

International Innovation Index Country Ranking

The 2011 innovation index ranking, as established by the INSEAD business school, shows at the top of the list a handful of small countries such as Switzerland, Sweden, Singapore, Hong Kong, Finland, Denmark, the first big nation and economic heavyweight being the United States, at the 7th place. The horizontal red line corresponds to the median score – 34.18, or the score of Greece –.

A brief glance suffices to gain the insight that, should the ranking be valid and truthful, small and dynamic economies are more adept to innovation than the big powers or the natural resource rich countries. Other data pertaining to science and technology prestigious awards and to world-class universities seem to confirm the hunch that "small is beautiful".

Innovation, commonly understood as the introduction of something new, is viewed by leading economists as the cornerstone of competitiveness, economic change and progress. The reader will indulge with a brief refresher of basic economic ideas. According to Walras (1834-1910) and the neoclassics, the market is a complete system, where agents have an immediate and total knowledge of the environment, a system that tends to equilibrium through the mechanical interplay of supply and demand.

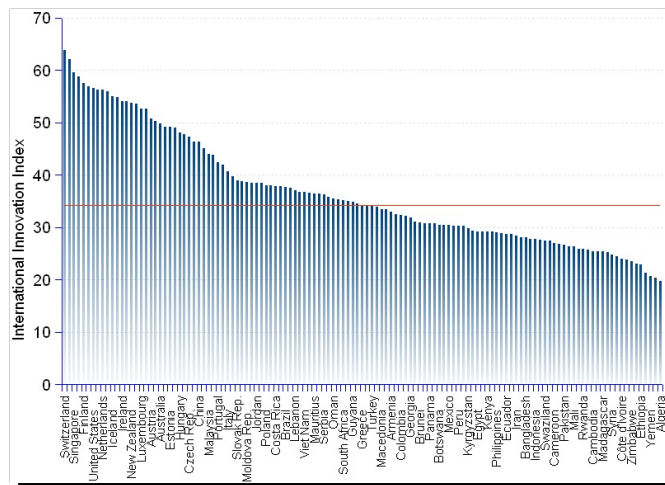
Schumpeter (1883-1950) considers these

premises to be wrong, leading to a stationary, immobile state that does not match reality. Instead he sees competition as a process of creative destruction. Innovations destabilize entrenched market positions, pushing some agents to the forefront and others to oblivion, and percolate through society by diffusion and imitation, generating a wave of economic development along several time scales. During the late 1990s, impressed by the spread of laptop computers and


Internet, and currently awed by the mobile and the smartphone tsunami, business consultants revamped Schumpeter's creative destruction concept, branded it "disruptive technology" and are selling it profitably to businesses that care for competitiveness.

The innovation index by nation triggers some puzzling questions. For starters, it is doubtful that the innovation drivers at the country level can be extrapolated to the firm, and vice-versa. For example, whatever the skills of the firm to foster and use its innovation capability, it has only limited influence on such key but exogenous factors as the political environment, general education or general infrastructure. Symmetrically, a fertile environment does not necessarily breed innovation within the walls of the firm.

Secondly, whilst several clues strongly suggest that small countries are more effective



than large ones in marshaling innovation and other competitiveness factors, political and business establishments seem intoxicated by the ambition to build huge superpowers — of which the European Union is an illustration — broadly aimed to become "the most competitive and the most dynamic ... economy in the world" (EU Lisbon strategy, 2000).

Achievements speak for themselves : a shaky Euro currency, many EU members in financial straits, a slump that prevails throughout Europe. One can only hope that reality is not following the fable : the toad wanted to inflate to the size of a bull and ended up exploding...

