



Mutual Learning Workshop

Intellectual Capital Reporting – International Practice

Universities, regions, nations

Bucharest, October 24-26, 2012

Introduction from

Günter Koch, Prof. DI

General Secretary of The **New Club of Paris**



„My“ route to the (Austrian) IC model

1990

1994

1998 / 1999

2000
Germany

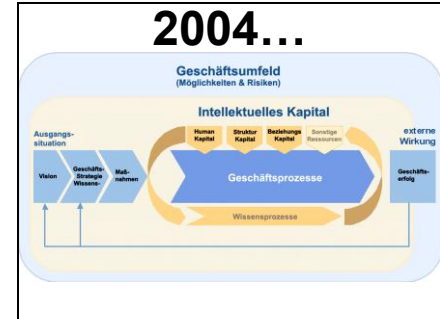
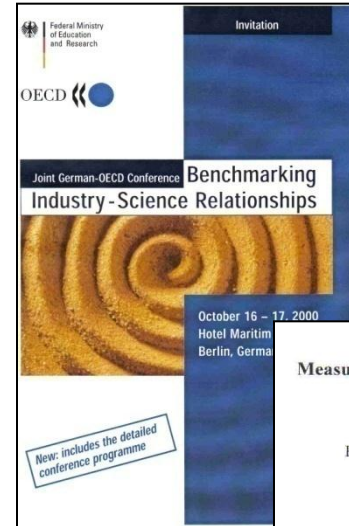
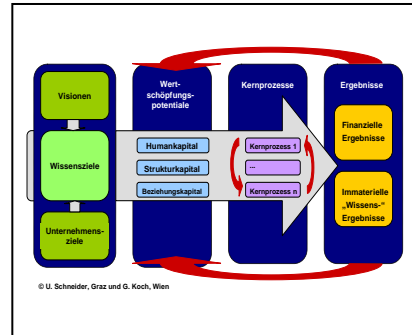
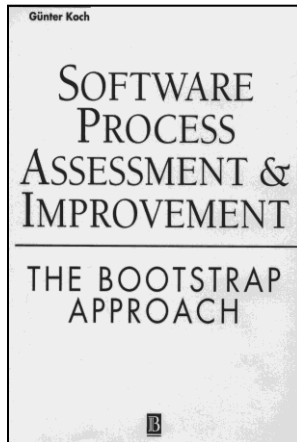
2004...

Austria

D / USA

→ 1990
Erste
Anwen-
dungen
der
Prozess-
Qualitäts-
verbes-
serung

A, D , FI, IT, ES



Measuring and reporting intangible assets and results in a European Contract Research Organization

Paper prepared for the Joint German-OECD Conference
Benchmarking Industry-Science Relationships

October 16 – 17, 2000, Berlin, Germany

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Science and Technology
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Karl Franzens University Graz
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Department of International Management
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Quelle der Publikation 2000:

http://www.uniko.ac.at/upload/OECD-Papier_Wissensbilanzierung.pdf

The New Club of Paris

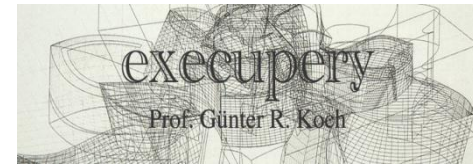


“The New Club of Paris” is an organization open to everyone who is qualified to make contributions by scientific work or who has proven his / her competence by personal commitment. It is an association of scientists and “intellect entrepreneurs” dedicated to research and promotion of the idea of supporting the transformation of our society and economy into a knowledge society and a knowledge economy”

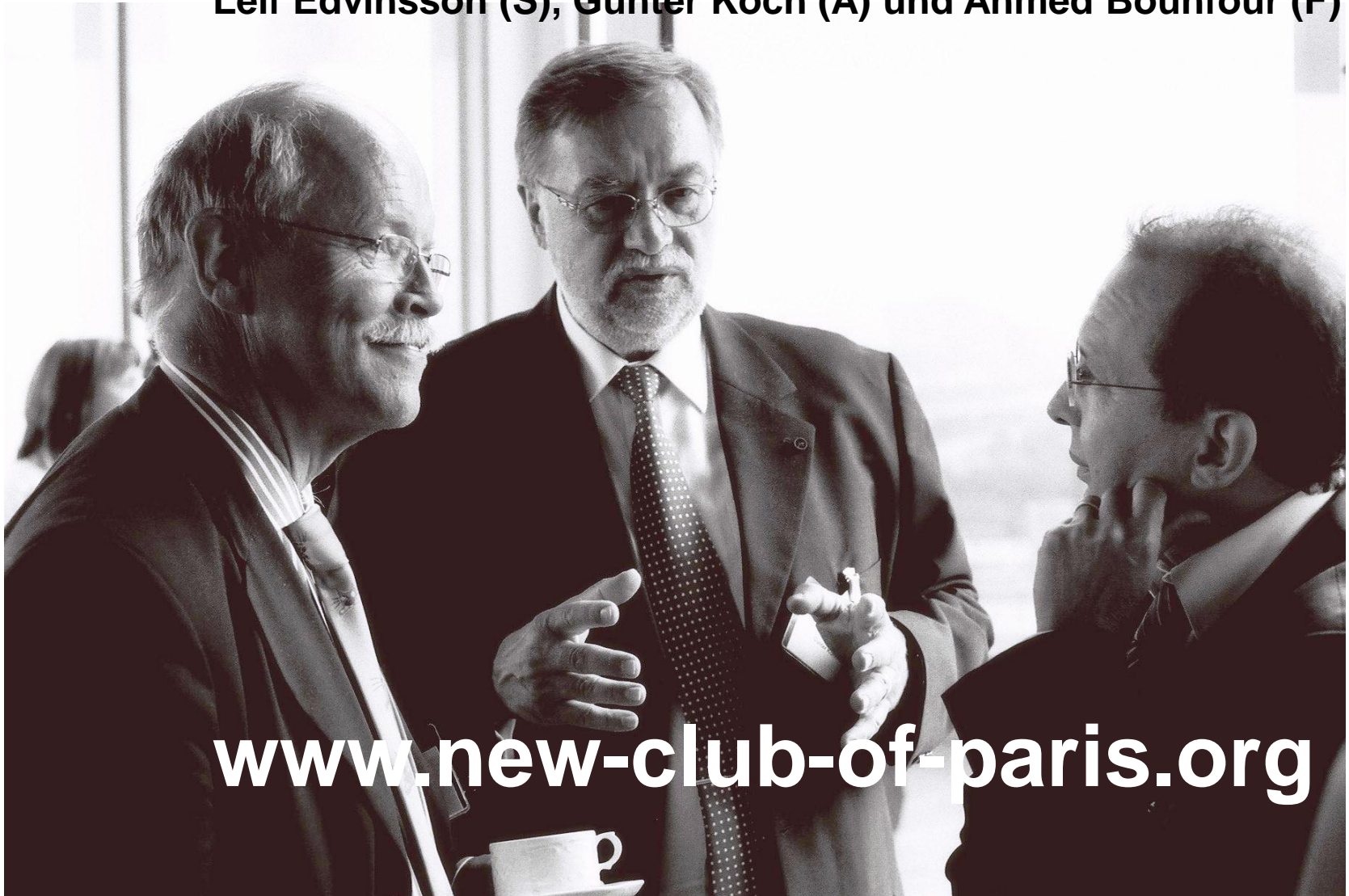
“In public we address decision-makers, specifically in politics, to embark on the new knowledge paradigm and to engage in developing new strategies which go far beyond the repetition of “old recipes” to “make the future”, or variations on the same theme. ...”



The New Club of Paris ...

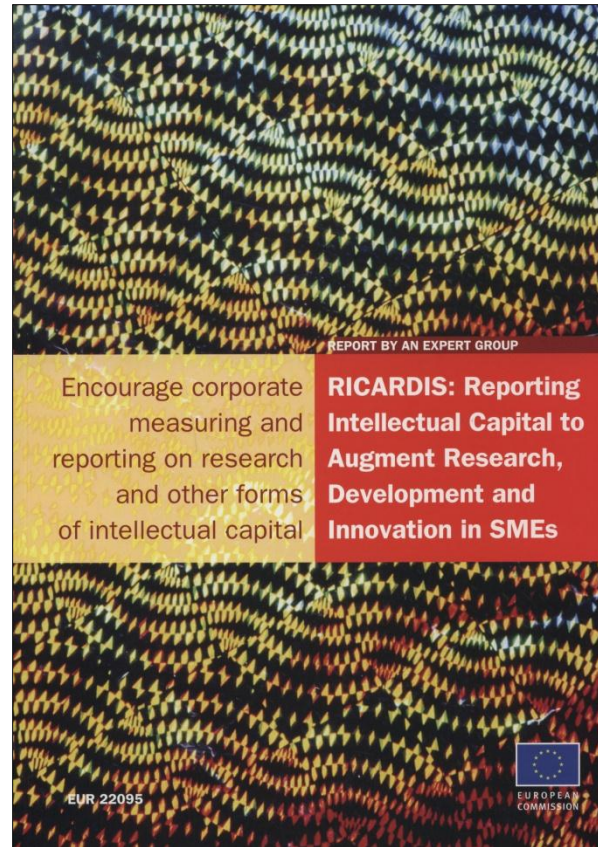


**...founded in June 2006 in Paris by
Leif Edvinsson (S), Günter Koch (A) und Ahmed Bounfour (F)**



www.new-club-of-paris.org

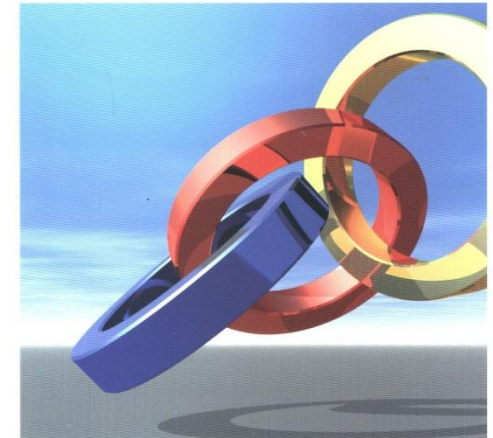
Initial „products“ of The New Club of Paris



