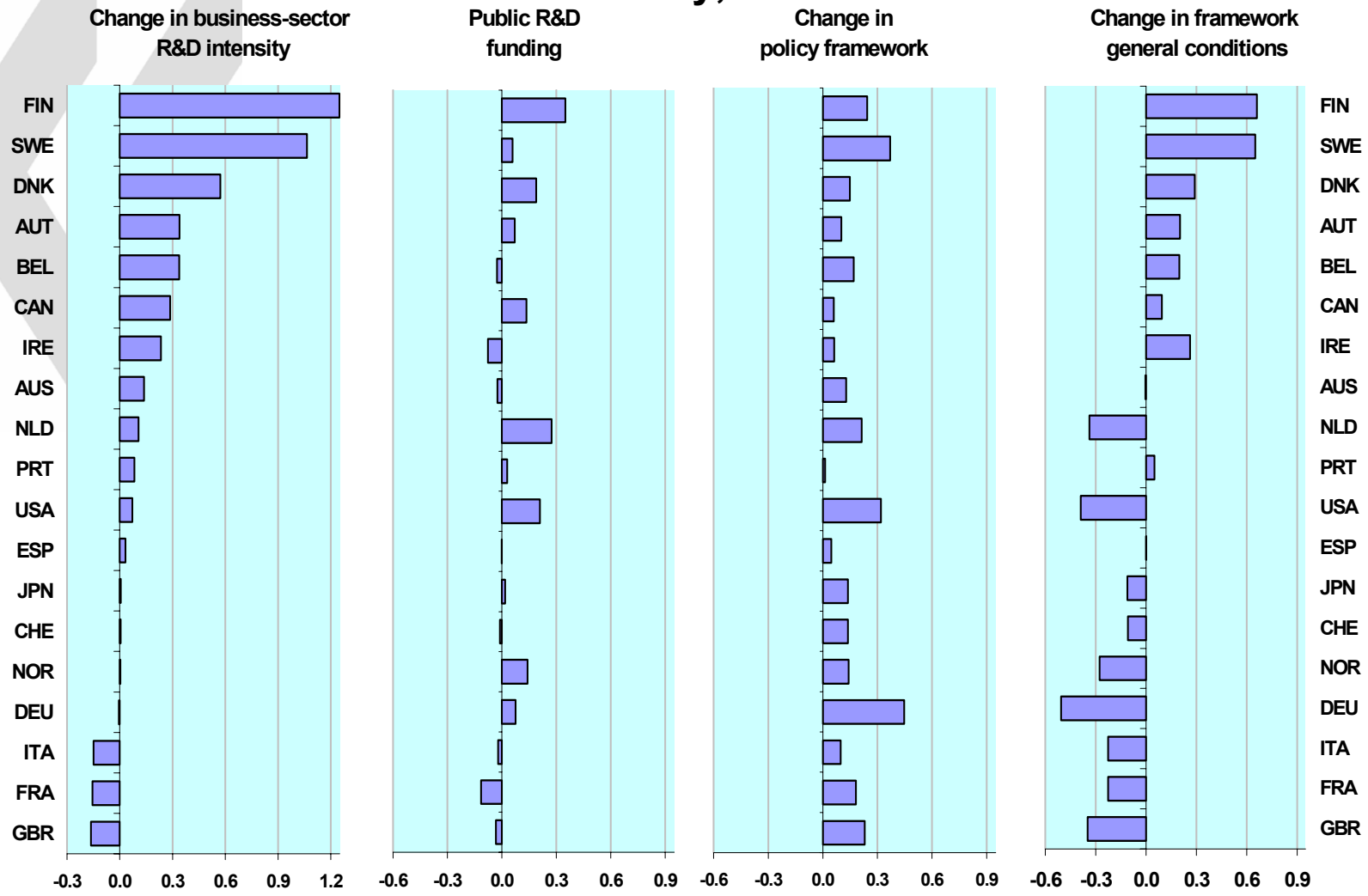
Number of tradic patents per million of working age population, 2001



