

Flexibility, differentiation, sharper choices

Status of the Dutch Top Sectors policy for research and innovation in 2016





Summary

This report addresses the following question:

Given what the Netherlands has achieved with its Top Sectors approach, what should the next step be?

The report pursues the following line:

The Top Sectors approach is a way of organising public-private partnerships in a ‘triple helix’ collaboration between businesses, universities and research institutes, and government. It is an extra facility over and above existing generic business policy instruments and it has relatively limited budgetary impact. The development of the Top Sectors approach has spawned innovative ways of working in all kinds of fields, and it is now bearing fruit. We therefore recommend not only that this approach be continued, but also that it be developed further and applied more broadly to other themes where this could be fruitful. We recommend inviting practitioners active in any economic domain to develop proposals for new themes.

Recommendation 1: Continue developing and be flexible

Continue the Top Sectors policy, but create scope for new initiatives within it:

1. Build on what has already been achieved with the Top Sectors approach. Give Top Teams and Top Consortia for Knowledge and Innovation (TKIs) the opportunity to continue developing the collaborations that have been achieved in recent years and facilitate this process.
2. Open up the Top Sectors approach to new public-private partnerships between businesses, knowledge institutes and public authorities that wish to organise around a common objective, or ‘top

theme'. This may be a theme situated within sectoral boundaries, or an overarching or regional objective.

Creating more scope for initiatives from the field must, however, not lead to the unfettered growth of new top sectors and related arrangements. To prevent this, we recommend creating more clarity regarding the objectives of the Top Sectors approach and deriving criteria from them which will enable a strict selection to be made between the proposals for new initiatives.

Recommendation 2: Clarify objectives and target group

Clarify the objectives and set clear boundaries for the Top Sectors policy:

1. Make clear that the objective of the Top Sectors policy is sustainable economic growth and development, and communicate this clearly.
2. Operationalise the objective: recognise top sectors and top themes on the basis of clear criteria which are derived from the objective, and set clear standards for i) the common goal from which they derive their justification: the mission; ii) the contribution that addressing this objective will make to the sustainable growth and development of the Dutch economy; iii) the innovative potential of the business community; iv) the strength of the knowledge base; v) the commitment of the government.
3. Set boundaries: target the Top Sectors policy at innovation leaders. Facilitate and stimulate excellence and do not try to address the SME sector across the board.

Offering more scope between, beyond and around the present top sectors will lead to a diversity of aspiring top sector initiatives with varying characteristics. We therefore recommend a differentiated approach by the government.

Recommendation 3: Differentiate

Offer customisation within the Top Sectors policy:

1. Differentiate the input from government within the Top Sectors approach in terms of attention, human resources and money. Develop separate strategies for top sectors where it is important to strengthen the generic innovative capacity of a category of businesses (a facilitating government), and for top sectors or top themes where serving specific public interests is at issue (a participating government – the government as a direct stakeholder). Also differentiate between cases involving incremental progress along an existing technological pathway and cases where a genuine transition has to be realised.
2. Determine for each top sector or top theme what the key policy issues should be, in addition to general knowledge development and innovation. Think not only in terms of education and development of expertise, but also in terms of other aspects that are important in the innovation process, such as market creation, 'launching customership', labour market policy, mobilising capital and stimulating entrepreneurship.
3. In addition to the Top Sectors approach, provide platforms for dialogue between the government and the business community, using existing arrangements where possible. The aim is to serve businesses in the SME segment, which, whilst they develop and innovate, are not innovation leaders and do not innovate on the basis of their own R&D. Investigate whether these platforms would be better achieved on a regional, sectoral or thematic basis. Identify which dialogue is most needed: dialogue about regulation, labour market, collaboration with education, access to funding, access to existing knowledge, innovation, and so on.

To derive the full benefit from the Top Sectors approach as this has developed over recent years, we call for a strengthening of resources and solid anchoring by creating a link to the Dutch National Research Agenda.

Recommendation 4: Intensify

Apply stringent selection – but have something to offer:

1. Promote coordination between top sectors and research in the context of the National Research Agenda. In particular, ensure a strong connection between innovative research and top themes that are focused on the long term and on radical innovation.
2. Raise the grants for Top Consortia for Knowledge and Innovation (TKI) from 25% to at least 40% and widen the scope for obtaining eligibility for grants based on input in kind.
3. Where relevant, aim to smooth the way for taking innovations to market by promoting market creation, acting as a 'launching customer', mediating in funding to make it possible to cross the 'valley of death', and supporting entrepreneurship.