

National Innovation Policy in the Czech Republic

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National Innovation Policy in the Czech Republic

- Specific conditions of post-communist transformation
- The position of the Czech Republic in a comparative perspective
- National Innovation Policy and its assessment
- Prospects for the future

Specific conditions of the post-communist transformation

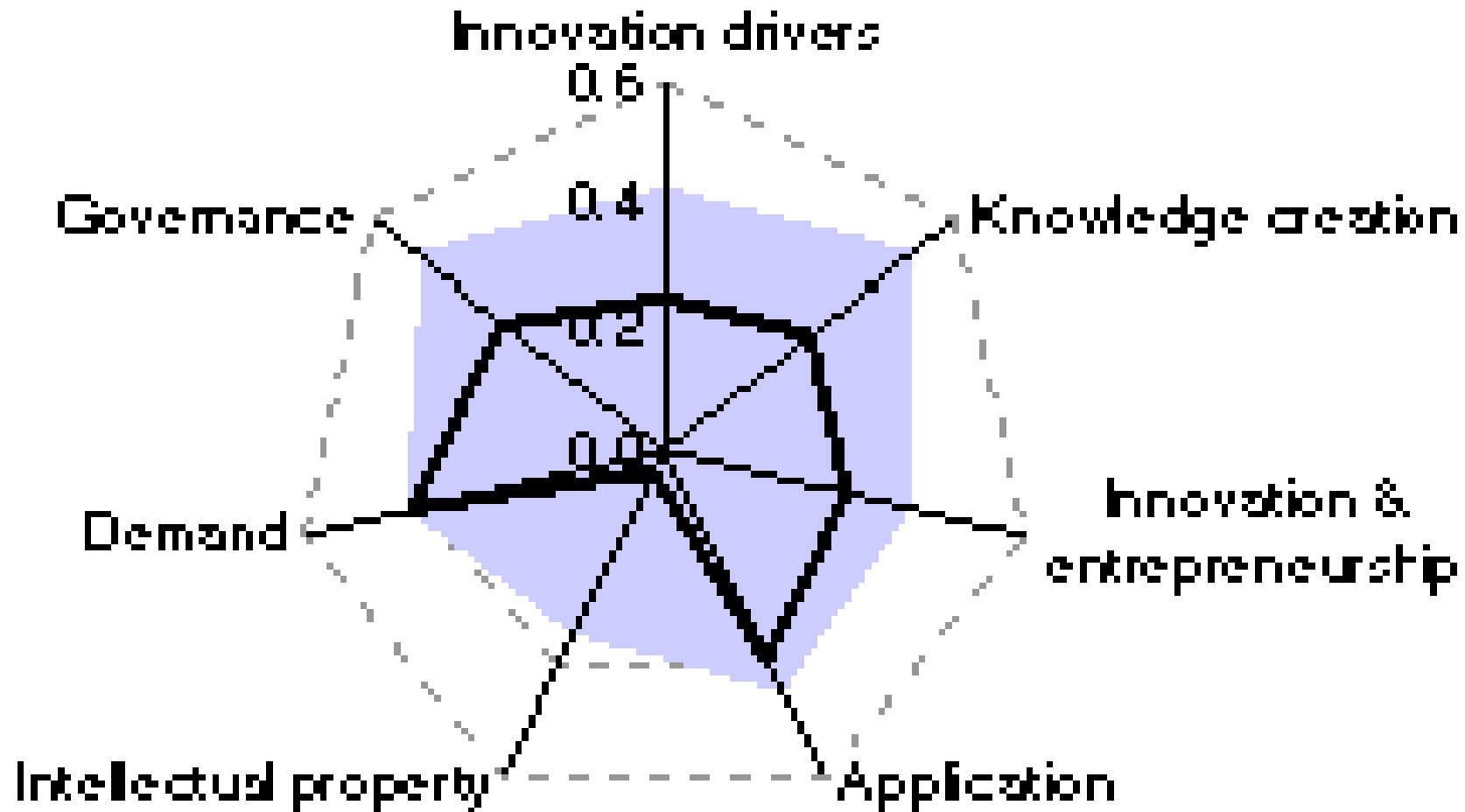
- Large-scale privatization → collapse of many, in the past public, research centers
- Volatile state → non-existent or weak public policies
- Mediocre educational system → holes in disposable skills and competences of the labour force
- Low salaries → brain drain of young researchers and engineers to Western Europe and the USA
- Cheap labour force → big share of FDI on assembly industry