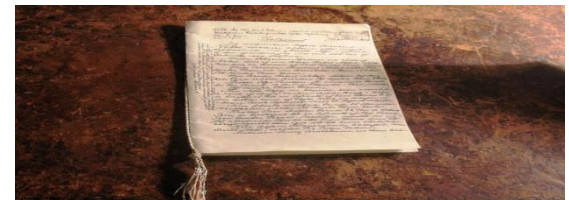
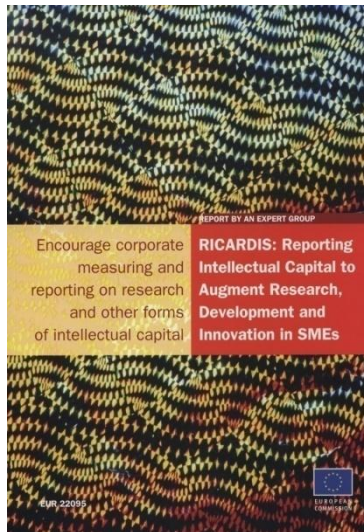
Five Steps for Finland's Future

Pirjo Stähle (ed.)

Technology Review 202/2007



The founding “patrons” of **The New Club of Paris**

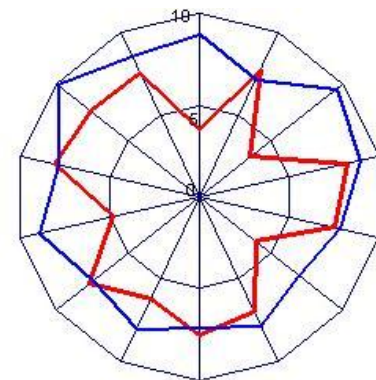


World Bank's „Knowledge Assessment Methodology“ (KAM). KAM is an interactive benchmarking tool created by World Bank's [Knowledge for Development Program](#) (K4D) to help countries identify the challenges and opportunities they face in making the transition to the knowledge-based economy. The KAM consists of 80 structural and qualitative [variables](#) to measure countries' performance on the four Knowledge Economy (KE) pillars: Economic Incentive and Institutional Regime, Education, Innovation, and Information & Communications Technology. Each variable is [normalized](#) on a scale of zero to ten relative to other countries in the comparison group. The KAM data also allows to derive country's overall Knowledge Economy Index (KEI) and Knowledge Index (KI).

Six different analysis modes. Here one Example for a Basic Scorecard

- [Basic Scorecard](#)
- [Global Ranking](#)
- [Create Your Own Scorecard](#)
- [Cross-Country Comparison](#)
- [Global Over Time Comparison](#)
- [World Map](#)

<u>Country</u>	<u>Mexico</u>
KEI	5.07
KI	4.95
<i>Econ. Incentive Reg.</i>	5.43
<i>Innovation</i>	4.90
<i>Education</i>	4.37
<i>ICT</i>	5.58



Macroindicators of World Bank Institute

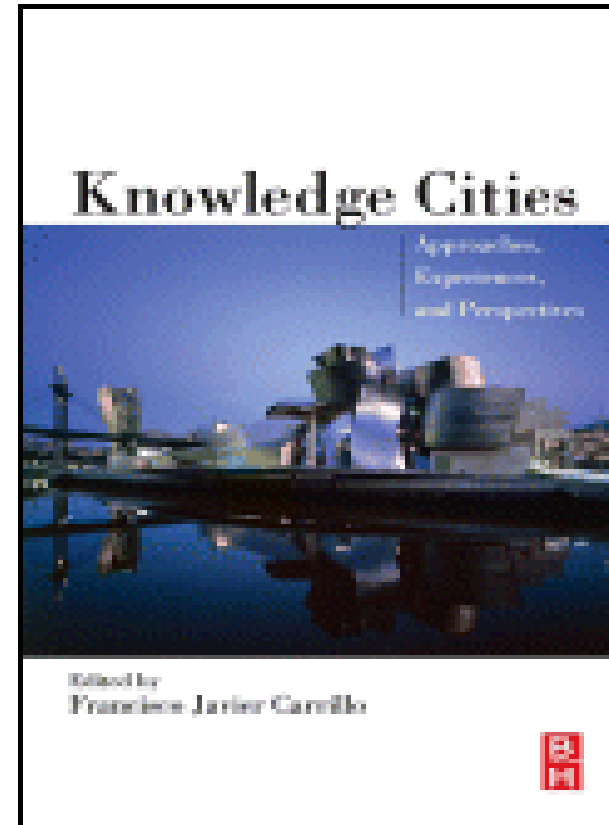
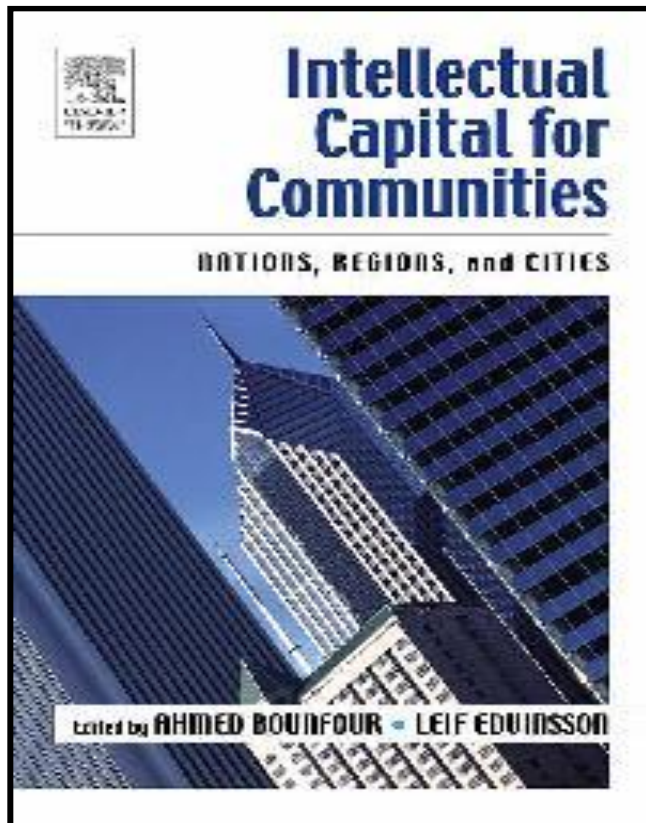


Innovation variables are <input checked="" type="radio"/> weighted <input type="radio"/> unweighted							
Rank	Country	KEI ▼▲	KI ▼▲	Econ. Incentive Regime ▼▲	Innovation ▼▲	Education ▼▲	Information Infrastructure ▼▲
1	Finland	9.02	9.22	8.44	9.73	9.21	8.71
2	Sweden	9.17	9.54	8.05	9.68	9.19	9.76
3	USA	8.50	8.80	7.61	9.43	8.22	8.74
4	Switzerland	8.75	8.94	8.21	9.42	7.73	9.66
5	Denmark	9.00	9.23	8.31	9.36	8.87	9.46
6	Japan	8.26	8.55	7.40	9.27	8.08	8.30
7	Iceland	8.83	8.92	8.55	9.14	8.42	9.20
8	Singapore	8.21	7.78	9.50	9.06	5.33	8.95
9	Canada	8.50	8.67	7.97	9.01	8.39	8.61
10	Taiwan	8.01	8.25	7.30	8.97	6.94	8.85
11	Norway	8.56	8.73	8.08	8.89	8.95	8.34
12	Germany	8.33	8.51	7.77	8.76	7.94	8.83
13	Netherlands	8.62	8.77	8.18	8.72	8.60	8.99
14	Australia	8.77	8.99	8.10	8.71	9.18	9.07
15	UK	8.72	8.96	8.00	8.60	9.00	9.28
16	Belgium	8.25	8.44	7.66	8.49	8.86	7.98
17	Israel	7.72	8.06	6.70	8.37	6.93	8.90
18	France	7.98	8.24	7.19	8.35	8.36	8.01
19	New Zealand	8.58	8.65	8.36	8.32	9.00	8.64

Guiding questions

- **Normative**
versus
constructive approach?

