Index

Abernathy, W.J. 10, 66, 179
Abo, T. 177
Abramovitz, M. 3, 11
‘absorptive capacity’ of firms 154-5
Adler, P.S. 172
Alaminos, J.D. 93
Alänge, S. 35
Alexander, L. 40, 95
Allen, R.C. 90
Allen, T. 177
Amsalem, M.A. 148
Andersen, B. 106
Aoki, M. 35
Archibugi, D. 11, 13, 15, 155, 156, 167, 170
‘architectural’ innovation 180
Arrow, K. 154
Assarsson, B. 57, 58
Australian Manufacturing Council 36
Baba, Y. 68
Baily, M. 34, 69
Baldwin, J. 35, 38, 65, 123
banking sector 40
Barass, R. 42, 66, 67
Barker, T. 40
Bartlett, C.A. 155
basic metals sector 28
Batra, G. 38
Baum, J. 174
Baumol, W.J. 69, 96, 106
Becker, G. 39, 101
Bell, M. 148, 150, 151, 157
Betcherman, G. 36
Bilderbeek, R. 63
Black, S. 35, 37
Blackman, S. 69, 96, 106
Blazecjak, J. 29
Bloom, M. 149
Boissot, M. 91
Bosworth, D. 85, 86, 90

Bowes, M. 28
Breton, T. 127
Britain, FIRB sector 71
Browning, H. 102
Bruland, K. 151
Brynjolfsson, E. 30, 69
Buitelaar, W. 63
Buzzachi, L. 67
Calvert, J. 48, 51
Campbell, M. 37
Canada, service sector 64-5
Canberra Manual, OECD 63
capital-saving organizational innovations 35, 37
Carlaw, K. 149
Carlsson, B. 4, 11, 16
Carroll, G. 173
Casadio, C. 42
Charles River Associates 153
chemicals sector 28, 48
Clark, J. 14
Clark, K.B. 180
Clarke, P. 177, 179
Cohen, W.M. 154
Cohon, P. 156
Colombo, M. 67
Commission of the European Communities 95
Community Innovation Survey (CIS) 48
‘compensation’ approach 46
compensation effects 83, 84-9
long-term net 89-93
compensation mechanisms 94, 119
model 87-9
in process innovations 83-97
competition 134
competition law 133
competitiveness 84
complementarity, between goods and services 107, 108
consumer durables, new 86
consumer products 17, 85-6, 90, 100, 118
‘cost-reducing’ innovation 98
counteracting mechanisms in product innovations
product to process innovation 100–105
substitution 97–9
CSPS (community social and personal services) 29, 30, 42, 64, 65, 69, 125, 126
and job creation 105–6
Cusumano, M. 176
Dahlman, C. 149
DaSilva, J.S. 73
David, P.A. 92, 154, 180
De Mey, A. 38
De Wit, R. 101
Delauney, J.-C. 102
‘delivery innovations’ 123
demand 84–5, 119, 121
income effect on 85
price effect on 85
demand for labour 90–91
demand side instruments 138–9
‘demand-creating’ innovation 98
‘demand-pull’ 94
Denison, E. 3
Department of Finance, Canada 126
devaluation 135
‘diagnostic analysis’ 142
diffusion 148
patterns of 116
Dimaggio, P.J. 173
‘displacement effect’ 47, 117
Dosi, G. 7, 94, 148, 149, 154
Dreher, C. 36
Dunning, J. 155
dynamic impacts of services 105–8
dynamic services sector 65
ECOAnalyse 107
Economic Council of Canada, Employment in the Service Economy 65
economic growth 3, 4
and productivity growth 121
Edquist, C. 5, 7, 17, 35, 50, 51, 60, 95,
132, 137, 138, 140, 142, 157, 172, 173
Elfring, T. 107
employment, manufacturing sector 32–3
employment creation, public innovation policy for 143–7
employment growth, and R&D-intensive industrial sectors 54–6
employment growth industries 31, 32
‘employment intensity’ 95
Employment in the Service Economy, Economic Council of Canada 65
engineering industry 49–50
Enos, J. 149
ENRS 41
