



A Better Framework for Innovation

26 January 2016, Brussels

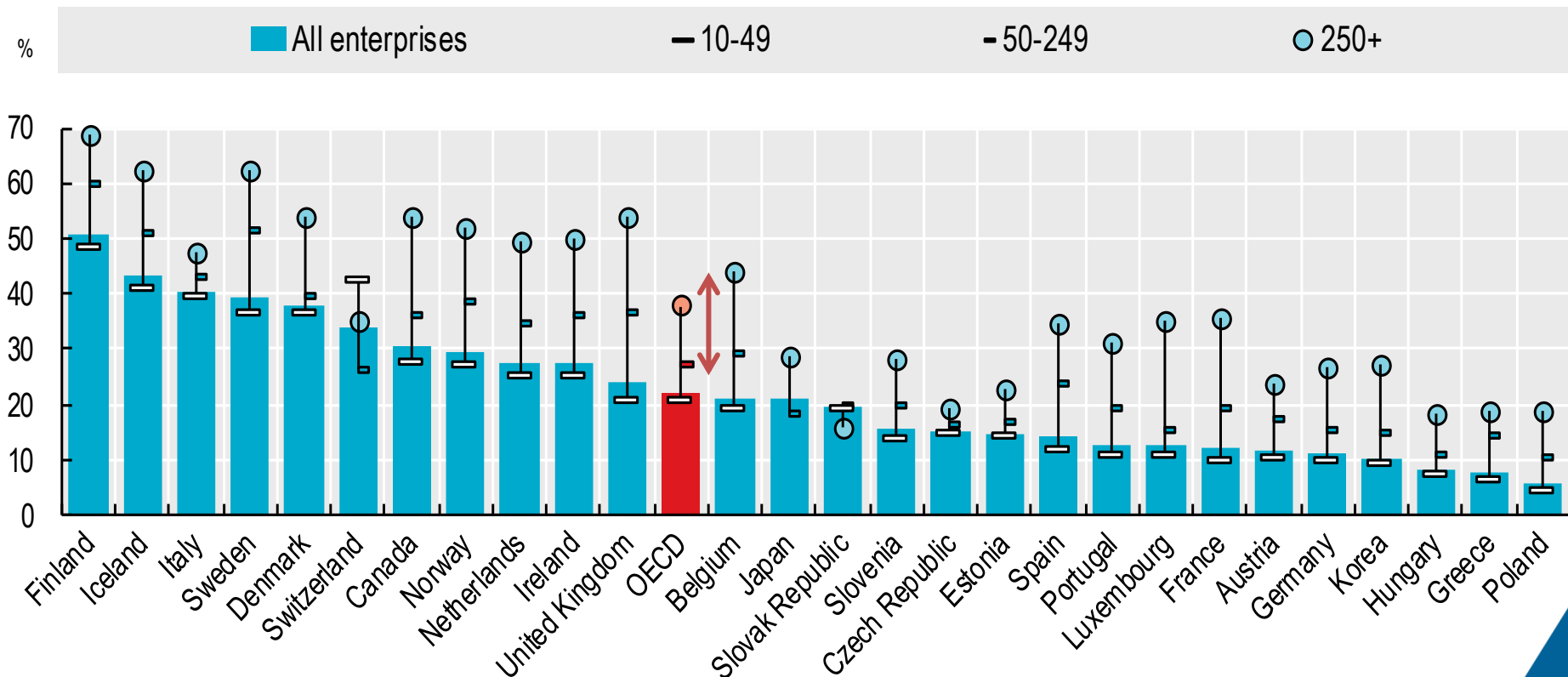
Strengthening innovation and governance

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1. Still large gaps across the EU in the use of digital technologies, in particular for SMEs

Use of cloud computing as a percentage of enterprises in each employment size class, 2014



