



# **The impact of the policy mix on service innovation: Internet video services in the Netherlands**

**Martijn Poel**

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Pre-roll

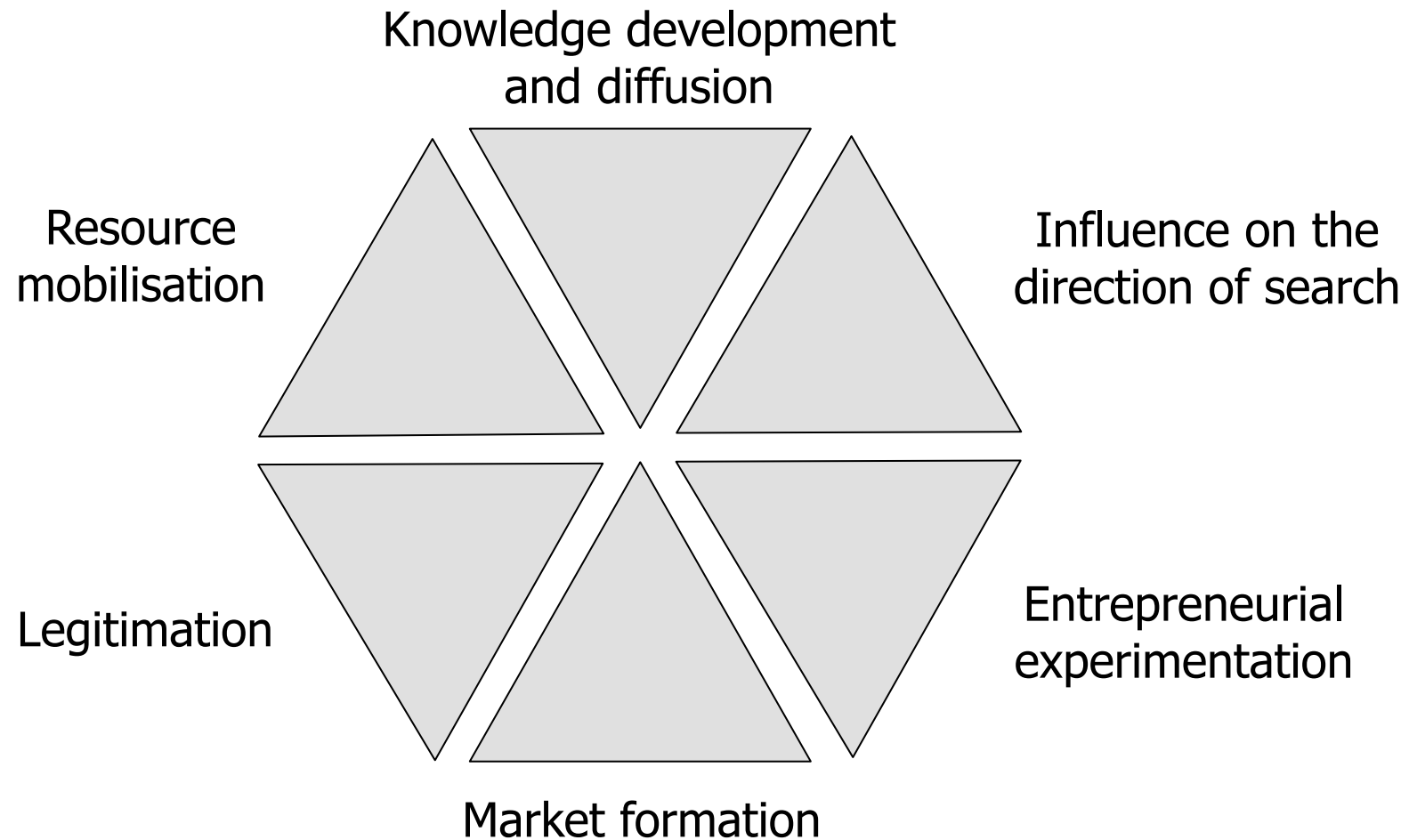
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# Functions of innovation systems



## Deficiencies in innovation systems: market failures and system failures

Market power

Information asymmetry

Externalities/spillovers

Public goods

Failures in infrastructural  
provision and investment

Lock-in/path dependency  
failures

Institutional failures

Interaction failures

Capabilities failures

Deficiencies (problems) can be either increased or decreased by policy and regulation

