
Research Paper No. 52

EXECUTIVE SUMMARY
November 2016

(full paper link: <http://enterpriseresearch.ac.uk/publications/erc-research-papers/>)

The effectiveness of regional, national and EU support for innovation in the UK and Spain

Bettina Becker

Enterprise Research Centre and Aston Business School
b.becker@aston.ac.uk

Stephen Roper

Enterprise Research Centre and Warwick Business School
stephen.roper@wbs.ac.uk

James H Love

Enterprise Research Centre and Warwick Business School
Warwick University
jim.love@wbs.ac.uk

ABSTRACT

Innovation policy aims to stimulate innovation and hence firm-level productivity and growth. Here, we use data from the national innovation panel surveys in the UK and Spain over the 2004 to 2012 period to explore the effectiveness of regional, national and EU innovation support in promoting the extent of innovation activity, its novelty, and market success. Allowing for potential selection effects, our results suggest that regionalised support is most influential in increasing the probability of undertaking both process and organisational innovations. For both the UK and Spain, national innovation support is associated with a higher probability of product or service innovation, and the degree of novelty of product or service innovations. In terms of innovation success (sales) we see a rather different pattern in the UK and Spain. In the UK only regionalised support is associated with increased innovative sales. In Spain, innovative sales are influenced by both regional, national and EU support measures. Our results suggest that moves towards more centralised innovation policy in the UK since 2012 may reinforce a focus on leading edge, novel product and service innovation while placing less emphasis on broadly based process and organizational innovation.