Nations, regions and ... communities



Examples of cities / regions which declare themselves to be knowledge cities / regions



Cities as symbols:
Moroccan Towns of Knowledge

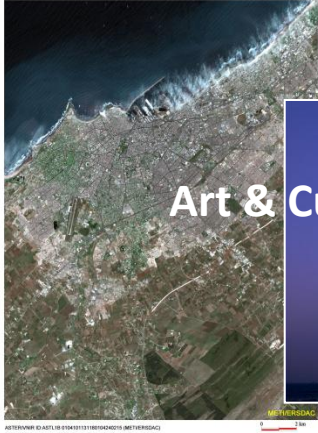
Military Intelligence



University & Education



Art & Culture



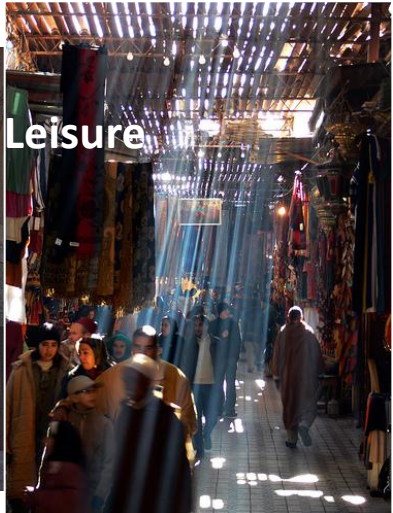
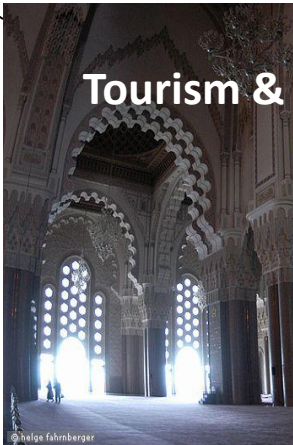
Administration & Government



Telecom & IT



Tourism & Leisure



Guiding questions

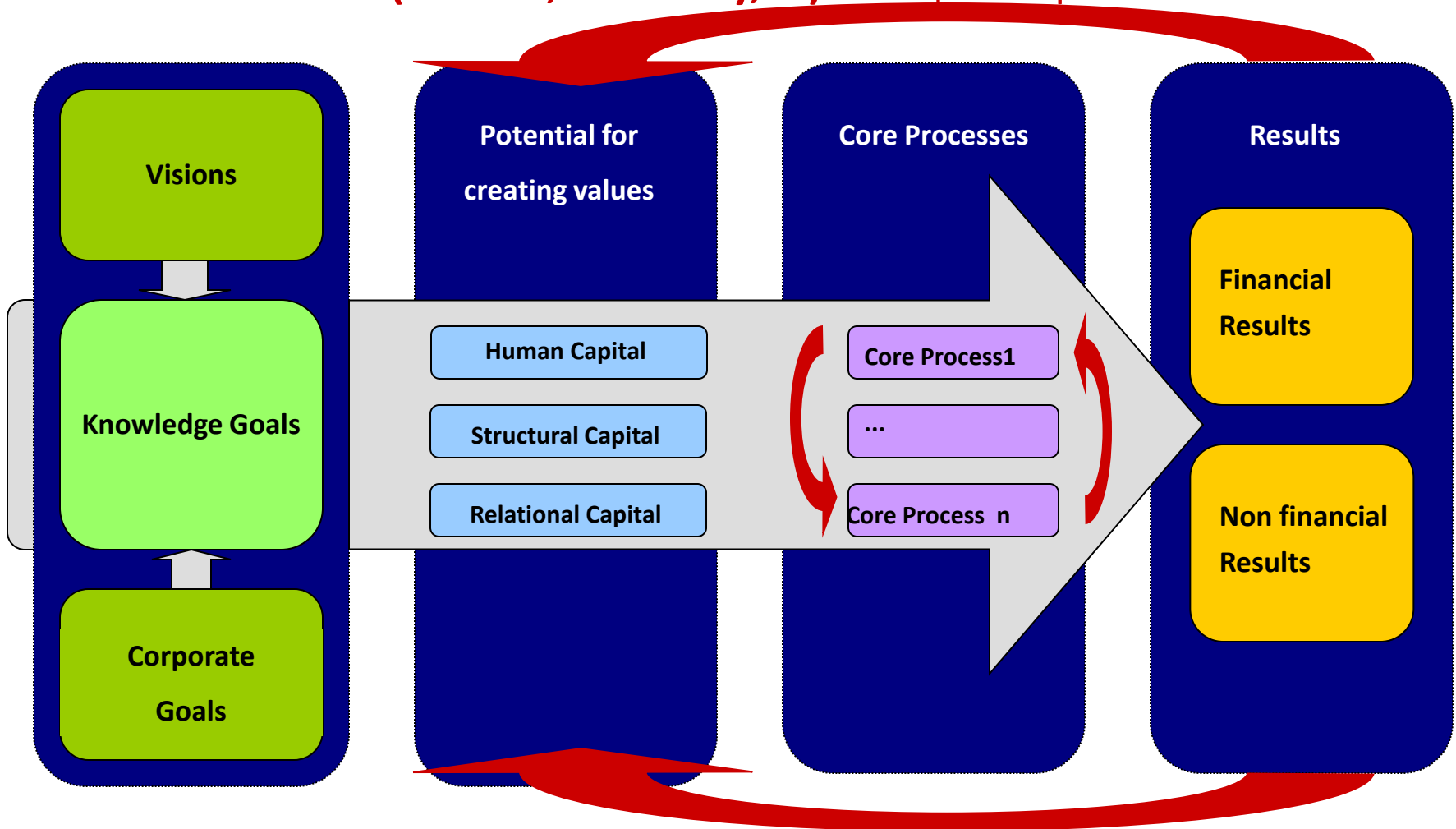
- Normative versus constructive?
- What are the borders of subject (system) to be analysed?

Subject of introducing 1st time an IC Report

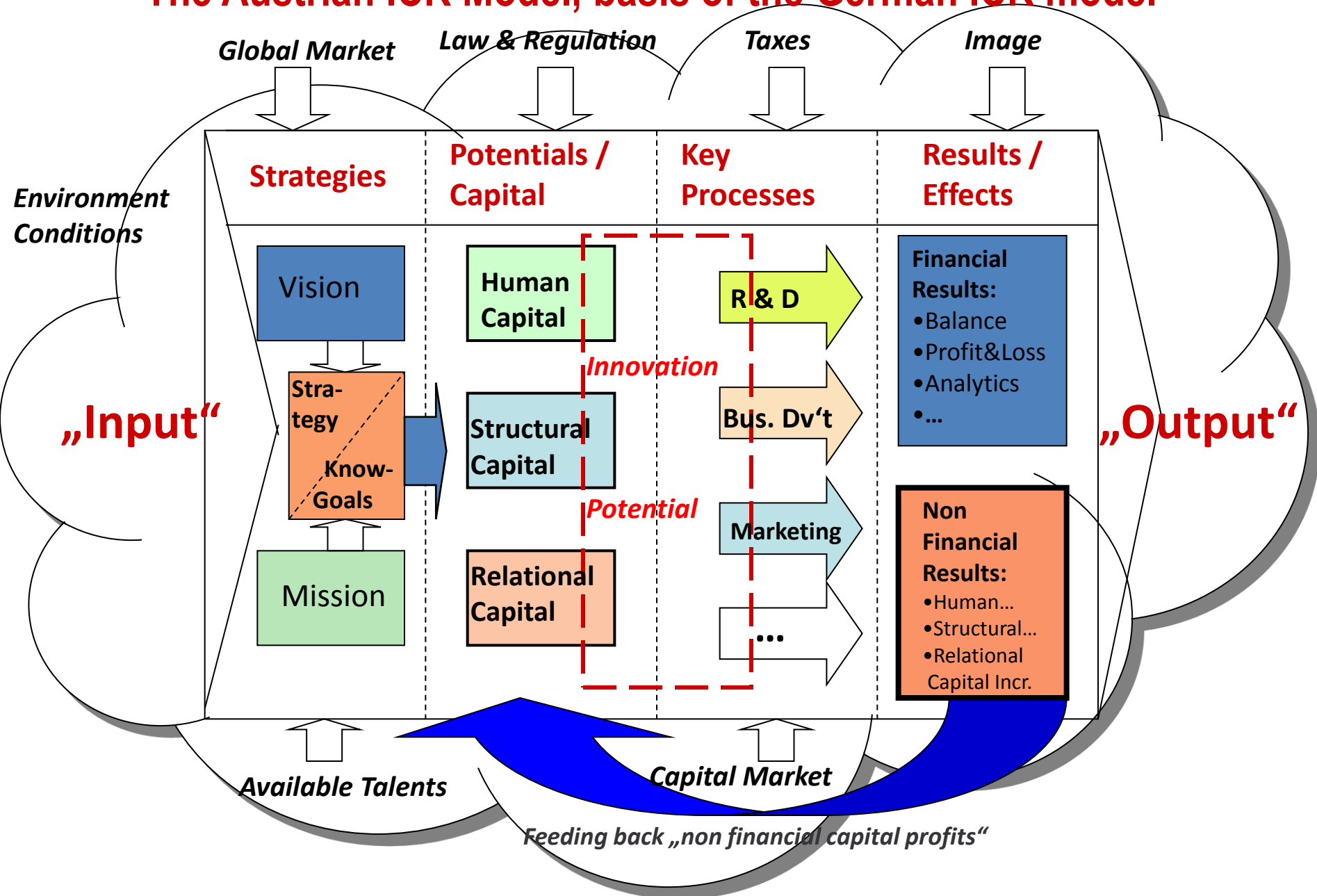
- Vergleichbar: 1998 mit KF-Zentrum (Jülich oder Karlsruhe), 2003 mit Fraunhofer
- ~ 1200 MA, **100 Mio. €, „Umsatz“**: 1/3 Staat, 1/3 Industrie-, 1/3 öffentl. Aufträge
- Wissensbilanzierung seit 1999 jährlich
- Umsatzsteigerung um 50%
- Größter Erfolg: Turn-Around aus „Insolvenz“



