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Innovation.bg 2009 Report Proposes an Integrated Science, Technological and Innovation Strategy for Bulgaria as a Way Out of the Global Economic Crisis

Press release

The [Applied Research and Communications Fund](http://www.arcfund.net), the leading innovation and technology transfer policy research think tank in the country has released the English version of its fifth annual innovation policy appraisal report - [Innovation.bg 2009](http://www.arcfund.net). The report was officially presented to the [Fifth National Innovation Forum](http://www.arcfund.net) – an audience of 200 prominent academics, entrepreneurs, government officials and non-governmental organizations. The President of the Republic of Bulgaria Mr. Georgi Parvanov noted in his keynote speech at the forum that Bulgaria needs to do more to achieve tangible results from its R&D investments and *Innovation.bg 2009* provides some good ideas in this direction.

Innovation.bg 2009 provides a reliable annual assessment of the innovation potential of the Bulgarian economy and the condition and opportunities for development of the Bulgarian innovation system. It makes recommendations for the improvement of public policy on innovation by drawing on the latest theoretical and empirical studies worldwide and adapting them to the specific economic, political, cultural and institutional framework of Bulgaria's innovation system.

The **Innovation Index of Bulgarian Enterprises**, a trademark of the *Innovation.bg* report, tracks the state and development of innovation activity among Bulgarian enterprises on the basis of annual surveys of 1,000 Bulgarian enterprises carried out by the Applied Research and Communications Fund. The index is a composite measure of innovation activity, which distinguishes between the levels of novelty of an innovation (new to the company, new to the national market and new internationally) and the types of innovations combined by a company (product, process, marketing and/or organizational). According to the Innovation Index of Bulgarian Enterprises 2009, for the period 2006-2008 the overall number of enterprises engaged in innovation in Bulgaria has increased by as much as 9 percentage points reaching 29% at the end of 2008. Around a third of the Bulgarian innovative companies (34 %) innovate each year with 90 % of them having stable levels of innovation budgets, and half - having increased these levels in 2008 compared to 2007. Between 7 and 10 % of the Bulgarian innovative enterprises innovate only sporadically. The Index demonstrates that the innovativeness of Bulgarian enterprises is influenced by a number of endogenous and exogenous factors, the most important among which are: the characteristics of the market on which a company operates, the adoption of quality standards, the presence of long term planning and the features of a company's IT systems.

Based on some 120 pages of in depth analysis of the functioning of the Bulgarian national innovation system divided in five chapters: (1) Innovation Product; (2) Entrepreneurship and Innovation Networks; (3) Investment and Financing; (4) Human Capital; and (5) Information and Communication Technologies, the report concludes that the effective use of the national potential in science and technology requires resolute policy decisions in the following three directions:

- 1. Developing an integrated national policy for research, technology and innovation** based on a consensus on the priorities of economic development. Bulgaria needs an **integrated strategy for**

research, technological development and innovation, which would protect the interests and enhance the competencies of all participants in the national innovation system.

2. **Establishing a clear center of policy responsibility on innovation**, which coordinates the operation of the various public bodies of the national innovation system and takes decisions on the design and implementation of the national research, technological and innovation policy. The currently fragmented and uncoordinated mechanism is unsuited for the implementation of a single research, technological and innovation policy. The inefficiency of the existing system to deliver results warrants radical action: the establishment of a strong structure, such as a ministry or an agency for research, technological development and innovation under the direct authority of the Prime Minister.

3. **Developing sustainable and effective interactions** between the various actors of the national innovation policy. The interaction between the agents of the innovation system needs richer content and improved models of operation. This purpose can best be served by strengthening the networks of intermediary and transfer organizations.

The full version of the *Innovation.bg* 2009 report is accessible at the web site of the Applied Research and Communications Fund: <http://www.arcfund.net>

For further information, please visit:
<http://www.arcfund.net/arcartShow.php?id=9673>

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