Instructions for Exercise “Innovation Policy Strategy Presentation”

The essential questions that the innovation policy strategy presentation must address are five:

☐ What is at stake? What is the long-term vision (for 2030) for the country and the role of innovation in that vision
☐ What are the 3-5 principal shortcomings of the current innovation system in your country?
☐ What are 4-5 entry points to improve the situation and create reform momentum?
☐ How to scale these entry points up? Who are the champions to take the lead?
☐ How to avoid business as usual? Which are the vested interests which would maintain the status quo?

While you design your strategy, make sure that you think also alongside the functional dimensions of innovation policy: the pillars of education and R&D, financing and supporting innovators through appropriate business services and legal frameworks, and a modern M&E framework. Ask yourself in general what can be achieved in these areas!

Some guiding questions for the respective pillars and topics are:

1) Innovation and Innovation Policy
   - Please define the various players in your country’s innovation system (public and private organizations) and describe their role in the innovation system.

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<th>Name of the Player</th>
<th>Role in the Innovation System</th>
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   - Please describe the innovation policies, in general, that are currently in place in your country. How are they similar or different as compared to those in Korea?

2) Pragmatic Innovation Agenda
   - Based on the things you have learned through this module, please provide an analysis for the pragmatic innovation agenda in your country, what are some of the strength and weaknesses you see, in both the public and private sector, and what are some of the ways with which you can improve the overall agenda? What will be required for these improvements to occur?
3) **Education and R&D**

- Based on the concepts and themes outlined in this module, please provide an analysis of the respective education and R&D systems in your country.
  a. How do they contribute to the pragmatic innovation agenda you are formulating?
  b. What are the major strengths, weaknesses, opportunities and threats facing them?
- Which of the policies and strategies discussed do you deem most viable for your country and why?

4) **Financing and supporting Innovators**

- What financing schemes are in place in your country? How do they compare to the ones in Chile and Korea?
- Based on the concepts and themes outlined in this module, how does the current regulatory system in your country look like in broad terms, what should be strengthened, and how could this be done?
- In what ways do policies in your country acknowledge the importance of place and proximity such as incubators in the innovation process?

5) **M&E**

- Based on the concepts and themes outlined in this module, discuss the challenges and bottlenecks of an effective M&E system in your country with emphasis on both technical and political/organizational factors.
- Which reform options do you think have the greatest potential for your country’s system? Explain your reasons.

In preparing your answers to these questions, you may find it helpful to talk about and fill in the following table.

**Table: Classify innovation agenda actions by degree of difficulty and impact by listing them in the appropriate box.**

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<th>Hard to implement</th>
<th>Easier to implement</th>
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<td><strong>High impact</strong></td>
<td>These actions entail tough political and economic choices.</td>
<td>If they are easy to do and have a major payoff, chances are they have already been done. Thus, these ideas may represent the least insightful group of interventions. But ideas on this list can be of premium value because if they have not been tried, they offer an easy payoff.</td>
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<td>They represent trade-offs between resources and political good will, but the payoff for successful implementation is likely to be high. These actions will have major consequences.</td>
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<td><strong>Low impact</strong></td>
<td>Interventions that are difficult to implement and, once carried out, have little impact are a waste of time and money. These ideas can quickly be discarded.</td>
<td>It would be foolish not to implement the ideas in this box. Although they may not have much impact, they may contribute to the desired changes and are easy to do.</td>
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Please summarize your innovation policy strategy in a presentation consisting of 6 slides organized as follows:

Slide 1: *Context*: Highlight the key political, economic, social and historical factors that will influence the shape and thrust of an innovation strategy. Define the performance problem that the strategy is intended to address.

Slide 2: *The Vision*: How do you see your country 20 years from now? What kind of competitive advantage will it have in the global economy? What is the role of innovation in this vision?

Slide 3: *Key performance problems*: What are the 3-5 principal shortcomings of the current innovation system in your country?

Slide 4: *Entry points*: What are 4-5 entry points to improve the situation and create reform momentum?

Slide 5: *Scaling up entry points*. Over the medium-term, how to scale up promising entry points? Who will be the champions for this process?

Slide 6: *Implementation*: How will the strategy be implemented? By whom? How to deal with the vested interests resisting the change and avoid ‘business as usual’?

Please see Annex 1 for guidance on issues to consider for promoting innovation policies in developing countries.
Annex 1: Guidance on issues to consider in designing innovation policies in developing countries

Supporting innovation policies in developing countries often entails the following issues and tools: technology strategy, institutional issues, the legal framework, countries' specific needs and assets, agents of change, reforms, and cultural and behavioral characteristics (based on the World Bank: “Innovation Policy – A Guide for Developing Countries”):

• **Technology strategy**—**tapping into global knowledge and technology for dissemination in the local economy.** Low- and middle-income countries should emphasize adapting global knowledge to local needs, while the R&D structure should focus on adaptive research in close contact with local needs and users. Those countries should also give priority to establishing a dense network of offices and mechanisms for facilitating the diffusion and adoption of new technologies and practices among peasant and other communities.

• **Policy focus**—specific needs and assets. Sectors such as agriculture and tourism are typically among those that should receive close attention and adequate support in all areas, including technology, trade, management, and logistics. Poor communities also deserve particular care and can benefit greatly from well-tuned, but not necessarily costly or extensive, support.

• **Agents of change**—**using global connections for leveraging change in the domestic context.** Dependence on foreign technology, the importance of foreign actors for accessing global markets, the potential role of diasporas, and the relative weight of foreign aid in the government budget are all factors that can influence change and help reverse the institutional and behavioral inertia that affects domestic activity.

• **Reform approach**—**acting on specific sites and stimulating broader reforms via success stories.** Since it is inherently difficult to engage reforms nationwide, government policies should concentrate on specific sites or sectors, given that there are always assets to exploit. A well articulated government action—with an appropriate package of measures—will help ensure success and build trust and confidence in society. When a critical mass of such projects becomes visibly successful, a positive association process leads to broader reforms. It then becomes possible to reshape institutions gradually in line with global standards.

• **Cultural and behavioral characteristics**—**respecting cultural and behavioral specificities.** Like the economically advanced countries, the developing world has its specific characteristics. The idea that “one size fits all” is now widely rejected, but beyond that there is a need to understand specific motivations and behavior as people innovate, create new things, adapt their institutions, and manage their businesses.