



Innovation Policy for Inclusive Growth: Technical Conference on Trends, Policies and Evaluation

World Bank-OECD-BNDES

BNDES Headquarters, Rio de Janeiro, Brazil

October 24-25, 2011

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The World Bank, the Organization for Economic Cooperation and Development (OECD) and Brazil's National Development Bank (BNDES) are organizing a technical conference on innovation policy for inclusive growth, growth that provides employment and consumption opportunities for large segments of the population and that is driven by firms' increased productivity and competitiveness, especially among young firms. The key objectives of the conference are:

- (1) To enhance policymakers' and business leaders' understanding of appropriate innovation policies for more inclusive growth by focusing on emerging issues, and
- (2) To provide a forum for sharing international policy experiences to facilitate implementation and improve efficacy of innovation policies in emerging economies.

The conference is designed to facilitate knowledge sharing, joint learning and capacity building on the practical "how to" of innovation policy for more inclusive growth -- including a focus on trends at the global, national and sub-national levels, relevant policy instruments, new institutional arrangements for supporting innovation, new roles of the actors involved in the innovation process, and evaluation of policy effectiveness. The conference will include a mix of local, regional Latin American and global participants. Instead of a traditional set of presentations of academic papers, the moderated conference will facilitate a brief and focused showcasing of the experiences of international and Brazilian policymakers and practitioners, with sufficient time in each session and at the end of each day for technical feedback from global experts, academics and think tank researchers, who will provide complementary knowledge in light of the policy presentations.

The audience will be composed of about 60 knowledgeable participants to facilitate sufficient informed conversation in each session, including relevant policymakers and private sector participants from Argentina, Chile, Colombia, Mexico, and Uruguay. The conference is being supported by the World Bank-managed Diagnostic Facility for Shared Growth (DFSG) as part of its knowledge sharing activities, by BNDES, by the World Bank's Brazil Country Management Unit, and by OECD's Directorate for Science, Technology and Industry.

Program

Monday, October 24: *The Geography of Innovation and Policy Design*

10h00-10h30 – Welcome coffee and registration

10h30-11h00 – Welcoming remarks

João Carlos Ferraz, Vice-President, BNDES

Makhtar Diop, Brazil Country Director, World Bank

Dirk Pilat, Head, Structural Policy Division, OECD

11h00-12h30 Session 1. The global geography of innovation: Causes and implications of the rising contribution of emerging economies and the BRICS to global knowledge

- Evidence on the changing geography of innovation
- Why international economic integration is not enough to raise national and global flows of knowledge and productivity
- The drivers of innovation in BRICS and other developing economies: Growth, policies or learning?
- The case of Brazil

Moderator: Carlos Braga, World Bank

Opening presenters (15 min max per presentation):

Dirk Pilat (OECD) – Key global STI developments based on the 2011 OECD STI Scoreboard;

Jorge Arbache (BNDES) and Andrea Goldstein (OECD) – Innovation investments by MNEs in Brazil;

Xielin Liu (Vice President, Chinese Association of S&T Policy and National Research Center for S&T for Development, Min of Science and Technology) – the drivers of innovation and policy challenges in China;

Glauco Arbix (Finep) – implications of the changing geography of STI for Brazil.

Discussants: all

12h30-14h00 Lunch

14h00-15h30 Session 2. Searching for effective innovation policies for inclusive growth

- How should innovation policy priorities be determined?
- Is there a role for innovation policies to ensure that the benefits of technological learning and innovation flow more broadly to the economy, rather than to a few favored sectors and/or to firms and end-user consumers abroad?
- Are preferred targets in the business sector a broader, more inclusive range of market participants: SMEs (technology start-ups vs all SMEs), MNCs, National Champions, natural resource sectors, high tech sectors, or where revealed comparative advantages currently prevail or are expected to prevail in the future?

— Demand pull or supply push?

Moderator: Alessandro Teixeira (MDIC)

Opening presenters (15 min max per presentation):

Andrei Yakovlev (Vice-Rector of University, Higher School of Economics, Russia) – on agents of innovation in Russia and policies to promote innovation at both federal and sub-national levels;

Manuel Heitor (Portugal) – on university industry linkages and creation of innovation clusters;

Luis Antonio Elias (Vice-Minister, Ministry of Science and Technology, Brazil) – on the appropriate mix of innovation policies for Brazil.

