Flash Eurobarometer 343

INNOVATION IN THE PUBLIC SECTOR: ITS PERCEPTION IN AND IMPACT ON BUSINESS

SUMMARY

Fieldwork: February-March 2012

Publication: June 2012

This survey has been requested by the European Commission, Directorate-General Enterprise and Industry and co-ordinated by Directorate-General for Communication.

Flash Eurobarometer 343 - TNS Political & Social

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Innovation in the public sector: its perception in and impact on business

Conducted by TNS Political & Social at the request of
the European Commission,
Directorate-General Enterprise and Industry

Survey co-ordinated by the European Commission,
Directorate-General for Communication
(DG COMM "Research and Speechwriting" Unit)

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INTRODUCTION:

This Flash Eurobarometer seeks to build upon the work of the European Commission on the State of the Innovation Union in 2011, detailing the progress made in the first year of the union’s life by gaining some insight into the way in which on-going public sector innovations are perceived by individuals who work for private sector companies.

This study first addresses the issue of whether companies themselves are trying to be innovative. Secondly, it focuses on private companies’ interaction with public services, exploring which services they use most often, whether the standard of those services is felt to be improving, and whether they are aware of innovative new public services being introduced. Thirdly, the survey turns to the issue of the private sector’s interaction with government, examining which levels of government are regarded as the most innovative, whether companies are being well served in terms of being given the opportunity to work innovatively by government, and whether public services themselves need to work harder at becoming more innovative. Finally, the survey turns to public procurement and innovation, looking at whether companies have been involved in public procurements and, if so, whether it involved the sale of an innovation to the government.

This Flash Eurobarometer – No 343: Impact and perception of the public sector innovation among companies – was conducted by TNS Political & Social at the request of the Directorate-General for Enterprise and Industry. The fieldwork was conducted between February 16th and March 7th 2012. Over 9,500 randomly selected companies were interviewed in the 27 EU Member States, plus Croatia, Turkey, the Former Yugoslav Republic of Macedonia, Norway, Iceland, and Switzerland. The sample size varied between countries, ranging from about 100 in the smallest countries to about 500 in the largest.

Interviews were predominantly carried out by telephone. However, due to the low fixed-line telephone coverage in Bulgaria, the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Romania, Slovakia and the Former Yugoslav Republic of Macedonia, face-to-face interviews were also conducted in those countries (70% telephone and 30% face-to-face interviews). Note: Flash Eurobarometer surveys systematically include mobile phones in samples in Austria, Finland, Italy, Portugal and Spain.

To correct for sampling disparities, a post-stratification weighting of the results was implemented, based on the main socio-demographic variables. More details on survey methodology are included in the Annex (see section “Survey details”).

All interviews were carried using the TNS e-Call center (our centralized CATI system). The sample was selected from an international business database, with some additional sample from local sources in countries where necessary.

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The Eurobarometer website can be consulted at the following address:
http://ec.europa.eu/public_opinion/index_fr.htm

We wish to thank the people interviewed throughout the European Union who gave their time to take part in this survey.
Without their active participation, this survey would not have been possible.

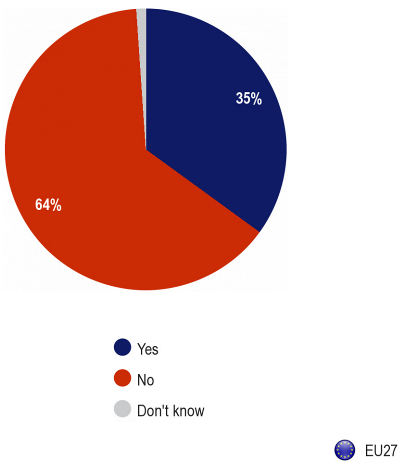
In this summary, countries are referred to by their official abbreviation. The abbreviations used in this summary correspond to:

ABBREVIATIONS	
EU27	European Union – 27 Member States
DK/NA	Don't know / No answer
BE	Belgium
BG	Bulgaria
CZ	Czech Republic
DK	Denmark
DE	Germany
EE	Estonia
EL	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
CY	Republic of Cyprus
LT	Lithuania
LV	Latvia
LU	Luxembourg
HU	Hungary
MT	Malta
NL	The Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	The United Kingdom
HR	Croatia
TR	Turkey
MK	Former Yugoslav Republic of Macedonia
IS	Iceland
NO	Norway
CH	Switzerland

