OECD REVIEW OF INNOVATION POLICY: FINLAND

PRELIMINARY FINDINGS

A NEW VISION AND GOVERNANCE FOR A REINFORCED FINNISH INNOVATION SYSTEM

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BETTER POLICIES FOR BETTER LIVES

Three generations of innovation system governance and their challenges

- Post-WW2 'blind delegation' to the scientific community based on the linear model
  - Disconnection of research from innovation
- 'Science policy' and eventually 'innovation systems'. Innovation policy as industry policy
  - Requires a holistic approach with growing focus on coordination across ministries and sectors and on institutional performance
- 'Societal challenges' whose resolution requires various degrees of transition between socio-technical systems
  - Engagement of more stakeholders (many from outside the innovation policy sphere) to create consensus about directions of travel and enable implementation

These are not alternatives: they are sedimentary layers

- 'Blind delegation' remains an important component, especially in 'basic' research, reflecting our inability to plan everything

- Innovation systems approach remains central in many areas innovation policy

- Governance to meet societal challenges is still evolving, providing opportunities for advantage through governance entrepreneurship

- Finland needs a mix of all three styles – and has an opportunity to succeed in the third generation based on the social capital and experience it has built up during the second

A vision that coordinates and prioritises

- A high-visibility national visioning exercise with whole-of-government commitment
    - Defining and addressing the societal challenges that provide innovation and growth opportunities for Finland
    - Building on Finland's strong record in foresight and governance
- Broad engagement across sectors and parts of society: 'we are all in one boat'
- A public process, but guided by foresighters, road mappers and government and supported by analysis of how the Finnish system could support alternative strategies
- Generating wide commitment to a set of priorities – while not ignoring the continuing need for parts of the innovation system to be governed using first- and second-generation techniques
- Link global societal challenges to industrial renewal and business opportunities.
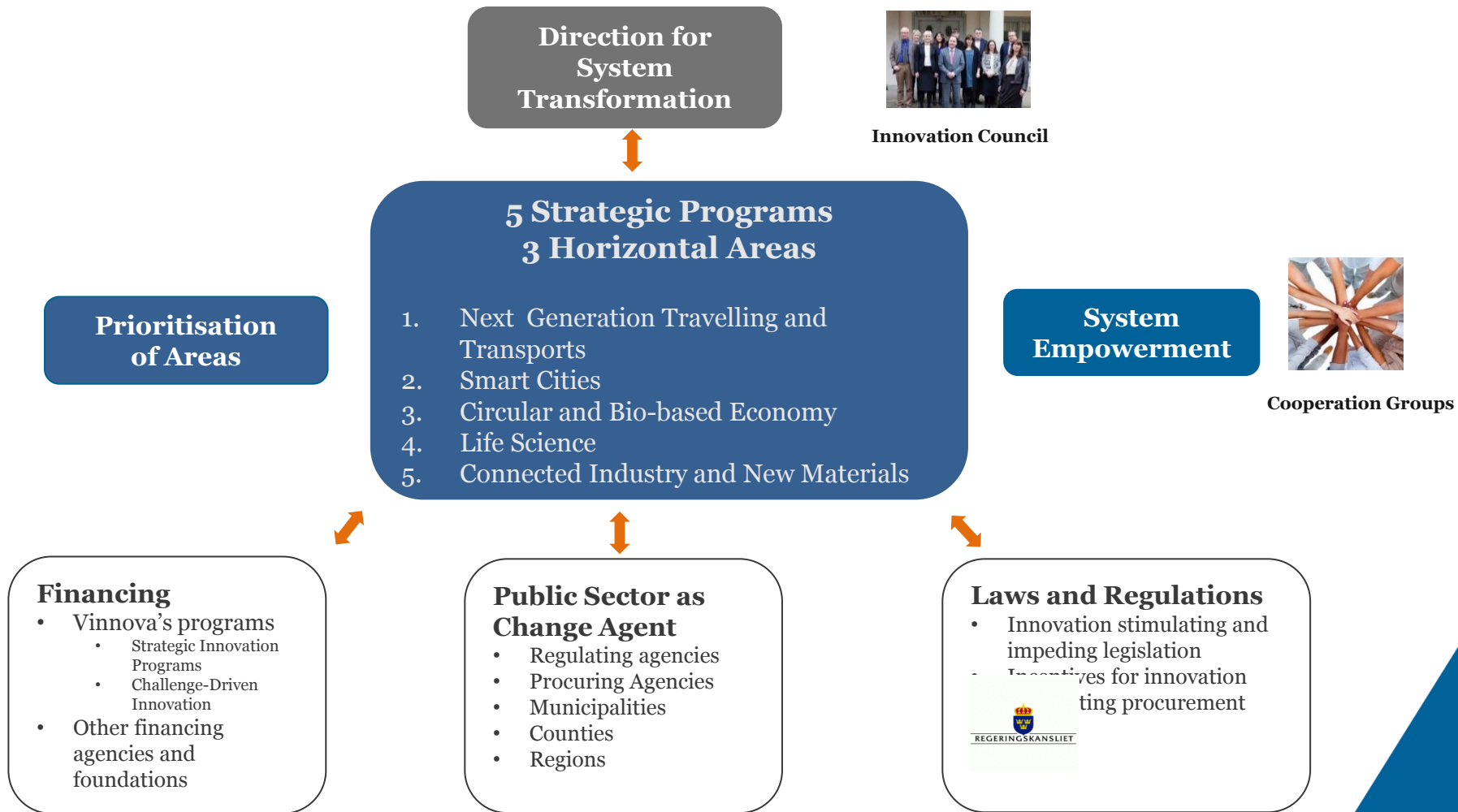
Use PPPs to guide the trajectory and implementation for each challenge

- Trigger PPPs involving many stakeholder groups through competitive processes, not top down
- Develop Strategic Research and Implementation Agendas in the context of the wider societal changes needed in each case
- Build on experience to evolve a functioning model
  - National experience in bio-economy, healthcare and SHOKs
  - International experience such as Sweden's Strategic Innovation Areas
  - Experiment in mainstream policy formation – perhaps invite SITRA to support with further policy experiments
- Take great care with governance: PPPs bring many of the risks we associate with principal-agent relations

Build on Swedish experience with Strategic Innovation partnerships

Direction for System Transformation

Innovation Council

5 Strategic Programs
3 Horizontal Areas

1. Next Generation Travelling and Transports
2. Smart Cities
3. Circular and Bio-based Economy
4. Life Science
5. Connected Industry and New Materials

Prioritisation of Areas

System Empowerment

Cooperation Groups

Financing
- Vinnova's programs
  - Strategic Innovation Programs
  - Challenge-Driven Innovation
- Other financing agencies and foundations

Public Sector as Change Agent
- Regulating agencies
- Procuring Agencies
- Municipalities
- Counties
- Regions

Laws and Regulations
- Innovation stimulating and impeding legislation
- Incentives for innovation ting procurement

A new role for the RIC as an 'arena of arenas' and systems coordinator

- The relaunch of the RIC is an opportunity to update innovation system governance
- Build on its traditional coordinating role in research and innovation policy
- A new role in leading the national envisioning and priority setting process
- Becoming an 'arena of arenas' as these are implemented
- Bridging across the three governance styles
- Needs
  - Consensus and commitment on this role for the RIC
  - Resources to support the wider work of the RIC
  - Perhaps building on the policy research budget of the Prime Minister's office and the work of the Strategic Research Council