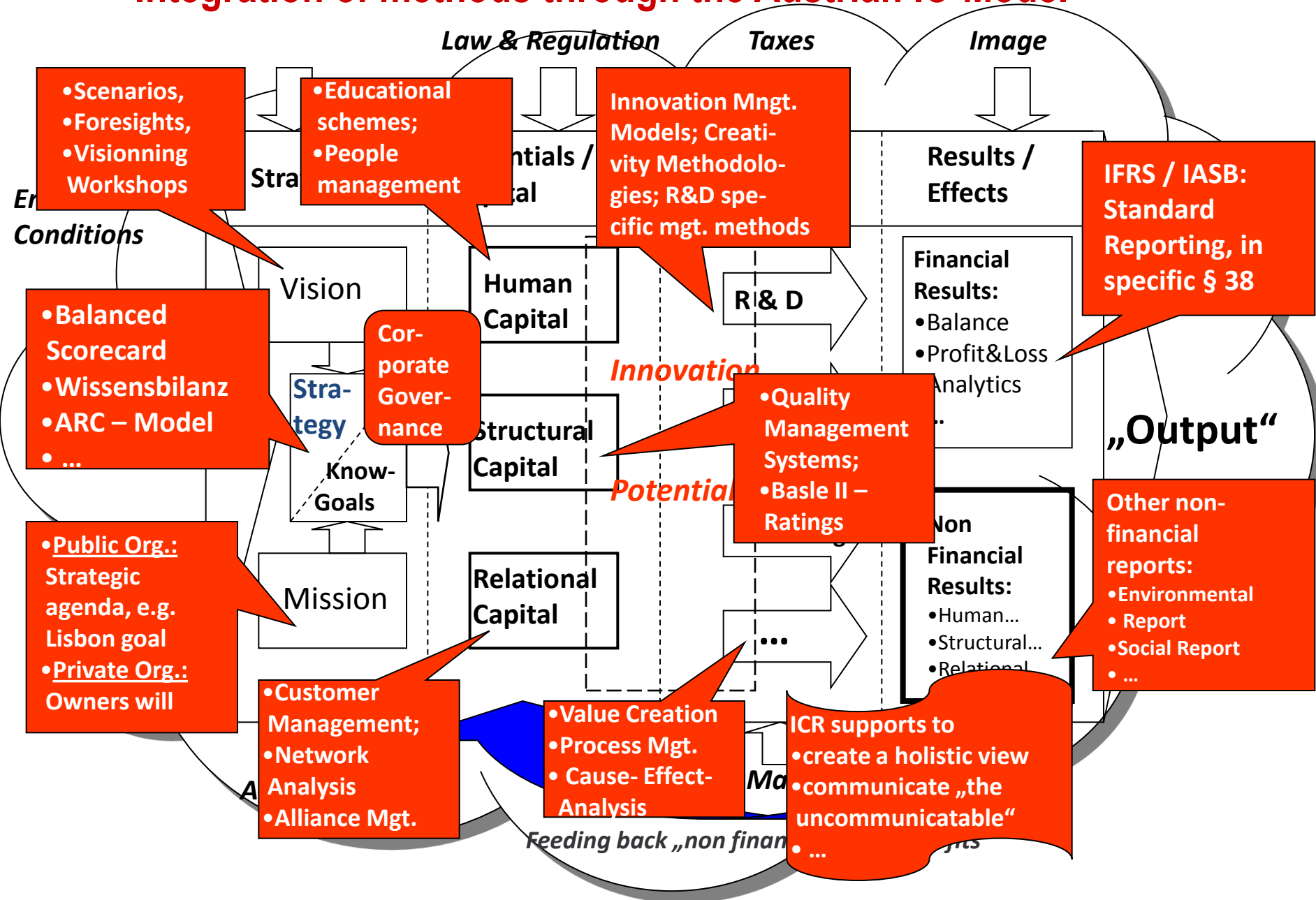
The ICR model of the Middle European ICR Communities (Austria, Germany, ...) - simplified picture



The Austrian ICR Model, basis of the German ICR model



Integration of methods through the Austrian IC-Model



Guiding questions

- Normative versus constructive?
- What are the borders of subject (system) to be analysed?
- What model, what method fits best?
Which disciplinary aspects to be involved?

**Austrian
Government
in the course of
renovating the
university law in
2002 decided to
use the ARC
model as a
reference for
university IC
reporting**

FEDERAL LAW GAZETTE OF THE REPUBLIC OF AUSTRIA

2006

Issued on 15 February 2006

Part II

63rd Regulation: Regulation on Intellectual Capital Reports

63rd Regulation of the Federal Ministry of Education, Science and Culture on Intellectual Capital Reports (Intellectual Capital Report Act – ICRA)

According to subsection 13(6) and subsection 16(6) of the University Act 2002, Federal Law Gazette I No. 120, amended as per the Federal Law Gazette I No. 77/2005, the following is enacted:

Scope of application

§ 1. This regulation applies to intellectual capital reports of all universities according to section 6 of the University Act 2002 and the Danube University for advanced further education Krems according to the Federal Act on the Danube University for advanced further education Krems (DUK Act 2004), Federal Law Gazette I No. 22/2004.

Objectives of the intellectual capital report

§ 2. The intellectual capital report aims at presenting, evaluating and communicating intangible assets, performance processes and their consequences and serves as a qualitative and quantitative basis for generating and entering a performance agreement.

Structure of the intellectual capital report

§ 3. (1) The intellectual capital report includes the following sections:

I. Scope of application, objectives and strategies

II. Intellectual property

1. Human capital

2. Structural capital

3. Relational capital

III. Core processes

1. Education and continuing education

2. Research and development

IV. Output and impact of core processes

1. Education and continuing education

2. Research and development

V. Summary and prospects.

(2) According to section 6 paragraphs 4 to 6 and 12 of the University Act 2002, intellectual capital reports of universities are to include a section “VI. Specific set of indicators for universities of medicine” in addition to the sections listed in (1).

(3) According to section 6 paragraphs 16 to 21 of the University Act 2002, intellectual capital reports of universities are to include a section “VII. Specific set of indicators for universities of arts” in addition to the sections listed in (1).

Contents of the intellectual capital report

§ 4. (1) The section “I. Scope of application, objectives and strategies” is to be composed in a narrative format. In addition to the scope of application, objectives and strategies the following topics are

What went wrong ?

FEDERAL LAW GAZETTE OF THE REPUBLIC OF AUSTRIA

2006 Issued on 15 February 2006 Part II

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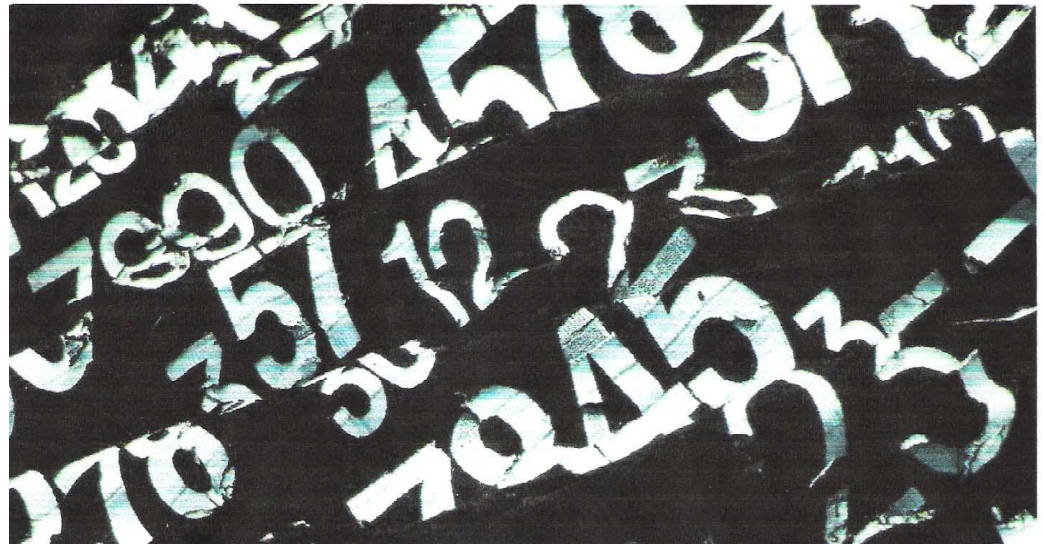
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Wider die Zahlenwut

*Mit der Wissensbilanz sollte den Universitäten ein modernes Konzeptions-, Strategie- und Führungsinstrument in die Hand gegeben werden. Doch mittlerweile ist sie als Verstehensinstrument desavouiert und von der Mehrheit der Rektoren und Dekane schlecht geredet, meinen Prof. DI **Günter Koch** und Prof. Dr. **Ursula Schneider***. Was sie fordern: nicht die Abschaffung der Wissensbilanzen, sondern ihre Verbesserung.*

