China as an innovation hub: Implications for international cooperation

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Outline

- An innovation Paradox
- National Innovation System (NIS)
- R&D capacity and governance
- International co-operation
- Recommendations
China's achievements

- Lessons learned from the OECD China project tell us that China has achieved tremendous results over the past decades, but that islands of excellence do not create the necessary widespread benefits.

- The OECD countries would welcome further achievements, in particular in gearing innovation more towards balanced socio-economic development.

- Norway sees China’s inclusion in the global economic system as a great advantage that first of all helps pull millions out of poverty.
OECD Economic Survey Norway 2007

- OECD confused by:
  - Less technological innovation activity than elsewhere
  - Clear signs of non-technological innovation

- The non-technological incremental innovation is also technology-based and as valuable

- OECD mixes the concepts of research and innovation and claims both that Norwegian industry is innovative and not-innovative

"Welfare society" as a driver for wealth creation and employment

Scandinavian economies thrive despite high taxes: Forget the stereotypes about Scandinavian socialism and how its high taxes and expensive public health care system are destroying private enterprise. It turns out nothing could be further from the truth.
China as innovation hub: Reflections on innovation and innovation policy

- Our Norwegian/OECD experience tells us that innovation concerns a wide range of activities and processes that go well beyond R&D.

- True benefits will be achieved only if innovation can induce significant resource mobilization, human capital, and development throughout the economy.

Norway: «to ensure that Norway occupies a leading position internationally in terms of new technology, skills and knowledge»

China: "to become an innovative country by 2020"
National Innovation System (1)

- Innovation policy to serve wider welfare
- Multisectorial Integrated Projects to serve sectorial policies, for instance
  - Climate/environment/energy
  - Water resource management
  - Regional development;
    - Agriculture, healthcare systems etc
National Innovation System (2)

- Business centered NIS
- User driven R&D to stimulate networks
  - Partnership innovation
- Strategic development of industry and build up of absorptive capacity
  - Programs for utilizing new technology in business development – educating consultants
  - Create a positive environment for increased participation in R&D for Chinese industry
  - Develop regional innovation systems
R&D capacity & governance

- Governance
  - Case Norway
    - one research Council – 16 ministries involved in R&D
  - Case Finland
    - Science and Technology Council giving recommendations to the President
Recommendations

- Build upon the OECD experience in developing sound framework conditions
- Improve innovation governance and steering to ensure effective prioritization of resources and efficient implementation of policies
- Develop ambitious welfare objectives that will trigger innovation as well as serve as a platform for innovation
- Continuous efforts to invest in knowledge (in particular basic research and education)
- Establish bilateral cooperation in areas of joint concern
Why cooperate?
- Sharing knowledge
- Sharing budgets
- Sharing futures

Thank you for your attention!