1. ROLE OF INNOVATION IN COMPANIES

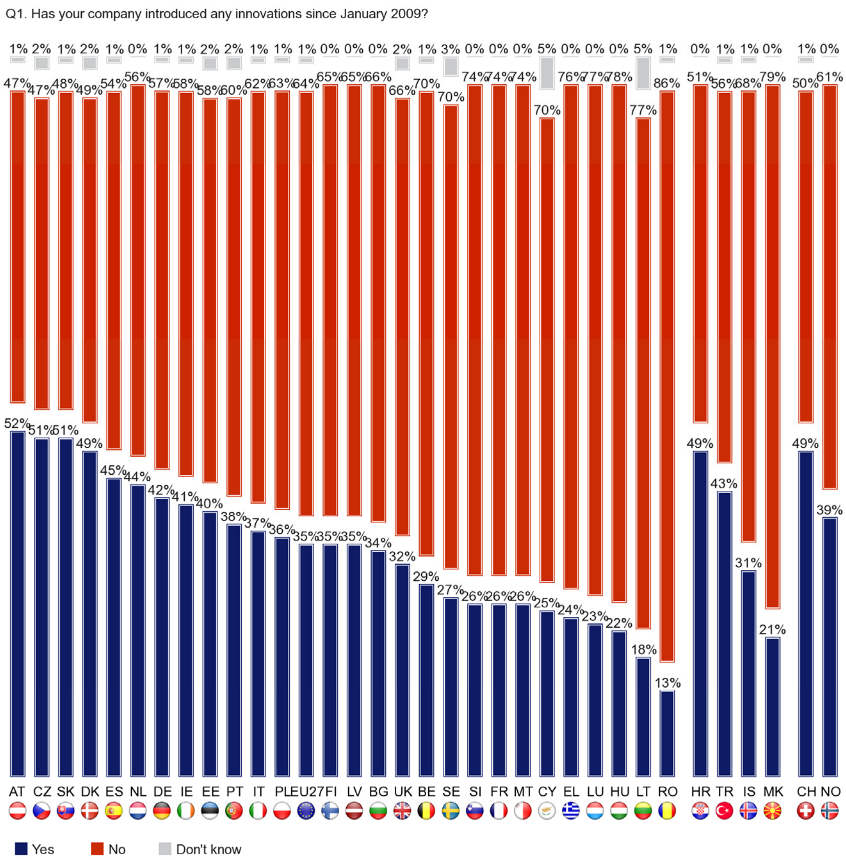
All respondents from the 33 countries were asked whether their company had introduced any innovations since January 2009[1]. Over a third (35%) say that their company has introduced some innovations during that timeframe, although nearly two-thirds (64%) say that their company has not done so.

Q1. Has your company introduced any innovations since January 2009?

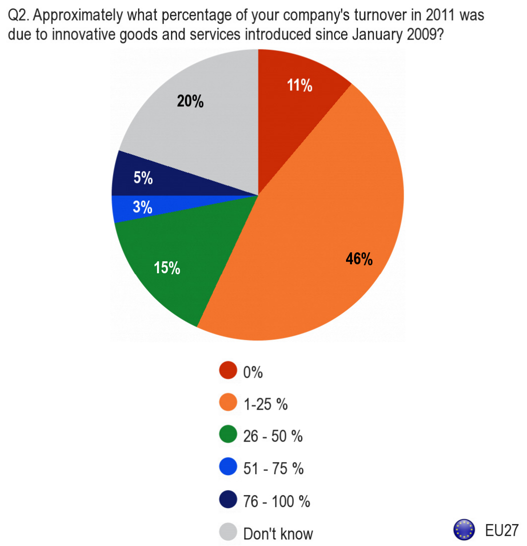


[1] Has your company introduced any innovations since January 2009?

The rate of innovation varies greatly from country to country, ranging from the 52% of people who say their company introduced some innovations in Austria to the 13% who say the same thing in Romania. Looking at the results in more detail, a large company with over 250 employees is twice as likely to have introduced some innovations as a small company with under 10 employees.



Respondents who said that their company had introduced some innovations since January 2009 were then asked to say approximately what percentage of their company's turnover in 2011 was due to the innovative goods and services that had been introduced. Almost seven out of 10 (69%) of the people in this group attribute some of their company's 2011 turnover to the recent innovations.