Experience from Austria in setting a „Knowledge Politics Agenda“

1. Step (2006:) Scientific foundations through a true transdisciplinary project



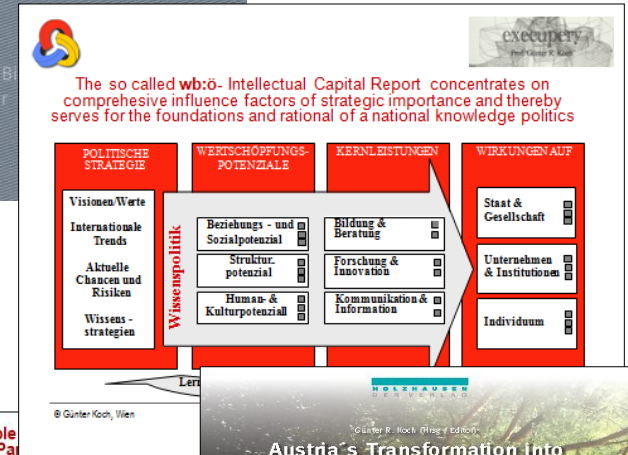
2. Step (2007): Designing a model and a process for organising future knowledge politics (National K-Report -> U. Schneider)



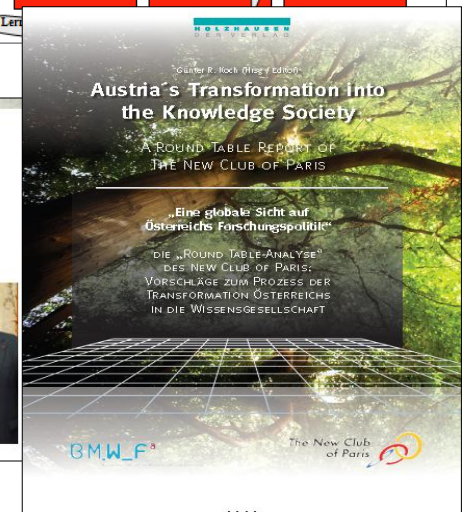
3. Step (2009): Running the 1st International Conference on „Knowledge Politics“ in the context of the Austrian NCP Round Table



4. Step: (2010): Defining a Strategy for a National Knowledge Politics by means of broad participation by everyone interested – via an internet facility. 1st results presented at „2nd Conference on Knowledge Politics“

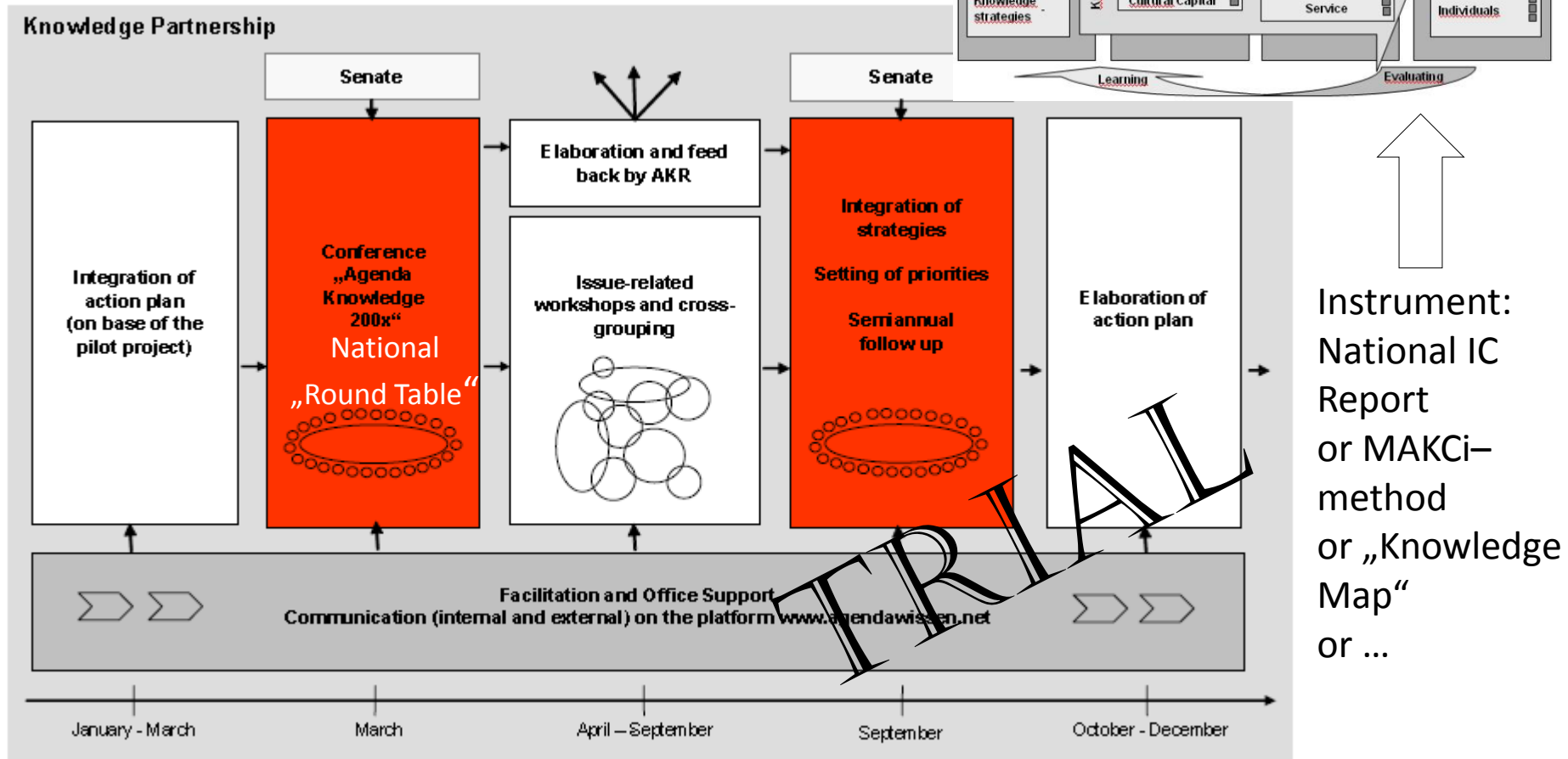


An impression of a Round Table in summer 2009 in the Austrian Parliament



Putting Knowledge-Politics in Austria into praxis: Structure and Process

Potential conflict between official, institutional democracy (e.g. through parliament) and non parliamentary liquid & grassroots democracy



Guiding questions

- Normative versus constructive?
- What are the borders of subject (system) to be analysed?
- What model, what method fits best?

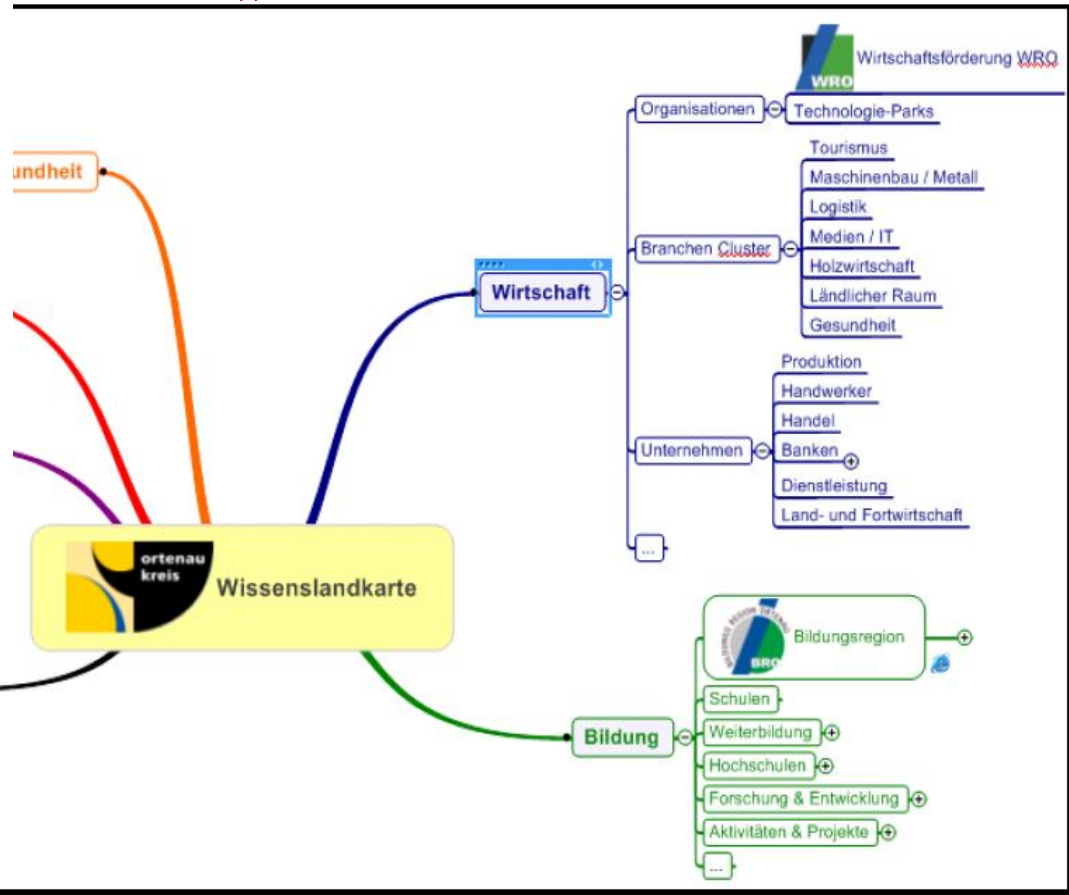
Which disciplinary aspects to be involved?

