



Recommendation of the Council
concerning Principles for
Facilitating International
Technology Co-operation
Involving Enterprises

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Date(s)

Adopted on 27/09/1995

Background Information

The Recommendation concerning Principles for Facilitating International Technology Co-operation Involving Enterprises was adopted by the OECD Council on 27 September 1995 on the proposal of the Committee for Scientific and Technological Policy. The Recommendation expands on the 1988 Recommendation on International Cooperation in Science and Technology and addresses the importance of international technology cooperation involving enterprises. The Recommendation contains principles for facilitating international technological cooperation involving enterprises, with respect to the role of government, and the private sector respectively.

THE COUNCIL,

HAVING REGARD to Articles 2 b) and 5 b) of the Convention on the Organisation for Economic Co-operation and Development of 14 December 1960;

HAVING REGARD to the Recommendation of the Council concerning a General Framework of Principles for International Co-operation in Science and Technology, which was adopted by the OECD Council on 21 April 1988 [C(88)60(Final)], following the 1987 meeting of the CSTP at Ministerial level;

HAVING REGARD to the findings of the OECD Technology and Economy Program, which resulted in a request by Ministers, in 1992, that the Committee for Scientific and Technological Policy undertake further work on removing national and international barriers that inhibit the translation of science and technology into greater productivity and economic growth;

HAVING REGARD to the deliberations between Member countries within the CSTP on ways and means to enhance international technology co-operation, based on their individual and collective experiences since 1988;

HAVING REGARD to valuable enterprise-government partnership and experience in developing practical ways and means to bring about technology co-operation through mechanisms such as the Intelligent Manufacturing Systems Programme;

HAVING REGARD to the Conclusion of the Meeting of the Committee for Scientific and Technological Policy at Ministerial level of 26-27 September 1995;

CONSIDERING THAT :

- Innovation is the driving force behind improved productivity and is therefore central to economic growth and long-run job creation;
- A key conclusion of the June 1994 OECD Jobs Study: Facts, Analysis, Strategy, was that "the main way to job creation in OECD countries must be through improved productivity in firms that have a solid capacity to innovate and use technology effectively";
- While enterprises have the primary responsibility for maintaining a competitive technology base and exploiting it to commercial advantage, the development of some potentially high payoff technologies is a high risk, and costly venture, which can exceed the capacity and capabilities of individual firms or even countries;
- The public benefits of key technology developments, such as generic technologies that are the basis of new industries, accrue much more broadly than to the firms that developed them, and, firms are often reluctant to invest in such technologies because they cannot reap sufficient benefits that result;
- The linkages between technology and growth, which are complex, require effective, systematic, and forward-looking delineation and assessment, involving governments, universities and enterprises;
- It is in the interests of national governments, to play an active role as a catalyst and facilitator, to promote conditions which will encourage industries to make longer-term investments in technological innovation, and to promote mutually-beneficial international technology co-operation that will overcome the barriers identified above;

On the proposal of the Committee for Scientific and Technological Policy at Ministerial level:

I. RECOMMENDS to Member countries that they adopt the Principles for facilitating international technology co-operation involving enterprises set out in the attached Annex which forms an integral part of the Recommendation;

II. INSTRUCTS the Committee for Scientific and Technological Policy to continue work in this policy area in order to determine what further actions might be necessary to remove barriers inhibiting mutually-beneficial international technology co-operation involving enterprises.

ANNEX

PRINCIPLES FOR FACILITATING INTERNATIONAL TECHNOLOGY CO-OPERATION INVOLVING ENTERPRISES

- Governments should facilitate international bilateral and multilateral co-operation in technology development between enterprises, to help maximise the effectiveness of private sector and related public sector tangible and intangible investments.
- Governments should maintain an effective intellectual property rights protection and enforcement regime.
- Governments and their standards organisations should, wherever practicable, apply international standards to facilitate compatibility and market openness while not restraining innovation.
- Governments, in furthering the public good, can fulfil a useful role in structuring and implementing co-operation between each other, that involves enterprises and other institutions as partners.
- The objective of international technology co-operation should be to bring about complementary and collaborative private sector investments in the development and diffusion of technologies that will: provide the basis for economic growth in the partner countries; accelerate change to everyone's benefit; and, build international business networks.
- Enterprises should take an active role, in co-operation with universities and government research institutions, in establishing goals, planning, structuring and managing co-operation projects, so as, among other things, to ensure that enterprises can translate science and technology into successful innovations. Projects should be governed by agreements between partners; formal agreements between governments should be concluded only when essential to bring about the desired collaboration.
- Arrangements for co-operation between the various partners should address, in terms of technical topics, intellectual property rights, agreements and consortium structure, so as to enable the partners to alter the programme, project design, participation, or membership, to meet changing needs and circumstances.
- Governments should encourage the widest feasible participation of small and medium-sized enterprises in co-operative projects, in recognition of their niche strengths, and potential to add value to projects and bring about a wider application of the resulting technologies.
- The partners in the co-operation should come to an understanding on the protection of intellectual property rights, as well as fair and equitable contributions to projects, dissemination of information and access to and the use of the results of the co-operation.

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