Ergas, H. 155
Ernst, D. 149
Escher, J.S. 73
Europe growth sectors 59
product innovation 48
European Commission (EC) 11, 14, 48, 170, 179, 181
Harmonized Innovation Surveys 13
European Union growth sectors 60
productivity growth 145–6
Engelista, R. 15, 32, 33, 51, 52, 55, 56, 59, 111, 123, 124, 167, 170
evolutionary economics 4
exports, OECD countries 51
Fagerberg, J. 51, 148
Fernandes, B.E. 73
‘final demand’ approach 170–171
financial services sector 40, 41, 67, 68
Finansdepartementet 86
Fincham, R. 68, 71, 74, 75
Finland, mobile communications 73–4
FIRB (finance, insurance, real-estate and business services) 29–30, 33, 42, 65, 77
growth 70–71, 74–5, 125, 126–7
and information technology 63–4
productivity 34
USA 34
firm diversity, and incentives to innovate 157–60
firm strategy implications 130–163
flexible automation technologies 49–50
Index

Florida, R. 175
Fontaine, C. 107
Foray, D. 154
Fordist forms of production 175
France 127
process innovation 55
Fransman, M. 156
Freeman, C. 13, 14, 29, 42, 47, 95, 172, 174, 177, 179
Freeman, J. 173
Gadrey, J. 102, 107
Gallouj, C. 66
GDP 51
general equilibrium theory 7-8, 57
‘generic’ innovations 179, 180
Germany
productivity and production 29
R&D-intensive sectors 55
Gerschuny, J. 106
Ghoshal, S. 155
Gjerding, A.N. 17, 173, 174
goods innovation, and productivity increase 58-9
Gordon, R. 34, 69
Green, M.J. 107
Greenan, N. 36, 37, 38, 55
Gregersen, B. 3
Griliches, Z. 96, 153
growth
and employment 118-19
employment intensity 93-6
kinds of 118-22
and R&D-intensive goods 50-54
‘growth accounting’ literature 3
growth sectors
Europe 59
in industrial employment 60-61
Sweden 59
growth trajectories 122
Guellec, D. 55
Habbakuk, H. 94
Hannan, M.T. 173
Hansson, B. 58
Harmonized Innovation Surveys, EC 13
Has, H. 63
Hauknes, J. 12, 66, 67, 68, 101, 102, 103
Henderson, R.M. 180
Henderson, W.O. 151
Herzlinger, R. 69
Hicks, J.R. 94
high-technology sectors 32-4
high-technology service sectors 62-4
Hill, P. 69
Hirschhorn, L. 42
Hodgson, G. 4, 173, 174
Hollingsworth, J.R. 174
Hommen, L. 138
Hörte, S.-Å. 37, 42
households, changes in 107
Howell, D. 95
Howells, J. 155
human capital 38, 70, 101-2, 123
as a public good 104
‘human resources’ approach 63
human resources in science and technology (HRST) 62-3
Hunt, L. 101
Ichniowski, C. 36
ICT (information and communications technology) 69, 75-6, 92
services 68
Illeris, S. 106, 107
Imai, K.-I. 127
incentives to innovate, and firm diversity 157-60
income effect on demand 85
income elasticities 85-6
incremental innovation 179
definition 14
industrial employment in growth sectors 60-61
in R&D-intensive sectors 61
industries, classification 102
information infrastructures 72
information technology (IT) 71
products 74
and the service sector 96
innovation, taxonomies of 179-81
innovation incentives 157-60
innovation policy 130-131
formulation 147
international or national 155-6
selectivity in 134-5
Inoki, T. 39
institutional change 11
institutions 5-6, 137-8, 173
intangible services 62-76
Innovation and employment

intermediate products 18, 100, 118
international technology 155-6