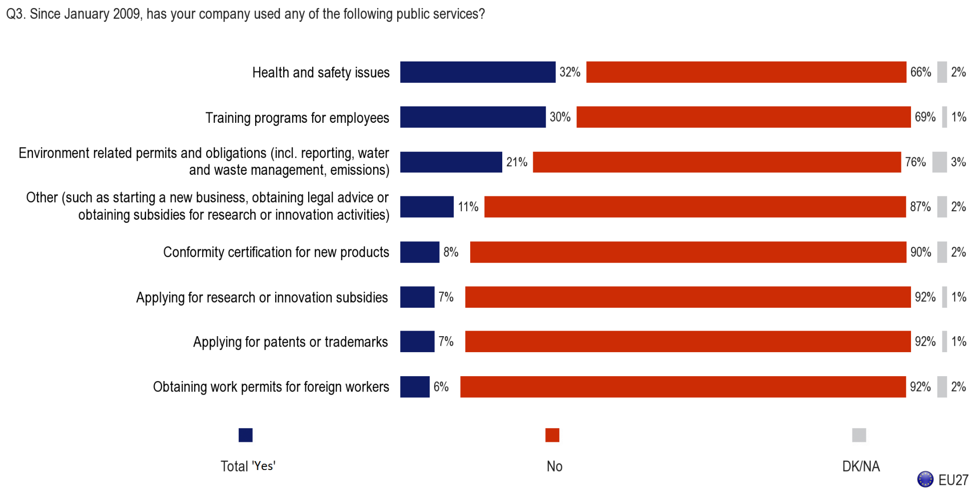
Asked to those companies to have introduces innovation Base = 3036

The average percentage turnover[2] attributed to recent innovations ranges from nearly 40% in Norway to under 12% in Malta. In all but one of the 27 EU Member States, '1-25%' is the most common answer among respondents estimating what proportion of their company's 2011 turnover was due to innovative goods and services (the exception being Estonia, where 'don't know' and '0%' were both more popular).

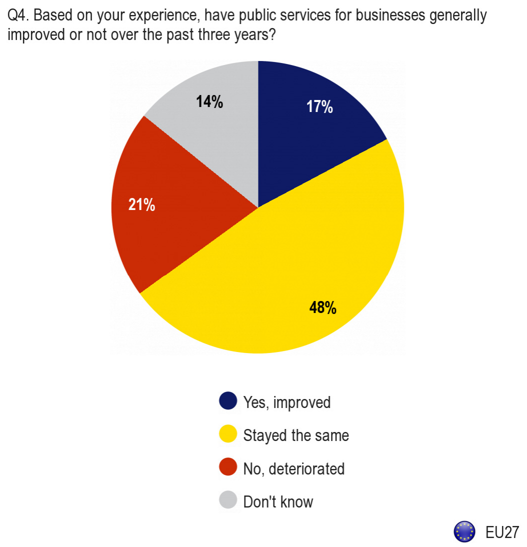
[2] Approximately what percentage of your company's turnover in 2011 was due to innovative goods and services introduced since January 2009?

2. COMPANIES USE OF PUBLIC SERVICES

All respondents were asked to say whether their company had used eight types of public services since January 2009[3]. Over 30% of respondents say their company has used public services relating to health and safety and training programmes for employees since 2009, but many other types of public services for business are used much less frequently.



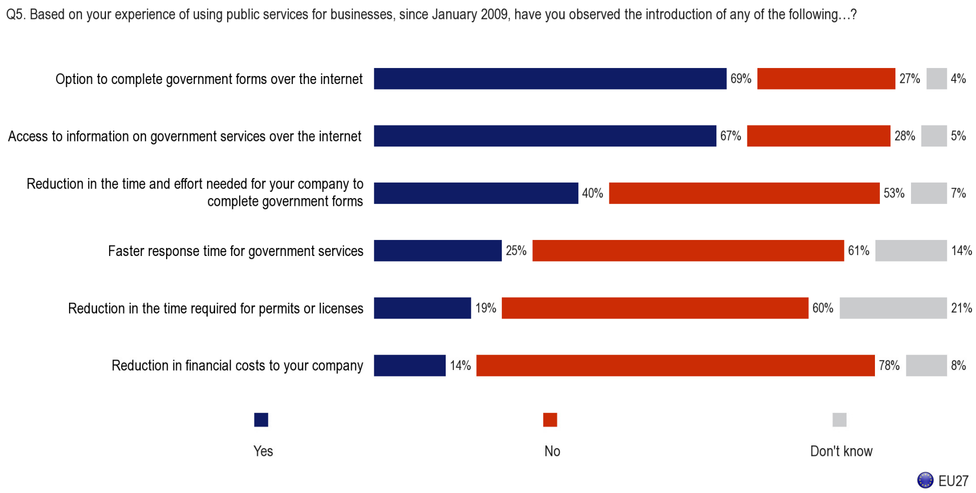
All respondents were asked to say whether or not, in their experience, public services for businesses have generally improved over the past three years[4]. Under a fifth (17%) of all respondents say that public services for businesses have improved during that time period, with almost half (48%) judging that they have remained the same. A fifth (21%) say that public services for businesses have deteriorated, while 14% of respondents say they don't know whether they have got better or worse.