- **How shall the process be organised?**

Example of a Regional IC Report:

The „Ortenaukreis“

Strasbourg

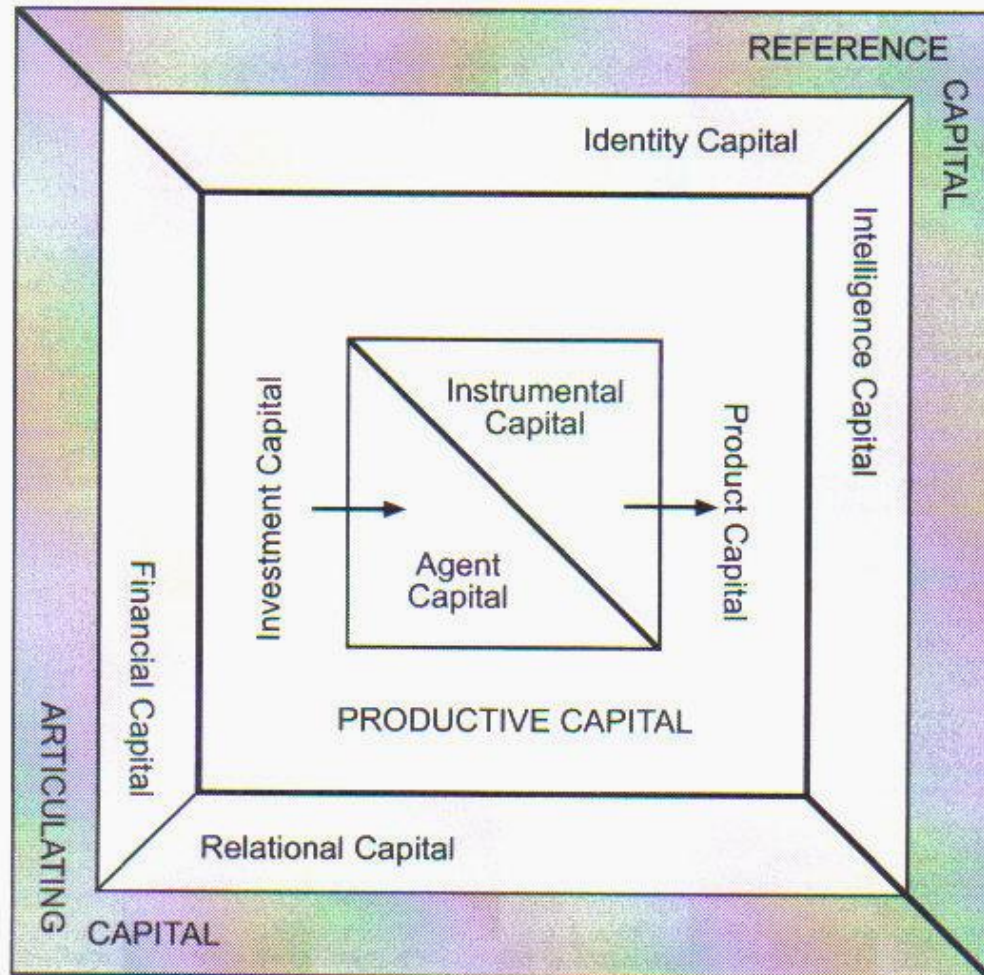


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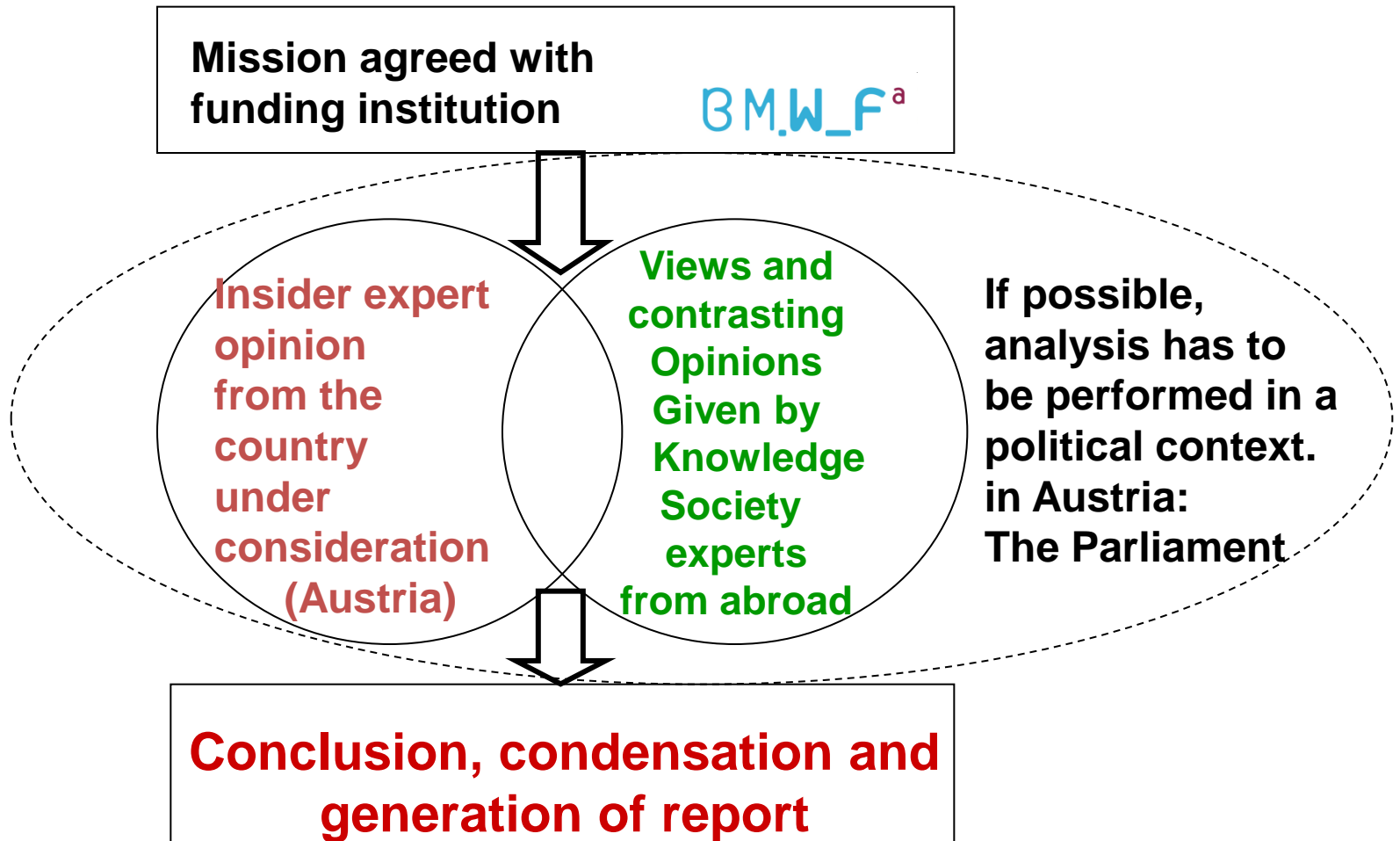


FÖHRUNGS-AKADEMIE C. Nagel & Kollegen
BADEN-WÜRTTEMBERG Beratungsgesellschaft m.B.H

One specific approach for analysing the IC of cities / regions: The MAKCi Award model



„Round Table“ approach

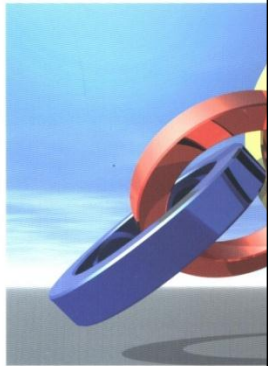


Round-Table Country Reports of *The New Club of*

Five Steps for Finland's Future

Pirjo Stähle (ed.)

Technology Review 202/20



A New Vision For Malaysia

Austria's Transformation into the Knowledge Society

A ROUND TABLE REPORT OF
THE NEW CLUB OF PARIS

„Eine globale Sicht auf
Österreichs Forschungspolitik“

DIE „ROUND TABLE-ANALYSE“
DES NEW CLUB OF PARIS:
VORSCHLÄGE ZUM PROZESS DER
TRANSFORMATION ÖSTERREICHS
IN DIE WISSENSGESELLSCHAFT

BM.W.F^a

The New Club
of Paris

The 2010 Round Table Report of ...