Internet 67, 68
investment
  in organizational process innovations 38-9
  in technological process innovations 38-9
investment goods 74
investment products 15, 17-18, 100, 104, 117, 118, 124-5
second order employment effects 100-102
investment services 101
Ionnidis, E. 30, 70
Italy, compensation mechanisms 87-9
Jackman, R. 7
Jacobsson, S. 35
Japan 49, 50, 59, 61, 176
innovation policy 156
Ministry of Posts and
  Telecommunications 127
sectoral specialization 52
Jeremy, D.J. 151
job creation 134-7
  and CSPS 105
  and new goods 59-61
  and product innovation 83, 119-20
job destruction, and process innovation 83
Jobs Study, OECD 27, 28, 146
Johnson, B. 3, 137, 173
Johnson, J. 35, 38
Johnson, K. 28, 29, 30
Jondrow, J. 28
Jones, D.T. 11, 34, 176
Juran, J.M. 174
Kantrow, A.M. 172
Katsoulacos, Y. 47, 117
Kelly, D. 73
Kenney, M. 175
Kim, E. 149
KISIN 177
Kleinknecht 55
knowledge 101, 176-7
  technology as 151-3
knowledge-intensive business services (KIBS) 68
knowledge-intensive sectors 126-7
knowledge-intensive service sectors 62-4
  and product innovation 66-9
Koike, K. 39
Koivusalo, M. 73
Kondratieff cycles 14
Kuznets, S. 11, 15, 17, 97, 98, 99
labour demand 84-5, 90-91
labour economics 7
labour productivity 23-4, 34-5, 36, 57, 119
  and organizational process innovations 37
labour-saving
  and process innovations 84
  variation in the manufacturing sector 29-32
  variation in the service sector 29-32
labour-saving effects, technological
  process innovations 27-9
labour-saving organizational change 37
labour-saving organizational innovations 35
labour-saving technological trajectories 46
Landes, D. 151
Layard, R. 7
Layton, E. 150
Lazonick, W. 174
‘lean production’ 35
learning 5, 6, 94, 148, 154-5
Lee, F.C. 63
Levinthal, D.A. 154
Levy, R. 28
Lindberg, P. 35, 37, 42
Lipsy, R.G. 92, 149
Llerena, P. 156
lock-in situations 138
long-term net compensation effects 89-93
Loveman, G. 41
Lundvall, B.-Å. 4, 7, 11, 16, 42, 43, 47, 154, 173
Luukkainen, S. 73
Lynch, L. 35, 37
McGuckin, R. 38
machinery and equipment sector 18
Index

Machlup, F. 38, 101
McKelvey, M. 50, 131, 144, 148, 157
McKinsey Global Institute 32
Maddison, A. 3, 14
Mäenpää, K. 73
Main, J. 174
Malerba, F. 153, 154, 155
management consulting services sector 64, 65
management system changes 174
managerial innovations 37, 38
Mansfield, E. 153
manufacturing sector 65, 95
employment in growth sectors 32–3
and process innovation 96
productivity and employment growth 56
variation in labour saving 29–32
manufacturing sectors, classification 18–19
Mariotti, S. 67
‘market clearing’ 7, 8
market failure 132, 136
market growth 121
market mechanism 131–2
Martínez, S.B. 93
material goods 47–62
Mathews, J. 42
Melliciana, V. 51
Mercer Management Consultants 73
Metcalf, J.S. 147, 148, 149, 151, 158
Meyer-Krahmer, F. 33, 55, 101
Michie, J. 155, 156
Miles, I. 67, 68, 72, 106, 123
Miller, R. 38
mobile communications 127, 134, 138
mobile telephones 72–4
‘modular’ innovation 180
Mowery, D.C. 155
multimedia technologies 72
music sector 106
NACE standard 102
NAIRU (non-accelerating inflation rate of unemployment) 7