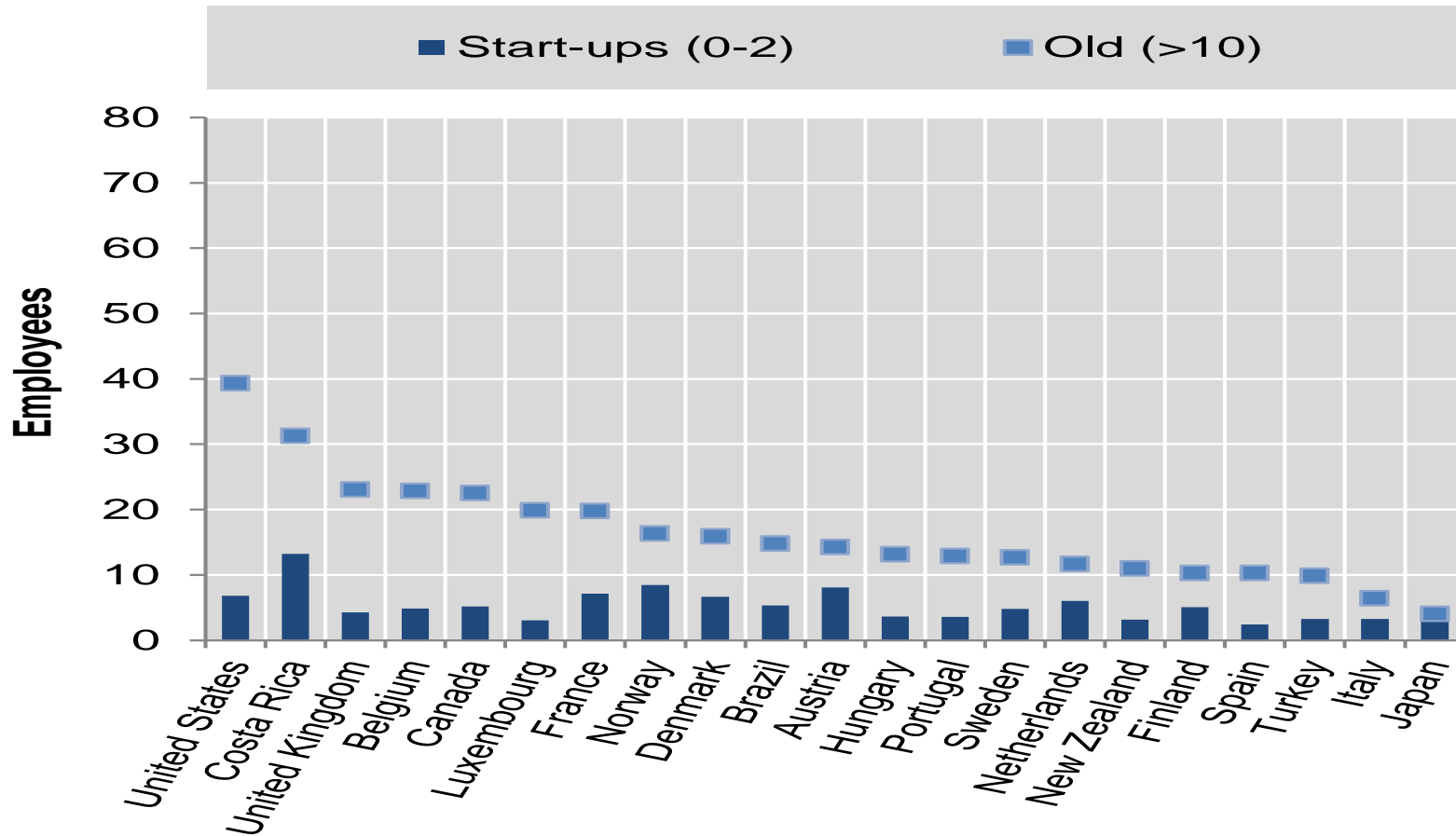
Source: OECD, ICT Database; Eurostat, Information Society Statistics and national sources, January 2015.