The position of the Czech Republic in a comparative perspective, 2005

CZ	Value	Rank	Out of no. EU countries
2005 EIS Summary Innovation Index (SII)	0.26	20	25
EIS Composite Index for Innovation drivers	0.25	23	25
EIS Composite Index for Knowledge creation	0.30	16	25
EIS Composite Index for Innovation & entrepreneurship	0.30	19	23
EIS Composite Index for Applications	0.38	15	25
EIS Composite Index for Intellectual Property	0.05	18	25
Index for domestic innovation demand	0.42	14	24
Index for innovation governance	0.33	19	22
Percent strategic innovators	5	11	19
Percent intermittent innovators	7	18	19
Percent technology modifiers	3	19	19
Percent technology adopters	15	2	19
Percent non-innovative firms	70	13	18

Source: European Innovation Scoreboard 2005

The position of the Czech Republic in a comparative perspective, 2005



Source: European Innovation Scoreboard 2005

Czech National Innovation Policy (2005)

Core goal: To encourage innovation by creating favourable legal and institutional conditions, and direct and indirect financial incentives with the assistance of national and EU public funds

Four strategic objectives:

1. Strengthen R&D as a source of innovation
2. Establish well-functioning public private partnership
3. Guarantee human resources for innovation
4. Make the performance of the state administration in research, development and innovation more effective

Assessment of Czech National Innovation Policy (2006)

The fulfillment of strategic objectives:

1. The support for R&D is threatened (continuing stagnation of public budgetary resources) at the level below 0,6% of GDP, as the set up goal is 1% in 2010.
2. PPP in delay: Hungary's like Fund for R&D&Innovation support was not established; support for spin-off firms planned as an item in EU structural funds for the period 2007-2013.
3. Charter of research workers and codex regulating their employment were approved by the government.
4. Serious delay was identified in institutional reframing of R&D&Innovation support : change of the competencies at the central level of administration, and new information system are postponed

Prospects for the future



Source:
Trend Chart
innovation
Policies in
Europe

Prospects for the future

According to EIS 2006, Slovenia, the Czech Republic, Lithuania, Portugal, Poland, Latvia, Greece and Bulgaria make up the group of *catching-up countries*, with *Summary Innovative Index (SII) scores well below* that of the EU25 and the innovation leaders, but with faster than average innovation performance improvement.

Some indicators of innovative capacity are promising in the Czech Republic:

Indicator	% of EU-25 average
Innovative SMEs co-operating with others	112
Innovation expenditures	108
ICT expenditures	103
Sales share of new-to-market products	124
Sales share of new-to-firm products	123
Employment in medium-high/high tech manufacturing	141

Prospects for the future

In some other respects, IES 2006 reveals some weak points of the country's innovative capacity.

Indicator	% of EU-25 average
Early-stage venture capital	0
EPO patents	12
USPTO patents	9
Triad patents	4
Community trademarks	26
Community designs	37

The Czech industry is ready to accept and apply foreign know how (patents), not yet to create new knowledge by itself.

Thanks for your attention!



Resources

- Analysis of the existing state of research & development & innovation trends in the Czech Republic and a comparison with the situation abroad. 2007. Prague: Office of the Government. Available at <http://www.vyzkum.cz/FrontClanek.aspx?idsekce=8304>
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- *Web page:* Trend Chart Innovation Policies in Europe. Available at <http://trendchart.cordis.lu/>