national growth rates, and technology specialization 51–2
National Research Council 34
national technology 155–6
Nelson, R. 4, 8, 11, 16, 95, 151, 152
154, 155, 158, 173, 174, 176, 179
neoclassical growth model 24
Netherlands, employment growth 55
networks 41, 42, 177
new consumer products 86, 126
‘new economy’ 52–4
new intangible services 62–76
new material goods 47–62
new products 97, 98
and job creation 59–61
Nickell, S. 7
Nielsen, K. 4
Niosi, J. 174, 175, 176
Nokia group 73–4
non-generic innovations 179
North, D.C. 137
Nutke 36
Nyholm, J. 37, 38, 42
O’Connor, D. 149
OECD 11, 14, 18, 29, 30, 32, 33, 34, 35, 36, 40, 42, 50, 52, 54, 60, 62, 63, 64, 68, 69, 70, 71, 72, 73, 75, 76, 96, 105, 125, 126, 127, 142, 155, 170, 175, 179
Canberra Manual 63
Jobs Study 27, 28, 146
OECD countries, exports 51
Oliner, S. 53
organizational change 12
capital-saving 37
labour-saving 37
‘organizational ecology’ approach 173
organizational innovations 172–8
capital-saving 35
diffusion 175–6
employment impacts 35–6
and formal R&D 175
labour-saving 35
and systems of innovation approach 172–3
organizational process innovations 14, 15–16, 34–9, 40
investment 38–9
and labour productivity 37
and productivity 42
and property rights 16–17
types 35–8
Innovation and employment

organizations 136–7
Oslo Manual 14
Osterman, P. 35, 38
O’Sullivan, M. 174
outsourcing 40, 68
Palmberg, C. 74
Papaconstantinou, G. 30, 33, 48, 70
Park, W.-H. 149
Parker, P.M. 86, 90
Pasinetti, L. 7, 46
Pavitt, K. 148, 150, 157
Perani, G. 32, 51, 52, 55, 124
Perez, C. 14
Perrow, C. 41
Petit, P. 67
Phillips, A. 153
Pianta, M. 3, 32, 33, 49, 51, 52, 55, 56, 59, 124
policy design 139–43
and causal explanation 141–3
policy implications, systems of innovations approach 135–43
policy options 147–57
Pollack, M. 64
Posthuma, A. 175
Powell, W.W. 173
Prennushi, G. 36
price effect on demand 85
price elasticities 85–7, 119
of demand 89–90, 99
price reduction 84–5
problems 132–3, 134, 135, 136
identifying 139–43
process innovations 10, 14–17
compensation mechanisms 83–97
defining and measuring 167–71
and job destruction 83
and labour saving 84
and the manufacturing sector 96
negative employment impacts 95
positive employment impacts 92
and product innovations 10–11
distinctions 116–18
and production function 24
see also organizational process innovations; technological process innovations
producer services 41
product changes 13–14
product innovations 7, 10–11, 12–14, 46, 121
counteracting mechanisms 97–9
product to process innovation 100–105
substitution 97–9
defining and measuring 167–71
definition 10
Europe 48
examples 13
and job creation 83, 119–20
and knowledge-intensive service sectors 66–9
patterns of diffusion 49–50
and process innovations 10–11
distinctions 116–18
and production function 24
and public policy 144
product life cycle 86, 90
product to process innovation 100–105
productivity 23–4, 117
and employment 57–8
and employment growth in manufacturing 56
FIRB 34
and organizational process innovations 42
in the service sector 33, 69
productivity growth 3, 59, 119
and economic growth 121
EU 145–6
