



A self-assessment toolkit to measure innovation diffusion in regions

In collaboration with the European Commission, the OECD is developing an **innovation diffusion policy self-assessment toolkit** to help policy makers identify barriers to innovation diffusion in their regions. The toolkit provides a regional innovation profile (relative to other OECD and EU-28 regions), quantifies the strength of **different innovation diffusion channels** in the region and allows policy makers to engage local stakeholders to gather their views on actions for improvement.

Toolkit development

This European Commission-funded project aims to provide all OECD regions with an **online toolkit** that allows them to:

- Easily review how well their region supports the key channels through which new ideas arrive and diffuse, and;
- Engage with local stakeholders to map out their regional innovation system and its strengths and weaknesses.

The **quantification of innovation diffusion channels** includes traditional measures (e.g. co-patenting), as well as channels relevant for a broader notion of innovation (e.g. learning through supply chains or foreign direct investment). Where available, the toolkit includes concrete numbers on the performance of different innovation diffusion channels and guidance on how to obtain numbers where they are not readily available.

The **qualitative mapping of the regional innovation system** identifies who are the relevant actors, how are they linked and what policies support them. The project provides an online questionnaire, which can be circulated to stakeholders by regional actors and collects and summarises the responses to ensure the confidentiality of individual responses.

What is innovation diffusion?

Innovation diffusion is the process through which different organisations **gather ideas from outside and use them to introduce an innovation** (e.g. a new process of production, a new product itself or a new way of providing a service). Innovation diffusion can also be the adoption of existing technologies (e.g. purchasing machinery developed elsewhere or signing a license agreement for an existing patent).

While innovation diffusion is not a strictly regional phenomenon, **it is intrinsically linked to the networks and interactions that people and businesses have, many of which occur within their local area** and within the “regional innovation system”.

Why does innovation diffusion matter?

Innovation is the most important contributor to long-term economic growth. It is not just about “pushing the frontier”, but also about the spread of ideas and technologies throughout the economy. This allows various innovating organisations and whole **regions to catch up** by integrating and building on existing ideas and technologies.



Analysing innovation diffusion challenges

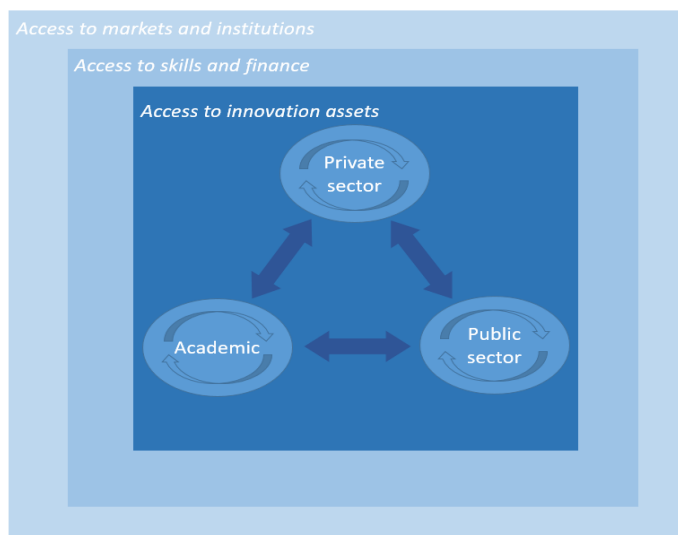
Innovation diffusion relies on **links between innovators and different types of organisations who can take up the new ideas**. These links can be between organisations operating in the same sector (e.g. a leader and adopter firm), or between organisations operating in different sectors (e.g. public-private research co-operation). The project will develop a categorisation of innovation diffusion channels and propose measures for the effectiveness of each of them.

Where feasible, the toolkit will provide **quantitative information on the strength of different innovation diffusion channels** in regions. Where data are not readily available, the toolkit will provide guidelines (and OECD support) to add additional data. Using the OECD guidelines, countries and regions can develop additional indicators and share them with the OECD for them to verify them for inclusion in the toolkit. Countries or regions can also facilitate access to suitable data sources for OECD staff who can then develop the indicators for the toolkit.

A **survey-based mapping of the regional innovation system complements the measurement of innovation diffusion channels**. The toolkit will gather information from local, regional and national stakeholders on the type of intermediaries present in the innovation system facilitating innovation diffusion. It will also allow stakeholders to contribute with their **subjective assessments** on the strengths, weaknesses and improvements for the innovation system and existing policies related to innovation diffusion.

Innovation diffusion in a wider context

Access to innovation assets, particularly to well-functioning channels for the diffusion of innovation, is not sufficient for innovation diffusion to actually happen. Broadly speaking, there are two sets of preconditions that also need to be satisfied. First, innovating organisations need to have **access to the internal resources required** to adopt a technology or produce an innovation, such as skills or capital to finance the investment. Second, innovating organisations need to have **access to markets for the final demand for innovation**. Access to resources and markets conditions will also be assessed in the project at regional level.



Implementing the toolkit

Once launched, the toolkit can be used by policy makers in any interested country or region for a self-assessment of their regional innovation diffusion challenges.

The OECD can further provide a proposal for tailored support to countries or regions in implementing the results of the assessments, such as dedicated workshops or peer-review activities.

CONTACT

If you are interested to learn more about the project or to get involved, please contact

Alexander C. Lembcke | Alexander.LEMBCKE@oecd.org

Jonathan Potter | Jonathan.POTTER@oecd.org

OECD Centre for Entrepreneurship, SMEs, Regions and Cities

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