**”Les Assises de la Recherche et de L’Innovation”, Mauritius, April 2022**

Hand-out from **Charles Edquist**:

“**Holistic Innovation Policy – Story, Flaws, and Solutions** ”

1. **The story – and the flaws**
* How important are innovations? Behind 90 % of growth since 1870!
* The **linear** view said that most innovation is based on research – flawed!
* **Many, many** other things than research are determinants of innovation:
	+ Education, demand, entrepreneurship, laws, interactive learning, incubation, financing, …10 activities in my definition.
* “System of innovation” **replaced** the linear view in **innovation research**
* This was a **great leap forward** – many million hits at Google Scholar
* This did **not** happen in **innovation policy** where the linear view prevails
* “Research and innovation policy” are still seen as **combined, but:**
	+ Innovations are **very** different from research results
	+ The **determinants** between them differ a lot
	+ This **requires different policies** – for innovation and for research
	+ Much innovation is not based on new research results **at all**
	+ Innovation policy is treated as **inferior** to research policy
	+ Most ‘Councils’ deal mainly with research and not with innovation
	+ Example: the Mauritius Research and Innovation Council (MRIC)
* Innovation policy is **far behind** innovation research
* Innovation policy designers can **learn a lo**t from innovation research
1. **Some proposed solutions**
* **Distinguish** between innovation (policy) and research (policy)!
* This will make it possible to develop **innovation policy** into a **separate policy area** with a responsible Minister and a professional secretariate.
* Innovation policy should be **holistic** = deal with **all** determinants of innovation
	+ This holistic policy must include instruments from the **demand** side
	+ An example is **public procurement**
	+ Procurement policy is potentially more important for innovation than research policy, especially for **small countries.**
	+ The buyer should **describe the problem that shall be solved** – not the product that shall be bought!
	+ Innovation (policy) not only important for welfare, but also for **climate, health and environment**
* Innovation policy instruments must be **coordinated** – e.g by a Council
* **Two Councils** – one for innovation policy and one for research policy?
* **Innovation** is much **more important** than research for the economies – especially for small countries
* It would perhaps be better to combine innovation policy (in a Council) with **economic development policy** (than with research policy)?
* Also, **diffusion** of innovations ( = absorption) is more important for small countries than their development
* Innovation research has **matured**: **developing a theory of innovation**.
* But innovation **policy is behind**! – WORLDWIDE!.

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A FEW PUBLICATIONS (Downloadable)

1. Edquist, C. (May 2019). **Towards a holistic innovation policy: Can the Swedish National Innovation Council (NIC) be a role model?**Published in ***Research Policy****,* Volume 48, Issue 4. Download at  <https://doi.org/10.1016/j.respol.2018.10.008> Alternative link [here](https://charlesedquist.files.wordpress.com/2020/03/research-policy.pdf).
2. Borrás, S., & Edquist, C.  (2019) **Holistic Innovation Policy: Theoretical Foundations, Policy Problems and Instrument Choices,** Oxford: ***Oxford University Press***. Can be ordered at: [Oxford University Press](https://global.oup.com/academic/product/holistic-innovation-policy-9780198809807?q=edquist&lang=en&cc=gb). It can also be downloaded [here](https://charlesedquist.files.wordpress.com/2020/03/hip_2019.pdf).
3. Edquist, C and Zabala-Iturriagagoitia, J M (December 2020). **Functional procurement for innovation, welfare, and the environment.** Published in ***Science and Public Policy***, December 2020.Download at: <https://academic.oup.com/spp/advance-article/doi/10.1093/scipol/scaa046/6026548?guestAccessKey=1e4498ac-390a-4644-afe2-089b77a90609> Alternative link [here](https://charlesedquist.files.wordpress.com/2021/04/edquist_zabala-iturriagagoitia_scipol2020.pdf).
4. Edquist C. **“Gör innovation till ett eget politikområde!” (Make innovation into a separate policy area!)”** was published in the Swedish website Dagens Arena February 13th, 2022. <https://www.dagensarena.se/essa/gor-innovation-till-ett-eget-politikomrade/>

**Appendix: Ten Important Activities/Determinants in innovation systems**

**1. R&D**

**2. Education and training**

**3. Formation of new product markets**

**4. Articulation of quality requirements**

**5. Creation and changing organizations**

**6. Interactive learning**

**7. Creating and changing institutions**

**8. Incubation**

**9. Financing of innovation processes**

**10. Consultancy services**

**Policy** is **not** a separate activity – but a part of **all** the ten activities