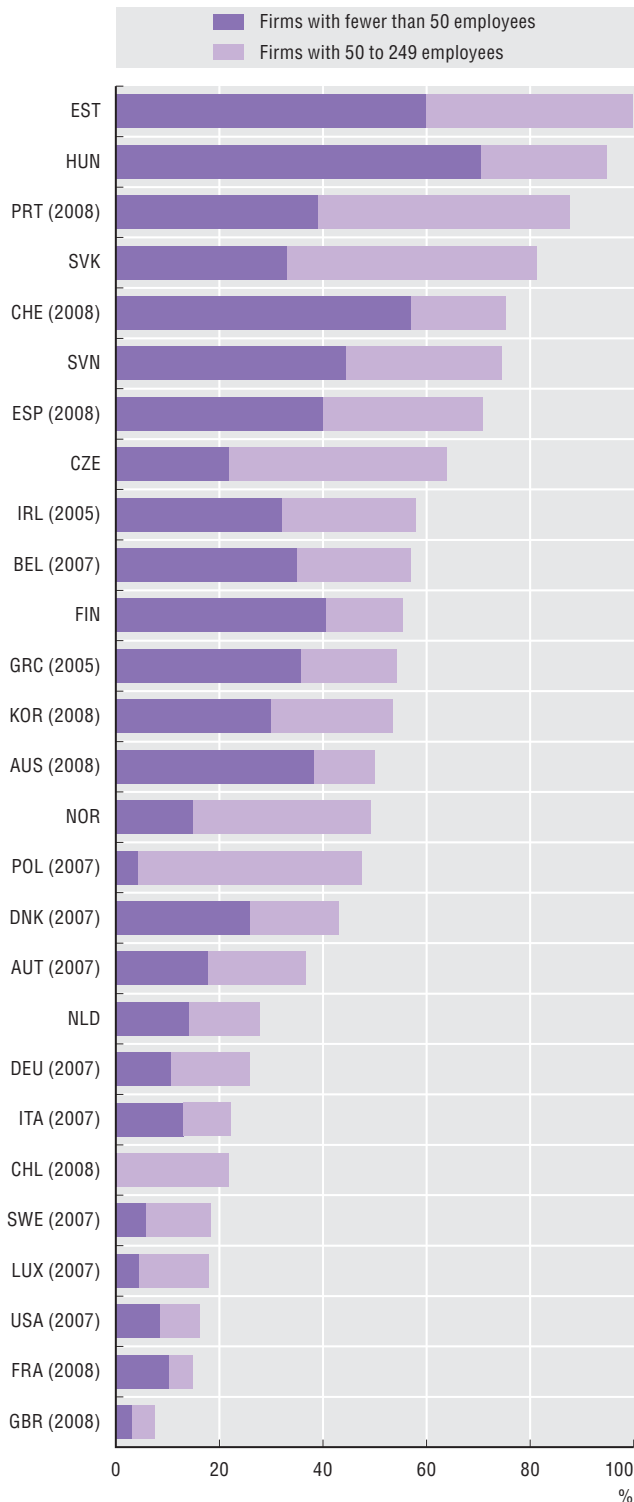


5. UNLEASHING INNOVATION IN FIRMS

4. Public support to R&D

Government-financed BERD by firm size, 2009

As a percentage of total government-financed BERD



Source: OECD, Research and Development Database, May 2011. See chapter notes.

StatLink  <http://dx.doi.org/10.1787/888932487229>

SMEs play an important role in innovation. There are concerns that the recent economic crisis may have affected them disproportionately in terms of securing funding for R&D and other innovation-related activities. In some countries governments play a key role in funding R&D activities of SMEs. In most, between 40% and 80% of government-financed business expenditures in research and development (BERD) goes to SMEs, a figure that reaches over 90% in Estonia and Hungary. However, in larger countries such as the United Kingdom, France and the United States, the bulk of public support goes to large firms.

Regular training is one of the means by which firms can maximise the potential of their human capital and is thus a key part their innovation activities. There is wide variation across countries in the use of innovation-related training. Large firms tend to do more, although the gap is quite narrow in some countries. Compared to earlier data, the share of firms with innovation-related training appears to be declining slightly on average, both in larger firms and SMEs.

Many countries offer various financial incentives for firms to engage in innovation activities (R&D and other) but the rate of uptake varies widely. In most countries large firms tend to be the main beneficiaries of such schemes but the rate of uptake among innovative firms seems to be declining over time.