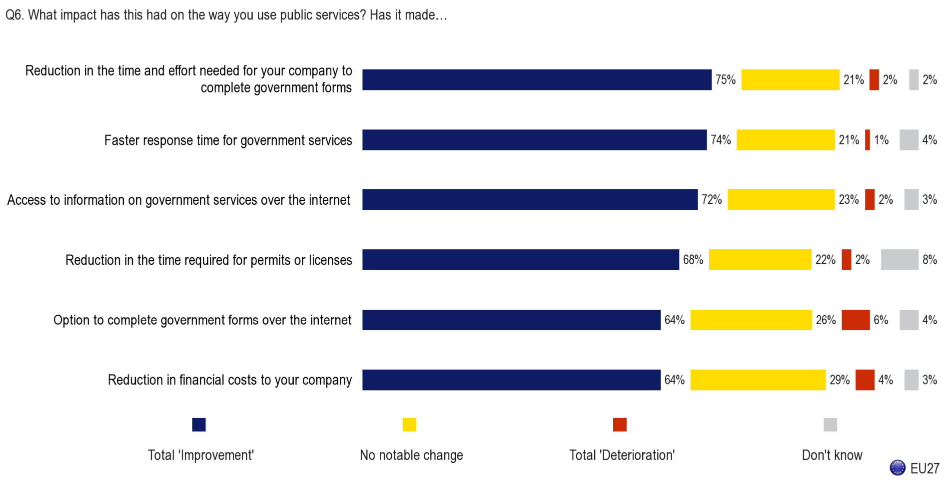
The impression of whether public services for business have improved[5] ranges from the 54% of people who think so in Malta to the 10% who think so in Italy.

3 Since January 2009, has your company used any of the following public services?
[4] Based on your experience, have public services for businesses generally improved or not over the past three years?
[5] Based on your experience of using public services for businesses, since January 2009, have you observed the introduction of any of the following…?

Over two-thirds of respondents have observed the introduction of measures to enable the completion of government forms online and also the provision of online access to information on government services. But only a minority have observed the introduction other services.



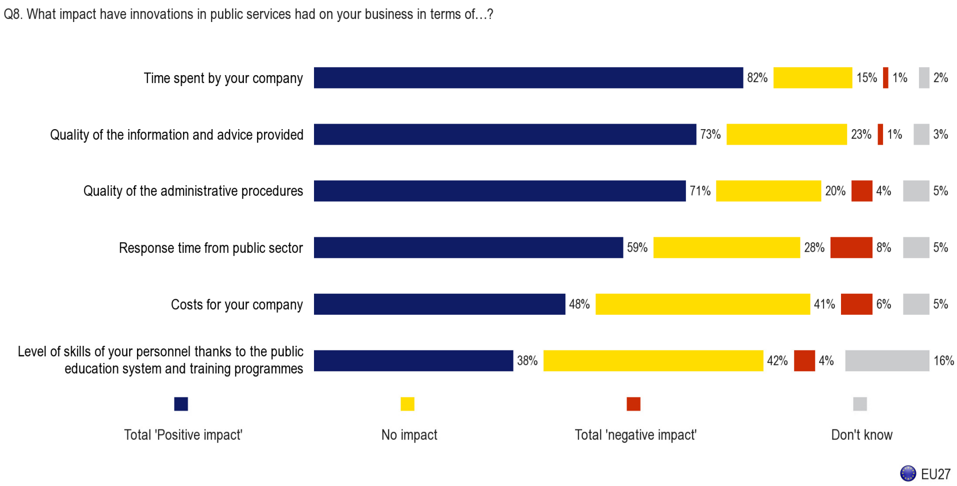
A clear majority of respondents – between 75% and 64%, depending on the service in question – who observed the introduction of measures to improve public services say that their experience of using them has improved as a result[6]. A majority of respondents who observed the introduction of measures to improve public services, such as measures to reduce the amount of time it takes to complete government forms, say that their experience of using those services has improved as a result.



Nearly two-thirds (63%) of respondents who observed a significant improvement in public services for business attribute that improvement to innovation. The proportion of respondents who attribute public service improvements to innovation varies greatly, from 89% in Lithuania to 38% in Malta.

