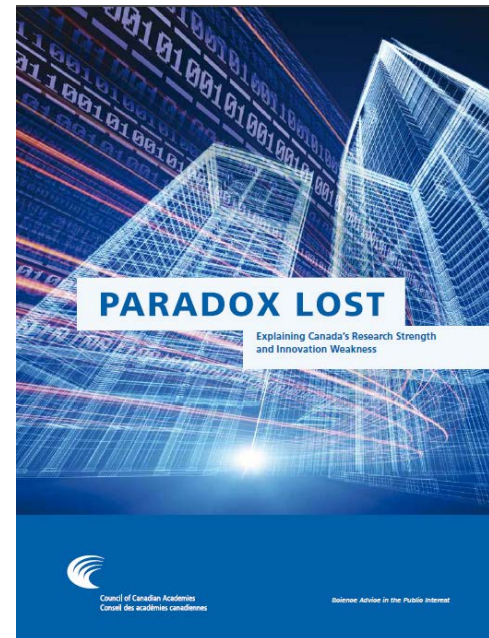
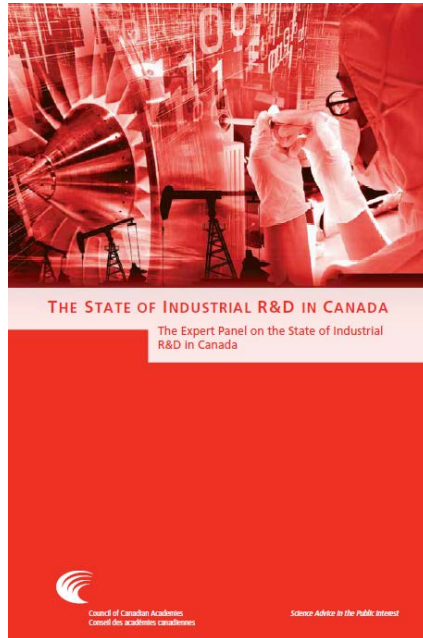


# Canadian Innovation: Understanding the role of IR&D



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# CANADIAN INNOVATION: UNDERSTANDING THE ROLE OF IR&D



CANADIAN SCIENCE POLICY CONFERENCE

# THE CANADIAN PARADOX

- Why has Canada's research excellence not translated into more business innovation?
- Why have Canadian businesses never shown much inclination to adopt innovation-focused business strategies?
- How has Canada's economy sustained relative prosperity despite weak innovation and correspondingly feeble productivity growth?

# SUSTAINABLE PROSPERITY

- **Canadian business firms**
  - The key agents of sustainable prosperity for Canada
- **Public policy matters**

# INNOVATION POLICY

## ■ Historic Paradigm

- Innovation Policy is part of Science Policy

## ■ New Paradigm

- Innovation Policy and Science Policy are two different policy areas

# INNOVATION POLICY

- **Innovation (Oslo Manual of the OECD, 2005):**

“the implementation of a new or significantly improved product (good or service), a new marketing method, or a new organizational method in business practices, workplace organization or external relations.”

# INNOVATION POLICY

**The firm is the central agent of innovation.**

# INNOVATION POLICY

- **Supply-side elements of the firm-centric ecosystem:**
  - Providers of knowledge workers
  - Providers of technical knowledge/services
  - Providers of business knowledge/services
  - Providers of financial knowledge/services



# INNOVATION POLICY

- **The elements of Innovation Policy:**
  - Policies that create market signals for firms
  - Policies that affect the input costs of firms
  - Policies that affect the innovation ecosystem of firms
  - Science Policy

# INNOVATION POLICY

## The Need for Strong Science Policy

# FINAL MESSAGE

**Innovation Policy is Much More  
Than Science Policy**