

TG35 - Innovation Systems in Construction



The Steering Committee of TG35 met at CSTB in Paris on 18th and 19th November 1999 under Coordinator André Manseau. Significant progress was achieved with the planned publication which will compare Public Policy Instruments and Innovation.

Thanks to the regular input of news from its active Coordinator André Manseau, readers of INFORMATION are kept fully abreast of the developments and plans in TG35.

Below André reports on the third meeting of the Steering Committee which took place at CSTB on 18th and 19th November 1999 at which some 20 participants (including 4 by phone to and from South Africa, Japan, USA and Argentina) from 13 countries were involved.

Coordination Meeting

The morning of the first day, 18th November, took the form of a Coordination Meeting at which the Coordinator invited participants to review the next major milestones of TG35 and to refine the calendar of activities and steps to be achieved. Following a discussion, the following schedule of activities was established:

- End of January 2000: Each participating country to provide a 2-page synopsis of its paper
- February-March 2000: A synthesis paper including all synopses will be prepared by George Seaden and André Manseau, and will be circulated to participants for comments
- End of March 2000: The paper will be sent for publication in the BRI Journal
- End of March 2000: Each participating country to provide its full paper
- April 2000: Next meeting for a final discussion review of the book
- May-July 2000: Professional reading and editing of the book by the Publisher, Spon
- 14-15 September 2000: Pre-launch of the book at the CIB W055 and W065 Annual Meeting in Reading, UK
- From the end of 2000 to mid 2001, three international conferences will be organised, one in Canada, one in Europe and one in New Zealand in conjunction with the next Triennial CIB

Conference (Wellington, April 2001)

These conferences will be focused on policy issues, inviting policy makers to discuss how TG35 findings relate to their country concerns and what approaches could work in their context.

Public Policy Instruments

In the afternoon of 18th November, it was Public Policy Instruments and Innovation in Construction which featured on the Agenda.

Jean Carassus, Head of Department, Economics and Human Sciences at CSTB, welcomed participants and gave an overview of CSTB activities and priorities.

George Seaden, Chair of the Steering Committee, recalled the objectives of TG35 and presented a brief progress report of its achievements.

Keith Hampson, Francisco Cardoso, André Manseau and Sten Bonke briefly presented each of the following country's papers in succession: Australia, Brazil, Canada and Denmark. The Brazilian construction sector recently presented its third annual report on "Construbusiness". Major issues are still rather traditional, such as taxation and regulation. Nevertheless, the Government has recently implemented a new programme funding 12 industry-led innovative projects.

A discussion period followed the first four presentations. The institutional, cultural and legal contexts of each country appeared quite relevant to consider when analysing the effectiveness of programmes as well as industry performance issues. For instance, some participants stressed that a fragmented industry can perform well in a rather small country like Denmark and where an "Organisation Society" approach is a major element of the culture that facilitates people to work together in adopting or adapting innovation. The context is rather different in other countries and this would require a different approach to support innovation.

Another important point of discussion was the scope of the industry that should be addressed in each paper. It was suggested, whenever that information might be available, to take into consideration all major components of the construction business in our study, i.e. a broader perspective, from suppliers of products and services to builders and to major users of built facilities.

A second group of papers was presented by their authors: Finland by Tapio Koivu, France by Elisabeth Campagnac and Jean-Luc Salagnac, Germany by Thomas Cleff, South Africa by Rodney Milford (by telephone), and Argentina by a colleague of Dora Mabel Zeballos (by telephone).

A discussion ensued and Richard Belle from CERF - USA, joined the discussion by telephone. Participants observed from preliminary results that in many countries, very few firms in construction take advantage of current R&D or innovation programmes offered by governments. Therefore, programmes would need to be adapted to the construction industry. Tapio Koivu added that no single programme can address all issues and a diversity of instruments is required.