measurement 119
productivity increase, and goods innovation 58–9
productivity measures 57–8
property rights, and organizational process innovations 16
public innovation policy, for employment creation 143–7
public policy, and product innovations 144–5
public policy implications 130–163
public policy intervention 131–4
public technology procurement 134
purchasing power 3
quality changes 58, 66
R&D 18, 47, 77, 154–5, 160
formal 64–6
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>and organizational innovation 175</td>
</tr>
<tr>
<td>and new services 64–6</td>
</tr>
<tr>
<td>and service sectors 62–3</td>
</tr>
<tr>
<td>R&amp;D policy 131</td>
</tr>
<tr>
<td>R&amp;D-intensity 118</td>
</tr>
<tr>
<td>R&amp;D-intensive products 75–6</td>
</tr>
<tr>
<td>and growth 50–54</td>
</tr>
<tr>
<td>Sweden 60</td>
</tr>
<tr>
<td>R&amp;D-intensive sectors 48–9, 122–3, 126–7</td>
</tr>
<tr>
<td>and employment growth 54–6</td>
</tr>
<tr>
<td>industrial employment in 61</td>
</tr>
<tr>
<td>‘radical’ innovations 179, 180</td>
</tr>
<tr>
<td>Rapeli, J. 73</td>
</tr>
<tr>
<td>Reati, A. 85</td>
</tr>
<tr>
<td>regulations 133</td>
</tr>
<tr>
<td>Reijnen 55</td>
</tr>
<tr>
<td>research funding 135</td>
</tr>
<tr>
<td>‘reverse product cycle’ (RPC) theory 66–7</td>
</tr>
<tr>
<td>criticisms 67–8</td>
</tr>
<tr>
<td>robots 101</td>
</tr>
<tr>
<td>Roos, D. 11, 34, 176</td>
</tr>
<tr>
<td>Rosenberg, N. 4, 16, 94, 148, 154, 155, 176, 180</td>
</tr>
<tr>
<td>Rouvinen, P. 73</td>
</tr>
<tr>
<td>Sabel, C.F. 41</td>
</tr>
<tr>
<td>Sakurai, N. 30, 32, 33, 34, 40, 48, 70, 105, 106</td>
</tr>
<tr>
<td>Salter, W. 94</td>
</tr>
<tr>
<td>‘scarcity-push’ 94</td>
</tr>
<tr>
<td>Schmitter, P.C. 174</td>
</tr>
<tr>
<td>Schmookler, J. 94</td>
</tr>
<tr>
<td>Schumpeter, J. 10, 12, 167</td>
</tr>
<tr>
<td>Schwartzman, D. 153</td>
</tr>
<tr>
<td>science and technology (S&amp;T) services 68</td>
</tr>
<tr>
<td>Scott-Kemmis, D. 148, 151</td>
</tr>
<tr>
<td>‘second appearance mechanism’ 120</td>
</tr>
<tr>
<td>sectoral differences 153–4</td>
</tr>
<tr>
<td>sectoral specialization 59</td>
</tr>
<tr>
<td>‘self-service society’ 106</td>
</tr>
<tr>
<td>Sengenberger, W. 41</td>
</tr>
<tr>
<td>Senker, J. 151</td>
</tr>
<tr>
<td>service product innovations 62</td>
</tr>
<tr>
<td>service sector 28, 42, 105–8, 123, 124–5</td>
</tr>
<tr>
<td>high technology or knowledge intensive 62–4</td>
</tr>
<tr>
<td>and information technology 96</td>
</tr>
<tr>
<td>new goods and services 72–4</td>
</tr>
<tr>
<td>new process technologies and new service products 74–6</td>
</tr>
<tr>
<td>product innovation and market growth 69–71</td>
</tr>
<tr>
<td>productivity 33, 69</td>
</tr>
<tr>
<td>and R&amp;D 62–3</td>
</tr>
<tr>
<td>technological process innovations 96</td>
</tr>
<tr>
<td>and labour savings 33–4</td>
</tr>
<tr>
<td>variation in labour saving 29–32</td>
</tr>
<tr>
<td>services</td>
</tr>
<tr>
<td>demand for 107</td>
</tr>
<tr>
<td>dynamic impacts of 105–8</td>
</tr>
<tr>
<td>traditional and dynamic 123</td>
</tr>
<tr>
<td>Shaw, K. 36</td>
</tr>
<tr>
<td>Sichel, D. 53</td>
</tr>
<tr>