The New Club
of Paris

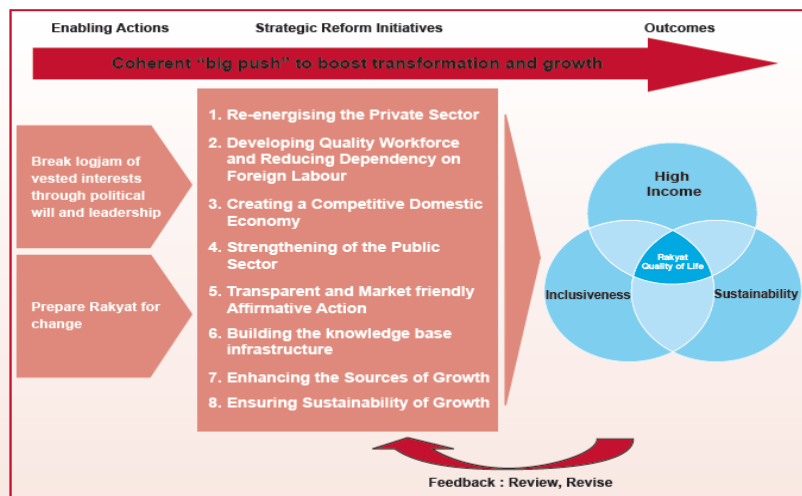
The case of Malaysia: Classical approach

Vision – Mission – Strategy - Policy

The „New Economic Model For Malaysia“ (NEM) is an example of a well thought through policy agenda – alas, „only“ a masterpiece of *Business School exercise*.



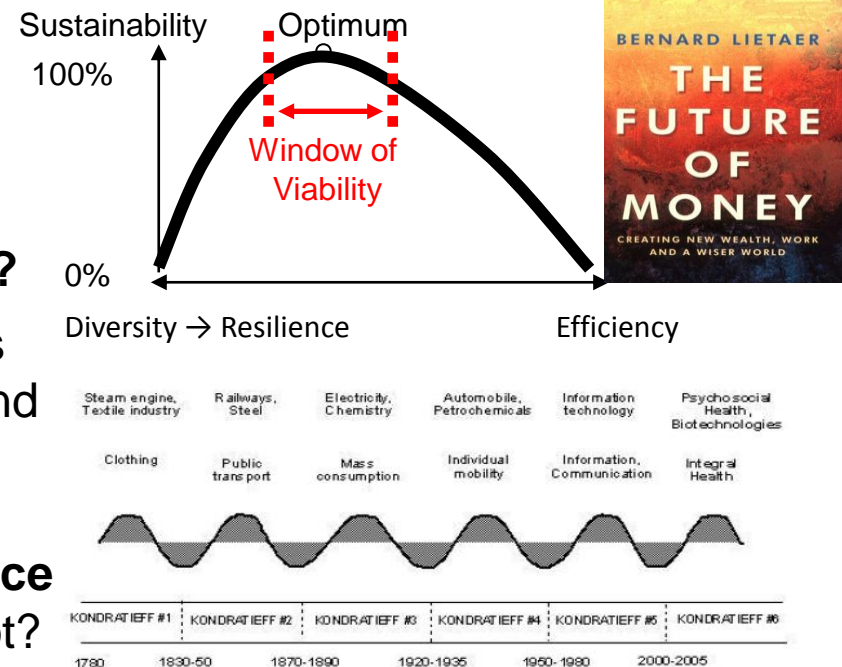
Figure E – The New Economic Model: Enablers and Strategic Reform Initiatives



Analysis by the NCP on Malaysia: Lack of a political „Knowledge Strategy“.

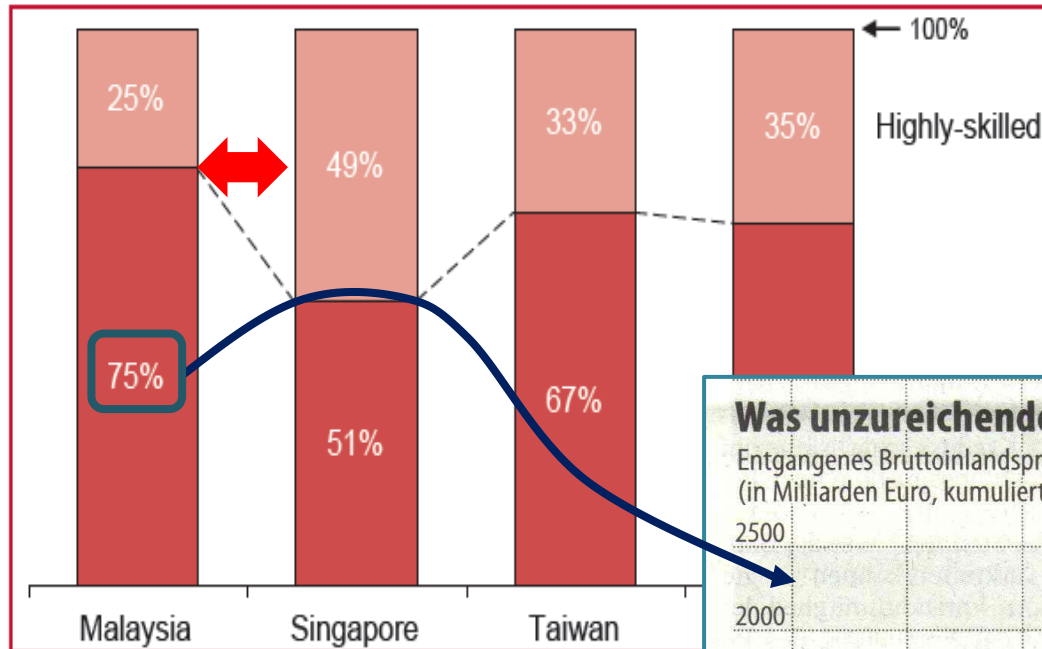
These quizzics still need to be discussed there (not only for Malaysia)

- Is the „**New Economic Model**“ not just a „perfectionalisation“ of the „old model“?
- The answer to the „Denis Meadows-Question“: What comes **after** „**The Limits to Growth**“?
- What would be a „**Knowledge Ecology**“ as an extension on the „Knowledge Economy“?
- If there are limits to growth: How shall the traditional **growth model** be substituted?
- The world is in turbulences. This is a sign of transition into the next „**Kontradieff Cycle**“?
- Nobel Price Winner Joseph Stiglitz suggests to get rid of **GDP as *the* reference figure** and to substitute it by a series of new indicators.
- Belgium scientist and former Central Banker Lietaerd goes beyond a suggests to **introduce a set of different local currencies**. Why not?

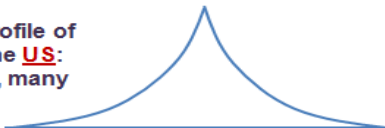


But before, Malaysia has to set its priority on education (1st things 1st)

Highly-skilled and low-skilled labour (2007; %)



Qualification profile of
population in the **US**:
few in the peak, many
in the flat.

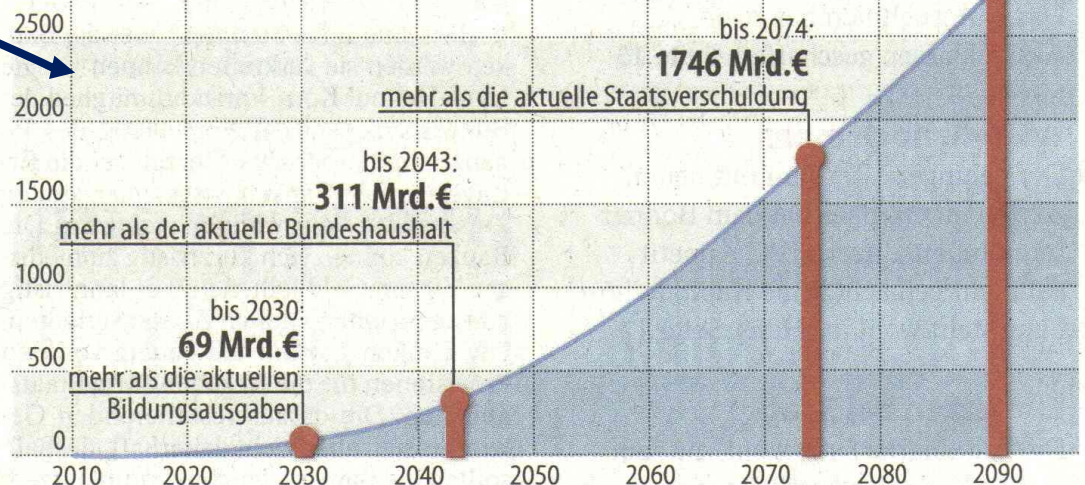


Qualification profile of
population in **Germany**:
balanced over the
different qualification
levels



Was unzureichende Bildung kostet

Entgangenes Bruttoinlandsprodukt
(in Milliarden Euro, kumuliert)



1) Öffentliche Ausgaben im Elementar- und allgemeinbildenden Schulbereich.

Quelle und Vorlage: Bertelsmann-Stiftung / F.A.Z.-Grafik Brocker

Another example: EU Strategy for the Danube Region

A strategy to boost the development of the Danube Region was proposed by the European Commission on 9 December 2010



The Danube region covers parts of **8 EU countries** (Germany, Austria, Hungary, Czech Republic, Slovak Republic, Slovenia, Bulgaria and **Romania**) and **6 non-EU countries** (Croatia, Serbia, Bosnia and Herzegovina, Montenegro, Ukraine and Moldova).

