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**Presentation of reports on science, technology and innovation policy reviews**

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## **Finnish commentary / 5-10.min.**

### **CSTD/Oman STIP-review**

- Chairman, distinguished representatives of the Omani government, your excellencies, ladies and gentlemen.
- Finland is grateful for this opportunity to comment on the STIP-review of Oman and to draw some comparisons between our countries and respective developments.
- In this context, I'd like commend Oman's readiness to allow its innovation performance openly evaluated and its willingness to invest in measures to develop its innovation system further.
- As regards the report conclusions, the three pillars of communication, inspiration and leadership in bringing about the needed change provide a useful set of principles to guide the process.
- Today it seems that basic building blocks of successful innovation policies and systems are widely known, but implementation of best practice remains difficult: it is true that countries need to develop their own locally relevant approaches, but it is equally clear that countries can learn from each other's experiences. For this purpose, the Oman review at hand has high relevance to countries in similar situation.
- The challenge of managing transition from a resource-based economy to a diversified, globally competitive economy, while protecting one's cultural identity is as familiar to Finland as it is to Oman.
- In the 1960's, Finland was a relatively agrarian middle-income country, with few competitive factors, mostly based on raw materials and natural resources. Today, Finland is constantly rated as one of the most competitive countries in the world. We have been able to combine the Nordic welfare system with an open, knowledge-based and innovative economy. Our industrial base has diversified and we have a very high share of academically educated workforce.
- This success did not happen overnight, but is a result of deliberate policy choices over decades. A crucial aspect was the expansion of our education system in the 1960's and 1970's. After this, science and technology policy received strong attention in the 1980's and innovation-led growth took off in the 1990's. As part of

this process, Finland developed certain strengths which I believe bear relevance to the Oman review also.

- Before going into details, I'd like to emphasise that replicating policies across the borders may not be possible. What worked in Finland may not work elsewhere for some reason or other. However, I'd like to highlight some elements which allowed profound transformation of the Finnish economy and which may serve as points of reference to Oman as well.

1. **"Innovation policy should not be a one-agency show."** Finnish innovation policy has been designed through a systemic and government-wide approach. This has made it possible to quickly implement a national vision across the board. The important role of the Finnish Research and Innovation Council chaired by the prime minister is illustrative of this.
2. **"Innovation is an interactive process"**. In Finland public instruments supporting innovation have been designed to encourage cooperation between the private sector, public sector and the knowledge institutions. To give an example, we have used public investments in R&D successfully to promote and crowd-in private investments. This is how we were able to increase our national R&D spending from little over 1% of the GDP in the 90's to more than 3,5% of the GDP in the early 2010's. Furthermore different cluster programmes have played a large role in bringing users and producers of knowledge together. These might be models with relevance to Omani policy also.
3. **"Education plays a keyrole."** The education system has for a long time been seen as an integral part of the Finnish innovation system. It is needless to say that highly-educated populace is a great asset when it comes to application of high-tech and innovation. Investment in human capital development, education and training lays also the basis for sustainable investments in science, technology and innovation.
4. **"Credible institutions are important."** In the Finnish case, perhaps the most significant role has been played our public innovation funding agency (Tekes), which has had a major role in planning and implementing innovation policy. Tekes today has a budget of about 600 million Euros, mostly for funding private sector innovation projects. In the light of the STIP-review of Oman it may be worthwhile investigating if this aspect needs more attention.

5. **"Innovations rarely, if ever emerge in a vacuum."** Openness and cooperation across borders is particularly important for small countries as innovation ecosystems grow more and more international. Openness to the world, to capital, trade and ideas has enabled Finland to grow its economy and diversify its industrial base. According to our experience it is important to devise policies which promote both inward and outward internationalisation.
  6. **"Evaluations matter"**. Finnish innovation institutions, policies, instruments and programs have been evaluated over and over. Results may not always please us, but they offer important feedback and opportunities for learning. The Oman review highlights the need for evidence-based policymaking, a conclusion strongly encouraged by the Finnish experience.
- **The Oman review portrays an innovation system with a strong will to develop further.** Based on the Finnish experience, it is worth investing in gradual completion and build-up of different elements of the system. It is important to remember that everything can't be completed at once. In the light of our experience it is important that National authorities enable and empower other stakeholders in the system, to develop trust and gain traction for their policies in this process.
  - With these words I'd like conclude. I wish to congratulate Oman for the successful review and once again thank the CSTD for giving us the opportunity to deliver our comments.

