



OECD REVIEW OF INNOVATION POLICY: FINLAND

# A NEW VISION AND GOVERNANCE FOR FINLAND'S INNOVATION SYSTEM

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# Three generations of innovation system governance and their challenges

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- 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



# Changes needed in policy: time to go on the offensive

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- Reactive → Proactive
- Retrenchment → Supporting R&I-driven growth
- Fragmented → Systemic
  - Involving all relevant actors
  - No important gaps, eg strategic research
- Silo'ed → Co-ordinated
- R&I actor focused → Societal, platforms, networks
- Incremental → Radical



## Changes **not** needed in policy

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- Ignoring existing assets and comparative advantages in favour of green fields
- Abandoning aspects of policy from earlier governance generations that provide the foundations for growth
  - cp Tekes, Academy, VTT
- Abandoning systemic policy in favour of simple ‘either/or’ solutions



# A vision that coordinates and prioritises

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- 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 wide-ranging public process, 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

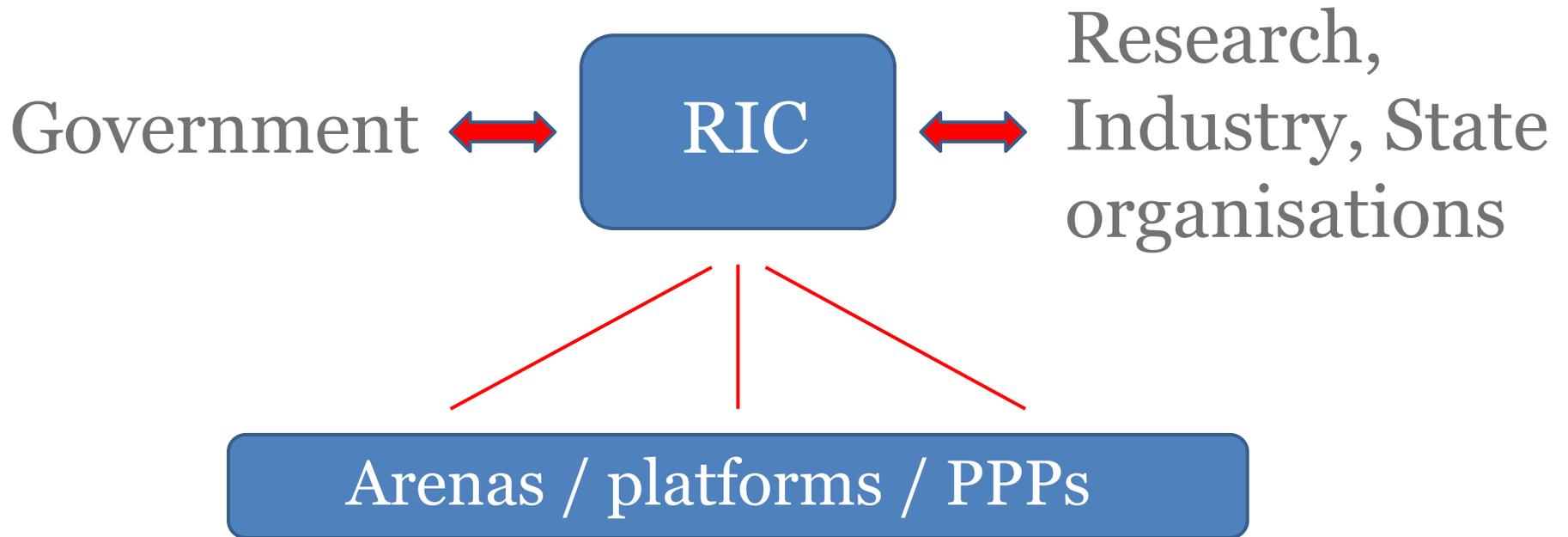
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- Trigger PPPs involving many stakeholder groups through competitive processes, not top down
- Develop Strategic Research and Implementation Agendas in the context of the wider societal changes needed in each case
- Build on experience to evolve a 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



# Structural implications

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

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- 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



## ‘Strategic research’ in policy and innovation

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- The SRC and increased analytical resources in the PM’s Office strengthen national policy development capabilities
- But there remains a crucial gap in ‘strategic research’ in the sense of application-orientated work on KETs, translational work and capacity-building to support innovation
- These things should not be mixed up