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## GLOBAL INNOVATION INDEX: A TOOL TO MAKE INNOVATION USEFUL TO COMPANIES

When it comes to innovation, everyone has a good idea of what the word means, but when we decide to move from words to action and actually make innovation, things begin to get more complex. Many of the great innovations of history happened by chance - think of the discovery of X-rays, or penicillin - but today, innovation cannot be left to chance and it requires planning policies by companies and national governments. How do you plan something that has a high component of chance? Now there is a real helping hand from the Global Innovation Index (GII), the annual ranking of countries based on their innovation index developed by a partnership of several institutions including Cornell University, the European Institute of Business Administration (INSEAD), and the World Intellectual Property Organization (WIPO).

The GI is based on several factors:

- Inputs, which define the innovation-friendly aspects of the environment within an economy (for example education, infrastructures, human capital, research etc.);
- Outputs, which are the result of innovative activity within the economy (for example the creation and diffusion of knowledge, creativity, the impact of innovations on the world, etc.); and
- The innovation efficiency ratio, which shows how much innovation a given country has generated for its inputs.

These factors have allowed to quantitatively map the innovation phenomenon by recording the performance metrics of 126 countries, which represent 90.8% of the world's population and 96.3% of global GDP. This data and its analysis, quite apart from the rankings, is also a tool for building a methodological paradigm on which to base innovation development strategies for private companies and national governments.

This year, for the eight year running, Switzerland tops the rankings. The Swiss model shows that in Switzerland government institutions work together with universities and private companies to promote innovation, by investing in human resources, credit systems for business and relief for financial markets, creating fertile ground for innovation that gets the best results globally, in terms of creation and diffusion of innovation and knowledge, of effects of innovative activity on the country's economy, and of creativity.

After Switzerland, which is the prime example of the European innovation model (the Netherlands, Sweden, the UK, Finland, Denmark, Germany and the Republic of Ireland are all countries in the top ten), the most interesting data comes from Asia. Singapore, in fifth place, stands out for its first-rate legal system, a robust intellectual property regime, a thriving economy, and vast global networks for conveying innovative ideas and transforming them into solid technologies to be sold on global markets. While Singapore can be regarded as the Asian innovation model (Korea, Japan and Hong Kong are all in the top fifteen), the country that has shown the greatest growth in innovation is China: up no fewer than five places over last year, that country now holds 17<sup>th</sup> place in the rankings. China's rise has been made possible by investments in human resources, research and infrastructure. It is also interesting to note that, in absolute terms, China is first in the world for technical/scientific publications, number of researchers, and number of patent applications by origin.

One of the teachings to draw from this research, independently of the surveys of individual countries, is that investments in terms of inputs are directly proportional to the outputs obtained by individual private companies and by individual countries, and therefore directly proportional to the creation of innovation. Only by investing in human capital, research and development, education, and the protection of innovations by filing patent applications is it possible to grow the seed of human creativity and of innovation and combine it with a significant economic benefit for individual companies that innovate and protect the intellectual property rights deriving from their innovations.