<td>significant innovation, definition 14</td>
</tr>
<tr>
<td>Silver, H. 107</td>
</tr>
<tr>
<td>Silverberg, G. 148</td>
</tr>
<tr>
<td>Simonetti, R. 11, 13, 15, 167, 170</td>
</tr>
<tr>
<td>Singh, J.V. 174</td>
</tr>
<tr>
<td>‘Singlemann’ classification 102, 103</td>
</tr>
<tr>
<td>Singlemann, J. 102</td>
</tr>
<tr>
<td>Sirilli, G. 123</td>
</tr>
<tr>
<td>skills</td>
</tr>
<tr>
<td>investment in 39</td>
</tr>
<tr>
<td>technology as 151</td>
</tr>
<tr>
<td>‘small-firm networks’ 41, 42</td>
</tr>
<tr>
<td>SMEs 41</td>
</tr>
<tr>
<td>Smith, K. 152, 153, 154, 174</td>
</tr>
<tr>
<td>Soete, L. 13, 14, 29, 47, 51, 64, 95, 148, 175</td>
</tr>
<tr>
<td>Solow, R. 3, 24, 57</td>
</tr>
<tr>
<td>Soskice, D. 39</td>
</tr>
<tr>
<td>Spitz, P.H. 175</td>
</tr>
<tr>
<td>Spriano, G. 69</td>
</tr>
<tr>
<td>Streeck, W. 102</td>
</tr>
<tr>
<td>standards 134</td>
</tr>
<tr>
<td>Stankiewicz, R. 16</td>
</tr>
<tr>
<td>Stern, D. 39</td>
</tr>
<tr>
<td>Stiglitz, J. 94</td>
</tr>
<tr>
<td>Stiroh, K.J. 69</td>
</tr>
<tr>
<td>strategy options 147–57</td>
</tr>
<tr>
<td>Streeck, W. 174</td>
</tr>
<tr>
<td>substitution between products 97–9, 120</td>
</tr>
<tr>
<td>Sweden 141</td>
</tr>
<tr>
<td>employment intensity 95</td>
</tr>
<tr>
<td>growth sectors 59</td>
</tr>
<tr>
<td>price elasticities 86</td>
</tr>
<tr>
<td>R&amp;D-intensive products 60</td>
</tr>
</tbody>
</table>
Innovation and employment

system failure 142
systems of innovation (SI) approach 1, 3-5, 8, 11, 130, 131, 140
caracteristics 5-6
and general policy implications 136-9
and organizational innovations 172-4, 177
policy implications 135-43
Takai, S. 68
Tan, H. 38
Tassey, G. 152
taxonomies of innovation 179-81
technical change 3, 4, 11, 24, 57, 58, 90, 92
‘labour saving bias’ 94
and public intervention 132
technical efficiency 148-9
technological process innovations 14, 15, 27-34, 38-9, 116, 122, 124
labour-saving effects 27-9
and labour-savings, service sector 33-4
service sector 96
technological trajectories 149-50
and the employment-intensity of growth 93-6
technological unemployment 46, 47, 91, 94-5
technology
as artefacts 150-151
international or national policies 155-6
as knowledge 151-3
as skills 151
support for development or application 148-9
technology specialization, and national growth rates 51-2
technology-based goods 48
Texier, F. 51, 60, 95
Tinnili, M. 67
total factor productivity (TFP) 24, 92
Townsend, J. 13
traditional services sector 65
transportation, storage and communication sector 33
Tschetter, J. 40
Tsipouri, L. 138
Tylecote, A. 151
Tyson, L. 50
‘unbundling’ 40-41, 42
unemployment 7, 145-6
technological 46, 47, 91, 94-5
USA 53-4, 61
compensation mechanisms 87-9
FIRB 34
labour force 91
R&D 64
sectoral specialization 52
user-producer relations 67
utilities sector 33
Utterback, J. 10, 66
Vepsäläinen, P.J. 67
Verspagen, B. 4, 64, 175
Vivarelli, M. 3, 7, 33, 46, 56, 87-9, 94
Von Hippel, E. 176
Voss, C.A. 148
welfare 58-9, 77
‘welfare effect’ 47, 116-17
Westphal, L. 149
Winter, S. 4, 95, 151, 173, 174, 176, 179
Wolf, M. 53
Wolff, E. 69, 96, 106
Womack, J.P. 11, 34, 176
Wood, M. 155
Wyckoff, A. 33, 48, 70