

Who is engaged in innovation?

The various actors engaged in innovation are described as follows.

Firms (see [Firms \[1\]](#)) Firms are the main locus of innovation in market economies, thus it is important to appreciate the different processes they have in place for generating and capturing ideas and turning them into marketable products and services. These innovative ideas may originate through research; interacting with suppliers, customers and consumers; engineering; design; manufacturing; and marketing. Firms increasingly invest in innovation (OECD, 2010b).

Innovative entrepreneurs (see [Innovative entrepreneurs \[2\]](#)) A specific group of firms, “innovative entrepreneurs”, are not equivalent to SMEs or business start-ups but represent the intersection of the three areas of (1) innovative businesses, (2) young and high-growth businesses and (3) small and medium-sized enterprises (SMEs). Innovative entrepreneurs can be critical drivers of innovation processes as “actors of change”, as they often have greater freedom to experiment, take risks, and develop more radical innovations. Unlike larger firms, they are not constrained by their existing products, technologies, skills and organization, so new firms can more easily work outside dominant paradigms.

Universities and Public Research Institutes (see [Universities and Public Research Institutes \[3\]](#)) Universities and public research institutes (PRIs) carry out basic and applied research as well as experimental development. Universities and PRIs include a wide range of actors, ranging from world-class research universities to small regional universities, colleges of technology, and government research laboratories. Universities and PRIs play many roles in innovation systems including education/training, creation and diffusion of knowledge, development of new instrumentation, as well as storage and transmission of knowledge.

Public sector (see [Public sector \[4\]](#)) The public sector comprises the general government sector (including central, state and local governments) as well as all public corporations, including central banks. The role of the public sector is to provide quality public services and to respond to citizens’ and businesses’ needs while developing and maintaining trust in government and its institutions, including administration, ensuring public order and safety, education, health and social care, and a variety of other functions for citizens and organisations. The public sector is under increasing pressure to innovate to improve public administration and services.

References

- OECD (2010a), SMEs, Entrepreneurship and Innovation, OECD Studies on SMEs and Entrepreneurship, OECD Publishing. doi: 10.1787/9789264080355-en
- OECD (2010b), The OECD Innovation Strategy: Getting a Head Start on Tomorrow, OECD Publishing. doi: 10.1787/9789264083479-en
- OECD, n.d., “LEED Forum on Social Innovations”, LEED Programme (Local Economic and Employment Development), OECD, Paris.
<http://www.oecd.org/cfe/leed/leedforumonsocialinnovations.htm> [5]

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