6 What impact has this had on the way you use public services? Has it made… 1. Option to complete government forms over the internet; 2. Reduction in the time and effort needed for your company to complete government forms; 3. Access to information on government services over the internet; 4. Reduction in the time required for permits or licenses; 5. Faster response time for government services; 6. Reduction in financial costs to your company

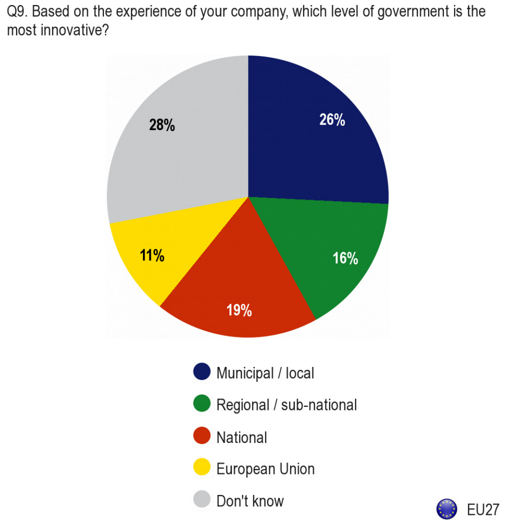
Innovation is judged to have had a much more positive impact on some public service functions than on others[7]: while 82% think that innovation has had a positive impact on the time their company has to spend using public services, only 38% think innovation has benefitted personnel skill levels.



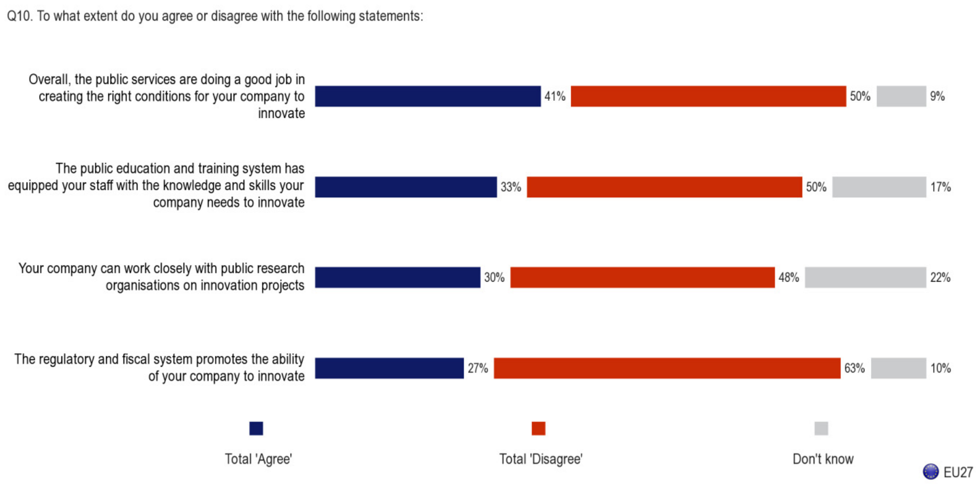
[7] What impact have innovations in public services had on your business in terms of…? 1. Time spent by your company; 2. Quality of the information and advice provided; 3. Quality of the administrative procedures; 4. Costs for your company; 5. Response time from public sector; 6. Level of skills of your personnel thanks to the public education system and training programmes

3. VIEWS ON INNOVATION IN PUBLIC SERVICES

All respondents were asked to say which level of government they find to be the most innovative[8], based on their company's experiences. They are generally unclear about which level of government is the most innovative: 26% identify municipal/local government as the most innovative, 19% national government, 16% regional/sub-national government, and 11% the EU.



All respondents were asked to say whether they agree or disagree with four statements relating to their company's interaction with public services for businesses and whether those services are helping them to innovate[9]. A majority of people do not think that the public sector is helping their company to innovate, for example in terms of creating the right conditions for innovation and of delivering training systems to enable personnel to innovate.