<http://dx.doi.org/10.1787/888933224863>



2. Scaling of young innovative firms is a challenge in many EU countries

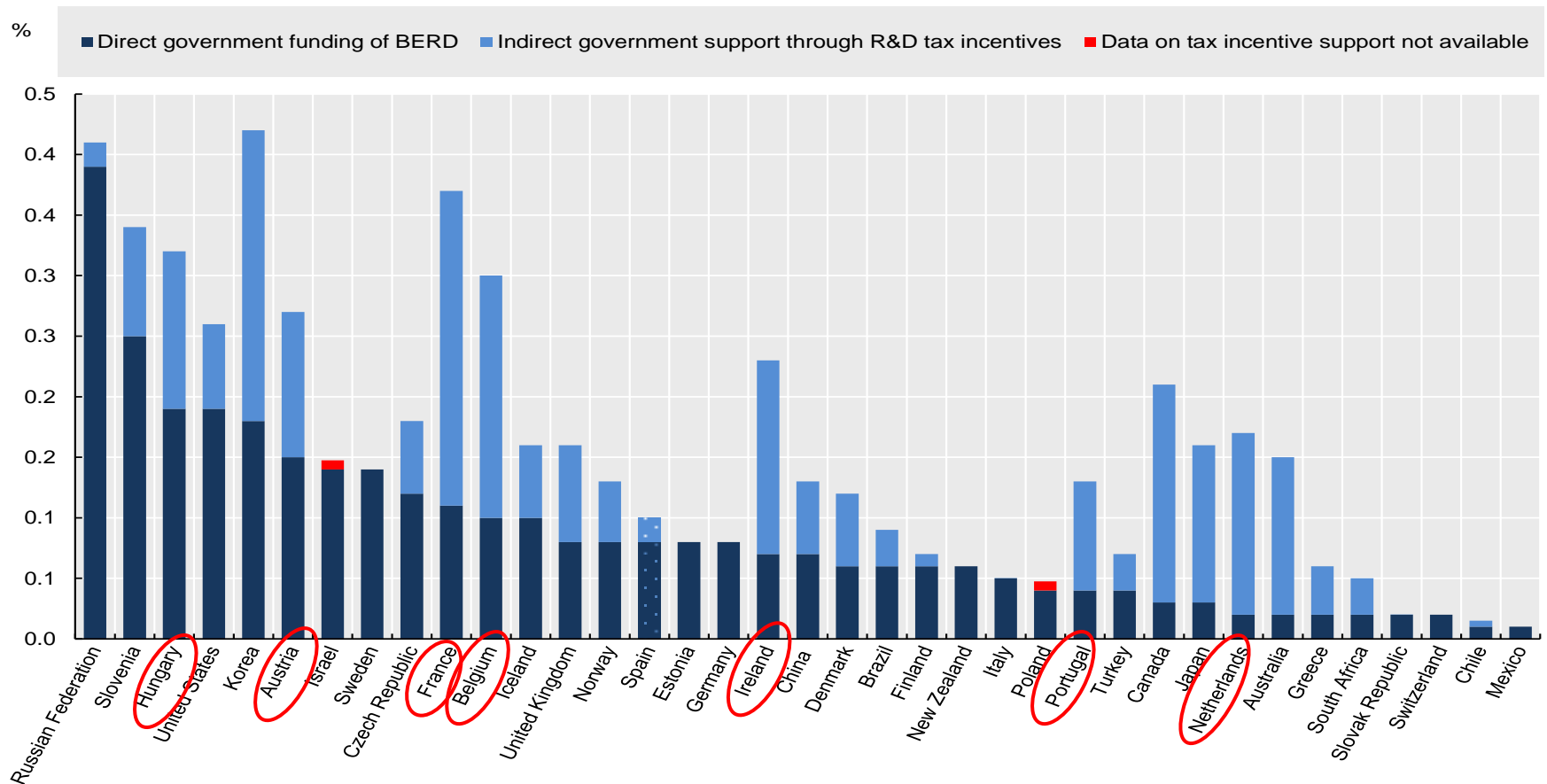
Average size of start-ups and old firms, in persons employed, services sector





3. Many European countries emphasize tax credits to support innovation

Direct funding of business R&D and R&D tax incentives,
as a percentage of GDP, 2013

