



# The roadmaps to Lisbon

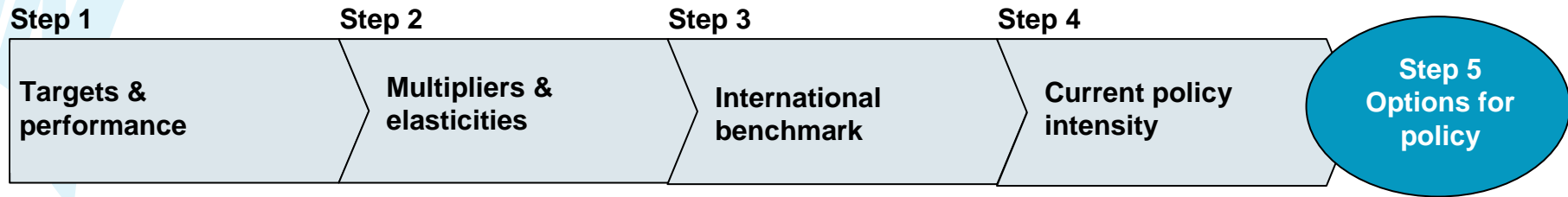
## *Evidence based policy making for dummies*



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# Sheet 1 The roadmaps in five steps



- Innovation
  - 1. Public R&D intensity
  - 2. Private R&D intensity
  - 3. Share of new and improved products in turnover
- Entrepreneurship
  - 4. Nascent entrepreneurship
  - 5. Starters
  - 6. Business ownership rate

- Analysis empirical literature on drivers of policy targets
- Source: Donselaar, Erken & v.d. Heuvel (2007) *Determinanten van kernindicatoren op de terreinen innovatie en ondernemerschap*, The Hague, Ministry of Economic Affairs

<http://appz.ez.nl/bestel/toon.asp?id=07oi48>

- International benchmarkstudies
- (a.o. Eurostat, OECD, FORA, Global Competitiveness Report, World Competitiveness Yearbook, Ondernemingsklimaat -monitor CBS)

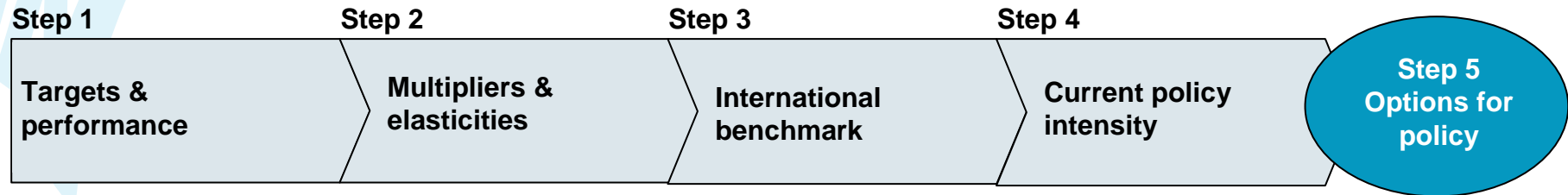
- Expert polls

- Educated guess

- Innovative entrepreneurship
  - 7. Turnover technostarters
  - 8. Fast growing firms



# Sheet 2 Entrepreneurship targets: examples of results



## Nascent entrepreneurship

Target: Top 5 van EU15 in 2010

Performance:

2006: 3,6% = 4<sup>e</sup> position in EU15

2005: 2,5% = 10<sup>e</sup> position in EU15

- E.g. Entrepreneurial culture

• ++

• *Below average*

• *Below average and rising*

• +++

(education, incentive structure welfare state, etc)

## Starters

Target: Top 5 EU15 in long term

Performance:

2006: 1,9% = 7<sup>e</sup> position in EU15  
(5<sup>e</sup> pos. = 2,4%)

2005: 1,9% = 9<sup>e</sup> position in EU15

- E.g. Private finance

• +

• *Above average (apart from seed capital)*

• *Average and rising*

• +

(seed capital)

## Business ownership rate

Target: min. 10% and 0,5%-punt above EU15

Performance: NL: 11,64% in 2005, 12,44% in 2006 (estimate); EU15: 11,66% in 2005

- E.g. Regulating/start up costs

• -

• *Below average*

• *Above average and rising*

• +/-

(start-up costs)

## Fast Growers

Target: average of 10 benchmarkcountries (2010)

Performance: 31% under average (2001-2004)

- E.g. Labour market regulation

• -

• *Above average*

• *Average and constant*

• ++

(EPL)

# Sheet 3 Summary of policy options

Far from target



Close to target

Private R&D	Turnover innovative products	Fast growers	Nascent	Public R&D	Business own. rate	Technostarters	Starters
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Private Innovation	+++	+++	++	+	?	+	++	+
Fiscal instruments	+	indirect	indirect	indirect	n.a.	indirect	+	indirect
Subsidies	++	indirect	indirect	indirect	+/-	indirect	+	indirect
Public R&D	+	+/-	0	0	+++	0	+	0
Public-private interaction	+	+	+	0	++	0	++	0
Human capital	++	+	++	++	?	++	+++	++
Productmarket competition	++	+++	??	??	??	??	??	??
Regulation/administrative burden	+/-	+/-	++	+	n.a.	+/-	+	+
Social security	0	0	??	++	n.a.	++	+?	++
Labour market regulation	?	++	++	++	n.a.	+/-	+	+
Private finance	?	++	++	+/-	n.a.	+/-	+	+
Culture	?	++	+++	+++	n.a.	++	+	++
Taxation	+/-	?	+/-	+	n.a.	+	+	+
Entrepreneurship infrastructure	?	?	+	+	+?	+	+	+

## Sheet 4: Did you know that...

- ...reducing the administrative burden is an important policy topic, but don't expect too much from it for innovation or even entrepreneurship
- ...don't focus on start-ups, but on fast growth
- ...what the policy agendas for entrepreneurship and innovation share most is...human capital
- ...there is sound economic reasons for fiscal instruments and subsidies for innovation, but are you sure an extra euro works?





# Sheet 5 Conclusion: The roadmaps on ICE?

## • **Comparing policy targets:**

- *What contributes (most) to economic growth?*
- *What creates urgency?*
- *What is feasible?*
- *What is accountable?*

## • **Comparing policy intensity:**

- *From benchmarking performance to benchmarking policy practice*
- *Quantifying policy intensity*

## • **“Look down, look down, that lonesome road, before you’re travelling home”**

- *Travelling together?*

