

## RESPONSE

### On the other hand

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The proposition presented by Kastelle and Steen aims to dispel what the authors regard as a dangerous myth – that innovation is all about ideas. They seem to use the term ‘myth’ to mean something widely believed but fallacious, and do not mean a creation story or an ideology.

One problem with their argument is that this myth is not actually widely believed. Indeed, the official guides to defining and measuring innovation and research and development (R&D), the Oslo and Frascati manuals of the Organisation for Economic Cooperation and Development (OECD, 2002, 2005), are very explicit that innovation is about problem solving and implementation. To quote from the Oslo manual:

- An innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations. (OECD, 2005, para.146)
- A common feature of an innovation is that it must have been *implemented*. A new or improved product is implemented when it is introduced on the market. New processes, marketing methods or organizational methods are implemented when they are brought into actual use in the firm’s operations. (original emphasis) (OECD, 2005, para.150)

The innovation surveys that derive from the Oslo manual are also explicitly about bringing new and improved products and processes to the market or into use, with coverage of linkages to external sources of information. They are not about idea generation, but about idea use broadly in an innovation systems context. This context in itself derives from very long standing dissatisfaction amongst innovation economists with the ‘linear model’ that conceptualizes innovation as a sequence from ideas/invention through implementation to dissemination. The innovation value

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chain model that the paper at least partly promotes, looks to an innovation economist as a backwards step towards linearity.

The proposition paper goes on to claim that most empirical research in innovation relies on patent data, and then rehearses some of the well-known reasons why patents are not an ideal innovation measure. This is rather surprising, given the very extensive literature based on data other than patents. One stream uses R&D data that has been available on an internationally consistent basis for a long time. Another, amounting to several hundred papers, both academic (e.g. Frenz and Ietto-Gillies, 2009) and policy-oriented (e.g. OECD, 2009), applies data from the innovation surveys carried out in most countries, all based on the Oslo manual and generating direct innovation, not invention, indicators.

In conclusion, one is tempted to turn the authors' own conclusion on its head and say that there has not been enough research attention to the innovation process and the nature and form of the ideas that underpin it, and that analysis has instead been dominated by a reduced form approach with implementation as the too-dominant focus.

## References

- Frenz, M. and Ietto-Gillies, G. (2009) "The impact on innovation performance of different sources of knowledge: evidence from the UK Community Innovation Survey", *Research Policy*, 38(7), pp.1125–3.
- OECD (2002) *Frascati Manual: Proposed Standard Practice for Surveys of Research and Experimental Development*, 6th edition. edn, OECD, Paris.
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