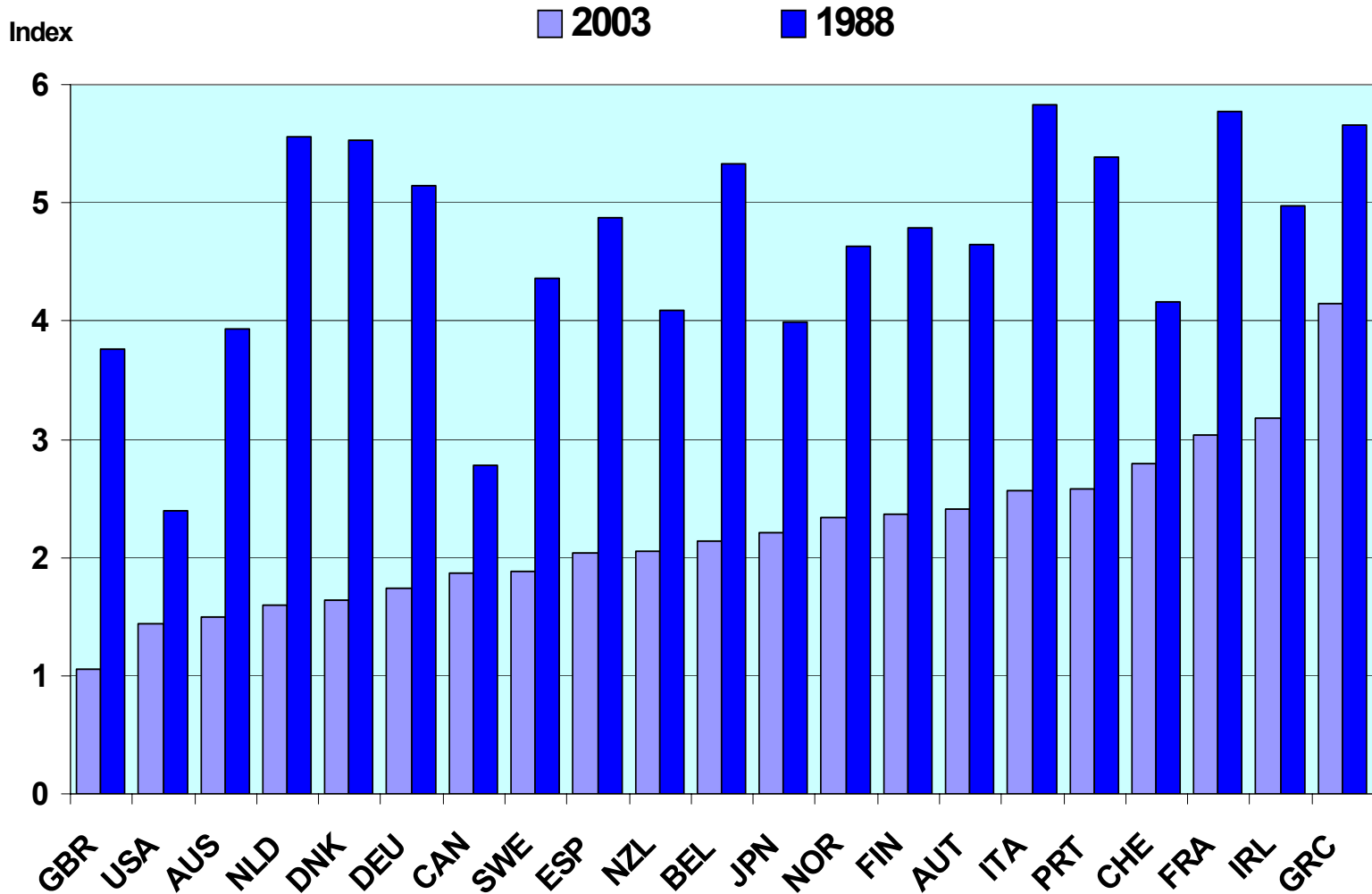
Main determinants of R&D and patenting

- Specific innovation policies
 - R&D subsidies, grants
 - Tax allowances, credits
 - Government R&D spending
- General framework conditions (affected by policy)
 - Inflation
 - Profits and financial market development
 - Availability of scientists
 - Trade openness and foreign knowledge stock
- Policy framework conditions
 - Anti-competitive regulations
 - IPR protection

Contributions of policies and other factors to changing business R&D intensity, 1991-2000