Definitions

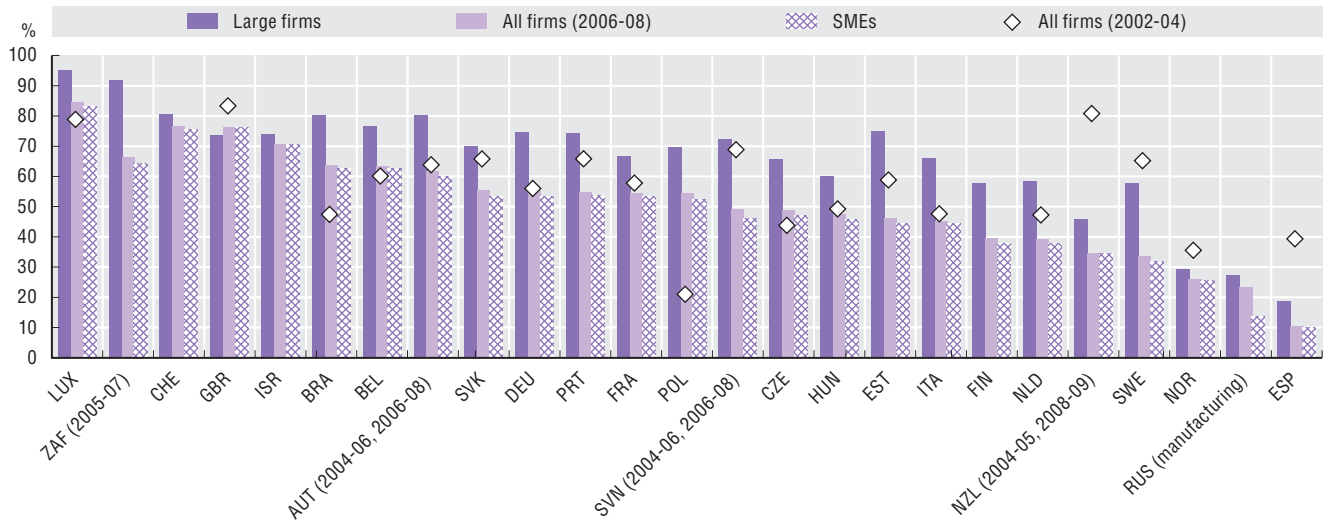
Government-financed BERD includes all forms of direct support such as grants, some types of loans as well as procurement contracts. It does not include R&D tax credits or other indirect support measures.

Training relates to internal or external training for personnel specifically for the development of and/or introduction of new or significantly improved products or processes.

Public support for innovation includes financial support via tax credits or deductions, grants, subsidised loans, and loan guarantees. It excludes research and other innovation activities conducted entirely for the public sector under contract.

Firms engaged in innovation-related training by firm size, 2002-04 and 2006-08

As a percentage of innovative firms

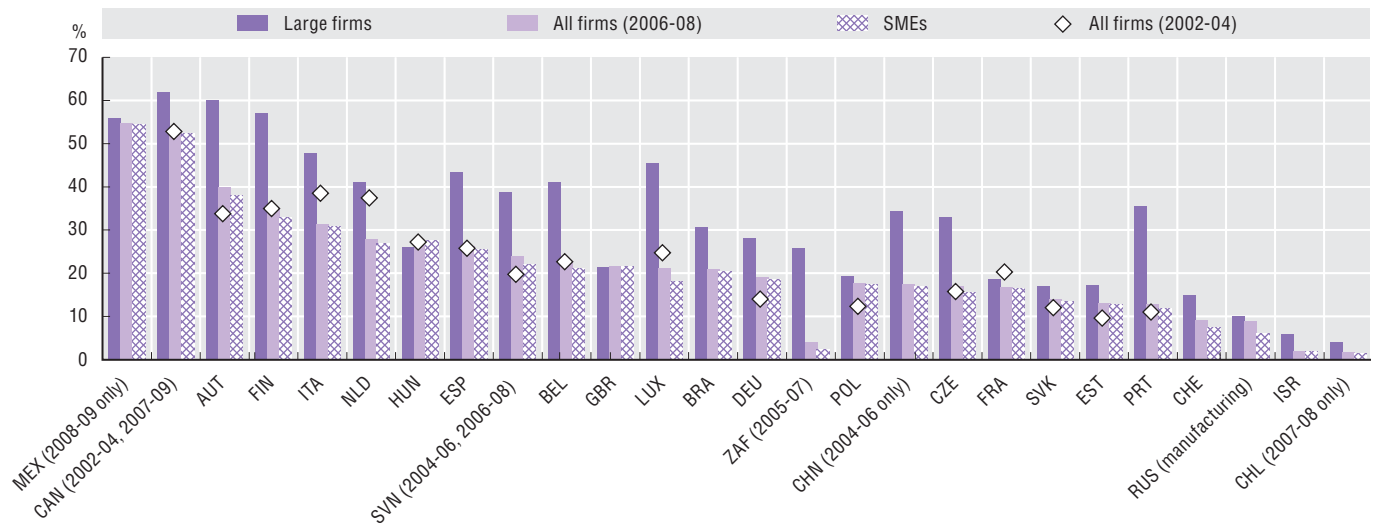


Source: OECD, based on Eurostat [CIS-2008, CIS-2006 and CIS-2004 (CIS4)] and national data sources, June 2011. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932487248>

Firms receiving public support for innovation by firm size, 2002-04 and 2006-08

As a percentage of innovative firms



Source: OECD, based on Eurostat [CIS-2008, CIS-2006 and CIS-2004 (CIS4)] and national data sources, June 2011. See chapter notes.

StatLink <http://dx.doi.org/10.1787/888932487267>

Measurability

BERD data only cover direct support (grants as well as contracts) and should be complemented with additional information on indirect support (such as foregone revenue from R&D tax credits) to obtain a broader picture of public support to business R&D.

The data on training and public support refer only to product/process innovations in Community Innovation Survey (CIS) countries, but could include other types of innovation (notably, non-technological) in other countries.



From:
**OECD Science, Technology and Industry
Scoreboard 2011**

Access the complete publication at:
https://doi.org/10.1787/sti_scoreboard-2011-en

Please cite this chapter as:

OECD (2011), "Public support to R&D", in *OECD Science, Technology and Industry Scoreboard 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/sti_scoreboard-2011-47-en

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