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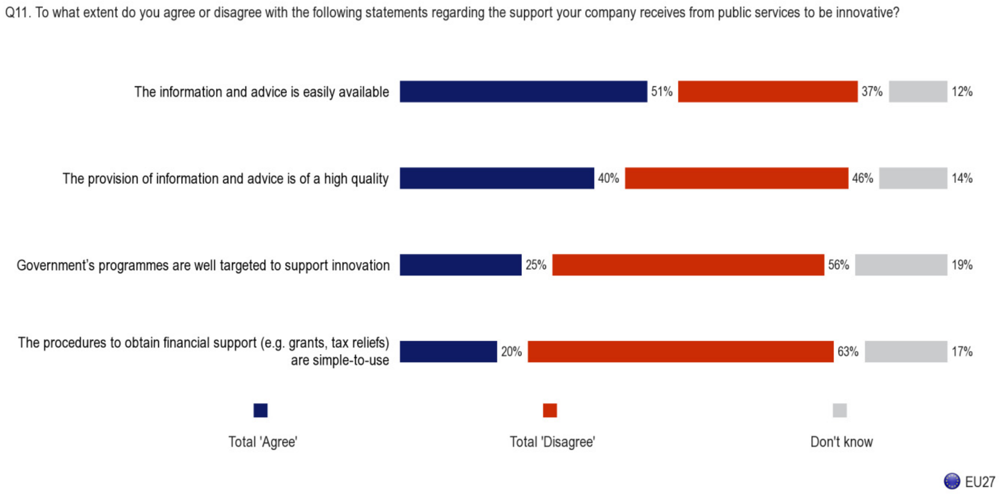
[8] Based on the experience of your company, which level of government is the most innovative?
[9] To what extent do you agree or disagree with the following statements: 1. Overall, the public services are doing a good job in creating the right conditions for your company to innovate; 2. The regulatory and fiscal system promotes the ability of your company to innovate; 3. Your company can work closely with public research organisations on innovation projects; 4. The public education and training system has equipped your staff with the knowledge and skills your company needs to innovate

All respondents were then asked to say whether they agree or disagree with four further statements about the support their company receives from public services to enable them to be innovative[10]. Over half (51%) of the respondents agree that information and advice about innovation is readily available, but fewer people feel their company is receiving support in other areas, such as in terms of the quality of advice (40%) and of making procedures for obtaining financial support easy to use (20%).

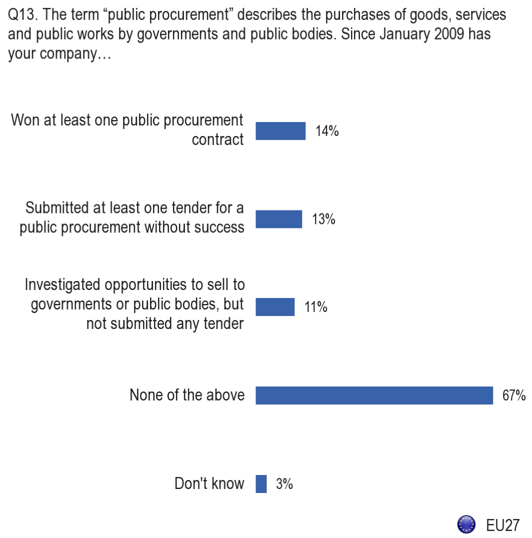


A large majority (87%) of people think that the public services need to work harder at becoming more innovative. The country variations on this last point are considerable, with 90% of people in Greece thinking that public services ought to work harder to be innovative, as opposed to just 26% in Luxembourg who think the same thing.

[10] To what extent do you agree or disagree with the following statements regarding the support your company receives from public services to be innovative? 1. The provision of information and advice is of a high quality; 2. The information and advice is easily available; 3. The procedures to obtain financial support (e.g. grants, tax reliefs) are simple-to-use; 4. Government's programmes are well targeted to support innovation

4. PUBLIC PROCUREMENT AND INNOVATION

All respondents were asked about their company's involvement in public procurements since January 2009[11], with multiple answers possible. More than two-thirds (70%) of all respondents say that their company had no interest in public procurements over the last three years, with just one in seven (14%) saying that their company actually won a public procurement contract.



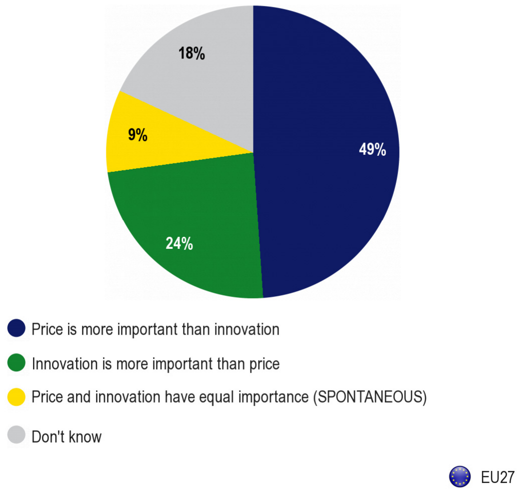
Respondents who answered the previous question by saying that their company has had some involvement with public procurement were then asked whether the public procurement activities of their company since January 2009 included the possibility of selling one of their innovations to the government[12]. A quarter (24%) of public procurement interactions included the possibility of selling an innovation to the government.

