



INNODRIVE

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UNIVERSITY of VAASA

FINAL CONFERENCE

Intangible Capital and Innovations: Drivers of Growth and Location in the EU

VENUE:

Centre for European Policy Studies
1 Place du Congrès
1000 Brussels

Dates: 22-23 February 2011

22 February : Presenting and discussing the findings (9:30-17:30)

23 February : Drawing and debating policy conclusions (9:30-14:00)

[Registrations to the Final Conference at WWW.INNODRIVE.ORG](http://WWW.INNODRIVE.ORG)



INNODRIVE

Intangible Capital and Innovation: Drivers of Growth in the EU

An EU-funded research project evaluating intangible capital resources throughout the EU and assessing their capacity to generate growth

INNODRIVE has contributed to improving the measurement of the capital embodied in intellectual assets (e.g. human capital, R&D, patents, software and organisational structures) in the EU.

INNODRIVE has undertaken an evaluation of innovative growth at the firm level in a selection of old and new member states using the linked employer-employee data and, at the national level, by compiling new innovative estimates of the level of intangible capital and its contribution to the growth process in old and new member states and, for purposes of comparison, in the United States.

As an essential feature of our project, the analysis has been undertaken both at firm-level and at national level. At the micro-level the present project has improved our insight into the contributions of intangibles to the growth of firms by exploiting the potential of recently established linked employer-employee datasets and implementing a performance-based methodology to analyse how firms use knowledge and human capital to increase their productivity and how mobile workers react to these processes.

The project has provided data on intangibles and estimates of the capacity of intangible capital to generate growth. All data produced at national level (macro-approach and aggregated figures in micro-approach) are made public available in project web page www.innodrive.org.

The macro approach has applied the categorisation of intangibles already used in previous studies for the United States, the United Kingdom and, more recently, in a parallel research project, COINVEST.

Supported by the EU's Framework Programme, Grant agreement no. 214576

Reference: SSH-2007-1.1.2 Intangible investments and innovation in Europe

Coordinator: Hannu Piekkola, UNIVAASA

INNODRIVE WORKSHOP, SCIENTIFIC SEMINAR
BRUSSELS, 22-23 February 2010

Final agenda

Tuesday 22 February 2011

- 09:00 – 09:30 Registration and coffee (pre-registrations at www.innodrive.org)
- 09:30 – 09:40 Welcome address, Karel Lannoo, CEPS CEO, Coordinator Hannu Piekkola, UNIVAASA, Marianne Paasi, DG Research, European Commission
- 09:40 – 10:30 Intangible Capital and Productivity Growth in EU area. - Cecilia Jona-Lasinio, Massimiliano Iommi, LUISS
- 10:30 – 10:45 *Coffee Break*
- 10:45– 11:30 Does intangible capital affect economic growth? - Felix Roth, CEPS
- 11:30– 12:00 Comments on the Macro Approach – Bart van Ark, Kirsten Jaeger, The Conference Board
- 12:00- 12:30 Living standards in an ageing, greener knowledge economy: Towards a period of lean cows? - Jorgen Mortensen, CEPS
- 12:30 – 12:45 Discussant: Kieran McMorrow, DG ECFIN, European Commission
- 12:45 – 13:45 *Lunch*
- 13:45 – 14:15 How to measure intangibles of enterprises: the case of Finland and UK as example - Hannu Piekkola, UNIVAASA and Rebecca Riley, NIESR
- 14:15 – 15:15 Innovativeness and Intangibles: Norway, Germany, Slovenia, Czech Republic - Kurt Geppert, Anne Neumann, Bernd Görzig DIW, Stepan Jurajda, EI , Miroslav Verbic, IER
- 15:15 – 15:30 Discussant: Mariagrazia Squicciarini, OECD
- 15:30 – 16:15 Intangible Capital and Regional Differences - Kurt Geppert and Anne Neumann, DIW, Rebecca Riley NIESR, Hannu Piekkola UNIVAASA
- 16:15 – 16:30 *Coffee Break*
- 16.30 – 17:00 Intangible Capital and Wages: A Comparison of Czech Republic, Finland and Norway - Rita Asplund, Sami Napari, ETLA
- 17:00 – 17:10 Discussant: Robert Strauss, DG Employment, European Commission
- 17:10– 17:40 Comments on Micro Approach - Jonathan Haskel, Imperial College London