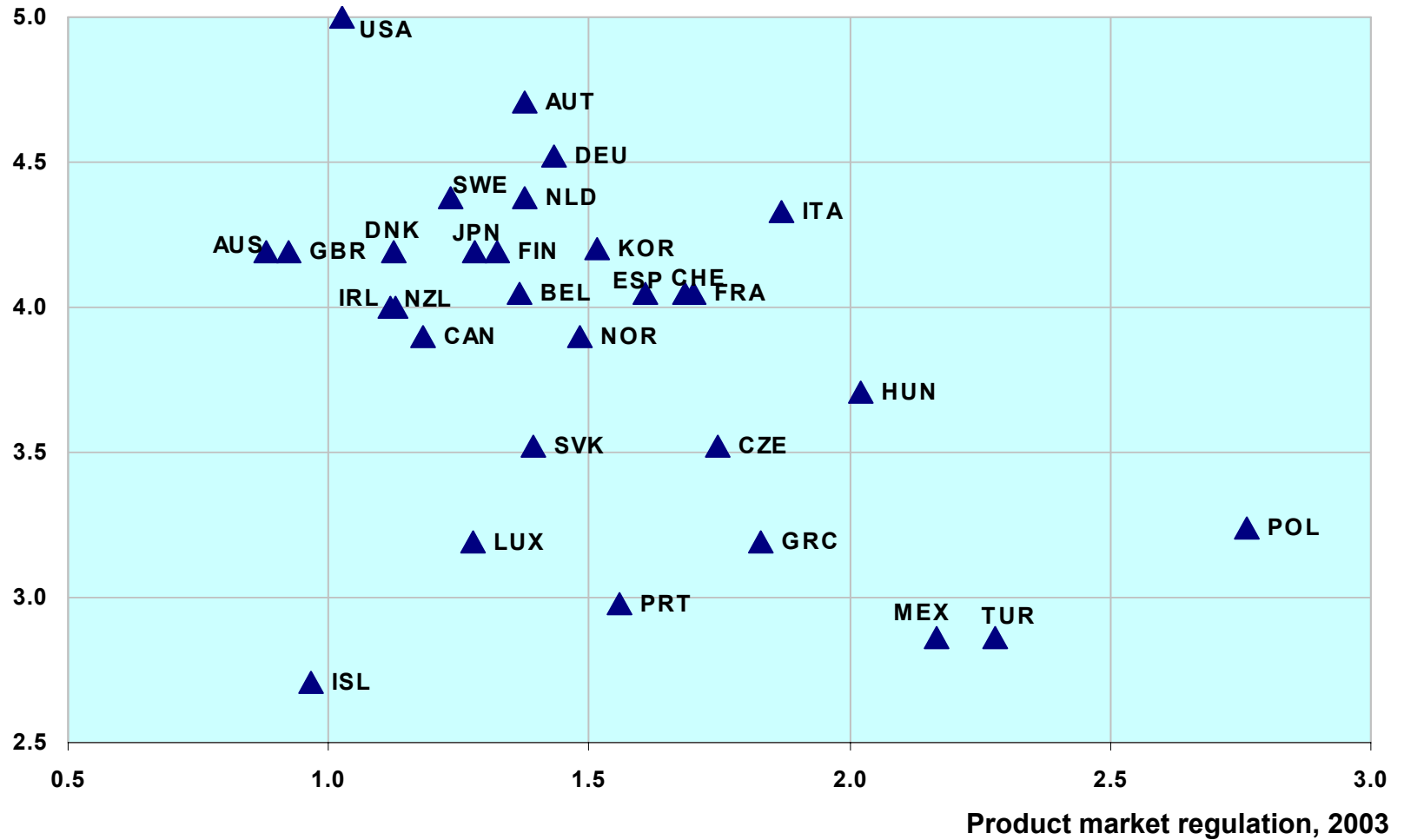


Indicators of anti-competitive regulation



Indicators of anti-competitive regulation and IPR protection

Intellectual Property Rights, 2000



Summing up

- There is not a single European innovation story
- Countries' innovation performance is very much linked to business sector innovation
- Framework conditions are very important for business sector innovation – in many cases involving no-regrets policy settings
- Fear that competition can become too strong may be exaggerated