Half of all respondents consider price to be more important than innovation in a public tender for both goods and services, twice as many as the number who emphasise innovation over price. Turkey is the only country in which a majority of respondents think that innovation is more important than price in public tenders for both goods and services.

[11] The term "public procurement" describes the purchases of goods, services and public works by governments and public bodies. Since January 2009 has your company…

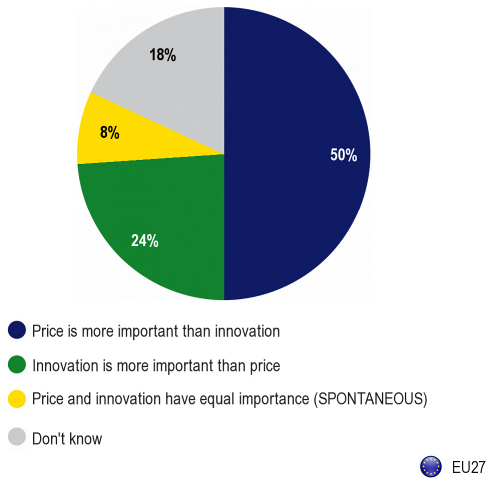
[12] Since January 2009, did the public procurement activities of your company include the possibility to sell one of your innovations to the government?

Q15. In your experience, what is more important to win a public tender for GOODS…



All respondents were finaly asked whether, in their experience, price or innovation is the more important factor when it comes to winning a public tender for services[13]. The EU-level results are almost identical to those obtained for the previous question relating to public tenders for goods. Half (50%) of the respondents say that price is the more important factor, while a quarter (24%) say that innovation is more important than price.

Q16. In your experience, what is more important to win a public tender for SERVICES…



In all but three of the 33 individual countries a majority or relative majority of respondents say that price is more important than innovation when it comes to winning a public tender for services.

[13] In your experience, what is more important to win a public tender for SERVICES…

ANNEXES

TECHNICAL SPECIFICATIONS

FLASH EUROBAROMETER 343

“Impact and Perception of the Public Sector Innovation among Companies”

TECHNICAL SPECIFICATIONS

Between the 16th of February and the 7th of March 2012, TNS political & social, a consortium created between TNS UK and TNS opinion, carried out the survey FLASH EUROBAROMETER 343 about the "Impact and Perception of the Public Sector Innovation among Companies".

This survey has been requested by the EUROPEAN COMMISSION, Directorate-General for Enterprise and Industry. It is a business to business survey co-ordinated by the Directorate-General for Communication ("Research and Speechwriting" Unit).

The FLASH EUROBAROMETER 343 covers businesses employing 1 or more persons in the manufacturing (Nace category C), retail (Nace category G), services (Nace categories I/J/K/H) and industry (Nace categories B/D/E/F) sectors within the European Union.

We thus surveyed businesses within the following NACE codes: B - Mining and quarrying, C – Manufacturing, D - Electricity, gas, steam and air conditioning supply, E - Water supply; sewerage; waste managment and remediation activities, F – Construction, G - Wholesale and retail trade; repair of motor vehicles and motorcycles, H – Transportation and storage, I - Accommodation and food service activities, J - Information and communication, K - Financial and insurance activities.

It was also conducted in Croatia, Iceland, the Former Yugoslav Republic of Macedonia, Norway, Switzerland and Turkey where the same target group was interviewed.

Whenever a company was eligible the selected respondent had to be a general manager, a financial director or a significant owner.

All interviews were carried using the TNS e-Call center (our centralized CATI system). The sample was selected from an international business database, with some additional sample from local sources in countries where necessary.
Quotas were applied on both company size (using three different ranges: 1-9 employees, 10-49 employees, 50 employees or more) and sectors (retail, services, manufacturing and industry). These quotas were adjusted according to the country’s universe but were also reasoned in order to ensure that the sample was large enough in every cell.