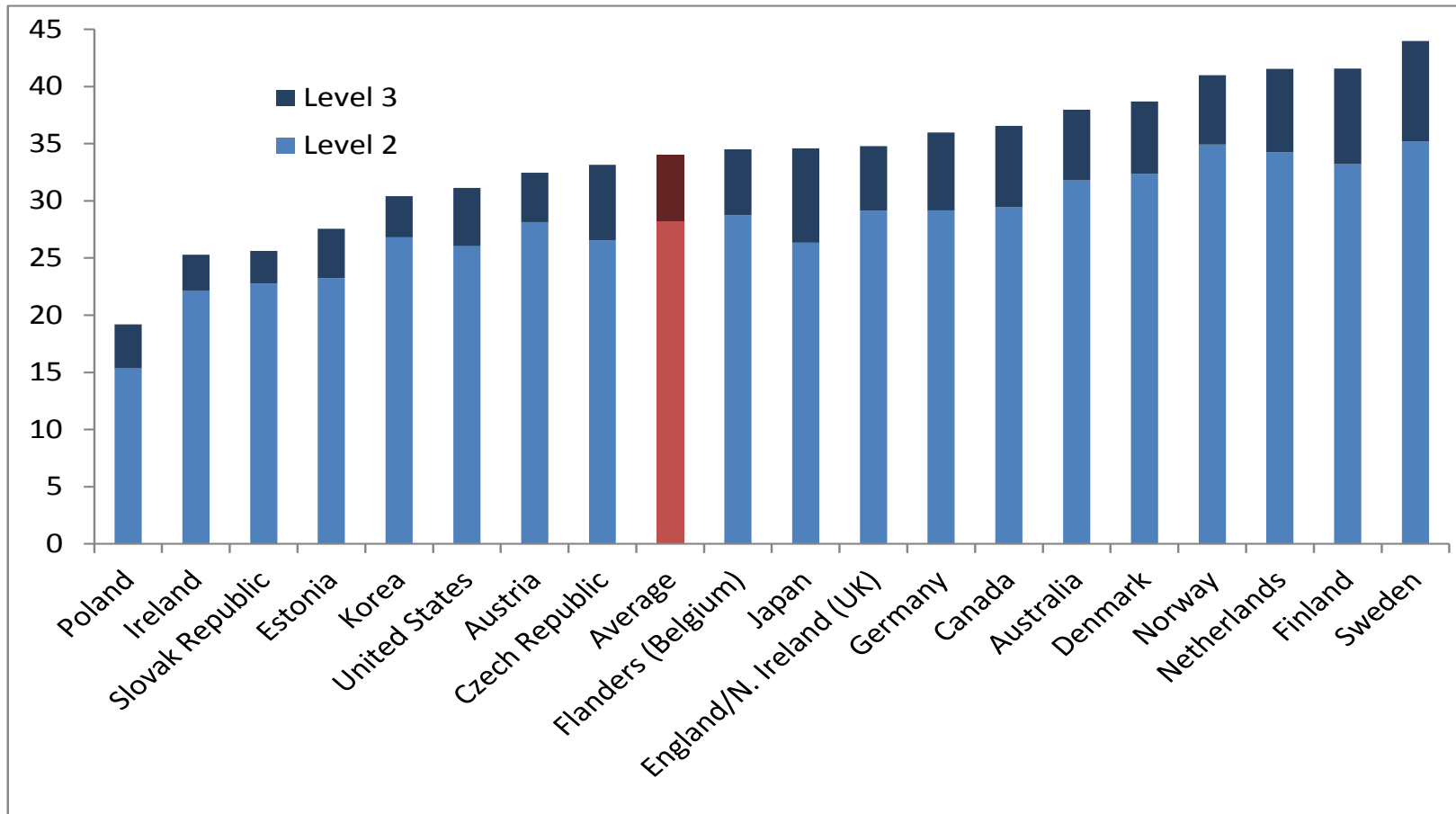


Source: OECD, R&D Tax Incentive Indicators, www.oecd.org/sti/rd-tax-stats.htm and Main Science and Technology Indicators, June, 2015, www.oecd.org/sti/msti.htm



4. Skills are a major challenge for Europe's innovation-intensive economy

Less than 40% of adults have the skills to succeed in a technology-rich environment
(Percentage of 16-65 year-olds scoring at proficiency levels 2 and 3)



Source: OECD Survey of Adult Skills, October 2013.



5. Governance and risk management is important for innovation

- 1) Deliver stable and predictable frameworks for innovation, well-adjusted to the nature of innovation today.
- 2) Use a sound evidence base to design systems and policies that manage risks associated with innovation.
- 3) Review existing rules and regulations to ensure that they are sufficiently innovation friendly.
- 4) Monitor and evaluate policies, to learn from experience and be able to sufficiently adjust policies over time.



Thank you



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