



# WHAT ROLE CAN INNOVATION POLICIES PLAY IN PROMOTING INCLUSIVE GROWTH?

**Caroline Paunov**

Directorate for Science, Technology and Innovation, OECD

**Gender Summit**  
8 November 2016



# The Innovation for Inclusive Growth Project

## Objectives

1. Address how **innovation** and its policies relate to **inclusive growth**
2. Develop **policy conclusions** for innovation policy

- **Advisory Group Members: Austria, Chile, China, Colombia, Costa Rica, India, Israel, Korea, Mexico, South Africa**
- Involving the Directorates of **Education and Governance and Territorial Development**
- Contributing to the ***OECD's Inclusive Growth Initiative***

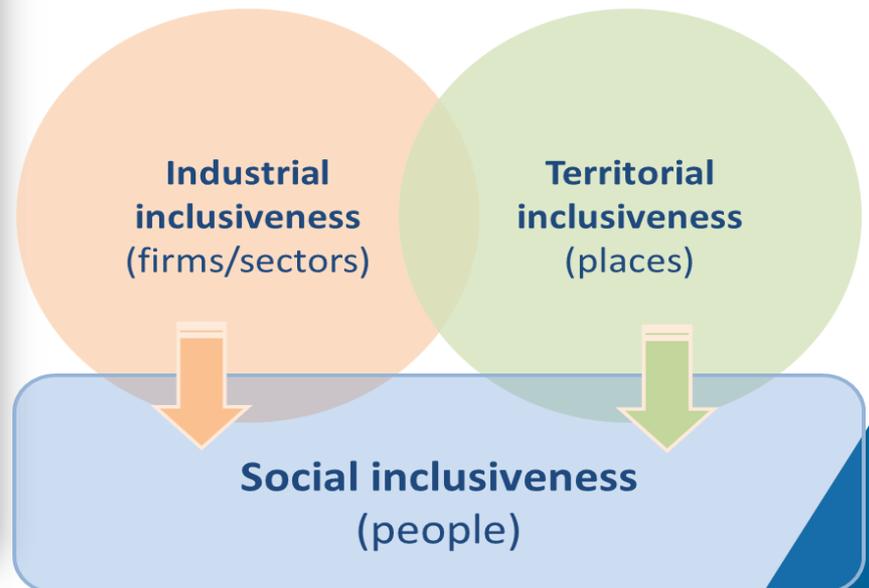


# What role can innovation policies play in promoting inclusive growth?

One direct approach adopted:  
**Inclusive innovation policies**



“Policies that help ensure **disadvantaged groups** of society have **opportunities** to participate in **innovation activities**”





# Inclusive innovation policy toolkit

**Objective:** *Facilitate exchanges of experiences on innovation policy approaches to address inclusiveness challenges.*

## Innovation for Inclusive Growth Policy Toolkit



This policy toolkit provides a set of policy examples from different countries that address innovation policies' contribution to inclusive growth. The database collects examples of national policy programmes targeting lagging and less innovative regions, aiming to include in innovation activities individuals and groups that are not usually participating in those activities, or aiming to foster innovation activities in non-innovative firms, in particular by targeting sectors and SMEs.

In what way is your country experiencing an uneven distribution of innovation capacities?

1. Some **individuals or groups** are not usually participating in research, innovation and entrepreneurship activities.
2. Some **sectors or firms** are not usually participating in research and innovation activities.
3. Some **regions or localities** in the country lag behind in terms of innovation performance.

You may also browse the policy cases by Instrument Type, by Country or access the list of all cases by using the navigation menu on the right.