About 115 million people live in the Danube Region!

Serbia: EU candidate engaging in setting the agenda for The „Danube Region as a future Knowledge Region „

Serbia	The Danube Region
<i>Identification of the pre-requisites</i> for moving Serbia towards a <i>Knowledge Society</i>	<i>Identification of the major barriers</i> (countries have little knowledge about each other, brain-drain)
<i>Progress in developing policy documents</i> which support transition of R&D system in Serbia toward the National Innovation System (NIS)	<i>Integration and Cooperation</i> is crucial (cross-border integration) – Knowledge transfer
<i>Identification of barriers</i> for the future development (immense brain-drain, thinking in hierarchies, the linear model of innovation process)	<i>Integration of education</i> policies, targeted education and research
<i>Identification of further abilities</i> to be build upon (a good potential of “doing it yourself, improvisation, high cultural competence, multiculturalism, skepticism)	<i>Identification of future focus in science & research</i> (joint projects, joint research centres, alliances and joint degrees, bankable and pragmatic science and research projects, "scientific identity" of the Danube area, Danube knowledge region, etc.)

Some preliminary results of Round Table in Serbia

The river Danube has to connect not to divide!

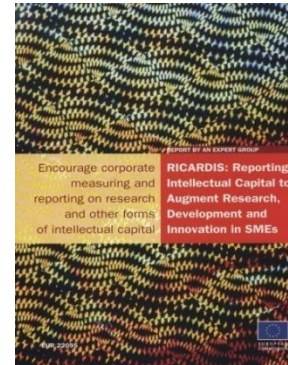
❑ FUTURE FOCUS in Science and Research

- INTEGRATION AND COOPERATION is crucial for the Region!
- Cross-border cooperation and integration;
- Integration of education policies;
- Joint research and innovation projects with private/public sector;
- Joint international research centre
- Integration of the economics of research
- Targeted education and research;
- Bankable and pragmatic science and research projects;
- Universities shall build alliances and give joint degrees e.g. on “grand issues” such as ecological topics (e.g. Educons – ACEU – Green MBA)
- Danube knowledge region / “Spike Region”
- to develop “scientific identity” of the Danube area
- to strengthen the capacities of research infrastructure in the Region
- to start projects and prototypes fitting to the greater idea of a Danube Knowledge Region bottom up asap.

Steps so far taken in different countries for introducing „Knowledge Politics“

1. Europe

- **Ricardis** (a foundation project for the NCP)
... Efficient Working Group
... resulting recommendations to the EC
... INCAS = Europ. method in IC analysis



2. Finland

- **1st Round Table** with PM + Parliament
→ ACSIS Program = Knowledge Platform for educating (future) leaders e.g. in politics

3. Austria

- dev't of a transdisciplinary method for ICR
→ „**Austrian Knowledge Report**“
- Attempt: participative process in defining a „Strategy for Knowledge Politics“

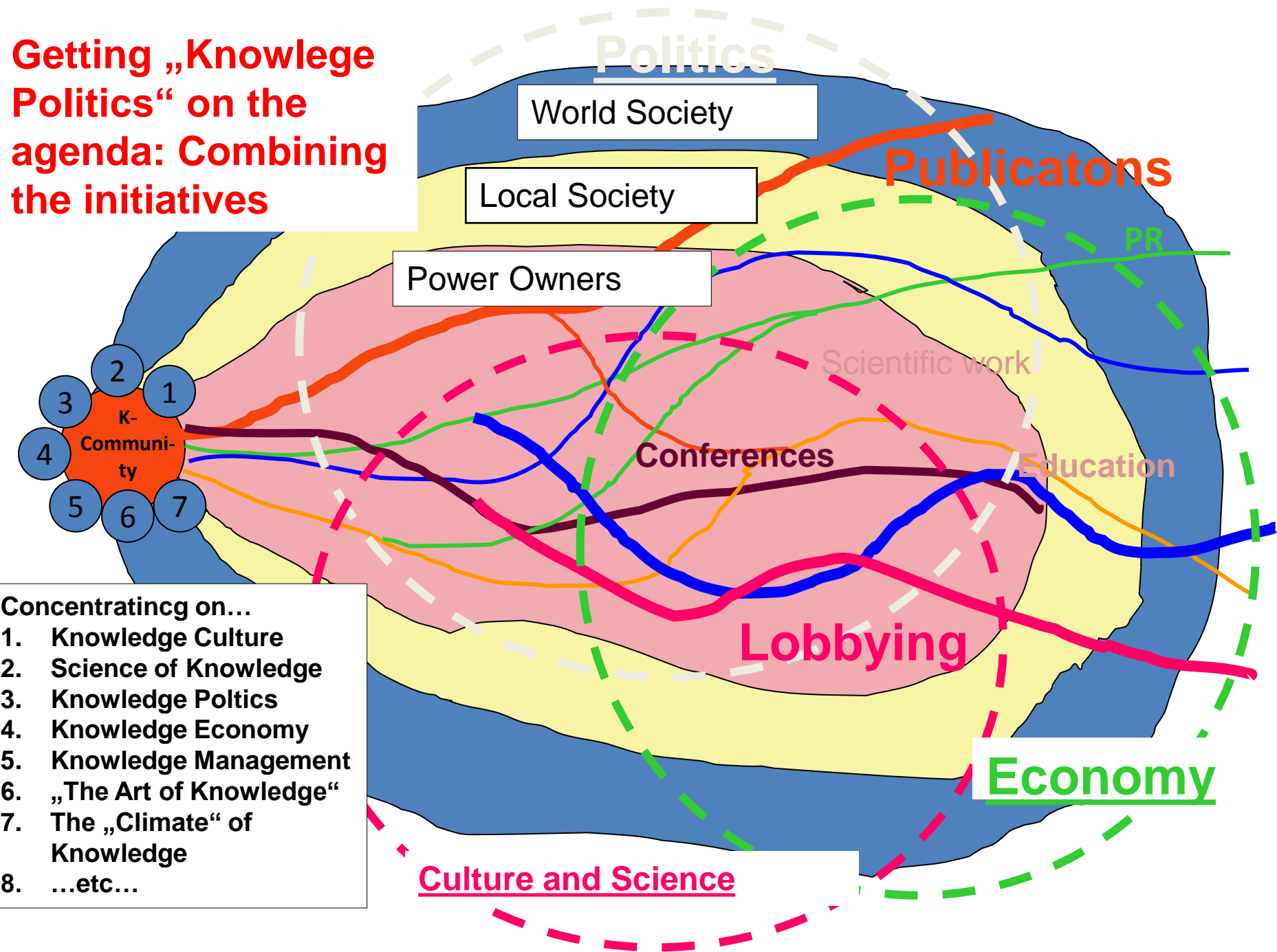


4. Germany

- huge multitude of (uncoordinated) approaches by central and federal govt's
- **some focus on education & Intellectual Capital Analysis („IMO“ project)**



Getting „Knowledge Politics“ on the agenda: Combining the initiatives



**Practising „Lobbyism“ : Talking to EU Commissioner
for Regional Politics , J. Hahn, in favor of a
consistent Knowldg strategy for the Danube Region**



Guiding questions

- Normative versus constructive?
- What are the borders of subject (system) to be analysed?
- What model, what method fits best?
Which disciplinary aspects to be involved?
- How shall the process be organised?

Most important

- For whom shall the IC report be compiled?

Who are the beneficiaries?

- What purpose shall the IC Report serve?

Guiding questions

- **Normative versus constructive?**
- **What are the borders of subject (system) to be analysed?**
- **What model, what method fits best?**
 - Austrian / German model
 - BSC
 - NCP Round Table
 - MAKCi
 - World Bank (OECD, EU)
 - self defined indicator systems
 - see RICARDIS report

Disciplines involved ? Sociology, org theory, science theory, economy, economics, marketing, ...

Guiding questions

- **Normative versus constructive?**
- **What are the borders of subject (system) to be analysed?**
- **What model, what method fits best?**
Which disciplinary aspects to be involved?
- **How shall the process be organised?**
 - Public study
 - Representative groups
 - Experts
 - Use of statistics
 - Clerical acquisition of indicators
 - Continuous workshops
 - ...

Guiding questions

- Normative versus constructive?
- What are the borders of subject (system) to be analysed?
- What model, what method fits best?
Which disciplinary aspects to be involved?
- How shall the process be organised?
- For whom shall the IC report be compiled?

Who are the beneficiaries?

- Politics
- Citizens
- Public bodies
- Selected organisations
- ...

Guiding questions

- Normative versus constructive?
- What are the borders of subject (system) to be analysed?
- What model, what method fits best?
Which disciplinary aspects to be involved?
- How shall the process be organised?
- For whom shall the IC report be compiled?
Who are the beneficiaries?
- What purpose shall the IC Report serve?
 - Analysis
 - Strategy building
 - Steering, control
 - Image building
 - ...



EUROPEAN UNION



GOVERNMENT OF ROMANIA
MINISTRY OF LABOUR, FAMILY
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SOPHRD 2007-2013



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UE fisci di
EXECUTIVE AGENCY FOR
HIGHER-EDUCATION, RESEARCH
DEVELOPMENT AND
INNOVATION FUNDING

Mutual Learning Workshop

Intellectual Capital Reporting – International Practice Universities, regions, nations

Discussion

