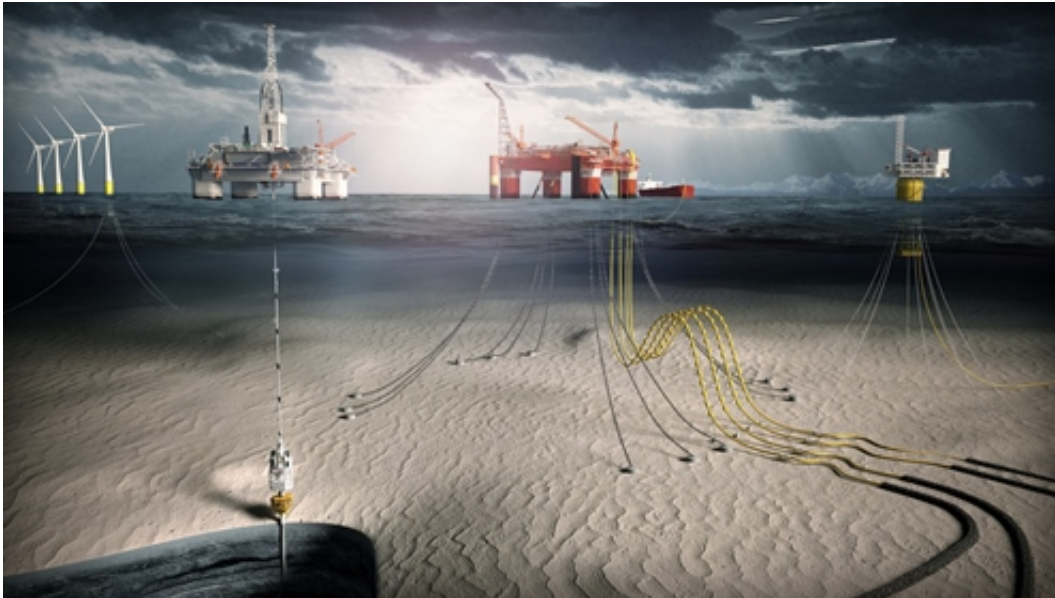


Public spending on R&D has positive effects

September 14 2016, by Maria Ekornes Myhre



4subsea has received funding from RCN and SkatteFUNN. Credit: The Research Council of Norway

A recent evaluation by Statistics Norway shows that governmental support of R&D and innovation in the private sector has positive effects. The tax incentive scheme SkatteFUNN is found to be particularly cost effective.

"These are very interesting findings, and we are pleased that the evaluation shows that research is profitable, for society and businesses alike. A more research oriented industry is necessary to ensure value creation, competitiveness and efficient utilisation of resources. The

Research Council will encourage more research-based [innovation](#) in all business sectors in the future," says Arvid Hallén, Director General of the Research Council of Norway (RCN).

The report, "Evaluation of R&D- and innovation-supporting policies" (in Norwegian only), was published by Statistics Norway on 8 April. They have studied the effects of government financing policies aimed at promoting value creation and innovation. Statistics Norway's analysis includes the tax incentive scheme SkatteFUNN, the innovation-oriented policy of Innovation Norway (IN) and relevant instruments under the auspices of the RCN, as well as export supporting programmes by the Norwegian Export Credit Guarantee Agency (GIEK) and Export Credit Norway.

Key findings

- When a company receives funding, it scales up operations. Revenues increase, as does the number of employees. Calculations show that NOK one million in support through SkatteFUNN results in between 1.2 and 1.7 new full time employees.
- NOK one million in funding from SkatteFUNN increases value creation in a company by 1.8 million per year compared with similar entities that have not received funding.
- Research capital in businesses that the RCN or SkatteFUNN have supported gives a 7 percent return on investment.
- Support under NOK 500,000 shows no documentable effects.
- Support over NOK 1.5 million provides the greatest effects.
- SkatteFUNN can document very positive results – among them a positive effect on young businesses.

The RCN supports research-intensive businesses that over time may conduct many large-scale projects of high quality. For SkatteFUNN and

Innovation Norway, the threshold for financial support is lower, but the survey shows that support from these two sources may serve as door openers for obtaining funding for major research projects from the RCN later.

More information: "Evaluation of R&D- and innovation-supporting policies." [www.ssb.no/virksomheter-foreta ... olitiske-virkemidler](http://www.ssb.no/virksomheter-foreta...olitiske-virkemidler)

Provided by The Research Council of Norway

Citation: Public spending on R&D has positive effects (2016, September 14) retrieved 11 July 2024 from <https://phys.org/news/2016-09-positive-effects.html>

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