Global Innovation Index 2011				
Country	Overall Score ¹	Rank		
		2011	2010	2009
Albania	30.45	80	81	121
Algeria	19.79	125	121	108
Argentina	35.36	58	75	84
Armenia	33	69	82	104
Australia	49.85	21	18	22
Austria	50.75	19	21	15
Azerbaijan	29.17	86	57	57
Bahrain	37.8	46	40	34
Bangladesh	28.05	97	120	111
Belgium	49.05	24	17	18
Benin	23.81	118	118	99
Bolivia	25.44	112	129	123
Bosnia and Herzegovina	30.84	76	n/a	116
Botswana	30.51	79	86	77
Brazil	37.75	47	68	50
Brunei Darussalam	30.93	75	48	n/a
Bulgaria	38.42	42	49	74
Burkina Faso	23.14	120	122	115
Cambodia	25.48	111	102	117
Cameroon	26.95	103	119	106
Canada	56.33	8	12	11
Chile	38.84	38	42	39
China	46.43	29	43	37
Colombia	32.32	71	90	75
Costa Rica	37.91	45	41	48
Côte d'Ivoire	24.08	117	89	n/a
Croatia	37.98	44	45	62
Cyprus	46.45	28	32	45
Czech Republic	47.3	27	27	33
Denmark	56.96	6	5	8
Ecuador	28.75	93	126	109
Egypt	29.21	87	74	76
El Salvador	29.14	96	91	86
Estonia	49.18	23	29	29
Ethiopia	22.88	121	123	120
Finland	57.5	5	6	13
France	49.25	22	22	19
Georgia	31.87	73	84	98
Germany	54.89	12	16	2
Ghana	32.48	70	105	n/a
Greece	34.18	63	46	54
Guatemala	29.33	86	95	81
Guyana	34.83	61	113	103
Honduras	27.81	98	112	83
Hong Kong (SAR), China	58.8	4	3	12
Hungary	48.12	25	36	47
Iceland	55.1	11	1	20
India	34.52	62	56	41
Indonesia	27.78	99	72	49
Iran	28.41	95	n/a	n/a
Ireland	54.1	13	19	21
Israel	54.03	14	23	23
Italy	40.69	35	38	31
Jamaica	28.88	92	70	73
Japan	50.32	20	13	9
Jordan	38.43	41	58	55
Kazakhstan	30.32	84	63	72
Kenya	29.15	89	83	78
Korea, Republic	53.68	16	20	6
Kuwait	36.64	52	33	30
Kyrgyzstan	29.79	85	104	122
Latvia	39.8	36	44	60
Lebanon	37.11	49	n/a	n/a
Lithuania	38.49	40	39	42
Luxembourg	52.65	17	15	17
Macedonia	33.47	67	77	89
Madagascar	25.41	113	125	113
Malawi	25.96	108	97	n/a
Malaysia	44.05	31	28	25
Mali	26.35	107	107	97
Mauritius	36.47	53	73	66
Mexico	30.45	81	69	61
Moldova, Republic	38.66	39	n/a	116
Mongolia	33.4	68	87	105
Morocco	28.73	84	94	82
Namibia	30.74	78	92	95
Netherlands	56.31	9	8	10
New Zealand	53.79	15	9	27
Nicaragua	25.78	110	117	114
Niger	21.41	122	n/a	n/a
Nigeria	28.15	96	96	70
Norway	52.6	18	10	14
Oman	35.51	57	65	52
Pakistan	26.75	105	103	93
Panama	30.77	77	66	67
Paraguay	31.17	74	127	118
Peru	30.34	83	88	85
Philippines	28.98	91	76	63
Poland	38.02	43	47	56
Portugal	42.4	33	34	40
Qatar	47.74	26	35	24
Romania	36.83	50	52	69
Russian Federation	35.85	56	64	68
Rwanda	25.86	109	n/a	n/a
Saudi Arabia	36.44	54	54	32
Senegal	27.56	100	106	90
Serbia	36.31	55	101	92
Singapore	59.64	3	7	5
Slovak Republic	39.05	37	37	35
Slovenia	45.07	30	26	36
South Africa	35.22	59	51	43
Spain	43.81	32	30	28
Sri Lanka	30.36	82	79	58
Sudan	20.36	124	n/a	n/a
Swaziland	27.52	101	n/a	n/a
Sweden	62.12	2	2	3
Switzerland	63.82	1	4	7
Syrian Arab Republic	24.82	115	132	94
Tajikistan	24.5	116	115	112
Tanzania	26.88	104	98	86
Thailand	37.63	46	60	44
Trinidad and Tobago	32.17	72	55	65
Tunisia	33.88	66	62	46
Turkey	34.11	65	67	51
Uganda	26.37	106	108	100
Ukraine	35.01	60	61	79
United Arab Emirates	41.99	34	24	26
United Kingdom	55.98	10	14	4
United States of America	56.57	7	11	1
Uruguay	34.18	64	53	80
Venezuela	27.41	102	124	101
Viet Nam	36.71	51	71	64
Yemen	20.72	123	n/a	n/a
Zambia	25.27	114	111	96
Zimbabwe	23.54	119	131	125

¹ The Global Innovation Index (GI) relies on two sub-indices, the Innovation Input Sub-Index and the Innovation Output Sub-Index, each built around pillars. The overall GI is the simple average of the Input and Output Sub-Indices.