Discussants: all

15h30-16h00 **Coffee break**

16h00-18h00 **Session 3. Technical Feedback for Sessions 1 and 2, followed by extended conversations:**

Moderator: Wilson Peres (ECLAC)

Opening presenters (15 min max per presentation): Charles Sabel (Columbia University); William F. Maloney (World Bank); Jorge Katz (University of Chile); Gert Bruche (Berlin School of Economics and Law); Mario Cimoli (ECLAC)

Discussants: all

Tuesday, October 25: Policy Implementation, Governance and Evaluation

10h00-11h30 **Session 4. Implementing innovation policies for inclusive growth**

— How to ensure effective implementation of innovation policies

— Financing innovation: Do financial-market imperfections hamper the emergence of new innovative firms? What are the relevant instruments for which kinds of imperfections?

— Regulation, safeguards and innovation: How to best protect public interests and foster competition?

— How to induce innovation capabilities through public procurement?

— How can multilateral agencies help?

Moderator: Carlos Braga, World Bank

Opening presenters (15 min max per presentation):

Vijay K. Vijayaraghavan (CEO, Sathguru Management Consultants and Chairman, Department of Biotechnology Intellectual Property, Technology Transfer and Entrepreneurship Committee for Vision 2025, Ministry of Science and Technology, India) - on how to foster accelerated technology absorption for affordable health, agriculture, energy and environmental products;

Keun Lee (Director, Center for Economic Catch-Up, Korea) – on recent and current implementation challenges in Korea, including nurturing new transformational entrepreneurs given the continuing pull of the chaebols;

Carlos Pacheco (Unicamp) – on innovation policy implementation priorities and challenges for Brazil.

Discussants: all

Coffee and pastries will be available during session 4

11h30-13h00 **Session 5. Should countries pursue innovation policies at the sub-national level?**

- What is the evidence on the scale and scope of knowledge spillovers?
- Country experiences with decentralized innovation systems
- Incubation: a role for the public sector or endogenous agglomeration of innovative firms?

Moderator: Dirk Pilat, OECD

Opening presenters (15 min per presentation):

Bob Hodgson (Zernike, UK) – on creating knowledge markets for diffusion, including bridging institutions that link entrepreneurship and finance with local research institutions;

Francisco Medina (Director General, Jalisco State Council of Science and Technology (COECYTJAL)) – on Mexico's experience in pursuing innovation policies at the sub-national level;

Rafael Lucchesi (CNI) – on priorities and challenges for sub-national innovation policies in Brazil

Discussants: all

13h00-14h30 **Lunch**

14h30-16h00 **Session 6. Governance of innovation systems and evaluation practices**

- Ensuring that publicly financed innovation policies work: Results-based approach, better governance, more accountability, effective monitoring and evaluation?
- How can publicly supported innovation policies be subjected to accountability and empirical evaluations?
- What can government agencies in complex emerging countries environments do and what are they doing at present to ensure that the innovation policies work?
- Best practices and lessons learned

Moderator: Jorge Arbache, BNDES

Opening presenters (15 min max per presentation):

Dominique Guellec (OECD) – on OECD experience with country reviews of innovation, and the impact of evaluation practices of innovation policy implementation;

Cristobal Undurraga (Executive Director, InnovaChile, CORFO) – on governance of innovation systems and evaluation practices in Chile;

Roberto Sainz (Chief of the Secretary of Management and Strategy of Embrapa) – on priorities and challenges for governance and evaluation of innovation policies in Brazil.

Discussants: all

16h00-16h30 **Coffee break**

16h30-18h00 **Session 7. Technical Feedback for Sessions 4, 5, and 6 followed by extended conversations**

Moderator: Esperanza Lasagabaster, World Bank

Opening presenters (15 min max per presentation): Carlos Alvarez (Deputy Director, OECD Development Center); Mauro Borges Lemos (President of ABDI); Gabriel Casaburi (IDB), Daniel Lederman (World Bank).

Discussants: all

18h00-19h00 **Closing Remarks: What Have We Learned? What Comes Next?**

Chair: Otaviano Canuto, Vice President, Poverty Reduction and Economic Management, World Bank

Presenters:

Luciano Coutinho, President, BNDES

Aloízio Mercadante, Minister of Science and Technology, Brazil

Pedro Wongtschowski, President of Group Ultra and member of the Movimento Empresarial pela Inovacao (MEI), Brazil

Nelson Fujimoto, Secretary of Innovation, Ministry of Trade and Development, Brazil

Marcos Bonturi, Deputy Chief of Staff in the Office of the OECD Secretary General