INNODRIVE, POLICY SEMINAR

Wednesday 23 February 2011

- 09:00 – 09:20 Registration and coffee (pre-registrations at www.innodrive.org)
- 09:20 – 09:30 Intangibles in European growth and innovation policy - Marianne Paasi, DG Research, European Commission
- 09:30 – 10:15 How intangible investments have evolved in EU area using both firm-level and national perspectives, INNODRIVE team
- 10:15 – 10:45 Intangible capital synthesis INNODRIVE, COINVEST AND THE CONFERENCE BOARD - Jonathan Haskel, Cecilia Jona-Lasinio, and Bart van Ark.
- 10:45 – 11:00 Discussion: Fernando Galindo-Rueda, OECD
- 11:00 – 11:15 *Coffee Break*
- 11:15 – 12:00 Policies to improve competitiveness in Europe, INNODRIVE team
Discussant: Manfred Bergmann, DG Enterprise, European Commission
- 12:00 – 13:00 How to improve European competitiveness
Hannu Piekkola, UNIVAASA
Cecilia Jona-Lasinio, LUISS
Jonathan Haskel, Imperial College
Bart van Ark, The Conference Board
Jorgen Mortensen, CEPS
Manfred Bergmann, DG Enterprise, European Commission
- 13:00 – 14:00 Drinks and *Lunch*

INNODRIVE Partners

Beneficiary no. *	Beneficiary name	Beneficiary short name	Country
1 (Coordinator)	Vaasan yliopisto (University of Vaasa)	UNIVAASA	Finland
2	Centre for European Policy Studies	CEPS	Belgium
3	Deutsches Institut für Wirtschaftsforschung (German Institute for Economic Research)	DIW	Germany
4	Statistisk sentralbyrå (Statistics Norway)	STATNO	Norway
5	National Institute for Economic and Social Research	NIESR	United Kingdom
6	Inštitut za ekonomska raziskovanja (Institute for economic research)	IER	Slovenia
7	Elinkeinoelämän tutkimuslaitos, (The Research Institute of The Finnish Economy)	ETLA	Finland
8	NÁRODOHOSPODÁRSKÝ ÚSTAV AV ČR, (The Center for Economic Research and Graduate Education of Charles University),	EI	Czech Republic
9	Libera Università Internazionale degli Studi Sociali Guido Carli	LUISS	Italy

Concept and initial project objectives

It is widely recognised that knowledge and intellectual capital are major determinants of the generation of innovation and thus in the enhancement of growth, employment and competitiveness of the European Union. The importance of R&D and innovation is also explicitly recognised in the “Lisbon process” aimed at improving the growth and employment performance of the EU. However, despite many “credos”, our knowledge of the contribution of intangibles to economic performance is still incomplete, to say the least. While firms undoubtedly are at the centre of innovation and productivity growth, their activities are hard to analyse empirically. Furthermore, at the macro-level the national accounts data on capital formation focus primarily on fixed investment and have only recently attempted to measure investment in intangibles such as software, mineral exploration and artistic creations. Without ignoring the difficulties of this endeavour, the aim of this research project is to reduce our ignorance by providing new data on intangibles and new estimates of the capacity of intangible capital to generate growth.

As an essential feature of our project, we envisage doing this both at the firm-level and at the national level. The study is designed with the aim of enhancing our capacity for measuring the amount of capital embodied in intellectual assets (*e.g.* human capital, R&D, patents, software and organisational structures) and also of the potential for intangible capital accumulation in manufacturing, service industries and the rest of the economy. At the micro-level the present project will improve our insight into the contributions of intangibles to the growth of firms by exploiting the potential of recently established linked employer-employee datasets and implementing a performance-based methodology to analyse how firms use knowledge and human capital to increase their productivity and how mobile workers react to these processes. At the national-economy level we will expand the traditional growth accounting framework by including, in capital formation, estimates of the investment in intangibles which, hitherto, have largely been counted as current expenditure in the conventional national accounts.

An essential hypothesis of the project is, furthermore, that knowledge-intensive and innovative firms cannot sensibly be considered as separate from their socio-economic environments. The spatial dimension plays a crucial role in the project. We value the importance of geographical proximity, clustering and agglomeration to firm innovation and productivity and integrate them as part of intangible economic assets. Fostering the network properties of dense areas, *i.e.* cities or “competitiveness centres”, is thus considered as an intangible investment and we also aim to study also the effect on competitiveness and economic performance of this aspect of intangibles.

Under the unifying data and methodological approach the project, at the micro-level, brings together contributions from different EU countries: large and small countries, old and new member states. The spatial dimension with a separate focus on nations of different characteristics – and growth centres within countries – is required for political actions and for a distinction between country specific policies and more general factors in setting innovation policies. At the macro-level we will cover all 27 Member States subject to data availability.

Hotels near the venue:

Hotel du Congrès ★★★★★

42-44 rue du Congrès
1000 Brussels
Tel: +32 2 217 18 90
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Best Western Hotel Royal Centre

★★★★★

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Hotel Villa Royale ★★★★★

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Hotel Bloom ★★★★★

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Crowne Plaza Brussels ★★★★★

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<http://www.crowneplazabrussels.be/intro.php>

Hilton City ★★★★★

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Stanhope Hotel ★★★★★

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