A common trend toward a more market-driven approach for new programmes was also noted. Some participants stressed that this trend might again not be fully appropriate for the construction industry, as many firms do not have long term management capabilities. A public programme is effective when companies can improve their performance by using it, as well as providing benefit to the overall nation.

National Situations

When the meeting re-convened on the next day 19th November, papers on the different national situations were presented.

Shin Okamoto, from CRITC-JARGC Japan and a former CIB Vice President, was introduced to participants by telephone. Dr. Okamoto expressed his strong interest in the TG35 work and agreed to prepare a paper on the Japanese situation. Chris Pollington, Deputy Secretary General of CIB, will probably work with Shin Okamoto as editor.

Joris Meijaard briefly presented the Netherlands paper. The Netherlands situation appeared rather unique with its specific land and zoning controls, developed in response to a lack of space and the high risk of flood.

Roger Courtney followed by presenting the UK paper. In particular he accentuated certain major trends in the approach of the UK public programmes. An important trend is in changing the public sector market to public-private arrangements and where the private sector can benefit from life long quality building. Another approach is to develop programmes that are focusing on a business level of analysis - what are the best firms doing? And how to help the rest to learn from them. Performance indicators at the firm level are being developed that will enable inter-firm benchmarking as well as industry wide performance assessment.

Keith Hampson reported that a similar benchmarking programme is underway in Australia.

Elisabeth Campagnac emphasised that the notion of "best practices" does not exist in France. Conceptually, any best practices can be improved by an innovation, and therefore lose its quality of being the best. And in practice, the effectiveness of a "best practice" depends on the context, as well as perhaps being beneficial to some and not to others. Roger Courtney replied that best practices are rather general guidelines that should be adapted to each specific situation. Application of best practices should also improve relationships between actors and create a long-term win-win situation.

George Seaden added that it is also important to address the issue of a potential conflict between a government approach that promotes sharing competencies to enhance the overall economy, and a private sector perspective that attempts to protect their competencies for developing competitive advantage.

Improving long term relationships between key actors appears to be an important success factor for innovation. However, some participants stressed that strong relationships can create collusion, and it is important that a certain level of competition be maintained to ensure effective market and continuous improvements.

Another important factor to take into consideration is the complexity and rigidity of regulations. Various administrative levels of regulations, as well as too detailed-specific standards impede flexibility and innovation.

George Seaden then led a discussion aiming at a synthesis. He had circulated a paper intended to catalyse discussions prior to the meeting. He laid particular emphasis on the fact that the general trend toward a market-driven approach does not mean an end of government roles. Governments are still very important clients of buildings and facilities, and moreover, they still have the role of securing safe environments, and of enhancing national wealth and quality of life.

The meeting was concluded by an agreement on the framework to be used for each paper. Although naturally they will vary in content and coverage.

André Manseau



After the Meeting André Manseau had more to say on the form which it is planned the envisaged TG35 Publication should take. It will be along the following lines.

Preliminary Title

An International Comparison of Public Policy Instruments and Innovation in Construction

Introduction by André Manseau and George Seaden

Then will follow Chapters from Argentina, Australia, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Japan, The Netherlands, South Africa, USA and the UK.

Authors of each Chapter have been asked to structure their contributions according to the following framework.

Section 1 - Context

1.1 General Context

1.2 Construction Industry Context

1.3 Innovation in the Construction Industry

Section 2 - Public Interventions

This Section will describe various approaches and major public programmes that address innovation in construction; direct and indirect, general and specific, and from supporting R&D to facilitating adoption and diffusion of standards; It will highlight major patterns and reactive responses to changes, as they might be identified.

Section 3 - Effectiveness of Public Interventions

This Section will look at the effectiveness of public interventions to date on enhancing innovation in construction. What has worked - What has not worked? What factors have affected innovation? How the industry performance has changed? How public issues have changed (quality of life, safety)?

Section 4 - Trends and Conclusion

This Section will set out the major trends in types or approaches of public instruments; what are the major challenges for the future? What are the possible consequences of current trends? What should be prioritized?