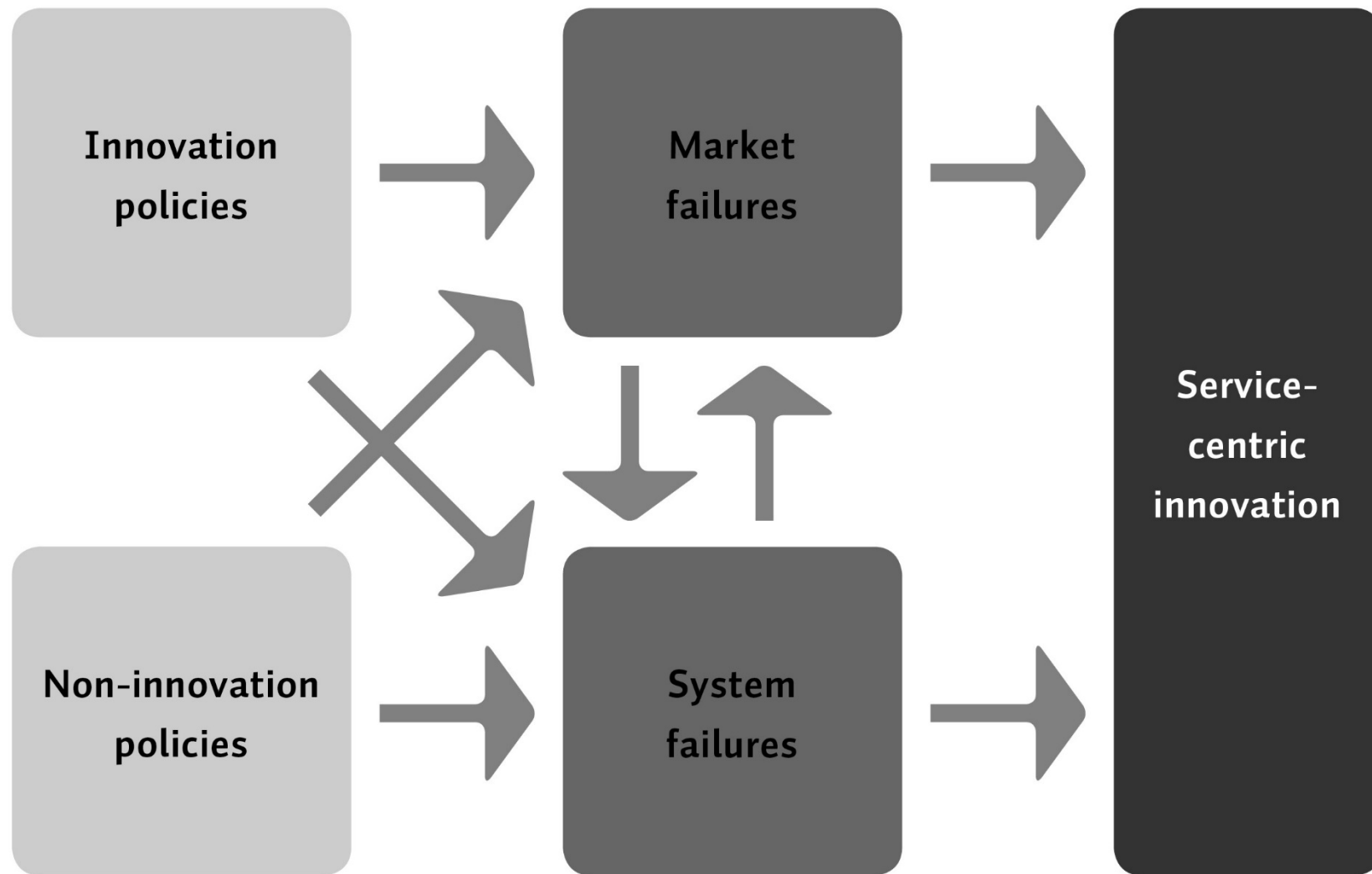


Figure 1.1 / Conceptual framework

## Conclusion

- The impact of the policy mix was substantial in terms of timing, scale, direction of service innovation
- Timing: impact of innovation policies was stronger during the formative phase. Support was reduced too early
- Emphasis was on R&D rather than pilots, incubators and export
- Persistent regulatory uncertainty/burdens during both phases, instead of allowing EU firms to commercialise and scale-up
- Many interaction in the policy mix. It all adds up

# The pendulum in the Netherlands

- From a balance between stimulating consortia and individual actors (such as SMEs) to mainly stimulating consortia
- From supporting R&D to supporting innovation (high TRL levels)
- Less emphasis on blue sky research, more emphasis on established sectors and societal challenges
- Budget cuts in disguise, with unrealistic expectations of instruments such as revolving funds and procurement





- This is not the Dutch Netflix. I repeat: ...
- Announced November 2013
- After 2 years of discussions with policy makers, legal experts, competition authority, copyright holders
- Public broadcaster (NPO), SBS and RTL
- Other broadcasters can join
- Paid service