### Inclusive innovations

Inclusive innovations are innovations that directly serve the welfare of lower-income and excluded groups – can contribute to development and create work opportunities integrating marginalized groups into circuits of economic activity. The current context is particularly favourable to inclusive innovations: information and communication technologies (ICTs) and other emerging technologies

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Innovation for Inclusive Growth Policy Toolkit

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    - Traditional or Strategic Sector Policies
  - Territorial Inclusiveness
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    - Local or Community-oriented Policies
- By Policy Objective
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# Inclusive innovation policy toolkit



Programmes to support women entrepreneurship



Programmes to support integration of minority groups in productive activities

**29 policy cases**  
from Chile, China,  
Colombia,  
Germany, Hungary,  
India,  
Ireland, Israel,  
Japan, Korea,  
Lithuania, Mexico,  
New Zealand, South  
Africa,  
United States, EU-  
wide programmes



Programmes to foster productivity in lagging areas



**SMEs**



**PHDs**



H2020 SME Innovation Associate



# Ireland: **Competitive Start Fund for Female Entrepreneurs**



- *Objective:* **Empower (women-led) start-ups** that face financial constraints to launch new competitive products internationally
- *Policy support:*
  - **Equity investment** of up to EUR 50,000
  - **Mentoring**



## Japan: *Programme to support research activities of female researchers*

- *Objective:* Increase the number of **women in leading positions in research**, particularly in STEM.



- *Policy instruments:*
  - **Funds** to research organisations to develop and implement **measures to improve the research environment for women**
  - **Awareness raising activities** in high schools and colleges



## South Africa: *Thuthuka programme*



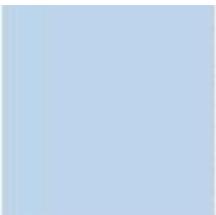
- *Objective:* Improve **research capacities of underrepresented groups in research** (particularly women and black people)

- *Policy instruments:*
  - **Grants** for research projects led by researchers of underrepresented groups



# Lithuania: *European Progress Microfinance Facility Programme*

- *Objective:* Foster women entrepreneurship by facilitating their **access to financial services**
- *Policy instruments:*
  - **Micro-loans** (with favourable conditions on credit provision and repayment).





## Israel: *Traditional Industry Programme*



- *Objective:* Encourage traditional industries (those that invest little in R&D) to **invest in R&D**
- *Policy instruments:*
  - **Grants** covering 50% of budget for the R&D project
  - Professional **counselling** services



# Inclusive innovation policies should be a priority for multiple reasons

## **Social, industrial and territorial inclusiveness**

- Tackle misallocation of resources in the economy (=> due to inequality, exclusion, lack of capacity for reallocation)
- Foster **inclusive growth** without imposing long-term costs for public finance

### **Social inclusiveness**

- Reduce discrimination in labour markets
- Integrate disadvantaged and excluded groups

### **Industrial inclusiveness**

- Tackle “dual economy” challenges by improving technology diffusion
- Foster **competition** and the emergence of new economic activities

### **Territorial inclusiveness**

- Increase the potential of lagging regions
- Increase effectiveness of regional development policies



## What makes them distinctive?

1. They **unlock the productive potential** of disadvantaged individuals and **connect them with opportunities** to participate in innovative activities
2. They combine policies aimed at enhancing **social impacts** with policies for **economic benefits**
3. Their success depends on overcoming a set of **challenges...**





# Many challenges need to be addressed when implementing these policies

Policy challenge	Solutions
Low levels of <b>awareness</b> of programmes	<ul style="list-style-type: none"><li>• Tailored outreach strategies</li><li>• Engage target group in policy design and implementation</li><li>• Cut red tape</li></ul>
<b>Selection</b> criteria do not reach the target group	<ul style="list-style-type: none"><li>• Consider motivation and potential of applicants, not only skills and past performance</li><li>• Involve informed third parties in programme design</li></ul>
Weak <b>capabilities</b>	<ul style="list-style-type: none"><li>• Invest in capacity building activities as part of programme strategies</li></ul>
Weak <b>linkages</b> between target group and other innovation actors	<ul style="list-style-type: none"><li>• Facilitate direct work between technology experts and target group</li><li>• Innovation vouchers</li><li>• ICT solutions (e.g. online platforms)</li></ul>



## A few conclusions

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- **Innovation policies** can contribute jointly with other policies to inclusive growth by **fostering integration in innovation activities**
- Era of current **technological changes brings particular challenges** with regards to inclusive growth



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Report by spring 2017

Further information: <http://oe.cd/inclusive>