ABBR.	COUNTRIES	INSTITUTES	N° INTERVIEWS	FIELDWORK DATES		POPULATION 15+
BE	Belgium	TNS Dimarso	300	16/02/2012	23/02/2012	330.797
BG	Bulgaria	TNS BBSS	300	16/02/2012	27/02/2012	223.860
CZ	Czech Rep.	TNS Aisa s.r.o	300	16/02/2012	29/02/2012	655.266
DK	Denmark	TNS Gallup A/S	300	16/02/2012	6/03/2012	143.888
DE	Germany	TNS Infratest	500	16/02/2012	6/03/2012	1.240.465
EE	Estonia	TNS Emor	200	16/02/2012	22/02/2012	35.671
EL	Greece	TNS ICAP	300	16/02/2012	1/03/2012	829.752
ES	Spain	TNS Demoscopia S.A	500	16/02/2012	6/03/2012	2.007.405
FR	France	TNS Sofres	500	16/02/2012	6/03/2012	2.569.054
IE	Ireland	IMS Millward Brown	300	16/02/2012	1/03/2012	124.174
IT	Italy	TNS Infratest	500	16/02/2012	6/03/2012	2.858.545
CY	Rep. of Cyprus	CYMAR	100	16/02/2012	21/02/2012	41.602
LV	Latvia	TNS Latvia	200	16/02/2012	21/02/2012	51.277
LT	Lithuania	TNS Lithuania	200	17/02/2012	22/02/2012	106.391
LU	Luxembourg	TNS Dimarso	101	16/02/2012	20/02/2012	16.320
HU	Hungary	TNS Hoffmann Kft	300	16/02/2012	28/02/2012	365.534
MT	Malta	MISCO International Ltd	100	16/02/2012	27/02/2012	43.209
NL	Netherlands	TNS NIPO	500	16/02/2012	29/02/2012	395.414
AT	Austria	TNS Austria	300	16/02/2012	22/02/2012	209.728
PL	Poland	TNS OBOP	500	16/02/2012	1/03/2012	1.276.484
PT	Portugal	TNS EUROTESTE	300	16/02/2012	29/02/2012	555.113
RO	Romania	TNS CSOP	500	16/02/2012	2/03/2012	412.977
SI	Slovenia	RM PLUS	200	16/02/2012	21/02/2012	82.176
SK	Slovakia	TNS AISA Slovakia	300	16/02/2012	1/03/2012	45.615
FI	Finland	TNS Gallup Oy	300	15/01/1900	2/03/2012	160.432
SE	Sweden	TNS SIFO	300	16/02/2012	1/03/2012	367.764
UK	United Kingdom	TNS UK	498	16/02/2012	7/03/2012	2.372.420
TOTAL EU27			**8.699**	**16/02/2012**	**7/03/2012**	**17.521.333**
CH	Switzerland	ISOPUBLIC	211	17/02/2012	2/03/2012	197.515
HR	Croatia	Puls	202	16/02/2012	21/02/2012	131.911
TR	Turkey	TNS PIAR	400	17/02/2012	1/03/2012	29.140
MK	Former Yugoslav Rep. of Macedonia	TNS Brima	200	16/02/2012	24/02/2012	29.140
IS	Iceland	Capacent ehf	200	16/02/2012	2/03/2012	13.256
NW	Norway	TNS Gallup AS	200	16/02/2012	2/03/2012	60.764
TOTAL			**1.413**	**16/02/2012**	**7/03/2012**	**2.841.870**

For each country a comparison between the sample and the universe was carried out. The Universe description was derived from Eurostat population data or from national statistical offices. For all countries surveyed, a national weighting procedure, using marginal and intercellular weighting, was carried out based on universe description. In all countries sectors and size of business were introduced in the iteration procedure. For international weighting (i.e. EU averages), TNS political & social applies the official figures as provided by EUROSTAT or the national statistical offices.

Readers are reminded that survey results are estimations, the accuracy of which, everything being equal, rests upon the sample size and upon the observed percentage. With samples of about 500 interviews, the real percentages vary within the following confidence limits:

Observed percentages	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
Confidence limits	± 2.6 points	± 3.5 points	± 4.0 points	± 4.3 points	± 4.4 points

With samples of about 400 interviews, the real percentages vary within the following confidence limits:

Observed percentages	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
Confidence limits	± 2.9 points	± 3.9 points	± 4.5 points	± 4.8 points	± 4.9 points

With samples of about 300 interviews, the real percentages vary within the following confidence limits:

Observed percentages	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
Confidence limits	± 3.4 points	± 4.5 points	± 5.2 points	± 5.5 points	± 5.7 points

With samples of about 200 interviews, the real percentages vary within the following confidence limits:

Observed percentages	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
Confidence limits	± 4.2 points	± 5.5 points	± 6.4 points	± 6.8 points	± 6.9 points

With samples of about 100 interviews, the real percentages vary within the following confidence limits:

Observed percentages	10% or 90%	20% or 80%	30% or 70%	40% or 60%	50%
Confidence limits	± 5.9 points	± 7.8 points	± 9.0 points	± 9.6 points	± 9.8 points